Journal of Economics, Finance and Management Studies

ISSN (print): 2644-0490, ISSN (online): 2644-0504

Volume 09 Issue 10 October 2026

Article DOI: 10.47191/jefms/v9-i10-19, Impact Factor: 8.735

Page No: 5393-5403

Does Entrepreneurial Orientation Drive Women's Business Performance? The Moderating Roles of Family Support and Cultural Embeddedness in An Emerging Economy

Raisa Fitri[1], Sudarmiatin[2], Mokhammad Nurruddin Zanky[3], Ahmad Maulana Rahmansyah[4]

[1,2,3,4]Department of Management, Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

ABSTRACT: Women's entrepreneurship is an important engine of inclusive economic development in emerging economies, yet the business performance of women-owned enterprises often remains suboptimal. This study examines the effect of entrepreneurial orientation (EO) on business performance in women-owned small enterprises, together with the moderating roles of family support and cultural embeddedness, by integrating the embeddedness perspective and contingency theory. An explanatory quantitative approach was applied to 114 women who are owners and principal managers of SMEs in Malang City, selected purposively. Data were collected through an online five-point Likert-scale questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4, covering outer-model and inner-model evaluation, including moderation tests. The results show that EO has no significant direct effect on business performance. In contrast, family support and cultural embeddedness have positive and significant effects, with cultural embeddedness as the strongest predictor. Family support significantly moderates the EO–business performance relationship but in a negative direction, while cultural embeddedness does not moderate this relationship. These findings confirm that women's business performance is determined more by socio-cultural resources than by entrepreneurial orientation alone, and that family support plays a dual role as a resource and as a constraint on entrepreneurial latitude. This study contributes to the development of a contextual model of women's entrepreneurship and offers implications for policies to empower women-owned SMEs.

KEYWORDS: Entrepreneurial Orientation; Business Performance; Family Support; Cultural Embeddedness; Women Entrepreneurs; PLS-SEM

I. INTRODUCTION

Women's entrepreneurship is increasingly recognized as an engine of inclusive economic development in emerging economies because it contributes to job creation, strengthens small and medium-sized enterprises (SMEs), and improves family welfare (Henry et al., 2016; Welter et al., 2017). Nevertheless, women entrepreneurs' business performance tends to lag, particularly in growth, scalability, and business sustainability (Corrêa et al., 2021; Khan et al., 2021). This gap suggests that dominant approaches cannot fully explain the success of women's entrepreneurship, as they emphasize individual factors and assume a uniform, direct relationship between strategic orientation and business performance.

Entrepreneurial orientation (EO) encompassing innovativeness, proactiveness, and risk-taking has long been positioned as an important determinant of business performance (Rauch et al., 2009). However, empirical evidence shows that the EO–performance relationship remains inconclusive, particularly among small businesses in emerging economies (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005; Ngo, 2023; Nuryakin, 2024). Several studies emphasize that EO's effectiveness is contingent: the magnitude of its effect on business performance depends on its fit with the environmental, social, and cultural conditions in which the business operates (Lumpkin & Dess, 1996; Covin & Slevin, 1989). In other words, the more relevant research question is not merely whether EO matters, but under what socio-cultural conditions the effect of EO on women's business performance becomes stronger or weaker.

To address this question, this study draws on the embeddedness perspective, which holds that economic action is never detached from the social and cultural relational structures in which the actor is situated (Granovetter, 1985). This perspective aligns with calls for contextualizing entrepreneurship and for theory to be more sensitive to local social realities (Welter, 2011; Welter & Baker, 2021). Two forms of embeddedness are salient in women's SMEs. First, family support as relational

embeddedness: the family is not merely a social backdrop but a resource that can enable entrepreneurial action (Aldrich & Cliff, 2003; Powell & Eddleston, 2013; Boonyaphen et al., 2026). Second, cultural embeddedness as a form of cognitive-normative embeddedness: gender norms and cultural values shape women entrepreneurs' legitimacy and strategic latitude (Weiss et al., 2023; Baughn et al., 2006).

A research gap arises because these two socio-cultural factors are generally treated as antecedents or background variables and are rarely tested empirically as conditions that moderate the effect of EO on business performance among women's SMEs in emerging economies. Theoretically, however, family support and cultural embeddedness are pre-existing contextual conditions that determine the extent to which entrepreneurial orientation translates into business performance. Positioning them as moderators is more coherent with contingency logic (Lumpkin & Dess, 1996; Covin & Slevin, 1989) and the embeddedness perspective (Granovetter, 1985; Welter & Baker, 2021) than treating them as mediating mechanisms.

