

LE EO Performance

by Endo Wijaya Kartika

Submission date: 22-Jan-2019 09:04AM (UTC+0700)

Submission ID: 1066812137

File name: mance_in_new_hotel_English_Version_Revised_15_January_2019.docx (104.2K)

Word count: 6196

Character count: 36428

LEARNING ORIENTATION, ENTREPRENEURIAL ORIENTATION, INNOVATION AND THEIR IMPACTS ON NEW HOTEL PERFORMANCE: EVIDENCE FROM SURABAYA

Adrie Oktavio

Hospitality Business Department, Ciputra University
Email: adrie.oktavio@ciputra.ac.id

Thomas Stefanus Kaihatu

Management Department, Ciputra University
Email: thomas.kaihatu@ciputra.ac.id

Endo Wijaya Kartika

Management Department, Petra Christian University
Email: endo@petra.ac.id

Abstract

Based on investor perspective, Surabaya city is still recognized as a promising investment land especially in tourism industry. As can be seen based on recent last three years, whereas a lot of new hotel establishment are introduced. The presence of these new hotel establishment could be the indicator of the tourism and economic growth in Surabaya city. However, the growth may also lead to a tighter competition. Therefore, in order to competitively compete during its early years, new hotel establishment should have a strategic orientation within its business operational with additional innovation breakthrough to create a value or a competitive advantage. In order to maintain its existence, new hotel establishment also should maintain its good performance. This research is conducted to observe the implementation of Strategic Orientation, especially related with Learning Orientation and Entrepreneurial Orientation which is conducted by the establishment to achieve a better performance, which is also supported by the predesigned innovative programs. The empirical result based on 49 new hotel establishment in Surabaya city as the research sample, indicated that there is an indirect relationship between Learning Orientation and Entrepreneurial Orientation to performance with innovation as the mediator. It is suggested to add Market Orientation as the intervening variables for the future researchs especially regarding the role of Strategic Orientation and Innovation in new hotel establishments due to their infancy stage.

Keywords: Learning Orientation, Entrepreneurial Orientation, Innovation, Performance, New Hotel

INTRODUCTION

Based on recent last three years, the growth of the hotel industry in Surabaya rapidly increased, whereas a lot of new hotel establishment are introduced. According to BPS (2018), the amount of new starred hotel establishment from 2015 to 2017 is increasing up to 65 hotels in Surabaya. The growth of the new hotel establishment will also lead to a tighter competition.

In general, a new business establishment including new hotel establishments face a major difficulties during their early years of operation (Spencer & Zyl, 2015; Watson, Hogarth-Scott, & Wilson, 1998), whereas most of them are prone to failure and finally disappeared from the competition (Enz, Peiró-Signes, & Segarra-Oña, 2014; Osborne, 1993). Therefore, it is urgently required a research concept model that contributes significantly to increase the success rate for the

new hotel establishments. It is necessary to remind that financial, economic, and social loss will incurred due to operational termination (Laitinen, 1992). Many prior researches are conducted to investigate and to identify the success factors for the new business establishments. However, most of those are partially focused on the early stage during the life cycle, and it is still few focused on the growth stage especially during the early years (Song, Podoyunitsyna, Bij, & Halman, 2008).

Gatignon & Xuereb (1997) and Jassmy & Bhaya (2016), suggested that a new establishment during its early operating years should have a strategic orientation as a basic philosophy that adopted by the establishment. The strategic orientation is considered as one of the most prominent resource (Ogbari, Ibidunni, Ogunnaike, Olokundun, & Amaihian, 2018; Zhou, Yim, & Tse, 2005). Strategic orientation is a set of values and beliefs regarding how the business is managed by the management to achieve better outcome (Espino-Rodríguez & Ramírez-Fierro, 2018; Gatignon & Xuereb, 1997).

Despite of its prominence, strategic orientation is needed to be supported by innovation which is also second in prominent to compete with competitors (Hitt, Ireland, Camp, & Sexton, 2001). Innovation is very prominent as a strategic choice to ensure the sustainability of the business in the competitive business environment (Rosenbusch, Brinckmann, & Bausch, 2011).

Prior research suggested that there is a significant relation between strategic orientation and performance based on the size of the establishment (Keskin, 2006) and the age of the establishment (Brettel, Engelen, & Heinemann, 2009; Kakati, 2003), other research suggested that product innovation or process innovation have specific characteristic differentiation especially for small and medium establishments (Porter, 2008), particularly a new business establishment (Rosenbusch et al., 2011).

Based on the argument above, ¹⁵ it is necessary to investigate the relationship between the strategic orientation and the new hotel establishment's performance direct and indirect through innovation as the mediator. Regarding the strategic orientation, this research will focused on Learning Orientation (LO) and Entrepreneurial Orientation (EO), and regarding the innovation will be focused on product and service innovation as the basic fondation of success in hotel industry (Dzhandzhugazova, Blinova, Orlova, & Romanova, 2016; Ottenbacher, 2007).

LITERATURE REVIEW

The impact from the globalization era, creates a complex business environment with uncertainty and rapid change (Prajogo & Ahmed, 2006). Business people are required to develop a new product or service to meet the market needs. Thus, an establishment is forced to continuously

innovate its business activities to enhance its competitive advantage and able to compete (Chapman & Hyland, 2004).

