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# How Digitalization Translates Entrepreneurial Orientation into Firm Growth in the Food Manufacturing Industry: Evidence from CB-SEM and PLS-SEM*

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## Abstract

This study examines the relationship between entrepreneurial orientation (EO), digitalization (D), and firm growth (FG), with particular attention paid to the mediating role of digitalization. Additionally, the study compares the results obtained using covariance-based structural equation modeling (CB-SEM) and partial least squares structural equation modeling (PLS-SEM) in order to assess the consistency of findings across different SEM approaches. The study is based on data collected from 416 firms operating in the food manufacturing sector. The findings indicate that entrepreneurial orientation positively influences both digitalization and firm growth, while digitalization also positively affects firm growth. The mediation analysis confirmed that digitalization acts as a partial mediator in the relationship between entrepreneurial orientation and firm growth. Furthermore, the results obtained from CB-SEM and PLS-SEM were largely consistent, suggesting robustness and stability of the identified relationships across both analytical approaches. The study contributes to the literature by combining a substantive analysis of entrepreneurial and digital transformation processes with a methodological comparison of two major SEM approaches.

**Keywords**: Entrepreneurial Orientation; Digitalization; Firm Growth; Structural Equation Modeling.

## Introduction

Digital transformation has become one of the key challenges facing enterprises nowadays. The increasing availability of digital technologies, changing customer expectations, and growing environmental uncertainty require firms to continuously adapt their business models and operational processes. In this context, digitalization is perceived not only as a technological progress but also as a strategic capability that supports firms' efficiency, value creation, and competitive advantage. At the same time, organizations differ considerably in their readiness to adopt digital solutions; this suggests that certain organizational characteristics may facilitate successful digital transformation.

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One such characteristic is entrepreneurial orientation (EO), which reflects a firm's tendency toward innovativeness, proactiveness, and risk-taking. Firms characterized by a high level of EO are more willing to explore new opportunities, implement innovative solutions, and proactively respond to environmental changes. As a result, EO has frequently been identified as an important driver of organizational development and firm growth. However, the mechanisms through which entrepreneurial orientation translates into superior organizational outcomes remain insufficiently understood.

Numerous studies suggest that digitalization may represent one of these mechanisms. Firms with a strong entrepreneurial orientation are more likely to recognize the strategic importance of digital technologies and adopt innovative digital solutions. Through digitalization, companies can improve their operations, strengthen relationships with customers, and develop new products and services. Consequently, digitalization may act as a mediator linking entrepreneurial orientation to firm growth.

Alongside substantive questions concerning the relationships among EO, digitalization, and firm growth, researchers face important methodological challenges. One of the most debated issues concerns the selection of an appropriate structural equation modeling (SEM) approach. The literature generally distinguishes between two major methodologies: covariance-based structural equation modeling (CB-SEM) and partial least squares structural equation modeling (PLS-SEM). These approaches rely on different statistical assumptions and estimation procedures, which may lead to differences in parameter estimates, significance levels, and overall conclusions. Consequently, the choice of estimation technique remains an important methodological decision that may influence the interpretation of research findings. Comparing results obtained through both approaches may therefore provide valuable insights into the robustness and stability of empirical conclusions.

Against this background, the present study has two primary objectives. First, it examines the relationships between entrepreneurial orientation, digitalization, and firm growth, with particular emphasis on the mediating role of digitalization. Second, it compares the results obtained using CB-SEM and PLS-SEM in order to evaluate the consistency of findings across alternative SEM approaches. Using data collected from 416 firms operating in the food manufacturing sector, the study contributes to both the entrepreneurship and digitalization literature while simultaneously providing methodological evidence regarding the convergence of results obtained from two widely used SEM techniques.

## Literature Review and Hypotheses

*Entrepreneurial Orientation and Digitalization*

Entrepreneurial orientation (EO) is one of the most widely studied strategic concepts in management research. It reflects a firm's tendency to engage in innovative, proactive, and risk-taking behaviors. Innovativeness refers to a willingness to support new ideas, experimentation, and creative processes. Proactiveness reflects the ability to anticipate and respond to future market opportunities, while risk-taking captures a firm's readiness to commit resources to uncertain initiatives and investments, as suggested by Lumpkin and Dess (1996).

