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Matching entrepreneurial orientations: a new perspective on the external accountant's advisory role towards entrepreneurs

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Abstract

External accountants increasingly position themselves as full-fledged business advisors who offer a broad array of advisory services to SME owner-managers to help them address specific business challenges. This study examines whether these owner-managers are more likely to use the advice of external accountants if their Individual Entrepreneurial Orientation (IEO) matches that of the external accountant. By analysing questionnaire data of 161 external accountant – owner-manager pairs using regression analyses, we find that this depends on the dimension of IEO. For the innovativeness dimension, owner-managers are more likely to use the external accountant's advice when both parties equally value this dimension (i.e., a supplementary fit). For the risk-taking dimension, owner-managers are more likely to use their advice when the external accountant is dissimilar regarding this dimension (i.e., a complementary fit). For the third dimension, proactiveness, no significant results were found. By applying the person-environment-fit perspective to the entrepreneur-external accountant relationship, our study contributes to the entrepreneurship literature. Moreover, it offers practical guidelines to both entrepreneurs and external accountants to further optimize their advisory relationship.

Keywords: Individual Entrepreneurial Orientation (IEO), person-environment fit, entrepreneur – external accountant advisory relationship, SMEs

Introduction

In recent years, external accountants have increasingly transformed their role for small and medium-sized enterprises (SMEs) by providing more business advisory services, moving beyond traditional accounting duties (Blackburn et al., 2018; De Bruyckere et al., 2017; Døving & Gooderham, 2008; Nuijten et al., 2020; Weigel & Hiebl, 2022). This shift aligns with the rising demand from SME owner-managers seeking advisory services (De Bruyckere et al., 2017; Nuijten et al., 2020; Oosthuizen, 2023) as well as technological advancements in the accounting field enabling new capabilities (Kroon, 2021). Scholars have devoted substantial attention to this phenomenon, with studies showing widespread usage of such advisory services (75-95% of SMEs) (De Bruyckere et al., 2017) and the potential benefits, like improved firm performance (Barbera & Hasso, 2013; Berry et al., 2006; Carey, 2015; Cestino Castilla et al., 2023; De Bruyckere et al., 2020; Robson & Bennett, 2000; Weigel & Hiebl, 2022). Academic research has also explored the determinants that impact the external accountant's evolving advisory role, such as firm, owner-manager, and relational characteristics (De Bruyckere et al., 2017). Overall, academic literature highlights the increasing ubiquity and strategic value of external accountants as business advisors to SMEs.

While the evolving role of external accountants as business advisors to SMEs is well-documented, a critical gap remains in understanding the alignment of external accountants' individual characteristics with the needs and expectations of their SME clients. Extant research predominantly examines individual characteristics of external accountants or SME owner-managers in isolation. However, there is a lack of exploration into how the congruence or divergence in traits influence the external accountant – owner-manager advisory relationship. In this study, we therefore focus on the Individual Entrepreneurial Orientation (IEO) of the external accountant as one of the core elements that may characterise whether the advisory-relationship turns out to be successful. More specifically, one might assume that in order to advise SME owner-managers, having a certain level of IEO as accountant is essential to empathise with owner-managers' needs and concerns. However, given SME owner-managers' varying IEO profiles (Bilal et al., 2022; Fellnhofer et al., 2017; Kollmann et al., 2017), a universal high IEO among external accountants may not suit all clients. Instead, drawing from the person-environment fit literature (Edwards, 2008; Jansen & Kristof-Brown, 2006), we posit that the degree of alignment in IEO characteristics between external accountants and owner-managers may determine the extent to which the advice is valued and used. This alignment can be *supplementary*, where the external accountant and the owner-manager share similar values and orientations, fostering a sense of understanding and enhancing the resonance of the advice given (Muchinsky & Monahan, 1987). It can also be *complementary*, where the differing traits between both parties balance each other out (Muchinsky & Monahan, 1987). Moreover, whether a complementary or supplementary alignment is most fruitful may also differ among the different IEO dimensions, namely *innovativeness*, *proactiveness*, and *risk-taking*.

The primary objective of this study is to explore how the alignment of IEO dimensions between external accountants and SME owner-managers affects the owner-manager's use of advice. Based on the entrepreneurship literature (Clark et al., 2024; Ireland et al., 2003; Lumpkin & Dess, 1996; Shane & Venkataraman, 2000), we hypothesise a supplementary fit in innovativeness and proactiveness, enabling external accountants to offer insights to owner-managers that maximise opportunities. Conversely, a complementary fit in risk-taking ensures that external accountants offer balanced risk perspectives to owner-managers, which is crucial for preventing adverse outcomes.

Our study contributes to the literature in several ways. First, it confirms that being an effective advisor requires more than just technical proficiency, it involves empathizing with the advisee, aligning with the perspectives of De Bruyckere et al. (2017, 2020) and Blackburn et al. (2018, 2010). Furthermore, it also adds to these studies by indicating that entrepreneurial orientation alignment can significantly influence the perceived value of advice, thereby extending their work. Second, by integrating the congruence theory and the psychological need fulfilment theory, we also provide valuable additional theoretical perspectives on the advisory role of external accountants, complementing the studies that mainly approach their role from a resource-based view perspective (e.g. Kirby & King, 1997; Weigel & Hiebl, 2022). Third, by focusing on the use of advice, we also provide a fresh perspective on the studies that examined the link between the demand for external accountants' advice by owner-managers and firm behaviour (e.g. Barbera & Hasso, 2013; Berry et al., 2006; Robson & Bennett, 2000). Lastly, this study responds to explicit calls in the literature to focus on how external accountants can further develop their role as service provider to add value to SMEs (Ali & Mustafa, 2023; De Bruyckere et al., 2017; Weigel & Hiebl, 2022).

The remainder of this article is structured as follows. The next section reviews the current literature and develops our hypotheses. The following sections present the methodology and results. Finally, the findings are discussed, together with the study's contributions, limitations, and opportunities for future research.

Background and hypotheses development

The external accountant as a business advisor

Over the past few decades, the role of the external accountant for SME clients has evolved from compliance expert to business advisor (Blackburn et al., 2018; De Bruyckere et al., 2017; Døving & Gooderham, 2008; Nuijten et al., 2020; Sandgren et al., 2023; Weigel & Hiebl, 2022). While traditional compliance-related services are a standard part of the profession's remit (Jones, 2007), many external accountants now offer additional business advisory services and position themselves as full-fledged business advisors to their clients (De Bruyckere et al., 2017). These services cover a range of domains, including financial, legal, operational, and strategic matters, and address owner-managers' business and personal matters (Barbera & Hasso, 2013; De Bruyckere et al., 2020; Devi & Samujh, 2010).

