

The influence of market orientation, learning orientation, and entrepreneurial orientation toward innovation and impact on company performance

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Abstract

Company performance is a success measurement which is conducted every determined time period. The Performance can be said as the value of each activity that has been prepared and implemented to identify whether the strategy made in the implementation has been right or false. This study proposed to examine the variables of market orientation, learning orientation and entrepreneurial orientation to company performance through innovation. This study was conducted on Small-Medium Enterprises (UKM) Batik industry of Cirebon with the number of respondents 182 Batik industry enterprises Cirebon. This research is explanatory with simple random sampling technique and data analysis technique using Structural Equation Modeling (SEM) version 22. The result of this research reveals four findings; *first*, market orientation, learning orientation and entrepreneurial orientation have positive and significant impact on innovation; *second*, market orientation, learning orientation and entrepreneurial orientation have positive and significant impact on firm performance; *third*, innovation has positive and significant impact on firm performance and market orientation; *fourth*, learning orientation as well as Entrepreneurial orientation has a positive and significant impact on company performance through innovation.

Keywords: market orientation, learning orientation, entrepreneurial orientation, innovation, company performance

1. Introduction

facing the midst of a dynamic environment and high levels of competition, Companies could be survived if they have orientation on meeting needs of consumers or market-oriented. This also applies to Small-Medium Enterprises (UKM) who are facing increasingly fierce competition (Narver and Slater, 2000) ^[75]. Rapid environmental change, an increasingly open market mechanism, company competition, and market dominance are challenges that must be addressed with a market-oriented approach. The market orientation approach is done to bring the company over high performance (Narver and Slater, 1990) ^[72].

The company produces high performance and make innovation by creating original and competitive products. Robbins (1994) defines innovation as a new idea applied to initiate or improve a product, process, and service. However, Consumers not only look at the product value or function but also pay attention to other similar products. The development of successful innovation will be the right strategy to maintain the position of the product in the market because most of the competitor's products appear static (Kensinger, 1997: 60) ^[51]. Thus, innovation will be successful if it meets what the consumers want and need. Harris and Mowery (1990) ^[35] state that innovation plays an important role in the economic efficiency and to achieve long-term success especially for dynamic markets.

Jaworski and Kohli (1993) ^[45], as well as Narver and Slater (1994) ^[73], concluded that market orientation is a determinant factor toward corporate performance regardless the external environment conditions where the company runs. Research on

market orientation of company performance results in varied findings. Research Baker and Sinkula (1999) ^[5, 6]; Li *et al.* (2008) ^[61]; Suliyanto and Rahab (2012) ^[101] indicate that market orientation has a significant effect on company performance. Furthermore, Eris and Ozmen (2012) ^[18]; Zafar *et al.* (2016) ^[111] stated the same thing that market orientation has a positive and significant effect on company performance. In other side, research results done by Gholami and Birjandi (2016) ^[28] states that market orientation has no effect on company performance. Whereas, based on Baker and Sinkula (1999) ^[5, 6] research, market orientation has a positive and significant effect on company performance through learning orientation. Li *et al.* (2008) ^[61] argue that market orientation will have a positive and significant effect on company performance through entrepreneurial orientation. Eris and Ozmen (2012) ^[18]; Pratono *et al.* (2013) ^[78] state that market orientation will improve the company performance needs innovation within the company.

Besides market-learning orientation, the success of company performance is also influenced by it entrepreneurial spirit or known as entrepreneurial orientation. In Gholami and Birjandi research (2016) ^[28] found that entrepreneurial orientation bear positive and significant effect on organizational performance. Conceptually, entrepreneurial orientation is the process of creating something new and valuable by the expense of time, energy, financial, physical, social, financial risks, as well as personal satisfaction and rewards (Hisrich *et al.* 2005: 10) ^[39]. UKM are important players concerning economy of a country or region in Indonesia. Contribution to Gross Domestic Product (GDP) of 57.56 percent and non oil-gas exports by

15, 68 percent and donate about 99.99 percent in the number of business entities in Indonesia and provide employment up to 96.99 percent.

