International Business Management 10 (17): 3770-3778, 2016
ISSN: 1993-5250

Market Learning Orientation and Entrepreneurial Orientation Effects Towards Absorptive Capacity and Innovative Capability on Firm Performance

Noraindah Binti Abdullah Fahim and Rohaizat Bin Baharun
Faculty of Management, University Teknologi Malaysia, Skudai, 81300 Johor, Malaysia

Abstract: The objective of this study is to examine the determinants of business orientation towards firm's performance. This study combining all business orientations and capability which is Market, Innovative, Learning and Entrepreneurial (MILE). MILE conceptualization suggested separately or combining all four components as the drivers of business performance. This hypothetical conceptual paper aims to mediate the absorptive capacity with other resources (or orientations) and capabilities. The relationship between MILE with absorptive capacity and its synergistic effect towards performance is yet to be tested empirically which later will be used to analyse the agriculture's performance. This study focus on how market learning orientation and entrepreneur orientation help to absorb new knowledge to firm which gives firm the ability to innovate and implement it towards firm's performance which later will be used to analyse the performance in agriculture. Firms must have the capacity to absorb inputs in order to generate greater outputs.

Key words: Absorptive capacity, agriculture performance, entrepreneur orientation, firms performance, innovative capability, learning orientation, market orientation, market learning orientation

INTRODUCTION

Market knowledge on customers and competitors has been known as the most important area to be acquired and adapted by firms to increase their performance (Day, 1994; Kohli and Jaworski 1990; Narver and Slater 1990; Luca and Atuahene-Gima, 2007). The acquisition and exploitation of knowledge is important not only to firm performance but also towards agriculture performance. According to Dethier and Effenberger (2012), agriculture helps to increase income and reduce poverty in developing countries at rural and urban areas, basically through employment and by providing food at reasonable prices. However, the discussions on Malaysia's future planning have mostly overlooked about agriculture. Even in the 10th Malaysia Plan (2011-2015), agriculture's sector does not get significant attention even though agriculture's still accounts for 7-8% of Malaysia's gross domestic product. Nevertheless, acquiring knowledge from the market, learn faster than competitors, find ways to be different and innovatively produce and respond to the environment are imperatively crucial to firm's performance, henceforth agriculture's performance. Farmer cannot rely solely from the government and subsides as the contributors for gaining profit in the long term. Instead, they needs to learn more on market and be as innovative as possible. Thus, it will improved farm profits and performances.

Since, very little study is aim to focus on agriculture, this study will later to adopt the concept by Velean *et al.* (2014) on agriculture's performance. While few empirical papers consider one business orientation at a time, MILE has been conceptualized as the drivers of business performance, whereby all four components are separated or combined, since they can partially overlap and complement each other (Velean *et al.*, 2014). Even though the agriculture sector needs further analysis on factors influencing its performance, this study is first to relate the absorptive capacity capability with MILE. There are a lot of business orientations and capabilities studies which lead to firm performances (Aminu and Shariff, 2015) and no study has been linked it with absorptive capacity. Thus, this study is to look on the relationship of market learning orientation and entrepreneurial orientation towards absorptive capacity MILE's conceptualization and the relationship with absorptive capacity capability and synergistic effect towards performance are yet to be tested empirically.

MATERIALS AND METHODS

Theory and hypotheses

Agriculture's sector overview: Agricultural sector has been the backbone of Malaysian economy by producing agricultural products especially for domestic consumption. Every year, government has allocated RM3

Corresponding Author: Noraindah Binti Abdullah Fahim, Faculty of Management, University Teknologi Malaysia, Skudai, 81300 Johor, Malaysia

billion to this sector in term of development in agricultural business, agricultural commodities as well creating employment and reducing unemployment rate. As reported by Malaysian Economic Planning Unit, agricultural sector has contributed 7.1% from the total GDP at slower growth, employs more than 1.6 million or 12.4% of total employment, increased 3.7% to RM40 billion of total export earnings in 2013. The share of agricultural sector in Malaysia's economy has recorded having declining rate for every year from 29.9% in 1970-8.4% in 2000 and further to 7.58% in 2010 to 7.0% in 2014, although the contribution has increased from RM 51.3 billion in 2010 to nearly RM 57.0 billion in 2013 and forecasted to further increased to RM 58.0 billion in 2014. Even the contribution from agriculture sector is small, its role of sustainability in supplying foods for the society and creates employments for rural people is vital.

Basically, agricultural sector faces several challenges namely labour shortage, increase in production cost, low productivity and quality, climate change and shortage of land for farming. Thus, the policies set by government of Malaysia to this sector is for its strategic direction and to make this sector as modern and dynamic. This is to help Malaysia to achieve the National Agro Food Policy (2011-2020) direction in the production of agro food commodities to grow 4% a year to achieve a self-sufficiency level and sufficient food for local consumption and generate income for export market.