This shift results from the growing demand for advisory services among SMEs (De Bruyckere et al., 2017; Sandgren et al., 2023; Nuijten et al., 2020; Weigel & Hiebl, 2022) and the digital revolution in the accounting profession (Kroon, 2021). The resource-based view theory (Barney, 1991) suggests that external accountants can assist SME owner-managers in addressing complex challenges in today's business environment and in maintaining their competitiveness. By offering knowledge and expertise in various business domains (Kirby & King, 1997), external accountants can address the needs of SMEs that often lack such competencies (Ali & Mustafa, 2023; Karadag, 2015; Kirby & King, 1997; Weigel & Hiebl, 2022). In addition, the digital revolution in the accounting profession has enabled external accountants to automate repetitive and time-consuming tasks and focus on providing such value-adding advisory services (Kroon, 2021; Kruskopf et al., 2020; Leitner-Hanetseder et al., 2021).

Research confirms the transition within the accounting domain as external accountants are sought for advice by between 75 and 95 percent of SME owner-managers (De Bruyckere et al., 2017). Moreover, extensive research has been conducted to understand the determinants of owner-managers' use of external accountants for advisory services, including firm characteristics such as size, age, and market competitiveness (Bennett & Robson, 1999; Carey & Tanewski, 2016; Kamyabi & Devi, 2011; Kirby & King, 1997; Robson & Bennett, 2000), owner-manager characteristics like knowledge and gender and their perceptions of the external accountant, such as perceived value and cost of service (Bennett & Robson, 2005; Cassar & Ittner, 2009; Kamyabi & Devi, 2011, 2012; Kirby & King, 1997; Scott & Irwin, 2009), and relationship characteristics, including the external accountant's competence, strategic intention, mutual understanding, and trust (Blackburn et al., 2018; Carey & Tanewski, 2016; De Bruyckere et al., 2020; Gooderham et al., 2004).

Besides the characteristics of SME owner-managers, the characteristics of external accountants may also influence whether their SME clients use their advisory services. While the literature has primarily focused on the supply of advisory services, recommending that external accountants should offer more domain-transcending services and become a one-stop-shop for owner-managers (Barbera & Hasso, 2013; Blackburn et al., 2010; Carey & Tanewski, 2016; Gooderham et al., 2004; Oosthuizen, 2023), more *supply* does not guarantee increased *usage*. The supply of services reflects the *technical* aspect of (perceived) service quality, whereas both technical and functional aspects are crucial for customers to use a service according to the service quality literature (Grönroos, 1984, 1999). Besides *what* is technically delivered, the *functional* aspect involves *how* the service provider delivers the service, such as the external accountant's personal characteristics, client interactions and relationship management.

However, existing academic literature provides limited insights into the nature and scope of this functional aspect. Prior studies have suggested two ways for external accountants to fulfil the functional requirements of the business advisor role. The first way is meeting important relational requirements, such as trust (Blackburn et al., 2018) and mutual understanding (De Bruyckere et al., 2020). The second way is developing personal skills to become a 'coach', 'mentor', or 'strategic partner' for their clients (Blackburn et al., 2010; Chikweche & Bressan, 2020; De Bruyckere et al., 2020). Yet, these studies do not specifically address the characteristics from the external accountants' point of view. Consequently, the role of the external accountant's individual profile in the functional aspect of service quality warrants further investigation.

The external accountant as an entrepreneurial business advisor

In order to provide valuable business advice that owner-managers will use, external accountants may need to think like entrepreneurs and adopt an entrepreneurial mindset during the advisory process. This mindset, underpinned by the concept of Individual Entrepreneurial Orientation (IEO), embodies entrepreneurial attitudes and behaviours rooted in innovativeness, proactiveness, and risk-taking (Bolton, 2012; Bolton & Lane, 2012). Embracing such an orientation allows external accountants to not only harness their technical expertise but also align their advisory role's functional aspect with the entrepreneurial spirit of owner-managers, a synergy that is essential in contexts where external accountants contribute to entrepreneurial environments (Cestino Castilla et al., 2023; Moschella et al., 2023). IEO consists of three dimensions - *innovativeness, proactiveness* and *risk-taking* - all of which can be relevant in the advisory process. Innovativeness, characterised by a preference for creativity and experimentation, enables external accountants to craft solutions tailored to the unique challenges owner-managers encounter (Bolton & Lane, 2012). On the other hand, a proactive stance means external accountants can foresee and cater to their clients' future needs, ensuring their advice is both timely and relevant (Bolton & Lane, 2012). Furthermore, risk-taking external accountants can encourage owner-managers to challenge the norm and pursue transformative goals (Bolton & Lane, 2012). Therefore, an external accountant's IEO plays a pivotal role in the functional aspect of the business advisor role.

While embracing an entrepreneurial orientation is advantageous, the owner-manager's use of the external accountant's advice may hinge on achieving the right balance of fit between an external accountant's IEO and the owner-manager's IEO. While owner-managers are often considered as a homogeneous group of highly entrepreneurial individuals, such a view does not reflect reality. The group of owner-managers comprises a significant diversity in IEO profiles (Bilal et al., 2022; Fellnhofer et al., 2017; Kollmann et al., 2017). This diversity underscores the importance of IEO fit between both parties, whereby an external accountant's IEO should resonate with the owner-manager's unique profile. This concept of IEO fit is mirrored in the person-environment fit literature, which suggests that individuals thrive when their attributes align with those of other individuals in their environment (Edwards, 2008; Jansen & Kristof-Brown, 2006; Van Vianen, 2018). However, achieving a fit does not imply that the external accountant and the owner-manager must have identical entrepreneurial orientations. For instance, an external accountant might value stability and act cautiously, while an owner-manager might be driven by risk and innovation. Despite this divergence, their different entrepreneurial orientations could encourage owner-managers to use their external accountants' advice as long as they perceive it as valuable and promising for identifying opportunities. These nuances of fit are articulated in the person-environment fit literature through the concepts of supplementary and complementary fit (Muchinsky & Monahan, 1987). Supplementary fit, rooted in value congruence theory (Chatman, 1989), emphasises the benefits of shared characteristics between individuals, fostering a sense of belonging and mutual compatibility (Cable & Edwards, 2004). Conversely, complementary fit, anchored in psychological need fulfilment theory (Edwards, 1991), posits that disparities can be complementary, where one individual's strengths offset another individual's weaknesses, forging a synergistic relationship (Edwards, 1991; Muchinsky & Monahan, 1987). This dual perspective on fit underscores the intricate balance required in the IEO fit between external accountants and owner-managers.

Building on the multifaceted notion of fit, the entrepreneurship literature could explain why certain IEO dimensions align with a supplementary fit and others with a complementary fit. At the heart of entrepreneurship lies the pursuit of identifying and capitalising on profitable ventures (Ireland et al., 2003; Lumpkin & Dess, 1996; Shane & Venkataraman, 2000). Within this context, innovativeness emerges as a beacon, inspiring visionaries to explore new horizons and embrace groundbreaking ideas (Lumpkin & Dess, 1996). Proactiveness, another cardinal dimension, underscores the significance of foresight, enabling individuals to anticipate challenges and devise preemptive strategies (Lumpkin & Dess, 1996). Risk-taking, although paramount, demands judicious evaluation to ensure that potential rewards from opportunities outweigh the downsides. While taking risks can unlock uncharted opportunities and pave the way for unprecedented success, reckless ventures seldom yield fruitful outcomes (Lumpkin & Dess, 1996). Together, these dimensions form the bedrock of successful entrepreneurship, underscoring the need for a harmonious blend of innovation, proactiveness, and calculated risk-taking.