As matter of fact, UKM has contributions on Economic field, namely, creating jobs, promote regional economic growth, complementary partners for large corporations, and as training for employers or young workers in developing their business and interpersonal skills. Beal and Abdullah (2003)^[8] state that UKM is able to reduce a country's vulnerability on the financial crisis with its success and survival. UKM contributions on the economy enormously supported by the increasing development in terms of its quantity. The weak just not yet balanced with the quality improvement. The quality of SMEs that have not increased is observed in terms of managerial quality. This managerial quality consists of quality of company performance, innovation, market orientation, entrepreneurial orientation, finance, human resources, and learning orientation.

2. Literature review

A. Company Performance

Company performance is a result of continuously applied management. The results in question are the result of the decisions of many individuals (Helfert, 1996: 67)^[37]. In addition, Keban (2004: 183)^[50] reveals that organizational (company) performance is something that describes how far a group has carried out all the main activities so as to achieve the institution vision-mission.

The technique of establishing organizational performance in long-term business should know and build mutually beneficial relationships with buyers. The company placed consumers as the king in the organization showing that the company wants to give more value to customers in the hope of gaining a long-term competitive advantage, so as giving superior benefits (Narver and Slater, 1990)^[72]. Thus, the company/organization performance is the result of activities carried out within a certain period of time.

B. Innovation

Innovation is the openness brainchild toward new ideas as the aspects of corporate culture (Hurley and Hult 1998: 44)^[42]. According Rogers (1983) and Robbin (1994) Innovation is an idea, practice or object is recognized and accepted as a new thing by any person or group to be adopted (Rogers 1983: 425). Robbins (1994: 25) defines innovation as a new idea applied to initiate or improve a product or process and services.

Robbins and Coulter (2010: 21) define innovation is the process of turning creative ideas into useful products or working methods. While Kasali (2010: 58)^[48] said that innovation is the ability to see things in a new and sometimes out of the box thinking. Thus, innovation is a new idea or idea for a product or service improvement. Innovation occurs because of training and learning with invention and commercialization. In other words, innovation is an organization that integrates technology, organization, and market changes to keep company existence and development. Innovation can be measured by the company's frequent introduction of product innovation, process innovation, marketing innovation and management innovation (Serna,

Guzman and Pinzon, 2013)^[87].

C. Market orientation

Market orientation is an organizational culture that focuses on the needs of external markets, market interest and demands as a basis for the strategies preparation for each business unit within the organization which also determines the company succession. in other words, market orientation is the operationalization of the marketing concept, market orientation is "The organization culture that creates the superior behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business". (Narver and Slater, 1990: 21)^[72]. Market orientation as the organization wide generation of market intelligence pertaining to current and future customer needs dissemination of the intelligence across departments and organization wide responsiveness to it. According to Kohli and Jaworski (1990: 6)^[54], market orientation as the organization wide generation of market intelligence pertaining to Current and future customer needs dissemination of the intelligence across departments and organization wide responsiveness to it.

D. Learning orientation

learning orientation is a set of organizational values that affect the tendency of companies to create and use knowledge process market-oriented culture And learning (Baker and Sinkula, 1999: 445)^[5, 6]. Different opinions, Gregory (2004)^[32] who concluded that the orientation of learning is a dominant culture in which employees agree with the initial value of the importance of learning.

Research Lee and Tsai (2005: 325)^[58] learning orientation as a mechanism that affects the ability of the company to extend the old values towards learning and facilitate new techniques and methodologies. In addition, there are three Values that are usually associated with the ability of organizational knowledge, namely: learning commitment, open minded, shared visions together (Baker and Sinkula, 1997; 2005; Gregory, 2004; Garvin, 2000)^[95, 32, 26].

E. Entrepreneurial orientation

Entrepreneurial orientation is the attempt to create value through recognition of business opportunity, the management of risk taking appropriate to the opportunity and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition (Kao, 1993:91).

According to Zimmerer and Scarborough (2005: 5), entrepreneurship is a person who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying the opportunity and assembling the necessary resources to capitalize on the necessity".