This study focuses on women who are owners and principal managers of SMEs in Malang City. According to data from the Office of Cooperatives, Industry, and Trade of Malang City, more than 90% of MSMEs in Malang City are managed by women, with approximately 21,000 verified active MSMEs, most of which operate in the culinary, garment, craft, and small-service sectors—sectors that traditionally involve family roles (Diskopindag Kota Malang, 2024). Malang's socio-cultural character, located at the intersection of the Arek–Mataraman cultures, emphasizes collectivism and family ties, making it a representative setting for testing the moderating roles of family support and cultural embeddedness.

Based on the foregoing, this study aims to develop and empirically test a contingency model of business performance among women-owned SMEs, with family support and cultural embeddedness as moderators of the EO–business performance relationship. Its urgency is both theoretical and practical: it broadens understanding of the boundary conditions of EO's effect while providing a basis for contextual and sustainable policies to empower women-owned SMEs, in line with SDG 5 (Gender Equality).

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Business Performance of Women's SMEs

Business performance in the SME context is commonly understood as multidimensional, encompassing growth (turnover, customers) and business profitability. Because women's SMEs often lack formal financial records, the literature commonly uses owners' perceptions of achievement relative to goals or competitors as a valid measure (Rauch et al., 2009; Wiklund & Shepherd, 2005). At the organizational level, recent studies affirm that entrepreneurial orientation and the owner's social factors translate into firm performance in women-led businesses (Exposito et al., 2023; Espinoza-Samaniego & Guevara, 2025). This study adopts a perceptual approach to reach the informal SMEs that dominate the population.

B. Entrepreneurial Orientation

EO represents a firm's strategic posture reflected in the tendency to innovate, act proactively, and take risks (Rauch et al., 2009; Lumpkin & Dess, 1996). Meta-analyses show that EO is positively related to performance, but effects vary substantially across contexts (Rauch et al., 2009). This variation motivates the contingency approach: EO is treated as a capability whose benefits are not automatic but depend on supporting resources and context (Wiklund & Shepherd, 2005; Covin & Slevin, 1989; Hernández-Perlines et al., 2021). In this study, EO is treated as a latent construct with three dimensions (innovativeness, proactiveness, risk-taking).

C. Embeddedness Perspective: Family Support and Cultural Embeddedness

The embeddedness perspective (Granovetter, 1985) holds that economic action is embedded in social relational networks and cultural structures, so that business decisions and performance cannot be separated from their context (Welter, 2011; Welter & Baker, 2021). Family support is a form of relational embeddedness: through the family embeddedness perspective, the family provides emotional, labor, capital, and legitimacy resources that enable entrepreneurial activity (Aldrich & Cliff, 2003). Empirical evidence shows that family support and enrichment contribute to business success, particularly for women (Powell & Eddleston, 2013; Boonyaphen et al., 2026; Neneh & Welsh, 2022). Cultural embeddedness is a form of cognitive-normative embeddedness: gender norms, collectivist values, and social legitimacy influence the strategic latitude and decisions of women entrepreneurs (Weiss et al., 2023; Baughn et al., 2006).

D. Contingency Theory and the Logic of Moderation

Contingency theory rejects the one-best-way assumption; the effectiveness of a strategic orientation depends on its fit with the context (Lumpkin & Dess, 1996; Covin & Slevin, 1989). In the EO literature, this approach is operationalized through the testing of interaction (moderation) effects, that is, the extent to which contextual factors strengthen or weaken the effect of EO on

business performance (Wiklund & Shepherd, 2005). This study combines both lenses: embeddedness explains why family support and cultural embeddedness matter, while contingency theory explains their influence as moderating conditions. This combination is appropriate because EO is a firm's strategic posture—not an executive's demographic characteristic—so a contextual-contingency lens better explains variation in EO's effect on women's business performance (Welter & Baker, 2021).

E. Conceptual Framework and Hypotheses

The study's conceptual framework positions EO as the main predictor of business performance, with family support and cultural embeddedness moderating that relationship. The model tests both direct and interaction effects.