These characteristics are particularly important in the context of digital transformation. The implementation of digital technologies often requires firms to depart from established routines, invest in new solutions, and respond proactively to technological and market changes. Organizations characterized by high levels of EO are generally more open to innovation and more willing to experiment with digital tools and technologies (Ahmad, 2025). Consequently, entrepreneurial firms are expected to adopt and implement digital solutions more extensively than less entrepreneurial organizations.

**H1:** Entrepreneurial orientation positively influences digitalization.

*Digitalization and Firm Growth*

Digitalization has become an important source of organizational development and competitive advantage. Audretsch and Belitski (2024) argue that the adoption of digital technologies enables firms to improve operational efficiency, enhance communication, accelerate decision-making, automate processes, and access valuable information in real time. Furthermore, digital tools facilitate interactions with customers and suppliers, support innovation activities, and create opportunities for entering new markets.

These benefits may contribute directly to firm growth. Organizations that effectively utilize digital technologies are often better positioned to increase productivity, improve customer satisfaction, and respond rapidly to changing market conditions. As a result, digitalization may strengthen a firm's ability to expand quickly and achieve superior growth outcomes.

**H2:** Digitalization positively influences firm growth.

*Entrepreneurial Orientation and Firm Growth*

The relationship between entrepreneurial orientation and firm performance has been extensively examined in the entrepreneurship and strategic management literature. As discussed by Fellnhofer (2019), firms displaying greater innovativeness, proactiveness, and risk-taking are more likely to identify emerging opportunities, introduce new products and services, and develop competitive advantages. Entrepreneurial firms are generally more capable of adapting to environmental changes and exploiting new opportunities before competitors. These capabilities may contribute to superior organizational outcomes, including sales growth, market expansion, and overall business development.

**H3:** Entrepreneurial orientation positively influences firm growth.

*The Mediating Role of Digitalization*

Although EO is often associated with superior organizational outcomes, its impact on firm growth may not be entirely direct. Entrepreneurial firms typically transform their strategic orientation into concrete actions and capabilities that ultimately generate business results. Kraus et al. (2023) highlighted digitalization as one such mechanism. Firms characterized by high EO are more likely to accept risk which accompanies investments in digital technologies and proactively pursue digital transformation initiatives which are associated with innovation. These investments, in turn, may improve organizational efficiency and facilitate market expansion, thereby contributing to growth. Consequently, digitalization may function as an intermediary process through which entrepreneurial orientation translates into superior growth outcomes.

**H4:** Digitalization mediates the relationship between entrepreneurial orientation and firm growth.

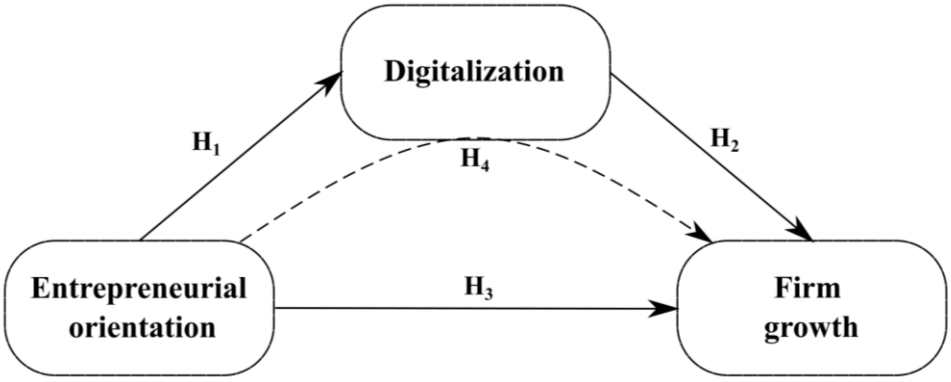


**Figure 1. Theoretical model.**

## Methodological Background

Structural equation modeling (SEM) is one of the most widely applied analytical approaches in management and entrepreneurship research. SEM enables researchers to simultaneously assess measurement quality and examine relationships among latent constructs. Two dominant SEM approaches are commonly distinguished in the literature: covariance-based structural equation modeling (CB-SEM) and partial least squares structural equation modeling (PLS-SEM). Although both methods are designed to analyze complex relationships between latent variables, they differ in their statistical assumptions, estimation procedures, and primary research objectives. Understanding these differences is essential for selecting an appropriate analytical technique and interpreting empirical findings.