According to Barney (1991) based on Theory of Resources and Capabilities (TRC), the theory emphasizes on the creation of value focused on heterogeneity and immobility resources as a competitive advantage to gain a better result. The assumption of this theory refers to any establishment which could compete as efficient as possible will lead to a better internal capabilities compared by their rival (Collis & Montgomery, 1995; Foss, 2015; Grant, 1991). An establishment's resources can be classified into assets and capabilities (Day, 1995; Hunt & Morgan, 1996; Newbert, 2008). Asset is an establishment's resource that accumulated from time to time (eg. economic scale, reputation or brand image), and capability is an establishment's resource which is more difficult to measure financially (eg. knowledge and skill) (Zhou et al., 2005). Barney (2001) added that an establishment's resources as a potential competitive advantage should be rare, valuable, and inimitable. Strategic Orientation is an example for a rare, valuable, and inimitable resource (Bhuian, Menguc, & Bell, 2005).

According to the previous literature, Strategic Orientation has two dimensions namely Learning Orientation and Entrepreneurial Orientation (Calantone, Cavusgil, & Zhao, 2002; Kirca, Jayachandran, & Bearden, 2005; Swann, 2016). Learning Orientation is an establishment routinity that could produce knowledge to utilize market opportunity (Sinkula, 1994; Slater & Narver, 1995) in order to proactively measure to what extent an establishment member's belief as it provides benefits in achieving maximum performance (Baker & Sinkula, 2002). The routinity is a series of processes ranging from acquiring, distributing, integrating, and creating information and knowledge among an establishment's members (Dixon, 1992). Learning Orientation involves a combination of three different attitudes, namely commitment to learning, openness of mind and shared vision (Sinkula, Baker, & Noordewier, 1997). Farrell, Oczkowski, & Kharabsheh (2008) and López, Peón, & Ordás (2005) made arguments stating that Learning Orientation is one of the most important resources. It means that Learning Orientation has been recognized as a key process that contributes significantly to the success of an establishment. Therefore, an establishment should required competent members and learning effort to assess market information, technology changes and many other from external resource (Birdthistle & Fleming, 2005). Moreover, an establishment member should have a capability to create a new knowledge which is faster than its competitors (López et al., 2005).

Entrepreneurial Orientation defined as a capability to resolve the possibility arising risks due to external environment changes, to identify technology development opportunities and to receive necessary resource to enhance the establishment growth (Lumpkin & Dess, 2001). Entrepreneurial

Orientation is considered as a priority for establishment to identify and exploit the market opportunities (Baker & Sinkula, 2009). Many studies assume that Entrepreneurial Orientation is a higher level of entrepreneurship (Bhuan et al., 2005; Runyan, Droge, & Swinney, 2008; Zhou et al., 2005). Entrepreneurial Orientation is also understood in various dimensions as innovation, proactivity, and risk taking (Lumpkin & Dess, 2001). Innovation is considered as an establishment's willingness to create ideas and new concepts in processes, product and service development. Proactivity is referred as an establishment's characteristic to search the future and be responsive in a dynamic business environment. Risk taking is considered as the condition whereas an establishment's effort to thrive the opportunity without considering its resource capacity. Prior research considered Entrepreneurial Orientation as a strategic approach in decision making and as a tool to explain an establishment's performance (Green, Covin, & Slevin, 2008). Thus, an establishment with a higher strategic reactivity tends to create a new opportunity to conduct strategic renewal in order to maintain its competitive advantages.

The creation of a new opportunity by an establishment is considered as a part of innovation efforts. Innovation is defined as the capability to create new ideas related with process, product, and service or ideas within the establishment). An establishment that has a capability to innovate is considered as an establishment that also has a culture which encourages the openness for new ideas toward its members (Hult & Ketchen, 2001; Verhees & Meulenbergh, 2004). Innovation reflects the establishment's position before the innovation process takes place, and also reflects the output from its process (Baker & Sinkula, 2009). Some type of the innovation is administration process innovation which is not directly affect the market, however it affects the improvement of the internal business process (Han, Kim, & Srivastava, 1998). One of the important stages of the innovation process is the initiation that contains openness cultural element toward innovation itself (Hage, 1999; Zaltman, Duncan, & Holbek, 1973). An example of such openness is the willingness from the establishment's member to implement innovation and be able to adapt to changes as a result from the application of these innovations (Ven, 1986).

