

Research Article

The Impact of Green Entrepreneurial Orientation and Greenmarket Orientation on SME's Performance: The Role of Green Innovation

Rizqi Rahmawati*, Widji Astuti, and Fajar Supanto

Economics Doctoral Program, University of Merdeka Malang, Malang, Indonesia

ORCID

Rizqi Rahmawati: <https://orcid.org/0009-0003-9288-7162>

Abstract.

Protecting the environment has turned into a competitive market problem, affecting the success of small businesses. Much research has been done on the direct links between green entrepreneurial orientation, green market orientation, green innovation, and SME success. However, few studies look at the indirect links through the lens of green innovation. This study aims to find out if green market orientation and green entrepreneurial orientation impact the success of small and medium-sized businesses. PLS-SEM is used to test the theories quantitatively. Conversations with Batik SME business owners in Ponorogo City were used to gather data. Thirty people took part in this study. The results show that green market orientation and green entrepreneurial orientation have both direct and indirect effects on the success of small businesses. Green innovation also has a direct impact on the success of small and medium-sized enterprises, as well as affects green business orientation and green market orientation.

Keywords: green entrepreneurial orientation, green market orientation, green innovation, SME performance

Corresponding Author: Rizqi Rahmawati; email: rizqi.rahmawati@unmer.ac.id

Published: 15 October 2024

Publishing services provided by Knowledge E

© Rizqi Rahmawati et al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the 8th ICOS: Sustainable Economics Conference Committee.

1. Introduction

Small and medium-sized businesses (SMEs) play a significant role in the economic growth of a country by creating jobs, making good use of resources, raising the national income, and lowering poverty [1]. More than 96% of all jobs are held by small and medium-sized businesses (SMEs), the backbone of the Asia-Pacific economy [2]. Asian economies need support systems that work well for small and medium-sized companies. Based on information from the Ministry of Finance, 64,2 million business users in Indonesia in 2018 were Small and Medium Enterprises (UKM) [3]. SMEs took on 117 million workers, which is 97% of all the workers taken on by companies. Small and medium-sized businesses (SMEs) make up 61.1% of the country's GDP, while big



companies (38.9%) only make up 5,550 users, or 0.1% of all business users. On the other hand, green market orientation has an effect on business performance [4], and green entrepreneurial orientation and innovation are needed to speed up the performance of SMEs [5].

You can only study a company by looking at the internal and external settings it works in Gomes et al. [6]. There is a clear link between a company's plan, the market's uncertainty, and the competition level. When this happens in the market, there is less turbulence and more security, but companies are more likely to take risks [7]. This study [8] laid the groundwork for future research methods by showing how switching from a product structure to a customer structure affects the success of a business. These writers think it's essential to give an overview of good ways to switch from the old system to a structure based on the idea that this only works if a company already has a culture focused on the market. We react to Rezaei and Ortt [5] to find out how SMEs see the green market, help them develop new ideas, and make them better at what they do. So, along with a focus on the green market, an innovation strategy, and value-based pricing, this study found out how profitable the constructs were and how their sales estimates changed over time regarding market performance [9].

The rise of green buyers has impacted the modern, competitive company culture [10]. A green economy is vital for MSMEs from the point of view of both sustainability and protecting the earth. A green economy is a way of thinking about development focusing on long-term, eco-friendly, and fair economic growth. Regarding small and medium-sized businesses (MSMEs), the green economy can open up new ways to build companies sustainable and good companies for the earth.

Policies for small and medium-sized businesses to innovate are in place, but they still need to be understood, especially in developing nations. In Indonesia, microbusinesses comprise 98.68% of these SMEs and employ about 89% of the workforce. Small businesses, on the other hand, only make up 37.8% of GDP. So, the government supports small and medium-sized businesses by making it easier for tiny and small businesses to grow into medium-sized businesses [3]. With the help of People's Business Credit/KUR, the scheme is meant to help small enterprises to get more capital. So, creativity and a focus on the long term are closely linked to the excellent performance of manufacturing small businesses. So, we looked at how new green products and processes affect the market, customers, green business attitudes, and the success of SMEs in Indonesia.

2. Literature Review

2.1. Green entrepreneurial orientation

Green entrepreneurial orientation (EO) is one of the most studied issues in the strategy and entrepreneurship literature [11]. EO is defined according to the definition literature, which states that EO is a company's willingness to adopt innovative practices and take risks to introduce new products, services, and markets, and proactively move ahead of its competitors to take advantage of new opportunities in the market [12]. Meanwhile, according to Naman and Slevin [13], the definition of green entrepreneurial orientation is values related to the goal of seeking new market opportunities and expanding current areas of activity. The majority of research argues that the three main components of EO are; innovativeness, proactiveness, and risk-taking [11,14]. However, Miller [15]; Lumpkin and Dess [16] research defines different EO dimensions, namely, innovativeness and autonomy. However, the existing literature creates considerable debate regarding the dimensions of EO.