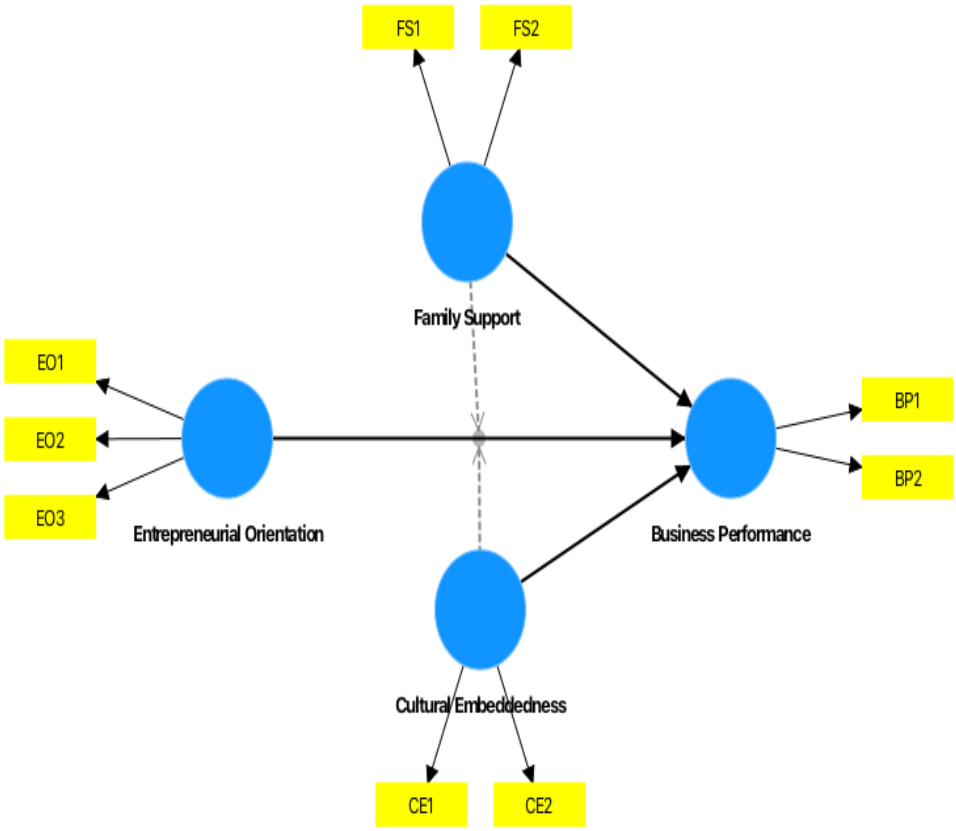


Figure 1. Research Model Framework

Direct effect of EO. As a strategic posture, EO drives firms to capture opportunities, renew products/markets, and act ahead of competitors, which contributes to business performance (Rauch et al., 2009; Wiklund & Shepherd, 2005).

H1: Entrepreneurial orientation positively affects business performance.

Direct effects of the moderators. Consistent with the embeddedness perspective, family support provides resources that ease business constraints, while cultural embeddedness confers legitimacy and social capital that facilitate access to local resources (Aldrich & Cliff, 2003; Powell & Eddleston, 2013; Weiss et al., 2023; Baughn et al., 2006).

H2: Family support positively affects business performance.

H3: Cultural embeddedness positively affects business performance.

Moderation effects. Contingency logic predicts that the benefits of EO are not uniform. When family support is high, women entrepreneurs have greater latitude to take risks and innovate because resource buffers and role-sharing are available, so EO translates more effectively into performance (Aldrich & Cliff, 2003; Powell & Eddleston, 2013; Eddleston & Powell, 2012). Likewise, strong cultural embeddedness provides social legitimacy and networks that amplify the returns to proactive and innovative actions (Welter & Baker, 2021; Weiss et al., 2023; Baughn et al., 2006).

H4: Family support moderates the effect of entrepreneurial orientation on business performance, such that the effect strengthens when family support is high.

H5: Cultural embeddedness moderates the effect of entrepreneurial orientation on business performance, such that the effect strengthens when cultural embeddedness is strong.

III. METHOD

A. Research Design

This study uses an explanatory quantitative approach to explain how, and under what conditions, entrepreneurial orientation affects business performance among women-owned SMEs in Malang City. The design is cross-sectional and survey-based, consistent with testing the structural model and moderation effects.

B. Population, Sample, and Respondent Justification

The population comprises women who are owners and principal managers of SMEs in Malang City. The selection of these respondents is grounded in the owner-managed character of SMEs: the owner is the sole strategic decision-maker and the embodiment of the firm's entrepreneurial orientation, so that business performance is most validly explained through the owner's orientation and the contextual conditions she faces (Wiklund & Shepherd, 2005; Powell & Eddleston, 2013). The inclusion criteria were:

- Women who are owners and principal managers of the business (not passive co-owners).
- The business has operated for at least two years so that performance and socio-cultural dynamics are stable.
- Strategic decisions rest with the owner.

The sampling technique was purposive sampling. Data were collected through a structured online questionnaire, supported by women's entrepreneurship communities to improve reach and response rates. Of these, 114 respondents returned complete questionnaires and met the criteria for further analysis—sufficient for PLS-SEM with interaction effects.

C. Variable Measurement

All latent constructs were measured using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree) with items adapted from validated instruments. Entrepreneurial orientation was measured using items originating from Covin & Slevin (1989), grounded in the innovativeness, proactiveness, and risk-taking dimensions of Rauch et al. (2009) and Lumpkin & Dess (1996), and enriched with the recent instrument of Clark et al. (2025); because the respondents are owners and principal managers (owner-managers), the individual and firm levels of orientation converge, so that referencing both levels is justifiable. We measured family support using items from Powell & Eddleston (2013), Eddleston & Powell (2012), and De Clercq et al. (2022). Cultural embeddedness was measured using items from Weiss et al. (2023) and Baughn et al. (2006); because the original instruments were developed at the aggregate value level, the items were adapted to the business owner's perception to match the study's unit of analysis. Business performance (perceived achievement of growth and profitability) was measured using items from Wiklund & Shepherd (2005) and Exposito et al. (2023).

