

Effect of Entrepreneurial Orientation on Business Performance of Women Entrepreneurs in Iran: The Institutional Support System As A Mediator

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Abstract

This research aims to examine the mediating effect of institutional support system in the relation between entrepreneurial orientation and women business performance in Iran. This study used quantitative data collected from women entrepreneurs in seven states in Iran. The research samples were selected using purposive sampling method. A number of 131 women business owners participated in this study. The data were analysed using SPSS version 24 and SEM version 3. The finding indicated significant influence of entrepreneurial orientation on women business performance. Additionally institutional support system was founded to play a significant role in mediating the relationship between entrepreneurial orientation and business performance. Research implication and recommendation were discussed in this paper.

Keywords: Business Performance, Entrepreneurial Orientation, Institutional Support, Women Entrepreneurs

Introduction

More women are starting businesses all over the world but the percentage of women in active economic activity in Iran is extremely low compared to their counterparts all over the world. Entrepreneurship among women has been traced to be one of the topmost political agendas across the world (Cho & Honorati, 2014; Manolova et al., 2012; Monitor, 2013). Many nations believe that women's empowerment significantly contributes to the Gross National Product (GNP), jobs, innovations, and societal welfare. According to (Verheul, van Stel, & Thurik, 2004), the growth of women has drawn special attention to the international community. Women are seen to be advancing the economy and placed highly in political and economic positions. Thus women's entrepreneurship has been considered an important social development to lead the society out of poverty and the family out of hunger. According to the Global Entrepreneurship Monitor report on Women entrepreneurs, GEM Report 2012, an estimated about 126 million women have started to run enterprise businesses, and an estimated 98 million women already running one or more businesses successfully (Chaston & Scott, 2012).

The empowerment of women is a global concern, yet despite this importance, there remains an urgent need to address structural barriers to women's economic empowerment and full inclusion in economic activities in Iran. United Nations Secretary-General Ban Ki-moon, January 2016, (Baumann, 2016) remarked on a total impressive growth in the number of women in entrepreneurship businesses around the world, however, the distribution among Iranian women in business is very low (Sarfraz, 2017). Women that own businesses in Iran are small and a lot of them are struggling to remain in business. According to the Iran Bureau of statistics, women constitute 60% of the total population in Iran, the percentage that engages in active business is less than 16%. While this should be seen as concern over the state of women and entrepreneurship orientation in Iran, research to promote women in entrepreneurship, and economic activities is not enough, there are limited research and investigation on the plight of women towards business failure (Modarresi et al., 2016).

There is a continuous level of business failure among women businesses in Iran. Women-owned businesses can be a vehicle for both women's entrepreneurship development as well as promoting women's mental and financial engagement. Women no doubt can change the economy especially those who simply run and own a business for a living (Carree & Thurik, 2005). In many developed countries, women businesses are considered as both a vehicle for entrepreneurship and a source of employment and income for women and men, hence many scholars have emphasized the role of women entrepreneurship and entrepreneurship orientation as the prime cause of women economic development (Xavier et al., 2012).

Recent developments of women entrepreneurship in Iran as examined by (Sarfraz, 2017; Sarfraz & Faghih, 2011; Sarfraz et al., 2018; Tambunan, 2009) suggested that women entrepreneurship orientation is very important since it is part of efforts that will enhance more women to start up a business and alleviate poverty in developing countries. Women with better business orientation will give greater opportunities for other women to become entrepreneurs which will eventually help much in poverty reduction (Tambunan, 2009). entrepreneurship skills, and lack of access to credit facilities

All these have emerged as the major concern towards the success of women business and it has been researched as common factors affecting women businesses in developing countries like Iran (Miller, 2011). Entrepreneurship orientation is viewed as capacity development to enhance women's business. It is also evidenced by recent firms' strategic decisions and operating management philosophy to empower women on how to manage a business, manage risk to continue in businesses. Covin and Lumpkin (2011), have argued that entrepreneurship orientation should be a commitment of governments and institutions to orientate women on how to do business and take business-related risks. For women businesses to survive globally, institutions should develop entrepreneurship orientation along with SME to support women. Unfortunately, one of the most important barriers to SMEs' survival and development of women seems to be the lack of institutional support to fit the rapid changes in the current global environment (Covin and Slevin, 1991).

According to Clark (1997), the causes can be condensed into the three critical factors, namely; Money, Management, and Marketing. However, factors that have been more widely studied by previous researchers include society, institutional, economic, and infrastructure factors. This study concentrated on institutional support and empowerment role for women which bothers con entrepreneurship orientation concerning the social and societal structural constraints that could hinder women from performing well in businesses. In a study by Bahramitash and Esfahani (2014) women entrepreneurs in Iran face several major obstacles in developing their businesses, these obstacles range from policy uncertainty, constraints on

credit acquisition, aggressive behaviors of men towards women, and - difficulties in women obtaining permits.

