

**JAM**

Jurnal Aplikasi Manajemen  
Journal of Applied Management  
Volume 22 Issue 1  
March 2024

22 | 1 | 2024

Received January '24  
Revised February '24  
Accepted March '24

**INDEXED IN**

DOAJ - Directory of Open  
Access Journals  
SINTA - Science and Technology  
Index  
Dimensions  
Google Scholar  
ResearchGate  
Garuda  
IPI - Indonesian Publication  
Index  
Indonesian ONEsearch

**CORRESPONDING AUTHOR**

Sylvia Fettry  
Universitas Katolik Parahyangan  
Bandung,  
Indonesia

**EMAIL**

sylvia.fettry@unpar.ac.id

**OPEN ACCESS**

e ISSN 2302-6332  
p ISSN 1693-5241



Copyright (c) 2024 Jurnal Aplikasi Manajemen

## INNOVATION CAPABILITY OF LEARNING ORIENTATION MEDIATORS ON THE PERFORMANCE OF TOURISM INDUSTRY MSMEs

**R Tri Priyono Budi Santoso**

Universitas Dhyana Pura, Indonesia

**Sylvia Fettry**

Universitas Katolik Parahyangan Bandung, Indonesia

**Adya Hermawati**

**Syamsul Bahri**

Universitas Widyagama Malang, Indonesia

**Endang Fatmawati**

Universitas Diponegoro Semarang, Indonesia

**Shujahat Ali**

Mirpur University of Science and Technology, Pakistan

**Abstract:** The aim of this research is to prove the influence of learning orientation on the innovation ability and performance of MSMEs. Innovation ability mediates the influence of learning orientation on the performance of tourism MSMEs in Greater Malang. A quantitative approach was used with 100 tourism MSME owners in Malang Raya, East Java, Indonesia. Using Structural Equation Modeling (SEM) analysis, it shows that learning orientation has an influence on innovation ability and MSME performance and innovation ability has an influence on MSME performance and innovation ability is able to mediate the relationship between learning orientation and the performance of tourism MSMEs in Malang Raya. Based on the research findings, suggestions are put forward that tourism MSME actors in Greater Malang must adapt to environmental changes so that future researchers can study the business environment and market orientation to improve the performance of tourism MSMEs in Greater Malang.

**Keywords:** Learning Orientation, Innovation Capability, MSME Performance

**CITATION**

Santoso, R. T. P. B., Fettry, S., Hermawati, A., Bahri, S., Fatmawati, E., and Ali, S. 2024. Innovation Capability of Learning Orientation Mediators on the Performance of Tourism Industry MSMEs. *Jurnal Aplikasi Manajemen*, Volume 22, Issue 1, Pages 97–108. Malang: Universitas Brawijaya. DOI: <http://dx.doi.org/10.21776/ub.jam.2024.022.01.08>.

## INTRODUCTION

The tourism industry is an important factor for economic progress, contributing significantly to the country's economy, with 9 percent contributing to the Gross Domestic Product as a foreign exchange contributing factor (Muljadi, 2009). Tourism progress produces great opportunities for community welfare (Chawla and Guda, 2017). The government has caught the tourism industry's business opportunities as a priority development sector, which is expected to gain a lot of foreign exchange (Lau et al., 2008). Meanwhile, the paradigm of the quantity of tourist visits is a crucial thing that needs to be taken into account. So, the decline in tourist visits in 2017-2021 in Figure 1 is a phenomenon that requires strategic solutions.



Sources: bps.co.id (2022)

**Figure 1. Foreign Tourist Visits per Year**

Malang Raya has three regional divisions, namely Malang City, Malang Regency and Batu City and has a diversity of tourist destinations that can be used as tourism business opportunities for MSMEs. Tourism MSMEs in Malang Raya are developing rapidly as an inseparable part of the local tourism ecosystem. From handicraft artisans to regional specialty food producers, MSMEs in the tourism sector play an essential role in enriching the tourist experience and promoting the richness of local culture. One interesting phenomenon is the diversity of products offered by tourism MSMEs. Each product reflects local craftsmen's rich culture and creativity, from unique souvenirs in handicrafts and traditional textiles to typical Malang culinary delights. Visitors can find a wide variety of products that will serve as mementos of their travels and gain a deeper understanding of local cultural heritage and traditions.