Building on the entrepreneurship literature underscoring innovativeness and proactiveness as core entrepreneurial traits, a supplementary fit based on value congruence emerges as the most fitting approach for these IEO dimensions. This stance is grounded in the understanding that innovation and proactiveness are defining characteristics of entrepreneurship, and SME owner-managers inherently possess an innovative and forward-looking nature (Ireland et al., 2003; Lumpkin & Dess, 1996). Given the dynamic nature of SMEs and their need for innovative and proactive strategies, it can be expected that owner-managers prefer external accountants to mirror these entrepreneurial traits. When there is a fit in innovativeness and proactiveness between external accountants and owner-managers, the likelihood of the latter using the former's advice increases, as this value congruence plays a critical role in shaping advice that resonates with the entrepreneurial orientation of owner-managers. On the other hand, significant disparities between their orientations in these dimensions can create tension: a mismatch in innovativeness or proactiveness might lead the owner-manager to question the relevance and usability of the advice provided. For instance, an external accountant lacking both may offer advice that stifles an owner-manager's ambitions. Conversely, an overly innovative and proactive external accountant might push changes too radical for the owner-manager. Given these intricacies, we propose the following hypotheses:

H1: The smaller the discrepancy between the external accountant's and the owner-manager's innovativeness (supplementary fit), the more likely the owner-manager will use the external accountant's advice.

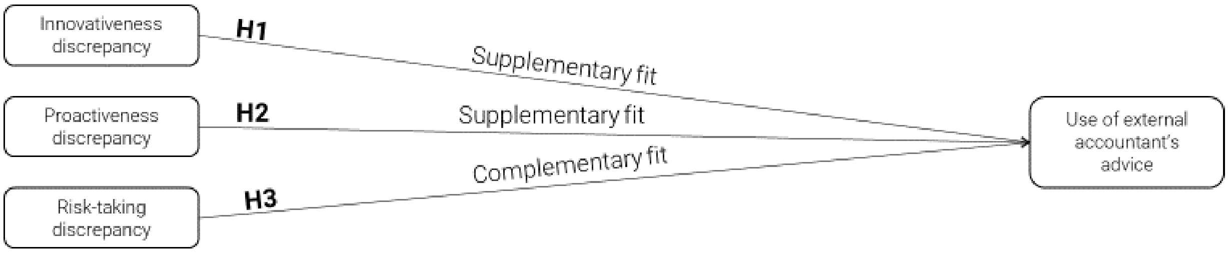
H2: The smaller the discrepancy between the external accountant's and the owner-manager's proactiveness (supplementary fit), the more likely the owner-manager will use the external accountant's advice.

In contrast to innovativeness and proactiveness, risk-taking presents a different narrative, where a complementary fit grounded in psychological need fulfilment emerges as the most fitting approach for this IEO dimension. External accountants play a pivotal role in guiding owner-managers (De Bruyckere et al., 2017; Cestino Castilla et al., 2023; Nuijten et al., 2020), who are generally inherently entrepreneurial and striving to balance innovativeness, proactiveness, and risk-taking to capitalise on lucrative ventures (Lumpkin & Dess, 1996; Shane & Venkataraman, 2000). However, navigating the realm of risk is delicate due to the unpredictable nature of business outcomes and the potential for repercussions (Lumpkin & Dess, 1996). While an adventurous risk-taking orientation can open doors to opportunities, excessive risk-taking or too much caution can thwart owner-managers' entrepreneurial aspirations (Lumpkin & Dess, 1996). As such, external accountants must steer owner-managers towards judicious risk assessment and sharp decision-making. Drawing from the psychological need fulfilment attribute of complementary fit (Cable & Edwards, 2004) - which emphasises mutual benefits derived from differing strengths (Muchinsky & Monahan, 1987) - a synergy in risk profiles between both parties might increase the owner-manager's use of the external accountant's advice. A risk-cautious external accountant can offer invaluable insights to a risk-taking owner-manager, aiding in choosing viable ventures from precarious ones. Conversely, a risk-taking external accountant might ignite the entrepreneurial spark in a risk-cautious owner-manager, presenting a compelling rationale for specific business pursuits. Moreover, having both parties aligned too closely in their risk-taking tendencies could be detrimental, as this extreme congruence may limit the diversity of perspectives considered. Such a narrow focus could lead to overlooking alternative strategies or failing to anticipate potential pitfalls. Given these potential drawbacks of extreme congruence, the optimal scenario emerges when there is a complementary fit in risk-taking inclinations. Therefore, we propose the following hypothesis:

> *H3: The larger the discrepancy between the external accountant's and the owner-manager's risk-taking (complementary fit), the more likely the owner-manager will use the external accountant's advice.*

In summary, Figure 1 provides an overview of the hypotheses of this study.

Figure 1: Conceptual model of hypothesis 1-3



Method

Sample

A comprehensive sample of 161 Belgian SME owner-manager – external accountant pairs, in which 82 distinct external accountants are involved, is used to test the hypotheses of this study (in the next subsection, we provide more information on our survey approach and matching protocol that led to these unique pairs of owner-managers and their accountant). Both the SMEs and the external accounting firms included in this sample belong mainly to the smaller firms of our target population, with an average number of employees of 7 for the SMEs and 8 for the accounting firms. In terms of other firm characteristics such as industry, age, profitability and growth, our sample firms are highly diverse (please refer to the results section for more descriptive statistics of our sample).

Procedure

The data collection was conducted in 2020 in collaboration with a Belgian business counter[1], facilitating access to a large-scale and diverse target population, comprising 99.531 SME owner-managers and the main partners[2] of 2610 small to medium-sized external accounting firms. Our approach did not employ specific inclusion or exclusion criteria, such as filtering for particular industry sectors or regions within Belgium. The SME owner-managers and the accountants were both asked to fill out a meticulously designed survey aimed at their specific group, independently of each other. This dual-survey approach was crucial to capture both perspectives separately, ensuring no interference or awareness of the other group's participation. To accommodate Belgium's linguistic diversity, we developed two versions of the survey, one in Dutch and one in French, with professional translation ensuring consistency and preventing regional biases[3]. To facilitate participation and uphold ethical standards, the surveys were

[1] In Belgium, a business counter serves as a single point of contact for small firms to manage administrative formalities. It undertakes various administrative responsibilities and provides services such as VAT registration, social secretariat affiliation, and assistance with subsidy applications (FPS Economy, 2022). Analogous organizations in other countries include the U.S. Small Business Administration (USA), Business Support Helpline (England), and Guichet Entreprises (France).

[2] Referring to the head of the accounting firm, the one most likely to maintain client communications and relationships in small accounting firms.