RESULTS AND DISCUSSION

Market Learning Orientation (MLO) and firm performance: During the past few decades, MO has been the focal construct in the marketing literature. The concept of MO was first defined in 1990 by Kohli and Jaworski, Narver and Slater in order to analyse its effect on business performance. MO according to Kohli and Jaworski (1990) and Kohli *et al.* (1993) is the implementation of marketing concept where all activities are mainly driven by quality information about market requirements, customers' needs and the ability to coordinate, manage and respond to this information. Market Orientation (MO) is learning from customers and competitors to come out with superior value. Narver and Slater (1990) mentioned that a firm which continuously providing customers with sustainable superior value than its competitors, can maintain high performance in the long run. Kibbeling *et al.* (2013) defined MO as creating and satisfying customers within firms' cross-functional process and activities by analysing customer's continuous needs.

Traditionally, customer focus has been considered as the primary focus in MO (Deshpande *et al.* 1993). According to Deshpande *et al.* (1989), marketing concept is the most relevant aspect in organizational culture, which includes "a fundamental shared set of beliefs and values that puts the customer in the centre of the firm's thinking about strategy and operations". MO is an organizational culture aspect which has far-reaching effects on firms. Other factors such as exogenous market factors (e.g., competition, regulation) which influence customer needs with broader perspective of market orientation were later developed (Kohli and Jaworski, 1990, Lusch and Laczniak 1989).

Numerous empirical studies support that MO generate and gives positive impact on the performance of firms by further adding other concepts such as organizational learning and innovativeness (Baker and Sinkula, 1999; Dubihlela, 2013; Farrell and Oczkowski, 2002; Hult *et al.*, 2005; Huhtala *et al.*, 2014; Hilman and Kaliappen, 2014; Morgan *et al.*, 2009). Firms which focus on market orientation are more alert on opportunities and can give superior value to consumers' needs (Micheels and Gow, 2012). Nevertheless, if firms' want to maintain their superior customer value and performance, they must constantly find new sources of competitive advantages by continuously gathering knowledge and learn faster and better than their competitors. Sinkula *et al.* (1997) define Learning Orientation (LO) as the organizational learning values of information processing and desire-to-learn which encourage of firms to learn. Furthermore, a theory from Kohli and Jaworski (1990) reflects the positive relationship between MO and LO. Meanwhile a study from Spillan *et al.* (2013) mentioned that intelligence generation is the capability of microenterprises to predict future customers' needs and quickly adapt to the changes in the market. Consequently, it helps the enterprises to create better products or services to satisfy customers. It is the critical success in MO processes since it reflects the firms' responsiveness in developing marketing strategies as to respond to the changes of customers' need.

According to Bae and Ha (2014), changes should be done if firms are facing environmental uncertainty. They should adopt an external oriented strategy which requires them to get information from the market. Thus, firms need to keep themselves abreast with the customers' needs and respond to the needs through the process of gathering and learning unique information. According to Sok *et al.* (2013), learning capability encompasses the abilities to identify staff training needs, to investigate any ineffective activities, to do post mortem from firms' past experiences and to learn new and relevant knowledge. Thus, firms will be able to identify and respond to the market better and faster than before. In addition, they will also be able to differentiates themselves from competitors (Sok *et al.*, 2013; Sok and O'Cass, 2011). It will eventually provide greater opportunity to achieve superior performance. The

process of LO in organizational learning by Baker and Sinkula (1999b) consists of the desire to learn, gather and process market information and use the information to take organizational action.

From the above view of MO and LO, it can be concluded that both are importantly related between each other towards better firms' performance. Both two different constructs can be integrated as a model of strategic orientation to directly affect performance and indirectly affect product innovation (Baker and Sinkula, 1999a). MO alone is not sufficient to support innovation, competitive advantage nor performance (Baker and Sinkula, 2002). The organizational learning theory by Huber (1991) is adapted within the MLO directions. It is about the effectiveness of market information processing, interpretation of and response to, market information from both inside and outside the organization. The theory claims that firms' behavior modification is gained through experience which is learn from others.

The direct contact between firm and customers will eventually help firms to learn more about market. Besides, market learning will enable firms to develop market-valued capabilities as a basis for their performance (Adekambi *et al*., 2015). The connubial relationship between MO and LO is further claimed by Stanley and coauthors to give better competitive advantage towards firm. It's is when firms learn about market and act on the information gained from the market. The concept of learning in marketing has also been applied to new product development and customer orientation (Baba, 2015). Baker and Sinkula (1999) stressed that through higher-order learning, firms will broaden its views and assumptions about the external marketing environment, thus can experiment new ways to deliver benefits to customers.