D. Data Analysis Technique

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4, which is appropriate for complex models with moderation effects, data that do not require normality, and a prediction orientation (Hair et al., 2019). The analysis proceeded in two stages. The measurement model was evaluated through reliability (Cronbach's alpha, composite reliability), convergent validity (loadings, AVE), and discriminant validity (the Fornell-Larcker criterion). The structural model was evaluated through path coefficients, R^2, and effect sizes.

The moderation effects (H4, H5) were tested using the two-stage approach: the latent scores from the first stage were used to form the interaction terms (EO × family support; EO × cultural embeddedness) in the second stage. We tested the significance of all coefficients through bootstrapping (5,000 subsamples). Following interaction-model specification rules, the model retained the direct effects of both moderators along with their interaction terms to avoid estimation bias (Hair et al., 2019).

IV. RESULTS AND DISCUSSION

A. Respondent Characteristics

This study involved 114 women who are owners and principal managers of SMEs in Malang City who completed the online questionnaire and met the analysis criteria, with all variable items measured using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). In terms of profile (Table 1), most respondents operate in the culinary sector (48.55%), followed by fashion (30.98%) and craft and creative industries (20.47%), sectors closely tied to family roles and consistent with the study's context. Most businesses are small, with 5–19 employees (62.19%) and the remainder with 20–99 employees (37.81%), underscoring the owner-managed character that makes the owner the principal decision-maker. In terms of age, respondents are dominated by the young groups of 18–30 years (49.38%) and 31–40 years (30.52%); while in terms of operating age, all businesses have operated for at least two years, with the majority in the 2–5-year (42.84%) and 6–10-year (30.48%) ranges, so that their performance and business dynamics are sufficiently established. Regarding education, most respondents have a senior high school education

(54.72%), followed by diploma to higher education (27.02%) and junior high school (18.26%). Overall, this profile depicts women SME managers in Malang City who are relatively young, of secondary education, and run operationally established small-to-medium businesses, characteristics consistent with the study's objectives.

Table 1. Demographic Profile

Type of SMEs	**(%)**
Food and beverage	48.55
Fashion	30.98
Craft and Creative Industries	20.47
Number of employees	
5–19	62.19
20–99	37.81
Ages	
18–30	49.38
31–40	30.52
41–50	8.54
>51	11.56
Number of years operating	
2–5	42.84
6–10	30.48
11–15	19.23
> 16 years	7.45
Education Level	
Middle School	18.26
High School	54.72
Senior Secondary and Diploma Certificates/Graduation	27.02

Source: *Data processed by SPSS*

B. Measurement Model Evaluation (Outer Model)

Outer-model evaluation covers convergent validity, reliability, and discriminant validity. Table 2 shows that all indicators have factor loadings above 0.70, with the lowest for EO1 (0.774) and the highest for FS2 (0.928). The Average Variance Extracted (AVE) for all constructs also exceeds the 0.50 threshold: entrepreneurial orientation (0.695), cultural embeddedness (0.833), business performance (0.843), and family support (0.853). Thus, convergent validity is established (Hair et al., 2019). For reliability, Cronbach's alpha ranges from 0.785 to 0.828, and Composite Reliability Ranges from 0.872 to 0.921; both exceed the 0.70 threshold. This indicates that all constructs have good internal consistency and are reliable.

Discriminant validity was tested using the Fornell-Larcker criterion (Fornell & Larcker, 1981), as presented in Table 3. The square root of each construct's AVE (diagonal values: 0.834–0.924) exceeds its correlations with other constructs. For example, the square root of the AVE of business performance (0.918) exceeds its correlations with cultural embeddedness (0.682) and family support (0.571). Thus, each construct is empirically distinct, and discriminant validity is established. Overall, the measurement model is valid and reliable so that the analysis can proceed to the structural-model stage.

Table 2. Measurement Model, Reliability and Validity Assessments

Construct / Indicator	**Factor Loading**	**Cronbach alpha**	**Composite Reliability**	**AVE**
Business Performance		0.813	0.915	0.843
BP1	0.916			

BP2	0.919			
Cultural Embeddedness		0.799	0.909	0.833
CE1	0.905			
CE2	0.919			
Entrepreneurial Orientation		0.785	0.872	0.695
EO1	0.774			
EO2	0.894			
EO3	0.828			
Family Support		0.828	0.921	0.853
FS1	0.920			
FS2	0.928			

Source: *Data processed by SmartPLS 4*

Table 3. Discriminant Validity (Fornell-Larcker Criterion)

	BP	**CE**	**EO**	**FS**
Business Performance	0.918			
Cultural Embeddedness	0.682	0.912		
Entrepreneurial Orientation	0.481	0.476	0.834	
Family Support	0.571	0.587	0.429	0.924

Source: *Data processed by SmartPLS 4*

C. Structural Model Evaluation (Inner Model)

Inner-model evaluation begins with the coefficient of determination (R^2). Table 4 shows an R^2 for business performance of 0.566, which is categorized as moderate (Hair et al., 2019). This means that entrepreneurial orientation, family support, cultural embeddedness, and their interaction effects can explain 56.6% of the variation in business performance, with the remainder explained by factors outside the model.