Whereas, according to Hisrich and Peters (2005:10)^[39] Entrepreneurship is a dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time, and career commitment or providing value for some products or services. The definitions emphasize the four main aspects of being an entrepreneur: 1) the process of making new things, 2) Requires the sacrifice of time and energy, 3) involves the rewards of being an entrepreneur, and 4) taking risks.

The Research did Gholami and Birjandi (2016)^[28] found that entrepreneurial orientation has a positive and significant impact on organizational performance. The entrepreneurial orientation is measured through five dimensions: autonomy, innovation, risk-taking, act proactive and aggressive acting in competition (Lumpkin and Dess, 1996; Li *et al.*, 2008; Gholami and Birjandi, 2016)^[64, 61, 28].

F. Effect of Market Orientation, Learning Orientation, and Entrepreneurial Orientation toward Innovation.

Naver and Slater (1990: 21)^[72] define market orientation is the most effective organizational culture in creating good behaviors proposed achieving superior value creation both for buyers and business performance. Naver and Slater (1990)^[72] reveal three components on market orientation; namely, customer orientation, competitor orientation, and inter-functional coordination. Customer orientation and competitor orientation include all activities involved in obtaining information about buyers and competitors on the intended market as well as deploying through the business. while the inter-functional coordination is based on customer and competitor information consisting of coordinated business ventures. Research conducted by (Lee and Tsai, 2005; Lin *et al.*, 2008; Suliyanto and Rahab, 2012; Serna *et al.*, 2013; Zafar *et al.*, 2016)^[101, 62, 111, 87, 58] show that market orientation has a positive and significant effect on innovation.

Gregory (2004)^[32] states that learning orientation is a dominant culture in which employees agree with the initial value of the learning importance. whereas, Baker and Sinkula (1999)^[5, 6] reveal that learning orientation is a set of organizational values influencing the company's tendency to create and use cultural-process knowledge by market-oriented learning. through the Efforts to improve continuous learning ability expected the company can be formed into a learning organization so that companies can quickly anticipate changes that occur around it through appropriate strategies. Hence, Companies could adapt when everything goes well and will be a winner the long time. Eshlaghy and Maatofi (2011)^[19] show that the dimension of learning orientation consists of a commitment to organizational learning, open-minded, and shared vision.

Kao (1993: 91) defines an entrepreneurial orientation as an effort to create value through the introduction of business opportunities, appropriate risk-taking management, communication-management skills to mobilize human, and financial-material resources or other necessary resources to generate Project to be done well. In addition, the entrepreneurial orientation is measured through five dimensions: autonomy, innovation, risk-taking, proactive, and aggressive acting in competition. (Lumpkin and Dess, 1996: 138-149; Li *et al.*, 2008; Gholami and Birjandi, 2016)^[64, 61, 28]. Innovation is a tendency to engage in creativity and experimentation both through the introduction of new products or services and technological leadership through research and development in new processes. Risk-taking is the taking of decisive action by exploring the unknown things or borrowing in bulk and allocating significant resources to businesses over the uncertain environment. While, Proactive is an opportunity search, a forward-looking perspective characterized by the introduction of new products or services

first in the competition and acting in anticipation of future demand. In another word, Aggressive competition is the intensity of a company's efforts to outperform the competitors which are characterized by the offensive attitude or aggressive response to competitor actions.

Research conducted by (Lee and Tsai, 2005; Lin *et al.*, 2008; Suliyanto and Rahab, 2012; Serna *et al.*, 2013; Zafar *et al.*, 2016; Eshlaghy and Maatofi, 2011; Jabeen *et al.*, 2013)^[101, 111, 19, 87, 19, 58, 44] indicate market orientation And learning orientation have a positive effect on innovation. While the research conducted (Lin *et al.*, 2008, Pratonon *et al.*, 2013, Jabeen *et al.*, 2013)^[62, 78, 44] shows that entrepreneurship orientation has a positive effect on innovation.

Based on the above description, proposed the hypothesis as follows:

H₁: market orientation, learning orientation, and entrepreneurial orientation have a positive and significant effect on innovation.

