

Drivers of Market Orientation for SMEs Performance: Mediation of Value Creation

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Abstract. The aim of this study is to review the correlation of market orientation, value creation and entrepreneur's commitment in improving SMEs performance. The study is conducted through mediation model of value creation and commitment as the power of entrepreneur. The study is conducted to SMEs in Bandung City with the selected number of respondents are 133. Data from entrepreneur is collected by questionnaire and it is processed by path analysis through Lisrel. Research finding is found that market orientation has the correlation to the improvement of SMEs performance both directly and through mediation of value creation. It is different with entrepreneurs' commitment that cannot mediate the correlation to SMEs performance. Surely, the research finding explains the control of market orientation on the improvement of SMEs performance with support of value creation.

Keywords: Market Orientation, Creation Value, Commitment, SMEs Performance.

Introduction

SMEs in Indonesia continue to grow; it is due to government's support and the desire to have a business continues to increase (Indris & Primiana, 2015). Actually, SMEs are good to continue to be developed in a country, because SMEs have beneficial characteristics which are more resilient to economic shocks than a large companies (Hasibuan, 2015). It explains the importance of evaluating SMEs performance to be reviewed the factors which can control SMEs performance.

Entrepreneurs in conducting the operations at SMEs certainly use different business strategies (Husso & Nybakk, 2010). Regarding to SMEs, market orientation strategies are usually used (Gallardo-Vázquez & Isabel Sánchez-Hernández, 2014). The previous studies have explained that the implementation of market orientation provides a great opportunity for marketing performance and SMEs performance (Nasution et al., 2011). Because market orientation collaborates all of the elements needed by an entrepreneur, including to be brave to take risks in business, continuing to innovate and to be proactive towards every change (Urban & Mothusiwa, 2014).

Entrepreneurs in their activities are required to be brave in taking risks (Urban & Mothusiwa, 2014), because it is believed that every business opportunity will exist if the entrepreneur makes a decision. The hesitates in making decision are not good because business opportunities are likely to have been controlled by competitors (Tang & Tang, 2012). So, anything in business activities, entrepreneurs need to face and act quickly with the assumption of taking any risks that arise from their decision. Risk taking is a part of market orientation implementation and it appears to be closely related to entrepreneurs; so that, they are able to support the achievement of SMEs performance (Kreiser et al., 2013).

Business strategies of entrepreneurs certainly need to be supported with novelty; it is contained in the innovation value created (Kreiser et al., 2013). So that, an entrepreneur is often required to provide innovation from every decision submitted. Because innovation is actually closely related to excellence in competition and SMEs performance (Saunila et al., 2014). The level of innovation is an inseparable part in market orientation (Sutapa et al., 2017), so that in controlling market orientation, entrepreneur is aware of the

obligation to innovate. Besides that, entrepreneurs are now aware that business competition is not only with similar companies (Nasution et al., 2011). And also with other companies which are different types and even products. So entrepreneur always be proactive to know every movement conducted by other companies (Gnizy et al., 2014). In order to measure the implementation of internal strategy and marketing performance.

The phenomenon of previous research explains the importance of implementing market orientation related to SMEs performance (Palalic & Busatlic, 2015). So, it is assumed that market orientation in controlling the achievement of SMEs performance. However, as an entrepreneur, it is realized that it is related to many things, including internal factors, such as commitment (Devigne et al., 2016). Because on the other hand, it is known that the performance of an industry depends on entrepreneurs' commitment (Javalgi & Todd, 2011).

Commitment is entrepreneur's behavior who often becomes things which are constantly controlled (Qi et al., 2014). Because when an entrepreneur is not aligned with the company's vision and mission, commitment will decrease and threaten company's performance. It is not uncommon for an entrepreneur to be distracted by commitment in entrepreneurship; this is due to the large amount of attention from entrepreneurs who associate with his business (Iraldo et al., 2010). Especially for SMEs, where there are still many who do not run their business seriously because the reason is family business and even transfer business to other business (Cuadrado-Ballesteros et al., 2015). This certainly disrupts company performance he started (Ciasullo & Troisi, 2013). Reviewing from those phenomena of entrepreneurs' commitment in order to achieve SMEs performance.