In the literature, Miller [15] EO is a "three-dimensional concept: innovativeness, risk-taking, and proactiveness". Further studies by Lumpkin and Dess [16] added competitive aggression and autonomy dimensions. In this study, the researcher will focus on innovativeness, risk-taking, and proactiveness as EO dimensions to characterize and test entrepreneurship. Extant literature has long observed that EO improves performance, either implicitly or explicitly [14]. Rauch et al. [17] found that financial performance and the firm's MO and EO are positively related. Using a qualitative framework, Li et al. [14] argued that an EO orientation triggers long-term growth for SMEs while proposing that OM can also enable firms to attain short-term competitive advantages. More recently, Nuvriasari et al. [18] reported that the green entrepreneurial orientation dimension improves the performance of Batik SME companies in Indonesia. Other studies show that green entrepreneurial orientation has no significant effect on performance [19].

According to several studies, innovativeness is the most important component of EO, and the results of the studies showed a significant link between innovation and high performance [14,16]. Innovativeness means a company's ability to support new ideas, experiment, introduce new products, and use creative processes [12,17]. In today's business environment, SMEs force themselves to become more innovative than ever before because they have developed a first-mover advantage with the new products

and services offered, resulting in high sales income, a high market share, and improved firm performance [11,20].

Being proactive means being prepared to take actions that would prompt a response from competitors. Approaching situations proactively indicates that the organization is actively involved in emerging industries, constantly seeking, and utilizing market weak signals, and responding quickly to changes in the organizational environment [15]. Proactiveness is the willingness of businesses to allocate resources to the introduction of new products and services before competitors [17]. According to studies, a business's proactiveness is highly correlated with how much it continues to develop new products, improve existing products, and expand into new markets.

Taking risks involves making bold decisions and investing significant resources [16]. Organizational risks are a growing area of concern that can support SMEs and their owner-managers in several capacities. In the case of innovative initiatives, this provides direction for decision-making regarding other choices, boosts confidence in the project's success, and reduces the risk of unexpected events that might lead to delays and unnecessary expenses. Organizational risks are a growing area of concern that can support SME owners and managers in several capacities [21]. Accepting risk is an essential component of the decision-making process for entrepreneurs who are attempting to enter a new firm, market, or product [20].

H1: It is suspected that there is a positive and significant effect between Green entrepreneurial orientation on SME's Performance.

H4: It is suspected that there is a positive and significant effect between Green entrepreneurial orientation on innovation

2.2. Greenmarket orientation

Greenmarket orientation (MO) defines how much an organization values, supports, and promotes behaviors compatible with the marketing concept [22]. Greenmarket's orientation reflects its goals and culture: creating customer value to remain competitive [23]. MO was beginning to be investigated by pioneers such as Morgan and Strong [24]; Narver and Slater [25]. Based on Narver and Slater [25], MO, intending to create superior customer value, firms are combining their operations and concentrating on their customers and competitors. Providing customers with more value is the key to long-term profit and competitive advantage.

According to several studies, green market orientations have been extensively discussed in the literature for the last 20 years. This study adopts [25] the implementation of MO conceptualization in the SME industry, according to emerging markets [9,18]. The concept includes (1) competitor orientation, (2) customer orientation, and (3) inter-functional coordination. Based on several earlier studies, these three elements offer a comprehensive picture of collecting, distributing, and taking advantage of market information in businesses [25].

H2: It is suspected that there is a positive and significant effect between Green Greenmarket orientation on SME Performance

H5: It is suspected that there is a positive and significant effect between Green Greenmarket orientation on innovation.

2.3. Green innovation

Innovation development and implementation depend heavily on having a green entrepreneurial attitude. The study focuses on the three primary tenets of a green entrepreneurial approach toward innovation: inventiveness, risk-taking, and proactiveness [15]. Additionally, it examines the various forms of innovation, including product innovation [1,26], the innovation process [27], and innovation types [14]. Small and medium-sized enterprises (SMEs) must establish innovative performance (I) to steer them towards enhancing existing products and services and establish an organizational structure that meets the requirements of a competitive market.

A company that introduces innovative goods and services to meet consumer demand in a cutthroat market is said to be engaging in green product innovation [28]. Adding new features and improving a product's quality while continuing to meet the market's increasing demand is known as green product innovation [29]. Green process innovation is applying technology to modify an inventive service delivery system or production process. Research suggests that green entrepreneurial orientation [26,29], and company performance [30–32] might be impacted by innovation processes. Innovation in products and processes increases a business's ability to finish tasks and gives it the chance to do so sustainably [33].

