Print ISSN: 2288-4637 / Online ISSN 2288-4645
doi:10.13106/jafeb.2021.vol8.no7.0203

Strategy Orientation, Innovation Capability, and Women Entrepreneurial Performance in Culinary Business in Indonesia

Sari Laelatul QODRIAH[1], Darsono DARSONO[2], Asri Laksmi RIANI[3], Sapja ANANTANYU[4]

Received: March 10, 2021 Revised: May 08, 2021 Accepted: June 01, 2021

Abstract

This paper aims to analyze the influence of innovation capabilities on the relationship between strategic orientation and the performance of women small and medium entrepreneurs (SMEs). The strategic orientation in this study used three constructs, namely market orientation, learning orientation, and technology orientation. The method of data collection was the survey method and was collected from 149 SMEs in the typical culinary industry in Indonesia using probability samples. The data analysis method uses path analysis. The results showed that the influence of strategic orientation on business performance has strengthened previous studies. However, in this study strategic orientation that directly affects business performance is market orientation and learning orientation, while technology orientation has no direct effect. The existence of innovation capability as a mediation variable strengthens the influence of strategic orientation on business performance. The results of this study also showed that the ability of innovation has a positive and significant effect on the performance of women entrepreneurs in Indonesia. The contribution of this research pays special attention to the strategic orientation of women entrepreneurs engaged in the culinary business in Indonesia.

Keywords: Market Orientation, Technology Orientation, Learning Orientation, Innovation Capability, Women Entrepreneurial Performance

JEL Classification Code: L21, L25, L26

1. Introduction

Small and medium enterprises (SMEs) play an important role in improving economic growth and innovation in developing countries (Joshi, 2017). SMEs have an important role to promote inclusive and sustainable economic growth, employment, fostering innovation, and decreasing income inequalities around the world. Many academic studies have identified a variety of factors influencing SMEs to develop competitive performance, but most of the research in this field focuses on organizational factors such as entrepreneurial characteristics and corporate capabilities as well as macro factors such as government support, institutional quality, framework, and competitive intensity levels (Joshi, 2017; Vaitoonkiat & Charoensukmongkol, 2020). Some studies have also revealed that SME weaknesses are generally related to market forces and financial resources that cause SMEs to be unable to compete with large companies (Ikebuaku & Dinbabo, 2018; Eijdenberg & Borner, 2017; Zarrouk et al., 2020).

Salder et al. (2020) provided a broader understanding of the growth of SMEs in the academic and policy environment with a special focus on the external settlement process for SMEs. Previous studies have developed such understanding, but tend to focus on a single aspect, namely, knowledge and learning, and the development of new ventures (Salder et al., 2020; Shepherd & Wiklund, 2009). Salder et al. (2020) expanded that understanding by using an integrated approach taking into account several determinant factors and contexts.

[1]First Author and Corresponding Author. Ph.D. Student. Postgraduate Faculty, Universitas Sebelas Maret, Indonesia [Postal Address: Jl. Ir. Sutami No.36, Kentingan, Kec. Jebres, Kota Surakarta, Jawa Tengah 57126, Indonesia] Email: sari.qodriah@student.uns.ac.id
[2]Lecturer, Postgraduate Faculty, Universitas Sebelas Maret, Indonesia. Email: darsono@staff.uns.ac.id
[3]Lecturer, Postgraduate Faculty, Universitas Sebelas Maret, Indonesia. Email: asrilaksmi.fe@staff.uns.ac.id
[4]Lecturer, Postgraduate Faculty, Universitas Sebelas Maret, Indonesia. Email: sap.anan@staff.uns.ac.id

Salder et al. (2020) try to formulate various dimensions of competing resources based on expert opinions, by dividing resources into four dimensions, namely Strategic, Asset, Characteristics, and Environment. Salder et al. (2020) saw that the phenomenon of SME growth needs to get conceptual support in a structured and stochastic manner. They assumed the growth process as a transition, played through a set that is structured but separated by long and short-term cycles. As a result, the process of growth is very periodic, involving the development and application of different tactics that utilize a lot of input from inside and outside the company to identify and respond to changing conditions. This periodization becomes important to understand the various inputs that contribute to growth. To develop this interpretation, the model can be derived by presenting resources in four different forms. Storey (2014) categorized resources through four key dimensions of characteristics, assets, strategies, and environments, taking into account advances in research to refine this definition.

The company's capacity, internal capabilities, and commitment to growth are strongly influenced by structural characteristics, including age, size, industry, and ownership, determining against growth (Cowling et al., 2015). Besides, structural characteristics also influence SME behavior, compensating for internal limitations in resources and experience leading to innovation, risk-taking, and experimentation (Schenkel et al., 2019; Salder et al., 2020). Some studies have also shown that these determinants represent the structural and behavioral characteristics that make up the performance of SMEs (Cowling et al., 2015; Salder et al., 2020).

The process of growth, acquisition, and organizational resources such as finance, intellectual property, and human capital formed by internal assets and the basis of this capability creates a different set of assets to be utilized by SMEs (Pett et al., 2019; Dharmaratne, 2013; Mahaputra et al., 2021). Internal resources and capabilities are evolving through a transformation at the level of experience between companies to achieve competitive advantage (Chebo & Kute, 2019; Schenkel et al., 2019).

Based on the construction built by Storey (1994), researchers in the field of marketing in researching the company's performance explored many variables that influence it such as strategic orientation, human capital, motivation, and innovation capabilities (Hussain et al., 2015; Dharmaratne, 2013; Hakala & Kohtamäki, 2010; Osman, 2015). Strategy orientation parameters are defined differently, e.g. Voss and Voss (2000) used customer orientation, competitor orientation, and technology orientation parameters. Meanwhile, the parameters used by Ogbari et al. (2018) are technology, innovation area, information technology, implementation flexibility, organization, agreement, human resources system, and training investment. Then Rodriguez et al. (2004) stated that strategic orientation consists of marketing focus, main competencies, investment strategy, and innovation orientation. Hakala and Kohtamaki (2010) explored the interaction between orientations such as markets, entrepreneurship, technology, and learning and their impact on entrepreneurial performance. This study examined three strategic orientations that can affect the company's innovation and performance capabilities, namely market orientation, technology, and learning as recommended by Osman (2015) to understand the influence of orientation.