Many entrepreneurs get business not because they are built by themselves, but because they are given by parents as business agents (Ciasullo & Troisi, 2013). On the other hand, it also appears that entrepreneurs who start a business because it imitates from a successful business; assuming it will achieve the same success (Bergamaschi & Randerson, 2016). However, family business and imitating from other business is not a guarantee of success in their business. Because whatever the origin of business, if it is not supported by entrepreneur's commitment, there are no progress in business (Segaro et al., 2014). Because the successful entrepreneurs are not

because of other people or companies, but because of the level of commitment they have. As explained in previous studies, entrepreneurs' commitment is really needed to achieve SMEs performance (Haroon Hafeez et al., 2012).

SMEs in Indonesia continue to increase, both for new and growing back (Wahyudi & Sani, 2014). It means that many products or service offering from SMEs to customers. It requires to entrepreneurs to give more value to products they offer. With the assumption of being able to face competition for the emergence of various kinds of products from competitors (Hasibuan, 2015). The study from previous research has revealed that SMEs have a close relationship with the value of innovation contained in the value creation (Lindman, 2013); this strategy is used by entrepreneurs with one goal, namely improving SMEs performance. The phenomenon of value creation explains the importance of implementing the value creation strategy which is related to the efforts to achieve SMEs performance, so that companies remain sustainable.

Based on study of SMEs performance, it seems to be related to market orientation (Huang & Yu, 2011), entrepreneurs' commitment (Segaro et al., 2014) and the strategy of value creation (Sainio et al., 2011). However, it is well known that commitment is an internal factor of entrepreneurs who are actually able to be controlled by market orientation (Marshall, 2010). It is similar with the strategy of value creation where it can be controlled by market orientation (Landroguet et al., 2011). Reviewing the phenomenon of market orientation, in relation to SMEs performance, this study focuses on controlling market orientation in improving SMEs performance with the support of mediation from entrepreneurs' commitment and the implementation of value creation. The research is conducted very clearly for the position to evaluate SMEs performance of entrepreneurs through controlling market orientation.

SMEs Market Orientation

Market orientation is a business strategy used in SMEs related to understanding the company's main target, namely customers (K. Zhou et al., 2009). By understanding market orientation, company has understood the character of its target market and it is able to offer in accordance with customer's intentions (McNaughton et al., 2002). However, the

implementation of a market orientation is not easy, entrepreneurs need more effort by collaborating all elements in market orientation (K. H. Chen et al., 2016). In SMEs, elements that are often used as adaptations include risk taking, innovation, proactive, aggressive and independent (Gnizy et al., 2014). The company uses all elements in market orientation, and it coordinates with all elements of internal company with the aim of achieving business targets and target markets.

The implementation of market orientation is used by companies with the ultimate goal of achieving SMEs performance (Urban & Mothusiwa, 2014). In line with previous studies that SMEs performance is the goal of every company and it can be controlled by managing market orientation (Palalic & Busatic, 2015). There is a close relationship between market orientation and SMEs performance. However, there is a need for support from human resources in company, so that the achievements of market orientation are in line with its objectives. Market orientation is part of business strategy, especially for SMEs, because in market orientation there is an entrepreneurial value such as risk taking and innovation (Nasution et al., 2011). Although market orientation is a part of marketing management (Lonial & Raju, 2001), it is often used in studying human resource behavior in SMEs.

The previous theories have been revealed that market orientation is an effort made by companies in order to understand and require the necessities and customers' desires as the main market more efficiently and effectively when it is compared to its competitors (K. Z. Zhou et al., 2005). It seems clearly that market orientation has a main focus in controlling the target market, namely customers (K. H. Chen et al., 2016). And it aims in solving market competition, so that it is still able to compete with market competition (Sørensen, 2009). By understanding market orientation means that entrepreneurs run three important orientations at SMEs which are understanding to customer, understanding to competition and understanding to company internal coordination (Jogaratanam, 2017).

Companies use currently market orientation strategies to achieve SMEs performance (Lonial & Raju, 2001), as well as service companies that have an correlation to

service. This opinion can be interpreted as the importance of market orientation as a source of strategy in meeting the company's goals by providing the best service to the target market. As an impact, it has been known in previous studies that market orientation has a positive impact to SMEs internal behavior, namely entrepreneur's commitment (Lonial & Raju, 2001) and also has a big role in creating value creation (McNaughton et al., 2002). The essence of previous study explained that there are many positive impacts arising from the implementation of market orientation for SMEs, but the final goal to be achieved remained in the linkage of SMEs performance.