The phenomenon is that MSMEs are a very important business sector for a country's economy because they increase the economic growth, create jobs, and contribute to regional development. However, the obstacles that MSMEs often face are various traditional problems that have not been fully resolved. Problems faced by MSMEs include the problem of minimal human resource capacity, business ownership that is not yet well structured, and inadequate business financing or capital. Apart from that, marketing that has not been optimally adapted to modernization developments, management that has not been well managed, and a lack of product and process innovation have also become obstacles in developing MSMEs. Problems that occur in MSMEs cause low performance of these MSMEs. MSME performance is the level of success achieved both in quality and quantity from the level of achievement that has been targeted through the ability of the organization's tasks by using resources effectively and efficiently, which includes human resources, all assets, capabilities, organizational processes, company attributes, information and knowledge that the company controls (Daft, 2010). Lee and Tsang (2001) stated that real conditions in SMEs do not yet provide records that meet applicable financial accounting standards. Therefore, measuring performance uses the owner's perception. Increased MSME performance because MSME actors are able to carry out learning orientation. Learning orientation is an employee development process that involves increasing competence, skills, and knowledge (Chong, 2010). The key characteristics of a learning orientation include the transfer of learning from the individual to the group, commitment to learning, openness to the outside world, overall commitment to knowledge, systems for developing learning, and mechanisms for renewing organization (Mavondo et al., 2005). Learning orientation relates to activities that use knowledge and skills to increase competitive advantage. Activities include meeting customer needs, market changes, competitor actions, and competitors' development of new technology and products (Nybakk, 2012).

The previous empirical research evidence regarding the influence of learning orientation on MSME performance was carried out by Rosli and Sidek (2013), Hafeez et al. (2012), Eshlaghy and Maatofi (2011), Eris et al. (2012) and Abiodun and

Kida (2016) concluded that learning orientation has an influence on the performance of MSMEs. Different results were shown by Nursal et al. (2022) and Suliyanto and Rahab (2012), who concluded that learning orientation had no influence on the performance of MSMEs. Based on several previous research results regarding the influence of learning orientation on the performance of MSMEs, there are still differences in results (research gaps), thus opening a gap to re-examine the influence of learning orientation on the performance of MSMEs with innovation capabilities as a mediator. Innovation capabilities contribute to increasing organizational success, performance, and survival. Innovation applies to large companies and the MSMEs sector (Baregheh et al., 2012). The MSME sector becomes innovative if MSMEs are able to develop innovation capability, which is one of the basic elements of an innovative organization—increased innovation due to the role of MSME owners in implementing learning orientation. A learning orientation prepares companies to enter a stage where they will commit to systematically challenging the fundamental beliefs and practices that define their innovation processes (Baker and Sinkula, 2002). Previous empirical research evidence on the influence of learning orientation on innovation capabilities carried out by Wahyuni and Giantari (2019), Yang et al. (2022) and Laksana et al. (2022) proves that learning orientation is a good predictor for increasing innovation. MSMEs can improve financial and non-financial performance by developing innovation capabilities to create new products and more innovative processes. Innovation is identified as one of the factors that influence business performance. Companies' innovation capabilities can improve the performance of MSMEs (Rhodes et al., 2008). Lewrick et al. (2010) stated that entrepreneurs who have run their businesses need innovation as a vital tool in improving a company's performance. Chaston and Scott (2012) found that company performance will increase if it involves innovation and learning because companies that implement innovation are believed to extend the product life cycle.

Several previous research results have reached a consensus that innovation capabilities positively affect business performance from the perspective of market share growth, productivity, sales and profitability. The results of studies conduct-

ed by Eris et al. (2012), Saunila and Ukko (2014), Rosli and Sidek (2013), Serna et al. (2016), Nybakk (2012), Zhang and Chen (2014) concluded that innovation ability has an influence on the performance of MSMEs. The Resource-Based Theory (RBT) approach focuses on internal factors in explaining business strategy as an effort to improve the performance of tourism MSMEs in Malang Raya through learning orientation as an intangible asset, which is the behavior of entrepreneurs in managing businesses to develop new ideas into an innovation capability. Based on this explanation, the uniqueness of this study is the role of innovation capability as a variable that mediates the influence of learning orientation on MSME performance, which is developed in one model and explained by Resource-Based Theory as the main theory.

## LITERATURE REVIEW

### Resource-Based Theory

Resource-Based Theory (RBT) is a theoretical approach to modern business strategy. RBT consists of capabilities and resources as tangible and intangible assets that can be used to help choose and determine a company's strategy (Barney and Clark, 2007). RBT focuses on internal factors in explaining business strategy (Hunt and Lambe, 2000). In RBT, resources are significantly heterogeneous in each company with imperfect mobility.

### Performance

According to Jumingan (2006), performance is a company's achievements in various operational aspects, including finance, marketing, technology, funding and human resources. According to Daft (2010), performance is the ability to achieve organizational tasks by using resources effectively and efficiently. The resources referred to include human resources, all assets, capabilities, organizational processes, company attributes, information and knowledge controlled by the company.

### Learning Orientation

The key characteristics of learning orientation include the transfer of learning from the individual to the group, commitment to learning, openness to the outside world, overall commitment to knowledge, systems for developing learning, and mechanisms for renewing the organization Mavondo et al. (2005). Manurung and Barlian (2012)

stated that organizations must be committed to providing integrated knowledge transfer to increase the knowledge and skills of their employees.

