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## A RESEARCH ON DETERMINING THE RELATIONSHIP BETWEEN LEARNING ORIENTATION AND FIRM INNOVATIVENESS

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### **Abstract**

*This study aims to determine the relationship between learning orientation and firm innovativeness. In the study, survey method is used and the data gathered from the tourism organizations operating in Western Antalya coastal region. Findings have been analyzed by SPSS 22.0 and hypotheses are tested. At the end of the study, the relationship between firm innovativeness and learning orientation factors including commitment to learning, shared vision, openmindedness and intra-organizational knowledge sharing. Accordingly, results of the analysis revealed that there is a statistically significant and positive relationship among each parameter.*

Keywords: Innovation, Learning Orientation, Firm Innovativeness

### **1. INTRODUCTION**

Interaction between all world economies and world's being the common market, one of the most important dynamics of globalization concept, has been forcing the companies to break out of the routine and to make innovation concept a component of the organization culture. This progress mentioned brings significance to innovation skill. In this respect, companies have to improve their innovation skills and form an innovative organizational structure.

Firms wanting to improve their innovation skill should carefully observe the developments around them to produce information and it can be a necessity for them to act in accordance with the expectations of their environment (Avcı, 2009). In addition to improving innovation skills, learning orientation also becomes significant for organizations. Thus, companies should ideally lead and orientate these two concepts in their organization to be successful in their sector or in global markets. From this point of view, present study aims to determine the relationship between learning orientation and innovation performance.

## 2. LITERATURE SUMMARY

### 2.1 Organizational Learning

Organizational learning has been researched for long years, yet the studies have increased more recently. In addition to this, the increase has led to diversity, expertise and debates in academical writing. Although it seems that organizational learning can be used with some popular concepts such as learning organizations and knowledge management, it differs from them in certain significant points (Koc, 2009). Organizational learning means change in organizational knowledge, adding to that knowledge and converting or filtering it. Organizational learning theories tries to ascertain the process causing the change in organizational knowledge or hindering it and it also tries to discover the effects of knowledge and learning on organizational behaviour and outcomes (Aydogan et al., 2011). In other words, the process of adaptation to change which is affected by past experiences, focused on improving and converting work routine and supported by organizational memory (Nonaka and Takeuchi, 1995) is defined as having a perspective that will provide creative learning, one of the basic characteristics of effective organizational learning (Balay, 2004). It is emphasized in many studies that more individuals should participate in learning process and certain efficiencies should be developed in firms to provide organizational learning and to transfer knowledge from individual level to organizational level (Avci, 2009).

Characteristics of organizational knowledge can be listed as follows (Seymen and Bolat, 2002):

- It is a process that demands individuals to take responsibility, regards them as learning creatures and requires active participation of all members in an organization.
- It is a fact including changes in organizational structure as well as behaviours. It supports the transition from individual learning to collective learning.
- It is a dynamic process based on change.
- It can occur at different pace and levels depending on the result of the activity.
- It can sometimes lead to negative consequences, although it results positively for organizations, This is valid for non-formal learning and at individual level.
- It means leaning new information from both internal and external elements. In this respect, organizational learning is a comprehensive process.
- Knowledge and experiences obtained by organizational learning can be applied immediately or kept in organizational memory for future use.

Today, many succesful company managers make an effort to improve the intellectual aspects and skills of human resources more than to increase and direct the physical and capital assets of their companies. There is an increasing awareness of the fact that efficiency, quality and maintaining the competitive advantage based on these are directly connected with learning and innovation skills of organizations (Aksoy, 2004 cited in Iraz, 2004).

