STRATEGIC ORIENTATION OF SMALL AND MEDIUM SIZE ENTERPRISES

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crossref http://dx.doi.org/10.5755/j01.em.19.4.8098

Abstract

The author investigates the relationship between two constructs: strategic orientation and innovation. Paper is a literature based research, which analysed the impact of strategic orientation on innovation. The review of the literature conducted by the author, on the one hand, was aiming at the identification of the methodological aspects related to the study of the relationship between strategic orientation and innovation, and on the other hand, it was to indicate the direction of that type of relationships.

The conducted literature studies confirmed that the research implemented in this area is mostly of a quantitative nature and collected research material is often subjected to analysis with the use of the Structural Equations Models (SEM), regression analysis and confirmatory factor analyses. The presented results of the research often concern the specific sectors of activity, such as: high-tech, financial sector, insurance firms, gardening, hotels or are of cross-sectorial nature (manufacturing and service enterprises). The conducted literature proved: (i) existing two opposing views on the impact (positive or negative) of marketing orientation on the level of innovation of an organization; (ii) existing positive relationship between learning orientation and the innovation of the companies and (iii) positive relationship between the entrepreneurial orientation and the innovation of the companies.

The type of the article: *Theoretical article.*
Keywords: *SMEs innovativeness, future oriented strategy, strategic orientation.*
JEL Classification: *L21, M00.*

1. Introduction

Small and medium-sized enterprises (SMEs) with the ability to quickly and efficiently transform new ideas into successful ventures are key drivers of innovation and development of the socio-economic policies of countries (Laukkanen, Nagy, Hirvonen, Reijonen, & Pasanen, 2013; Lee, Shin, & Park, 2012). Schumpeter pointed out that small companies are the best in the implementation of innovation (Kurz, 2012). However, their ability to adopt tools and techniques that create innovation is much lower than in the case of large companies (Maravelakis, Bilalis, Antoniadis, Jones, & Moustakis, 2006).

Whereas, as the R. Rothwell observed, no systematic approach means that innovation is only a reaction to the actions of competitors, to tackle the demands of the market or occasionally in response to emerging opportunities, not conscious, deliberately ongoing activities (Rothwell, 1992). Actually accidental and emerging occasionally solution is not enough. There is a need to undertake consistency, which in combination with innovations is purposeful and organized search for changes and systematic analysis of the opportunities for innovation that change could allow (Avlonitis & Salavou, 2007). In addition, the success of companies in the market depends on the ability to react to changes, and these conditions of increasing competition, and progressive processes of globalization, occur frequently. Such a solution that worked well in the past (in this case three years ago) and ensured the success will not meet the expectations of the market in the future, especially since competitors will surely be the new offer (Juchniewicz & Grzybowska, 2010).

Still, a difficult challenge for the SME sector is the planning and implementation of strategic development plans, ensuring a gradual increase in innovativeness, and support for the development of intensive growth factors (knowledge, entrepreneurship, human capital). The review of literature, the aim of which was to analyze the determinants of innovation processes at the enterprise level, indicating that a significant problem is lack of capacity for perspective thinking (Lumpkin & Dess, 1996; Radas & Bozic, 2009; Rahab, 2012; Huang & Wang, 2011; Rhee, Park, & Lee, 2010; Laukkanen *et al.*, 2013). The reasons for the low innovativeness of SMEs often lie in the lack of a systematic approach to strategic management - strategic orientation.

The main scientific goal of the study is to identify the relationship between the strategic orientation and SMEs innovativeness. In particular, Author tried to answer the following question: What's relationship between strategic orientation and the innovativeness of small and medium-sized enterprises? Literature review allows the author to analyze the methods, the sample and scope of research attempt to geographic and branch orientation.

Challenge for entrepreneurs includes changing the way of thinking about the vision and principles of the company, which will take into account the need for flexible adaptation strategies to changing environmental conditions. The review of literature shows that one of the main reasons for the low innovativeness of SMEs is the lack of long-term strategies. The method of strategic management is determined by the strategic orientation of individuals. The company prior to the development of its long-term strategies should clearly define its strategic orientation.