Value Creation of SMEs

Value creation is part of business strategy used by SMEs; the main activity of value creation is related to customers (Awa, 2010). Nowadays, customers need and want to products are in line with their expectations; through value creation, SMEs try directly to understand customers' needs and intentions (Ngugi et al., 2010). The value creation run by SMEs is marked by the changes in products and services which are in line with customers' expectations (Ciasullo & Troisi, 2013). Surely, value creation has a correlation to the achievement of SMEs performance, where the previous research, it was found that companies implement the value creation with the aim of understanding customer's expectations to achieve SMEs performance (Ngugi et al., 2010). It means that value creation has an impact on increasing SMEs performance. In values creation, there are assessments used as strategies by entrepreneurs, including customer benefits, business domains and business networks (Kotler & Keller, 2012). It seems clearly from the measurement of value creation has one goal which are focusing on customers.

In principle, value creation collaborates with three main elements, are customer, management and intermediaries (Ciasullo & Troisi, 2013). Collaboration created by entrepreneurs is used in creating value to be able to compete in business competition. All values created are possible more than customer's expectations, assuming they require to customer's needs and it exceeds the advantages of competitors (Bordonaba-Juste & Cambra-Fierro, 2009). SMEs are currently stated to be able to create value creation when company is able to focus on the main target of target market and it is able to combine the

necessities of management and intermediaries (Ciasullo & Troisi, 2013). The value creation ultimately provides the core competencies of SMEs in business competition, so they can be accepted by customers. However, the most important thing from the process of implementing value creation is the involvement of interested parties in companies which are able to support and facilitate controlling the target market (Lindman, 2013).

In theory, value creation is basically said to be a strategy that involves customers in creating products and services which have more value than their competitors (Huang & Yu, 2011). The presented theory explains a clear relationship between customers and management in the creation of business strategies. It seems clearly that value creation is closely related to the creation of innovations that can increase benefits for customers and companies (Leavy, 2012). Today, value creation is made as one of business strategies with the ultimate goal in achieving SMEs performance (Ngugi et al., 2010). Where it is known as a significant relationship of value creation on increasing SMEs performance.

Commitment of Entrepreneur

In a study related to entrepreneurship, it is said that commitment is an obedient behavior of strong entrepreneur for the sense of ownership of the company, and it intends to continue to achieve company goals (Javalgi & Todd, 2011). Entrepreneurs' commitment provides the opportunities for achieving SMEs performance, because the willingness of entrepreneurs to maintain the company (Gadenne et al., 2009). In commitment, there is an effort, namely an effort to help company to achieve its goal (Andjarsari et al., 2013). So that commitment is often said to be a strong belief and it accepts the company's goals and values. Every entrepreneur must have a commitment in himself, but they need to be improve in order to provide the optimal results in company development (Baregheh et al., 2012).

In general, it is known that entrepreneurs' commitment can be recognized by several characters, are affective, continue and normative (Ma'amor et al., 2016). Affective is related to the level of cooperation provided in company (Marshall, 2010). Continue is related to the level of loyalty in working for company and the last normative, is related to behavior which leads to performance (Marshall, 2010). Commitment is able to

deliver to entrepreneurs to achieve a better performance, so it needs to be kept in. This is certainly related to the entrepreneurial behavior, which often changes due to many factors influence, such as company's condition and business competition (Hoelzl & Loewenstein, 2005). In the science of leadership, commitment becomes an important part which is often studied by entrepreneurs (Yiing & Ahmad, 2009). Because commitment is the basis of entrepreneurship in controlling company and the intersecting environment.

In business strategies, entrepreneurs use strategies which have competitiveness to gain a competitive advantage (Yiing & Ahmad, 2009). But it will not happen effectively, if it is not supported by entrepreneurs' commitment (Carvalho & Jonker, 2015). The theory of business strategy explains the importance of controlling commitment from entrepreneurs to support the achievement of SMEs performance. Commitment is an intangible asset that needs to be maintained by entrepreneurs, because commitment has a long-term orientation in company, and it is able to support company's goals (Y. S. Chen & Chang, 2013).