[3] This comprehensive strategy allowed us to combine responses from both language versions into a unified dataset.

thoughtfully structured, with the owner-manager survey taking approximately 30 minutes to complete and the external accountant requiring approximately 25 minutes.

The execution of our survey commenced in June 2020 and concluded in September 2020. Initially, we distributed both Dutch and French versions of the surveys via SurveyMonkey, using personalised email invitations to reach our target population. To enhance response rates and ensuring comprehensive data collection, we sent two follow-up emails in July and August 2020, yielding 1740 complete responses from SME owner-managers and 276 from external accountants.

As the participants' informed consent is essential for the ethical conduct of research, we made sure to follow GDPR guidelines. We clearly outlined the purpose and nature of the study, emphasized voluntary participation and the right to withdraw at any time without consequences. In this informed consent, we also provided information on how the participants' information will be used, provided our contact details as well as the contact details of the Data Protection Officer of the business counter, and included a link to the webpage of the Belgian Data Protection Authority in case participants require more information regarding their data protection rights or would want to file a complaint. Participants had to formally agree to an explicit statement of informed consent, indicating that they understand the study's purpose and procedures and consent to participate voluntarily, before they could actually start the survey.

To enhance the validity and reliability of the survey instrument, we employed several strategies. This included separating predictor and outcome questions, randomising their order, using negatively worded items to prevent monotony, and ensuring respondent confidentiality for honest and precise answers. Moreover, a pre-test phase with a group of peer scholars (professors in accounting, finance, and entrepreneurship) and industry professionals with first-hand domain experience helped refine the survey for comprehensibility and bias reduction, thus ensuring the survey accurately measured the intended concepts.

A critical aspect of our survey process was the implementation of a firm-level matching protocol. This involved asking SME owner-managers to provide their external accountant's firm name, while external accountants could either disclose their firm's name or be identified via their email address used for survey distribution[4]. In total, 1038 owner-managers supplied their external accountant firm's name, and all 276 external accountants were successfully identified. The matching protocol resulted in 161 owner-manager – external accountant pairs, contributed by 82 distinct external accountants[5].

This procedure resulted in a comprehensive dataset, integrating matched responses from both owner-managers and external accountants. Moreover, the dataset was further enriched with additional data from the Belgian Bureau van Dijk's Bel-first database (to collect information on the year of incorporation and the sector of the SME using the VAT number provided), allowing for a detailed analysis of the impact of alignment between owner-managers and external accountants on the use of advisory services.

Variables

Table 1 provides the operationalisation of the variables of interest. All variables were obtained from the questionnaire, except for the variable *Firm_Age,* which was obtained from the Belgian Bureau van Dijk's Bel-first database[6].

Dependent variable

Use of external accountant's advice – The dependent variable of interest is the extent to which owner-managers use the advice received from their external accountants, in the area of financial, strategic, legal, and operational services. To construct the use-of-advice variable for each service category, the survey asked each owner-manager on a 5-point Likert-response format item to what extent they used the advice received for that specific category (never, rarely, sometimes, often, always, not applicable). Owner-managers could only answer this question if they had previously indicated that their external accountant had provided at least one service in the corresponding category. In line with previous

[4] Additional examination and rectification of the data facilitated a greater number of matches between owner-managers and external accountants. This process involved correcting spelling mistakes and unifying multiple spellings (e.g, ABC accountants versus ABC accountant) by utilising Google and LinkedIn in conjunction with the postal code provided in the survey.

[5] There was an initial concern that owner-managers might reference large accounting firms with several branches or external accountants, potentially complicating data matching. However, this concern was unfounded, as our data exploration showed that most respondents were small SME owner-managers working with a single external accountant. Consequently, the specific external accountant (usually the sole partner) servicing the owner-manager was the one participating in the survey, ensuring consistency and accuracy in our data collection.

[6] For more information, please refer to https://belfirst.bvdinfo.com

literature (Blackburn et al., 2018; De Bruyckere et al., 2020), we categorised individual advisory services into four categories for the Belgian context (Financial: 10 items, Legal: 4 items, Strategic: 6 items, Operational: 6 items). Respondents were asked about which services in each category had been provided by their external accountant at least once and to provide an overall use-of-advice score for each category. Owner-managers who did not indicate any services within a certain category were excluded from answering the use-of-advice question for that particular category. Finally, by averaging the ordinal scores of the financial, legal, strategic, and operational use of advice, an average use-of-advice score was created for each owner-manager. This average, represented by the variable *OM_UseAdvice*, is a continuous composite of all categories of advice used by each owner-manager.

Independent variable

IEO - The independent variables of interest, the fit between the external accountant's and the owner-manager's IEO, were measured using the Bolton and Lane (2012) formative scale. All items (risk-taking: 3 items, innovativeness: 4 items, proactiveness: 3 items) were asked using a 5-point Likert-response format and then averaged for each dimension, resulting in the variables *IEO_Innov*, *IEO_Risk*, and *IEO_Proact* for both owner-managers and external accountants. Internal consistency reliability analysis indicated acceptable internal consistency for the IEO dimensions for both parties (Cronbach's α: $IEO\_Innov_{OM} = 0.70$; $IEO\_Innov_{ACC} = 0.72$; $IEO\_Risk_{OM} = 0.70$, $IEO\_Risk_{ACC} = 0.69$; $IEO\_Proact_{OM} = 0.64$; $IEO\_Proact_{ACC} = 0.46$)[7]. Afterwards, 'fit' variables for each external accountant – owner-manager pair were created based on the absolute differences between their average responses[8] (*IEO_Innov_AbsoluteDifference*, *IEO_Risk_AbsoluteDifference*, and *IEO_Proact_AbsoluteDifference)*. These variables range from 0 (completely similar) to 4 (completely dissimilar in either direction). Only completed responses from both external accountants and owner-managers were used to create these variables[9].

[7] Recognising the lower Cronbach's alpha value for the IEO_Proact dimension pertaining to external accountants (0.46), it is important to note that when fewer than 20 items comprise a scale, an alpha value of approximately 0.5 is considered satisfactory (Dall'Oglio et al., 2010). In light of the limited number of items within each IEO dimension, the proactiveness Cronbach's alpha value for external accountants falls within the acceptable range for internal consistency reliability.

[8] IEO_[Innov;Risk;Proact]_AbsoluteDifference =abs(IEO_Innov;Risk;ProactOM-IEO_Innov;Risk;ProactACC

[9] The absolute difference between parties was not calculated if one party did not have an average score for a particular IEO dimension.

Control variables

Several control variables were used to ensure the validity of the results. To provide a comprehensive overview, the variables were divided into two categories.

Owner-manager's firm characteristics - First, we control for the firm size (*Firm_Size*), as larger firms may use less advice as they have more in-house competencies (Carey & Tanewski, 2016). Second, we control for firm age (*Firm_Age*), as older firms are known to use less advice than younger firms since they are more likely to have more experience dealing with certain challenges (Carey & Tanewski, 2016; Cassar & Ittner, 2009; Robson & Bennett, 2000). Third, we control for the firm's sector (*Firm_Sector*), as the sector may also influence the extent to which advice is demanded and used (Barbera & Hasso, 2013; Carey & Tanewski, 2016). Finally, we control for whether a firm is in a growth phase (*Firm_GrowthPhase),* as growth-oriented firms may be more likely to use advice (Carey & Tanewski, 2016; Robson & Bennett, 2000).