### 2.2 Innovation

According to Dosi, innovation is searching a new product, method or organizational structure, inventing (invention), trying, improving, adopting by imitating or commercializing (Oguzturk, 2003). Firms gain competitive advantage through innovational actions. Firms approach broadly to innovations in terms of both technologies and new business methods (Porter, 1990). Innovation involves all the activities ranging from scientific research to invention, improvement and

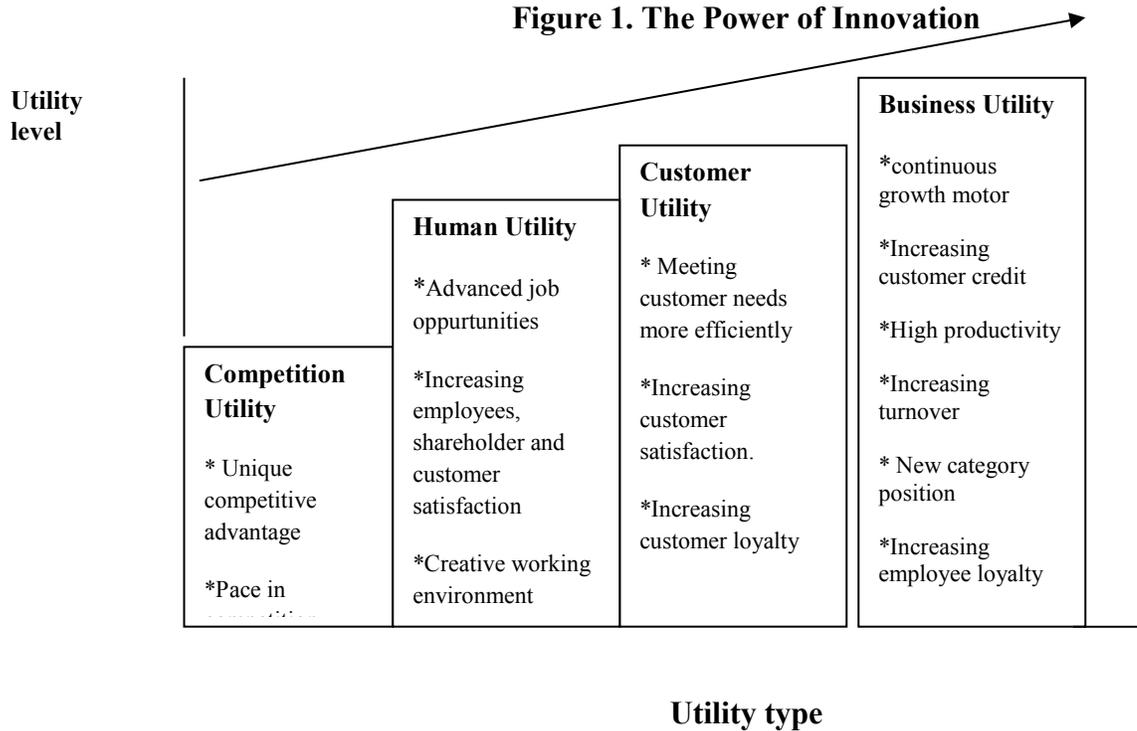
commercialisation for creating a new product or production process (Kamien and Schwartz, 1982). According to Schumpeter, innovation is operating for the studies bringing improvements which lead to new inventions of commercial products. According to Drucker, trade consists of two basis and these are marketing and innovation. With regard to these definitions, innovation is manufacturing new products through new information and ensuring customer satisfaction. Besides, according to some scientists, innovation is the first step of invention (Akgemci and Gules, 2009).

Today, companies operates in a state of chaos called “Innovate or Die!” and this urges them to perform product innovation instead of waiting without doing anything. Hence, companies such as 3M, Sony, Casio, Lexus, Braun and Honda which are known as the God of product also approach likewise (Kotler, 2003). Product innovation is one of the basic business processes that ensure the converting of the needs and opportunities around the organization into needs satisfied and opportunities benefited from. Product innovation can be evaluated as a significant business process in terms of securing the future of a firm (John et al., 1995).