**Innovation Capability**

Forsman and Rantanen (2011) explain that the innovation capability continuously improves a company's capabilities and resources to explore and exploit opportunities to develop innovations. Saunila and Ukko (2014) revealed that innovation capability consists of aspects that influence an organization's ability to manage innovation. Lin et al. (2010) stated that innovation capability is implementing or creating new organizational technology applied to systems, policies, programs, products, processes, tools or services.

**HYPOTHESIS DEVELOPMENT**

A learning orientation prepares companies to enter a stage where they will commit to systematically challenging the fundamental beliefs and practices that define their innovation processes (Baker and Sinkula, 2002). Previous empirical research evidence on the influence of learning orientation on innovation capabilities carried out by Wahyuni and Giantari (2019), Yang et al. (2022) and Laksana et al. (2022) proved that learning orientation is a good predictor for increasing innovation. Based on the line of thought and variable relationships that have been explained, the following hypothesis can be formulated in this research:

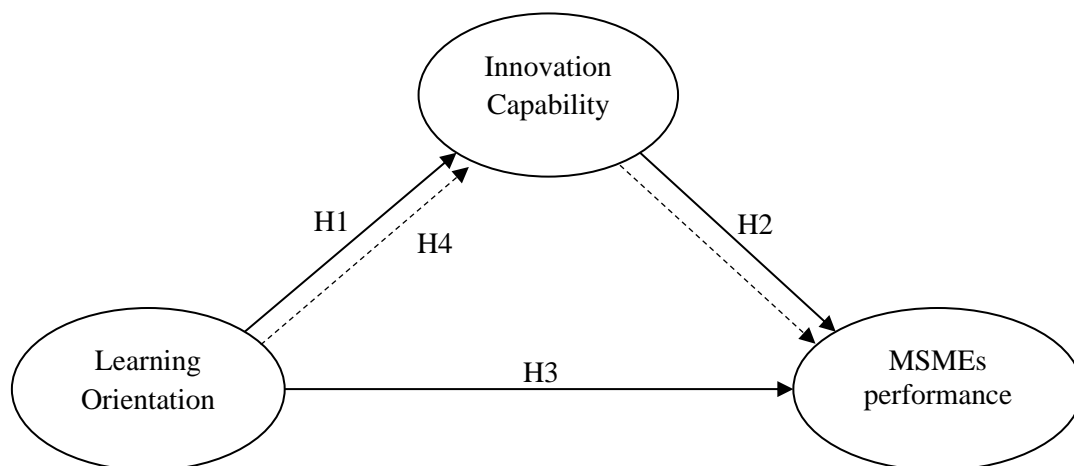
**H1:** Learning Orientation Influences Innovation Capability.

Chaston and Scott (2012) found that company performance will increase if it involves innovation and learning. It is because companies that implement innovation are believed to extend the product life cycle. Several previous research results have reached a consensus that innovation capabilities have a positive effect on business performance. The results of studies conducted by Eris et al. (2012), Saunila and Ukko (2014), Rosli and Sidek (2013), Serna et al. (2016), Nybakk (2012), Zhang and Chen (2014) concluded that the innovation ability has an influence on the performance of MSMEs. Based on the line of thought and variable relationships that have been explained, the following hypothesis can be formulated in this research:

**H2:** Innovation capability influences MSMEs' performance.

Rosli and Sidek (2013), Eshlaghy and Maatofi (2011), Hafeez et al. (2012), Eris et al. (2012) and Abiodun and Kida (2016) concluded that the learning orientation has an influence on the performance of MSMEs. Based on the line of thinking and variable relationships that have been explained, a hypothesis in this research can be formulated as follows:

**H3:** Learning orientation influences MSMEs' performance.



**Figure 3. Research Framework**

Wahyuni and Giantari (2019), Yang et al. (2022), and Laksana et al. (2022) prove that learning orientation is a good predictor for increasing innovation. The results of studies conducted by Eris et al. (2012), Saunila and Ukko (2014), Rosli and Sidek (2013), Serna et al. (2016), Zhang and Chen (2014), and Nybakk (2012) concluded that innovation ability has an influence on the performance of MSMEs.

**H4:** Innovation capability mediates the influence of learning orientation on MSME's performance.

The results of this study develop previous empirical studies conducted by Wahyuni and Giantari (2019), Yang et al. (2022) and Laksana et al. (2022) that learning orientation is a good predictor for increasing innovation and the results of this study are in accordance with the study presen-

ted by Eris et al. (2012), Saunila and Ukko (2014), Rosli and Sidek (2013), Serna et al. (2016), Nybakk (2012), Zhang and Chen (2014) concluded that the innovation capability has an influence on MSMEs performance.

## METHOD

This research uses a quantitative approach with explanatory research type. The pattern of influence tested is the influence of learning orientation on MSME performance, which is mediated by innovation capability. The population of this research is tourism MSME owners in Greater Malang. Because this population is infinite, the sample size is determined by multiplying the number of indicators of the 3 variables by 10. Based on these provisions, the sample size is  $10 \times 10 = 100$  respondents. The operational definitions of the variables used in this research are presented in Table 1.