SME innovation capability is also very important in improving the performance of SMEs, but the ability of innovation depends heavily on the knowledge of resources owned by SMEs. Intellectual capital is essential to facilitate the innovation process and enhance innovation capabilities. Innovation capabilities rely on knowledge that allows organizations to improve or develop new technologies (Wang et al., 2008). In this study, the object of research is female entrepreneurs. The complexity of the problems faced by women entrepreneurs, especially SMEs in improving their performance makes many researchers try to explore various factors that affect the performance of SMEs owned by women. Studies on the relationship of individual factors and industry factors have been conducted by Dharmaratne (2013) using five perspectives, namely motivation and objectives, social learning theory, network affiliation, human capital, and industry factors. Another study examining the influence of SME characteristics on performance was conducted by Hasan and Almubarak (2015), who explained that the performance of female entrepreneurs is supported by individual factors and external factors. Although studies on the performance of entrepreneurial women have been conducted, it is still very rare to research strategic orientation owned by women entrepreneurs. This study is very important because women entrepreneurs of MSME scale work only to help increase income, so the problem of strategy is rarely thought of.

2. Literature Review and Hypothesis

2.1. Market Orientation, Innovation Capability, and Performance

The demand of customers or potential customers that drives companies to make the most innovations to be offered to customers is the focus of market-oriented companies (Osman, 2015). Information from these customers will make it easier for companies to improve the company's innovation capabilities because it leads to the introduction of opportunities (Park et al., 2012; Šályová et al., 2015; Tjahjadi et al., 2020).

A study conducted by Mavondo et al. (2005) found that the success of innovations is the result of the company's

market orientation. Sandvik and Sandvik (2003) in their research also provide evidence that market orientation has a positive and significant effect on product innovation. Osman (2015) stated that market-oriented companies are becoming more innovative and potentially improving the company's performance. A study conducted by Ngo and O'Cass (2012) also showed that market orientation improves innovation capabilities in the company. Based on the results of the study, the hypothesis can be formulated as follows:

H1: *Market orientation has a positive and significant impact on innovation capabilities.*

Market orientation is a construct of the superiority of strategy orientation. This is evidenced by the findings of several studies that show a positive and significant relationship between market orientation and performance with a wide range of measurements such as profitability (Baker & Sinkula, 2009), the success of new products (Narver et al., 2004) and overall company performance (González-Benito et al., 2009; Di Zhang & Bruning, 2011). The results of the meta-analytical study show that market orientation is a predictor of the company's performance (Šályová et al., 2015; Akman & Yilmaz, 2019; Rodriguez et al., 2004). The results of the study are considered to improve the provision of quality products and services that can satisfy customers and improve the company's performance because market orientation can monitor the needs and preferences of customers who change frequently. Based on the results of the study, the hypothesis can be formulated as follows:

H2: *Market orientation has a positive and significant effect on the company's performance.*

Studies on the relationship between market orientation and performance, in general, show a positive relationship, however, some studies find negative or insignificant relationships. This shows that there is consistency in previous research on the diversity of the results of the study (Akman & Yilmaz, 2019; Osman, 2015). A study conducted by Han et al. (1998) found market orientation to be positive but insignificant and required mediation variables to pinpoint its indirect influence. Customer orientation is negatively related to performance due to difficulty in predicting customer needs (Voss & Voss, 2000). Research conducted in Indonesia using structural equations found that market orientation is not able to directly improve the performance of SMEs in Indonesia (Suliyanto & Rahab, 2012). The difference in research results can be caused by the context of the business or its research object (Osman, 2015). Inconsistent results of the study, further research is needed in various business contexts, so that results are obtained that provide generalized conclusions about factors that affect performance, especially the performance of SMEs.

The results of studies have determined that the company's performance is not always directly influenced by market orientation. Some studies have researched variables that mediate the relationship of market orientation with the company's performance (Mavondo et al., 2005; Osman, 2015). The results have been many empirical studies that found variables that mediate the relationship between performance and market orientation, including innovation capabilities (Osman, 2015; Suliyanto & Rahab, 2012). Research conducted by Han et al. (1998) found that market orientation affects the company's performance indirectly through innovation. The same results were reported by Osman (2015), who examined the relationship between market orientation and performance, and that dynamic innovation capabilities have a stronger influence on relationships than other mediator variables. Ngo and O'Cass (2012) stipulated the importance of innovation capabilities in mediating the influence of market orientation on the company's performance. Based on the results of the study, the hypothesis can be formulated as follows:

H3: *Innovation capabilities mediate relationships between market orientation and company performance.*

2.2. Relationship of Learning Orientation, Innovation Capability, and Performance

There are three important factors to be studied and considered by the company to advance innovation capabilities, namely, first, the company must focus on innovation and use cutting-edge technology in the process of business innovation or its products, as well as can develop and market breakthrough technologies. Second, the company must understand and anticipate customer demand, to be able to capture opportunities in emerging markets. This requires good knowledge and capabilities of the company. Third, the company must commit to observe the actions of competitors, the strengths and weaknesses of competitors, and learn from the successes and failures of competitors (Calantone et al., 2004). Yang (2012) revealed that innovation capabilities are influenced by the commitment of learning carried out by the company, therefore the company should consider that learning as an investment is not a cost, and innovation capabilities should be promoted and maintained through learning commitments. Based on the results of the study, the hypothesis can be formulated as follows:

