

Learning Orientation as Fundamental Platform to Achieve Competitive Advantage: An Integrative Review and Framework



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ABSTRACT: Learning orientation is considered a philosophy used by companies that emphasizes learning in every company activity. Learning-oriented companies will help these companies to develop their capabilities in facing competition. In some of the studies shown, it was found that there were some differences in the use of learning orientation indicators and also found some differences in the application of the position of the learning orientation variable. This study also formulated a research design for further research that focuses on examining the influence of marketing orientation, entrepreneurship orientation on business performance through learning orientation and innovativeness.

KEYWORDS: Learning Orientation, Marketing Orientation, Entrepreneurship Orientation, Innovativeness, Business Performance

INTRODUCTION

Research on learning orientation (LO) and organizational learning (OL) began a decade ago and continues to grow today (Alerasoul et al., 2021; Sinkula et al., 1997; Sun & Scott, 2003). The development of research related to learning orientation is marked by the increasing number of publishers that focus on the concept of learning orientation, such as: journal of knowledge management, journal of European industrial training, journal of business research, journal of management development, learning orientation, and so on. (Alerasoul et al., 2021). Based on the percentage, it was also found that 27% of researchers took the topic of learning orientation research on all of these publishers (Alerasoul et al., 2021).

In the study of López-Cabrales et al (2011) it is stated that learning orientation and organizational learning are the best outcome platforms of effective and efficient human resource management activities. In another study, it was stated that learning orientation is a concept affiliated with organizational learning that influences the creation of an effective learning system in an organization. (Sinkula et al., 1997). In the study of Alerasoul et al (2021) formulated collaboration between learning orientation and organizational learning in an organization which can be seen in Figure 1 below.

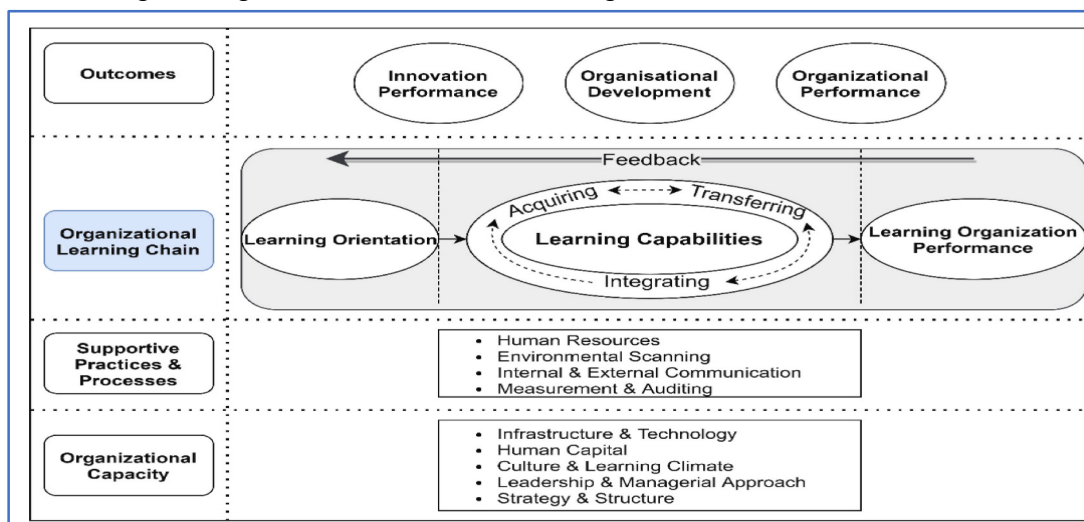


Fig 1. Learning Orientation Chain Framework (Alerasoul et al., 2021)

Figure 1 is the result of the adoption of the concept of Systematic Literature Network Analysis conducted by Alerasoul et al (2021), where in the organizational learning chain framework above it can be seen that learning orientation is the basis for encouraging

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the creation of learning capabilities (activities within learning capabilities consist of: acquiring, transferring, and integrating) which will ultimately create learning organization performance. The results of this process also create innovation performance, organizational development and organizational performance. The elements that support the creation of this process are supportive practices & process (human resource capability, environmental analysis, organizational internal and external communications, and audit implementation) and organizational capacity (infrastructure and technology, organizational culture and learning climate, leadership style, strategy and organizational structure). In a company that is classified as a learning organization, it will be classified into two parts (Slater & Narver, 1995):

1. Adaptive learning is the earliest or basic form of organizational learning, where there are no restrictions on the learning process within an organization.
2. Generative is the next step after an organization is able to analyze pre-existing assumptions about market conditions, the capabilities of the organization or company and the strategic advantages of the company.