Strategic orientation is determined, on the one hand by internal factors, on the other by external factors. In the second group of factors crucial issue seems to be issue of unpredictability of the environment, which is a result of the level of complexity and the level of dynamics. As the Ringland pointed, most organizations are not prepared to cope with problems in a turbulent environment (Ringland, 2010). M. Romanowska puts even perverse question: Is the strategic planning needed and whether it is possible in today's (turbulent) world? In answering the question Author suggests possible approaches: „seeking a strategic perspective" consisting in predicting the unpredictable changes in the environment, through the study and search the environment in order to discover the weak signals and building scenarios (Romanowska, 2009).

One possible approach is the search for a strategic perspective - strategic orientation. Strategic orientations involve the broad outlines for strategic action (Slater, Olson & Hult, 2006) or strategic directions taken by a firm (Gatignon & Xuereb, 1997). Strategic orientation involves the philosophy or postures that guide a firm's business conduct. It is a deeply rooted set of values and beliefs that underpins activities and efforts to garner competitive advantage (Gatignon & Xuereb, 1997; Zhou, Yim & Tse, 2005). Subsequently strategic orientation determines the type and nature of the strategy pursued by the organization. Identification of strategic orientation seems to be one of the key elements preceding the strategic planning process.

In the literature most often mentioned are three types of strategic orientation of small and medium-sized businesses determine their innovation:

- market orientation (marketing orientation);
- learning orientation;
- entrepreneurial orientation (Rhee *et al.*, 2010).

In literature we can find additional types of strategic orientation, eg. brand orientation or technology orientation. However, in the context of small and medium-sized enterprises their roles can be regarded as secondary.

Market orientation involves knowing and understanding customers and competitors. Market orientation essentially provides the underpinnings for planning and executing strategies that aim to deliver customer satisfaction, and accomplish and sustain competitive advantage. This strategy was developed by Narver and Slater (1990) in the United States (Slater & Narver, 2000).

Learning orientation influences the inclination of a firm to create and utilize all kinds of knowledge. It moreover affects the degree to which firms are likely to promote generative learning as a core competence (Laukkanen *et al.*, 2013). Notion of learning orientation can be also understand as a set of organizational values that influence the propensity of the firm to create and

use knowledge (Sinkula, Baker & Noordewier, 1997). Learning orientation refers to organization-wide activity of creating and using knowledge to enhance competitive advantage (Calantone, Cavusgil, & Zhao, 2002).

Entrepreneurial orientation describes an entrepreneurial approach to the styles, ways and practices of decision making. Entrepreneurial firms are characterized as autonomous, aggressive toward competition, proactive, innovative and willing to take risks (Laukkanen *et al.*, 2013). The concept was introduced by Miller and Friesen (Miller & Friesen, 1982). Often analyzed orientation reflects the activities and strategies of the organization aimed at active use be opportunistic (weak signals) (Lumpkin & Dess, 1996).

2. Methods

To identify existing relationship between type of strategic orientation and innovativeness of SMEs, a systematic literature review was conducted. Systematic reviews are characterized by a planned and structured approach to reviewing published academic research by using organized and replicable methods to identify, select, and critically assess literature searches (Tranfield, Denyer & Smart, 2003; Jones, 2004; de Medeiros, Duarte Ribeiro & Cortimiglia, 2014). As the method allows for relatively high procedural and analytical objectivity and replicability, systematic reviews are increasingly being employed in management literature (Hallinger, 2013). The methodology followed for the literature review included two main phases: selection and analysis (de Medeiros *et al.*, 2014). The selection phases comprised gathering a comprehensive set of publications in the desired areas, while the analysis phases consisted of a careful and critical examination of the publications to identify patterns and recurrent themes.

In order to assess the scale and scope of the interest in the problem of strategic orientation in the context of improving the innovation of units, on the basis of publications available in the Web of Science (WoS) database, a review of the literature was conducted. Authoritative, multidisciplinary content of WoS covers over 12,000 of the highest impact journals worldwide, including Open Access journals and over 150,000 conference proceedings. The database search was limited to the following combination of words: „market orientation", „learning orientation", „entrepreneurial orientation" in conjunction with the word „innovation" located in the title of the article box. Number of publications in WoS database indirectly reflects the level of interest in research subjects undertaken by the research. The most popular are studies which investigate the relationships between „market orientation" and „innovation" (Table 1).

Table 1. Number of publications in WoS

Key words included in article title	Number of publication
„Market orientation" and „innovation"	64
„Learning orientation" and „innovation"	12
„Entrepreneurial orientation" and „innovation"	16

Source: Author's elaboration.