G. The Influence of Market Orientation, Orientation of Learning and Orientation of Entrepreneurship to Company Performance

Company performance is a measure of success in a company that is measured by determined time period. This result can be said as the evaluation of each activity that has been prepared and implemented to identify whether the strategy or implementation is appropriate or otherwise. Pelham and Wilson (1996) define company performance as a successful product and market development, where company performance can be measured through sales growth and market share.

The research on company performance has been widely conducted, according to (Lin, Peng and Kao 2008)^[62]; In (Suliyanto and Rahab, 2012)^[101] that company performance can be measured through sales growth, profitability and market share. Narver and Slater (1995)^[74] say that effective enterprise performance is a configuration of practical management that provides the facility for knowledge development on which the company's competitive advantage will ultimately affect the firm's market performance as measured by customer growth. Eshlaghy and Maatofi (2011)^[19] that business performance can be determined from profitability, sales and return on investment.

Lee and Tsai (2005)^[58] define learning orientation as an affecting mechanism on company ability to challenge learning old-values by facilitating new techniques and methodologies. Baker and Sinkula (1999)^[5, 6] states that either learning orientation or market orientation individually affects the company performance as well as synergistically affects the organization performance that can be seen from the growth of market share, the success of new products, and overall performance.

Research on market orientation toward company performance resulting varied findings. Research conducted by Baker and Sinkula (1999)^[5, 6]; Li *et al.* (2008)^[61]; Suliyanto and Rahab (2012)^[101] indicate that market orientation has a significant effect on company performance. Eris and Ozmen (2012)^[18]; Zafar *et al.* (2016)^[111] stated the same thing that market orientation has a positive and significant effect on company performance. Different opinions of research done by results

Gholami and Birjandi (2016)^[28] that market orientation has no effect on the company performance. In Baker and Sinkula (1999)^[5, 6] research, market orientation has a positive and significant effect on company performance through learning orientation. Li *et al.* (2008)^[61] argue that market orientation will have a positive and significant effect on company performance through entrepreneurial orientation. Narver and Slater (1995)^[74] argue that firms that have made market orientation an organizational culture will focus on external market needs, the market wants and demands as a basis for strategizing for each business unit within the organization and determining the company succession.

Based on the above description, proposed the hypothesis as follows:

H₂: market orientation, learning orientation, and entrepreneurial orientation have a positive and significant impact on company performance.

H. The Influence of Innovation on Company Performance.

Rogers (1983: 425) defines innovation as an idea, thought, practice, or object that is recognized and accepted as something new to adopt. Innovation as a new idea applied to initiate improvement of product (process) and service (Robbins, 1994: 25). Hurley and Hult (1998)^[42] explain innovation as corporate mechanism facing dynamic environment. Therefore, a company is required has the an ability to create both new thoughts or new ideas by offering innovative products and service improvement that can satisfy customers.

The previous research (Lin *et al.*, 2008, Eshlaghy and Maatofi, 2011; Suliyanto and Rahab, 2012; Pratono *et al.*, 2013; Jabeen *et al.*, 2013)^[62, 101, 78, 19, 44] shows that innovation positively affected the company performance. Some researchers share innovation as a product innovation, process innovation, marketing innovation and management innovation (Serna, Guzman and Pinzon, 2013)^[87].

Based on the above description, proposed the hypothesis as

follows:

H₃: innovation has a positive and significant impact on company performance.

I. The Influence of Market Orientation, Learning Orientation, and Entrepreneurial Orientation toward Company Performance through Innovation

Research by Pratono *et al.* (2013)^[78] states market orientation would improve the company performance if it meets the company innovation. Likewise with research by Hurley and Hult (1998)^[42] who said there was a positive influence between innovation and company performance. This is reinforced by research conducted by Eris and Ozmen (2012)^[18] that found that innovation is a variable that mediates learning orientation toward company performance. Similarly, Zafar *et al.*'s (2016)^[111] study show that innovation mediates between organizational learning and organizational performance.