Learning orientation is a mechanism that directly affects a company's ability to update old assumptions about the market and how the company organizes it (Sinkula et al., 1997). According to Haldorai et al. (2021), Learning orientation is a resource owned by a company that can create a competitive advantage for the company. Good learning carried out by companies on the market will help companies improve their ability to respond to any changes in the market which has implications for increasing the company's competitiveness. The learning orientation carried out by the company does not only focus on finding and disseminating market information or profiting from market-based knowledge but rather on finding new strategies to serve customers, but the learning orientation acts continuously to find out about the dynamics that occur in the market. (Honig & Hopp, 2019; Pesämaa et al., 2013). Learning orientation is conceptualized as determining the value that influences the degree to which the organization is satisfied with the theory used in carrying out the company's activities.

Learning orientation is the result of adaptation to the basic learning process associated with company size. The bigger a company, the role of learning commitment will be increasingly crucial in updating the company's assets and capabilities. Meanwhile, small businesses whose learning orientation is small compared to their competitors will create difficulties for these businesses to survive in the competition (D'Angelo & Presutti, 2019). Learning orientation can help companies predict events that will occur in the market based on learning from previous company events or experiences and guide companies in carrying out business activities that are influenced by several factors such as: market orientation, entrepreneur orientation, firm size and firm age. (Rhee et al., 2010).

In the process of determining the strategy that will be implemented by a business, it is necessary to study all aspects of the business and the business environment, where later the learning results can be used as a reference and basis for determining the strategy used to improve business performance. Learning-oriented can help a business to create, disseminate, and utilize knowledge to improve business performance (Chien & Tsai, 2021; Sinkula et al., 1997). Learning orientation can make a business or business accustomed to new things and can turn these new things into opportunities. In addition, learning orientation refers to the major activities of a business in creating and using knowledge to increase business competitiveness (Day, 1994). Table 1 shows several previous studies using the learning orientation variable either as an independent variable or a mediating variable. Besides that, information was also found that research on learning orientation can be carried out in various business or business sectors and even in political science disciplines (to find out leadership styles). (Broekema et al., 2019).

Table 1. Learning Orientation Research Review

Researchers	Title	Method	Variables	Results
(Lai et al., 2009)	The effects of market orientation on relationship learning and relationship performance in industrial marketing: The dyadic perspectives	Structural Equational Model (SEM)	Supplier market orientation, Customer market orientation, Relationship learning, Relationship performance, Relationship quality	The results of the study show that relationship learning has a positive effect on relationship performance and that customer market orientation has a positive relationship with relationship learning

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(Haldorai et al., 2021)	Learning orientation and self-initiated expatriates' work performance: a moderated-mediation model	Structural Equational Model (SEM)	Learning orientation, cultural distance, prior-international experience, cross cultural adjustment, work performance	Learning orientation has a positive and significant influence on work performance. The higher the cultural distance, the higher the level of cross cultural adjustment. Prior adjustment is able to moderate the effect of learning orientation on cross cultural adjustment
(Wahyono & Hutahayan, 2021)	The relationships between market orientation, learning orientation, financial literacy, on the knowledge competence, innovation, and performance of small and medium textile industries in Java and Bali	Structural Equational Model (SEM)	Market orientation, learning orientation, innovation, knowledge competence, financial literacy, business performance	The results of the study show that the learning orientation variable has a positive influence on competence of knowledge and business performance
(Rahab, 2012)	Innovativeness Model Of Small And Medium Enterprises Based On Market Orientation and Learning Orientation: Testing Moderating Effect Of Business Operation Mode	Structural Equational Model (SEM)	Market orientation, learning orientation, operation mode, innovativeness	The results of the study show that learning orientation has an influence on innovativeness directly or through
(Iyer et al., 2019)	Performance implications of lean in supply chains: Exploring the role of learning orientation and relational resources	Structural Equational Model (SEM)	Learning orientation, resource complementary, resource specificity, collaboration, lean, operational performance	The results of the study show that learning orientation has an influence on resource complementarity and resource specificity and has an influence on operational performance
(Broekema et al., 2019)	Public leaders' organizational learning orientations in the wake of a crisis and the role of public service motivation	OLS Regression	Instrumental learning, political learning, cognitive learning, behavior learning	The results of the study show that the level of political orientation of a leader will determine the type of learning orientation that will be applied