Among studies which have relate MO and LO towards better performance are from Baker and Sinkula, 1999; Jimenez-Jimenez *et al*., 2008; Farrell *et al*., 2008; Morgan *et al*., 1998; Santos *et al*., 2005; Sinkula *et al*., 1997;Storbacka and Nenonen, 2015. Thus, its suggest the following hypothesis:

- H_1: There is significant relationship between market learning orientation (MLO) and firm performance

Entrepreneurial Orientation (EO) and firm performance: Research on entrepreneurial orientation construct has garnered more attention than the domain of corporate entrepreneurship. Covin and Lumpkin (2011) mentioned about 256 scholarly journal articles in 2010 referring "entrepreneurial orientation" in their study, among which 109 of the articles were published between January 2008 and December 2010. Entrepreneurial orientation is different from entrepreneurship. Entrepreneurship is a 'new entry' into a marketplace, whereas entrepreneurial orientation describes how the 'new entry' is undertaken. The study of Chadwick *et al*., (2008) on entrepreneurial orientation scale as a construct has evolved and expanded over the last four decades. Mintzberg (1973) considered entrepreneurial strategy-making mode as a characteristic of new opportunities and growth.

Miller (1983) introduced entrepreneurship theory with three dimensions namely; innovativeness, pro-activeness and risk taking. Entrepreneurs are encouraged to embark on risky business in order to promote their new innovative products or services to gain competitive advantages and aggressive competition (Miller, 1983; Covin and Slevin, 1988). Performance of small firms in hostile environment was positively related to entrepreneurial strategic posture (Covin and Slevin, 1989). Innovativeness means supporting creativity, new ideas and experimentation of new products or services while proactiveness is to aggressively create and change the business environment. In addition, risk taking is devoting resources to projects with a chance of high returns but also may entail high failure (Lumpkin and Dess, 2001). Later and coauthors (1996) reconceptualise EO to five dimensions-autonomy, innovativeness, risk taking, pro-activeness and competitive aggressiveness (Lumpkin and Dess, 2001). These five dimensions of EO hold the key to firms' success.

EO has positively contributed to the success of firms (Davis *et al*., 2010; Gellynck *et al*., 2015; Hosseini and Eskandari, 2013; Keh *et al*., 2007; Krauss *et al*., 2005; Kajalo and Lindblom, 2015; Lumpkin and Dess, 2001). A meta-analysis study on entrepreneurial orientation suggested it as a significant predictor of firms' performance (Rauch *et al*., 2009). It contains the strategy-making process and signifies the policies and practices which then becomes the basis of entrepreneurial actions and decisions (Rauch *et al*., 2009). Gellynck *et al*., (2015) stressed that the appropriate approach to examine the concept of EO for small and medium scale agriculture is by psychological oriented approach. In line with the above literature, the following proposition is suggested.

- H_2: There is significant relationship between entrepreneurial orientation and firm performance

Absorptive Capacity (AC) and firm performance: Cohen and Levinthal (1990) defined firm's Absorptive Capacity (AC) as "the ability to recognize the value of new, external information, assimilate it and apply it to commercial ends". AC is the ability of firm to learn something new to become competitively advantaged. The recognized knowledge is adapted and adopted towards commercialization which later being acquired and used to advance innovation and improve performance (Tzokas *et al*., 2015). AC facilitates the sensitivity to new opportunities in the environment (Cohen and Levinthal, 1990).

AC has gone through little theoretical developments. Many scholars have been linking AC with varieties of external knowledge, among which are the synergy between AC of the firms with technological capability and customer relationship capability (Tzokas *et al*., 2015), knowledge creation capability (Su *et al*., 2013), unlearning context and information system capability (Carrion *et al*., 2012), cooperation with competitors (Wu, 2014) and more. The concept of AC has been validated by those researchers as multidimensional and encompasses on varieties of dimensions and abilities.

Barney (1991) suggested and re-conceptualized AC into four dimensions: acquire, assimilate, transform and exploit knowledge as organizational routines and processes. They later enclosed the concept into potential (acquisition and assimilation) as PACAP and achieved (transformation and exploitation) of AC as RACAP. Many studies relate AC with competitive advantage which lead to firm performance (Barney, 1991; Kim *et al*., 2015; Wales *et al*., 2013). AC also plays the role of mediating variables in the previous studies (Chang *et al*., 2014; Gellynck *et al*., 2015; Lau and Lo, 2015; Peters and Johnston, 2009; Sciascia *et al*., 2014; Jurado *et al*., 2008; Zahra and George, 2002). Cumulative construct of PACAP requires variety of knowledge to intensification information recombination whereas RACAP support firms to manage the variation of knowledge efficiently through careful merging of different knowledge combinations through their current resource base (Patel *et al*., 2015). Thus, the following hypotheses were developed.