Model Development and Formulation of Hypotheses

Prior research eg. Hult, Hurley & Knight (2004) and Keskin (2006), have been investigate how strategic orientation and innovation affect an establishment's performance, however previous research with the same topics were never been conducted in hotel industry context. Therefore, this research tried to analyze the consequences from the strategic orientation implementation and innovation towards the sustainability level for a new hotel establishment. These are caused by the higher potential failure risk (Runyan et al., 2008) and innovation is considered as the smart remedy

to reduce the failure risk (Rosenbusch et al., 2011). Thus, it is important to investigate the relation between Strategic Orientation, Innovation and Performance. These factors generally are expected to contribute an obvious and significantly result towards performance enhancement or general effectivity (Damanpour, 1991; Espino-Rodríguez & Ramírez-Fierro, 2018). Performance is defined as the achievement of the establishment goal including profitability, revenue enhancement, market grow, and general strategic goal's achievement (Potocki & Brocato, 1995). According to Wernerfelt (1984), strategic orientation can help an establishment to achieve its competitive advantage through the resources distribution towards new product development, process, and service. Innovation is an establishment change media, as a respond regarding the changes internally and externally as an early attempt to affect the business environment (Hult et al., 2004). With the improvement of the hotel establishment's ability to learn something new to help to adjust the changing environment, it would also increase the level of the ability to creating a new and innovative ideas. Meanwhile, the ability to create new ideas also increases as the level of the ability to identify new opportunities arise. Thus, Learning Orientation and Entrepreneurial Orientation affect positively and significantly towards Innovation.

H₁: Learning Orientation affect positively and significantly towards Innovation.

H₂: Entrepreneurial Orientation affect positively and significantly towards Innovation.

Hotel establishments could create a differentiation among their competitors through creative ideas as result from its ability to create new and different ideas to compete, moreover Innovation is considered as the most important factor to create a better performance.

H₃: Innovation affect positively and significantly towards Performance.

Hotel establishments with a better learning ability would not become a collection of knowledgable entity. However, it would create a core competency to adjust and continuously learning process, hence as the learning ability gradually increases and so would reflect on the increment of performance. While the learning process commences, as the ability to identify opportunity increases and reduces the risk potential, hotel establishments would identify a great opportunity to explore and exploit compared than its competitors, these condition would give benefit to its performance, since it would outperform its competitors, Hence,

H₄: Learning Orientation affect positively and significantly towards Performance.

H₅: Entrepreneurial Orientation affect positively and significantly towards Performance.

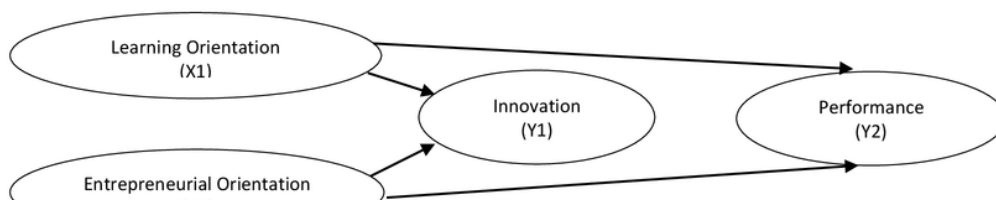




Figure 1. Conceptual Model

METHOD

This quantitative explanation research is designed to identify the causal effect between two variables whereas the research problem has been clearly defined (Zikmund, Carr, Griffi, & Babin, 2013). The sample is taken from the new hotel establishment and concluded as starred hotel in Surabaya city that already operated during the recent 3 years. These hotels are considered as an integral part in tourism industry which is required in order to grow and survive. Both the hotel industry and tourism industry are two sides of the same coin (Attila, 2016; Budowski, 1976; Tsai, Song, & Wong, 2009). Furthermore, due to the lack of prior research with similar topics which is applied in hotel industry, this research is dedicated to fill the gap especially to provide an empirical evidence in hotel industry.

The sampling method is purposive sampling, and from the total 65 new hotel establishments in Surabaya city during 2015-2017 period, the researchers took 49 new hotel establishments (75%) as the research sample based on the vast area of distribution consideration (hotel location) and the willingness from the hotel management to be part of the respondent as shown in Table 1.

Table 1. Sampling Distribution

Classification of Hotel	Number of New Hotels		Proportion of Number of Hotels as Samples
	Total	%	
B	C	D	E
2 Starred	13	20%	10
3 Starred	32	49.2%	24
4 Starred	14	21.5%	11
5 Starred	6	9.2%	4
Total	65	100	49

Source: Author's Data

Based on table 1, it is shown that the most of sample have been taken from 3 starred hotel (49.2%), and followed by 4 starred hotel (21.5%) and 2 starred hotel (20%) respectively and 5 starred hotel (9.2%). Therefore, this research could be concluded as proportionally dispersed with the amount of 10 hotels (2 starred), 24 hotels (3 starred), 11 hotels (4 starred), 4 hotels (5 starred) and in total sum 49 hotels.

This research utilize questionnaire and interview as the data collection method during 4 months collection period (February – May, 2018). The researchers visited all of each 49 hotels as the analysis unit which represented by managerial level leader. Each of the hotel were represented by 1 manager as the respondent. The questionnaire used Likert scale from 1 to 5 interval scale. Scale 1 represented as “totally disagree” while scale 5 represented “totally agree”. Furthermore, the researchers conducted interview with 4 informants to gather additional information regarding the real condition of the hotel related with the research’s variables.

Collected questionnaires were directly selected and analyzed using Structural Equation Modeling (SEM) analysis method based with General Structured Component Analysis (GSCA) as the statistical tool software, which its outputs were concluded as fit measurement model including validity and reliability, structural model, and overall model (Hwang & Takane, 2004).