Analysis was limited to the publications most frequently cited in the WoS database. Initially, the publications were analysed with regard to the most commonly used research methods, research sample, and geographical coverage. Subsequently, the most important conclusions of the presented results of the research were analysed.

The conducted literature studies confirmed that the research implemented in this area is mostly of a quantitative nature, where the main tool is a survey questionnaire. The collected research material is often subjected to analysis with the use of the Structural Equations Models (SEM), regression analysis and confirmatory factor analyses. Most commonly, the tests are limited to the analysis of the situation in one country, and the study sample ranges from 100 to 500 units. The presented results of the research often concern the specific sectors of activity, such as: high-tech, financial sector, insurance firms, gardening, and hotels) or are of cross-sectorial nature (manufacturing and service enterprises) (Table 2).

Table 2. Summary of literature review on the relation between strategic orientation and innovation

Author(s)	Strategic orientation	Country	Methods	Branch	Sample
(Han, Kim, & Srivastava, 1998)	Market Orientation	US	SEM	Financial service - banks	134
(Atuahene-Gima, 1996)	Market Orientation	Australia	Path Analysis	Manufacturing and services firms	275
(Lukas & Ferrell, 2000)	Market Orientation	US	Survey methodology	Cross-sectional samples SMEs	194
(Verhees & Meulenberg, 2004)	Market Orientation	The Netherlands	Face-to face interviews Survey methodology Regression Analyses	Gardening - roses cultivation	152
(Baker & Sinkula, 2007)	Market Orientation	US	Confirmatory factor analyses Structural Equations Models (SEM)	Cross-sectional samples	243
(Grinstein, 2008)	Market Orientation		Meta-analytic model	Across independent studies	56 reports
(Zhang & Duan, 2010)	Market Orientation	China	Structural Equations Models (SEM) Hierarchical regression techniques	Manufacturing	227
(Laforet, 2008)	Market Orientation	UK	Survey methodology	Non-high-tech SMEs	500
(Morgan & Berthon, 2008)	Market Orientation	UK	Structural Equations Models (SEM)	Bioscience firms	160
(Cambra-Fierro, Florin, Perez, & Whitelock, 2011)	Market Orientation		Empirical research semi-structured interviews	Cross-sectional samples	6 case studies
(Jaw, Lo, & Lin, 2010)	Market Orientation	Taiwan	Both qualitative and quantitative (mixed methods) research Structural Equations Models (SEM)	Service sector	6 case studies 136 survey
(C.-R. Li, Lin, & Chu, 2008)	Market Orientation	Taiwan	Survey methodology Moderated regression analysis	High-tech firms	227
(Lado & Maydeu-Olivares, 2001)	Market Orientation	US, Europe	Both qualitative and quantitative (mixed methods) research	Insurance sector	211
(Naidoo, 2010)	Market Orientation	China	Survey methodology Structural Equations Models (SEM)	Manufacturing small and medium enterprises	184
(Nasution, Mavondo, Matanda, & Ndubisi, 2011)	Market Orientation	Indonesia	Survey methodology The structured questions	Hotels	231
(Calantone, Cavusgil, & Zhao, 2002)	Learning Orientation	US	Survey methodology Confirmatory factor analysis (CFA) Structural Equations Models (SEM)	manufacturing and services industries	187
(Nasution, et al., 2011)	Learning Orientation	Indonesia	Survey methodology Structural Equations Models (SEM)	Hotels	231
(Y. Li, Guo, Yi & Liu, 2010)	Learning Orientation	China	Survey methodology	Cross-sectional samples	351