- H_3: There is significant relationship between Absorptive Capacity (AC) and firm performance

Absorptive Capacity (AC) as mediator: Previous studies tried to link between Kohli *et al*. (1993) stated on the importance of having high quality of information about market requirements, customers' needs and how to manage and respond to the information. The MO-firm performance models must emphasize on marketing and market-related information gathering and have been suggested to complement them with other concepts in order to generate firms' high performance. AC involves how external knowledge inflows to the firm which then being transformed to useful products and services. Since, MO focuses on recognising customers' needs and requirements, it allows continuous exploration of market knowledge which later gives superior values to customers (Tzokas *et al*., 2015). Therefore, according to Tsai *et al*. (2008), firms' skills and processes which recognise and satisfy customers' needs will help to enhance AC.

While firms also need previous related knowledge before they can adapt, learn and use new relevant knowledge. As argued by Hult *et al*. (2004) learning orientation occurs at the culture level of the firms and other factors which directly gives impact to firms' performance are likely to be the mediator to LO. According to Cohen and Levinthal (1990) and Lane and Lubatkin (1998), the process of evaluating and utilizing external knowledge is mainly the role of prior related knowledge. Both Cohen and Levinthal (1990) stated that AC depends on prior knowledge and experiences. Cohen and Levinthal (1990) proposed that the firms' AC is achieves as they learn. This discussion suggests that MO and LO is among the antecedents of AC. Consequently, this next hypothesis suggests the positive influence of MLO to AC.

- H_4: The higher the level of firm's Market Learning Orientation (MLO) the greater the firm's Absorptive Capacity (AC)

The construct of entrepreneurial orientation has often been quoted as being innovative and independent, involving risk taking, being proactive and competing aggressively (Lumpkin and Dess, 2001; Rauch *et al*., 2009). As posited by Zahra and George, the dimension of AC's acquisition consists of three attributes, namely intensity, speed and direction. Consequently, entrepreneurial orientation has the direction to promote processes, practices and decision making activities which later help firms to gain new entry (Garcia-Morales *et al*., 2006; Naldi *et al*., 2007). According to Patel *et al*. (2014), the innovation dimension of EO can be enhanced with PACAP while firm performance can be enhanced with the help of RACAP through transformation and exploitation. Both EO and PACAP promote combination of various knowledge components. Therefore, a test on the mediation effect of AC on EO has been suggested.

- H_5: The higher the level of firm's Entrepreneurial Orientation (EO) the greater the firm's Absorptive Capacity (AC)

Absorptive Capacity (AC), innovation capability and firm performance: A firm's capabilities to identify, assimilate, manage and exploit knowledge can become a source of innovation (Cohen and Levinthal, 1990) and simultaneously help to achieve competitive advantage and performance. Firms with higher AC levels will be able to create fresh and broad knowledge base. Firms with higher level of AC also are able to transform knowledge into better products or services in order to meet customers' needs. Thus, it's not sufficient for firms to rely solely on internal research and innovation activities. Absorbing external knowledge and innovation is essential to respond to environmental challenges (Cohen and Levinthal, 1990). The ability of firms to obtain external knowledge (potential AC) and protect it from imitation is

important to increase the innovation outcomes (Ritala and Laukkanen, 2013). Innovation focuses primarily on the acquisition and use of external generated knowledge by firms which can promote product development (Cohen and Levinthal, 1990). The studies which relate AC with innovation are by Cohen and Levinthal (1990); Kotabe *et al*. (2014); Wang and Han (2011) and Zahra and George (2002). Therefore, this research comes with the following hypothesis:

- H_6: There is significant relationship between Absorptive Capacity (AC) and Innovation Capability (IC)

It is considered worthless if a market oriented firm has gathered information regarding its customers' needs, disseminate the information and regard it as important but does not take any further action. Innovation has been talked for several decades. The proponents in innovations theory are from Joseph Schumpeter with his S-curve concept, Peter Drucker with his 7 sources of innovation, Kondratieff with waves of innovation and Rogers with diffusion of innovation. Deshpandé *et al*. (1993) and Berthon *et al*. (1999) referred to Peter Drucker's view where he pointed out that most market orientation researchers have emphasized more on marketing rather than innovation. Innovation in marketing is needed as a mean to provide a competitive strategy. Innovation enables the transformation of customers' needs into products or processes. Thus, innovation allow awareness of new opportunities which can assist in the performance of firms.