**Table 1. Research Instrument Grid**

Variable	Indicator	Instrument
Learning Orientation ( $X_1$ ) (Chong, 2010, Rhee et al., 2010).	Commitment to Learning	1. Developing employee capabilities 2. Developing employee skills
	Shared Vision	3. Employees are committed to achieving MSME goals 4. Similar goals between MSME employees and owners
	Open-mindedness	1. The opportunity to open and change your mindset to new ideas 2. The opportunity to take risks
Innovation Capability ( $Y_1$ ) (Jimenez and Valle, 2005 and Lin et al., 2010).	Product innovation	1. Able to create a product so that it becomes something new for consumers 2. Able to create products with a variety of new flavor choices
	Technological innovation	1. Utilize technology in creating products 2. Able to adapt ideas to create interesting new products through technology
	Marketing innovation	1. Providing new product choices that suit consumer needs through online media 2. Expand marketing reach through online media
MSMEs Performance ( $Y_2$ ) (Albahussain, 2014 and Bratić, 2011)	Financial Performance	1. Profit achievement has increased in the last 3 years 2. Increase in business capital in the last 3 years
	Production Performance	1. The number of products produced has increased in the last 3 years 2. Product demand has increased in the last 3 years
	Marketing Performance	1. Sales growth has increased in the last 3 years 2. Customers have increased in the last 3 years

The analysis technique in this research is Structural Equation Modeling (SEM), a statistical technique that simultaneously tests a relatively complex series of relationships. Hypothesis testing is based on C.R. (critical ratio), tested with a probability value (p). If the p-value < 0.05 indicates a significant effect, and if p > 0.05 indicates it is not significant. Meanwhile, testing will be carried out using a Sobel test approach to determine whether a variable can act as a mediating variable.

**RESULTS**

**Instrument Testing**

Instrument testing through validity and reliability tests was carried out on 30 respondents, namely MSME actors. The following are the results of the validity and reliability tests of the ques-

tionnaires distributed.

**SEM Analysis Results**

The test results using Structural Equation Modeling (SEM) are presented in Figure 1. The evaluation of the proposed model shows that the model evaluation of the construct as a whole has not produced a value according to the cut-off values, such as the GFI and AGFI values. Arbuckle and Wothke (1999) stated that the best criteria used as an indication of the goodness of the model are a CMIN/DF value of less than 2 and an RMSEA of less than 0.08. In this study, the CMIN/DF and RMSEA values have met the cut-off values; therefore, the model can be categorized as suitable and suitable for use so that interpretation can be carried out for further discussion.

**Table 2. Validity and Reliability Test Results**

Variable	Item	Correlation		Coefisien	
		<i>r</i> <sub>hitung</sub>	Status	alpha	Status
Learning Orientation	X3.1. 1.	0,737	Valid	0,810	Reliable
	X3.1. 2	0,873			
	X3.2. 1	0,848			
	X3.2. 2	0,876			
	X3.3. 1.	0,794			
	X3.3. 2.	0,813			
Innovation Capability	Y1. 1. 1	0,619	Valid	0,823	Reliable
	Y1. 1. 2	0,778			
	Y1. 2. 1	0,697			
	Y1. 2. 2	0,724			
	Y1. 3. 1	0,591			
	Y1. 3. 2	0,801			
	Y1. 4. 1	0,781			
	Y1. 4. 2	0,782			
	Y2. 1. 1	0,873			
	Y2. 1. 2	0,871			
MSMEs Performance	Y2. 2. 1	0,797	Valid	0,940	Reliable
	Y2. 2. 2	0,836			
	Y2. 3. 1	0,827			
	Y2. 3. 2	0,888			