Learning Orientation (X1) and Entrepreneurial Orientation (X2) were defined as the exogenous variables, and Innovation (Y1) was defined as endogenous intervening variable, and Performance (Y2) was defined as endogenous variable. The measurement indicators for Learning Orientation were adapted from Baker & Sinkula (1999b), and Entrepreneurial Orientation were adapted from Naman & Slevin (1993). Moreover, the measurement indicators for Innovation were adapted from Baker & Sinkula (1999a), and lastly for Performance were adapted from Maltz, Shenhar, & Reilly (2003).

RESULTS

Validity

Based on the data process from table 2, it is considered as valid since the estimation loading factor value for each indicators are more than 0.7 (Hwang & Takane, 2015).

Table 2. Convergent Validity

Variable	Factor Loading
Learning Orientation (X₁)	AVE = 0.69; Alpha = 0.781
X _{1.1}	0.753
X _{1.2}	0.833
X _{1.3}	0.817
X _{1.4}	0.715
X _{1.5}	0.736
X _{1.6}	0.746
X _{1.7}	0.823
X _{1.8}	0.814
X _{1.9}	0.838
X _{1.10}	0.744
X _{1.11}	0.781
X _{1.12}	0.840
X _{1.13}	0.839

Entrepreneurial Orientation (X₂)	AVE = 0.53; Alpha = 0.833
X _{2.1}	0.771
X _{2.2}	0.863
X _{2.3}	0.736
X _{2.4}	0.758
Innovation (Y₁)	AVE = 0.67, Alpha = 0.857
Y _{1.1}	0.742
Y _{1.2}	0.869
Y _{1.3}	0.785
Performance (Y₂)	AVE = 0.801, Alpha = 0.752
Y _{2.1}	0.772
Y _{2.2}	0.736
Y _{2.3}	0.741
Y _{2.4}	0.813

Reliability

According to Table 2, it is considered that all of the indicators in this research were reliable, with the value of internal consistency reliability (alpha value) more than 0.6.

Structural Model

Table 3. Fit Model Test

Fit Model		Note
FIT	0.794	Fit
AFIT	0.761	Fit

The model development from this research was considered as fit, as the value of the FIT was shown as 0.794 (Table 3.) which is referred as the variance between variables could be explained as 79.4% while the remaining 20.6% could be explained by the other variables that were not included within this research.

Goodness of Fit Overall Model

The goodness of fit model test indicated from table 4, showed that the GFI (Unweighted Least-Squares) value nearly to 1 and the SRMR (Standardized Root Mean-Square Residual) value nearly to 0 which is interpreted as fit.

Table 4. Goodness of Fit Overall Model

Goodness of Fit		Note
GFI	0.862	Fit
SRMR	0.077	Marginal Fit

Hypothesis Testing

From the five hypotheses proposed in this study, only three hypotheses were accepted (see Table 5), namely Learning Orientation had a positive and significant effect on Innovation (H1); Entrepreneurial Orientation has a positive and significant effect on Innovation (H2); and Innovation has a positive and significant effect on Performance (H3).

Table 5. Estimated Path Coefficient

Path Coefficients				
Hypothesis	Estimate	SE	CR	Expectation
Learning Orientation → Innovation	0.704	0.079	9.11*	Significant
Entrepreneurial Orientation → Innovation	0.585	0.136	4.23*	Significant
Innovation → Performance	0.724	0.142	5.02*	Significant
Learning Orientation → Performance	0.122	0.129	0.94	Not Significant
Entrepreneurial Orientation → Performance	0.218	0.154	1.42	Not Significant

CR* = significant at .05 level

DISCUSSION

24

Learning Orientation has a positive and significant effect on Innovation

This research supported the result from prior research such as Calantone et al. (2002), Serna, Martínez, & Martínez (2016) and Eshlaghy, Maatofi, & Branch (2011) which stated that Learning Orientation is closely related with any innovation aspect (product, service, and process) whether it is small, medium, or big establishment. It is still few research which focused on newly operated establishment. According to the interview with some new hotel establishment's managers, it is found that most of the new hotel establishment clearly realize that Learning Orientation which led to innovation action is a "must have" condition due to its lack of competitive experience to maintain its existence. In other words, with Learning Orientation a new hotel establishment has its direct mechanism to influence the management in order to against all odd and old assumption regarding market and also lead the establishment to create new innovated programs with the easier way (Baker & Sinkula, 2002). Learning orientation helps the establishment to enter the next stage which is the competition occurred, with the commitment to create a new knowledge and skill for innovation development. Thus, Learning Orientation and innovation are found as the resources to create competitive advantages (Baker & Sinkula, 1999a; Hurley & Hult, 1998).

Entrepreneurial Orientation has a positive and significant effect on Innovation

The result of this research is aligned with the result from the prior research Lumpkin & Dess (2001), Wales, Monsen, & McKelvie (2011), Alegre & Chiva (2013), Ramirez, Guzman, Del, &

Serna (2014), and Usman & Mat (2017). Lumpkin & Dess (2001) emphasizes that the concept of Entrepreneurial Orientation is focused on the entrepreneurial activities. Moreover, Wales et al., (2011) added that attitudes and behaviors from the establishment's member are closely related with Entrepreneurial Orientation which also encourage the development of entrepreneurial culture within an establishment. It can be concluded that Entrepreneurial Orientation referred on process, action, method, policy, practice, and decision making style (Lumpkin & Dess, 1996; Mintzberg, Raisinghani, & Theoret, 1976), that enabling an establishment to act innovatively (Wiklund & Shepherd, 2005). In a newly hotel establishment, it is suggested that Entrepreneurial Orientation could contributed directly toward innovation because of its strong Entrepreneurial Orientation key dimensions towards product and service innovation (Lumpkin & Dess, 2001) and also encourage a new product and service development or even a new business (Naman & Slevin, 1993). A newly hotel establishment that has a higher Entrepreneurial Orientation and tends to adopt innovative attitude (Kakati, 2003).