Owner-manager individual characteristics and relational aspects – Additionally, we control for two variables related to the owner-manager and the relationship between both parties. First, the owner-manager's educational background (*OM_Education*) was added. As a proxy for a greater knowledge base, the owner-manager's educational background could influence the use of advice (Cassar & Ittner, 2009; Kamyabi & Devi, 2012; Scott & Irwin, 2009). Additionally, the total fee paid in 2019 by the owner-manager (*OMAccountant_TotalYearlyFee*) was added. Owner-managers may be more likely to use the advice when they pay a substantial amount instead of 'free' advice (Blackburn et al., 2010; Kirby & King, 1997).

Table 1: Operationalisation of the variables

Variable name	Operationalisation
OM_UseAdvice	Continuous variable ranging from 1 to 5
IEO_[Innov; Proact; Risk]_AbsoluteDifference	Continuous variables, ranging from 0 (similar) to 4 (completely dissimilar) for each IEO dimension
Firm_Size	Continuous variable of the number of FTE employees present
Firm_Age	Continuous variable of the age of a firm (= 2021 - incorporation year)
Firm_Sector_[Manufacturing; Construction; Services; Trade]	Dummy variable coded 1 for the respective sector in which the firm is operating
Firm_GrowthPhase	Dummy variable coded 1 if the firm indicated that they were in a growth phase, and 0 otherwise
OM_Education_[High school; College; University]	Dummy variable coded 1 for the highest grade obtained by the respondent
OMAccountant_TotalYearlyFee	Continuous variable indicating the amount paid by the owner-manager to their external accountant in 2019 in euros

Data analysis

To test the proposed hypotheses, we performed standard OLS linear regression[10] on the external accountant – owner-manager pairs dataset. To test the association of external accountant – owner-manager IEO fit with OM_UseAdvice, the following model is estimated[11]:

$$OM\_UseAdvice = B_{0i} + B_{1i}IEO\_Innov\_AD + B_{2i}IEO\_Proact\_AD + B_{3i}IEO\_Risk\_AD + B_{4-4+n}\theta + \epsilon_i$$

[10] We used OLS as our primary analysis technique, as it is a well-established method in both accounting and statistics literature (Baran, 2021; Harpe, 2015; Mircioiu & Atkinson, 2017) and can be used for aggregated data that can be treated as continuous data (Harpe, 2015).

[11] To increase the formula's readability, AD was used in favour of AbsoluteDifference.

Where Θ is a vector of control variables for each external accountant – owner-manager pair i. B_1, B_2, B_3 capture the positive or negative effect of the external accountant – owner-manager IEO fit on the use of the external accountant's advice. Hypothesis 1 – a supplementary fit on innovativeness – will be supported if the coefficient of B_1 is negative and significant. Hypothesis 2 – a supplementary fit on proactiveness – will be supported if B_2 is negative and significant. Finally, hypothesis 3– a complementary fit on risk-taking– will be supported if B_3 is positive and significant.

Although polynomial regression (PLR)[12] is popular in the person-environment fit literature (Edwards & Parry, 1993) for these types of analyses, we opted for using absolute differences in this study. The absolute differences approach is optimal for testing our hypotheses given the sample size. This technique effectively assesses the influence of fit versus non-fit on outcomes, though it cannot delineate nuances among levels of fit or mismatch (Schönbrodt et al., 2018; Van Vianen, 2018). In addition, the simplicity of absolute differences also prevents model saturation in comparison to PLR, which would have required 15 additional terms

Results

Descriptive statistics and correlations

Table 2 Panel A presents the sample's descriptive statistics. Owner-managers highly use their external accountant's advice, averaging a score of +- 4 on 5. Additionally, while the average scores of the IEO dimensions for both sides seem similar (proactiveness: +-3.8; risk-taking: +-3.4; innovativeness: +-3.3), owner-managers rated themselves significantly higher on innovativeness (3.48) than external accountants did (3.22) ($p < 0.001$). For risk-taking and proactiveness, the statistical tests did not reveal significant differences between the ratings of owner-managers and external accountants ($p = 0.207$ for risk-taking; $p = 0.565$ for proactiveness).

Panels B and C of Table 2 examine the constructed absolute difference fit variables and a classification of the external accountant – owner-manager pairs using the regular standardised difference

[12] Polynomial regression is a statistical technique for examining the congruence between two variables. Unlike difference scores, PLR retains the conceptual integrity of the components and tests hypotheses about the relationship between variables by adding higher-order terms. This approach allows researchers to circumvent issues associated with difference scores and test hypotheses derived from theories of congruence (Edwards & Parry, 1993).

scores[13,14], focusing on specific descriptives at the match level[15]. First, Panel B shows that, on average, there is a close fit between the external accountant and the owner-manager on each dimension (risk-taking: 0.76; innovativeness: 0.72; proactiveness: 0.56), with a deviation of less than 1 Likert point (0 = perfect match; 4 = perfect mismatch). Furthermore, external accountants and owner-managers appear more similar in proactiveness than other IEO variables. Finally, Panel C reveals a generally symmetrical distribution of difference scores between external accountants and owner-managers at the match level. This symmetrical distribution suggests no systematic bias towards either group in a pair consistently having higher or lower scores on any particular IEO dimension.

Regarding SME firm characteristics (Table 2 Panel A & D), the typical firm in our sample is around 9 years old with approximately 7 employees. Most firms are in a growth phase (55.90%) and operate in the services sector (55.90%). Additionally, most owner-managers hold a university (49.10%) or college degree (31.70%). On average, owner-managers paid about 3417 euros for their external accountant's services in 2019. To satisfy the linearity assumption of regression, we transformed the variables Firm_Age, Firm_Size, and OMAccountant_TotalYearlyFee using a natural logarithm to counteract their skewed distributions.

Table 3 presents the Pearson correlations among the variables used in this study. No significant correlations were found between each IEO fit variable and the owner-manager's use of advice. However, both innovativeness ($p = 0.185$) and risk-taking ($p = 0.067$) fit variables had correlations with owner-manager's use of advice that were close to the p-value cut-off point. Additionally, no strong correlations between the IEO fit variables ($\rho_{(IEO\_Innov-IEO\_Risk)} = 0.25; \rho_{(IEO\_Innov-IEO\_Proact)} = 0.15;\ \rho_{(IEO\_Risk-IEO\_Proact)} = 0.16$) or among the other independent variables were found. In addition, the VIF method indicated no multicollinearity issues, as all values (the highest value being 1,364) were below the accepted threshold of 5 (Fox & Weisberg, 2018).