H3: The performance of SMEs is positively and significantly impacted by green innovation.

2.4. SME's Performance (SMEP)

A corporate mindset that prioritizes becoming green is essential to generate and implement new ideas. The study examines three critical facets of an innovative green company strategy: creativity, risk-taking, and proactivity [15]. Additionally, it explores several forms of innovation, including innovativeness, the innovation process, product innovation, and innovation [1–27]. Small and medium-sized enterprises (SMEs) must cultivate innovative performance (I) to generate new products and services, enhance their current offerings, and establish an organizational framework capable of meeting the demands of a fiercely competitive market.

A business is considered a green product pioneer if it can provide innovative green products and services to customers in a cutthroat market [28]. Green product innovation is enhancing an existing product with new features and improving it while continuing to satisfy the market's expanding demands [29]. Technology is used in process innovation. Green process innovation applies technology to modify a production process or create a new service delivery model. According to particular academics, an organization's performance [30–32] and the environmental consciousness of its founders [26,29] can be influenced by the innovations that are created. Product and process innovations enable organizations to perform tasks more effectively and sustainably [33].

Green innovation is likely to affect small enterprises' performance significantly.

H6: A green entrepreneurial attitude has a favorable and considerable impact on SMEs' performance through green innovation.

H7: Greenmarket orientation has a favorable and considerable impact on SMEs' performance through green innovation.

3. Research methodology

3.1. Instrument development

First, following a thorough literature assessment, the questionnaire was created utilizing seven potential sources. To gauge the underlying structures, the researcher employed a 32-item test. Based on Li et al. [14], Kaplan and Norton [34], and Sadiku-Dushi et al. [35], ten items comprise the EO scale. Six elements from Miller [15] and Liu et al. [29] include the innovation performance scale, while ten items from Morgan and Strong [24]; Narver

and Slater [25] comprise the green market orientation (MO) scale. SME performance was measured using a 6-item scale [35,36].

3.2. Sample and data collection

Population research is used in this study, meaning every person in the community is a research subject. This group had 30 small business owners from Ponorogo in East Java who were into batik. The batik business that has been around for three to five years was the one we picked. A questionnaire poll determined what Batik business owners thought about several topics. As you can see in Table 1, tests were given to learn more about the subject before the final report. The results from the polls were looked at using PLS-SEM programs. All the ideas were put into words using five-point Likert scores. (1) Strongly Disagree is at the bottom of the scale, and (5) Strongly Agree/Strongly Disagree is at the top.

TABLE 1: Characteristics of sample firms.

Items		Frequency	Percentage (%)	Commutative Percentage (%)
Firm age	less than 3 years	5	5	17
	4 years	10	15	50
	5 years	15	30	100
Capital (Rp)	less than 50 million	10	10	33
	50 millions - 100 millions	5	15	50
	more than 100 millions	15	30	100
Sales on year (Rp)	less than 100 million	12	12	40
	100 millions - 500 millions	10	22	73
	more than 500 millions	8	30	100
Employees	less than 5	13	13	43
	5-10	11	24	80
	more than 10	7	30	100

3.3. Conceptual structural model and development of hypotheses

A conceptual structural model including aspects EO, MO, I, and SMEP was developed based on their concept and relationships resulting from the literature, as shown in Figure 1. This structural relationship model was tested using SEM by PLS. The study tests the following hypotheses:

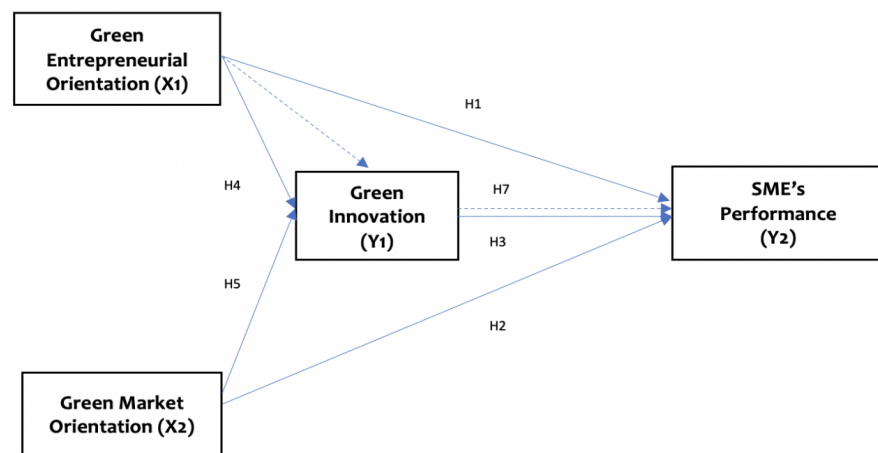


Figure 1: Conceptual structural model.