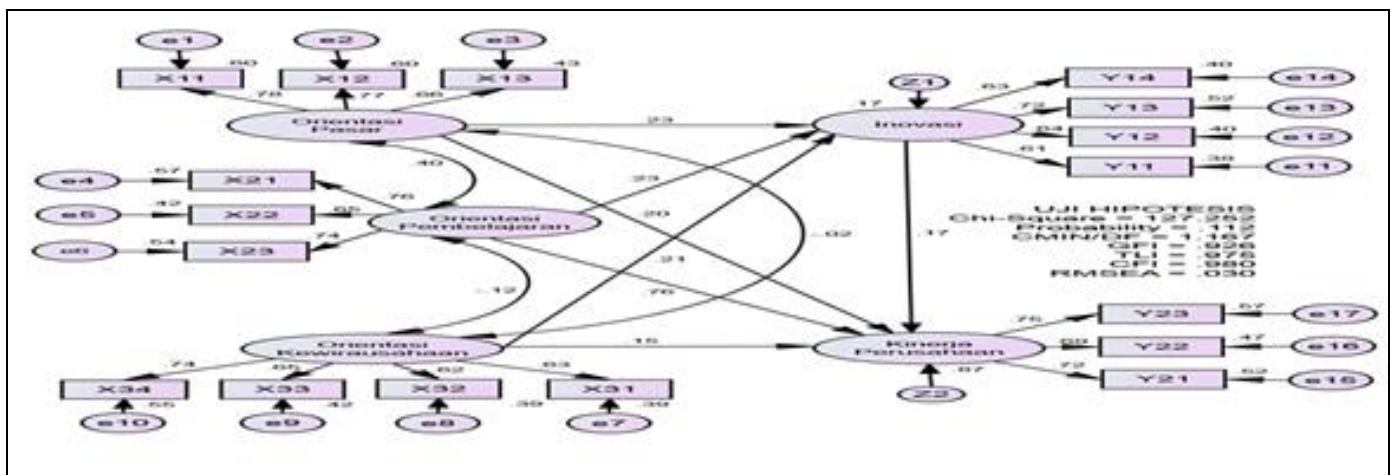
Based on the description above, the hypothesis is proposed as follows:

H₄: market orientation, learning orientation, entrepreneurship orientation has a positive and significant impact on company performance through innovation.

3. Research Method

The sampling technique used in this research is simple random sampling. whereas, the data analysis used is descriptive analysis technique and quantitative analysis. The technical descriptive analysis is used to determine the description of respondents' answers to each variable measured by research indicators. to determine the average value of each item questionnaire of each indicator variable, the writer used quantitative analysis technique by descriptive statistic term. While for verification test is done by using Structural Equation Modeling (SEM).

4. Result and Discussion



Source: Primary data processed, 2017

Fig 1: Full Model Analysis

Based on the analysis it is known that the analyzed model is a recursive model with the number of samples 182. The value of

Chi-Square = 127,252 with df = 149 with probability 0.112. Chi-Square results show that the Nol (Zero) hypothesis stating

the same model with empirical data is accepted (the model is fit).

A. SEM-Assumptions Test

1. Evaluation of Data Normality

Estimation of Maximum Likelihood requires that the observed variable should meet the multivariate normality assumption. Normality analysis was conducted by observing CR value for multivariate with range ± 2.58 at 1% significance level (Ghozali, 2004).

Normality test results show that the value of Critical Ratio (CR) for multivariate is 0.666 which is below 2.58, so it can be said there is no evidence that the distribution of observed variable data is not normal.

2. Outliers evaluation

Outliers are observations or data that have unique characteristics that look very different from other data and appear in the extreme value forms, both for single or combination variables (Hair *et al.*, 1995: 57)^[34]. Evaluation of multivariate outliers is described as below.

The Mahalanobis Distance Test is used to see whether there are multivariate outliers. To calculate Mahalanobis Distance based on Chi-Square value at degrees 22 (number of indicators) at P level $<0,001$ is $\chi^2 (17; 0.001) = 40.790$ (based on distribution table χ^2). Based on the results of processing data seen that the maximum Mahalanobis distance is 36.411 which is smaller than χ^2 table (40,790) which means, there are no multivariate outliers so it can be concluded that there are no problem outliers in research data.