[13] IEO_[Innov;Risk;Proact]_RegularDifference=IEO_Innov;Risk;ProactOM-IEO_Innov;Risk;ProactACC

[14] This descriptive test, which checks for symmetry in dissimilarities, helps to determine if using absolute differences as a measurement technique for fit is appropriate (Shanock et al., 2010). We used cut-off points of -0.5 and 0.5 to categorise owner-manager - external accountant pairs into three categories (OM < EA; OM = EA; OM > EA)

[15] Match level: refers to the descriptives calculated by incorporating each pair of external accountant – owner-manager.

Table 2: Descriptive statistics

Panel A: Continuous variables (n = 161)

	Mean	Median	SD	Min	Max
OM_UseAdvice	4.06	4.25	0.90	1.00	5.00
IEO_Innov (owner-manager)	3.48	3.50	0.65	1.50	5.00
IEO_Innov (external accountant)	3.22	3.25	0.64	1.76	5.00
IEO_Proact (owner-manager)	3.84	4.00	0.59	2.00	5.00
IEO_Proact (owner-manager)	3.81	3.67	0.43	3.00	5.00
IEO_Risk (owner-manager)	3.40	3.33	0.75	1.33	5.00
IEO_Risk (external accountant)	3.47	3.67	0.72	1.00	5.00
Firm_Age (in years, starting from 2020)	9.12	6.00	8.68	0.00	39.00
Firm_Size (in FTE employees)	7.23	0.00	18.85	0.00	200.00
OMAccountant_TotalYearlyFee (in euros)	3417.34	2600.00	3812.91	0.00	30000.00

Panel B: Continuous variables - fit variables (n = 161)

	Mean	Median	SD	Min	Max
IEO_Innov_AbsoluteDifference	0.72	0.50	0.57	0.00	2.75
IEO_Proact_AbsoluteDifference	0.56	0.33	0.45	0.00	2.33
IEO_Risk_AbsoluteDifference	0.76	0.67	0.59	0.00	2.67

Note. Fit variables range from 0 (perfect match) to 4 (perfect mismatch).

Panel C: Fit variables – distribution of fit (standardised) (n = 161)

	OM < EA	OM = EA	OM > EA
IEO_Innov	46 (29%)	63 (39%)	52 (32%)
IEO_Proact	55 (34%)	63 (39%)	43 (27%)
IEO_Risk	51 (32%)	69 (43%)	41 (25%)

Note. OM: owner-manager, EA: external accountant
We classified owner-managers by how their individual entrepreneurial orientation (IEO) scores differed from their external accountant's IEO: lower, equal, or higher. We used 0.5 as the standard threshold for this difference.

Panel D: Categorical variables (n=161)

Variable	Value
OM_Education	
Primary or secondary education	31 (19.30%)
College	51 (31.70%)
University	79 (49.00%)
Firm_Sector	
Construction	12 (7.50%)
Services	90 (55.90%)
Trade	7 (4.30%)
Production	52 (32.30%)
Firm_GrowthPhase	
No	71 (44.10%)
Yes	90 (55.90%)

Table 3: Pearson's correlations table

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1 – OM_UseAdvice														
2 – IEO_Innov_AD	0.15													
3 – IEO_Proact_AD	0.04	0.15												
4 – IEO_Risk_AD	-0.11	0.25**	0.16*											
5 – Firm_Age(LN)	-0.05	-0.08	-0.11	-0.09										
6 – Firm_Size (LN)	0.01	-0.10	-0.09	-0.06	0.17*									
7 – OM_ Education_College	-0.05	-0.11	-0.05	-0.10	0.16*	-0.02								
8 – OM_Education_HighSchool	0.04	0.11	-0.01	0.02	0.20*	0.11	-0.33***							
9 – OM_Education_University	0.01	0.02	0.05	0.08	-0.30***	-0.07	-0.67***	-0.48***						
10 – OMAcc_TotalYearlyFee	-0.05	0.06	-0.14	0.03	0.20***	0.22***	-0.08	0.02	0.05					
11 - Firm_Sector_Construction	-0.12	0.18*	0.02	0.17*	-0.14	-0.03	-0.10	0.22**	-0.09	0.01				
12 - Firm_Sector_Services	0.03	-0.05	-0.02	-0.05	-0.06	-0.22**	0.07	-0.26***	0.15	-0.14	-0.32***			
13 - Firm_Sector_Trade	0.19*	0.07	-0.02	0.11	0.06	-0.05	-0.01	0.05	-0.03	0.09	-0.06	-0.24**		
14 - Firm_Sector_Manufacturing	-0.05	-0.08	0.02	-0.09	0.12	0.27***	-0.01	0.13	-0.09	0.11	-0.20*	-0.78***	-0.15	
15 - Firm_GrowthPhase	-0.13	0.12	0.18*	0.06	-0.08	0.23***	0.04	0.05	-0.08	-0.08	0.11	-0.08	0.07	-0.01

Note. '*' = $p < 0.05$; '**' = $p < 0.01$; '***' = $p < 0.001$; n=161;

AD = Absolute difference; OM = Owner-manager; OMAcc = OwnerManagerAccountant

Regression results

Table 4 presents the regression results for hypotheses 1, 2, and 3 on the extent to which owner-managers use advice from their external accountants. Column 1 represents the baseline model without any independent variables of interest, while column 2 represents the association of external accountant – owner-manager IEO fit with owner-managers' use of advice.

In support of hypothesis 1, the coefficient of the fit between the external accountant and the owner-manager on innovativeness is negatively associated with owner-managers' use of advice ($\beta = -0.22; p = 0.098$). These results suggest, in line with the value congruency theory, that owner-managers are more likely to use advice from their external accountant when they share similar levels of innovativeness. When both parties share similar levels, their shared values and approach to innovation make it possible for the external accountant to provide more relevant and valuable advice to the owner-manager. Consequently, this alignment of innovation, whether novel and progressive or traditional and conservative, increases the likelihood of owner-managers using the external accountant's advice.

Concerning hypothesis 2, the analysis reveals that the coefficient of the fit between the external accountant and the owner-manager on proactiveness is positive but not significant ($\beta = 0.12; p = 0.448$). Consequently, we are unable to confirm the hypothesis suggesting that a supplementary fit on IEO proactiveness is positively associated with owner-managers' use of advice.

In support of hypothesis 3, the coefficient of the fit between the external accountant and the owner-manager on risk-taking is positively associated with owner-managers' use of advice ($\beta = 0.27; p = 0.034$). These results suggest, in line with the psychological need fulfilment theory, that owner-managers are more likely to use advice from their external accountant when the external accountant complements their risk profile. For instance, risk-averse external accountants may help risk-taking owner-managers distinguish between favourable and unfavourable business opportunities, mitigating risks, and increasing their likelihood of using the advice. Conversely, risk-taking external accountants may persuade risk-averse owner-managers to pursue certain business opportunities by providing a balanced perspective on potential risks, increasing their likelihood of using the external accountant's advice.