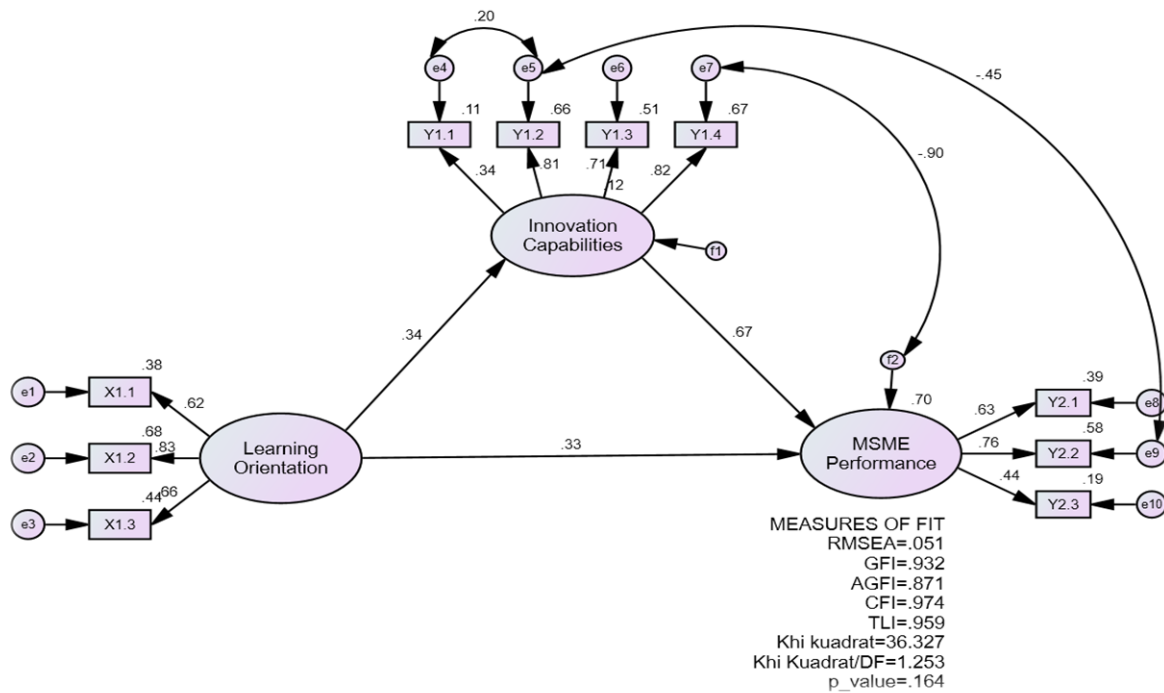


Figure 1. Path diagram of SEM analysis results

Table 3. Results of Regression Weight Analysis (Direct Influence)

Correlation	Path Coefficient	C.r.	p-value	Information
Learning orientation -> Innovation capability	0,342	2,054	0,040	Significant
Learning orientation -> MSMEs Performance	0,326	2,522	0,012	Significant
Innovation capability -> MSMEs performance	0,667	2,360	0,018	Significant

Table 4. Effect of Learning Orientation on MSMEs Performance through Innovation Capability

Influence Between Variables	C.r.	p-value	Information
Learning Orientation -> Innovation Capability -> MSMEs Performance	2,441	0,014	Significant

**Hypothesis Testing Results**

Testing the hypothesis of the direct influence of learning orientation on innovation capability and MSME performance uses the Critical ratio (Cr) from the Weight regression output results. The research hypothesis will be accepted if the p-value is <5% significance. Table 3 shown that the learning orientation influences innovation ability, and an increase in learning orientation is followed by an increase in innovation ability by 34.2%. Learning orientation influences the performance of MSMEs, and an increase in learning orientation is followed by an increase in MSME performance by 32.6%. Innovation capability influences MSME performance, and increasing innovation capability is followed by an increase in MSME performance by 66.7%.

The results of testing innovation's ability to mediate the influence of learning orientation on MSME performance can be seen in Table 4. Table

4 shows that the indirect effect of learning orientation on MSMEs' performance through innovation ability produces a Cr value of 2.441 with a p-value of 0.014. This result shows that innovation ability is able to mediate the influence of learning orientation on MSMEs' performance.

## DISCUSSION

### Learning Orientation Influences Innovation Capability

Learning orientation has an influence on the innovation capabilities of tourism MSMEs in Malang Raya, meaning that learning orientations that encourage creativity and out-of-the-box thinking tend to strengthen innovation capabilities. When MSMEs are encouraged to find new solutions, create new ideas, and try different approaches to learning, their innovative capabilities will develop. Learning oriented toward experimentation and encouraging risk-taking also plays a vital role in innovation capabilities. When MSMEs feel comfortable trying new things without fear of failure, they are more inclined to explore new ideas and create innovative solutions. In addition, learning carried out collaboratively and communicatively facilitates the exchange of ideas and perspectives, enriching creative thinking and giving rise to innovation. In an environment where ideas are discussed, considered and executed together, the innovation capabilities of MSMEs can develop significantly.

The results of this study are in accordance with the opinion expressed by Baker and Sinkula (2002), who stated that learning orientation prepares companies to enter a stage where they will commit to systematically challenging the fundamental beliefs and practices that define their innovation process and support the results of the study. Previous empirical research conducted by Wahyuni and Giantari (2019), Yang et al. (2022) and Laksana et al. (2022) stated that learning orientation is a good predictor of increasing innovation.