3.4. Data analysis and result

Data processing from the questionnaire utilizes the smart PLS version 3.0 application. The initial model of the correlation between variables can be seen in Figure 2. This initial model is based on the framework and indicators in each question in the questionnaire.

The evaluation of the model (outer model) is done by testing convergent and discriminant validity. The model validity test is said to be valid if the loading factor and Average Variance Extracted (AVE) > 0.5. the loading factor and AVE values can be seen in table 2.

The convergence validity test result is in Table 2. Show that several indicators have a loading factor value of less than 0.6, namely E04, E07, E09, 13, 14, MO2, MO4, MO10, SEMP1, and SEMP5, so the indicator is removed from the model. This model is then reanalyzed, and the results are shown in Figure 3 and Table 3.

The concurrent validity test result in Table 3 shows that all indicators in this final model have a loading factor value of more than 0.6, and the AVE value for each variable

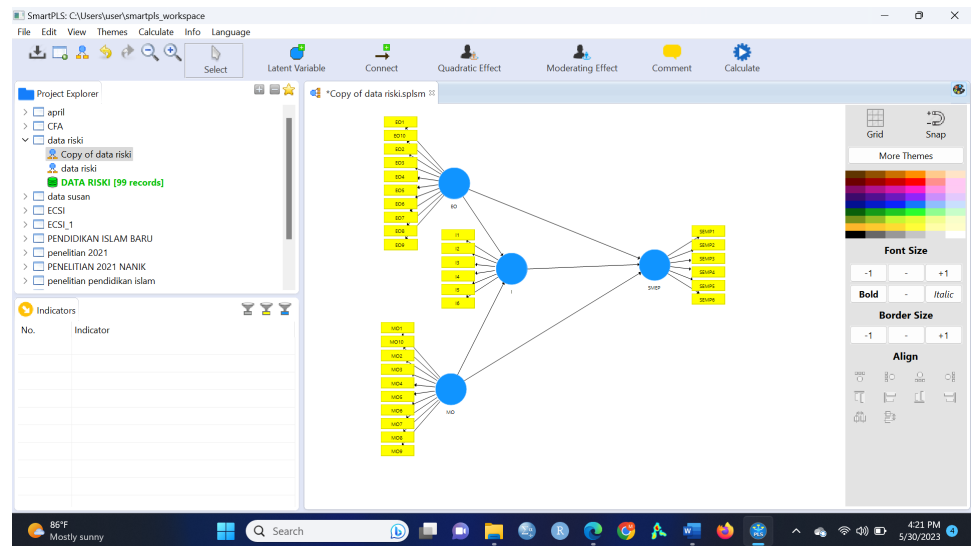


Figure 2: Model of the correlation between variables.

TABLE 2: Initial model loading factor and AVE value.

Indicator	Loading Factor	AVE	Indicator	Loading Factor	AVE
EO1	0.737	0.366	MO1	0.642	0.393
EO2	0.637		MO2	0.244	
EO3	0.672		MO3	0.647	
EO4	0.247		MO4	0.331	
EO5	0.719		MO5	0.762	
EO6	0.749		MO6	0.661	
EO7	0.176		MO7	0.779	
EO8	0.642		MO8	0.741	
EO9	0.312		MO9	0.725	
EO10	0.762		MO10	0.484	
I1	0.772	0.389	SEMP1	-0.051	0.375
I2	0.806		SEMP2	0.612	
I3	0.254		SEMP3	0.889	
I4	0.095		SEMP4	0.790	
I5	0.706		SEMP5	-0.057	
I6	0.720		SEMP6	0.674	

construct is more than 0.5, so this final model has met convergent validity and can proceed to taste discriminant validity.

Discriminant validity is carried out using the Fornell-lancer criteria, and the test results are shown in Table 4.