SMEs Performance

SMEs performance relates to measuring tools of company performance which have been carried out by company leaders, in this case is entrepreneurs (Kreiser et al., 2013). It is actually assessed from two sides in general, are financial and non-financial (Ndubisi & Agarwal, 2014). Generally, SMEs performance is said to be a result achieved by a company on the implementation of a business strategy created (Urban & Mothusiwa, 2014). Because without a business strategy, a company's goals will not be achieved properly. So, it takes a business strategy that is in line with company goals, especially business strategies that are able to provide a great opportunity in taking maximum profits in business. These benefits are reflected in financial and non-financial measurements (Gomezelj & Kušce, 2013), but today there are other measurements that are actually targeted by entrepreneurs in SMEs performance, namely market share (Hasibuan, 2015). Because the sustainability of company profits depends on the size of market share they have.

Entrepreneurs use the various business strategies to achieve SMEs performance; one of them are used is market orientation (Urban

& Mothusiwa, 2014) and creation value (Ngugi et al., 2010). Both of those strategies are closely related to entrepreneurs and SMEs performance because they have the same focus or goal, which is understanding of target market. Whereas, there are still many factors that can control SMEs performance, which arise from internal and external companies (Husso & Nybakk, 2010). SMEs performance is the goal of entrepreneurs in building companies. In theory, SMEs performance is said to be a measure of company's success in achieving its goals, which is reflected in its vision and mission (Ismail & Kuivalainen, 2015). In a broadly speaking, these measurements are assessed from financial and non-financial factors (Urban & Mothusiwa, 2014). In its development, finance is associated with the level of profitability achieved. While, non-financial value of other benefits owned by company (Tang & Tang, 2012). However, because of many competition, the company is currently focusing on target market, so the market share is one of the assessments in SMEs performance (Gnizy et al., 2014).

In running a company, entrepreneurs certainly need support from both internal and external companies (Husso & Nybakk, 2010). Because the factors are able to control SMEs performance are sourced from both supports (Ismail & Kuivalainen, 2015). So, the entrepreneur mobilizes his abilities to stay focuses on controlling factors that can change the level of SMEs performance. But things cannot be forgotten by entrepreneurs are controlling business strategies which are carried out in accordance with the vision and mission. Entrepreneur's ability to control business strategies is an evidence from the achievement of SMEs performance (Urban & Mothusiwa, 2014). In this study, the business strategy is controlled by market orientation and value creation. In addition, there are other factors attached to entrepreneurs, namely entrepreneurs' commitment in running business (Nasution et al., 2011). Because without commitment, entrepreneur does not have passion to finish their business to the stage of business performance.

Reviewing the literature review of SMEs performance and its relation to other variables; the research hypothesis was built as an objective of this study. Previously, it is stated that SMEs performance is controlled by market orientation (Urban & Mothusiwa, 2014). In addition, SMEs performance has also been known to be influenced by the implementation of a value creation strategy and entrepreneurs'

commitment (Lee et al., 2012; Ngugi et al., 2010). However, on the hand, it is also known that market orientation is able to control value creation and the commitment strategies of entrepreneurs (Awa, 2010; Maden et al., 2012). The essence of previous study explains the flow in this research on the focus of research, which is to examine the impact of market orientation on SMEs performance through mediation support from values creation and entrepreneurs' commitment. Furthermore, a hypothetical model will be tested in Figure 1.

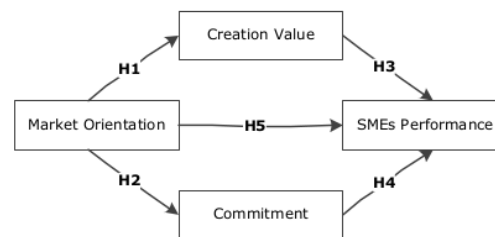


Figure 1. Hypothesis Model

From hypothesis model on Figure 1, it is known there are five hypotheses can be explained as follows.

Hypothesis 1.

Market orientation has correlation to value creation.

Hypothesis 2.

Market orientation has correlation to commitment entrepreneur.

Hypothesis 3.

Value creation has correlation to SMEs performance.

Hypothesis 4.

Entrepreneurs' commitment has correlation to SMEs performance.

Hypothesis 5.

Market orientation has correlation to SMEs performance.