Table 4. R-Square (R^2) Value of Construct

Construct	**R-square**	**R-square adjusted**
Business Performance	0.566	0.546

Source: *Data processed by SmartPLS 4*

Hypothesis testing was conducted through the bootstrapping procedure, and the results are presented in Table 5. For the direct effects, entrepreneurial orientation does not significantly affect business performance (β = 0.124; t = 1.503; p = 0.133), so H1 is rejected. Conversely, family support has a positive and significant effect on business performance (β = 0.275; t = 2.596; p = 0.009), so H2 is accepted, and cultural embeddedness has a positive and significant effect with the largest coefficient (β = 0.421; t = 4.366; p = 0.000), so H3 is accepted. For the moderation effects, the interaction of family support with entrepreneurial orientation has a significant effect on business performance but in a negative direction (β = -0.270; t = 2.183; p = 0.029), so H4 is accepted; while the interaction of cultural embeddedness with entrepreneurial orientation is not significant (β = 0.126; t = 1.085; p = 0.278), so H5 is rejected.

Table 5. Hypotheses Testing

Path	O	M	STDEV	T	P	Result
EO → BP	0.124	0.123	0.082	1.503	0.133	Rejected
FS → BP	0.275	0.288	0.106	2.596	0.009	Supported
CE → BP	0.421	0.413	0.097	4.366	0.000	Supported
FS × EO → BP	-0.270	-0.251	0.124	2.183	0.029	Supported
CE × EO → BP	0.126	0.127	0.116	1.085	0.278	Rejected

Source: *Data processed by SmartPLS 4*

D. Discussion

The test results show that entrepreneurial orientation has no significant effect on business performance, so the first hypothesis is rejected. This finding indicates that the courage to innovate, act proactively, and take risks does not automatically improve business performance among women-led SMEs in Malang City. Theoretically, this result supports contingency theory, which holds that no single best way applies universally: the effectiveness of a strategic orientation depends on its fit with the context in which the business operates (Lumpkin & Dess, 1996; Covin & Slevin, 1989). In other words, the effect of entrepreneurial orientation on business performance is conditional not automatic and uniform, so that the absence of a direct effect is not an anomaly but a signal that EO's effect materializes only when supported by appropriate socio-cultural conditions.

Empirically, several recent studies support this finding. Ngo (2023), on manufacturing SMEs in Vietnam, found that entrepreneurial orientation has no significant direct effect on business performance and that its effect emerges only when mediated by differentiation advantages and innovation capability. Similarly, Nuryakin (2024), on brass-industry SMEs in Indonesia, found that entrepreneurial orientation has no direct effect on export performance but operates through innovation capability and access to international networks. Both studies reinforce the argument that entrepreneurial orientation requires accompanying mechanisms or conditions to affect performance.

Conversely, this finding is inconsistent with some other studies that report a positive and significant effect of entrepreneurial orientation on performance. Espinoza-Samaniego and Guevara (2025) found that entrepreneurial orientation positively affects organizational performance (through innovation) in family firms, while Aftab et al. (2022) showed that entrepreneurial orientation positively affects SME performance in emerging markets. This difference underscores that the impact of entrepreneurial orientation is highly contextual. In the context of women-owned SMEs in Malang City, which are small-scale and closely tied to family roles and local culture, entrepreneurial orientation does not appear strong enough to stand alone; its benefits are determined more by the surrounding socio-cultural resources, as tested through the moderating roles in this study.

The test results show that family support has a positive and significant effect on business performance, so the second hypothesis is accepted. That is, the more family support women business owners receive, the better their business performance. Empirically, recent studies support this finding. Neneh and Welsh (2022) found that configurations of family support, particularly emotional and instrumental support, can improve business performance among women technology entrepreneurs. De Clercq et al. (2022) showed that family business support buffers women entrepreneurs' competitive performance amid unfavorable market environments. Similarly, Boonyaphen et al. (2026) found that spousal support improves business efficiency and access to financing for women entrepreneurs in emerging economies. This evidence strengthens the position of the family as an important resource for women's SMEs, particularly in collectivist cultural contexts such as Malang City.

Nevertheless, not all findings are fully consistent. Boonyaphen et al. (2026) also noted that family involvement is not always beneficial, because caregiving responsibilities can hinder business efficiency and access to financing. This indicates that the effect of family support depends on its type and form: support that sustains the business drives performance, whereas excessive family burdens can become an obstacle. Thus, the results reinforce the argument that family support is a valuable resource for women's business performance, while also implying the need to manage family involvement so it remains supportive.