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(Rhee et al., 2010)	Drivers of innovativeness and performance for innovative SMEs in South Korea: Mediation of learning orientation	Structural Equational Model (SEM)	Market orientation, Learning Orientation, firm size, firm age, innovativeness, performance	The results of this study indicate that learning orientation is able to mediate the effect of market orientation, firm size, firm age, innovativeness on business performance
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Table 2. Learning Orientation Indicators from previous research

Researchers	Indicators
(D'Angelo & Presutti, 2019)	Commitment to learn Shared vision Open-mindedness Intra-organizational Knowledge sharing
(Haldorai et al., 2021)	Enjoy learning new skills Willingness to choose challenging task Seeking exhibition that could increase personal skill Knowledge as a platform to reach individual goal
(Alerasoul et al., 2021)	Continuous improvement Breakthrough innovation
(Hernández-Linares et al., 2018)	Commitment to learn Shared vision Open-mindedness
(Sun & Scott, 2003)	Learning as prime asset Meeting individual needs and organizational objectives Utilization of full potential for learning A climate of continuous learning Blockages removed and enhancers put in place
(Pesämaa et al., 2013; Sinkula et al., 1997)	Learning is the key to reach competitive advantage Implement learning organization Learned or educated employee is an investment Learning make company survive
(Rhee et al., 2010; Slater & Narver, 1995)	Information Acquisition Information dissemination Shared interpretation
(Wilson, 2019)	Learn from failure Make learning forum Learn to make competitive advantage strategic

In Table 2, information is obtained that learning orientation measurement can be used to measure the level of orientation individually or organizationally. Where, the research carried out to measure and assess the individual orientation of employees or employees was carried out to assess the desire of employees to improve abilities through learning systems that could improve their performance. In research that focuses on assessing learning orientation at the organizational level, it is carried out by looking at management policies to establish a learning system for the company's internal and external conditions which can have an impact on individual employee performance and company performance as a whole. In general, the majority of studies use indicators from Sinkula et al.(1997), i.e:

1. Commitment to learn is the willingness of a business or business to study market dynamics and strategy updates.
2. Open mindedness is an attitude that is open to new ideas, views, data, and theories that occur in the market.

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3. Shared Vision is the result of thoughts from leaders or the results of discussions between leaders and workers that produce common business goals.

DISCUSSION

Learning Orientation, Market Orientation and Entrepreneur Orientation

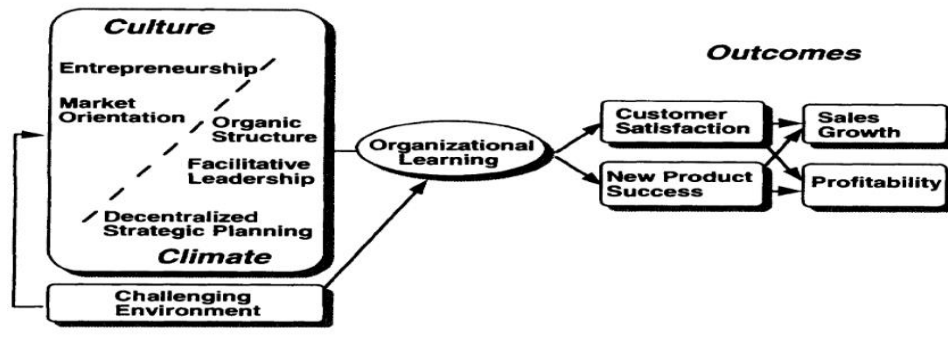


Figure 2. Schematic of Creating Organizational Learning (Slater & Narver, 1995)

In Figure 2 it is known that after a company has a learning orientation that helps create organizational learning that can act as a link between cultural conditions (entrepreneurship and market orientation), corporate climate (organic structure, facilitative leadership, decentralized strategic planning), and changes in the company's environment. Furthermore, it will have an impact on creating customer satisfaction, new product success, increased sales and profitability. This concept was also adopted by several studies that applied the learning orientation variable as a mediating variable (Lai et al., 2009; Rhee et al., 2010). However, in the study by Pesämaa et al. (2013) the learning orientation variable is positioned as a moderating variable, in which to test the moderating role on the influence of risk taking, creativity, benchmarking competitor orientation, and environmental opportunities on innovativeness and the effect of innovativeness on performance in service delivery.

Learning Orientation Creates Innovation

Learning orientation is a resource owned by the company that has a direct influence on the company's ability. In the process of learning orientation, updates or innovations are always created to respond to and anticipate changes that occur in the market (Rahab, 2012). The learning orientation makes innovation a corporate culture that must be continuously developed and implemented to help companies respond to changes that occur in the market (Pesämaa et al., 2013; Wahyono & Hutahayan, 2021). The level of innovation of a company depends on how far the company is learning-oriented and how new knowledge is exploited by the company. Research from Rhee et al (2010) shows that learning orientation has a positive influence on company innovation. While research from Rahab (2012) shows that the higher the level of corporate learning orientation, the higher the level of corporate innovation.