H4: *Learning orientation has a positive and significant influence on the company's innovation capabilities.*

Literature has recognized that learning orientation is an important determinant in explaining the company's performance (Osman, 2015). Responses from interactions

with customers, competitors, and networks acquired by companies are used to create core competencies. Learning-oriented companies can anticipate market and environmental changes so that they can make adjustments to overcome these changes, this has an impact on the company's superior performance (Calantone et al., 2004). The results of the study found a positive relationship between learning orientation and business performance (Wang et al., 2008; Osman, 2015). The company's performance can be better if there is innovation and the occurrence of decreased production costs. Both factors can be caused by learning conducted by the company (Mavondo et al., 2005). Based on the results of the study, the hypothesis can be formulated as follows:

H5: *Learning orientation has a positive and significant influence on the company's performance.*

The results of the study's relationship between learning orientation and company performance are still inconsistent. Some researchers have found a direct relationship, while other studies have no significant relationship. Due to this inconsistency, some researchers used mediation variables (Calantone et al., 2004; Jeong et al., 2006). The results of the study with the use of mediation variables found that learning orientation does not have a significant indirect influence on the company's performance through market orientation as a mediator (Suliyanto & Rahab, 2012).

Real et al. (2014) proposed that the more learning-oriented companies are, the more likely the company will develop its organizational learning skills and will further improve its performance. Research by Mavondo et al. (2005) showed that performance is not directly influenced by learning orientation, to influence the performance of learning orientation companies should be mediated by innovation. Based on the results of the study, the hypothesis can be formulated as follows:

H6: *Innovation capabilities affect the relationship between learning orientation and company performance.*

2.3. Relationship of Technology Orientation, Innovation Capability, and Performance

Business success in the long term is influenced by technology orientation (Hortinha et al., 2011; Osman, 2015; Hakala & Kohtamaki, 2010). The creation of new technologies, products, and services that lead to long-term success is a fundamental idea of the importance of technology orientation. A company that develops and or adapts to new technologies will benefit from product differentiation and cost advantages, thus improving the company's performance (Hortinha et al., 2011; Osman, 2015; Syaifullah et al., 2021). Research conducted in China shows that breakthrough use of technology has a positive impact on the company's performance. Technology-oriented companies will use the latest technology to produce new products or services, thus devoting their resources to R&D and excelling in technical aspects that are all critical to breakthrough innovation (Zhou & Tse, 2005; Syaifullah et al., 2021).

The significant relationship between technology orientation and innovation is explained by the following studies. Mu and Di Benedetto (2011) revealed that the commercialization performance of new products is positively and significantly influenced by the orientation of technology. Gatignon and Xuereb (1997) said that companies that innovate products are radically determined by their technological orientation. They revealed that the factors of producing products with a high level of product novelty for customers are based on the results of a strong technological orientation (Salavou, 2005). Technology-oriented companies will facilitate companies to produce better products and services and ultimately achieve superior performance (Zhou & Tse, 2005).

Each company has different objectives in the development of its technology. Some are used to help in improving the quality of existing products and some are used to develop low-cost, specialized, and standardized products, but all of them lead to performance improvements (Osman, 2015). This suggests that technology-oriented companies are generally engaged in complex and advanced and high-risk innovation projects. To ensure such an innovation project is successful, the company must have strong innovation capabilities (Akman & Yilmaz, 2019). Based on the results of the study, the hypothesis can be formulated as follows:

H7: *Technology orientation has a positive and significant influence on the company's innovation capabilities.*

The orientation of technology has been much researched concerning the company's performance in various dimensions of measurement be it financial or non-financial. On the financial aspect, performance is measured from profitability and sales, while the measurement of non-financial performance is the measure of customer satisfaction, new product development, and so forth (Osman, 2015). One of the studies related to financial performance is conducted by Akman and Yilmaz (2019), His research looked into the benefits of customer performance, technology, and entrepreneurial orientation in Turkish manufacturing companies. His findings revealed that technology orientation has a positive impact on the company's financial performance at a time when market dynamics are low. Products do not become obsolete quickly in such markets, and changes in customer demand, competitor strategies, and technological developments are uncommon. As a result, when a company emphasizes technical specialization, it generates high financial performance.

The study by Jeong et al. (2006), which examined the relationship between technology orientation and new product performance, found that technology orientation has a strong positive effect on the technical performance and profitability of new products. These findings indicate that technology orientation has important performance implications and can be used as an effective strategic option to improve the company's performance. Meanwhile, Park et al. (2012) showed that technology-oriented companies have high corporate value so that they can be recognized by the market. Based on the results of the study, the hypothesis can be formulated as follows:

H8: *Technology orientation has a positive and significant relationship with the company's performance.*

The influence of technology orientation on performance is generally reported to have a direct effect, but several studies show indirect influence through mediation variables. The effect of strategic orientation with performance is realized through organizational learning or innovation capabilities as mediators (Hortinha et al., 2011; Osman, 2015). Research conducted by Osman (2015) concluded that technology orientation affects performance through innovation capabilities. This shows that innovation capabilities are important because they mediate the influence of technology orientation on performance. Based on the results of the study, the hypothesis can be formulated as follows:

H9: *Innovation capabilities mediate relationships between technology orientation and company performance.*

2.4. Relationship of Innovation Capabilities to Performance

Every company must have the ability to improve its performance both financial performance and non-financial performance. Companies must develop new ideas, create new products or services, and find new, more creative ways to operate to improve performance. Because growth is one of the benchmarks for measuring performance, the company's innovation capabilities have a direct impact on growth performance (Yang, 2012). According to Yang et al. (2012), innovation capabilities have a positive and significant relationship with company performance. In this study, performance measurements used customer service performance and financial performance. The findings revealed that innovation capabilities have a greater impact on financial performance than customer service performance. It was proposed in this study that shipping goods by sea should find the best way to operate, improve the operating system, and use advanced technology to improve customer service and financial performance (Yang et al., 2012).