Women entrepreneurs contribute significantly to economic growth and help reduce poverty around the world. However many factors have been instigated to have affected women entrepreneurship in different countries. Among all these factors, entrepreneurship orientation has been overlooked while some form of restraints that have falls within the regional variation such as lack of government and institutional support, family support, society constraints, lack of capital, have been well researched, see (Karimi et al., 2010; Kreiser et al., 2010; Miller, 2011; Bahramitash and Esfahani, 2014).

Women Entrepreneurship Orientation (EO) has the potentials to create a new business mindset and jobs for women, it opens up new opportunities for women and increases upward social mobility among women, this has been evidenced to foster economic activities, reinforce competition between men and women (Mthanti and Ojah, 2017).

A lot of women have faced business discontinuation due to proper business orientation (Arasti et al., 2014). The challenges of managing a business successfully today are more complex and could be difficult without the ability to take a risk, innovate, and explore new opportunities. With little or no entrepreneurial orientation, these characteristics become difficult especially for women who are more constrained by so many factors. Entrepreneurial Orientation is a great research area that has not been widely torched by researchers. Women entrepreneurship orientation has reached a stage whereby researchers have to concentrate on the area with intents to create a strong pillar of economic success for women (Rezaei et al., 2017). According to Rezaei, women have a strong potential to assume a greater role in enterprise creation and economic development if given the necessary institutional support including entrepreneurial orientation.

In developing countries, women with little or no institutional supports still have to confront a series of difficulties such as gender disadvantages, cultural bias, religious and family restriction. According to Stokes et al (2010); Storey (2016), 20% of average new business ventures in small sectors fail within the first year of businesses set up and 66% fail within the first six years. The cause of this failure has been, lack of business orientation is often mentioned in (Li et al., 2008).

The importance of women entrepreneurship and entrepreneurship orientation among women has been reaffirmed in (Bruton et al., 2008; Prieger et al., 2016) with provisional SME capital funds, venture capital, and institutional support. With this intervention, women in developing countries have made tremendous economic strides in generating employment, drive production and new business innovation, and contributing to local and international development.

In Iran in particular, the availability of business support for women is still lacking. While providing a better entrepreneurial environment, financial access, and Entrepreneurship Orientation (EO) can have a direct effect on women business (Bruton et al., 2008; Prieger et al., 2016) Thus in Iran, the gap between men and women in business can be perceived too wide according to the global gender gap report(WEF, 2019). How gender parity makes it hard for women to attain strong feet in business cannot be escalated from political, social, and environmental context, this could be explained that women are not well rewarded like men in the business place. The emergence of women in business has over time been threatened by the gender gap (Gholipour et al., 2010).

Business is not as usual for women in Iran as it is in other developing countries. Compared with women's business activities in other developed countries, Iranian women are lagging in

entrepreneurship activities. The greatest challenges to women entrepreneurship development in Iran are influenced by a lack of institutional support, lack of EO. In a study by Valencia and Lamolla (2005); Arasti et al (2012), women-owned businesses experience little financial intervention. This apart from limited business orientation can also cause business discontinuation.

Entrepreneurial orientation plays a crucial role in women's business performance and it has been identified as a positive impact factor that can enhance women's business. A GEM – Global Entrepreneurship Monitor evidence from 2012-2017 revealed that the level of involvement of women in enterprise businesses in Iran is just 16%, whereas women population made up of about 60% of the entire population (Bosma, 2013; GEM, 2014; Herrington and Kew, 2017).

Literature Review

Theory of Entrepreneurial Orientation

This study was based on the theory of entrepreneurial orientation as proposed by (Covin and Lumpkin, 2011). The theory reflected the needed construct of EO and business performance. The author was among researchers that introduces the special Issue of Entrepreneurship Theory and Practice on the topic of Entrepreneurial Orientation (EO). Although there are several debates on whether a new theory on entrepreneurship should be developed, these researchers opined that since entrepreneurship is a concept, it can, therefore, be used in connection with EO. The authors hold that organization or individual with an Entrepreneurial Orientation f can target premium market segments, come up with a new idea, and take the risk with innovativeness and gain market ahead of competitors. The authors also suggest in the theory of entrepreneurial orientation, that potential entrepreneurs can monitor market changes and respond quickly to market demand, thus capitalizing on emerging opportunities to improve business performances.

Institutional theory

Most studies have employed social innovation with micro-level economics theory to foreground the social problem confronting women entrepreneurship. But they failed to adequately address entrepreneurship concerning the positions and actions of interdependent actors in entrepreneurship contexts. Institutional theory instead addresses these contexts (van Wijk et al., 2019; Marti et al., 2013). Many formal organizational structures came up as a result of institutional rules, formal organizational structures, rules, and policies governing entrepreneurship, (Meyer and Rowan, 1977). Researchers opined that formal organizational structures can enhance the social significance of entrepreneurs. The institutional system can help to spur a wave of start-ups in a given environment and enact women to make a good decision to create a new organization (Henrekson, 2006).