*Covariance-Based SEM*

Covariance-based structural equation modeling (CB-SEM) relies on covariance analysis to estimate structural relationships among variables. It is primarily a confirmatory approach used for theory testing and model validation. The method assumes that latent variables are reflected in their indicators and that the observed covariance matrix can be reproduced by the theoretical model. CB-SEM is commonly estimated using the maximum likelihood procedure, which typically requires multivariate normality of the data. Kacprzak (2018) noted that when this assumption is violated, alternative estimation methods may be employed, although they often require substantially larger sample sizes.

A key characteristic of CB-SEM is its emphasis on model fit. The approach evaluates how closely the theoretical model corresponds to the observed data through the comparison of covariance matrices. This allows researchers to simultaneously assess both measurement and structural models, making CB-SEM particularly suitable for validating established theoretical frameworks (Kacprzak, 2018; Astrachan, Patel and Wanzenried, 2014). Model fit was evaluated using four commonly reported goodness-of-fit indices: the Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA) and Standardized Root Mean Square Residual (SRMR).

*Partial Least Squares SEM*

Partial least squares structural equation modeling (PLS-SEM) represents a variance-based alternative to CB-SEM. Unlike covariance-based approaches, PLS-SEM focuses on maximizing the explained variance of endogenous constructs and enhancing predictive capabilities. The method is suitable for both exploratory and confirmatory research and can be applied without assuming multivariate normality (Hair et al., 2022; Kacprzak, 2018).

An important advantage of PLS-SEM is its flexibility. The approach can accommodate both reflective and formative constructs and is capable of handling relatively complex models. Furthermore, it can be applied successfully in studies with smaller sample sizes, provided that minimum statistical requirements are met (Astrachan, Patel and Wanzenried, 2014). Model evaluation in PLS-SEM focuses primarily on reliability, validity, path coefficients, and explanatory power, with particular emphasis placed on the coefficient of determination ($R^2$), which indicates the proportion of variance explained by the model (Hair et al., 2022). Consequently, PLS-SEM is frequently employed in studies emphasizing prediction, variance explanation, and the development of emerging theoretical frameworks (Astrachan, Patel and Wanzenried, 2014; Sarstedt, Ringle and Hair, 2021).

*Comparison of CB-SEM and PLS-SEM*

CB-SEM and PLS-SEM differ fundamentally in their estimation philosophy and analytical objectives. CB-SEM focuses on reproducing the covariance structure of the data and evaluating overall model fit, making it particularly suitable for theory confirmation. In contrast, PLS-SEM aims to maximize explained variance and predictive

accuracy, which makes it especially useful in prediction-oriented research (Kacprzak, 2018; Lowry and Gaskin, 2014).

The two approaches also differ in their statistical assumptions and flexibility. CB-SEM generally requires stronger distributional assumptions and is traditionally associated with reflective measurement models. Lowry and Gaskin (2014) argue that PLS-SEM imposes fewer restrictions, accommodates both reflective and formative constructs, and is often considered more flexible when analyzing complex research models.

Despite the growing popularity of both approaches, relatively few studies directly compare CB-SEM and PLS-SEM using the same theoretical model and dataset. Such comparisons are valuable because they allow researchers to evaluate whether substantive conclusions remain stable across alternative estimation techniques. Therefore, the present study applies both approaches to the same mediation model linking entrepreneurial orientation, digitalization, and firm growth. This dual analytical perspective makes it possible to assess not only the proposed theoretical relationships but also the convergence and robustness of results obtained using two of the most widely employed SEM methodologies.

**Table 1. Key differences between CB-SEM and PLS-SEM.**

| Aspect | CB-SEM | PLS-SEM |
|---|---|---|
| Primary objective | Theory testing and confirmation | Prediction and variance explanation |
| Statistical foundation | Covariance-based | Variance-based |
| Main evaluation criterion | Model fit | Predictive accuracy and explanatory power |
| Distribution assumptions | Typically requires multivariate normality | No strict normality requirements |
| Sample size requirements | Generally larger samples preferred | More suitable for smaller samples |
| Measurement models | Primarily reflective constructs | Reflective and formative constructs |
| Model complexity | Moderate complexity | Suitable for highly complex models |
| Key assessment metrics | RMSEA, CFI, TLI, SRMR | $R^2$, path coefficients, predictive measures |
| Typical application | Theory confirmation | Prediction and theory development |

## Data and Measures

*Sample and Data Collection*

The empirical study was conducted among firms operating in the food manufacturing sector in Poland. This industry represents an important part of the national economy and has experienced increasing pressure to adopt digital technologies in response to changing market conditions and customer expectations as well as legal regulations. Data were collected using a structured questionnaire administered to owners, managers, and individuals responsible for strategic decision-making within their organizations.