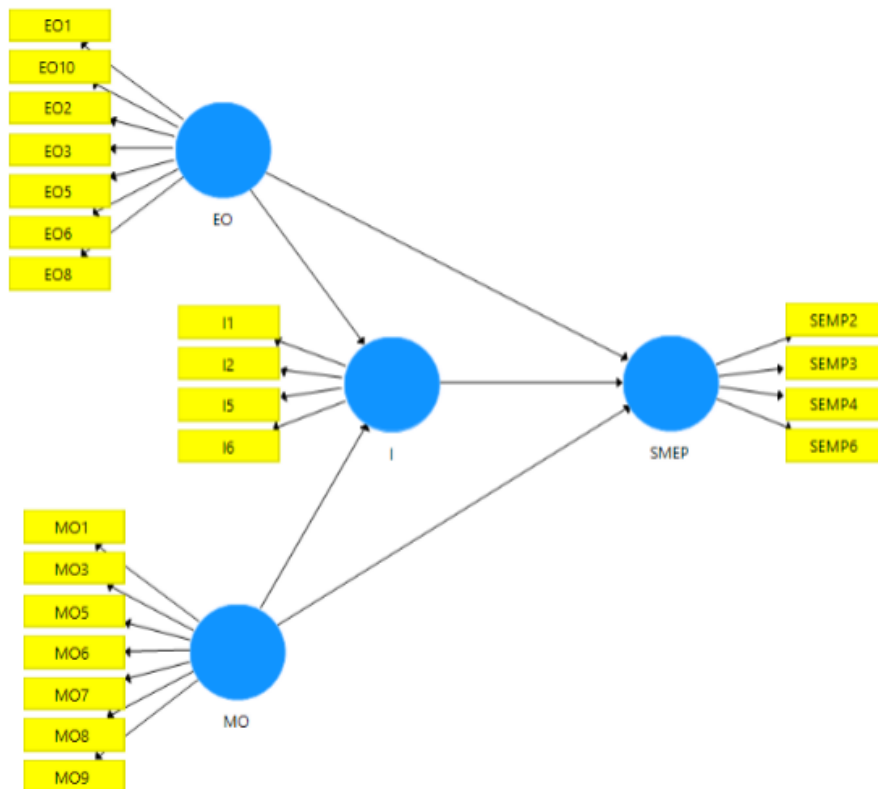


Figure 3: Model of re-analyzed.

TABLE 3: Loading factor and AVE value of the final model.

Indicator	Loading Factor	AVE	Indicator	Loading Factor	AVE
EO1	0.740	0.518	MO1	0.651	0.513
EO10	0.768		MO3	0.631	
EO2	0.659		MO5	0.775	
EO3	0.688		MO6	0.664	
EO5	0.759		MO7	0.783	
EO6	0.750		MO8	0.761	
EO8	0.665		MO9	0.730	
I1	0.785		0.571	SEMP2	
I2	0.816		SEMP3	0.888	
I5	0.692		SEMP4	0.789	
I6	0.722		SEMP6	0.663	

Table 4 shows that all correlations between constructs are smaller than thr root AVE, so that all construct variables have met discriminant validity.

TABLE 4: Final model discriminant validity testing.

	EO	I	MO	SMEP
EO	0.720			
I	0.556	0.756		
MO	0.262	0.348	0.716	
SMEP	0.441	0.577	0.475	0.749

TABLE 5: Reliability testing of the final model.

	Composite Reliability
EO	0.882
I	0.841
MO	0.880
SMEP	0.834

After the model has met convergent and discriminant validity, it is continued with reliability testing. The validity test results in Table 5 show that all construct variables are reliable because they all have a composite reliability value greater than 0.7. The structural model, also called the inner model, describes the relationship between latent variables in the study evaluated using several testing criteria, namely the coefficient of determination R^2 , and the parameter coefficient with the statistic test obtained through the bootstrapping process.

TABLE 6: Hypothesis testing.

Hypothesis	Relationship		Direct Effects		Indirect Effects		Direct and Indirect Effects	
			β	P-value	β	P-value	β	P-value
H1, H6	EO	→ SMEP	0.144	0.232	0.196	0.007	0.340	0.000
H2, H7	MO	→ SMEP	0.301	0.005	0.085	0.015	0.386	0.000
H3	I	→ SMEP	0.392	0.001			0.392	0.001
H4	EO	→ I	0.498	0.000			0.498	0.000
H5	MO	→ I	0.218	0.008			0.218	0.008

The direct, indirect, and total benefits for every building were investigated, as Table 6 illustrates. H4 supports the direct influence of Green Entrepreneurial Orientation on Green Innovation, with a b-value of 0.498 and a p-value of $0.000 < 0.05$. This indicates that green entrepreneurial attitude positively and profoundly impacts green innovation. H5 supports the direct influence of green market orientation on green innovation, with a p-value of $0.008 < 0.05$ and a value of $b = 0.218$. This indicates that green market orientation positively and profoundly impacts green innovation.

According to the tests, green innovation has a substantial and favorable impact on SME performance. This indicates that H3 is supported because the b-value is 0.1392, and the p-value is less than 0.05. The test's findings suggest that an eco-friendly company model has a minor but positive effect on small companies' performance. This is because the b-value is 0.144, and the p-value is more than 0.05, indicating that the result does not support H1. Research suggests that small enterprises' performance is impacted by green innovation when they have a green entrepreneurial attitude (p-value=0.007<0.05, b=0.196). This lends credence to H6, which holds that green innovation influences small enterprises' performance and that a green entrepreneurial attitude is crucial. The study discovered that the performance of small firms is impacted by green entrepreneurship in both direct and indirect ways. The total effect is significant, with a b-value of 0.340 and a p-value of 0.000<0.05.