Innovation has a positive and significant effect on performance

This research supported the previous researchs by Bowen, Rostami, & Steel (2010, Jiménez-Jiménez & Sanz-Valle (2011), Rosenbusch et al. (2011), and Verhees & Meulenbergh (2004). Innovation is considered as an important element for establishments including those in hotel industry. Moreover, if the establishment is a new hotel establishment, it is required a lot of breakthroughs in order to boost the performance and also maintain its existence at the same time (Bowen et al., 2010). It means that hotel establishment that able to innovate will lead to a greater chance of survive against the competitive environment and will also produce a significant profit (Lin & Chen, 2007). According to Gray, Matear, & Matheson (2000), hotel establishment's innovation ability will guarantee the ability to compete, and considered as a catalyst the hotel growth, and leads to the future achievement especially against the global economic condition whereas the business environment is very dynamic and rapidly change. As a normative perspective, the relationship between innovation and performance could be described as a one way relation or the higher innovation efforts will lead to the better performance (Lee & Tsai, 2005).

Learning Orientation has no effect on Performance

The result of the research did not support the most prior researchs' result such as Baker & Sinkula (1999b) Farrell et al. (2008), and López et al. (2005), that suggested Learning Orientation directly affected towards performance. Regarding the insignificant of the direct result between Learning Orientation and performance within new hotel establishment context, it is concluded that

the condition was caused by the learning effort process that should lead to a concise output result. According to Wang (2008) the output should including the method or action plan as an effective channel to achieve the establishment's goal. Therefore, in a new hotel establishment case, innovation is suggested as an output and so will be considered as a common goal to achieve, in order to connect the learning effort for a better performance as innovation is considered as the contributor for the hotel growth and for the future achievement (Brettel et al., 2009; Lee & Tsai, 2005; Rosenbusch et al., 2011).

Entrepreneurial Orientation has no effect on Performance

The result of the research was in contrary with the most prior researchs' result Wiklund & Shepherd (2005), Otache & Mahmood (2015), Omar, Aris, & Nazri (2016), which suggested that Entrepreneurial Orientation directly affected towards performance. In contrary, some other researchs supported the result regarding the insignificant result towards both variables. Thus, it is concluded that the relationship is still inconclusive. The insignificant result is caused by the failure by the new hotel establishment to interpret Entrepreneurial Orientation towards higher performance achievement which is caused by the lack of strategic resources background by the members and also the support from the management (Stam & Elfring, 2008).

CONCLUSIONS AND SUGGESTIONS

The result of this study have implications for the management of the new hotel establishments to be aware of the importance of innovation to achieve better performance. New hotel establishment must able to develop innovated product and service demand in order to produce excellent performance while ensuring the survival of the business within the intense competition. Most likely, these innovative actions must be supported by attitudes and behaviors which are always oriented to learn and entrepreneurship through all the members.

In the other side, this research also had limitation to be considered for the next research agenda. This research was only focused on one industry which may vary from the other industries. Therefore, it is suggested to focused on many industries in many cities or countries at a time. The selection of the respondent also should be taken more than one as the representation of the establishment and also be interviewed at the same time in order to create a clear and objective judgement. It is suggested for the future research to emphasize on Market Orientation as the intervening or moderating variable as the implication of strategic orientation and innovation toward performance, and also focused on new hotel establishments due to the their survival phase during their infancy stage.

