The Influence of Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility on Business Performance: A Study on Ironmongeries in Medan

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ABSTRACT
As market competition intensifies, ironmongery businesses must adapt, innovate, and respond quickly to opportunities to improve performance. This research aims to analyze the influence of entrepreneurial orientation, opportunity recognition, and strategic flexibility on business performance at ironmongeries in Medan.
The theoretical framework of this study was developed to explain the relationships among the four research variables. The literature review provides theoretical and empirical support regarding the influence between these variables. Based on these explanations, four research hypotheses were formulated to examine the direct relationships among the variables.
The research employed a quantitative approach using a questionnaire distributed to owners of selected ironmongeries in Medan. This study used IBM SPSS V.26 and Microsoft Excel for data processing and analysis, involving 50 respondents. The sampling technique applied was convenience sampling.
The regression coefficients is Y = -1.008 + 0.356 (X1) + 0.334 (X2) + 0.374 (X3) + e. Based on the hypothesis testing results, Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility have partial and simultaneous influence on Business Performance at ironmongeries in Medan.
Based on the results, it is recommended that ironmongery owners in Medan actively monitor market trends and customer needs, evaluate competitors' strategies, expand product variations, and respond more quickly to changing market demands to improve business performance.
Keywords: Entrepreneurial Orientation, Opportunity Recognition, Strategic Flexibility, Business Performance

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INTRODUCTION

Hardware stores are specialized retail establishments that supply a wide range of essential tools, construction materials, and operational supplies used in building, maintenance, and repair activities. Such stores serve both professional tradespeople and individual consumers by providing plumbing fixtures, fasteners, tools, and other construction-related goods integral to project execution and operational support (Valence & Magada, 2025). Ironmongeries are a more specific segment of hardware stores that is traditionally associated with the sale of metal tools, fittings, and fasteners, which has evolved to include a broad range of goods such as locks, hinges, hand tools, plumbing fixtures, electrical components, and various building materials (StartupBiz, 2022). These establishments serve both individual consumers undertaking do-it-yourself (DIY) projects and professional tradespeople such as carpenters, masons, plumbers, and builders who require reliable access to quality hardware for residential, commercial, and industrial projects (IMARC, 2024).

The ironmongery sector plays a key role in supporting construction and property maintenance activities because hardware products are fundamental inputs in virtually all forms of building and infrastructure work. The global construction industry has continued to expand in recent years due to population growth, urbanization, and public and private investment in infrastructure and housing (Patel, 2025). This sustained construction momentum increases demand for hardware and building supplies, making ironmongeries crucial distribution points within broader supply chains that connect manufacturers of building materials with end users (IMARC, 2025). In contemporary retail settings, ironmongery stores often stock products from a variety of manufacturers, providing customers with choices in terms of quality, price ranges, and brand preferences.

The ironmongery and hardware retail sector is also influenced by broader retail and digital transformation trends. Like many segments of the retail industry, ironmongeries are adopting e-commerce platforms, mobile shopping capabilities, and online catalogues to complement traditional brick-and-mortar operations. Research indicates that digitalization allows ironmongery retailers to reach wider customer bases, reduce transaction costs, and provide more transparent product information, which is particularly important in competitive markets where consumers compare prices and specifications online before purchase (WNS, 2024). As a result, many hardware retailers are developing omnichannel strategies that integrate physical store presence with online order fulfillment and home delivery services to enhance accessibility and convenience.

Economically, ironmongeries contribute to local and regional market activity by generating employment, stimulating local supply networks, and fostering small business participation in construction ecosystems. Small and medium-sized ironmongery businesses represent an important class of micro-enterprise that supports grassroots economic activity by linking local manufacturers, wholesalers, and end users in geographically dispersed markets (Bianchini & Kwon, 2023). These enterprises often operate in competitive environments where customer relationships, pricing strategies, and service quality become critical determinants of business success, especially when product differentiation is limited and competition is high.