Learning Orientation can Improve Business Performance

Learning orientation as a basic process of corporate learning has an important role in the overall performance of the company. In a learning orientation, responses from customers, business partners and competitors are used to create the company's basic competencies. Good learning carried out by companies on the market will help companies improve their ability to respond to any changes in the market which has implications for increasing the company's competitiveness. Research from Sinkula et al (1997) produces a positive result between the learning orientation relationship with the performance results of a business that is reflected in the marketing program. In another study conducted by Haldorai et al. (2021) found that learning orientation can improve business performance in terms of expanding market share, creating new products, and increasing overall revenue. Besides having a direct effect on business performance, learning orientation can also be mediated by knowledge dynamic capability (Chien & Tsai, 2021). Research Iyer et al (2019) found that the effect of learning orientation besides affecting company performance also affects resource complementarity, resource specificity, and collaboration.

CONCLUSION AND RESEARCH MODEL DEVELOPMENT

Learning orientation owned by a company or organization will help an organization or company to develop its assets and can encourage companies to have a high competitive advantage. Understanding of the company or organizational environment cannot be obtained only from the experience of a leader or company owner but must also go through a learning process, with a good

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learning system it will help companies to find the most effective strategy to deal with competition. As stated in research from Slater & Narver (1995) the company's ability to keep up with market developments is a learning-oriented company. Besides that, the entrepreneurial ability of a leader is not enough to improve the performance of a company or a business because a learning system is needed that is able to identify, analyze, implement, and evaluate the ideas of a leader so that they can be accepted by all employees in a company and can help to achieve company goals. Furthermore, an understanding of market conditions or market orientation cannot be effective in improving company performance, so a learning system is needed in order to formulate an effective strategy to create company performance. The level of learning that a company or individual has in a company will encourage the company to implement an innovation strategy (product and service) that is tailored to market needs and competitors' capabilities in creating new products or services. The company's ability to study all phenomena in the market and the company's internal conditions will help the company to match the company's capabilities with market needs for new products or services.

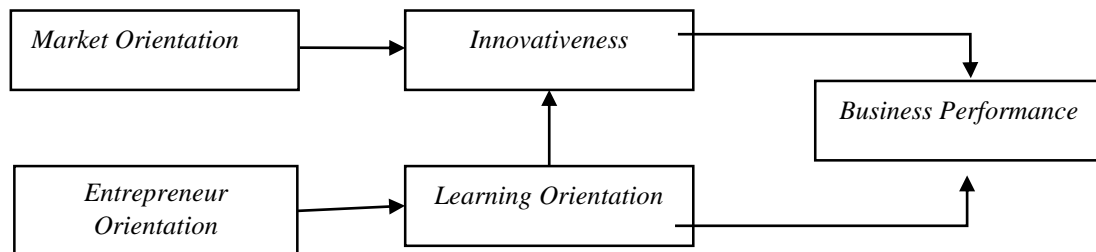


Figure 3. Future Research Design (Iyer et al., 2019; Lai et al., 2009; Pesämaa et al., 2013; Rhee et al., 2010; Slater & Narver, 1995)

In Figure 3 it is known that the position of the learning orientation variable acts as a joint mediating variable with the innovativeness variable. The independent variables in the design of this study are market orientation and entrepreneur orientation, while the dependent variable is business performance. The indicators for each of these variables are as follows: entrepreneurship orientation (risk-taking, proactive, aggressive competition and autonomy), market orientation (customer orientation, competitor orientation, and response), learning orientation (commitment to learning, open-minded, shared vision), Innovativeness (new products, new production technologies, new payment administration systems and new distribution systems), business performance (increased sales, increased number of employees, sales returns and market share).

The plan for determining the sample in this design is a business that is categorized as medium and is a family business and the sampling technique used is a purposive sampling technique which aims to find respondents who are most in line with the research phenomenon while the sample criteria in this study are: 1) business has been operating for more than 10 years, 2) is categorized as a medium-sized business (business turnover > IDR 2.5 billion – 50 billion) 3) is a family business. The data collection used in the design of this study was a questionnaire using a Likert scale (with five answer choices). The data analysis used is a structural equational model (SEM) with Smart PLS. The research results from this design are expected to contribute to the development of research related to learning organization. As for business actors, this research is expected to provide input or managerial implications for creating strategies that can improve business performance.

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