Table 4: Regression results on the effect of IEO fit on the owner-manager's use of their external accountant's advice

	Model 1	**Model 2**
Variable	OM_UseAdvice	OM_UseAdvice
Constant	5.11 (0.59)**	4.24 (0.62)**
IEO_Innov_AbsoluteDifference	/	-0.22 (0.13)†
IEO_Proact_AbsoluteDifference	/	0.12 (0.45)
IEO_Risk_AbsoluteDifference	/	0.27 (0.12)*
Firm_Age (LN)	-0.15 (0.10)	-0.12 (0.11)
Firm_Size (LN)	0.03 (0.06)	0.06 (0.06)
OM_Education_Highschool[a]	0.11 (0.20)	0.24 (0.21)
OM _Education_University[a]	-0.01 (0.97)	0.01 (0.17)
OMAccountant_TotalYearlyFee (LN)	-0.11 (0.07)	-0.05 (0.07)
Firm_Sector_Services[b]	0.11 (0.28)	0.47 (0.29)
Firm_Sector_Trade[b]	0.84 (0.39)*	1.28 (0.42)**
Firm_Sector_Manufacturing[b]	0.21 (0.29)	0.352 (0.30)
Firm_GrowthPhase	-0.31 (0.14)*	-0.31 (0.15)*
n	161	161
F	1.55	1.87*
Adjusted R^2	0.024	0.060
ΔR^2		0.036†

Note. Non-standard coefficients, standard errors in parentheses
'†' = p < 0.10, '*' = p < 0.05, '**' = p < 0.01
[a] = reference point: OM_Education_College; [b] = reference point: Firm_Sector_Production

Additional analyses

To validate the robustness of the previously found results, we conducted additional analyses to ensure the robustness of our fit operationalisation[16]. First, we employed algebraic differences as an alternative operationalisation of the fit variables to test for non-fit directionality effects. Unlike absolute differences, algebraic differences can reveal whether advice usage depends on which party has higher IEO levels (Bohndick et al., 2022). The findings uncovered an isolated directional effect for innovativeness: owner-managers used advice less when they were more innovative than their external accountant ($\beta = -0.21; p = 0.032$). Proactiveness ($\beta = 0.05; p = 0.649$) and risk-taking ($\beta = 0.04; p = 0.648$) remained non-significant. Overall, the findings provide empirical evidence for using absolute difference, since mismatch directionality did not emerge as a consistent pattern across the IEO dimensions. Second, we employed squared differences as an alternative operationalisation of our fit variables, testing for fit by weighing larger mismatches more heavily without considering directionality (Bohndick et al., 2022). The results largely mirrored the absolute differences technique: risk-taking exhibited a positive significant coefficient ($\beta = 0.11$; $p = 0.083$), reflecting more use of advice when both parties complement each other. Innovativeness had a negative significant coefficient ($\beta = -0.11$; $p = 0.068$), with advice use maximised at high levels of fit. Finally, proactiveness remained non-significant ($\beta = 0.06$; $p = 0.524$). In summary, the additional analyses lend credence to the absolute differences approach for testing our hypotheses. The algebraic and squared difference findings provide a more complete perspective, affirming that mismatch directionality and nonlinear effects do not fundamentally alter the conclusions.

Discussion

Discussion of the results

The findings of this study provide a nuanced understanding of the dynamics that lead to SME owner-managers' use of advice that was provided by their external accountants. More specifically, the results confirm that being a good advisor extends beyond mere technical proficiency, it is also about being able to empathize with the advisee, which aligns with the views of a.o. De Bruyckere et al. (2017, 2020) and

[16] The table with the additional analyses results is not included due to space constraints, but available upon request.

Blackburn et al. (2018, 2010). However, our results also indicate that empathizing does not mean that you have to be exactly the same. While the results indicate that being similar with respect to innovativeness generally increases the use of advice of owner-managers, aligning with the value congruence theory (Chatman, 1989), the opposite was found for risk taking, for which the psychological need fulfilment theory (Edwards, 1991) provides a more suitable framework. This highlights the importance for accountants to find a balance between being similar to owner-managers to be able to understand their concerns and needs (i.e. supplementary fit), but also to be dissimilar enough to be able to provide a different perspective on certain issues (i.e. complementary fit). The reason why alignment with respect to innovativeness is considered to foster the advisory relationship is probably related to the fact that it is a core entrepreneurial trait (Lumpkin & Dess, 1996). Owner-managers may prefer accountants who guide them in their innovativeness, they do not prefer accountants who slow them down. However, our results also indicate that owner-managers do not seek 'yes-(wo)men', they actually value accountants who are dissimilar with respect to risk-taking. So while they do not prefer accountants who slow them down, they do value accountants who help them with identifying the risks and bumps in the road.

These findings add to the study of De Bruyckere et al. (2020), which already indicated the importance of mutual understanding in the advisory relationship. We indicate that a fruitful advisory relationship is not only about aligning expectations, but also about aligning entrepreneurial orientations, in which alignment can be both supplementary or complementary, dependent on the dimension. Moreover, we also add to the studies of Blackburn et al. (2010, 2018) as entrepreneurial orientation alignment could also be considered as an enabling role in the relationship between the owner-manager and their accountant. Finally, by considering the fact that demanding advice from the external accountant may not necessarily lead to its actual use, we also provide a fresh perspective on the studies that examined the link between the demand for external accountant's advice by owner-managers and firm behaviour (e.g. Barbera & Hasso, 2013; Berry et al., 2006; Robson & Bennett, 2000).

Important to consider is the heterogeneous nature of owner-managers, which indicates that our results will also hold for owner-managers who are not considered innovative and who are more risk-averse. Such owner-managers will value accountants who also align with their preference of being more traditional and conservative towards new ways of doing business. On the other hand, they will value accountants who are different with respect to risk-taking and, therefore, will provide a more realistic perspective on risk, so that they are not limited by any overestimation of these risks.

With respect to proactiveness, no significant findings were found. This may be due to the lower variation in this dimension of IEO, both with regard to the individual responses of both the owner-managers and the accountants, as well as when looking at the fit variables. This is not completely surprising as both entrepreneurship and accountancy requires a certain level of proactiveness. Therefore, the difference between accountants and owner-managers with regard to proactiveness may not be that large, or at least may not influence the advisory relationship.

As indicated by the R^2 values, our research model has a rather low predictive value. While the R^2 values are in line with the studies we mainly contribute to (Barbera & Hasso, 2013; Carey, 2015; De Bruyckere et al., 2020; Robson & Bennett, 2000), they indicate that, just like firm behaviour, human behaviour (i.e. the use of advice) is very difficult to model and is probably associated with a lot more variables than we can include in our statistical model. Therefore, our results provide only one piece of the complex and multifaceted puzzle of the advisory relationship between SME owner-managers and their external accountants. While our results do indicate that the (mis)matching of entrepreneurial orientations between owner-managers and their accountant will affect the advisory relationship, future research is required to further examine the causes, effects and underlying processes that are associated with such (mis)matching orientations. Moreover, not only (mis)matching in terms of entrepreneurial orientation may be relevant for the advisory process, being (dis)similar in terms of personality or values may be equally relevant. Next to adding more fine-grained variables that capture these deep-level traits in the regression models, exploring other methodologies such as Qualitative Comparative Analysis will further enrich our understanding of how external accountants can contribute to the success of SMEs.