The data were collected by the professional polling company. Participation in the study was voluntary and anonymous. After data screening and the elimination of incomplete questionnaires, a final sample of 416 firms was obtained. The sample included companies of different sizes and market profiles, providing sufficient variability for testing the proposed theoretical relationships.

*Measures*

Entrepreneurial Orientation (EO) was operationalized as a multidimensional second-order construct comprising innovativeness, proactiveness, and risk-taking. The measurement scale was adapted from the widely used instrument developed by Hughes and Morgan (2007). The construct was measured using nine items, with three indicators representing each dimension. Respondents evaluated each statement using a seven-point Likert scale ranging from 1 (“strongly disagree”) to 7 (“strongly agree”).

Digitalization (D) was measured using a multi-item scale reflecting the extent to which firms implement and utilize digital technologies in their operations. The scale captured key aspects of digital transformation, including the adoption of digital solutions, the use of digital tools in business processes, and the integration of digital technologies into organizational activities. The construct was measured using four items adapted from previous studies on organizational digitalization (Suder et al., 2024).

Firm Growth (FG) was assessed using subjective measures frequently employed in entrepreneurship and small business research. Respondents were asked to evaluate their firm's growth relative to competitors during the previous three years. The construct was measured using four indicators reflecting sales growth, market growth, customer growth, and overall business expansion. Subjective performance measures have been widely accepted in the literature and have demonstrated strong correlations with objective performance indicators (Suder et al., 2024).

*Analytical Procedure*

Data analysis was conducted in three stages. First, the measurement properties of all constructs were assessed. For the CB-SEM approach, confirmatory factor analysis (CFA) was used to evaluate construct validity and overall model fit. For the PLS-SEM approach, reliability and validity were assessed using indicator loadings, composite reliability (CR), average variance extracted (AVE), and discriminant validity measures.

Second, the structural relationships proposed in the theoretical model were examined using both CB-SEM and PLS-SEM. This stage focused on testing the direct effects between the variables (that is, Entrepreneurial Orientation, Digitalization, and Firm Growth).

Third, mediation analysis was performed to evaluate the indirect effect of entrepreneurial orientation on firm growth through digitalization. Finally, the results obtained from CB-SEM and PLS-SEM were subsequently compared to assess the consistency and robustness of findings across the two SEM approaches.

## Results

*Measurement Model Assessment*

Before testing the proposed hypotheses, the measurement model was evaluated. Entrepreneurial Orientation (EO) was specified as a second-order construct composed of three first-order dimensions: innovativeness, proactiveness, and risk-taking. For the CB-SEM approach, model adequacy was assessed using standard goodness-of-fit indices. The obtained values (CFI = 0.954, TLI = 0.939, RMSEA = 0.081, and SRMR = 0.083) indicate an acceptable level of model fit. Although RMSEA and SRMR slightly exceeded the commonly recommended threshold of 0.08, the deviations were marginal and do not raise concerns regarding the overall quality of the model. Furthermore, the majority of factor loadings exceeded the recommended threshold of 0.70. The remaining indicators achieved values above 0.60 and were statistically significant, supporting the adequacy of the measurement model.

For the PLS-SEM approach, measurement quality was assessed using indicator reliability, internal consistency reliability, convergent validity, and discriminant validity criteria. The results are presented in Table 2.