Given that $b = 0.301$ and the p-value is $0.005 < 0.05$, the test results are consistent with H2. This indicates that the green market approach positively and significantly impacts the performance of SMEs. A p-value of $0.015 < 0.05$ and a value of 0.085 indicate that green market orientation directly affects the innovative performance of small enterprises. This lends credence to H7, which states that green market orientation through innovation impacts small enterprises' success. Given that the b-value is 0.386 and the p-value is $0.000 < 0.05$, the overall effect of the green market trend on small and medium-sized businesses is noteworthy.

TABLE 7: Coefficient of determination.

	R Square	R Square Adjusted
I	0.353	0.339
SMEP	0.433	0.415

The direct, indirect, and total benefits for every building were investigated, as Table 6 illustrates. H4 supports the direct influence of Green Entrepreneurial Orientation on Green Innovation, with a b-value of 0.498 and a p-value of $0.000 < 0.05$. This indicates that green entrepreneurial attitude positively and profoundly impacts green innovation. H5 supports the direct influence of green market orientation on green innovation, with a p-value of $0.008 < 0.05$ and a value of $b = 0.218$. This indicates that green market orientation positively and profoundly impacts green innovation.

According to the tests, green innovation has a substantial and favorable impact on SME performance. This indicates that H3 is supported because the b-value is 0.1392, and the p-value is less than 0.05. The test's findings suggest that an eco-friendly company

model has a minor but positive effect on small companies' performance. This is because the b-value is 0.144, and the p-value is more than 0.05, indicating that the result does not support H1. Research suggests that small enterprises' performance is impacted by green innovation when they have a green entrepreneurial attitude (p-value=0.007<0.05, b=0.196). This lends credence to H6, which holds that green innovation influences small enterprises' performance and that a green entrepreneurial attitude is crucial. The study discovered that the performance of small firms is impacted by green entrepreneurship in both direct and indirect ways. The total effect is significant, with a b-value of 0.340 and a p-value of 0.000<0.05.

Given that $b = 0.301$ and the p-value is $0.005 < 0.05$, the test results are consistent with H2. This indicates that the green market approach positively and significantly impacts the performance of SMEs. A p-value of $0.015 < 0.05$ and a value of 0.085 indicate that green market orientation directly affects the innovative performance of small enterprises. This lends credence to H7, which states that green market orientation through innovation impacts small enterprises' success. Given that the b-value is 0.386 and the p-value is $0.000 < 0.05$, the overall effect of the green market trend on small and medium-sized businesses is noteworthy.

4. Finding and discussion

With the help of green innovation, this study aims to find out how green market orientation and green entrepreneurial orientation affect the success of small and medium-sized businesses. The study questions are: What effect does a green entrepreneurial orientation have on the performance of small businesses? What impact does a green market orientation have on the performance of small businesses? What effect does a green entrepreneurial orientation have on green innovation? What effect does a green market orientation have on green innovation? Next, we'll look at how a green market orientation can affect the performance of small businesses through green innovation. Finally, we'll look at how a green entrepreneurship orientation can affect the performance of small firms through green innovation.

Thirty valid and complete questionnaires were used to create measurement and structural models showing how green entrepreneurial orientation and green market orientation affected the performance of small and medium-sized businesses (SMEs) performance. The models looked at how green entrepreneurial orientation affected SMEs' performance, how green market orientation affected SMEs' performance, how

green entrepreneurial orientation affected green innovation, and how green market orientation affected green innovation. The results are then compared to see how big the results are based on the company's size, such as its capital, length of time in business, revenue, and number of workers.

Seven theories were developed to reach the goal of this study. First, a green approach to business is thought to improve the success of small and medium-sized enterprises (SMEs). Innovation and taking risks to reach business goals support his idea. This conclusion comes from Li et al. [14], who said that a green entrepreneurial mindset improves the performance of small and medium-sized businesses. This statement differs from Ahmatang and Sari[19], who said that a green entrepreneurial mindset has a negligible impact on the performance of small and medium-sized enterprises. Second, focusing on the green market will improve the success of small and medium-sized businesses. The fact that marketer and competitor orientation both have high numbers supports this idea. The results of this study agree with what Nuvriasari et al. [18] said about how a green market mindset can help small businesses do better. Third, it is thought that green innovation makes small businesses do better. In line with Chen and Tsou [30], this result supports the idea that new ideas help small businesses do better; it fits what Lie et al. [37] found, which says that e-commerce and green product innovation have a strong and good effect on small businesses' performance simultaneously and in parts.