As such, Sok *et al*. (2013) suggested the application of a resource-based view theory which promotes marketing capability, innovation capability and learning capability as substantial effects to improve firm's growth and profitability. Ndubisi and Agarwal (2014) said that the concept of leveraging firms' performance through innovation suggests the utilization of available resources and capabilities according to Resource-Based View (RBV) theory and dynamic capability. Firms should not focus on innovation capability only but need to complement it with other capabilities. Innovation capability is somehow linked with other dynamic capabilities (Breznik and Hisrich, 2014). The capability to innovate is essential for firms in order to determine growth and survival, to improve performance and gain competitive advantage to the firms (Aziz and Omar, 2013; Huhtala *et al*., 2014; Lertpachin *et al*., 2013;Ndubisi and Agarwal, 2014; Racela, 2014; Samson and Gloet, 2013; Saunila *et al*., 2014). Thus, the following hypothesis was developed.

- H_7: Absorptive Capacity (AC) influence the firm performance which moderated by Innovative Capability (IC)

The hypothetical conceptual framework is shown in Fig. 1.

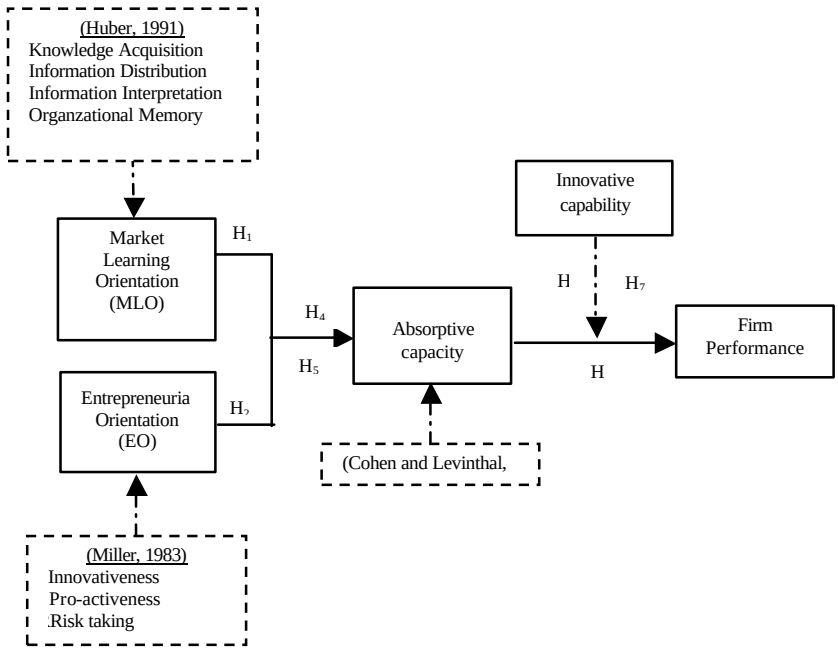

Fig. 1: Hypothetical conceptual

CONCLUSION

This hypothetical conceptual study contributes to a better understanding on the importance of AC as mediator and the relationship between the determinants of business orientations to improve firm performance. The paper starts with basic understanding on MLO and EO which gives knowledge and experience to firms while firms' AC is derives from stocks of knowledge inside and outside of the firms. The hypothetical conceptual framework is developed by proposing all three orientations with AC in order to strengthen innovation capability as well as performance. The ability of AC to recognize new knowledge (acquisition), assimilate, transform and exploit the knowledge and come out with commercial output can be used as critical tools to sustain competitive advantage. Regardless scholars' opinion on the positive effects of MLO, EO and innovation on firms' performances, there is a lack of study on their relationship with AC. Firm can produce innovative products and processes through AC while innovative capability creates high level of performance. This include towards agriculture's performance.

Thus, the combination and relationship of all variables are still underutilized and offers many promising opportunities for more research. Success in AC and innovation do not ensure high performance as there are many elements of firm performance. It is suggested in the future AC should include management as one of the business process to measure its effectiveness. The framework is built on the approach adopted from Velean *et al*. (2014) who mentioned the conceptualization of MILE as a performance indicator. However, contribution on the framework cannot be used as a prescriptive management tool yet because it needs empirical testing.

REFERENCES

Adekambi, S.A., P.T.M. Ingenbleek and H.C.M.V. Trijp, 2015. Integrating Base-of-the-pyramid producers with global markets: A market learning approach. Am. Marketing Assoc. J. Int. Marketing, 23: 44-63.

Aminu, I.M. and M.N.M. Shariff, 2015. Determinants of smes performance in Nigeria: A pilot study. Mediterr. J. Social Sci., 6: 156-156.

Aziz, N.A. and N.A. Omar, 2013. Exploring the effect of internet marketing orientation learning orientation and market orientation on innovativeness and performance: SME perspectives. J. Bus. Econ. Manage., 14: 257-278.