Entrepreneurship orientation has been debated as a dispositional and behavioral construct of a person as it reached back to the work of (Lumpkin & Dess, 1996). Entrepreneurship has its root in an individual's ability to turn ideas into action and actions into opportunities (Nabi et al., 2018). Using Miller (1983); Covin & Slevin (1989) as a starting point, they have mainly assessed EO using different constructs derived from three dimensions: innovativeness, risk-taking, and proactiveness. Entrepreneurship is the ability or process of being creative, innovative, and able to take a risk to plan and manage projects to attain objectives, (Karimi et al., 2010). A reflection on EO among women has dominated the academic landscape as the concept informs the people's efforts to produce innovations that create value for the

community and businesses that serve their psychological wellbeing. According to Covin & Miller (2014), the construct of entrepreneurial orientation (EO) has been leveraged within the concept of creating jobs, wealth, and empowerment and providing competitive advantages in a difficult economic situation.

Hence women's role in this regard is important. Though the amount of research conducted on the women entrepreneurial orientation in the context of Iran) has not grown exponentially as found in developed countries. Women Entrepreneurship has been seen by many scholars as a basis for improving society's socio-economic value and allowing women to contribute their value to society (Esfidani, Ramezani, & Shahhoseini, 2016). The term "Entrepreneurship" means "commitment" irrespective of gender as argued by the French researcher, (Ahmadpour Daryani, 2001). Women entrepreneurship is increasing all over the world, however, women's participation in entrepreneurship is still comparatively low in Iran and some other parts of the world (Arasti et al., 2014; Khyareh, 2018). Several factors have been presented concerning women entrepreneurship. These factors are based on individual and environmental factors while some important factors are internal factors like access to capital, education, and experience (Cabrera & Mauricio, 2017).

Despite entrepreneurship is the assumption of risk and responsibility, women are seen actively in micro and small-scale enterprises even though, they still face some problems and challenges in developing their businesses (Ibeh, 2009). Given the rationale of economic growth, a major proportion of women business depends on external loans to make up their businesses. Women are more prone to having financial problems in starting up a business or continue their business, although, this is also common to male-owned businesses, they may not always be the biggest obstacle (Brush, 1992)

Carter et al (2003) explored some factors associated with women entrepreneurship and submitted that lack of equity capital in women-led firms is affecting women businesses. Although data for this study was taking from a survey of US women business owners conducted by the National Foundation for Women Business Owners from a sample identified by Dun and Bradstreet, it is argued that women are likely constraints with lack of capital and limited entrepreneurship orientation (Tiba et al., 2020) and institutional support (Picken, 2017; Prieger et al., 2016).

Entrepreneurial orientation has emerged as an important construct in measuring business performance (Huang et al., 2011). The characteristics of entrepreneurship which include, proactiveness, innovativeness, risk-taking have been studied along with business performance while a lot of proposition has been made that Entrepreneurial Orientation based on these characteristics is positively related to business performance. Lee & Lim (2009) investigated the impact of entrepreneurial orientation (EO) on business performance, they analyzed a positive impact on the service firm's performance. Although Chaston & Scott (2012) understudied some business performance in Peru, also concerning entrepreneurial orientation, managers employed in Peruvian companies submitted that they engaged their staff in learning approach and knowledge acquisition through EO.

An empirical study by Covin & Wales (2012) suggested that EO was associated with business performance among small firms operating in difficult environments. Thus researchers suggested that the relationship between EO and BP depends on the nature of the environment as well as internal organizational characteristics. (Covin & Lumpkin, 2011; G Lumpkin et al., 2009). EO is connected with business performances, in Wiklund & Shepherd (2005) it was suggested that entrepreneurial orientation (EO) improves business performance as it was argued that EO helps entrepreneurs to achieve business goals based on key

performance indicators. The study made several contributions to the study of entrepreneurship orientation by investigating small business with their level of EO. The study contributed to the fact that EO, access to capital, and environmental dynamism give a picture of how small businesses are performing.

The previous studies discuss above revealed significant relationship between entrepreneurship orientation and business performance, therefore the study investigated the following hypothesis:

H1 – There is a relationship between entrepreneurial orientation and women entrepreneur's business performance.

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Literature from Bardasi et al (2011); Lerner & Almor (2002) surveyed women entrepreneurship and business performance from Eastern Europe and Central Asia (ECA), Latin America (LA), and Sub-Saharan Africa (SSA), the study suggests that women-owned businesses tend to underperform due to financial constraints making women businesses to be concentrated in smaller and less efficient business sectors. Although the study argues that there is no evidence of gender discrimination in access to finance in any of the three regions except that in some cases, women are less likely to seek a loan.

The previous studies discuss above the relationship between entrepreneurial orientation and institution support system. Therefore the study investigated the following hypothesis:

H2 – There is a relationship between of entrepreneurial orientation and institutional support systems.

How do institutional support system affect business performance has become a key research question in the study of entrepreneurship, thus all business environment needs strong institutions system to have positive impacts on business outcomes. The institutional system covers a wide scope and this study need to describe how previous authors defined institutional system.) (Joskow, 2008) provided a detailed definition of an institutional system that consists of the establishment of economic and political institutions that favor entrepreneurship. While the institution's system has been used in predicting the level of development in countries around the world, several studies have been carried out to access the importance of institutions on business performance.