Author(s)	Strategic orientation	Country	Methods	Branch	Sample
(Kaya & Patton, 2011)	Learning Orientation	Turkey	Questionnaire survey research method Exploratory factor analyses Hierarchical regression analysis	Cross-sectional samples	135
(Pesamaa, Shoham, Wincent, & Ruvio, 2013)	Learning Orientation	Izrael	Structural Equation model (SEM)	Healthcare industry	395
(Salge & Vera, 2012)	Learning Orientation	UK	Semistructured interviews	Public hospital services	153
(Calantone, et al., 2002)	Learning Orientation	US	Confirmatory factor analysis (CFA), Structural Equation Model (SEM)	Cross-sectional samples	400
(Wu, Chang, & Chen, 2008)	Entrepreneurial Orientation	International	Questionnaire survey research method	Cross-sectional samples	159
(Perez-Luno, Wiklund, & Valle Cabrera, 2011)	Entrepreneurial Orientation	Spain	Questionnaire survey research method Regression analysis Hierarchical fractional logit analysis	Cross-sectional samples	400
(Liu, Ding, Guo, & Luo, 2014)	Entrepreneurial Orientation	China	Questionnaire survey research method Hierarchical multiple regression analysis	High-tech	308
(Alegre & Chiva, 2013)	Entrepreneurial Orientation	Spanish Italian	Survey approach Confirmatory Factor Analysis (CFA) Structural equation model (SEM)	Ceramic	182
(Boso, Cadogan, & Story, 2013)	Entrepreneurial Orientation	Ghanaian	Confirmatory Factor Analysis (CFA) Structural equation model (SEM)	Internationally -oriented small businesses	164

Source: own elaboration.

3. Results

Market orientation and innovation

As P. Drucker noticed „*There is only one valid definition of business purpose: to create a customer value .... Therefore, any business enterprise has two-and only two-basic functions: marketing and innovation*" (Drucker, 1954). For this reason the relationship between market orientation and innovation has been debated for decades (Han *et al.*, 1998; Atuahene-Gima, 1996; Zhang & Duan, 2010; Lado & Maydeu-Olivares, 2001).

Marketing orientation in relation to the innovation is the object of scientific interest, from the perspective of the three components of this orientation: customer orientation, competitor orientation and interfunctional coordination (Han *et al.*, 1998; Grinstein, 2008; Naidoo, 2010) different types of innovations: technical innovations (Han *et al.*, 1998), administrative innovations (Han, et al., 1998), product innovation (Atuahene-Gima, 1996; Zhang & Duan, 2010; Nasution *et al.*, 2011) and also types of products: me-too-products and new-to-the-world products (Lukas & Ferrell, 2000); incremental and radical innovation (Baker & Sinkula, 2007; C.-R. Li *et al.*, 2008). The conclusions of the study on the relationship between market orientation and innovation are presented in Table 3.

Table 3. Market orientation and innovation as an object of empirical research

Author(s)	Examined relationships	Findings
(Han, et al., 1998)	Market orientation-innovation Innovation-performance	Customer orientation (MO) has a positive impact on innovativeness in technical areas. Customer orientation (MO) has a positive impact on innovativeness in administrative areas. Competitor orientation (MO) has a positive impact on innovativeness in technical areas Technical innovations have a positive, direct impact on performance. Administrative innovations have a positive, direct impact on performance Competitor orientation (MO) have no measurable direct impact on administrative innovations Interfunctional coordination (MO) has no a positive impact on innovativeness in technical areas. Interfunctional coordination (MO) has no a positive impact on innovativeness in administrative areas.
(Atuahene-Gima, 1996)	Market orientation-innovation Market orientation-product advantages	Significant negative relationship between market orientation and product newness to customers An insignificant relationship between market orientation and product newness to the firm Market orientation has a significant positive relationship with innovation-marketing fit Market orientation has an insignificant effect on innovation-technology fit A significant positive relationship was found between market orientation and product advantage
(Lukas & Ferrell, 2000)	Costumer orientation-line extensions Competitor orientation-more me-too products Interfunctional coordination-new-to-the-world products	Customer orientation increases the introduction of new-to-the-world products and reduces the launching of me-too-products Competitor orientation increases the introduction of me-too products and reduces the launching of line extensions Interfunctional coordination increases the launching of line extensions and reduces the introduction of me-too new-to-the-world products
(Verhees & Meulenberg, 2004)	Innovativeness-customer market intelligence Innovativeness-supplier intelligence Customer market intelligence-product innovation	Customer market intelligence influences product innovation positively or negatively, depending on whether the innovativeness of the owner in the new product domain is weak or strong
(Baker & Sinkula, 2007)	Market orientation-radical innovation Market orientation-incremental innovation Market orientation-new product success	Strong market orientation helps facilitate a balance between incremental and radical innovation by shifting firms' innovation priority more toward radical innovation activities
(Grinstein, 2008)	Customer orientation-innovation consequences Competitor orientation-innovation consequences. Interfunctional coordination-innovation consequences Competitive intensity-relationship between market orientation and innovation consequences Technology turbulence- relationship between market orientation and innovation consequences	Market orientation components positively affect innovation consequences but that competitor orientation's effect depends on a minimum level of customer orientation The relationship between market orientation and innovation consequences is stronger in highly competitive environments but weaker in technology turbulent ones