### Innovation Capability Influences MSMEs Performance

Learning orientation contributes to improving the performance of tourism MSMEs in Malang Raya, meaning that through a learning approach that focuses on skills development, MSMEs owners can obtain the knowledge and skills needed to manage their business more efficiently and effect-

tively, such as management, finance, marketing, and production, which are key elements in business success. Learning orientation also encourages creativity and innovation, which enables MSME owners to continue developing products and services that are attractive to customers. By understanding market needs and current trends, MSME players can create new products that attract customer interest and differentiate themselves from competitors. Learning that emphasizes the importance of quality helps MSMEs to provide high-quality products and services to customers. It helps build a good reputation and gain customer trust, which can increase customer loyalty and business growth. The results of this research support research conducted by Rosli and Sidek (2013), Hafeez et al. (2012), Eshlaghy and Maatofi (2011), Eris et al. (2012) and Abiodun and Kida (2016) concluded that learning orientation has an influence on the performance of MSMEs. This means that the performance of the MSME actors will increase if they are committed to continuing to learn and improve their knowledge and skills.

### Learning Orientation Influences MSMEs Performance

The ability to innovate has an influence on the performance of tourism MSMEs in Malang Raya, meaning that MSMEs that implement innovation can increase operational efficiency and productivity, which in turn can reduce production costs and increase the profit margins and MSMEs that are able to innovate can create products or services that are unique and different from other competitors. You can increase your market share and profitability by attracting customer attention and offering different added value. The results of this study are in accordance with studies proposed by Eris et al. (2012), Saunila and Ukko (2014), Rosli and Sidek (2013), Serna et al. (2016), Nybakk (2012), Zhang and Chen (2014) concluded that innovation capability has an influence on the performance of MSMEs.

### Mediation Role of Innovation Capability

Innovation capability is able to mediate the influence of learning orientation on performance of tourism MSMEs in Malang Raya. These results mean that learning-oriented MSMEs who encourage creativity and think out of the box tend to



strengthen innovation capabilities. When MSMEs are encouraged to find new solutions, create new ideas, and try different approaches to learning, their innovative abilities will develop. Increased innovation has an impact on improving the performance of MSMEs, as shown by an increase in good financial performance by achieving profits and increasing business capital in the last 3 years. The results of this study develop previous empirical studies conducted by Wahyuni and Giantari (2019), Yang et al. (2022) and Laksana et al. (2022) that learning orientation is a good predictor for increasing innovation and the results of this study are in accordance with the study presented by Eris et al. (2012), Saunila and Ukko (2014), Rosli and Sidek (2013), Serna et al. (2016), Nybakk (2012), Zhang and Chen (2014) concluded that innovation capability has an influence on MSME performance.

### IMPLICATIONS

The implications of the research findings include two things, namely theoretical and practical implications. Theoretical implications relate to its contribution to the development of Resource-Based Theory (RBT) theory related to learning orientation, innovation capabilities and MSME performance. Theoretical Implications. According to Resource Based Theory, companies will gain competitive advantage and superior performance by acquiring and using strategic assets important for competitive advantage and superior financial performance (Barney and Clark, 2007). Both tangible and intangible assets are perceived as potential strategic assets. According to this theory, the benefits of these two assets are a positive result between company resources and performance measurement. The inclusion of intangible assets is obtained from their ability to have all the characteristics of strategic assets.

Resource Based Theory makes it clear that if tourism MSMEs in Malang Raya can use intangible assets optimally, which is realized by learning orientation such as encouraging employees to be creative and think out-of-the-box, then the performance of MSMEs will increase. This performance increase is because there is a mediating role. Innovation abilities such as finding new solutions, creating new ideas, and trying different approaches are carried out by creating products that are new for consumers and creating products with a variety

of new taste choices. The results of the development of Resource-Based Theory (RBT) are in line with the opinion of Robbins and Coulter (2007) that Resource-Based Theory (RBT) focuses on understanding the potential of organizational resources and capabilities. Ireland et al. (2003) stated that if you can manage resources and capabilities in a strategic and structured manner, then competitive advantage can be achieved, and company performance will increase.

Practical Implications. Based on the results of the analysis, it is proven that tourism MSME actors in Malang Raya who are committed to improving learning orientation, such as encouraging employees to be creative and think out-of-the-box, contribute to increasing the ability to create products so that they become something new for consumers and create products with variations new flavor choices and have an impact on achieving MSMEs performance. So, from a practical aspect, tourism MSME actors in Malang Raya need to motivate employees to be committed to achieving business development goals and MSME actors to be more confident in their entrepreneurial abilities, such as being quick to respond to market opportunities and responses and marketing new products into new markets.

### RECOMMENDATIONS

Recommendations that can be given to tourism MSMEs in Malang Raya are to be more courageous in running a business, showing that they are open to collaborating with other MSMEs/partners and being open to accepting criticism from customers. Have a commitment to learning as demonstrated by developing employee abilities and skills and the need to utilize technology in creating products and adapt ideas to create interesting new products through technology. Future researchers can conduct studies on market orientation and networking to improve the performance of MSMEs.

In general, this research has attempted to answer the formulation and objectives of the research. Still, there are limitations in this research, namely that this research is based on survey data, which only presents an analysis of relationships in one time period (cross-section), so analysis in different periods would be significantly influenced by changes in the business environment which is of course very dynamic so that the results of the

influence between the variables studied are data based on one period of time (cross-section). The sample of this research is limited to MSMEs tourism MSMEs actors in Malang Raya, so the results of the influence between the variables studied cannot be generalized to MSMEs in general.