BIBLIOGRAPHY

- Alegre, J., & Chiva, R. (2013). Linking entrepreneurial orientation and firm performance: The role of organizational learning capability and innovation performance. *Journal of Small Business Management*, 51(4), 491–507.
- Attila, A. T. (2016). The impact of the hotel industry on the competitiveness of tourism destinations ² in Hungary. *Journal of Competitiveness*, 8(4), 85–104.
- Baker, W. E., & Sinkula, J. M. (1999a). Learning orientation, market orientation, and innovation: Integrating and extending models of organizational performance. *Journal of Market Focused Management*, 4(4), 295–308.
- Baker, W. E., & Sinkula, J. M. (1999b). The synergistic effect of market orientation and learning orientation on organizational performance. *Journal of the Academy of Marketing Science*, 27(4), 411–427.
- Baker, W. E., & Sinkula, J. M. (2002). Market orientation, learning orientation and product innovation: Delving into the organization's black box. *Journal of Market-Focused Management*, 5(1), 5–23. ¹
- Baker, W. E., & Sinkula, J. M. (2009). The complementary effects of market orientation and entrepreneurial orientation on profitability in small businesses. *Journal of Small Business Management*, 47(4), 443–464.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Barney, J. (2001). Resource-based theories of competitive advantage : A ten- year retrospective on ⁵ the resource-based view. *Journal of Management*, 27(6), 643–650.
- Bhuian, S. N., Menguc, B., & Bell, S. J. (2005). Just entrepreneurial enough: The moderating effect of entrepreneurship on the relationship between market orientation and performance. *Journal of Business Research*, 58(1), 9–17.
- Birdthistle, N., & Fleming, P. (2005). Creating a learning organisation within the family business: An ⁸ Irish perspective. *Journal of European Industrial Training*, 29(9), 730–750.
- Bowen, F. E., Rostami, M., & Steel, P. (2010). Timing is everything: A meta-analysis of the relationships between organizational performance and innovation. *Journal of Business Research*, 63(11), 1179–1185.
- BPS. (2018). *Kota Surabaya Dalam Angka 2018*. <https://doi.org/1102001.3578>
- Brettel, M., Engelen, A., & Heinemann, F. (2009). New entrepreneurial ventures in a globalized world: The role of market orientation. *Journal of International Entrepreneurship*, 7, 88–110.
- Budowski, G. (1976). Tourism and environmental conservation: Conflict, coexistence, or symbiosis? *Environmental Conservation*, 3(01), 27.
- Calantone, R. J., Cavusgil, S. T., & Zhao, Y. (2002). Learning orientation, firm innovation capability, and firm performance. *Industrial Marketing Management* 31, 31(6), 515–524.
- Chapman, R., & Hyland, P. (2004). Complexity and learning behaviors in product innovation. *Technovation*, 24(7), 553–561.
- Collis, D. J., & Montgomery, C. A. (1995). *Competing on resources: Strategy in the 1990s*. ²³ *Knowledge and Strategy*. Butterworth-Heinemann.
- Damanpour, F. (1991). Organizational innovation: A meta -analysis of effects of determinants and moderators. *Academy of Management Journal*, 34(3), 555–590.
- Day, G. S. (1995). The capabilities of market-driven organizations. *Journal of Product Innovation Management*, 12(3), 37–52.
- Dixon, N. M. (1992). Organizational learning: A review of the literature with implications for HRD professionals. *Human Resource Development Quarterly*, 3(1), 29–49.
- Dzhandzhugazova, E. A., Blinova, E. A., Orlova, L. N., & Romanova, M. M. (2016). Innovations in hospitality iIndustry. *International Journal of Environmental & Science Education*, 11(17), 10387–10400.

- Enz, C. A., Peiró-Signes, Á., & Segarra-Oña, M.-V. (2014). How fast do new hotels ramp up Performance? *Cornell Hospitality Quarterly*, 55(2), 141–151.
- Eshlaghy, A. T., Maatofi, A., & Branch, G. (2011). Learning orientation, innovation and performance: Evidence from small-sized business firms in Iran. *European Journal of Social Sciences*, 19(1), 114–122.
- Espino-Rodríguez, T. F., & Ramírez-Fierro, J. C. (2018). The relationship between strategic orientation dimensions and hotel outsourcing and its impact on organizational performance. An application in a tourism destination. *Sustainability*, 10(1769), 1–17.
- Farrell, M. A., Oczkowski, E., & Kharabsheh, R. (2008). Market orientation, learning orientation and organisational performance in international joint ventures. *Asia Pacific Journal of Marketing and Logistics*, 20(3), 289–308.
- Foss, N. J. (2015). The classical theory of production and the capabilities view of the firm. *Journal of Economic Studies*, 24(5), 307–323.
- Gatignon, H., & Xuereb, J.-M. (1997). Strategic orientation of the firm and new product performance. *Journal of Marketing Research*, 34(1), 77–90.
- Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33(3), 114–135.
- Gray, B. J., Matear, S. M., & Matheson, P. K. (2000). Improving the performance of hospitality firms. *International Journal of Contemporary Hospitality Management*, 12(3), 149–155.
- Green, K. M., Covin, J. G., & Slevin, D. P. (2008). Exploring the relationship between strategic reactivity and entrepreneurial orientation: The role of structure-style fit. *Journal of Business Venturing*, 23(3), 356–383.
- Hage, J. T. (1999). Organizational innovation and organizational change. *Annual Review of Sociology*, 25, 597–622. <https://doi.org/10.1146/annurev.soc.25.1.597>
- Han, J., Kim, N., & Srivastava, R. (1998). Market orientation and organizational performance: is innovation a missing link? *Journal of Marketing*, 62(4), 30–45.
- Hitt, M. A., Ireland, R. D., Camp, S. M., & Sexton, D. L. (2001). Guest editors' introduction to the special issue strategic entrepreneurship: Entrepreneurial strategies for wealth creation. *Strategic Management Journal*, 22(6), 479–491.
- Hult, G. T. M., Hurley, R. F., & Knight, G. A. (2004). Innovativeness: Its antecedents and impact on business performance. *Industrial Marketing Management*, 33(5), 429–438.
- Hult, G. T. M., & Ketchen, D. J. (2001). Does market orientation matter? A test of the relationship between positional advantage and performance. *Strategic Management Journal*, 22(9), 899–906.
- Hunt, S. D., & Morgan, R. M. (1996). The Resource-Advantage Theory of Competition: Dynamics, Path Dependencies, and. 60(October), 107–114.
- Hurley, R. F., & Hult, G. T. M. (1998). Innovation, market orientation, and organisational learning: An integration and empirical examination. *Journal of Marketing*, 62(3), 42–54.
- Hwang, H., & Takane, Y. (2004). Generalized structured component analysis. *Psychometrika*, 69(1), 81–99.
- Hwang, H., & Takane, Y. (2015). *Generalized Structured Component Analysis: A Component-Based Approach to Structural Equation Modeling*. Florida: CRC Press.
- Jassmy, B. A. K., & Bhaya, Z. M. A. (2016). Strategic orientation and effects on organizational performance - Analytical study in real estate banks in Al-Dewaniya Province. In *Challenges of Modern Management* (pp. 200–212).
- Jiménez-Jiménez, D., & Sanz-Valle, R. (2011). Innovation, organizational learning, and performance. *Journal of Business Research*, 64(4), 408–417.
- akati, M. (2003). Success criteria in high-tech new ventures. *Technovation*, 23, 447–457.
- Keskin, H. (2006). Market orientation, learning orientation, and innovation capabilities in SMEs. *European Journal of Innovation Management*, 9(4), 396–417.
- Kirca, A. H., Jayachandran, S., & Bearden, W. O. (2005). Market orientation: A meta-analytic review and assessment of its Antecedents and impact on performance. *Journal of Marketing*, 69(April), 24–41.