Despite the broader industry's potential, the retail landscape for hardware and building materials in Indonesia is fragmented and dominated by small, independently owned businesses. Data show that tens of thousands of building materials stores operate across the country, with estimates suggesting over 97,000 such outlets in 2025, the majority of which are single-owner operations rather than part of larger retail brands (PoiData, 2026). Similarly, hardware store listings indicate that thousands of independent hardware shops continue to serve local markets, with average business ages often relatively short and limited digital presence, suggesting operational constraints and competitive pressures (Rentech Digital, 2025).

The ironmongery and hardware retail industry is also characterized by increasing competitive pressure from larger, more structured retail players and modern home improvement chains. Big-box retailers and organized chains such as AZKO and similar large-format stores benefit from economies of scale, stronger supplier bargaining power, standardized operations, and more advanced digital infrastructure. These advantages allow them to offer wider product assortments, more competitive pricing, and integrated omnichannel experiences that smaller independent ironmongeries often struggle to match. As a result, traditional small retailers face intensified competition not only in physical storefronts but also in online marketplaces, where price transparency further amplifies competitive disadvantages. This growing market concentration creates pressure on small and medium ironmongery businesses to differentiate through service quality, customer relationships, and localized expertise rather than price competition alone.

The increasing dominance of large-scale retail competitors also has important implications for the strategic behavior of small ironmongery firms. In highly competitive environments shaped by organized retail chains and digital marketplaces, smaller businesses are compelled to continuously adapt their strategies in order to remain viable. Competitive pressure reduces the effectiveness of traditional, transaction-based business

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models and increases the need for differentiation through innovation, customer engagement, and operational agility. This environment makes internal firm capabilities such as entrepreneurial orientation, opportunity recognition, and strategic flexibility more critical, as they enable small retailers to respond proactively to market shifts, identify underserved customer needs, and reconfigure resources in response to competitive threats. Consequently, competition does not only influence market structure but also strengthens the theoretical relevance of dynamic capabilities in explaining performance differences among ironmongery businesses.

Entrepreneurial Orientation (EO) reflects a firm's strategic posture in innovating, acting proactively, and responding to market challenges. Recent entrepreneurship research highlights EO as a behavioral capability that enables small firms to adapt to competitive environments and pursue growth opportunities (Wales et al., 2021b). Firms with high levels of entrepreneurial orientation tend to be more willing to innovate, develop new offerings, and adapt quickly to shifts in market conditions, which can ultimately improve organizational performance (Anwar et al., 2022). Entrepreneurial Orientation (EO) has frequently been recognized as an important driver of business performance, especially within small and medium-sized enterprises (SMEs). Companies that demonstrate strong EO are generally more proactive in creating product innovations, entering new market segments, and dealing with competitive challenges. As a result, these firms often achieve better organizational outcomes. Prior empirical studies have also reported a significant positive association between EO and business performance across different industries and countries (Romero-Castro et al., 2022; Wales et al., 2021a).

Opportunity recognition refers to the capability of identifying emerging customer needs, market gaps, or new solutions that can generate value. Contemporary studies emphasize that recognizing opportunities is a learned organizational process that enhances innovation and market responsiveness, particularly among SMEs operating in dynamic environments (Rahmi et al., 2025). Moreover, Strategic flexibility can be understood as a company's capacity to modify strategies, reorganize resources, and adapt operational activities in response to changes in the external environment. This capability helps organizations deal with uncertainty, react effectively to competitive challenges, and take advantage of new opportunities within dynamic markets (Clauss et al., 2021). Recent literature also describes strategic flexibility as part of a firm's dynamic capabilities, highlighting the organization's ability to recognize environmental changes, identify potential opportunities, and reconfigure internal resources in order to maintain competitive advantage in rapidly changing business conditions (Miroshnychenko et al., 2021). Companies with greater strategic flexibility are generally more capable of adjusting pricing strategies, redesigning products, reorganizing supplier relationships, and shifting market priorities when external conditions change, thereby minimizing the impact of environmental disruptions.

Recent empirical findings indicate that strategic flexibility positively and significantly influences business performance, especially in industries characterized by intense competition and high uncertainty. Firms with strong flexibility are better able to maintain operational effectiveness while continuing to pursue innovation and business growth, which ultimately contributes to higher profitability and stronger organizational resilience (Ameer & Khan, 2022; Herhausen et al., 2021). Evidence from SME-focused research further confirms that strategic flexibility strengthens firms' ability to navigate uncertainty and enhances sustainable performance outcomes in rapidly changing business environments (Zhou et al., 2023).