Author(s)	Examined relationships	Findings
(Zhang & Duan, 2010)	Market orientation-innovation Proactive market orientation-innovation Market orientation-product performance. Responsive market orientation-product innovation performance Proactive market orientation- product innovation performance. Technological turbulence-relationship between responsive market orientation and product innovation performance	Study establishes the importance of both types of market orientations for manufacturers during the process of product innovation Total effect of proactive market orientation upon new product success is greater than responsive market orientation The direct path dominates the total effect of responsive market orientation on new product success, while proactive market orientation impacts product innovation performance primarily via innovativeness as a mediating variable.
(Laforet, 2008)	Market orientation-company size Market orientation-product innovation, process innovation and organizational culture	Regarding market orientation, keeping abreast with what competitors are doing, keeping up to-date with the environment and technological changes are more important for innovative companies than finding out how to meet current and future needs of customers. The results do not support the relationship between customer orientation and a company's innovativeness
(Morgan & Berthon, 2008)	Market orientation-generative learning Market orientation-exploitative innovation strategy Generative learning-explorative innovation strategy	Market orientation leads to exploitative innovation strategy, while generative learning leads to explorative innovation strategy
(Cambra-Fierro *et al.*, 2011)	Inter-firm market orientation	Research establishes a framework for clarifying and extending the IMO construct In vertical relationships IMO can be seen as a learning process consisting of coordinating activities and joining efforts between firms to serve a common set of customers
(Jaw *et al.*, 2010)	Market orientation-innovation resources Market orientation -innovation rewards Market orientation - new service development (NSD)	Market-oriented culture is to enhance the deployment of strategic innovation resources and motivate employees to develop new services Market orientation can be an innovative corporate culture strongly encourage and support creative efforts.
(C.-R. Li *et al.*, 2008)	Market orientation (responsive and proactive)- innovations (radical and incremental innovations)	Proactive market orientation has more impact on radical innovations than responsive market orientation Responsive market-oriented has more effect on incremental innovations than being proactive market-orientated
(Lado & Maydeu-Olivares, 2001)	Market orientation-innovation Market orientation-innovation performance	US insurance firms show a higher degree of environmental analysis and environmental actions than their EU counterparts EU insurance firms' environmental analysis and environmental actions translate into higher level of innovation whereas US insurance firms' environmental analysis and actions do not translate higher level of innovation. Again, these differential relations are no so substantial as to result in differential associations across EU and US firms between market orientation and innovation Overall market orientation is significantly related to innovation degree and innovation performance in both EU and US insurance markets

Author(s)	Examined relationships	Findings
(Naidoo, 2010)	Market orientation-marketing innovation capability Market orientation-competitive advantage	The findings suggest, opposite to the market orientation literature, that customer orientation deters marketing innovation A positive relationship between customer orientation as a component of market orientation and marketing innovation is not supported Positive relationship between competitor orientation and marketing innovation were confirmed Positive relationship between inter-functional orientation and marketing innovation were confirmed
(Nasution, et al., 2011)	Integrated market orientation-innovation Integrated market orientation-customer value	Integrated market orientation appears to be an important predictor of innovation and customer value. Market orientation has a significant and positive impact on product innovativeness

Source: own elaboration.

The conducted literature studies confirmed the significant researchers' interest with the issues of relationship between the marketing orientation and the level of innovativeness.

The literature contains two opposing views on the impact (positive or negative) of consumer orientation and the competitor orientation on the level of innovation of an organization. Some suggest that focusing exclusively on meeting the needs and expectations of consumers reduces and inhibits the innovation processes in an organization (Naidoo, 2010; Laforet, 2008). It is particularly evident when the object of interest of the companies involves only the present, current consumer needs, and not their hidden future needs. In this case the research simultaneously confirms the higher efficiency of the proactive marketing strategy over the reactive marketing orientation, indicating that the proactive approach has a greater positive impact on the implementation of radical innovation (C.-R. Li *et al.*, 2008; Baker & Sinkula, 2007; Zhang & Duan, 2010). The second group of the obtained results confirms the existing positive relationship between the two constructs of marketing orientation and innovation (Han *et al.*, 1998; Grinstein, 2008).