Methodology

Variables and Methods

Variables studied in the research were limited to market orientation, value creation, commitment, and SMEs performance. Where the final goal of this study was to evaluate SMEs performance on the implementation of market orientation strategies with the support from the value creation and entrepreneur's commitment. Reviewing the research objectives, this study used a survey method with a survey of SMEs in Bandung. There were 133 respondents for research objects. The number of respondents was determined because this study was included in the experimental research, to study the research model through a portion of population.

Instruments of Research

Data from entrepreneurs was collected through a questionnaire which has been determined for the answer; in order to ease to collect data according to research instruments. The answer was determined by Likert scale approach which was namely the value of "1" for "Strongly disagree" criteria and the value of "5" for "Strongly agree" criteria. The research instruments were determined based on the previous survey literature; in market orientation used five measurements, such as risk taking, innovation, proactive, aggressive, and independent (Gnizy et al., 2014). In value creation, three measurements were used namely customer benefit, business domain, and business network (Tsai et al., 2012). The measurements for commitment from entrepreneurs were used, namely affective, continue, and normative (Ma'amor et al., 2016). Whereas, for SMEs performance was assessed by measuring profitability, benefits, and market share (Sidiqqoh & Alamsyah, 2017). The measurement was used to facilitate assessing entrepreneurs' opinions to research variables.

Data from questionnaire, then processed through path analysis, it considered that there was mediation variable in the hypothesis model (Figure 1). Analysis tool used is Lisrel, so research result can be known as good of fit model. In the end of research, it was conducted the five of research hypothesis test to emphasize the research results.

Results and Discussions

The study results are revealed to 133 respondents processed the data, which was sourced from entrepreneurs. The entrepreneurs are from SMEs in Bandung City, West Java province. It has been determined the number of entrepreneurs who have been doing business for at least 5 years, so it appears the commitment in running a business. It relates to the goal of research in measuring the achievement of SMEs performance.

Most of SMEs are owned by male-entrepreneurs which are about 87%, with business more dominant in food, such as restaurants as much as 46%; it is followed by fashion business as much as 24% and the rest are varied from retail business to souvenirs. Entrepreneurs mostly set up business of their passion, that is not a family business. So it seems clearly that they have a high desire for entrepreneurship. But it is unfortunately, most of entrepreneurs are migrants from outside of Bandung City, they have a great hope of doing business because the opportunity in the city is greater than their respective regions. The result of other studies toward the respondents' data were made to hypothesis test through research model test with Lisrel analysis tools. The results of subsequent studies are presented in Figure 2, it is regarding to the value of relationship between variables of research model.

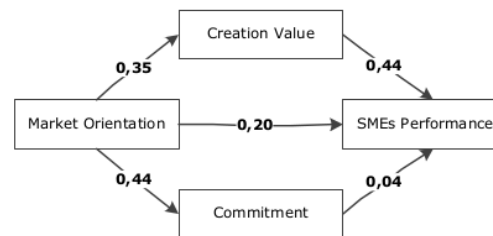


Figure 2. Result of Research Model

Based on the results presented in Figure 2, it is clear that all variables have a positive relationship. Market orientation has a positive correlation both directly with SMEs performance and through value creation and commitment. Similarly, value creation has a good correlation with SMEs performance directly. But it seems inversely proportional to entrepreneurs' commitment which seems unable to support directly to the improvement

of SMEs performance. Before explaining the research findings, the test results of research instruments and the fit test of research model are presented firstly, which are shown in Table 1 and Table 2. In Table 1 regarding the results of research instrument test, it is known that all instruments are aid to be valid and reliable; this is based on data values from Pearson correlation above 0.5, Cronbach's Alpha value above 0.7 and Loading Factor value above 0.5. Based on these results of research instruments can be used to explain the research model. The next most important test result is the fit test of research model described in Table 2, and based on the research results, it is explained that the criteria value of degree of freedom, chi-square and p-value require the criteria (cut of value). It seems clearly that research model of SMEs performance which is influenced by market orientation and it is mediated by the values

creation and commitment stated to be fit of model.

The last test results found that there were hypothesis tests presented in Table 3 for the summary. Based on the results, it was revealed that all of hypothesis tests were said to be significant, which are 1,2,3, and 5. However for the hypothesis 4, there was no significant or no significant impact directly from entrepreneurs' commitment on the increasing of SMEs performance. Surely, this study results will be discussed in depth in next research to explain research finding that explains the benefits of research and also recommendation to further research, particularly SMEs.