- 1 Laitinen, E. K. (1992). Prediction of failure of a newly founded form. *Journal of Business Venturing*, 7(4), 323–340.
- Lee, T., & Tsai, H. (2005). The effects of business operation mode on market orientation, learning orientation and innovativeness. *Industrial Management & Data Systems*, 105(3), 325–348.
- Lin, C. Y.-Y., & Chen, M. Y.-C. (2007). Does innovation lead to performance? An empirical study of SMEs in Taiwan. *Management Research News*, 30(2), 115–132.
- López, S. P., Peón, J. M. M., & Ordás, C. J. V. (2005). Organizational learning as a determining factor in business performance. *The Learning Organization*, 12(3), 227–245.
- 6 Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 35–72.
- Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5), 429–451.
- Maltz, A. C., Shenhar, A. J., & Reilly, R. R. (2003). Beyond the balanced scorecard: Refining the search for organizational success measures. *Long Range Planning*, 36(2), 187–204.
- Mintzberg, H., Raisinghani, D., & Theoret, A. (1976). The structure of “unstructured” decision processes. *Administrative Science Quarterly*, 21(2), 246–275.
- Naman, 16 J., & Slevin, D. P. (1993). Entrepreneurship and the concept of fit: A model and empirical tests. *Strategic Management Journal*, 14(2), 137–153.
- Newbert, S. L. (2008). Value, rareness, competitive advantage, and performance: A conceptual-level empirical investigation of the resource-based view of the firm. *Strategic Management Journal*, 29(7), 745–20.
- Ogbari, M. E., Ibidunni, A. S., Ogunnaike, O. O., Olokundun, M. A., & Amaihian, A. B. (2018). A comparative analysis of small business strategic orientation: Implications for performance. 19 *Academy of Strategic Management Journal*, 17(1), 1–15.
- Omar, N. A., Aris, H. M., & Nazri, M. A. (2016). The effect of entrepreneurial orientation, innovation capability and knowledge creation on firm performance: A perspective on small scale entrepreneurs. *Jurnal Pengurusan*, 48, 187–200.
- Osborne, R. L. (1993). Why entrepreneurs fail: How to avoid the traps. *Management Decision*, 31(1), 5 18–21.
- Otache, I., & Mahmood, R. (2015). Entrepreneurial Orientation and Performance of Nigerian Banks: 8 The Mediating Effect of Teamwork. *Mediterranean Journal of Social Sciences*, 6(3), 406–414.
- Ottenbacher, M. C. (2007). Innovation management in the hospitality industry: Different strategies for achieving success. *Journal of Hospitality & Tourism Research*, 31(4), 431–454.
- Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, (January), 78–94.
- Potocki, K. a, & Brocato, R. C. (1995). A system of management for organizational improvement. *John Hopkins Apl Technical Digest*, 16(4), 402–412.
- Prajogo, D. I., & Ahmed, P. K. (2006). Relationships between innovation stimulus, innovation capacity, and innovation performance. *R and D Management*, 36(5), 499–515.
- Ramirez, R. G., Guzman, G. M., Del, M., & Serna, C. M. (2014). The relationship between market orientation, entrepreneurial orientation, and innovation: Evidence from Mexican SMEs. *Journal of 18 Business and Economics*, 5(10), 2155–7950.
- Rosenbusch, N., Brinckmann, J., & Bausch, A. (2011). Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs. In *Journal of Business Venturing* 15 Vol. 26, pp. 441–457). Elsevier Inc.
- Runyan, R., Droge, C., & Swinney, J. (2008). Entrepreneurial orientation versus small business orientation: What are their relationships to firm performance? *Journal of Small Business 14 Management*, 46(4), 567–588.
- Serna, M. del C. M., Martínez, J. E. V., & Martínez, J. V. (2016). The Impact of Learning Orientation on Innovation and Performance in SME'S in México. *International Review of Management and Business Research*, 5(1), 48–64.