3. Multicollinearity dan Singularity evaluation

The next data test is to reveal whether there is multicollinearity in a combination of exogenous variables. the indication of the existence of multicollinearity and singularity can be known through the determinant value of covariance matrix which is really small or almost to zero. From the result of data processing, the determinant value of sample covariance matrix is Determinant of sample covariance matrix = 1476881,345. From the results of data processing can be known value determinant of sample covariance matrix is far from zero. So it can be concluded that the research data used there is no multicollinearity.

4. Residual Value Evaluation

The residual value must be smaller or almost zero and the distribution frequency of the residual covariance must be symmetric. If one model has a high residual covariants value (> 2.58), the modification needs to be considered in the light of its theoretical basis. the results of the statistical analysis conducted in this study found a standardized residual value of covariance more than 2.58, but the amount does not exceed 5% of the total standardized residual value. so that it can be concluded that residual requirements are met.

B. Hypothesis test

After conducting an assessment toward SEM assumption, the hypothesis is tested as proposed in the previous chapter. The fourth test of hypothesis proposed in this research is done by analyzing the value of Critical Ratio (CR) and the probability of a causality relationship.

Table 1: Hypothesis Test

Variable			Std Estimate	Estimate	S.E.	C.R.	P
Innovation	<---	Market Orientation	,225	,193	,094	2,053	,040
Innovation	<---	Learning Orientation	,227	,181	,091	2,002	,045
Innovation	<---	Entrepreneurial Orientation	,207	,192	,095	2,015	,044
Company Performance	<---	Market Orientation	,197	,228	,095	2,395	,017
Company Performance	<---	Learning Orientation	,762	,821	,121	6,779	***
Company Performance	<---	Entrepreneurial Orientation	,154	,193	,094	2,048	,041
Company Performance	<---	Innovation	,171	,231	,112	2,066	,039

Source: Primary data processed, 2017

Based on Table 1 presented, hypothesis test can be explained as follows:

1. Hypothesis Testing 1

H1: The influence of market orientation, learning orientation, and entrepreneurial orientation has a positive and significant impact on innovation.

The estimation parameter for testing the impact of market orientation on innovation shows CR value of 2,053 with a probability of 0,040. Therefore probability value of $<0,05$. Hence, it can be concluded that variable of market orientation proved positively and significant influence on innovation.

The estimation parameter for testing the impact of learning orientation on innovation shows CR value of 2,002 with a probability of 0,045. Therefore probability value $<0,05$. Hence, it can be concluded that variable of learning

orientation proved positively and significant influence on innovation.

The estimation parameter for testing the impact of entrepreneurial orientation on innovation shows CR value of 2,015 with a probability of 0,044. Therefore probability value of $<0,05$. Hence, it can be concluded that variable of entrepreneurship orientation proved positively and significant influence on innovation.

The results show that market orientation, learning orientation, and entrepreneurial orientation have a positive and significant impact on proven innovation.

2. Hypothesis Testing 2

H2: The influence of market orientation, learning orientation, and entrepreneurial orientation has a positive and significant impact on company performance.

The estimation parameter for testing the influence of market orientation on company performance shows CR value of 2,395 with a probability of 0,017. Therefore probability value of $<0,05$. Hence, it can be concluded that variable of market orientation proved positively and significant influence on company performance.

The estimation parameter for testing the influence of learning orientation on company performance shows CR value of 6,779 with a probability of 0,000. Therefore probability value of $<0,05$. Hence, it can be concluded that instructional orientation variable proved positively and significant influence on company performance.

The estimation parameter for testing the impact of entrepreneurship orientation on firm performance shows CR value of 2,048 with a probability of 0,041. Therefore probability value of $<0,05$. Hence, it can be concluded that variable of entrepreneurial orientation proved positively and significant influence on company performance.

The result of the research proves that market orientation, learning orientation, and entrepreneurial orientation have a positive and significant impact on the performance of the tested company.