According to the World Bank survey on MENA, women across developing countries have expressed concern over lack of access to capital. In the context of Iran, it has been reported in some literature that women are less likely to meet the lending condition as demanded by the lending institutions. Most often, financial institutions demand higher collateral as security from women than men (MIRGHAFOURI et al., 2010; Sarfaraz and Faghih, 2011). The literature surveyed claimed that the role played by financial institutions cannot be separated from women's business performance. The mediating role of financial institutions is studied in (Yusuff et al., 2016). The authors surveyed 190 Malaysian businesswomen using a questionnaire-based survey. The result suggested that there is a relationship between financial institutions and women entrepreneurs' business performance.

Apart from a government program, financial institutions like banks and microfinance have a major role to play in women's business, (Al-Mamun et al., 2014) argued that providing small loans to business help to sustain entrepreneurship construct in them. Accessing a micro-credit loan is one of the most critical factors contributing to business performance. However, according to Constantinidis et al (2006) accessing financial capital is the biggest challenge to women business as women face more restrictions than men in accessing these facilities. A study conducted by Kuzilwa (2005); Olu (2009); Ekpe (2011) suggested that financial institutions play a vital role in determining the effectiveness and efficiency of business performance. According to Shaw (2004); Fairlie and Robb (2009); Salwa et al (2013), the financial institution has a positive impact on women's business performance.

On the supply side, Stephan et al (2015) confirm the joint effects of institutional support on entrepreneurship orientation and women business performance along with other formal infrastructure deficient (government activists) and informal cognitive such as post-materialist cultural factors, informal normative, institutional unsupportive, cultural norms, and weak-tie social capital. Above all, as a means to address a wide range of social needs on women's business performance, institutional support must be invested in women's business. Failure to provide such supports at the level required to meet general business demands will affect capacity expansion, delivery of services, and affect the quality of such services in a given area. (Zindiye et al., 2012)

Private institutions, like the US-based Skoll Foundation, has invested above US\$ 358 million in social entrepreneurs across all level and it has helped to improved administrative services and encouraged public initiatives like the European Commission's "Social Business Initiative", the UK government's "Big Society" business supports and innovation (Commission, 2013). Meanwhile to enhance entrepreneurship orientation and women's business performance, institutional innovation, legal and regulatory reforms, and alternative financing schemes have to be considered (Whitehead and Tsikata, 2003; Zindiye et al., 2012). The previous studies discuss above the relationship between institutional support system (ISS) and women entrepreneur's business performance. Therefore the study investigated the following hypothesis:

H3 - There is a correlation between institutional support system (ISS) and women entrepreneur's business performance.

(Faiz, 2015) investigate the mediating effect of market orientation (MO) to inform how entrepreneurship orientation empowers women to undergo business-related risk, using and satisfying the major construct of being an entrepreneur, i.e. innovativeness, proactiveness, risk-taking, and organizational performance. Although there has been some inconsistency concerning the relationships between EO, and business performance. Covin and Lumpkin (2011) suggested that other mediating variables could be used to measure the relationship between EO dimensions and business performance such as market orientation. In another study, Harms (2013), business performance is examined with other mediating factors such as market orientation, behavioral components which bothers on the ability to address customers amidst tight competitors. This also have a mediating effect on business performance.

On the supply side, Stephan et al (2015) confirm the joint effects of institutional support on entrepreneurship orientation and women business performance along with other formal infrastructure deficient (government activists) and informal cognitive such as post-materialist cultural factors, informal normative, institutional unsupportive, cultural norms, and weak-tie

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Other literature that has indicated that EO and IS offers a holistic mediating effect on business performance can be seen in (Guo et al., 2014; Yenziaras and Unver, 2016; Bruton et al., 2018; Jeong et al., 2019). Therefore, the institutional system mediates the relationship between EO and women entrepreneurs business performance. The previous studies discuss above the mediating effect of institutional support system in the relationship between entrepreneurial orientation (EO) and women entrepreneur's business performance. Therefore the study investigated the following hypothesis:

H4 – Institutional support system (ISS) mediates the relationship between entrepreneurial orientation and business performance of women entrepreneurs.

Conceptual Framework

Based on the findings of the previous studies and two underpinning theories as discussed in the above, the conceptual framework for this study is developed as in Figure 1. In this study, an independent variable entrepreneurial orientation is considered with some mediating variables such as financial institutional support, legal support, and administrative support with women's business performance (Dependent Variable). The concept of entrepreneurial orientation was also considered against the Dependent Variable using EO dimensions like autonomy, innovativeness, proactiveness, and risk-taking. The dependent variable is the ultimate performance of women business against the mediating and independent variables.