North Sumatra's economic performance provides important context for understanding potential influences on business performance among ironmongeries and hardware retailers. Official statistics show that North Sumatra's economy continued to grow steadily, with the region recording economic growth of approximately 5.01% in 2023, followed by a further 5.10% year-on-year increase in the fourth quarter of 2024 (BPS, 2025). This consistent growth suggests rising consumer spending power and broader economic activity, conditions that may correlate with increased demand for construction-related and retail products, such as those offered by ironmongeries. At the municipal level, Medan's economy also demonstrates robust performance, with the city reporting economic growth of approximately 5.04% in 2023 and continuing momentum into 2024 with a 5.07% increase relative to the prior year (BPS, 2024, 2025). Examination of Medan's economic structure shows that trade, including wholesale and retail, contributed around 26.64% of the city's gross output, while construction contributed approximately 18.60%, underscoring the relative importance of these sectors in urban economic activity (BPS, 2023). The prominence of both trade and construction aligns with conditions that can shape the business performance of ironmongeries, given their reliance on retail transactions and demand tied to building projects. These layers of economic growth, sustained construction activity, and demographic scale point to structural conditions that influence retail performance. Higher regional GDP growth and an expanding construction sector suggest rising material demand, while a competitive landscape of

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construction firms and dense population centers may drive demand variability for hardware and building materials. These conditions collectively form a backdrop against which variations in business performance such as sales growth, customer expansion, and revenue trends could be analyzed and understood.

A preliminary survey was conducted at the beginning of the study to gain more insights on the ironmongery industry in Medan. The findings for Business Performance show that, despite 60% of respondents reporting sales growth and 70% gaining new customers, only 40% saw profit growth and 50% experienced asset growth. This indicates that intense price competition, fragmented demand, and rising costs are preventing sales volume from translating into true financial expansion. The results for Entrepreneurial Orientation indicate that, while 100% of owners make independent decisions and introduce product variations, deeper entrepreneurial drive is lacking. Only 60% actively seek new opportunities or take calculated risks, and just 50% actively respond to competitors' strategies, reflecting a strong preference for risk avoidance.

On the context of Opportunity Recognition, there are several weaknesses in how store owners identify and respond to potential market opportunities. All respondents (100%) create short-term alternative solutions for customers, but proactive market scanning remains weak. Although 80% search for new suppliers and 70% observe the market for scarce products, these efforts are largely informal and reactive rather than systematically structured. Nevertheless, the results for Strategic Flexibility also reveal notable limitations in the operational capabilities of the stores. All stores (100%) manage basic inventory adjustments when product popularity shifts. However, broader strategic agility is constrained by resource limits, with only 60% equipped to handle sudden, large orders without disrupting their regular operations.

This study aims to investigate "The Influence of Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility on Business Performance: A Study on Ironmongeries in Medan." This research seeks to analyze how these key entrepreneurial and strategic capabilities collectively influence the performance of local ironmongeries, providing practical insights for business owners in Medan to enhance competitiveness, adaptability, and operational effectiveness, while also contributing empirical evidence to the understanding of small retail businesses within the Indonesian context.

A foundational capability in dynamic environments is Entrepreneurial Orientation, which represents a firm's strategic posture regarding its tendency to innovate, act proactively, take calculated risks, compete aggressively, and exercise autonomy (Wales et al., 2021a). Empirical evidence suggests that SMEs with high levels of entrepreneurial orientation are better equipped to recombine limited resources, introduce product variations, and anticipate market trends ahead of competitors, thereby achieving superior organizational outcomes (Anwar et al., 2022; Romero-Castro et al., 2022; Saleh & Athari, 2023). Within the hardware retail sector, fostering EO allows business owners to transition from reactive operational habits to proactive market initiatives.