## CONCLUSIONS

Tourism MSMEs in Malang Raya will have good performance focused on financial performance, as shown by achieving profits and increasing business capital within 3 years because MSMEs players have a learning orientation that focuses on a shared vision, such as employees who are committed to achieving MSMEs goals and have similar goals between employees. MSMEs and owners. MSME actors have a learning orientation that focuses on shared vision, such as employees having a commitment to achieving MSME goals, and the similarity of goals between MSME employees and owners has an impact on increasing innovation capabilities. The innovation capabilities possessed by MSME players are demonstrated by product innovation, which is carried out by creating products that are something new for consumers and creating products with a variety of choices that contribute to improving good financial performance, as shown by achieving profits and increasing business capital in the last 3 years. Learning-oriented MSMEs actors who focus on a shared vision, such as implementing a shared vision, contribute to the ability of MSMEs actors to innovate and have an impact on improving MSMEs performance.

## REFERENCES

- Abiodun, T. and Kida, M. 2016. Impact of Strategic Orientations on Performance of Small and Medium Enterprises: The Roles of Entrepreneurial Orientation in Promoting Economic Development. *International Journal of Economics, Commerce and Management*, IV(4), pp. 206–219.
- Albahussain, S. A. 2015. A Suggested Conceptual Agenda for Market Orientation and Corporate Social Responsibility towards the Business Performance of Saudi Industrial Organizations. *International Business and Management*, Vol. 2, No. 2, pp. 16-30.
- Arbuckle, J. L. and Wothke, W. 1999. *Amos 4.0 User's Guide*. Small Waters Corporation, Chicago.
- Baker, E. W. and Sinkula, M. J. 2002. Market Orientation, Learning Orientation and Product Innovation: Delving into the Organization's Black Box. *Journal of Market-Focused Management*, 5(1), pp. 5-23.
- Baregheh, A., Rowley, J., Sambrook, S., and Davies, D. 2012. Innovation in Food Sector SMEs. *Journal of Small Business and Enterprise Development*, Vol. 19, Issue 2, pp. 300–321.
- Barney, J. B. and Clark, D. N. 2007. *Resource-Based View Theory: Creating and Sustaining Competitive Advantage*. Oxford University Press Inc., New York.
- Bratić, D. 2011. Achieving a Competitive Advantage by SCM. *IBIMA Business Review Journal*, pp. 1–13.
- Chaston, I. and Scott, J. G. 2012. Entrepreneurship and Open Innovation in an Emerging Economy. *Journal of Management Decision*, Vol. 50, No. 7, pp. 1161-1177.
- Chawla, V. and Guda, S. 2017. Salesperson's Spirituality: Impact on Customer Orientation and Adaptability. *Marketing Intelligence and Planning*, 35(3), pp. 408–424.
- Chong, G. H. 2010. Measuring Performance of Small-and-Medium Sized Enterprises: The Grounded Theory Approach. *Journal of Business and Public Affairs*, 2(1), pp. 1–10.
- Daft, L. R. 2010. *New Era of Management*. Canada: South-Western Cengage Learning.
- Eris, E. D., Neczan, O., and Ozmen, T. 2012. The Effect of Market Orientation, Learning Orientation and Innovativeness on Firm Performance: A Research from Turkish Logistics Sector. *International Journal of Economic Sciences and Applied Research*, 5(1), pp. 77–108.
- Eshlaghy, A. T. and Maatofi, A. 2011. Learning Orientation, Innovation and Performance: Evidence from Small-Sized Business Firms in Iran. *European Journal of Social Sciences*, 19(1), pp. 114–122.
- Forsman, H. and Rantanen, H. 2011. Small Manufacturing and Service Enterprises as Innovators: A Comparison by Size. *European Journal of Innovation Management*, Vol. 14 No. 1, pp. 27-50.
- Hafeez, M. H., Shariff, M. N. M., and Lazim H. B.