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Table 1

Validity and Reliability Test

Variables	Instruments	Pearson Correlation	Cronbach's Alpha	Loading Factors
Market Orientation	Taking Risk	0,779	0,704	0,561
	Innovation	0,626		0,627
	Proactive	0,563		0,703
	Aggressive	0,616		0,761
	Independent	0,693		0,598
Value Creation	Customer Benefit	0,731	0,764	0,692
	Business Domain	0,756		0,804
	Business Network	0,693		0,715
Commitment	Affective	0,863	0,736	0,833
	Continue	0,854		0,841
	Normative	0,792		0,751
SMEs Performance	Profitability	0,874	0,927	0,850
	Benefit	0,896		0,973
	Market Share	0,889		0,972

Table 2

Good of Fit Test

Criteria Good of Fit	Cut of Value	Result	Good of Fit
Degrees of Freedom	≤ 1.00	0	Fit
Chi-Square	≤ 1.00	0.0	Fit
P-Value	> 0.05	1.00	Fit

Table 3

Hypothesis Test

No.	Hypothesis	t-value	Result
H1	Market Orientation to Creation Value	4,26	Significant
H2	Market Orientation to Commitment	5,62	Significant
H3	Creation Value to SMEs Performance	5,64	Significant
H4	Commitment to SMEs Performance	0,45	No
H5	Market Orientation to SMEs Performance	2,38	Significant

Impact of Market Orientation to Value Creation and Entrepreneur's Commitment

Market orientation is a business strategy used by entrepreneurs in SMEs to achieve SMEs performance (Urban & Mothusiwa, 2014). However, the support from other factors is needed, namely the value creation and entrepreneurs' commitment. The analysis of research results explained that market orientation has a relationship with the implementation of value creation and entrepreneurial commitment. This is certainly able to support the main goal of SMEs performance.

The first finding from the results section of this study explains the impact of market orientation on value creation. It appears from the correlation value of market orientation on value creation of 0.35 (Figure 2), or an impact of 12.2%. This finding is actually in line with previous studies which explain that business strategies in SMEs through empowering market orientation have an impact on the creation of corporate value creation (Awa, 2010). Obviously, this research refines the previous studies and it is aware that value creation can be done by paying attention to market orientation. In value creation, especially SMEs, there are several assessments including customer benefits, business domains, and business networks (Table 2). Based on test results in Table 1, it is explained that all elements in value creation have an impact. It appears from Loading Factors for all assessments of instruments above 0.6. Assuming that in creating value creation for SMEs, it is necessary to prioritize the sequence of strategies, starting from business domain, business network, and finally customer benefit. Implementing strategies in value creation certainly helps the impact of value creation on other variables, such as achieving SMEs performance.

On the other hand, it is stated that market orientation also had an impact to entrepreneur's commitment. It appears from correlation value of market orientation on commitment of 0.44 (Figure

2), or an impact of 19.3%. This result is greater than the impact of market orientation on value creation. It is assumed because the assessment instruments of market orientation have a closeness with the characteristics of entrepreneurs. The measurements used in market orientation include risk taking, innovation, proactive, aggressive, and independent (Table 2). It seems clearly to be largely in line with the spirit of entrepreneurship in making decision for SMEs. Although, the impact of market orientation on value creation and commitment does not differ so much, but this is a recommendation in the strategy implementation. Where it is necessary to prioritize market orientation, given its impact on the implementation of value creation and commitment behavior of entrepreneurs.

The study result was confirmed through the research hypothesis test (Table 3). Where it is stressed that market orientation has a significant relationship with value creation (H1) and also it has a significant relationship with entrepreneurs' commitment (H2). This finding provides a great opportunity for SMEs, because collaboration from entrepreneurs through market orientation has an impact on company's strategy of creating value and impacting on the entrepreneur behavior, namely commitment they have. Surely, the expected result is its ability to support SMEs performance.