Some studies have also concluded that companies looking to improve performance need to grow innovation capabilities (Dadfar et al., 2013; Tin et al., 2016; Osman, 2015). In a study with the same theme, Akman and Yilmaz (2019) investigated management innovation capabilities and their impact on the company's performance concluded that companies focused on every aspect of innovation capabilities resulted in improved performance. Based on the explanation can be proposed hypotheses as follows:

H10: *Innovation capabilities have a positive and significant relationship with the company's performance.*

3. Methods

3.1. Data Collection Samples and Procedures

In this study, the sample is of women MSMEs entrepreneurs in Cirebon, Indonesia, who are engaged in 3 types of Cirebon food industry. Sampling techniques using census samples, i.e. the entire population is taken as the sample. Hence, the sample that will be used is all women MSMEs entrepreneurs in the Cirebon area engaged in 3 types of food industry typical of Cirebon, namely 247 female entrepreneurs from Empal Gentong, Nasi Lengko, and Nasi Jamblang. After the dissemination of questionnaires and data collection, a sample number of 149 people was obtained or the response rate was 60.3%.

3.2. Variable Measurement

Business performance in this study was measured using the parameters: (1) Sales and profit growth; (2) Ability to create new products and services; (3) Ability to survive; (4) Ability to invest; and (5) Offering high-quality products and services (Aliyu, 2013). The business performance consists of 16 questions and each indicator is measured using a Likert scale consisting of 5 levels, each rated 1, 2, 3, 4, and 5.

Strategic orientation is the strategic direction of the company in creating the right behavior to achieve superior performance. The strategy orientation in this study used parameters (1) market orientation, (2) technology orientation, and (3) learning orientation. Strategy orientation measurement uses 16 questions consisting of market orientation (6 items), technology orientation (10 items), and learning orientation (10 items). Each indicator is measured using a Likert scale consisting of 5 levels, each rated 1, 2, 3, 4, and 5. Measurement indicator refers to the research by Osman (2015).

Innovation capability is the ability that MSMEs have in developing innovations in their companies. The innovation capability parameter consists of individual innovation (3 items), group innovation (2 items), and management innovation (3 items) so there are a total of 8 questions. Each

indicator is measured using a Likert scale consisting of 5 levels, each rated 1, 2, 3, 4, and 5. The innovation capability measurement indicator refers to the research by Osman (2015).

3.3. Analytical Methods

The analysis method that will be used in this study is path analysis with the help of calculations through SPSS 23. Path analysis is a form of application of multiple regressions that use path charts as clues to complex hypothesis testing. Path Analysis used to test causal relationships based on knowledge, formulation of theories, and assumptions can also be used to test research hypotheses and interpret the relationship. The equation of path analysis in this study is as follows:

$$Y = \rho\text{ICMO.MO} + \rho\text{KILO.LO} + \rho\text{KITO.TO} + \varepsilon_1 \quad (1)$$

$$Z = \rho\text{WEPMO.MO} + \rho\text{WEPLO.LO} + \text{PWEPTO.TO} + \rho\text{WEPIC.IC} + \varepsilon_2 \quad (2)$$

Description:
MO = Market Orientation
LO = Learning Orientation
TO = Technology Orientation
IC = Innovation Capability
WEP = Women Entrepreneur Performance
ρ_{ij} = Coefficient of Path to the variable *i*
ρ_{kj} = Coefficient of Path to variable *k*
ε = Error

4. Results

Data analysis in this study using path analysis using two models of regression equations. Because the regression requirement must meet the element of linear unusuality (BLUE), it is carried out testing normality, multicollinearity, and heteroskedasticity on each model. Based on the results of data analysis using SPSS 23 software obtained the results of the analysis of normality, multicollinearity, and heteroskedasticity have fulfilled the element of linear unusuality. Test results of normality, multicollinearity and heteroskedasticity can be seen in the appendix. The results of the analysis of the path of the first equation can be seen in Table 1.

Table 1 shows that the variables market orientation, technology orientation, and learning orientation all have a positive and significant influence on female entrepreneurs' innovation capabilities, with a significance value of 0.05. Positive findings indicate that as female entrepreneurs' market orientation, learning orientation, and technology orientation improve, so will their innovation capabilities. The effect of strategic orientation and innovation capability on performance can be seen in Table 2.

In Table 2 it is known that the orientation of learning and innovation skills have a positive and significant effect on the performance of female entrepreneurs. Market orientation has a positive but insignificant effect, while technology orientation has a negative but insignificant effect. Based on these results, it can be concluded that:

a. Market orientation has no direct effect on the performance of female entrepreneurs but has a significant effect on the ability of innovation. It shows that the ability of innovation to mediate fully the relationship between market orientation and the performance of women entrepreneurs.
b. Learning orientation directly affects the performance of women entrepreneurs and innovation capabilities. It shows that the ability of innovation to mediate

Table 1: Effect of Strategy Orientation on Innovation Capabilities

Variables	Path Coefficient (Beta)	*t*	Sig.	*α*	Decision
Market Orientation	0.204	2.790	0.006	0.05	Ha accepted
Learning Orientation	0.345	4.601	0.000	0.05	Ha accepted
Technologi Orientation	0.340	4.944	0.000	0.05	Ha accepted

Table 2: Effect of Strategy Orientation and Innovation Capability on Performance

Variable	Path Coefficient (Beta)	*t*	Sig.	*α*	Decision
Market Orientation	0.117	1.482	0.141	0.05	Ha rejected
Learning Orientation	0.453	5.339	0.000	0.05	Ha accepted
Technologi Orientation	–0.004	–0.051	0.959	0.05	Ha rejected
Innovation Capability	0.245	2.790	0.006	0.05	Ha accepted

partially the relationship between market orientation and the performance of women entrepreneurs.

c. Technology orientation has no direct effect on the performance of female entrepreneurs but has a significant effect on the ability of innovation. It shows that the ability of innovation to mediate in full the relationship between the orientation of technology and the performance of women entrepreneurs.