Overall, the results confirm the importance of deep-level traits in the advisory relationship. Valuable advice transcends technical expertise, it emanates from a deeper understanding of the actual needs, concerns and even values of the advisee. Thus, our findings underscore the importance of considering not only technical expertise but also the interpersonal dynamics and deeper-level traits that contribute to the effectiveness of advisory relationships.

Theoretical contributions

This study enriches the small business, accounting, person-environment fit, and IEO literature in several ways. First, building on the literature regarding the evolved role of external accountants as SME advisors (Ali & Mustafa, 2023; Blackburn et al., 2018; De Bruyckere et al., 2017; Cestino Castilla et al., 2023; Nuijten et al., 2020; Weigel & Hiebl, 2022), we introduce the concept of the functional aspect of the external accountants' business advisor role. Drawing on the service quality literature (Grönroos, 1984), we emphasise that technical expertise alone does not enable external accountants to effectively advise SMEs. The functional aspect, containing personal characteristics and relationship management abilities (Grönroos, 1984), is equally critical. By acknowledging the necessity for external accountants to possess an individual entrepreneurial orientation and adopt an entrepreneurial mindset, we challenge traditional stereotypes of external accountants as 'narrow-minded experts' (Ali & Mustafa, 2023; Carnegie & Napier, 2010) and propose the dimensions of innovativeness, proactiveness, and risk-taking as key elements of the functional aspect. As such, this introduction of the role of IEO as a functional aspect of the business advisor role marks a significant step in understanding the dynamics of the external accountant – owner-manager relationship. In doing so, we add to the resource-based view perspective on the relationship between owner-managers and external accountants (Weigel & Hiebl, 2022), indicating that providing advice requires more than technical expertise only.

Second, our findings reveal that there is no 'one-size-fits-all' approach with respect to the functional aspect of the business advisor role in encouraging owner-managers to use their advice. By integrating the congruence theory (Chatman, 1989) and the psychological need fulfilment theory (Edwards, 1991), we provide a nuanced view regarding what drives the actual use of advice. Moreover, considering IEO as a functional aspect of the business advisor role, our results reveal that advisory goes beyond just transferring knowledge, it is also about achieving alignment, whether supplementary or complementary, in innovativeness, proactiveness, and risk-taking.

Third, this study makes notable contributions to the person-environment fit literature. Whereas most person-environment fit research focuses predominantly on fit between employees and organisations/teams (Jansen & Kristof-Brown, 2006), we provide an innovative perspective by focusing on non-hierarchical, non-organisational interpersonal relationships, specifically the relationship between external accountants and owner-managers and how supplementary and complementary fit affect the outcomes in these relationships. As such, the study broadens the scope of this field to include business relationships, highlighting the importance of personal characteristics fit in these unique contexts, and emphasising the need for further investigation into personal characteristics, such as broader trait perspectives like the Big Five personality (John & Srivastava, 1999), values (Schwartz, 1992), or goals (Locke & Latham, 2002), in non-hierarchical business relationships.

Finally, our research offers solid contributions to the IEO literature. It introduces the concept of IEO in the context of professional business advice relationships, a new perspective given that IEO is often studied in an organisational setting (Kollmann et al., 2017). By analysing how the various dimensions of IEO (innovativeness, proactiveness, and risk-taking) manifest in external accountants, the study extends the scope of IEO usage beyond traditional boundaries. As such, this contribution responds to the call for a broader application of IEO (Bolton & Lane, 2012; Clark et al., 2024; Covin et al., 2020; Wales, 2016), demonstrating its potential for assessing entrepreneurial orientation in entrepreneurs and non-entrepreneurs.

Practical contributions

This study also has several practical implications for SME owner-managers and their accountants. Given the importance of individual entrepreneurial orientation, external accountants must comprehensively understand both their and their clients' inclination towards innovativeness, proactiveness, and risk-taking. External accountants can offer more valuable, customised services by establishing a deep alignment between their service delivery and their clients' IEO, based on a comprehensive understanding of both the technical and functional aspects of their advisory role. When such alignment is achieved, external accountants can provide innovative and proactive solutions that are custom-built to address the unique needs and challenges of the clients. The essence is in their self-awareness and comprehension of their entrepreneurial orientation and how it aligns or deviates from their clients. This understanding can aid them in identifying the advisory roles best suited to their skills and situations where it might be beneficial to refer clients to colleagues or others in their network who might better match the client's entrepreneurial orientation. For owner-managers, understanding this concept emphasises the advantage of selecting external accountants whose entrepreneurial orientation matches their own. This choice could considerably enhance the value they receive from the advisory relationship. By choosing an advisor whose entrepreneurial orientation aligns with their own, owner-managers can leverage a wealth of expertise congruent with their attitudes and behaviours, leading to more effective business decisions. Armed with a matching entrepreneurial orientation, the external accountant can propose innovative solutions, anticipate future needs, and provide guidance that directly addresses the owner-managers' distinct business challenges and personal needs. Consequently, the advisory relationship transforms from a routine business transaction into a strategic alliance that significantly amplifies the owner-manager's competitive edge.

Limitations and Future Research

This study has several limitations that point to areas for future research. First, as this study was conducted in Belgium, one should be careful with generalising the results to other contexts, especially since average levels of IEO may vary due to cultural influences (Wales et al., 2013). While we expect the fundamental relationship between external accountants and owner-managers concerning IEO fit to be similar across different contexts, additional research is required to confirm the generalisability of our findings. Second, while our unique dataset of 161 external accountant – owner-manager pairs enabled us to demonstrate the general importance of fit in the advisory relationship, it was not sufficiently large to conduct more in-depth analyses on the directionality of the relationship, as implementing these models would limit the validity of the coefficients of the independent variables (Freedman, 2009). Future studies with larger sample sizes could provide a more comprehensive understanding of these dynamics. Third, the predictive value of our models is limited. While such levels of predictive value are not uncommon in accounting and entrepreneurship research, it indicates that much can still be learned about what drives the use of advice, which therefore offers a valuable path for future research as well. Finally, although the matching protocol was effective for SMEs serviced by small accounting firms, the protocol may not identify the right accountant for SMEs that use larger accounting firms with multiple branches. Future research could benefit from individual-level matching for a more accurate identification, particularly in larger accounting firms.

Conclusion

This study investigated how the individual entrepreneurial orientation (IEO) fit between the external accountant and the owner-manager influences owner-managers' use of advice. We examined whether a supplementary or complementary fit on each IEO dimension enhances the use of advice received from external accountants. Specifically, sharing a similar orientation on innovativeness but having different orientations towards risk-taking behaviour are two factors that make owner-managers more likely to use the advice from their external accountant. These findings underscore the importance of IEO fit in enhancing the value of advice within the external accountant – owner-manager business relationship.

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