Fourth, a green entrepreneurial mindset is thought to have a good effect on innovation. This result supports Mohammad's et al. [38] claim that a green entrepreneurial mindset improves green innovation. Fifth, green market orientation has a good impact on green innovation. This result fits Kurniawan Nusantara's [39] idea that a green market orientation suits green innovation. Sixth, a green entrepreneurial orientation will have a significant and good effect on the performance of small and medium-sized businesses through green innovation. This result is similar to what has been said before. The last one will have a significant and good effect on the market for SME performance through green innovation. This result is the same as what was found in an earlier study by Putri et al. [40].

5. Conclusion

One study challenge that still drives many researchers and organization managers is to figure out the factors that affect the performance of small and medium-sized businesses.

As expected, this study was done with 30 small and medium-sized companies that deal with batik. Previous research has shown that a focus on the green market has a direct and significant effect on the organizational success of Batik SMEs. The data showed that a focus on green markets has a substantial and positive impact on the performance of small businesses.

This fits with the study that shows that focusing on the green market has a significant and positive impact on the performance of small businesses. As other studies have shown, other results show that being an environmentally friendly business owner can also help small and medium-sized companies do better. New ideas can also help small businesses do better when they focus on green markets and are entrepreneurial. Also, creating, validating, and testing a theoretical model that finds factors that could lead to better market performance is essential. Two moderating factors may also change the relationship between the parts.

References

- [1] Al Mamun A, Hayat N, Fazal SA, Salameh AA, Zainol NR, Makhbul ZK. The mediating effect of innovation in between strategic orientation and enterprise performance: evidence from Malaysian manufacturing small-to-medium-sized enterprises. *Front Psychol.* 2022 May;13:887–95.
- [2] Yoshino N, Taghizadeh-Hesary F. The role of SMEs in Asia and their difficulties in accessing finance (No. 911). Tokyo: ADBI Working Paper Series; 2018.
- [3] Kemenkue Homepage DJ. <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>, last accessed 2023/06/03.
- [4] Schulze A, Townsend JD, Talay MB. Completing the market orientation matrix: the impact of proactive competitor orientation on innovation and firm performance. *Ind Mark Manage.* 2022;103:198–214.
- [5] Rezaei J, Ortt R. Entrepreneurial orientation and firm performance: The mediating role of functional performances. *Manag Res Rev.* 2018;41(7):878–900.
- [6] Gomes G, Seman LO, Berndt AC, Bogoni N. The role of entrepreneurial orientation, organizational learning capability and service innovation in organizational performance. *Revista de Gest ao.* 2022;29(1):39–54.
- [7] Lukas BA, Tan JJ, Hult GT. Strategic fit in transitional economies: The case of China's electronics industry. *J Manage.* 2001;27(4):409–29.
- [8] Moorman C, Day GS. Organizing for marketing excellence. *J Mark.* 2016;80(6):6–35.

- [9] De Toni D, Reche RA, Milan GS. Effects of market orientation, innovation strategies and value-based pricing on market performance. *Int J Prod Perform Manag.* 2022;71(8):3556–80.
- [10] Tjahjadi B, Soewarno N, Hariyati H, Nafidah LN, Kustiningsih N, Nadyaningrum V. The role of green innovation between green market orientation and business performance: Its implication for open innovation. *J Open Innov.* 2020;6(4):173.
- [11] Kraus S, Rigtering JC, Hughes M, Hosman V. Entrepreneurial orientation and the business performance of SMEs: A quantitative study from the Netherlands. *Rev Manag Sci.* 2012;6(2):161–82.
- [12] Soininen J, Martikainen M, Puumalainen K, Kyläheiko K. Entrepreneurial orientation: Growth and profitability of Finnish small-and medium-sized enterprises. *Int J Prod Econ.* 2012;140(2):614–21.
- [13] Naman JL, Slevin DP. Entrepreneurship and the concept of fit: A model and empirical tests. *Strateg Manage J.* 1993;14(2):137–53.
- [14] Li YH, Huang JW, Tsai MT. Entrepreneurial orientation and firm performance: The role of knowledge creation process. *Ind Mark Manage.* 2009;38(4):440–9.
- [15] Miller D. The correlates of entrepreneurship in three types of firms. *Manage Sci.* 1983;29(7):770–91.
- [16] Lumpkin GT, Dess GG. Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *J Bus Venturing.* 2001;16(5):429–51.
- [17] Rauch A, Wiklund J, Lumpkin GT, Frese M. Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrep Theory Pract.* 2009;33(3):761–87.
- [18] Nuvriasari A, Ishak A, Hidayat A, Mustafa Z, Haryono S. The effect of market and entrepreneurship orientation on SME's business performance: The role of entrepreneurial marketing in Indonesian Batik industries. *Eur J Bus Manag.* 2020;12(5):29–37.
- [19] Ahmatang A, Sari N. Pengaruh orientasi kewirausahaan dan orientasi pasar terhadap kinerja usaha dimediasi keunggulan bersaing pada UMKM di pulau Sebatik. *Inovasi: Jurnal Ekonomi, Keuangan, dan Manajemen.* 2022;18(3):492-500.
- [20] Ejdys J. Entrepreneurial orientation vs. innovativeness of small and medium size enterprises, 2016. <https://doi.org/10.32738/JEPPM.201601.0003>
- [21] Brettel M, Chomik C, Flatten TC. How organizational culture influences innovativeness, proactiveness, and risk-taking: Fostering entrepreneurial orientation in SMEs. *J Small Bus Manag.* 2015;53(4):868–85.