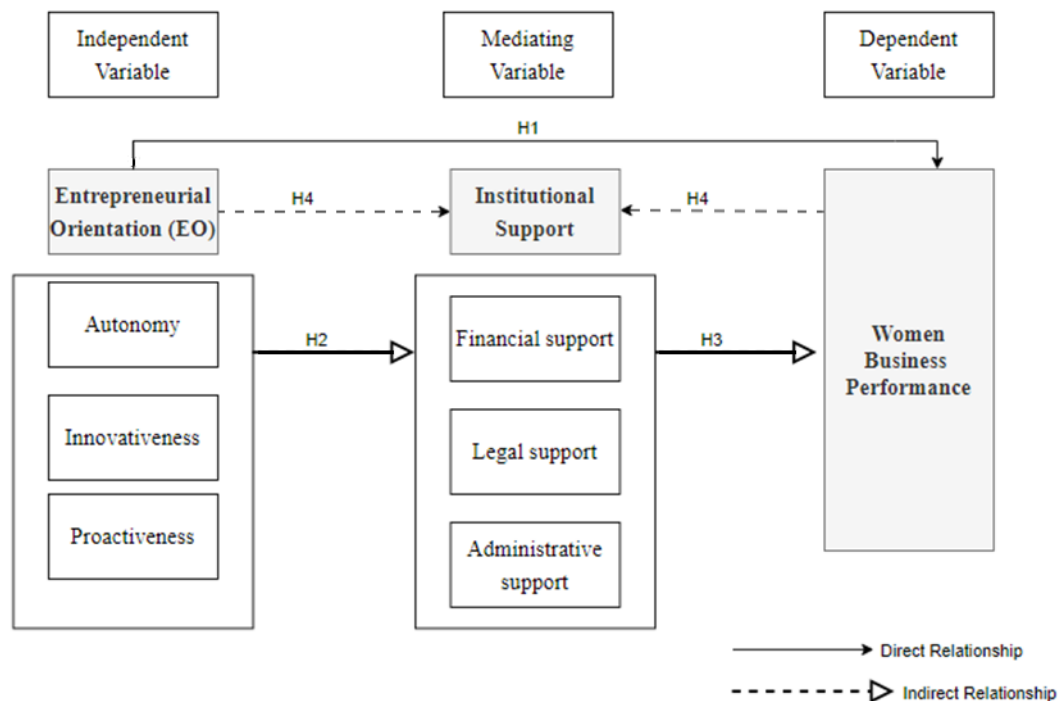


Figure 1: Conceptual Framework

Design/Methodology/Approach

Research design and samples

This study used quantitative approach that is survey research methods for data collection. Based on a unique population of people in Iran, 130 women prospective entrepreneurs were surveyed in 7 provinces throughout Iran. The States of Shiraz has the largest population of women entrepreneurs in Iran estimated at 122, 760 (Sarfaraz et al., 2018). According to Krejcie & Morgan (1970) sample size table, the targeted samples can be used to identify the mediator of the effect of EO and IS on BP. The study uses non-random sampling in selecting the research respondents.

Instrumentation and Measurement

Entrepreneurial Orientation Scale (EOS): This instrument will be measuring the independent variable of the study that is Entrepreneurial Orientation as it used in (Mthanti & Ojah, 2017). The instrument comprised 16 items assessing three dimensions: innovativeness, risk-taking, and pro-activeness. The instrument uses a scale 5 point Likert Scale from 1-Strongly Disagree to 5- Strongly Agree.

Institutional Support System: This instrument will be measuring support system for women entrepreneurs such as financial, infrastructure, access to market, facilities, and rental (Lerner et al., 1997; Liu et al., 2019) The instrument also uses 5 points Likert Scale from 1-Strongly Disagree to 5- Strongly Agree.

Business Performance: This instrument will be measuring both financial and non-financial business indicators (Runyan et al., 2006; Zhang, 2012).

Data Analysis

The data obtained were presented on measurement scales using IBM Statistical Package for the Social Sciences (SPSS software version 23.0) and SmartPLS software . Data collected was analyzed using descriptive statistics including frequency, percentages, and mean score to review if the result answers the initial research questions. Hypotheses proposed were tested with the use of SmartPLS software.

Analysis and Findings

Respondents Profile

The responses collected from the survey consist of three demographic information. These include age in years, highest academic qualification, and state. All (131) the responses collected were from the expected women entrepreneurs and were all considered for analysis and used to achieve the study objectives. The result of the demographic profile is presented in Table 1. The variables presented were age in years, highest academic qualification, and state of the women entrepreneur. Based on age distribution in the table, only 11 respondents (8.4%) are between 18-25 years of age, about 29 respondents (22.1%) are between 26-35 years of age, the age group with the highest percentage (35.9%) are between 36-45 years of age, 27 respondents (20.6%) are between 46-65 years of age, 17 respondents (13%) are between 65 and above years of age. In this sense, the sample in this study is dominated by the age group from 26-65 (77.6%). In terms of educational qualification, only 6.9% have Ph.D. qualification, 20.6% have Master's degree, majority 40.5% have bachelor's degree, 23.7% have diploma while other (8.4%) have other qualification. This illustrates a quite well-educated sample of respondents is used in this study. Based on the geographic location, a majority (55.0%) of respondents are from Shiraz, 6.1% are from Marvdasht, 2.3% are from

Zarghan, 3.8% are from Fara, 4.6% are from Jahrom, 4.6% are from Firoozabad and 23.7% are from Kazeroon. This makes the sample of this study representative from all provinces of the study country.