Baba, Y., 2015. Does learning orientation matter for nonprofit organization performance? Empirical evidence from Ghana. Leadership Organiz. Dev. J., 36: 234-252.

Bae, H., M. Ha, 2014. The moderating effects of internal orientation and market orientation on the relationships between commitment and transportation service: An approach to international freight. Asian J. Shipping Logist., 30: 121-153.

Baker, W.E. and J.M. Sinkula, 1999. Learning orientation market orientation and innovation: Integrating and extending models of organizational performance. J. Market Focused Manage., 4: 295-308.

Baker, W.E. and J.M. Sinkula, 1999. The synergistic effect of market orientation and learning orientation on organizational performance. J. Acad. Market. Sci., 27: 411-427.

Baker, W.E. and J.M. Sinkula, 2002. Market orientation learning orientation and product innovation: Delving into the organization's black box. J. Market-Focused Manage., 5: 5-23.

Barney, J.B., 1991. Firm resources and sustained competitive advantage. J. Manage., 17: 99-120.

Berthon, P., J.M. Hulbert and L.F. Pitt, 1999. To serve or create? Strategic orientations toward customers and innovation. California Manage. Rev., 42: 37-58.

Breznik, L. and D.R. Hisrich, 2014. Dynamic capabilities vs. Innovation capability: Are they related?. J. Small Bus. Enterp. Dev., 21: 368-384.

Carrion, G.C., J.G.C. Navarro and D.J. Jimenez, 2012. Analyzing an absorptive capacity: Unlearning context and information system capabilities As catalysts for innovativeness. Br. J. Manage., 23: 110-129.

Chadwick, K., T. Barnett and S. Dwyer, 2008. An empirical analysis of the entrepreneurial orientation scale. J. Appl. Manage. Entrep., 13: 64-85.

Chang, C.H., Y.S. Chen and M.J.J. Lin, 2014. Determinants of absorptive capacity: Contrasting manufacturing vs services enterprises. R. D. Manage., 44: 466-483.

Cohen, W.M. and D.A. Levinthal, 1990. Absorptive capacity: A new perspective on learning and innovation. Admin. Sci. Q., 35: 128-152.

Covin, J.G. and D.P. Slevin, 1988. The influence of organization structure on the utility of an entrepreneurial top management style. J. Manage. Stud., 25: 217-234.

Covin, J.G. and D.P. Slevin, 1989. Strategic management of small firms in hostile and benign environments. Strat. Manage. J., 10: 75-87.

Covin, J.G. and G.T. Lumpkin, 2011. Entrepreneurial orientation theory and research: Reflections on a needed construct. Entrepreneurship Theory Pract., 35: 855-872.

Davis, J.L., R.G. Bell, G.T. Payne and P.M. Kreiser, 2010. Entrepreneurial orientation and firm performance: The moderating role of managerial power. Am. J. Bus., 25: 41-54.

Day, G.S., 1994. The capabilities of market-driven organizations. J. Market., 58: 37-52.

De Luca, L.M. and K. Atuahene-Gima, 2007. Market knowledge dimensions and cross-functional collaboration: Examining the different routes to product innovation performance. J. Market., 71: 95-112.

Deshpande, R. and F.E. Webster Jr., 1989. Organizational culture and marketing: Defining the research agenda. J. Market., 53: 3-15.

Deshpande, R., J.U. Farley and F.E.Jr. Webster, 1993. Corporate culture customer orientation and innovativeness in Japanese firms: A quadrad analysis. J. Marketing, 57: 23-37.

Dethier, J.J. and A. Effenberger, 2012. Agriculture and development: A brief review of the literature. Econ. Syst., 36: 175-205.

Dubihlela, J., 2013. Determinants of market orientation adoption among small and medium enterprises (SMEs) in South Africa. Mediterr. J. Soc. Sci., 4: 55-65.

Farrell, M.A. and E. Oczkowski, 2002. Are market orientation and learning orientation necessary for superior organizational performance?. J. Market-Focused Manage., 5: 197-217.

Farrell, M.A., E. Oczkowski and R. Kharabsheh, 2008. Market orientation learning orientation and organisational performance in international joint ventures. Asia Pac. J. Marketing Logist., 20: 289-308.

Garcia-Morales, V.J., F.J. Llorens-Montes and A.J. Verdu-Jover, 2006. Antecedents and consequences of organizational innovation and organizational learning in entrepreneurship. Ind. Manage. Data Syst., 106: 21-42.

Gellynck, X., J. Cardenas, Z. Pieniak and W. Verbeke, 2015. Association between innovative entrepreneurial orientation absorptive capacity and farm business performance. Agribusiness, 31: 91-106.