- [22] Jaworski BJ, Kohli AK. Market orientation: Antecedents and consequences. *J Mark.* 1993;57(3):53–70.
- [23] Siti R, Surachman S, Rofiaty R, Ananda S. Environmental influence on business and strategic planning over the small-medium enterprises' performance: A study on featured product produced by SMEs in Sidoarjo, Indonesia. *Russ J Agric Soc-Econ Sci.* 2017;61(1):188–93.
- [24] Morgan RE, Strong CA. Market orientation and dimensions of strategic orientation. *Eur J Mark.* 1998;32(11/12):1051–73.
- [25] Narver JC, Slater SF. The effect of a market orientation on business profitability. *J Mark.* 1990;54(4):20–35.
- [26] Nasir WM, Al Mamun A, Breen J. Strategic orientation and performance of SMEs in Malaysia. *SAGE Open.* 2017;7(2):2158244017712768.
- [27] Pérez-Lu no A, Wiklund J, Cabrera RV. The dual nature of innovative activity: How entrepreneurial orientation influences innovation generation and adoption. *J Bus Venturing.* 2011;26(5):555–71.
- [28] Murmura F, Bravi L, Santos G. Sustainable process and product innovation in the eyewear sector: The role of industry 4.0 enabling technologies. *Sustainability (Basel).* 2021;13(1):365.
- [29] Liu H, Ding XH, Guo H, Luo JH. How does slack affect product innovation in high-tech Chinese firms: The contingent value of entrepreneurial orientation. *Asia Pac J Manage.* 2014;31(1):47–68.
- [30] Chen JS, Tsou HT. Performance effects of IT capability, service process innovation, and the mediating role of customer service. *J Eng Technol Manage.* 2012;29(1):71–94.
- [31] Mursid MC, Suliyanto S, Rahab R. Value of innovation and marketing performance. *Int Rev Manag Mark.* 2019;9(3):127–33.
- [32] Tsou HT, Cheng CC. How to enhance IT B2B service innovation? An integrated view of organizational mechanisms. *J Bus Ind Mark.* 2018;33(7):984–1000.
- [33] Arboretti R, Ceccato R, Pegoraro L, Salmaso L. Design of Experiments and machine learning for product innovation: A systematic literature review. *Qual Reliab Eng Int.* 2022;38(2):1131–56.
- [34] Kaplan RS, Norton DP. *Focusing your organization on strategy-with the balanced scorecard.* Cambridge: Harvard Business School Publishing; 2004.
- [35] Sadiku-Dushi N, Dana LP, Ramadani V. Entrepreneurial marketing dimensions and SMEs performance. *J Bus Res.* 2019;100:86–99.
- [36] Kaplan RS, Norton DP. Linking the balanced scorecard to strategy. *Calif Manage Rev.* 1996;39(1):53–79.

- [37] Lie D, Siregar RT, Silitonga HP, Sianipar RT, Putri JA. Peran Pemanfaatan E-Commerce dan Inovasi Produk Dalam Meningkatkan Kinerja UMKM. SENRIABDI; 2022. pp. 186–95.
- [38] Mohammad IN, Massie JD, Tumewu FJ. The effect of entrepreneurial orientation and innovation capability towards firm performance in small and medium enterprises (Case Study: Grilled Restaurants in Manado). *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*. 2018;7(1):1–10.
- [39] Kurniawan Nusantara A. Pengaruh Orientasi Pasar Terhadap Inovasi Perusahaan (Studi Pada Industri Kecil Gerabah). Doctoral dissertation, Yogyakarta: UAJY; 2016.
- [40] Putri MA, Yasa NN, Giantari IK. Peran Inovasi Produk Memediasi Orientasi Pasar Terhadap Kinerja UKM Kerajinan Endek Di Kabupaten Klungkung. *INOBISS: Jurnal Inovasi Bisnis Dan Manajemen Indonesia*. 2018;1(4):522–34.