The Effect of Learning Orientation on Market Orientation and Performance in Small-sized Firms: Evidence from Iran

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Abstract
In the world where the only thing one can trust in is lack of confidence, for organization to this wavy environment, they need market orientation, which by itself has a central role in moving toward the comparative advantage and supreme performance. Although many researches have in the past been done investigating the effect of market orientation on organization's performance, it seems that in future we will face lack of applicable studies on the effect of learning orientation on market orientation in general and on the market orientation of small firms in particular. Having investigated 82 small firms of Tehran with the aim of filling the gap existing in the research literature of the country, the present study showed that organization’s commitment to learning, open-mindedness and shared vision have significantly positive effect on the market orientation of small firms. The results obtained from the regression analysis also indicated the presence of a significantly positive relationship between market orientation and profitability, sale and ROI in small firms.

Keywords: Learning Orientation, Market Orientation, Performance, Small-Sized Firms

1. Introduction
Continuous environmental changes threaten the maintenance of organizations in different forms. Therefore, for firms to continue their life, they need to adopt a suitable strategic approach so that they can make the best benefit of environmental opportunities with regard to their weak and strong points (Tajeddini et al, 2009). Recognition of opportunities will enable firms to predict new and novel needs of customers, which, in the end, leads to stable competitive advantage and the acquisition of supreme performance (Schindehutte et al, 2008).

Being one of the most important concepts studied in the area of marketing (Kara et al, 2005), and also as a philosophical approach in marketing, market orientation enables firm to predict marketing necessities and to create long term relationships with customers, members of distribution channel and suppliers (Schindehutte et al, 2008), in addition to paying attention to rivals, customers and the factors effective on their needs and preferences (Kok et al, 2003). Market orientation approach helps organization to correspond with its environment and this way to develop its competitive advantage. Therefore, the more market oriented an organization be, the more able it will be to get access to the goals. As a result, for firm to obtain more successes, it needs market orientation approach more than other strategic approaches (Hammond et al, 2006).
Learning orientation can help the strength of market oriented vision and behavior in organization (Nguyen and Barrett, 2006). Actually, learning orientation, which is known as the acceptance of learning process in organization (Rhee et al, 2009), enables firm to continuously create knowledge which is necessary for market products, technology and dealing processes (Slater and Narver, 1995) and to extraordinarily deal with the recognition and acting on market opportunities in the unstable environment (Slater and Narver, 1995).

Learning orientation in firm leads to effective understanding and satisfaction of overt and covert needs of customers through new processes, services and the new methods for work (Dickson, 1992; Sinkula, 1994). Moreover, as a stable source for competitive advantage, it focuses the attention of firm to find the growth opportunities and to reduce the time necessary for answering market opportunities.

While numerous studies have, in the past, been done investigating the effect of market orientation on innovation and the performance of firm, relatively few of these researches have dealt with the recognition of the dimensions and factors stimulating market orientation, especially in the developing countries. In this regard, the role learning orientation has in the creation and development of cognition and perception of market as the culture supportive of market orientation is undeniable. Therefore, it seems necessary that the research literature of the country take this strategic area into consideration. The present article is intended to explain the effect of learning orientation on market orientation and firm’s performance. In addition to having a share in the research literature, the theoretical foundations presented in this area provide helpful tools for other researchers and managers.

2. Learning Orientation and Market Orientation

Organizational learning has in the past decades turned into an important factor for the acquisition of competitive advantage (Brockman and Morgan, 2003). In general, constant changes have caused firms to continuously maintain and/or increase the value of their products and services in the eyes of customers (Levitt, 1980) and this is while rivals are also trying to consider more values for customers. Thus, it is necessary for firms to go after the acquisition and strengthening of their learning capabilities (Slater and Narver, 1995). In other words, all dealing that are competing in a wavy environment should follow the processes of learning, change of behavior and improvement of performance (Slater and Narver, 1995).

However, the main challenge each dealing has to face in a dynamic and changing environment is to create a culture which is based on learning in organization. Actually, this culture enables organization to learn faster than rivals and to create competitive advantage, in addition to devoting the most value for customers (Salter and Narver, 1995; Dickson, 1992). Through the process of learning orientation organization will be enabled to develop a new knowledge and vision which is potentially effective on the behavior of individuals and this will lead to the improvement of organization’s performance (Baker and Sinkula, 1999; Sinkula, 1994).

Learning orientation is known as the acceptance of the process of learning is organization (Rhee et al, 2009). In other words, the term "Learning orientation" represents organization’s tendency to create and use knowledge in firm. Moreover, via the strengthening of learning throughout the organization, in addition to the provision of more opportunities for learning and the sharing of individuals is the knowledge of others (Kandemir and Hult, 2005; Nonaka and Takeuchi, 1995), and through the development of flexibility, it enables organization to quickly react against new environmental opportunities and threats (Slater and Narver, 1995). In fact, the firm that has a learning oriented vision continuously copes with gathering and processing the knowledge necessary about market, products, rivals, technology and dealing procedures and then distributing that knowledge in organization (Hurley and Hult, 1998; Mone et al, 1998).