Hilman, H. and N. Kaliappen, 2014. Market orientation practices and effects on organizational performance. SAGE Open J., Vol. 4, 10.1177/2158244014553590 Published 7 October 2014

Hosseini, M. and F. Eskandari, 2013. Investigating entrepreneurial orientation and firm performance in the iranian agricultural context. J. Agric. Sci. Technol., 15: 203-213.

Huber, G.P., 1991. Organizational learning: The contributing processes and the literatures. Organ. Sci., 2: 88-115.

Huhtala, J.P., A. Sihvonen, J. Frosen, M. Jaakkola and H. Tikkanen, 2014. Market orientation innovation capability and business performance: Insights from the global financial crisis. Baltic J. Manage., 9: 134-152.

Hult, G.T.M., D.J. Ketchen and S.F. Slater, 2005. Market orientation and performance: An integration of disparate approaches. Strat. Manage. J., 26: 1173-1181.

Hult, G.T.M., R.F. Hurley and G.A. Knight, 2004. Innovativeness: Its antecedents and impact on business performance. Ind. Market. Manage., 33: 429-438.

Jimenez-Jimenez, D., R.S. Valle and M. Hernandez-Espallardo, 2008. Fostering innovation: The role of market orientation and organizational learning. Eur. J. Innov. Manage., 11: 389-412.

Jurado, J.V., A.G. Gracia, and I.F.D. Lucio, 2008. Analyzing the determinants of firm's absorptive capacity: Beyond R.D. R.D. Manage., 38: 392-405.

Kajalo, S. and A. Lindblom, 2015. Market orientation entrepreneurial orientation and business performance among small retailers. Int. J. Retail Distrib. Manage., 43: 580-596.

Keh, H.T., T.T.M. Nguyen and H.P. Ng, 2007. The effects of entrepreneurial orientation and marketing information on the performance of SMEs. J. Bus. Ventur., 22: 592-611.

Kibbeling, M., H.D. Bij and A. Weele, 2013. Market orientation and innovativeness in supply chains: Supplier's impact on customer satisfaction. J. Prod. Innovation Manage., 30: 500-515.

Kim, C., W. Zhan and M.K. Erramilli, 2011. Resources and performance of international joint ventures: The moderating role of absorptive capacity. J. Asia Bus. Stud., 5: 145-160.

Kohli, A.K. and B.J. Jaworski, 1990. Market orientation: The construct research propositions and managerial implications. J. Marketing, 54: 1-18.

Kohli, A.K., B.J. Jaworski and A. Kumar, 1993. MARKOR: A measure of market orientation. J. Marketing Res., 30: 467-477.

Kotabe, M., C.X. Jiang and J.Y. Murray, 2014. Examining the complementary effect of political networking capability with absorptive capacity on the innovative performance of emerging-market firms. J. Manage., 20: 1-26.

Krauss, S.I., M. Frese, C. Friedrich and J.M. Unger, 2005. Entrepreneurial orientation: A psychological model of success among Southern African small business owners. Eur. J. Work Organiz. Psychol., 14: 315-344.

Lane, P.J. and M. Lubatkin, 1998. Relative absorptive capacity and interorganizational learning. Strat. Manage. J., 19: 461-477.

Lau, A.K. and W. Lo, 2015. Regional innovation system absorptive capacity and innovation performance: An empirical study. Technol. Forecasting Soc. Change, 92: 99-114.

Lertpachin, C., B. Wingwon and T. Noithonglek, 2013. The effect of marketing focus innovation and learning organization on the building of competitive advantages: Empirical evidence from ISO 9000 certified companies. J. Strategic Marketing, 21: 323-331.

Lumpkin, G.T. and G.G. Dess, 2001. Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. J. Bus. Ventur., 16: 429-451.

Lusch, R.F. and G.R. Laczniak, 1989. Macroenvironmental forces marketing strategy and business performance: A futures research approach. J. Acad. Marketing Sci., 17: 283-295.

Micheels, E.T. and H. Gow, 2012. The effect of alternative market orientation strategies on firm performance. Int. J. Marketing Stud., 4: 2-16.

Miller, D., 1983. The correlates of entrepreneurship in three types of firms. Manage. Sci., 29: 770-791.

Mintzberg, H., 1973. Strategy-making in three modes. California Manage. Rev., 16: 44-53.

Morgan, N.A., D.W. Vorhies and C.H. Mason, 2009. Market orientation marketing capabilities and firm performance. Strategic Manag. J., 30: 909-920.

Morgan, R.E., C.S. Katsikeas and K.A. Adu, 1998. Market orientation and organizational learning capabilities. J. Marketing Manage., 14: 353-381.

Naldi, L., M. Nordqvist, K. Sjoberg and J. Wiklund, 2007. Entrepreneurial orientation risk taking and performance in family firms. Family Bus. Rev., 20: 33-33.