5. Discussion

5.1. Relationship of Market Orientation, Innovation Capability, and Business Performance

Market orientation is a process and activity conducted by the company to meet customer satisfaction, the way it is done is by observing and investigating the needs and wants of customers (Osman, 2015). Companies that have a market orientation consider the opinions and needs of their target market as a critical component of their research and development (R&D) for new products. Focusing on customer demand, especially in finding and offering innovations according to customer needs, is the goal of a market-oriented company (Osman, 2015). The company's innovation capabilities through information obtained from customers will lead to the creation of new product or service opportunities (Akman & Yilmaz, 2019; Osman, 2015).

The performance of female entrepreneurs based on the results of this study is influenced by market orientation. The positive influence shows that the better the ability of female entrepreneurs to find and investigate the needs and desires of customers will further increase innovation in their business. The results of this study support previous research, which showed that orientation has a positive effect on innovation capabilities, both product innovation and service innovation (Mavondo et al., 2005; Osman, 2015). Research conducted by Osman (2015) showed that market orientation has a significant and positive effect on innovative products. Based on the results of this study, we can elucidate that the company's ability to assess the wants and needs of customers will have an impact on the creation of an innovation. This means the innovation capabilities of SME entrepreneurs in the culinary field will be increased if they can assess the wants and needs of customers that will ultimately impact customer satisfaction. In addition to the wants and needs of customers that must be studied and assessed, the development of competitors also needs to be observed for the company to compete in the market.

The second hypothesis analyzes the relationship between market orientation and the performance of female entrepreneurs. The results of this study found that market orientation has a positive and significant effect on the performance of female entrepreneurs. The results of this study also support many studies that have investigated the influence of market orientation on the company's performance, citing its superiority as a strategic orientation (Jeong et al., 2006; Zhou & Tse, 2005; Osman, 2015). Market orientation is considered to make it easier for companies to monitor and make timely adjustments to customers' changing needs and preferences. Based on these assumptions, the ability of women entrepreneurs in understanding the market orientation makes it possible to create high-quality products and services, to better satisfy customers and produce high-level performance. In addition to making high-quality products and services, market orientation also allows women entrepreneurs to improve their performance from their competitors, such as sales performance, profit, new products and services, resilience, and investment.

The third hypothesis analyzes the effect of mediation of innovation capabilities on the relationship between market orientation and performance. Some studies have established that market orientation does not necessarily affect the company's performance directly (Baker & Sinkula, 2009; Osman, 2015). This suggests there is still a gap in the results of research on the relationship of market orientation with performance. Some conducted research focused on variables that mediated the influence of market orientation on the company's performance (Pett et al., 2019; Osman, 2015). The results of the study have established the importance of innovation capabilities in mediating the influence of market orientation on the company's performance (Ngo & O'Cass, 2012; Osman, 2015). The results of this study show that variable innovation capability partially mediates the relationship between market orientation and the performance of female entrepreneurs. This means that if the market orientation owned by women entrepreneurs is better supported by the ability in good innovation, it will further improve the performance of its business. This shows that if the ability of female entrepreneurs in assessing the wants and needs of customers, as well as the ability to see competition in the market is getting better. It will also increase its innovation capabilities, which can increase the performance of the business.

5.2. Relationship of Learning Orientation, Innovation Ability, and Business Performance

Three important factors for companies to learn to advance the company's innovation capabilities are: First, the company must focus on innovation and the use of cutting-edge technology in the process of innovation development. Then, the company must have the capacity to develop and

market these technological breakthroughs. Second, the company must have the knowledge and ability to understand and anticipate customer requests, so that every opportunity is not missed. Besides, companies must commit to learning to closely monitor the actions of competitors, in particular, the strengths and weaknesses of their competitors, so that companies can learn from the successes and failures of competitors. The results of this study found that learning orientation has a positive and significant effect on innovation capabilities. This supporting the results of previous research that concluded that learning orientation can improve the company's innovation capabilities (Calantone et al., 2004; Charles et al., 2002; Joshi, 2017; Osman, 2015). The positive influence shows that the better the learning commitment made by the company, supported by the vision and openness in understanding the competition will further improve the company to innovate both individually, group, and management. This is because innovation is born from the results of learning conducted by individuals, groups, and management in the company.

In general, the literature has concluded the importance of learning orientation in improving business performance. That is, to create core competencies that can improve performance obtained from interactions with customers, competitors, and networks. The result of the interaction is a response or evaluation of the learning that has been done. Learning-oriented companies can anticipate market and environmental changes so that companies can make adjustments to overcome these changes, this indicates the establishment of the company's organizational system and this will have an impact on the company's superior performance (Calantone et al., 2004). The results of this study showed that the orientation of learning has a positive and significant effect on business performance. This supports the results of previous research (Baker & Sinkula, 2009; Calantone et al., 2004; Mavondo et al., 2005; Real et al., 2014). The positive influence of learning orientation on performance can be caused by a decrease in production costs or other operational costs. In addition to leading to decreased production and operating costs, learning orientation can create innovations and service development that have an impact on improving better performance (Mavondo et al., 2005; Real et al., 2014; Osman, 2015).