The test results show that cultural embeddedness has a positive and significant effect on business performance and is even the strongest predictor among all variables, so H3 is accepted. This finding affirms that the more closely women's business decisions and actions are embedded in local values, norms, and cultural networks, the better their business performance. This result is consistent with the embeddedness perspective, which states that economic action is never detached from the social and

cultural structures in which the actor is situated (Granovetter, 1985), as well as with calls for contextualizing entrepreneurship that position local cultural values as resources rather than mere background (Welter, 2011; Welter & Baker, 2021). In Malang City's collectivist cultural context, embeddedness in community values and networks confers social legitimacy and relational capital that facilitate market access and customer trust.

Empirically, recent research supports this finding. Weiss et al. (2023) found that embeddedness values and in-group support play a positive role in fostering women's entrepreneurship, affirming that socio-cultural embeddedness serves as a resource for women entrepreneurs. Thus, the dominant effect of cultural embeddedness in this study reflects the strong role of socio-cultural capital among women's SMEs in environments that uphold collectivism and community ties.

Nevertheless, this finding does not align with several other studies that highlight the constraining side of cultural embeddedness. Hatoum et al. (2023), on women entrepreneurs in Bahrain, found that informal institutions and socio-cultural perceptions can constrain women's entrepreneurial activity. This difference shows that the effect of cultural embeddedness is contextual: in cultural environments supportive of women's entrepreneurship, cultural embeddedness functions as a resource that drives performance; whereas in environments with restrictive gender norms, the same embeddedness can constrain business latitude. The results indicate that Malang City's socio-cultural context tends to enable women entrepreneurs.

The test results show that family support significantly moderates the effect of entrepreneurial orientation on business performance. However, it does so in a negative direction, so H4 is accepted, with the caveat that the direction is opposite to the initial expectation. That is, instead of strengthening the link, high family support weakens the relationship between entrepreneurial orientation and business performance. This finding is interesting because family support also has a positive direct effect on performance (H2), so its role is two-sided.

Theoretically, this negative direction can be explained through contingency logic and the paradox of embeddedness. Social ties that are too strong can generate obligations, conservatism, and reduced autonomy that actually dampen entrepreneurial action (Uzzi, 1997). In addition, a substitution effect may occur: when the family has already provided resources and a safety net, the drive to optimize entrepreneurial orientation diminishes. High family involvement may also create interference that limits the owner's latitude to make risky decisions (Powell & Eddleston, 2013).

Recent research supports this finding. Shirokova et al. (2024) found that family emotional support reduces the positive effect of workaholism on new-venture performance a pattern consistent with this study, namely that family support can dampen the effectiveness of the owner's individual drive on performance. Similarly, Boonyaphen et al. (2026) showed that family involvement is not always advantageous, because caregiving burdens can hinder business efficiency and access to financing. This evidence reinforces the argument that excessive family embeddedness can become an obstacle rather than a driver of entrepreneurial orientation.

Nevertheless, this finding is inconsistent with some other studies that instead find the family's role to be strengthening. De Clercq et al. (2022) showed that family business support buffers women entrepreneurs' competitive performance amid market pressures, so family involvement amplifies business benefits. This difference in direction underscores that the moderating role of the family depends heavily on the context and form of involvement: among women-owned SMEs in Malang City, which are closely tied to collectivist culture, intensive family support appears to act more as a direct resource and a constraint on entrepreneurial latitude than as a reinforcement of entrepreneurial orientation.

The test results show that cultural embeddedness does not significantly moderate the effect of entrepreneurial orientation on business performance, so we reject the fifth hypothesis. This finding is interesting when read with H3: cultural embeddedness has a positive effect and is even the strongest predictor of performance, yet it does not condition the effect of entrepreneurial orientation on performance. In other words, cultural embeddedness in this study acts as a direct resource rather than as a boundary condition for entrepreneurial orientation. The benefits of cultural values, legitimacy, and networks appear to be felt evenly across businesses, regardless of the level of the owner's entrepreneurial orientation. This aligns with the embeddedness perspective, which treats culture as social capital that directly sustains economic action (Granovetter, 1985; Welter & Baker, 2021).

Empirically, Semrau et al. (2016) examined the effect of entrepreneurial orientation on business performance in 1,248 SMEs across seven countries and found that socially supportive culture does not moderate the EO–business performance relationship. Because cultural embeddedness in the context of women's SMEs in Malang City is characterized by collectivism and community support, similar to a socially supportive culture, this study's finding is consistent with that result.