Narver, J.C. and S.F. Slater, 1990. The effect of a market orientation on business profitability. J. Market., 54: 20-35.

Ndubisi, N.O. and J. Agarwal, 2014. Quality performance of SMEs in a developing economy: Direct and indirect effects of service innovation and entrepreneurial orientation. J. Bus. Ind. Marketing, 29: 454-468.

Patel, P.C., M. Kohtamaki, V. Parida and J. Wincent, 2015. Entrepreneurial orientation-as-experimentation and firm performance: The enabling role of absorptive capacity. Strategic Manage. J., 36: 1739-1749.

Payne, A.F., 1988. Developing a marketing-oriented organization. Bus. Horizons, 31: 46-53.

Peters, L.D. and W.J. Johnston, 2009. Understanding absorptive capacity from a network perspective. J. Bus. Market Manage., 3: 29-50.

Racela, O.C., 2014. Customer orientation innovation competencies and firm performance: A proposed conceptual model. Procedia Soc. Behav. Sci., 148: 16-23.

Rauch, A., J. Wiklund, G.T. Lumpkin and M. Frese, 2009. Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. Entrepreneurship Theory Pract., 33: 761-787.

Ritala, P. and P.H. Laukkanen, 2013. Incremental and radical innovation in coopetition-The role of absorptive capacity and appropriability. J. Prod. Innovation Manage., 30: 154-169.

Samson, D. and M. Gloet, 2014. Innovation capability in Australian manufacturing organisations: An exploratory study. Int. J. Prod. Res., 52: 6448-6466.

Santos-Vijande, M.L., M.J. Sanzo-Perez, L.I. Alvarez-Gonzalez and R. Vazquez-Casielles, 2005. Organizational learning and market orientation: Interface and effects on performance. Ind. Market. Manage., 34: 187-202.

Saunila, M., S. Pekkola and J. Ukko, 2014. The relationship between innovation capability and performance: The moderating effect of measurement. Int. J. Prod. Perform. Manage., 63: 234-249.

Sciascia, S., L. DOria, M. Bruni and B. Larraneta, 2014. Entrepreneurial orientation in low-and medium-tech industries: The need for absorptive capacity to increase performance. Eur. Manage. J., 32: 761-769.

Sinkula, J.M., W.E. Baker and T. Noordewier, 1997. A framework for market-based organizational learning: Linking values knowledge and behavior. J. Acad. Marketing Sci., 25: 305-318.

Slater, S.F. and J.C. Narver, 1994. Does competitive environment moderate the market orientation-performance relationship? J. Market., 58: 46-55.

Sok, P. and A. OCass, 2011. Achieving superior innovation-based performance outcomes in SMEs through innovation resource-capability complementarity. Ind. Marketing Manage., 40: 1285-1293.

Sok, P., A. OCass and K.M. Sok, 2013. Achieving superior SME performance: Overarching role of marketing, innovation and learning capabilities. Australas. Marketing J. AMJ., 21: 161-167.

Spillan, J.E., A. Kara, D.O. King and M.A. McGinnis, 2013. Market orientation and firm performance: An empirical analysis of Ghanaian microenterprises. J. Global Marketing, 26: 258-272.

Storbacka, K. and S. Nenonen, 2015. Learning with the market: Facilitating market innovation. Ind. Marketing Manage., 44: 73-82.

Su, Z., D. Ahlstrom, J. Li and D. Cheng, 2013. Knowledge creation capability absorptive capacity and product innovativeness. R. D. Manage., 43: 473-485.

Tsai, K.H., C. Chou and J.H. Kuo, 2008. The curvilinear relationships between responsive and proactive market orientations and new product performance: A contingent link. Ind. Marketing Manage., 37: 884-894.

Tzokas, N., Y.A. Kim, H. Akbar and H. AlDajani, 2015. Absorptive capacity and performance: The role of customer relationship and technological capabilities in high-tech SMEs. Ind. Marketing Manage., 47: 134-142.

Velean, D., A. Shoham and Y. Asseraf, 2014. Conceptualization of MILE orientation market innovative learning entrepreneurial for global businesses. Procedia Soc. Behav. Sci., 109: 837-840.

Wales, W.J., V. Parida and P.C. Patel, 2013. Too much of a good thing? Absorptive capacity firm performance and the moderating role of entrepreneurial orientation. Strategic Manage. J., 34: 622-633.

Wang, C. and Y. Han, 2011. Linking properties of knowledge with innovation performance: The moderate role of absorptive capacity. J. Knowl. Manage., 15: 802-819.

Wu, J., 2014. Cooperation with competitors and product innovation: Moderating effects of technological capability and alliances with universities. Ind. Marketing Manage., 43: 199-209.