Innovation activities provide advantage both for international and intercompany competition in manufacturing and releasing a product, manufacturing a new product and putting it on the market as well as performing that manufacturing and releasing more economically also provide advantage for companies. In today’s world, companies have to redefine themselves in many different ways, rearrange their fundamental strategies and rediscover the industry they operate in to gain competitive advantage that is, they should have the ability to be different from their rival companies and to make a difference in their service. It is innovation what makes a company valuable (Zerenler et al., 2007).

The power of innovation utilizes four basic variables. These utilities are explained in figure 1.

**Figure 1. The Power of Innovation**



**Resource:** Davis, 1997 cited in Avsar, 2006, p.72

As it is seen in the figure above, innovation utilizing companies in many field is a more extensive concept than just producing a new product/ service. Firms will gain competitive advantage when they completely impress innovative feeling on organization culture and make their resources and abilities capable of innovating not for once but continuously.

Benefits appearing as a result of the strategic effects of innovation can be listed as major topics as follows (Gules and Bulbul, 2004):

- Increase in productivity,
- Gaining international competitive advantage,
- Enhancing employment
- Adjustment in balance of the payments disequilibrium
- Increasing the national and industrial security
- Improving sectors like communication and service
- Achieving social and human development
- Ensuring the effective use of resources
- Protecting environment
- Speeding up economical growth and development

When companies want to develop their innovation skill, it can become a necessity for them to produce information by observing systematically a great number of developments around their environment and to force themselves according to the expectations of their society (Avcı, 2009).

### **3. RESEARCH METHODOLOGY**

In this part of the study, the aim, hypothesis and findings will be revealed.

#### **3.1. Research Method and Sampling**

Data set is composed by using survey method and the research is carried out at 250 hotels registered to Republic of Turkey Ministry of Culture and Tourism in Western Antalya region (especially Kemer, Goynuk, Tekirova and Beldibi). In the study, Response scales related to learning determination, shared vision, open-mindedness, intraorganizational knowledge sharing and innovation performance are listed as “1”= Strongly Disagree and “5”=Strongly Agree and asked in the form of 5 point Likert scale.

The population of the research is limited to 250 hotels registered to Republic of Turkey Ministry of Culture and Tourism in Western Antalya coastal region (especially Kemer, Goynuk, Tekirova and Beldibi). 102 of these hotels has responded to the survey. Feedback ratio of the surveys is %40.8. In the samples chosen from the universe, feedback ratio is between %20 and %40 (Gules and Caghyan,2003; Tekin et al,2005; Gurbuz and Demirer, 2006), when this is taken into consideration the ratio in the present study can be regarded as an acceptable ratio. SPSS 20.0 for Windows is used for assessment of questionnaires. Reliability of the scales related to innovation performance and learning- orientation are tested before data analysis is measured by Cronbach' Alpha. Alpha values of scales for learning determination is  $\alpha= 0.854$ , for shared vision is  $\alpha= 0.876$ , for open-mindedness  $\alpha= 0.872$ , for intraorganizational knowledge sharing  $\alpha= 0.925$ , and for busineinnovation performance  $\alpha= 0.876$ . Alpha values range from 0 to 1 and an acceptable value should be at least 0,70 (Altunısık et al, 2010). When reliability coefficient is examined, it is observed that the reliability of the scales belong to communication are over 0.70. Thus, it is concluded that scales were highly ( $\alpha >0,70$ ) reliable. To measure learning orientation, a four dimensional scale developed by Calantone et al. (2002) and applied by Avcı (2009) was used in the questionnaire.

#### **3.2. Research Hypotheses**

The main aim of the study is to determine the relationship between learning orientation and innovation performance. The hypotheses developed in accordance with this purpose are listed below:

Hypothesis 1: There is a statistically significant positive relation between learning determination and innovation performance.

Hypothesis 2: There is a statistically significant positive relation between shared vision and innovation performance.

Hypothesis 3: There is a statistically significant positive relation between open-mindedness and innovation performance.