Considering the above discussions, for an organization to utilize the process of learning orientation so that to strengthen market oriented approach, it is in need of organizational capabilities
including commitment to learning, open-mindedness and shared vision, as the various dimensions of learning orientation (Sinkula et al, 1997).

3. Commitment to Learning
Organizations commitment to learning is the amount to which an organization considers learning as worthy and thus tries to not only promote the process of learning (Sinkula et al, 1997), but also to create and strengthen an atmosphere for learning in the organization (Norman, 1985). In fact, learning is known by the firm that has commitment to learning as an important investment which is necessary for the maintenance of organization (Sinkula et al, 1997). Therefore, the more an organization considers learning as valuable, the more probable it will be for that organization to get access to this process (Sinkula et al, 1997).

Furthermore, such an organization will by no means lose the opportunities created in market due to having knowledge and ability to perceive and predict customers’ needs (Cahill, 1996; Damanpour, 1991).

Market orientation refers to continuously considering customers as highly valuable (Slater and Narver, 1994) and it is in need of the creation of a suitable perception and understanding from market among different parts of organization and a mood for answering environmental changes in organization (Kohli and Jaworski, 1990). Therefore, Commitment to learning enables organization to develop its knowledge about market, rivals and customers (Kandemir and Hult, 2005) and through predicting the changes of environment and market to harmonize it self with market (Calantone et al, 2002), and this way to strengthen its competitive advantage (Baker and Sinkula, 1999). Considering the above discussions, the first hypothesis is put forward as follows:

\[ H_1: \text{Organization's commitment to learning has a significantly positive relationship with market orientation.} \]

4. Open-mindedness
Open-mindedness refers to critical evaluation of organization’s daily operations and acceptance of new ideas (Sinkula et al, 1997). In other words, it is a process through which organization deals with reviewing the existing knowledge or its old assumptions and habits (Nguyen and Barrett, 2006). Due to having a long-term commitment to understanding overt and covert needs of customers and the development of innovative solutions that lead to offering a specific value to customers (Schindehutte et al, 2008), market-oriented firm is always in need of developing new knowledge and vision in organization (Kohli and Jawarski, 1990).

Based on open-mindedness, the existing knowledge can act as a fundamental obstacle preventing organization form paying attention to environmental changes, and consequently, with reducing the ability to predict market, damaging the long-term relationship between firm with customers, members of distribution channel and suppliers. In other words, previous trainings hinder organization's new trainings (Bettis and Prahalad, 1995).

Therefore, having this attitude, firms continuously increase their ability to learn about market, customers and rivals, and through continuously reviewing their existing knowledge about environment and market, they strengthen their market orientation approach. Thus, the second hypothesis is put forward as follows:

\[ H_2: \text{Open-mindedness has a significantly positive relationship with market orientation.} \]

5. Shared Vision
Shared vision refers to the concentration of all members of organization on learning which leads to strengthening their energy, commitment and purposefulness (Sinkula et al, 1997). Actually, in addition
to creating harmony in different parts of organization, shared vision leads to increase in the quality of learning (Calantone et al, 2002). In fact, without shared vision, learning of individuals in organization will be extremely meaningless. In other words, even though individuals are stimulated for learning, their problem is that they don’t know what to learn unless they have a shared vision (Calantone et al, 2002).

As market orientation entails the creation of an understanding about market among different parts of organization, the existence of shared vision seems necessary for attracting the attention of members of organization to learning and acquisition of knowledge about market. Thus the third hypothesis is put forward as follows:

\[ H_3: \text{Shared vision has a significantly positive relationship with market orientation.} \]

6. Market Orientation and Performance

The many researches, that have been done in recent decades with respect to market orientation approach and its effects, are indicative of the attention of researchers to this strategic approach (Li et al, 2008; Schindehutte et al, 2008; Gopal, 2008; kok et al, 2003; sen, 2006; Cadogan et al, 2002; Harley and Hult, 1998).

Market orientation approach means learning about market and applying the knowledge for marketing deeds. In fact, as a philosophical approach in marketing, market orientation takes not only customers, but also rivals and many of the factors effective on the needs and preferences of customers into consideration (Kok et al, 2003). Moreover, as an organizational culture, this approach usually deals with providing behaviors necessary for the creation of usefulness and efficacy and also through the creation of a vivid understanding from customers, organizations and dealing environment, it provides the possibility for the acquisition of commercial value for firm (Schindehutte et al, 2008; Sen, 2006; Slater and Narver, 1995).

