

Declaration

Whilst registered as a candidate for the Doctor of Philosophy, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.

Acknowledgement

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Abstract

Few can surely doubt that Korean industry and the Korean economy is now competing on the world stage and winning. Whether its Samsung Electronics or Kia automobiles, in terms of technology intensive industries, the Korean rise to the top of the class has been impressive. While the large conglomerates or chaebol have been successful the Korean SME sector has not. The Korean government is aware of this situation and has introduced a range of measures to address this entrepreneurship and small firm weakness. One of these schemes is the Inno-biz certification programme. This paper examines entrepreneurship within the SME sector in South Korea and investigates the strategic orientation of innovative small firms. It presents the findings from a survey of 426 firms in Korea that have been registered with the Inno-biz certification programme.

This Ph.D research project investigates the characteristics of Korean technology intensive small companies. In particular it investigates the relationships among technology orientation, market orientation, entrepreneurial orientation and business performance in the South Korean context. The empirical findings of this research suggest that the appropriate interrelationship actively provide an organisation with the ability to achieve and maintain competitive advantage. Market and technology orientations do not directly affect business performances. However, it turns out that market and technology orientations can positively affect business performances but only through entrepreneurial orientation. The implication here is that for Korean technology intensive small firms, market and technology orientations can improve business performance only when it is combined with entrepreneurial orientation.

The research contributes to our understanding of how SMEs can improve their business performance (Hakala, 2010). It shows that to achieve and maintain a positive business performance, it is vital that a firm is able to possess an organizational structure that integrates and incorporates all three of these areas into a coordinated framework that allows innovative activities to take advantage of the benefits that all three of these orientations allow. It is hoped that this research and the findings stemming from it can aid future research into the area of improving managerial practices, and to open the door to further research that looks further into these three constructs and the respective interrelationships that exist between them.

ACRONYMS

Adjusted Goodness of Fit Index	AGFI
Analysis of Moment Structures	AMOS
Asia-Pacific Economic Cooperation	APEC
Business Performance	BP
Chi-square	χ^2
Chi-square Significance	P
Chi-square to Degree of Freedom	χ^2/df
Chief Executive Officer	CEO
Comparative Fit Index	CFI
Competitor Orientation	CPO
Confirmatory Factor Analysis	CFA
Critical Ration	C.R., T
Customer Orientation	CSO
Entrepreneurial Orientation	EO (E-O)
Error Term of Measurement Indicator	e
Financial Performance	FP (F-P)
Foreign Direct Investment	FDI
Goodness of Fit Index	GFI
Gross National Product	GNP
Gross Domestic Product	GDP
Heavy and Chemical Industries	HCI
Information Communication Technology	ICT
Innovation Performance	IP (I-P)
Inter-Functional Coordination	IFC
International Monetary Fund	IMF
Innovation and Business	Inno-Biz
Korea Credit Guarantee Fund	KCGF
Korea Technology Finance Corporation	KOTEC
Light Industries	LI
Market Orientation	MO (M-O)
Not Available	N/A
Number	N

Organization for Economic Cooperation and Development	OECD
Presidential Commission on Small and Medium Enterprises	PCSME
Research and Development	R&D
Root Mean Square Error of Approximation	RMSEA
Small and Medium Business	SMB
Small and Medium Business Administration	SMBA
Small and Medium size Enterprises	SMEs
South Korean won	KRW/ ₩
Standard Error	S.E.
Standardized Regression Weights	S.R.W
Statistical Packages for Social Sciences	SPSS
Statistical Significance	Sig.
Strategic Orientation	SO
Structural Equation Modeling	SEM
Technology Orientation	TO (T-O)
Variance Inflation Factor	VIF
World Trade Organization	WTO

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