Closely linked to entrepreneurial behavior is Opportunity Recognition, defined as the learned capability to identify emerging customer needs, observe competitive gaps, and interpret market signals to create viable business solutions (George et al., 2021; Rahmi et al., 2025). Contemporary entrepreneurship research emphasizes that recognizing opportunities functions as the initiating mechanism for value creation, enabling resource-constrained SMEs to position themselves advantageously in response to local demand fluctuations (Anwar & Shah, 2021; Bagheri, 2021; Wang & Xue, 2024). Firms that systematically engage in competitive scanning and proactive searching are more likely to implement innovative actions that directly improve sales and customer retention (Alonso-Dos-Santos et al., 2023; Neneh, 2022; Sarwoko & Nurfarida, 2023).

Additionally, to capitalize on identified opportunities, firms require Strategic Flexibility, which is the capacity to rapidly modify strategies, reorganize resources, and adapt operational scale without incurring excessive costs (Clauss et al., 2021; Miroshnychenko et al., 2021). In volatile retail markets, this agility manifests as the ability to adjust production capacity, modify product offerings, and introduce new inventory to meet shifting construction trends (Brozovic, 2023; Sen et al., 2023). Strategically flexible organizations bypass structural rigidity, enabling them to maintain operational continuity and explore new avenues for growth amidst competitive disruptions (Herhausen et al., 2021; Sanchez, 2021; Zhou et al., 2023).

Finally, contemporary literature dictates that Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility are highly interrelated capabilities that jointly enhance competitive advantage. While EO provides the behavioral foundation to pursue new initiatives, opportunity recognition directs this drive toward viable market avenues, and strategic flexibility ensures the firm can efficiently reconfigure its operations to execute these strategies (Guo et al., 2021; Wales et al., 2021b). When integrated, these capabilities empower small retailers to rapidly align internal strengths with external market realities. Based on the explanations above, the following hypotheses are formulated on this study:

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H1: Entrepreneurial orientation has partial influence on the business performance of ironmongeries in Medan.
H2: Opportunity recognition has partial influence on the business performance of ironmongeries in Medan.
H3: Strategic flexibility has partial influence on the business performance of ironmongeries in Medan.
H4: Entrepreneurial orientation, opportunity recognition, and strategic flexibility have simultaneous influence on the business performance of ironmongeries in Medan.

RESEARCH METHOD

Research Design and Sample

This study adopts a quantitative research approach. Quantitative methods are widely used to examine relationships between variables using statistical and numerical data procedures. Quantitative research enables researchers to test theoretical models and evaluate causal relationships through structured measurement and statistical inference (Hair et al., 2022). By transforming responses into numerical form, this approach allows for objective analysis, pattern identification, and overview of findings within a fixed population. In this study, the convenience sampling method was selected. Convenience sampling is a non-probability technique that selects participants based on their accessibility and proximity to the researcher. The determination of sample size follows the guidelines proposed by Hair et al. (2022), which suggests that the minimum sample size for quantitative research should be at least 50 respondents and preferably higher depending on the complexity of the analysis. Furthermore, they recommend the size of the sample to be approximately 5 to 10 times the number of variables being examined in the study.

Data Measures and Analysis

Table 1. Validity Test Results

Variable	Item	Coefficient (r count)	R table	Result
Entrepreneurial Orientation (X1)	EO1	0.748	0.361	Valid
	EO2	0.743	0.361	Valid
	EO3	0.870	0.361	Valid
	EO4	0.774	0.361	Valid
	EO5	0.810	0.361	Valid
	EO6	0.873	0.361	Valid
	EO7	0.897	0.361	Valid
	EO8	0.797	0.361	Valid
	EO9	0.714	0.361	Valid
	EO10	0.861	0.361	Valid
Opportunity Recognition (X2)	OR1	0.821	0.361	Valid
	OR2	0.843	0.361	Valid
	OR3	0.900	0.361	Valid
	OR4	0.865	0.361	Valid
	OR5	0.846	0.361	Valid
	OR6	0.876	0.361	Valid
Strategic Flexibility (X3)	SF1	0.835	0.361	Valid
	SF2	0.773	0.361	Valid
	SF3	0.839	0.361	Valid
	SF4	0.765	0.361	Valid
	SF5	0.783	0.361	Valid
	SF6	0.857	0.361	Valid
Business Performance (Y)	BP1	0.786	0.361	Valid
	BP2	0.852	0.361	Valid
	BP3	0.841	0.361	Valid
	BP4	0.776	0.361	Valid
	BP5	0.79	0.361	Valid

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	BP6	0.73	0.361	Valid
	BP7	0.767	0.361	Valid
	BP8	0.715	0.361	Valid

As shown on Table 1, the results show the item validity of Entrepreneurial Orientation, Opportunity Recognition, Strategic Flexibility, and Business Performance, in which the r count is greater than r table (0.361) with N = 30. Therefore, all 30 questionnaire items are declared valid and suitable to be used as research instruments for further analysis.