Mediation of Creation Value for SMEs Performance

In this study, a mediation test of value creation and entrepreneur's commitment was carried out. To see this support for the achievement of SMEs performance. Based on the study results found that value creation has a relationship to SMEs performance; it is shown through the correlation value of 0.44 (Table 2). It means that SMEs performance can be controlled directly by value creation. On the other hand, it is known that entrepreneurs' commitment has a relationship with SMEs performance. However, when it is examined deeper for the relationship is

very weak and it has an indication that it does not have a good impact to the improvement of SMEs performance. In line with the value commitment in SMEs performance was very weak of 0.04 (Table 2). This finding certainly explains the study for SMEs, where in measuring the success of SMEs performance, it is necessary to prioritize the implementation of the strategy of value creation. And it does not require entrepreneurs' commitment, because it does not have a direct impact. The support of value creation in SMEs performance is in line with previous research which explain that value creation is able to have a positive impact on improving SMEs performance (Ciasullo & Troisi, 2013).

The interesting thing from this part of the research is the support of the mediation of value creation. Where it is known that market orientation has an impact to value creation (Figure 2), and on the other hand, value creation is directly able to have an impact to SMEs performance. It means that value creation can mediate the relationship of market orientation on the increasing of SMEs performance. Part of this research is made clearly through the research hypothesis test presented in Table 3. Where it is known that value creation has a significant relationship on achieving SMEs performance (H3), and entrepreneur's commitment do not have a significant relationship to SMEs performance (H4). These results become recommendations in subsequent studies in controlling SMEs performance through business strategies, such as mediation of value creation.

Driver of Market Orientation for SMEs Performance

The recent of research finding is a study of market orientation impact to SMEs performance directly. This research becomes the main objectives in this research, which is to examine the control over market orientation. Based on study results found that market orientation has a positive relationship directly to SMEs performance, with a correlation value of 0.20 (Figure 2). These results are explained

by hypothesis testing (Table 3), which is stated that the relationship of market orientation on SMEs performance is significant (H5), or it has a significant impact. The results presented seem to be in line with previous research, especially for SMEs, which is stated that market orientation is a business strategy that is often controlled by entrepreneurs in achieving SMEs performance (Urban & Mothusiwa, 2014). More precisely, the research finding refine previous research and it certainly have benefits for SMEs in understanding SMEs business strategies.

Another facts, it appears that market orientation is able to directly control to value creation and entrepreneurs' commitment (Figure 2). So that the research findings clarify the position of market orientation, which has an ability to control SMEs performance both directly and through mediation from value creation and entrepreneurs' commitment. Examining of the research findings, a model can support the achievement of SMEs performance is a model of market orientation control on SMEs performance through the support of value creation. This model does not include entrepreneurs' commitment, because it is based on the study of commitment that cannot change directly to SMEs performance.

This study has important information, especially relating to the implementation of business strategies through market orientation. It is expected to be able to support SMEs in company operations, so that they can be developed towards SMEs performance.

Conclusions

The research focuses on examining the correlation of market orientation, value creation and commitment from entrepreneurs in supporting the improvement of SMEs performance. Market orientation is a strategy that is often used by entrepreneurs; it is related to the efforts to achieve of SMEs performance. However, it needs to be supported by other factors because it does not have significant impact directly. Based on the study results, it is found that the strategy of value creation

and entrepreneurs' commitment have a good correlation to market orientation and SMEs performance; but in improving SMEs performance, it only needs mediation of value creation. So, it is emphasized the meaning of the strategy implementation of value creation, which is actually the right mediation between market orientation and SMEs performance. The findings of this research are certainly useful, especially for SMEs, where it needs to control SMEs performance through market orientation with the support of value creation implementation. It needs to be known relating to market orientation is control for taking risk, innovation, proactive, aggressive, and independent, where all of these behaviors are actually very suitable for entrepreneurs in SMEs.

The commitment of entrepreneurs in this research did not provide a significant support for improving SMEs performance. However, this commitment can be controlled by the implementation of market orientation. This is a suggestion for further research which needs to be studied the other impacts of market orientation on entrepreneurial behavior besides the commitment. Because of the importance of market orientation in supporting entrepreneur performance, as well as SMEs performance. In addition, the current research is limited to SMEs in Bandung City, so that it can be developed further with a broader object in Indonesia. Many factors can control SMEs performance; it is not limited to the implementation of market orientation strategies, so it is suggested to examine the other strategies, such as distinctive capability and distinctive competence which are actually owned by many entrepreneurs.

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