- 4 Sinkula, J. M. (1994). Market information and processing organizational learning. *Journal of Marketing*, 58(1), 35–45.
- Sinkula, J. M., Baker, W. E., & Noordewier, T. (1997). A framework for market-based organizational learning: Linking values, knowledge, and behavior. *Journal of the Academy of Marketing Science*, 25(4), 305–318.
- Slater, S. F., & Narver, J. C. (1995). Market orientation and the learning organization. *Journal of Marketing*, 59(3), 63–74.
- Song, M., Podoyntsyna, K., Bij, H. Van Der, & Halman, J. I. M. (2008). Success Factors in New Ventures: A Meta-analysis. *Journal of Product Innovation Management*, 25(1), 7–27.
- Spencer, J. P., & Zyl, G. A. van. (2015). Hotel openings: Critical success factors and challenges. *African Journal of Hospitality, Tourism and Leisure*, 4(2), 1–20. Retrieved from <http://www.ajhtl.com>
- Stam, W., & Elfring, T. (2008). Entrepreneurial orientation and new venture performance: The moderating role of intra- and extraindustry social capital. *Academy of Management Journal*, 51(1), 97–111.
- Swann, W. L. (2016). Modelling the relationship between entrepreneurial orientation, organizational integration, and programme performance in local sustainability performance in local sustainability. *Public Management Review*, (July), 1–24.
- 21 Tsai, H., Song, H., & Wong, K. K. F. (2009). Tourism and hotel competitiveness research. *Journal of Travel and Tourism Marketing*, 26(5–6), 522–546.
- Usman, M., & Mat, A. (2017). Assessing the importance of entrepreneurial orientation on innovation in service sector. *International Journal of Business and Management Invention ISSN (Online)*, 6(7), 2319–8028. Retrieved from www.ijbmi.org
- Ven, A. H. Van de. (1986). Central Problems in the Management of Innovation. *Management Science*, 32(5), 590–607.
- Verhees, F. J. H. M., & Meulenbergh, M. T. G. (2004). Market orientation, innovativeness, product innovation, and performance in small firms. *Journal of Small Business Management*, 42(2), 134–154.
- 13 Wales, W., Monsen, E., & McKelvie, A. (2011). The organizational pervasiveness of entrepreneurial orientation. *Entrepreneurship Theory and Practice*, 35(5), 895–923.
- Wang, C. L. (2008). Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship: Theory and Practice*, 32(4), 635–657.
- 1 Watson, K., Hogarth-Scott, S., & Wilson, N. (1998). Small business start-ups: Success factors and support implications. *International Journal of Entrepreneurial Behavior & Research*, 4(3), 217–238.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171–180.
- Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Venturing*, 20(1), 71–91.
- 12 Zaltman, G., Duncan, R., & Holbek, J. (1973). *Innovations and Organizations*. John Wiley. New York.
- Zhou, K. Z., Yim, C. K. (Bennet), & Tse, D. K. (2005). The effects of strategic orientations on technology- and market-based breakthrough innovations. *Journal of Marketing*, 69(2), 42–60.
- Zikmund, W. G., Carr, J. C., Griffi, M., & Babin, B. J. (2013). *Business Research Methods*. South-Western, Cengage Learning.

LE EO Performance

ORIGINALITY REPORT

19%

SIMILARITY INDEX

19%

INTERNET SOURCES

16%

PUBLICATIONS

17%

STUDENT PAPERS

PRIMARY SOURCES

1

www.inderscienceonline.com

Internet Source

2%

2

eprints.utm.my

Internet Source

2%

3

Submitted to University of Birmingham

Student Paper

1%

4

www.allbusiness.com

Internet Source

1%

5

etd.uum.edu.my

Internet Source

1%

6

Fred Phanuel Okangi. "The impacts of entrepreneurial orientation on the profitability growth of construction firms in Tanzania", Journal of Global Entrepreneurship Research, 2019

Publication

1%

7

idus.us.es

Internet Source

1%

sme.feb.uni-sofia.bg

8	Internet Source	1%
9	iosrjournals.org Internet Source	1%
10	doc.rero.ch Internet Source	1%
11	ibacnet.org Internet Source	1%
12	ethesys.lib.pu.edu.tw Internet Source	1%
13	www.anzam.org Internet Source	1%
14	www.tci-thaijo.org Internet Source	1%
15	www.cbmsbm.com Internet Source	1%
16	tampub.uta.fi Internet Source	1%
17	Submitted to University of Winchester Student Paper	1%
18	International Journal of Productivity and Performance Management, Volume 65, Issue 6 (2016) Publication	1%

19	Submitted to Universiti Utara Malaysia Student Paper	1%
20	Submitted to Texas A&M University - Commerce Student Paper	1%
21	pskov.ranepa.ru Internet Source	1%
22	Submitted to Blue Mountain Hotel School Student Paper	1%
23	www.marketing-trends-congress.com Internet Source	1%
24	open.uct.ac.za Internet Source	1%

Exclude quotes Off
Exclude bibliography Off

Exclude matches < 1%