Table 2. Reliability Test Result

Variable	Cronbach's Alpha	Threshold	No of Items	Result
Entrepreneurial Orientation (X1)	0.941	0.60	10	Reliable
Opportunity Recognition (X2)	0.926	0.60	6	Reliable
Strategic Flexibility (X3)	0.893	0.60	6	Reliable
Business Performance (Y)	0.908	0.60	8	Reliable

Table 2 shows the reliability results of all variables, namely Entrepreneurial Orientation (α = 0.941), Opportunity Recognition (α = 0.926), Strategic Flexibility (α = 0.893), and Business Performance (α = 0.908), all of which are greater than 0.60. Therefore, all research instruments are confirmed as reliable.

Table 3. Multicollinearity Test

Coefficientsa							
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*	*Tolerance*	*VIF*
1 (Constant)	-1.008	1.490		-.677	.502		
Entrepreneurial Orientation	.356	.083	.428	4.274	.000	.949	1.054
Opportunity Recognition	.334	.128	.261	2.612	.012	.947	1.056
Strategic Flexibility	.374	.141	.271	2.646	.011	.920	1.087

a. Dependent Variable: Business Performance (Y).

The table above shows that the independent variables, which are Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility, have Tolerance values greater than 0.100 and VIF values less than 10. Specifically, X1 has VIF = 1.054 and Tolerance = 0.949; X2 has VIF = 1.056 and Tolerance = 0.947; X3 has VIF = 1.087 and Tolerance = 0.92. Therefore, it can be concluded that the model meets the assumption of no multicollinearity, meaning there are no significant intercorrelations among the independent variables. Moreover, based on the scatterplot visualized on the following Figure 1, it has been shown that the residuals are randomly distributed both above and below the zero line on the Y-axis without forming any specific pattern or trend. The points are also not concentrated in one particular area. Therefore, it can be concluded that heteroscedasticity does not occur, indicating that the regression model meets the assumption of homoscedasticity.

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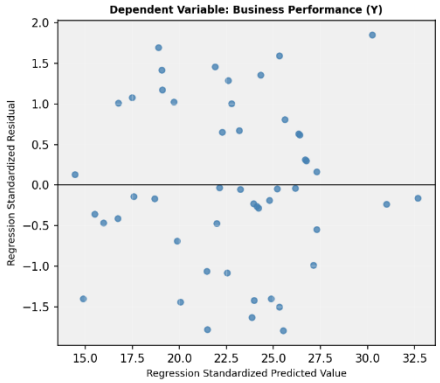


Figure 1. Scatterplot Graph

Furthermore, the results of regression analysis on this study has also been shown on the following Table 3, based of which the multiple regression equation is: **Y = -1.008 + 0.356(X1) + 0.334(X2) + 0.374(X3)**, where Y = Business Performance; X1 = Entrepreneurial Orientation; X2 = Opportunity Recognition; and X3 = Strategic Flexibility. The constant value of -1.008 means that if Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility are in constant conditions, the Business Performance is -1.008. If Entrepreneurial Orientation increases by 1 unit, the Business Performance increases by 0.356 assuming other variables remain constant. If Opportunity Recognition increases by 1 unit, the Business Performance increases by 0.334 assuming other variables remain constant. If Strategic Flexibility increases by 1 unit, the Business Performance increases by 0.374 assuming other variables remain constant.