**Table 2. Reliability and convergent validity assessment (PLS-SEM)**

| Construct | Cronbach's Alpha | Composite Reliability (rho_a) | Composite Reliability (rho_c) | Average Variance Extracted (AVE) |
|---|---|---|---|---|
| EO | 0.764 | 0.855 | 0.853 | 0.663 |
| DIG | 0.889 | 0.891 | 0.923 | 0.751 |
| FG | 0.879 | 0.888 | 0.917 | 0.736 |

Internal consistency reliability was confirmed through Cronbach's Alpha, rho-A, and Composite Reliability (CR), with all values exceeding the recommended threshold of 0.70. Cronbach's Alpha ranged from 0.764 to 0.889, while Composite Reliability values ranged from 0.853 to 0.923. Convergent validity was supported by Average Variance Extracted (AVE) values above 0.50 for all constructs, ranging from 0.663 to 0.751. These results indicate satisfactory reliability and convergent validity of the measurement model. Discriminant validity was evaluated using both the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio (HTMT). In all cases, the square root of AVE exceeded the correlations between constructs, satisfying the Fornell-Larcker criterion. Furthermore, all HTMT values were substantially below the recommended threshold of 0.90, providing additional evidence of discriminant validity. Taken together, these results confirm that the measurement model demonstrates satisfactory psychometric properties and provides a reliable basis for subsequent structural model estimation.

*Structural Model Results*

Following the assessment of the measurement model, the structural relationships among the constructs were examined.

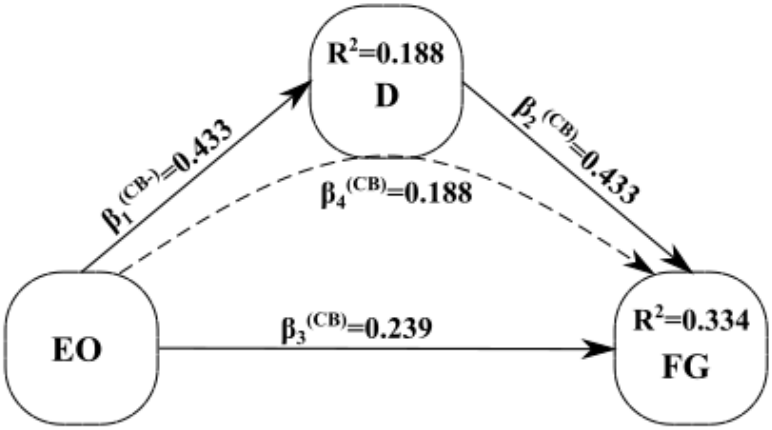


**Fig. 2. Research model structure with estimated parameters for the CB-SEM method.**

Figure 2 presents the estimated CB-SEM model, while the corresponding path coefficients and significance levels are reported in Table 3.

**Table 3. Results of hypothesis testing for the CB-SEM**

| Hypothesis | Path | Coefficient (β) | p-value |
|---|---|---|---|
| H1 | EO → D | 0.433 | <0.001 |
| H2 | D → FG | 0.433 | <0.001 |
| H3 | EO → FG | 0.239 | <0.001 |

As shown in Figure 2 and Table 3, all direct relationships were positive and statistically significant, providing support for H1–H3. Entrepreneurial Orientation exerted a moderately strong positive effect on Digitalization (β = 0.433), suggesting that firms characterized by higher levels of entrepreneurial behaviour tend to adopt digital technologies more extensively.

A similarly strong relationship was observed between Digitalization and Firm Growth (β = 0.433), confirming H2 and indicating that digital transformation contributes to superior growth outcomes. Entrepreneurial Orientation also demonstrated a positive and statistically significant effect on Firm Growth (β = 0.239), highlighting the importance of entrepreneurial behaviour as a driver of organizational growth.

The explanatory power of the CB-SEM model was satisfactory. As indicated in Figure 2, the coefficient of determination reached $R^2 = 0.188$ for Digitalization and $R^2 = 0.334$ for Firm Growth. This means that the model explained 18.8% of the variance in Digitalization and 33.4% of the variance in Firm Growth.
The same structural model was subsequently estimated using the PLS-SEM approach.