In contrast to the results of the study that found there was a direct influence of learning orientation on performance. Some studies found that there is no direct relationship between learning orientation and performance. Some researchers propose to use mediation variables for the relationship between these variables (Calantone et al., 2004; Wang et al., 2008; Osman, 2015). Several mediation variables have been tested to determine the relationship between learning orientation and company performance, one of which is market orientation and the results show that market orientation can mediate the relationship between learning orientation and company performance (Sandvik & Sandvik, 2003). Real et al. (2014) used organizational learning mediation variables to explain the relationship between learning orientation and performance, the results showed that organizational learning fully mediates the relationship between learning orientation and company performance. This supports the findings of Suliyanto and Rahab (2012) who stated that learning orientation cannot directly improve the company's performance unless mediated by other variables that may support each other's learning and company performance. While Osman (2015) used innovation variables to explain the relationship between learning orientation and performance. The results showed that innovation mediates fully the influence of learning orientation on performance, however, this is insignificant because learning orientation has no direct effect on performance (Osman, 2015). The results of this study do not support their statement, because in this study the orientation of learning directly affects business performance. However, this study showed that the ability of innovation also has a significant effect on performance, which means that the ability of innovation mediates partially the relationship between learning orientation and business performance. This means that if women entrepreneurs have a good learning orientation and are supported by good innovation skills, it will further improve their business performance.

5.3. Relationship of Technology Orientation, Innovation Capabilities, and Business Performance

One of the most important strategies influencing long-term business success is technology orientation (Charles et al., 2002). The fundamental idea underlying technology orientation is the development of new technologies of solutions, products, and services that lead to long-term success. In short, as companies develop or adapt to new technologies, they can benefit from product differentiation and cost advantages (Hakala & Kohtamaki, 2010). Zhou and Tse (2005) investigated the impact of strategic orientation on Chinese innovation breakthroughs and discovered that technological orientation has a positive relationship with technology-based innovation. Currently, research to examine the role of technology orientation on innovation and performance is getting more attention (Osman, 2015). Technology-oriented companies use the latest technology to produce new products or services, therefore the company devotes its resources to R&D and excels in technical aspects for important innovation breakthroughs and accordance with customer references (Zhou & Tse, 2005). The results of this

study support the results of the study because, in this study, the orientation of technology has a positive and significant effect on performance. The positive influence shows that the better the orientation of women SME entrepreneurs on technology will further improve their performance because by increasingly following the development of technology these businesses will create new products or services, such as marketing services through social media or in simple things such as better packaging for SME products.

Research conducted by Mu and Di Benedetto (2011) revealed that the orientation of technology is positively and significantly related to performance, so the results of this study do not support the research, because in this study the orientation of technology has no significant effect on performance. This suggests that the results of the study are different for some companies. In some companies, technology orientation helps in improving existing products or to develop different products. In some other companies, technology orientation is used to encourage the development of low-cost, specialized, and standardized products (Park et al., 2012). This is common when technology firms embark on complex and advanced high-risk innovation projects. Companies must have strong innovation capabilities to ensure the success of such innovation projects. (Akman & Yilmaz, 2019). In this study, it can be concluded that technology orientation has no direct effect on performance, but has an indirect influence on business performance through innovation capabilities. This means that innovation capabilities fully mediate the relationship between technology orientation and business performance.

6. Conclusion

The results of the study have reinforced previous studies that show that the influence of strategic orientation on business performance. However, in this study, the construction of strategic orientation that directly affects business performance is market orientation and learning orientation, while technology orientation has no direct effect. The existence of innovation capability as a mediation variable strengthens the influence of strategic orientation on business performance. The results of this study also showed that the ability of innovation has a positive and significant effect on the performance of women entrepreneurs in Indonesia.

There are some limitations to this study. First, this study only uses a sample of companies from one type of industry or business, so the results cannot be generalized to companies in other or different industries. Second, the results of this study only use questionnaires for data collection and personal reports, especially for the company's performance. Such sizes can have subjective biases, although the use of subjective measures of performance is widely accepted in research. Third, in this study, only innovation capabilities variables as the mediation variable are used. There may be other mediation variables that may affect the relationship of strategic orientation with the performance of female SME entrepreneurs but are not included in the analysis.

References

Akman, G., & Yilmaz, C. (2019). Innovative capability, innovation strategy and market orientation: An empirical analysis in the Turkish software industry. *Managing Innovation: What Do We Know About Innovation Success Factors?*, *12*(1), 139–181. https://doi.org/10.1142/9781786346520_0007

Aliyu, S. M. (2013). An assessment of women entrepreneurship performance in Nigeria. *Malaysian Management Journal*, *17*, 1–12. http://e-journal.uum.edu.my/index.php/mmj/article/view/8990/1752

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. https://doi.org/10.1111/j.1540-627X.2009.00278.x

Calantone, R. J., Tamer, C. S., & Yushan, Z. (2004). Learning orientation, firm innovation capability, and firm performance. *Industrial Marketing Management*, *31*, 515.

Charles, H. N., Rajiv, K. S., & Ajith., K. (2002). Market orientation and alternative strategic orientations: A longitudinal assessment of performance implications. *Journal of Marketing*, *66*(10), 25–39. https://doi.org/10.1509/jmkg.66.4.25.18513

Chebo, A. K., & Kute, I. M. (2019). Strategic process and small venture growth: The moderating role of environmental scanning and owner-CEO. *Journal of Small Business Strategy*, *29*(3), 60–77. https://libjournals.mtsu.edu/index.php/jsbs/article/view/1002

Cowling, M., Liu, W., Ledger, A., & Zhang, N. (2015). What really happens to small and medium-sized enterprises in a global economic recession? UK evidence on sales and job dynamics. *International Small Business Journal: Researching Entrepreneurship*, *33*(5), 488–513. https://doi.org/10.1177/0266242613512513

Dadfar, H., Dahlgaard, J. J., Brege, S., & Alamirhoor, A. (2013). The linkage between organizational innovation capability, product platform development, and performance: The case of pharmaceutical small and medium enterprises in Iran. *Total Quality Management and Business Excellence*, *24*(7–8), 819–834. https://doi.org/10.1080/14783363.2013.791102