- M. 2012. Relationship between Entrepreneurial Orientation, Firm Resources, SME Branding and Firm's Performance: Is Innovation the Missing Link?. *American Journal of Industrial and Business Management*, Vol. 2, pp. 153-159.
- Hunt, S. and Lambe, J. 2000. Marketing's Contribution to Business Strategy: Market Orientation, Relationship Marketing and Resource-Advantage Theory. *International Journal of Management Reviews*, Vol. 2, No. 1, pp. 17-43.
- Ireland, R. D., Hitt, M. A., and Sirmon, D. G. 2003. A Model of Strategic Entrepreneurship: The Construct and Its Dimensions. *Journal of Management*, Vol. 29, pp. 963.
- Jiménez, D. and Valle, R. Sanz. 2005. Innovation and Human Resource Management Fit: An Empirical Study. *International Journal of Manpower*, Vol. 26, No. 4, pp. 364– 381.
- Jumingan. 2006. *Analisis Laporan Keuangan*. Cetakan Pertama. Jakarta: Bumi Aksara.
- Laksana, D. H., Apriliando, S., and Kusmantini, T. 2022. Influence of Market Orientation, Learning Orientation, and Innovation Capabilities and Their Impact on Competitive Advantage and Company Performance. *Journal of Community Development in Asia*, 5(2), pp. 11-23.
- Lau, E., Oh, S. L., and Hu, S. S. 2008. *Tourist Arrivals and Economic Growth in Sarawak*. pp. 1-10
- Lee, D. Y. and Tsang, E. W. K. 2001. The Effect of Entrepreneurial Personality, Background and Network Activities on Venture Growth. *Journal of Management Studies*, Vol. 38, No. 4, pp. 583-602.
- Lewrick, M., Omar, M., Raeside, R., and Sailer, K. 2010. Education for Entrepreneurship and Innovation: Management Capabilities for Sustainable Growth and Success. *World Journal of Entrepreneurship, Management and Sustainable Development*, Vol. 6 No. 1, pp. 1-18.
- Lin, R. J., Chen, R., and Shun-Chiu, K. K. 2010. Customer Relationship Management and Innovation Capability: An Empirical Study. *Industrial Management and Data Systems*, Vol.110, No. 1, pp. 111-133.
- Manurung, E. M. and Barlian, I. 2012. From Small to Significant: Innovation Process in Small-Medium Creative Businesses. *International Journal of Innovation, Management and Technology*, 3(6), pp. 788 –792.
- Mavondo, F. T., Chimhanzi, J., and Stewart, J. 2005. Learning Orientation and Market Orientation: Relationship with Innovation, Human Resource Practices and Performance. *European Journal of Marketing*, 39(11-12), pp. 1235–1263.
- Muljadi, A. J. 2009. *Kepariwisata dan Perjalanan*. PT. Rajagrafindo Persada.
- Nursal, M. F., Rianto, M. R., and Bukhari, E. 2022. The Influence of Market Orientation, Entrepreneurial Orientation, Knowledge Management and Learning Organization on Performance Mediated by Innovation in Culinary SMEs in Bekasi. *East Asian Journal of Multidisciplinary Research (EAJMR)*, Vol. 1, No. 8, pp. 1691-170.
- Nybakk, E. 2012. Learning Orientation, Innovativeness and Financial Performance in Traditional Manufacturing Firms: A Higher-Order Structural Equation Model. *International Journal of Innovation Management*, Vol. 16, No. 5, pp. 1-28.
- Rhee, J., Park, T., & Lee, D. H. 2010. Drivers of Innovativeness and Performance for Innovative SMEs in South Korea: Mediation of Learning Orientation. *Technovation*, 30(1), pp. 65–75.
- Rhodes, J. R., Hung, P., Lok, B. Y., Lien, and Wu, C. M. 2008. Factors Influencing Organizational Knowledge Transfer: Implication for Corporate Performance. *Journal of Knowledge Management*, Vol. 12, No. 3, pp. 84-100.
- Robbins, S. P. and Coulter, M. 2007. *Management*. 9th Edition, Prentice-Hall, London.
- Rosli, M. M. and Sidek, S. 2013. The Impact of Innovation on the Performance of Small and Medium Manufacturing Enterprises: Evidence from Malaysia. *Journal of Innovation Management in Small and Medium Enterprise*, 2013, pp. 1–16.
- Saunila, M. and Ukko, J. 2014. Intangible Aspects of Innovation Capability in SMEs: Impacts of Size and Industry. *Journal of Engineering and Technology Management*, Vol. 33, pp. 32-46.

- Serna, M. C. M., Martinez, J. E. V., and Martinez, J. V. M. 2016. The Impact of Learning Orientation on Innovation and Performance in SMEs in Mexico. *International Review of Management and Business Research*, 5(1), pp. 48–64.
- Suliyanto and Rahab. 2012. The Role of Market Orientation and Learning Orientation in Improving Innovativeness and Performance of Small and Medium Enterprises. *Asian Social Science*, Vol. 8, No. 1.
- Wahyuni, N. M. and Giantari, G. A. 2019. Effect of Learning Orientation on Innovation: A Mediating Role of Knowledge Competence. *Jurnal Ekonomi dan Bisnis Jagaditha*, 6(2), pp. 92-98.
- Yang, Y., Zheng, Y., Xie, G., and Tian, Y. 2022. The Influence Mechanism of Learning Orientation on New Venture Performance: The Chain-Mediating Effect of Absorptive Capacity and Innovation Capacity. *Front. Psychol.* 13:818844.
- Zhang, J. and Chen, L. 2014. The Review of SMEs On Innovation Performance. *American Journal of Industrial and Business Management*, 48(4), pp. 716–720.