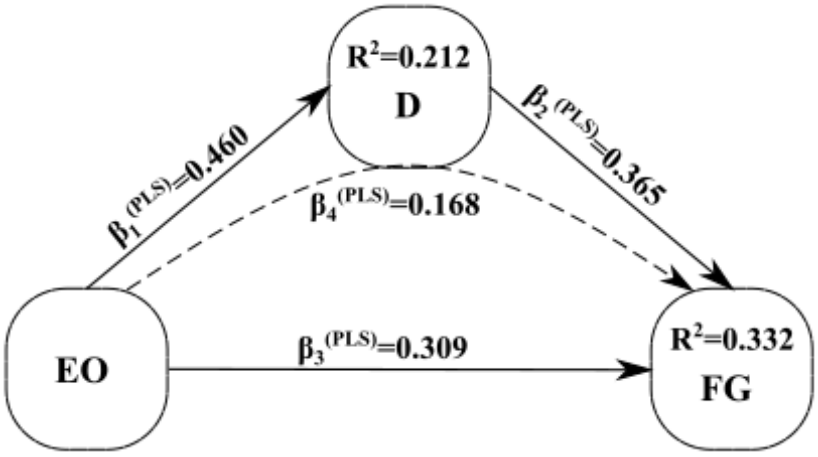


**Fig. 3. Research model structure with estimated parameters for the PLS-SEM method.**

Figure 3 presents the PLS-SEM structural model, whereas the detailed estimation results are summarized in Table 4.

**Table 4. Results of research hypotheses testing for the PLS-SEM model.**

| Hypothesis | Path | Coefficient (β) | p-value |
|---|---|---|---|
| H1 | EO → D | 0.460 | <0.001 |
| H2 | D → FG | 0.365 | <0.001 |
| H3 | EO → FG | 0.309 | <0.001 |

The PLS-SEM analysis produced highly similar findings. As shown in Figure 3 and Table 4, Entrepreneurial Orientation positively influenced Digitalization (β = 0.460), providing further support for H1. Digitalization also exerted a positive effect on Firm Growth (β = 0.365), confirming H2 and emphasizing the role of digital transformation in organizational development. Finally, Entrepreneurial Orientation retained a statistically significant direct effect on Firm Growth (β = 0.309), providing additional support for H3.

The predictive performance of the PLS-SEM model was also satisfactory. As illustrated in Figure 3, the coefficient of determination reached $R^2 = 0.212$ for Digitalization and $R^2 = 0.332$ for Firm Growth. These values indicate that Entrepreneurial Orientation explained approximately 21.2% of the variance in Digitalization, while the overall model explained approximately one-third of the variance in Firm Growth.

*Mediation Analysis*

To examine the mediating role of Digitalization, indirect effects were estimated using both SEM approaches. The indirect effects obtained from the CB-SEM mediation analysis are reported in Table 5.

**Table 5. Results of indirect effects (mediation) analysis for the CB-SEM model**

| Hypothesis | Path | Indirect Effect | p-value |
|---|---|---|---|
| H4 | EO → D → FG | 0.188 | <0.001 |

As shown in Table 5, the indirect effect was positive and statistically significant, indicating that Digitalization acts as a mediator in the relationship between Entrepreneurial Orientation and Firm Growth. Since the direct effect of Entrepreneurial Orientation on Firm Growth remained statistically significant after introducing the mediator, the results indicate partial mediation. Therefore, the CB-SEM results provide support for H4.

The mediation analysis was subsequently replicated using the PLS-SEM approach. The corresponding results are presented in Table 6.

**Table 6. Results of indirect effects (mediation) analysis for the PLS-SEM model**

| Hypothesis | Path | Indirect Effect | p-value |
|---|---|---|---|
| H4 | EO → D → FG | 0.168 | <0.001 |

The PLS-SEM results confirm the findings obtained using CB-SEM. As reported in Table 6, the indirect effect remained positive and statistically significant, providing additional support for H4. Because the direct relationship between Entrepreneurial Orientation and Firm Growth also remained statistically significant, the results again indicate partial mediation. These findings suggest that Digitalization represents an important, although not exclusive, mechanism through which entrepreneurial firms achieve superior growth outcomes.

Overall, both SEM approaches produced remarkably similar conclusions regarding the mediating role of Digitalization. The indirect effects obtained using CB-SEM (0.188) and PLS-SEM (0.168) were highly comparable, reinforcing confidence in the stability and robustness of the identified mediation mechanism.

*Comparison of CB-SEM and PLS-SEM Results*

To evaluate the robustness of the findings, the results obtained from CB-SEM and PLS-SEM were directly compared. The comparison of path coefficients is presented in Table 7.

**Table 7. Comparison of path coefficients obtained from CB-SEM and PLS-SEM**

| Path | CB-SEM | PLS-SEM |
|---|---|---|
| EO → D | 0.433 | 0.460 |
| D → FG | 0.433 | 0.365 |
| EO → FG | 0.239 | 0.309 |

| | | |
|---|---|---|
| EO → D → FG | 0.188 | 0.168 |

As shown in Table 7, both SEM approaches produced highly consistent results. All structural relationships remained positive and statistically significant, leading to identical conclusions regarding hypothesis testing. Thus, H1, H2, H3, and H4 were supported regardless of the estimation approach employed.