Table 4. Multiple Linear Regression Analysis

Coefficientsa							
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*	*Lower Bound*	*Upper Bound*
1 (Constant)	-1.008	1.490		-.677	.502	-4.007	1.991
Entrepreneurial Orientation	.356	.083	.428	4.274	.000	.188	.523
Opportunity Recognition	.334	.128	.261	2.612	.012	.076	.591
Strategic Flexibility	.374	.141	.271	2.646	.011	.090	.658

a. Dependent Variable: Business Performance (Y).

Table 5. F-test Results

ANOVAa					
Model	*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1 Regression	115.046	3	38.349	15.116	.000b
Residual	116.714	46	2.537		
Total	**231.760**	**49**			

a. Dependent Variable: Business Performance (Y).
b. Predictors: (Constant), Strategic Flexibility, Entrepreneurial Orientation, Opportunity Recognition.

Result of Hypothesis Testing

Based on the results of t test, it can be explained that t count > t table (4.274 > 2.013) and significance value (0.0 < 0.05), then H1 is supported: Entrepreneurial Orientation has partial influence on Business Performance. The t test for Opportunity Recognition also obtained a value of t count > t table (2.612 > 2.013) with significance value (0.012 < 0.05), therefore H2 is supported, confirming the partial influence of Opportunity Recognition on Business Performance. Meanwhile, the t test for Strategic Flexibility obtained a value of t count > t table (2.646 > 2.013) and significance value (0.011 < 0.05), then H3 is also supported, where Strategic Flexibility has also been confirmed partially influencing performance of ironmongeries. Finally, the result of F-test (Table 4) has also confirmed the simultaneous effect of all independent variables, namely Entrepreneurial Orientation,

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Opportunity Recognition, and Strategic Flexibility, on Business Performance of Ironmongeries in Medan, with F count > F table (15.116 > 2.807) and significance value (0.0 < 0.05), therefore H4 is supported.

DISCUSSION

The findings of this research demonstrate that Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility positively and significantly contribute to the performance of ironmongery businesses in Medan. These results align with earlier studies and further reinforce empirical evidence related to small and medium-sized enterprises operating in the hardware retail industry.

The finding that Entrepreneurial Orientation significantly influences Business Performance ($t = 4.274$, $p = 0.000$, $\beta = 0.356$) is consistent with Rahmi et al. (2025) and Mohungo et al. (2022). Rahmi et al. demonstrated that EO is a strong predictor of MSME performance, with its effect partly channeled through Opportunity Recognition as a mediator. The present study reinforces this by confirming that EO exerts a direct and significant influence on Business Performance even without a mediating mechanism. Similarly, Mohungo et al. (2022) found that EO improves Business Performance both directly and via Market Orientation. While this study does not incorporate Market Orientation, the direct effect observed aligns with their conclusion, further validating entrepreneurial posture as a fundamental driver of firm performance across different industry settings.

The significant influence of Opportunity Recognition on Business Performance ($t = 2.612$, $p = 0.012$, $\beta = 0.334$) supports Anwar et al. (2021), who found that firms identifying unmet customer needs earlier than competitors achieved stronger market responsiveness and improved revenue performance. The present study extends this to a more narrowly defined context, demonstrating that the relationship holds in a localized, single-industry retail setting. Notably, while Rahmi et al. (2025) positioned Opportunity Recognition as a mediating variable, this study treats it as an independent predictor. The significant result obtained supports this repositioning, indicating that Opportunity Recognition carries direct explanatory power over Business Performance without functioning exclusively as an intervening mechanism.

The result confirming that Strategic Flexibility significantly influences Business Performance ($t = 2.646$, $p = 0.011$, $\beta = 0.374$) is consistent with Sen et al. (2022) and Nadkarni and Herrmann (2022). Sen et al. found that small firms capable of adjusting production scale, modifying products, and introducing new offerings achieved better resilience and growth outcomes, which is directly echoed in this study across the same three flexibility dimensions. Nadkarni and Herrmann (2022) further confirmed that higher strategic flexibility leads to more stable performance under turbulent conditions, a conclusion that holds in the Medan hardware retail market where demand fluctuations and competitive pressures make adaptability critical. Notably, Strategic Flexibility yielded the highest regression coefficient ($\beta = 0.374$) among all three variables, suggesting that operational flexibility carries the greatest performance implications in this specialized retail context.