Learning orientation and innovation

Innovation is closely related to organizational learning. Sinkula conceptualize and operationalize learning orientation as consisting of commitment to learning, shared vision, and open-mindedness (Sinkula, Baker, & Noordewier, 1997). A learning orientation may be described also as a process of information acquisition, information dissemination and shared interpretation that increases both individual and organizational effectiveness due to the direct impact on the outcomes (Kaya & Patton, 2011). One of the most important characteristics of learning oriented firms is that they are able to predict environmental and market changes and perform the necessary changes if required (Laukkanen *et al.*, 2013). Learning orientation in relation to the innovation is the object of research in the context: innovativeness (Calantone *et al.*, 2002; Nasution *et al.*, 2011), product innovation (Y. Li *et al.*, 2010), firms performance (Calantone *et al.*, 2002; Kaya & Patton, 2011; Laukkanen *et al.*, 2013), service quality (Salge & Vera, 2012), customer value *(Nasution et al.*, 2011). The conclusions of the study on the relationship between learning orientation and innovation are presented in Table 4.

The vast majority of the results confirm that learning orientation is critical for innovation and performance. The four components of learning orientation are commitment to learning, shared vision, open-mindedness, and intraorganizational knowledge sharing (Zhou, Chung, & Zhang, 2014). The conducted literature studies confirm the existing positive relationship between learning orientation and the innovation of the companies. The positive effect applies to both product innovation and the value created for customers.

Table 4. Learning orientation and innovation as an object of research

Author(s)	Examined relationships	Findings
(Calantone *et al.*, 2002)	Learning orientation-innovativeness Learning orientation-performance	Learning orientation influences firm innovativeness Positive relationship between learning orientation and firm performance
(Nasution *et al.*, 2011)	Learning orientation-innovativeness Learning orientation- customer value	Positive relation between learning orientation and innovation Positive relation between learning orientation and customer value
(Y. Li *et al.*, 2010)	Learning orientation-product innovation	Learning orientation has a positive impact product innovation
(Kaya & Patton, 2011)	Learning orientation-innovation performance	Learning orientation have an important effect on innovation performance
(Salge & Vera, 2012)	Learning orientation-innovative Learning orientation-service quality	Moderating role of learning orientation to innovative activity and public service quality
(Laukkanen *et al.*, 2013)	Learning orientation-brand performance Learning orientation-market performance	Learning orientation can be seen to offer tools to enhance performance both in transitional and in mature markets

Source: own elaboration.

Entrepreneurial orientation and innovation

Entrepreneurial orientation is the core of resource-based theory (Conner, 1991). This theory posits that discerning which appropriate resources are necessary to compete in the market place is ultimately a matter of entrepreneurial orientation. Entrepreneurial firms are characterized as autonomous, aggressive toward competition, proactive, innovative and willing to take risks. The concept was introduced by Miller and Friesen (Miller & Friesen, 1982). Because innovation is a process of combining assets entrepreneurial orientation may facilitate the firm's ability to discern appropriate resources for combination and thus innovate (Wu *et al.*, 2008). Entrepreneurial orientation in relation to the innovation is the object of research in the context two main components of entrepreneurial orientation: proactivity and risk taking (Perez-Luno *et al.*, 2011), types of innovation: product innovation (Liu *et al.*, 2014; Boso *et al.*, 2013) and innovation performance (Alegre & Chiva, 2013). The conclusions of the study on the relationship between entrepreneurial orientation and innovation are presented in Table 5.

Table 5. Entrepreneurial orientation and innovation as an object of research

Author(s)	Examined relationships	Findings
(Wu *et al.*, 2008)	Entrepreneurial orientationi-influence of intellectual capital on innovation-	Entrepreneurial orientation tends to significantly influence intellectual capital, including human capital, customer capital, and structural capital The characteristics of risk-taking, innovativeness, and proactiveness, which constitute entrepreneurial orientation, are the key to fully implementing intellectual capital in order to create higher levels of innovation
(Perez-Luno *et al.*, 2011)	Proactivity-the number of innovations adopted by a firm Proactivity-the number of innovations generated by a firm Risk taking-the number of innovations generated by a firm	Proactivity and risk taking are positively associated with the number of internally generated innovations Proactivity and risk taking are positively related with an emphasis on innovation generation over innovation adoption. In dynamic environments, the effect of risk taking is substantially much stronger than in stable environments Risk taking and proactiveness both are associated with the number of innovations generated internally and launched in the market place but had no influence on the number of innovations adopted from others