Dharmaratne, K. L. B. G. (2013). Impact of individual factors on the business performance of women entrepreneurs in Sri Lanka. *Sabaragamuwa University Journal*, *11*(1), 139. https://doi.org/10.4038/suslj.v11i1.5977

Di Zhang, D., & Bruning, E. (2011). Personal characteristics and strategic orientation: Entrepreneurs in Canadian manufacturing companies. *International Journal of Entrepreneurial*

Behaviour and Research, *17*(1), 82–103. https://doi.org/10.1108/13552551111107525

Eijdenberg, E. L., & Borner, K. (2017). The performance of subsistence entrepreneurs in Tanzania's informal economy. *Journal of Developmental Entrepreneurship*, *22*(1), 78–91. https://doi.org/10.1142/S1084946717500078

Gatignon, H., & Xuereb, J.-M. (1997). Strategic orientation of the firm and new product development. *Journal of Marketing Research*, *34*(1), 77–90. https://doi.org/10.2307/3152066

González-Benito, Ó., González-Benito, J., & Muñoz-Gallego, P. A. (2009). Role of entrepreneurship and market orientation in firms' success. *European Journal of Marketing*, *43*(3–4), 500–522. https://doi.org/10.1108/03090560910935550

Hakala, H., & Kohtamaki, M. (2010). The interplay between orientations: Entrepreneurial, technology and customer orientations in software companies. *Journal of Enterprising Culture*, *18*(3), 265–290. https://doi.org/10.1142/s0218495810000598

Han, J. K., Kim, N., & Srivastava, R. K. (1998). Market orientation and organizational performance: Is innovation a missing link? *Journal of Marketing*, *62*(4), 30–45. https://doi.org/10.2307/1252285

Hasan, F. M. S., & Almubarak, M. M. S. (2015). Factors influencing women entrepreneurs' performance in SMEs. *World Journal of Entrepreneurship, Management, and Sustainable Development*, *11*(1), 64–70. https://doi.org/10.1108/WJEMSD-09-2015-0037

Hortinha, P., Lages, C., & Lages, L. F. (2011). The trade-off between customer and technology orientations: Impact on innovation capabilities and export performance. *Journal of International Marketing*, *19*(3), 36–58. https://doi.org/10.1509/jimk.19.3.36

Hussain, J., Ismail, K., & Akhtar, C. S. (2015). Market Orientation and Organizational Performance : Case of Pakistani. *Arabian Journal of Business and Management Review*, *5*(5), 1-6. https://doi.org/10.4172/2223-5833.1000139

Ikebuaku, K., & Dinbabo, M. (2018). Beyond entrepreneurship education: Business incubation and entrepreneurial capabilities. *Journal of Entrepreneurship in Emerging Economies*, *10*(1), 154–174. https://doi.org/10.1108/JEEE-03-2017-0022

Jeong, I., Pae, J. H., & Zhou, D. (2006). Antecedents and consequences of the strategic orientations in new product development: The case of Chinese manufacturers. *Industrial Marketing Management*, *35*(3), 348–358. https://doi.org/10.1016/j.indmarman.2005.06.010

Joshi, M. (2017). Viewpoint: Exploring innovation, De Novo & De Alio firms and their performance. *Gestion, 34*(5), 275. https://doi.org/10.3917/g2000.345.0275

Mahaputra, I. N. K. A., Wiagustini, N. L. P., Yadnyana, I. K., & Artini, N. L. G. S. (2021). Organization behavior, intellectual capital, and performance: A case study of microfinance institutions in Indonesia. *Journal of Asian Finance, Economics, and Business*, *8*(4), 549–561. https://doi.org/10.13106/jafeb.2021.vol8.no4.0549

Mavondo, F. T., Chimhanzi, J., & Stewart, J. (2005). Learning orientation and market orientation: Relationship with innovation, human resource practices, and performance. *European Journal of Marketing*, *39*(11–12), 1235–1263. https://doi.org/10.1108/03090560510623244

Mu, J., & Di Benedetto, C. A. (2011). Strategic orientations and new product commercialization: Mediator, moderator, and interplay. *R and D Management*, *41*(4), 337–359. https://doi.org/10.1111/j.1467-9310.2011.00650.x

Narver, J. C., Slater, S. F., & MacLachlan, D. L. (2004). Responsive and proactive market orientation and new-product success. *Journal of Product Innovation Management*, *21*(5), 334–347. https://doi.org/10.1111/j.0737-6782.2004.00086.x

Ngo, L. V., & O'Cass, A. (2012). In search of innovation and customer-related performance superiority: The role of market orientation, marketing capability, and innovation capability interactions. *Journal of Product Innovation Management*, *29*(5), 861–877. https://doi.org/10.1111/j.1540-5885.2012.00939.x

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. *Academy of Strategic Management Journal*, *17*(1), 1–15. http://eprints.covenantuniversity.edu.ng/10289/#.YI9parVKjIU

Osman, J. (2015). *An empirical investigation into the significance of intellectual capital and strategic orientations on innovation capability and firm performance in Malaysian information and communications technology (ICT) small-to-medium enterprises (SMEs)* [Doctoral thesis, RMIT University, New York]. RMIT Research Repository. https://doi.org/10.1.1.846.266

Park, N. K., Park, U. D., & Lee, J. (2012). Do the performances of innovative firms differ depending on market-oriented or technology-oriented strategies? *Industry and Innovation*, *19*(5), 391–414. https://doi.org/10.1080/13662716.2012.711024

Pett, T. L., Francis, J., & Wolff, J. A. (2019). The interplay of strategic orientations and their influence on SME performance. *Journal of Small Business Strategy*, *29*(3), 46–59. https://core.ac.uk/download/pdf/270250401.pdf