3. Hypothesis Testing 3

H3: The influence of innovation has a positive and significant impact on company performance.

The estimation parameter for testing the impact of innovation on company performance shows CR value of 2,066 with probability equal to 0,039. Therefore probability value of $<0,05$. Hence, it can be concluded that variable of innovation proved to have the positive and significant influence on company performance.

The results prove that innovation has a positive and significant impact on the company's performance tested.

4. Hypothesis Testing 4

H4: The influence of market orientation, learning orientation, entrepreneurial orientation has a positive and significant impact on company performance through innovation.

The estimation parameter for testing the impact of market orientation on company performance mediated by innovation shows CR value of 2,053 with a probability of 0,038. Therefore probability value of $<0,05$. Hence, it can be concluded that proven variables of innovation mediate between the variable of market orientation to company performance.

The estimation parameter for testing the impact of learning orientation on innovation-mediated firm performance shows CR value of 2,015 with a probability of 0,039. Therefore probability value of $<0,05$. Hence, it can be concluded that proven variables of innovation mediate between the variable of learning orientation to company performance.

The estimation parameter for testing the effect of entrepreneurship orientation on firm performance mediated by innovation shows CR value of 2,002 with probability equal to 0,035. Therefore probability value of $<0,05$. Hence, it can be concluded that proven variables of innovation mediate between entrepreneurial orientation variable to company performance.

The result of the research shows that market orientation,

learning orientation, and entrepreneurial orientation have a positive and significant impact on company performance through proven innovation.

5. Conclusion

Based on the results of research on the influence of market orientation, learning orientation and entrepreneurial orientation toward company performance through innovation, it can be drawn conclusions as follows:

Customer orientation, competitor orientation as well as inter-functional coordination provide support to market orientation. The greatest support toward market orientation is the indicator of customer orientation, especially companies must know the customer's needs, however, customer satisfaction and complaints is a priority by assessing the quality of services and products to customers as a commitment to continuous improvement by conducting market research in running the business.

Learning commitment, open minded, and a shared vision would bear great support for learning orientation. The greatest support for learning orientation is an indicator of learning commitment, especially in learning to employees as a key competitive advantage, organizational learning for the sustainability of the company and learning on employees is an investment for the company as the improvement-success key.

Autonomous, proactive, aggressive, and risk-taking bring great support for entrepreneurial orientation. The greatest support for entrepreneurial orientation is the risk-taking indicator, where the UKM batik industry of Cirebon assumes that an entrepreneur must have the courage to take risks. Especially the courage to take big risks such as having a firm action against the mistakes of employees and dare to make a big business investment for the sustainability and progress of the company.

Product innovation, process innovation, marketing innovation, and management innovation provide great support for innovation. The greatest support for innovation is an indicator of marketing innovation, primarily updating customer service that is coordinated and integrated across all business units.

Sales growth, profitability, and market share establish a great support toward company performance. The greatest support for company performance is the indicator of market share, especially the company should consider the social status, gender, age, and level of customer income.

Market orientation reflects customer orientation by knowing the needs of the customer to be set as a priority, whereas, learning orientation reflecting the commitment of learning by providing the training to the employees as the key to competitive advantage, furthermore, entrepreneurial orientation that reflects the dare to take the risk can improve innovation by innovating the marketing style through company innovation in organizing, planning, and controlling.

Market orientation, learning orientation, and entrepreneurial orientation can improve company performance through increasing market share by considering social status, gender, age, and level of customer income.

Innovation improvement through marketing innovation by company innovation in organizing, planning, and company control can improve company performance through market share by considering social status, gender, age, and level of

customer income.

Market orientation reflects customer orientation by knowing the needs of the customer to be set as a priority, whereas, learning orientation reflecting the commitment of learning by providing the training to the employees as the key to competitive advantage, furthermore, entrepreneurial orientation that reflects the dare to take the risk can improve the company performance through innovation improvement. Innovation improvement is a major consideration for entrepreneurs who establish market orientation, learning orientation, and entrepreneurial orientation to improve the performance of UKM batik industry of Cirebon.

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