Although minor differences in coefficient magnitudes were observed, the overall pattern of relationships remained remarkably stable. PLS-SEM generated slightly stronger estimates for the relationships EO → D and D → FG, whereas CB-SEM produced a stronger coefficient for EO → FG. Despite these numerical differences, both approaches consistently support the proposed theoretical model and confirm the positive effects of Entrepreneurial Orientation and Digitalization on Firm Growth.

Taken together, the findings indicate a high degree of convergence between CB-SEM and PLS-SEM. The consistency of direct and indirect effects across both estimation approaches strengthens confidence in the robustness of the proposed model and suggests that the substantive conclusions are largely independent of the selected SEM methodology.

## Discussion and Conclusion

The results of this study provide support for the proposed relationships among entrepreneurial orientation (EO), digitalization, and firm growth. First, the findings confirm that entrepreneurial orientation positively influences the level of digitalization within firms. This result is consistent with previous entrepreneurship research, which suggests that innovative, proactive, and risk-taking organizations are more willing to adopt new technologies and implement digital solutions. Firms characterized by a stronger entrepreneurial posture appear more capable of recognizing the strategic value of digital transformation and allocating resources toward its implementation (Ahmad, 2025). Thus, this study provides additional evidence in this regard, confirming these relationships in the new context, that is, food manufacturing companies.

Second, the study demonstrates that digitalization positively contributes to firm growth. The findings suggest that digital technologies not only improve operational efficiency but also support organizational expansion. As a result, digitalization emerges as an important growth mechanism in contemporary business environments. The study shows such relationship in the sample examined. Moreover, the mediation analysis revealed that digitalization partially mediates the relationship between entrepreneurial orientation and firm growth. This indicates that entrepreneurial firms achieve superior growth not only through direct entrepreneurial actions but also through their greater propensity to engage in digital transformation initiatives. Although previous research showed that the mechanism of impact of entrepreneurial orientation and digitalization on firm outcomes can be complex (Kraus et al., 2023), this study adds value to the emerging research on entrepreneurship and digitalization by revealing that complexity in the context of firm growth.

Beyond the substantive findings, this study also contributes to the ongoing methodological discussion concerning the application of structural equation modeling techniques. By estimating the same theoretical model using both CB-SEM and PLS-SEM, the study provides evidence regarding the convergence of results obtained from alternative SEM approaches. Despite differences in estimation philosophy, assumptions, and analytical objectives, both methods produced highly consistent conclusions. All direct and indirect effects remained statistically significant across both approaches, and the identified mediation mechanism was interpreted in the same way.

At the same time, several differences were observed in the magnitude of estimated coefficients. PLS-SEM generated slightly stronger estimates for some relationships, whereas CB-SEM produced stronger estimates for others. Nevertheless, these differences did not alter the substantive interpretation of the results. Consequently, the

findings suggest that researchers may obtain robust conclusions regardless of the selected SEM approach, provided that the choice of method is aligned with the objectives of the study and the characteristics of the data.

In conclusion, this study contributes to both entrepreneurship literature and research methodology. From a theoretical perspective, it provides further evidence that entrepreneurial orientation supports organizational growth directly and indirectly through digitalization. From a methodological perspective, it demonstrates a high degree of consistency between CB-SEM and PLS-SEM when applied to the same mediation model. These findings contribute to the growing literature examining the practical implications of methodological choices in SEM-based research.

These findings also have practical implications for managers and entrepreneurs. In regard to firm growth, the study shows that efficiency of their entrepreneurial activity can be supported by implementation of digital solutions.
Several limitations should be acknowledged. First, the study relies on cross-sectional data collected from firms operating in a single industry and country, which may limit the generalizability of the findings. Second, firm growth was measured using subjective indicators rather than objective financial data. Third, only one mediator was examined, while other organizational mechanisms may also explain the relationship between entrepreneurial orientation and firm growth.

Future research could address these limitations by employing longitudinal datasets, incorporating objective performance indicators, and examining additional mediating or moderating variables. Further studies could also compare CB-SEM and PLS-SEM across different theoretical models and industry contexts to better understand the conditions under which the two approaches converge or diverge.

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