Taken together, the results are consistent with all five prior studies reviewed. The simultaneous influence confirmed through the F-test ($F = 15.116$, $p = 0.000$, Adj. $R^2 = 0.464$) reflects the complementary nature of Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility as an integrated set of capabilities. This aligns with the broader theoretical position across the reviewed literature, which holds that no single capability fully accounts for performance variation on its own. The present study contributes to this evidence base by demonstrating that when these three capabilities are examined together within a focused sectoral and geographic context, their combined effect remains statistically robust and practically meaningful.

CONCLUSION

Entrepreneurial Orientation has a value t count 4.274 > t table 2.013 and a significant value 0.0 < 0.05. This means Entrepreneurial Orientation variable has partial influence on Business Performance of ironmongery businesses in Medan. A multiple linear regression equation shows if Entrepreneurial Orientation increases by 1 unit, the Business Performance increases by 0.356 assuming others remain constant.

Opportunity Recognition has a value t count 2.612 > t table 2.013 and a significant value 0.012 < 0.05. This means Opportunity Recognition variable has partial influence on Business Performance of ironmongery businesses in Medan. A multiple linear regression equation shows if Opportunity Recognition increases by 1 unit, the Business Performance increases by 0.334 assuming other variables remain constant.

Strategic Flexibility has a value t count 2.646 > t table 2.013 and a significant value 0.011 < 0.05. This means Strategic Flexibility variable has partial influence on Business Performance of ironmongery businesses in

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Medan. A multiple linear regression equation shows if Strategic Flexibility increases by 1 unit, the Business Performance increases by 0.374 assuming other variables remain constant.
The result of F test can be explained that F count > F table (15.116 > 2.807) and significant value (0.0 < 0.05), then H4 is accepted: Entrepreneurial Orientation, Opportunity Recognition, and Strategic Flexibility have simultaneous influence on Business Performance of ironmongery businesses in Medan. The results show that the determination value represented by the Adjusted R Square is 0.464, meaning these three variables influence 46.4% on Business Performance.

Implications

For Entrepreneurial Orientation, the lowest mean value is EO3 (Proactiveness) which is 3.04. It is recommended that ironmongery business owners in Medan should enhance their entrepreneurial orientation by investing in product innovation, strengthening their proactive approach to market scanning, and developing greater willingness to take calculated risks. Owners should regularly assess competitive threats and opportunities and respond with decisive action. To minimize risk, business owners can conduct small-scale trials or pilot programs before fully implementing new strategies or product introductions. Meanwhile, for Opportunity Recognition, the lowest mean value is OR5 (Innovative Solution Creation of Opportunities) which is 2.82. It is recommended that business owners should improve their opportunity recognition capability by establishing more systematic processes for competitive scanning and market information gathering. Owners are encouraged to regularly monitor industry trends, attend trade exhibitions, and build networks with suppliers and contractors who can provide early signals of emerging market opportunities.
Furthermore, for Strategic Flexibility, the lowest mean value is SF6 (New Product Introduction Flexibility) which is 2.84. It is recommended that ironmongery owners should enhance their strategic flexibility by building more agile inventory management systems, diversifying their supplier base, and developing the operational capacity to quickly adjust product offerings in response to shifting construction market demands. Stores that can rapidly adapt their product mix to changing customer needs will gain a significant competitive advantage. For Business Performance, the lowest mean value is BP2 (Sales Growth) which is 2.72. Therefore, business owners are encouraged to expand their performance improvement efforts to include profitability, asset growth, and customer acquisition strategies. Implementing systematic customer relationship management practices, offering loyalty programs, and exploring digital marketing channels can help ironmongery businesses in Medan attract new customers and sustain long-term business growth.
Based on the results of this study, future researchers are encouraged to conduct more comprehensive investigations on the relationship between Entrepreneurial Orientation, Opportunity Recognition, Strategic Flexibility, and Business Performance in ironmongery and related hardware retail businesses. The relatively moderate mean values observed across several indicators suggest that these dimensions still have significant room for further exploration and improvement. Subsequent studies may examine how digital capability, social capital, and access to formal business networks mediate or moderate the relationships identified in this study.

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