Real, J. C., Roldán, J. L., & Leal, A. (2014). From entrepreneurial orientation and learning orientation to business performance: Analysing the mediating role of organizational learning and the moderating effects of organizational size. *British Journal of Management*, *25*(2), 186–208. https://doi.org/10.1111/j.1467-8551.2012.00848.x

Rodriguez, C., Carrillat, F. A., & Jaramillo, F. (2004). A meta-analysis of the relationship between market orientation and business performance: Evidence from five continents. *International Journal of Research in Marketing*, *21*(2), 179–200. https://doi.org/10.1016/j.ijresmar.2003.07.001

Salavou, H. (2005). Do customer and technology orientations influence product innovativeness in SMEs? Some new evidence from Greece. *Journal of Marketing Management*, *21*(3–4), 307–338. https://doi.org/10.1362/0267257053779082

Salder, J., Gilman, M., Raby, S., & Gkikas, A. (2020). Beyond linearity and resource-based perspectives of SME growth. *Journal of Small Business Strategy*, *30*(1), 1–17. https://libjournals.mtsu.edu/index.php/jsbs/article/view/1644

Šályová, S., Táborecká-Petrovičová, J., Nedelová, G., & Ďaďo, J. (2015). Effect of marketing orientation on business performance: A study from Slovak foodstuff industry. *Procedia Economics and Finance*, *34*(15), 622–629. https://doi.org/10.1016/s2212-5671(15)01677-9

Sandvik, I. L., & Sandvik, K. (2003). The impact of market orientation on product innovativeness and business performance. *International Journal of Research in Marketing*, *20*(4), 355–376. https://doi.org/10.1016/j.ijresmar.2003.02.002

Schenkel, M. T., Farmer, S., & Maslyn, J. M. (2019). Process improvement in SMEs: The impact of harmonious passion for entrepreneurship, employee creative self-efficacy, and time spent innovating. *Journal of Small Business Strategy*, *29*(1), 64–77. https://libjournals.mtsu.edu/index.php/jsbs/article/view/1153

Shepherd, D., & Wiklund, J. (2009). Are we comparing apples with oranges? Appropriateness of knowledge accumulation across growth studies. *Journal of Management*, 33(1), 105–124. https://doi.org/10.1111/j.1540-6520.2008.00282.x

Storey, D. J. (2014). Understanding the small business sector: Reflections and confessions. In: Storey, D. J. (Ed.), *Swedish entrepreneurship forum* (pp. 21–33). https://doi.org/10.4324/9781315544335

Suliyanto, & Rahab. (2012). The role of market orientation and learning orientation in improving innovativeness and performance of small and medium enterprises. *Asian Social Science*, *8*(1), 134–145. https://doi.org/10.5539/ass.v8n1p134

Syaifullah, J., Syaifudin, M., Sukendar, M. U., & Junaedi, J. (2021). Social media marketing and business performance of MSMEs during the COVID-19 pandemic. *Journal of Asian Finance, Economics, and Business*, *8*(2), 523–531. https://doi.org/10.13106/jafeb.2021.vol8.no2.0523

Tin, S. P. P., Lam, W. W. T., Yoon, S., Zhang, N., Xia, N., Zhang, W., & Fielding, R. (2016). Workplace health promotion: Assessing the cardiopulmonary risks of the construction workforce in Hong Kong. *PLoS ONE*, *11*(1), 1–15. https://doi.org/10.1371/journal.pone.0146286

Tjahjadi, B., Soewarno, N., & Gunawan, G. M. (2020). Effect of information capital readiness on business performance in Indonesian MSMEs: Does online market orientation matter? *Journal of Asian Finance, Economics, and Business*, *7*(12), 267–274. https://doi.org/10.13106/jafeb.2020.vol7.no12.267

Vaitoonkiat, E., & Charoensukmongkol, P. (2020). Interaction effect of entrepreneurial orientation and stakeholder orientation on the business performance of firms in the steel fabrication industry in Thailand. *Journal of Entrepreneurship in Emerging Economies*, *12*(4), 453–473. https://doi.org/10.1108/JEEE-05-2019-0072

Voss, G. B., & Voss, Z. G. (2000). Strategic orientation and firm performance in an artistic environment. *Journal of Marketing*, *64*(1), 67–83. https://doi.org/10.1509/jmkg.64.1.67.17993

Wang, H. K., Yen, Y. F., Tsai, C. F., & Lin, Y. C. (2008). Empirical research on the relationship between human capital and innovative capability: A study on Taiwan's commercial banks. *Total Quality Management and Business Excellence*, *19*(11), 1189–1205. https://doi.org/10.1080/14783360802323685

Yang, J. (2012). Innovation capability and corporate growth: An empirical investigation in China. *Journal of Engineering and Technology Management - JET-M*, *29*(1), 34–46. https://doi.org/10.1016/j.jengtecman.2011.09.004

Yang, Y., Wang, Q., Zhu, H., & Wu, G. (2012). What are the effective strategic orientations for new product success under different environments? An empirical study of Chinese businesses. *Journal of Product Innovation Management*, *29*(2), 166–179. https://doi.org/10.1111/j.1540-5885.2011.00900.x

Zarrouk, H., Sherif, M., Galloway, L., & El Ghak, T. (2020). Entrepreneurial orientation, access to financial resources and SMEs' business performance: The case of the United Arab Emirates. *Journal of Asian Finance, Economics, and Business*, *7*(12), 465–474. https://doi.org/10.13106/jafeb.2020.vol7.no12.465

Zhou, K. Z., & Tse, D. K. (2005). The effects of strategic orientations on technology- and market-based breakthrough innovations. *Journal of Marketing*, *69*(4), 42–60. https://doi.org/10.1509/jmkg.69.2.42.60756