Nevertheless, this finding is inconsistent with other studies that find culture conditions the effect of entrepreneurial orientation on business performance. Singh and Parayitam (2026), on women entrepreneurs in India, found that national culture and the dimensions of entrepreneurial orientation (innovativeness, risk-taking, and autonomy) interact in shaping women's business performance. Likewise, Semrau et al. (2016) found that a performance-based culture positively moderates the effect of

entrepreneurial orientation on business performance. This difference underscores that the moderating effect of culture depends on the type of culture: achievement-oriented cultures tend to strengthen the impact of entrepreneurial orientation, whereas supportive-collectivist cultures as in this study, function more as a direct resource than as a moderator.

V. CONCLUSION

This study examined the effect of entrepreneurial orientation on business performance among women-owned small enterprises in Malang City, as well as the moderating roles of family support and cultural embeddedness, by integrating the embeddedness perspective and contingency theory. Based on PLS-SEM analysis of 114 respondents, entrepreneurial orientation had no significant direct effect on business performance. In contrast, family support and cultural embeddedness had positive and significant effects, with cultural embeddedness as the strongest predictor. Family support significantly moderated the entrepreneurial orientation–business performance relationship, but in a negative direction, while cultural embeddedness did not moderate this relationship. These findings show that women's business performance depends more on socio-cultural resources than on entrepreneurial orientation alone, and that family support plays a dual role as a direct resource and as a constraint on entrepreneurial latitude.

Theoretically, this study strengthens the integration of the embeddedness perspective and contingency theory in explaining women's entrepreneurial performance, while revealing the two-sided nature of family involvement. Practically, programs to empower women-owned SMEs should not only encourage entrepreneurial orientation but also optimize local cultural values and networks as business capital and manage family involvement so that it remains supportive without constraining entrepreneurial latitude. This study has limitations in its relatively small sample (114 respondents) and single-region coverage (Malang City), so findings should be generalized with caution. Future research should expand the sample and regions, add mediating variables such as innovation capability, and use a longitudinal design to examine how the relationships among variables change over time.

REFERENCES

1) Aftab, J., Veneziani, M., Sarwar, H., & Ishaq, M. I. (2022). Entrepreneurial orientation and firm performance in SMEs: The mediating role of entrepreneurial competencies and moderating role of environmental dynamism. *International Journal of Emerging Markets.* https://doi.org/10.1108/IJOEM-07-2021-1151
2) Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing, 18*(5), 573–596. https://doi.org/10.1016/S0883-9026(03)00011-9
3) Baughn, C. C., Chua, B.-L., & Neupert, K. E. (2006). The normative context for women's participation in entrepreneurship: A multicountry study. *Entrepreneurship Theory and Practice, 30*(5), 687–708. https://doi.org/10.1111/j.1540-6520.2006.00142.x
4) Boonyaphen, J., Song, H.-C., Chung, S. H. D., et al. (2026). Does family matter for women's entrepreneurship in emerging economies? Yes! *Asia Pacific Journal of Management.* https://doi.org/10.1007/s10490-026-10136-7
5) Clark, D. R., Covin, J. G., & Pidduck, R. J. (2025). Individual entrepreneurial orientation: Scale development and validation. *Entrepreneurship Theory and Practice, 49*(3), 668–710. https://doi.org/10.1177/10422587241279900
6) Corrêa, V. S., Brito, F. R. da S., Lima, R. M. de, & Queiroz, M. M. (2021). Female entrepreneurship in emerging and developing countries: A systematic literature review. *International Journal of Gender and Entrepreneurship, 14*(3), 300–322. https://doi.org/10.1108/IJGE-08-2021-0142
7) Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal, 10*(1), 75–87. https://doi.org/10.1002/smj.4250100107
8) De Clercq, D., Kaciak, E., & Thongpapanl, N. (2022). When does market hostility curtail competitive performance through diminished entrepreneurial efforts? Buffering effects of women entrepreneurs' family business support. *Small Business Economics, 59*(2), 827–844. https://doi.org/10.1007/s11187-021-00549-7
9) Dinas Koperasi, Perindustrian dan Perdagangan (Diskopindag) Kota Malang. (2024). *Statistik UMKM berdasarkan gender.* Kota Malang.
10) Eddleston, K. A., & Powell, G. N. (2012). Nurturing entrepreneurs' work–family balance: A gendered perspective. *Entrepreneurship Theory and Practice, 36*(3), 513–541. https://doi.org/10.1111/j.1540-6520.2012.00506.x
11) Espinoza-Samaniego, C., & Guevara, R. (2025). Entrepreneurial orientation, organisational performance, innovation, gender, and corporate governance in family businesses: A mediation and moderation model. *Cogent Business & Management, 12*(1), Article 2585225. https://doi.org/10.1080/23311975.2025.2585225
12) Exposito, A., Sanchis-Llopis, A., & Sanchis-Llopis, J. A. (2023). Entrepreneur's gender and SMEs performance: The mediating effect of innovations. *Journal of the Knowledge Economy.* https://doi.org/10.1007/s13132-023-01555-8

13) Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*(1), 39–50. https://doi.org/10.2307/3151312
14) Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology, 91*(3), 481–510. https://doi.org/10.1086/228311
15) Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review, 31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203
16) Hatoum, H., Haddoud, M. Y., & Mordi, C. (2023). The contextual embeddedness of female entrepreneurship: Investigating the influence of macro and motherhood factors in Bahrain. *Journal of Small Business and Enterprise Development, 30*(4), 804–827. https://doi.org/10.1108/JSBED-12-2021-0506
17) Henry, C., Foss, L., & Ahl, H. (2016). Gender and entrepreneurship research: A review of methodological approaches. *International Small Business Journal, 34*(3), 217–241. https://doi.org/10.1177/0266242614549779
18) Hernández-Perlines, F., Covin, J. G., & Ribeiro-Soriano, D. E. (2021). Entrepreneurial orientation, concern for socioemotional wealth preservation, and family firm performance. *Journal of Business Research, 126,* 197–208. https://doi.org/10.1016/j.jbusres.2020.12.050
19) Khan, R. U., Salamzadeh, Y., Shah, S. Z. A., & Hussain, M. (2021). Factors affecting women entrepreneurs' success: A study of small- and medium-sized enterprises in emerging market of Pakistan. *Journal of Innovation and Entrepreneurship, 10*(1), Article 11. https://doi.org/10.1186/s13731-021-00145-9
20) Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review, 21*(1), 135–172. https://doi.org/10.5465/amr.1996.9602161568
21) Neneh, B. N., & Welsh, D. H. B. (2022). Family support and business performance of South African female technology entrepreneurs. *International Journal of Entrepreneurial Behavior & Research, 28*(6), 1631–1652. https://doi.org/10.1108/IJEBR-05-2021-0402
22) Ngo, Q.-H. (2023). The impact of entrepreneurial orientation on SMEs' performance in a transitional economy: The mediating role of differentiation advantages and innovation capability. *SAGE Open, 13*(4). https://doi.org/10.1177/21582440231203035
23) Nuryakin. (2024). Entrepreneurial orientation and SME export performance: Unveiling the mediating roles of innovation capability and international networking accessibility in the brass industry. *Journal of Entrepreneurship, Management and Innovation, 20*(1), 30–46. https://doi.org/10.7341/20242012
24) Powell, G. N., & Eddleston, K. A. (2013). Linking family-to-business enrichment and support to entrepreneurial success: Do female and male entrepreneurs experience different outcomes? *Journal of Business Venturing, 28*(2), 261–280. https://doi.org/10.1016/j.jbusvent.2012.02.007
25) Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice, 33*(3), 761–787. https://doi.org/10.1111/j.1540-6520.2009.00308.x
26) Semrau, T., Ambos, T., & Kraus, S. (2016). Entrepreneurial orientation and SME performance across societal cultures: An international study. *Journal of Business Research, 69*(5), 1928–1932. https://doi.org/10.1016/j.jbusres.2015.10.082
27) Shirokova, G., Galieva, N., White, J. V., & Doktorova, D. (2024). Narcissism, workaholism, family support and new venture performance: A moderated mediation model. *Small Business Economics, 63*(1), 379–419. https://doi.org/10.1007/s11187-023-00831-w
28) Singh, A., & Parayitam, S. (2026). National culture, entrepreneurial orientation and women entrepreneurs' performance. *International Entrepreneurship and Management Journal, 22*(1), Article 23. https://doi.org/10.1007/s11365-025-01149-7
29) Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. *Administrative Science Quarterly, 42*(1), 35–67. https://doi.org/10.2307/2393808
30) Weiss, J., Anisimova, T., Shirokova, G., & Durst, S. (2023). The entrepreneurial gender gap: The role of in-group support and national embeddedness values in young women's entrepreneurship. *International Small Business Journal, 41*(8), 843–872. https://doi.org/10.1177/02662426231168556
31) Welter, F. (2011). Contextualizing entrepreneurship—Conceptual challenges and ways forward. *Entrepreneurship Theory and Practice, 35*(1), 165–184. https://doi.org/10.1111/j.1540-6520.2010.00427.x
32) Welter, F., & Baker, T. (2021). Moving contexts onto new roads: Clues from other disciplines. *Entrepreneurship Theory and Practice, 45*(5), 1154–1175. https://doi.org/10.1177/1042258720930996

33) Welter, F., Baker, T., Audretsch, D. B., & Gartner, W. B. (2017). Everyday entrepreneurship—A call for entrepreneurship research to embrace entrepreneurial diversity. *Entrepreneurship Theory and Practice, 41*(3), 311–321. https://doi.org/10.1111/etap.12258

34) Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Venturing, 20*(1), 71–91. https://doi.org/10.1016/j.jbusvent.2004.01.001

There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (https://creativecommons.org/licenses/by-nc/4.0/), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.