Table 1

Profile of the Respondents

<i>Demographic</i>	<i>Sub-group</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Age</i>	<i>18 – 25</i>	<i>11</i>	<i>8.4</i>
	<i>26 – 35</i>	<i>29</i>	<i>22.1</i>
	<i>36 – 45</i>	<i>47</i>	<i>35.9</i>
	<i>46 – 65</i>	<i>27</i>	<i>20.6</i>
	<i>65 and above</i>	<i>17</i>	<i>13.0</i>
<i>Total</i>		<i>131</i>	<i>100</i>
<i>Highest Academic Qualification</i>	<i>PhD</i>	<i>9</i>	<i>6.9</i>
	<i>Master’s Degree</i>	<i>27</i>	<i>20.6</i>
	<i>Bachelor’s Degree</i>	<i>53</i>	<i>40.5</i>
	<i>Diploma</i>	<i>31</i>	<i>23.7</i>
	<i>Others</i>	<i>11</i>	<i>8.4</i>
<i>Total</i>		<i>131</i>	<i>100</i>
<i>State</i>	<i>Shiraz</i>	<i>72</i>	<i>55.0</i>
	<i>Marvdasht</i>	<i>8</i>	<i>6.1</i>
	<i>Zarghan</i>	<i>3</i>	<i>2.3</i>
	<i>Fara</i>	<i>5</i>	<i>3.8</i>
	<i>Jahrom</i>	<i>6</i>	<i>4.6</i>
	<i>Firoozabad</i>	<i>6</i>	<i>4.6</i>
	<i>Kazeroon</i>	<i>31</i>	<i>23.7</i>
	<i>Total</i>		<i>131</i>

PLS path model estimation is calculated to measure all the items with the corresponding constructs. PLS algorithm was used to measure PLS path model estimation. The results of the PLS algorithm are shown in Figure 2 with 2 independent variables (exogenous constructs), 1 dependent variable (endogenous constructs), the relationship between the variables (constructs), and all indicators of variables.

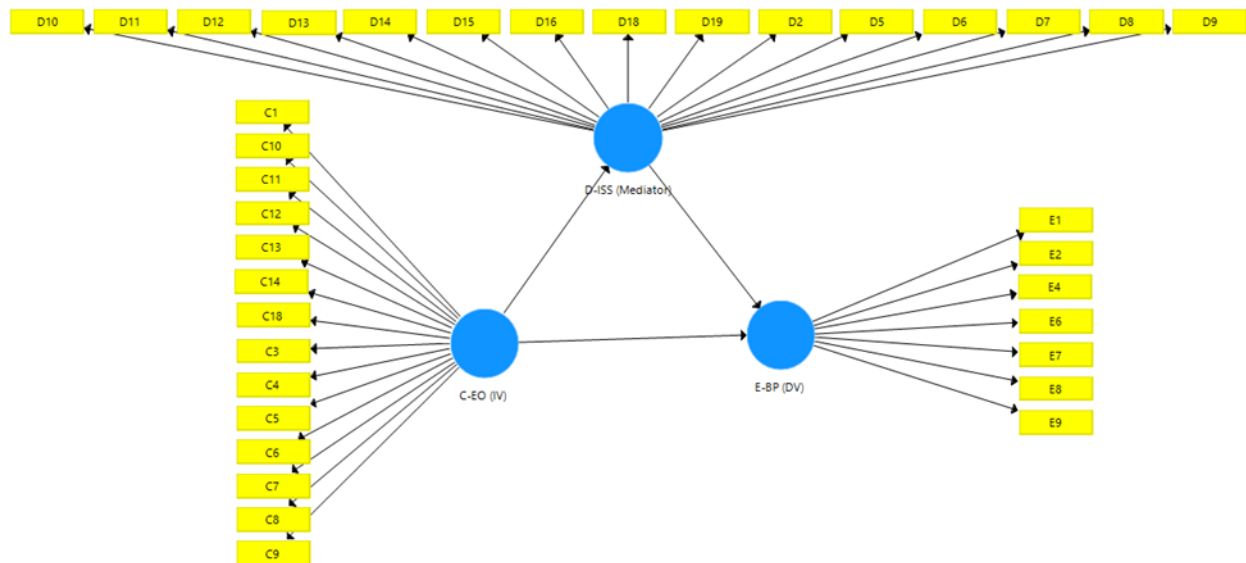


Figure 2: PLS Path Model after PLS algorithm calculation

Reflective Measurement Model Assessment

Hair et al (2017) suggested to employ a standard measurement approach to calculate construct reliability (Cronbach's alpha and composite reliability) as well as validity (convergent and discriminant validity).