Author(s)	Examined relationships	Findings
(Liu *et al.*, 2014)	Entrepreneurial orientation-unabsorbed slack and product innovation Entrepreneurial orientation-absorbed slack and product innovation	Firms with high levels of entrepreneurial orientation show a better relation between unabsorbed slack and innovation but a worse relation between absorbed slack and innovation Entrepreneurial orientation provides the capacity to more efficiently utilize internal resource combinations in response to environmental changes
(Alegre & Chiva, 2013)	Entrepreneurial orientation-innovation performance	There is a positive relationship between Entrepreneurial orientation and innovation performance The direct effect of entrepreneurial orientation on firm performance is low and nonsignificant
(Boso *et al.*, 2013)	Entrepreneurial-oriented behaviour-export product innovation success	The results indicate that both export entrepreneurial-oriented behaviour and export market-oriented behaviour drive export product innovation success.

Source: own elaboration.

The vast majority of the definitions of entrepreneurial orientation refers to the organizational level and reflects the process approach manifested in: (i) commitment, (ii) risk acceptance and risk taking, (iii) creating an appropriate culture of entrepreneurship, (iv) use of practices, making entrepreneurial decisions and actions (v) ensuring dynamic development. Given the above, focus on entrepreneurship is a kind of organizational culture, providing a higher level of entrepreneurship.

Similarly, as in the case of orientation on learning, also the conducted literature studies confirm the existing positive relationship between the entrepreneurial orientation and the innovation of the companies. The studies that analyze the impact of individual entrepreneurship-oriented contracts (risk-taking, proactiveness) on the processes associated with the generation and implementation of innovations seem particularly important. The research conducted by other authors confirms that proactiveness should be positively associated with both types of innovation processes, whereas risk taking should influence innovation generation, but not innovation adoption.

4. Discussion

The conducted literature studies confirmed the significant researchers' interest with the issues of relationship between the strategic orientation and the level of innovation of the examined organizations. The results of the research presented in the literature concern, either, the specific sector of activity and take into account the specific nature of the industry, or are of cross-sectorial nature.

Three of the analysed strategic orientations exhibit generally a positive impact on innovation processes. Only in the case of marketing orientation, some authors claimed that customer orientation as one dimension of marketing orientation reduces and inhibits the innovation processes.

The conducted literature studies indicate that:

- the subject of research in the field of marketing orientation is multifaceted and extensive. Depending on the audience, the term is the object of scientific interest from the perspective of the type of innovation or growth characteristics of the environment.
- that, regardless of the nature of the analyzed activities of the studied organizations, the internal learning process is an important part of any process of creating innovation. The orientation towards learning, in the presented concept is directed at internal organizational resources, pointing to the importance of individual constructs.
- characteristics of risk-taking, innovativeness, and proactiveness, which constitute entrepreneurial orientation, are the key to fully implementing intellectual capital in order to create higher levels of innovation. The entrepreneurial orientation literature can be highly beneficial to further advancing the innovation literature.

The conducted review of literature confirmed that most often the object of interest of researchers is the relationship between a specific type of strategic orientation and the innovativeness

of an organization. Only rarely the relationship between the three types of strategic orientation is the object of interest.

The strategic orientation of enterprises belonging to a particular industry will determine the further marketing strategies of the organizations. Distinguishing two basic market strategies: market-pull and market-push, it can be assumed that the organizations using marketing orientation will utilize the market-pull promotion strategy to a greater extent, whereas the organizations involving in learning and entrepreneurship orientation will apply the market-push strategy. However, this requires separate, sector-oriented studies.

One of the areas of future research could also include examining the correlations between the actual (not declared) level of innovation at the national level, and the dominant strategic orientation in the country. However, this requires testing representative samples of companies. Also more research is needed to better understand the factors that can explain variance in innovation generation and adoption.

Conducted literature studies may constitute a background for further research application, indicating the most commonly used research methods, dimensions of particular strategic orientation constructs. Achieved results should also be used to interpret the obtained results of research in comparative studies. Also, a separate field of research should be the strength of the existing relationships between analysed strategic orientations.

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