Hypothesis 4: There is a statistically significant positive relation between intraorganizational knowledge sharing and innovation performance.

## **4. FINDINGS**

### **4.1. Sampling Features**

When the number of employees is examined, it is seen that 5.9% of the companies participating in the research have 1-50 workers; 52.9% have 51-500 workers and 41.2% have more than 500 workers. Most of these companies (64.7%) have been operating for 5 to 10 years. When the marketshare data is examined, most of the companies (97.1%) have been operating both in domestic and foreign market. From the point of competition level, it is seen that most of the companies (64.7%) highly compete with others.

### **4.2. Findings related to Learning Orientation and Innovation Performance**

To assess learning orientation of the companies, sub-questions about learning determination, shared vision, open-mindedness and intraorganizational knowledge sharing are asked in the Table 1.

**Table 1. Findings about Learning Orientation of Companies**

|   | <b>Mean</b> | <b>S.D.</b> |
|---|-------------|-------------|
| Learning is seen as the key factor to gain competitive advantage in our company.                  | 3.71        | 1.13        |
| Learning is seen as the key factor to develop in our company.                                     | 3.71        | 1.08        |
| Learning of employees is seen as not a expense but an investment in our company.                  | 3.68        | 1.06        |
| Learning is seen as the fundamental means to guarantee continuity of our company.                 | 3.76        | 0.98        |
| <b>Learning Determination</b>   | 14.85       | 3.54        |
| There is a common goal congruence among employees in our company.                                 | 3.65        | 0.91        |
| Vision and values of our company are adopted by all departments and employees.                    | 3.68        | 1.08        |
| All employees make an effort to ensure our company to reach its goal.                             | 3.82        | 0.75        |
| Our employees see themselves as participants for determining future of the organization.          | 3.68        | 0.94        |
| <b>Shared Vision</b>  | 14.82       | 3.16        |
| As a company we question our decisions and activities all the time.                               | 3.56        | 0.92        |
| Employees question the market and market conditions all the time in our company.                  | 3.53        | 1.22        |
| As a company we question the information about customers and the market all the time.             | 3.71        | 1.08        |
| <b>Open-mindedness</b>  | 10.79       | 2.89        |
| There is a positive conversation between managers and workers, which keeps our experiences alive. | 3.94        | 1.03        |
| As a company, we analyse our failures and we share the experience with others in the company.     | 3.76        | 0.98        |
| There are special mechanisms (system etc.) in our company to share our business experiences.      | 3.32        | 1.03        |
| As the top management, we emphasize the importance of knowledge sharing.                          | 3.88        | 1.06        |
| <b>Intraorganizational Knowledge Sharing</b>  | 14.91       | 3.70        |
| <b>Total</b>  | 55.38       | 12.12       |

Notes: (i)  $n=102$ ; (ii) 5 means Strongly Agree, 1 means Strongly Disagree in the scale; (iii) According to Friedman two-way Anova Test ( $\chi^2=69.028$  and  $p<.001$ , results are statistically meaningful).

When table 1 is examined, it is seen that learning orientation consist of four dimensions which are learning determination, shared vision, open-mindedness and intraorganizational knowledge sharing. Companies regard learning as the fundamental means to guarantee continuity of the company (3.76). Moreover learning is seen as the key factor to devolop and gain competitive advantage for companies (3.71). Findings are above average, so they become important and they state learning determination of the companies. Therefore these findings can be claimed to result from the fact that companies perceive knowledge and learning as a significant factor for competitiveness of companies and they have become aware of the importance of learning and knowledge in today's world.

It can also be observed that all the employees make an effort to help the company reach its goal (3.82). Besides, vision and values of the company are adopted by all departments and employees and employees see themselves as participants toddetermine the future of the company (3.68).

It is seen that companies question the information about customers and the market all the time (3.71). In addition to this it can be concluded that they question their decisions and activities (3.56) and thay question the information related to customers and the market all the time (3.53).