Table 2 shows the value of cronbach alpha for EO (0.923), ISS (0.934) and BP (0.837). It shows that all are above the 0.7 threshold value (Nunnally & Bernstein, 1994). Table 2 also presented the the results for the composite reliability (CR) analyses, which shows values ranging from 0.874 to 0.939 all above the recommended value of 0.7 (Kline, 2015). Following these findings, the reliability of the construction was affirmed, and were found to be free from error. Convergent validity is measured using the factor loading and average variance extracted (AVE). (Hair et al., 2017). Factor loadings revealed results greater than the value of 0.7 suggested. In addition, in Table 2, it can be seen that AVE's values for EO (0.514), ISS (0.578) and BP (0.536) which shows all values are greater than the threshold value of 0.5. Since these findings are in hand, it has been proven that all constructs have converged in their levels of validity.

Table 2
Summary of Convergent validity result

Constructs	Items	Outer Loading	AVE	CR	CA
Entrepreneurial Orientation	C5	0.777	0.514	0.923	0.913
Institutional Support System	D5	0.869	0.578	0.939	0.934
Business Performance	E1	0.757	0.536	0.874	0.837

Fornell-Larker criterion, cross-loadings, and the Heterotrait-Monotrait ratio (HTMT) are three potential measurement methods to use in the measurement of discriminant validity (Hair et al., 2017). AVEs have square roots greater than their correlation with other constructs, as shown in Table 3, and this criterion confirms the requirement (Fornell & Larcker, 1981). Results on Table 3 shows the cross-loadings criteria have been met because each construct has a higher indicator loading than its corresponding variable.

Table 3
Fornell-Larcker Criterion

	Business Performance (DV)	Entrepreneurial Orientation (IV)	Institutional Support System (Mediator)
Business Performance (DV)	0.758		
Entrepreneurial Orientation (IV)	0.624	0.749	
Institutional Support System (Mediator)	0.694	0.453	0.797

Table 4 shows the Heterotrait-Monotrait (HTMT) ratio generated results. After the bootstrapping procedure, there is no HTMT rate straddle at a value of 1. Therefore, from the three assessments, it is concluded that each latent measurement was discriminating against the other. Last but not least, three essential steps to assess the reflective measurement model had been completed through internal consistency, convergent validity, and discriminant validity.

Table 4
Discriminant validity using Heterotrait-monotrait (HTMT)

	Entrepreneurial Orientation (IV)	Business Performance (DV)
Business Performance (DV)	0.687	
Institutional Support System	0.414	0.602

The value from composite reliability, Cronbach alpha, factor loadings, Average Variance Extracted, Fornell & Lacker criterion, cross-loading criterion, and HTMT inference for the reflective measurement model fulfilled the recommended guidelines or the minimum threshold value. Based on all results obtained, the reflective measurement model has a good level of internal consistency, convergent validity, and discriminant validity. The indicators for each latent construct were valid and fit. Therefore, the data collected can be further evaluated in the structural model.

Assessment of Structural Model

Direct Effect

After verifying the measurement model, the next step is constructing a structural model. The researcher needs to use a bootstrapping method of 5000 re-samples to accurately estimate both the coefficient of determination (R2) and the path coefficients (Hair et al., 2017). Path coefficients, t-values, and p values are provided in Table 5 for each hypothesis. From the results in Table 5, it was found that Entrepreneurial Orientation (t=6.826, p=0.001) and Institutional Support System (t=10.461; p=0.001) are found significantly related to Business Performance at a significance level of 1% (statistically significant at .01 level). In addition, Entrepreneurial Orientation (t=6.317, p=0.001) was also found to be significantly related to Institutional Support System at a 1% level of significance. The shows that all direct relationships are significantly related. All the hypotheses (H1, H2 and H3) are supported.

Table 5
Structural Model Estimation Results for Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Entrepreneurial Orientation - > Business Performance	0.39	0.391	0.057	6.826	0.001
Entrepreneurial Orientation - > Institutional Support System	0.453	0.467	0.072	6.317	0.001
Institutional Support System - > Business Performance	0.517	0.518	0.049	10.461	0.001

Based on the (R2) results in Table 6, it indicates that the EO explain 60.2% of the variance in WBP. It is also revealed that, ISS explain 20.5% of the variance in the WBP. Conforming to the recommended values of (R2) (Chin, 1998), the obtained (R2) values are acceptable, with a substantial or large and moderate effect on WBP

Table 6
Summary coefficient of determination, R2

Constructs	R Square	R Square Adjusted	Remark, R2
Business Performance	0.602	0.596	Substantial
Institutional Support System	0.205	0.199	Moderate

Mediating Effect

This study has single mediation. Entrepreneurial Orientation has indirect relationships with Business Performance using Institutional Support System as a mediating variable. The results in Table 6 show that the indirect effect included in this study is significant at 1% level. Furthermore, the indirect effect is positive and in the same direction representing complimentary mediation in the hypothesized relationship. Thus, this can be concluded that the institutional support system is a positive mediator between entrepreneurial orientation and the business performance of the women is supported.

Table 6

Results for Mediating Effects

Mediation Analysis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Value	Decision
Entrepreneurial Orientation -> Institutional Support System -> Business Performance	0.234	0.242	0.042	5.616	0.001	Mediation

Discussions

Given that the association of entrepreneurial orientation with institutional support contributes to business performance, this study examined the effect of entrepreneurial orientation on entrepreneurial performance through the mediation of institutional support systems among women entrepreneurs in Iran. The findings revealed that entrepreneurial orientations had a positive effect on the institutional support system and entrepreneurial performance. This particular finding agreed with earlier studies by Chahal et al (2019); Lee & Easley (2018) who found a direct link between entrepreneurial orientation and business performance. Herrington & Kew (2017) further affirmed that entrepreneurial orientation plays a crucial role in women's business performance and it has been identified as a positive impact factor that can enhance women's business.

Findings also revealed that the institutional support system had a positive effect on the business performance of women entrepreneurs in Iran. This particular finding agreed with earlier studies that found that institutional systems such as microfinance Isa et al (2016), favorable social and business environments Mozumdar et al (2020) are prominent determinant factors for women entrepreneurs' business performance. Guerrero et al (2014) had earlier found factors influencing the process of becoming entrepreneurs was mainly support related to motivations, infrastructures, and resources received from the government. Regarding mediation analysis, it was revealed support for institutional support system as a positive mediator between entrepreneurial orientation and business performance of the women entrepreneurs in Iran. This shows that increase provision of institutional supports is expected to be an excellent boost to entrepreneurial orientation to effectively improve the business performance of women in Iran. Although studies have shown that the availability of business support for women is still lacking in Iran (Prieger et al., 2016). Because of these limitations, this present study has supported that providing better institutional supports in terms of entrepreneurial environment, financial access, and Entrepreneurship Orientation (EO) can have a direct effect on women's business performance in Iran. This finding is in line with Parab & Hyderabad (2014) who noted that institutional support systems such as the provision of resources in terms of administrative services, legal and financial support, space, infrastructure and facilities, and favorable policy are capable to help women entrepreneurship.

Implication of the Study

The finding of the study are of interest for both practiceness and academition . the next section will discuss on the practical managerial and body of knowledge implication.

As the study has already mentioned, risk-taking is one of the personality traits of an entrepreneur. Women with a high need for achievement would have a moderate tendency to take a risk. This can be supported by institutions including Non-Governmental Organizations, Financial industries as a Cooperate Social responsibility (CSR), and educational institutions. In line with the motivation theory of McClelland (1985, 1987), it is suggested that practical EO will successfully motivate women to set up new businesses. This may be an important predictor of women's business performance. This study has revealed how this could be accomplished

First, adequate entrepreneurial orientation stimulates innovativeness, proactiveness, and competitive aggressiveness. This will help women to achieve business milestones. The results imply that women managing business ventures can utilize the entrepreneurial orientation's characteristics to enhance their business financial and non-financial performance while focusing on resource-based view (RBV) philosophy (Bhandari and Amponstira, 2021; Smith, 2018). Second, women business owners with higher motivations will show higher levels of risk-taking tendency with innovativeness and proactiveness to develop financial and non-financial performance based on their desire to fulfill their need for self-actualization in business.

Third, women entrepreneurs have to accept uncertain issues like aggressive competition, security, and financial well-being most of the time. As the study (Moore, in businesses. With adequate EO, The study found that Entrepreneurial Orientation influence Business Performance. Thus, it imply that woman entrepreneur need to be continuously train to enable them to be risk taker, competitor and innovator in manging their business.2016) shows significant relationships between entrepreneurial orientation and institution support, women can overcome these challenges by incusing competitive, security, and economic risk

Contribution to the Theory and Practice

Suggestion for future research

Based on these limitations, the future study can consider the following suggestion:

1. Future studies on women entrepreneurs can consider other important variables such as risk-taking (EO), training support from government and family support (ISS), and innovation performance (IP).
2. Future studies on women entrepreneurs should ponder other factors such as business networking, economic factors, and competition that might impact business performance.
3. Future studies on women entrepreneurs can extend this study's framework to other states in Iran. Moreover, keeping in mind, a large population estimated at 122,760 women entrepreneurs in Shiraz Iran (Sarfaraz et al., 2018), out of which only 131 (less than 1%) women entrepreneurs were sampled for this study,
4. Future studies on women entrepreneurs could employ quantitative research method in the study to understand the

Conclusion

The thesis contributes to expanding research on Iranian Women's entrepreneurship, thus highlighting the problems women faced when preparing to do business. The study argued that the institutions in Iran create regular economic plans. These have a significant impact on the business development in the country; however, the business environment in Iran favor men over women despite women in Iran are being constrained to become more entrepreneurial due to increasing povety and household responsibilities and workload.

Moreover, women's businesses suffer due to a lack of institutional support, entrepreneurial orientation. The recent economic trends have added stress to women's anxiety to become successful business owners. Iran is also grappling with the impact of the COVID-19 crisis, which affected jobs and income in many households spearheaded by men, including high-contact services, government revenues, and the informal sector. Thus these challenges make it a suitable context for studying the role of women in entrepreneurship and particularly the impact of the Entrepreneurial Orientation and Institutional support system on women business performance. The study offers recommendations to policymakers on improving the entrepreneurial orientation and local support for women entrepreneurs

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