When intraorganizational knowledge sharing is examined, it is seen that there is a positive conversation between managers and workers, which keeps the experiences alive (3.94); the top management emphasize the importance of knowledge sharing (3.88) and also as a company, they analyse the failures and share the experience with others in the company (3.76).

Assessment of the innovation performance criteria included in the present study can be seen in Table 2.

**Table 2. Innovation Performance of the Companies Participated in the Study**

| <b>Innovation Performance</b>   | <b>Mean</b> | <b>S.D.</b> |
|---|-------------|-------------|
| Our company always tries new ideas.   | 3.24        | 1.01        |
| Our company tries new ways to achieve.  | 3.68        | 0.80        |
| Our company tries new methods to devolop its activities.                            | 3.76        | 0.77        |
| Our company is among the ones which launch new products and services in the market. | 3.65        | 0.91        |
| New products and services of our company have increased in last 3 years.            | 3.71        | 1.02        |
| <b>Total</b>  | 18.03       | 3.71        |

*Notes: (i) n=102; (ii) 5 strongly increased , 1 means never changed in the scale; (iii) according to Friedman two-way Anova Test ( $\chi^2=47.403$  and  $p<,001$ ) results are statistically meaningful.*

When table 2 is examined, The highest values in the table (3.76) are for “Our company tries new methods to devolop its activities” and “New products and services of our company have increased in last 3 years” (3.71). In addition to these values it can also be seen that companies triy new ways to achieve their business (3.68). Examining the table 2, we can state that companies generally have a above-average innovation performance.

In the study, the relation among each variable is determined by using coefficient of correlation. Correlation matrix is given below in Table 3.

**Table 3. Correlation Matrix**

|  | <b>Learning Determination</b> | <b>Shared Vision</b> | <b>Open-Mindedness</b> | <b>Intraorganizational Knowledge Sharing</b> | <b>Innovation Performance</b> |
|--|-------------------------------|----------------------|------------------------|--|-------------------------------|
| <b>Learning Determination</b>                | 1                             |                      |                        |  |                               |
| <b>Shared Vision</b>                         | .820**                        | 1                    |                        |  |                               |
| <b>Open-Mindedness</b>                       | .780**                        | .798**               | 1                      |  |                               |
| <b>Intraorganizational Knowledge Sharing</b> | .693**                        | .844**               | .720**                 | 1  |                               |
| <b>Innovation Performance</b>                | .631**                        | .679**               | .615**                 | .691**                                       | 1                             |

**Note:** \*\* $p < .001$

As it is seen in the correlation matrix in table 3, each variable has a statistically meaningful ( $p < .001$ ) relationship with others. As a result of the table 3, all of the hypotheses can be accepted. In other words, Hypothesis 1, Hypothesis 2, Hypothesis 3 and Hypothesis 4 which claim that each parameter such as learning determination, open-mindedness, shared vision and intraorganizational knowledge sharing has a positive relationship with innovation performance. The results are parallel with the results of the other studies in literature (Avcı, 2009; Keskin, 2006; Therin, 2003).

## 5. Conclusion

In this study, survey method is used and the research conducted on the companies registered to Republic of Turkey Ministry of Culture and Tourism in West Anatolia coastal region (especially Kemer, Goynuk, Tekirova and Beldibi).

Main aim of the study is examining the relationship between learning orientation and innovation performance. In accordance with this main aim, the accuracy of hypotheses are tested. As a consequence of the analysis, a positive relationship between learning determination, open-mindedness, shared vision, intraorganizational knowledge sharing and innovation performance is detected.

To ensure the reliability and accuracy of the results, we avoid applications causing measurement errors and we also pay great attention to prevent measurement error problems in the study conducted. Researchers interested in the topic can make continuing studies by using a more widescale sampling in different regions and they can contribute to the literature by performing comparative analysis in various sectors.

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