The creation and maintenance of market orientation in organization requires the understanding of values and behaviors related to market orientation in all parts of organization (Jawarski and Kohli, 1993), which in the end directs the behavior of organization to the acquisition of supreme competitive performance (Gatignon and Xuereb, 1997). This viewpoint is approved by the many researches that indicate a significant and positive relationship between market orientation and performance (Li et al, 2008; Gopal, 2008; Schindehutte et al, 2008; Rapp et al, 2008; Hammond et al, 2006; Sen, 2006; Elg, 2005; langerak, 2003). Therefore, the 4th hypothesis is put forward as follows:

\[ H_4: \text{Market orientation has a significantly positive relationship with firm's performance.} \]

7. Research Method

7.1. Sample

Organizations should overcome quick changes in technology and wavy markets (Calantone et al, 2002). The occurrence of continuous changes indicates that it is necessary for firms, especially small ones, to adopt a suitable strategic approach. On the one hand, the ever increasing dependence of large firms on small ones for providing the parts they require has had a positive effect on the development of small firms; however, the power of large firms has forced them to reduce their prices and accept strategies that are based on innovation and cost reduction. On the other hand, continuous development of products' features, as a competitive threat in market, has led small firms to seek for strong and stable competitive advantages that allow them to quickly respond to the changing conditions of market. Thus, the need of small firms to adopt market orientation approach as a convenient strategic approach in market has distinguished this area as a field suitable for research.

Regarding the result of a pilot study, the standard deviation was decided to be 0.8. Moreover, using the formula of Without Replacement Sampling which was done from a small population (N: 7101), sample size was decided to be 81 at the significance level of 0.05 and the test power (1-\(\beta\)) of 0.8
and the maximum error of 0.25. Because it was predicted that some firms would probably not respond to the questionnaires, thus leading to the fall of data, 220 firms were selected through simple random sampling without replacement and the questionnaire was sent to them. Then, from all the questionnaires 82 were gathered.

### 7.2. Questionnaire and Scales

In order to provide the questionnaire and to gather data regarding the research variables, the questionnaires of the previous studies having the same variables were used. Therefore, the tools for data gathering were of enough validity. Moreover, to investigate the reliability of the questionnaire, a pre-test was performed on a small sample using the Cronbach’s \( \alpha \) coefficient on all the items and the \( \alpha \) score for all the variables were indicative of the questionnaire’s having a high level of reliability (Table 1). Table 1 also shows the \( \alpha \) relating to each variable with regard to the deletion of each question. Due to small difference between the \( \alpha \) score obtained after the deletion of each question and the overall \( \alpha \) relating to that variable, it seems that with the deletion of each question, the overall \( \alpha \) will not increase and this strengthens the reliability of the questionnaire.

Commitment to learning was measured by 4 questions using the scale of Galer and Van Der Heijden (1992) and Sinkula (1994); open-mindedness was also measured through 4 questions using the scale of Hult and Ferrell (1997); and at last shared vision was measured with the help of 4 questions using the scale of Sinkula et al (1997). The questions relating to the above variables put the emphasis on values that, with affecting the tendencies of a firm, cause the firm to diligently seek for acquiring new knowledge and challenging the existing conditions. These scales have been used in many researches (Tajeddini, 2009; Hult et al, 2004, 2003; Calantone et al, 2002). The learning orientation score is obtained from the mathematical mean of the above three variables.

To examine market orientation, 5 questions were utilized using the scale of Narver and Slater (1990) (MKTOR). To many researchers, as for as cultural features are concerned, the concept of market orientation deserves being investigated. The reason why this scale is preferred to that of Kohli and Jaworski (1990) is that it focuses on the sharing of values in organization so that to create and maintain the most values for consumers while profitability is also taken into view (Tajeddini et al, 2006; Hurley and Hult, 1998; Day and Wensley, 1998). This scale takes into consideration the preferences of all individuals in organization, in addition to providing behavioral methods with respect to organizational development and response to market information.

In order to examine the performance of firm, three scales of profitability, sale and return of investment were used. The reason for the selection of these variables was their being highly used in previous studies and also their having conformity with the data needed for the present article (ROI: Langerak and Commandeur, 1998; Pelham and Wilson, 1996; Sale: Langerak and Commandeur, 1998; Pelham and Wilson, 1996; Slater and Narver, 1995; Profitability: Avlonitis and Gounaris, 1999; Pelham and Wilson, 1996). All the above questions were designed in the format of a likert scale with 5 levels, from 1 = very little to 5 = very Much.

### Table 1:  Reliability Analysis for Multi-item Scales

<table>
<thead>
<tr>
<th>Item</th>
<th>Reliability coefficients (Cronbach’s coefficient alpha)</th>
<th>Alpha if item is deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commitment to learning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(N of items=4) ( (\alpha =0.97) )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers, basically, agree that our business unit’s ability to learn is the key to our competitive advantage.</td>
<td>0.969</td>
<td></td>
</tr>
<tr>
<td>The basic values of this business unit include learning as a key to improvement.</td>
<td>0.973</td>
<td></td>
</tr>
<tr>
<td>The sense around here is that employee learning is an investment, not an expense.</td>
<td>0.976</td>
<td></td>
</tr>
<tr>
<td>Learning in my organization is seen as a key commodity necessary to guarantee organizational survival.</td>
<td>0.972</td>
<td></td>
</tr>
<tr>
<td><strong>Shared vision</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(N of items=5) ( (\alpha =0.83) )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a total agreement on our organizational vision across all levels, functions and divisions. All employees are committed to the goals of this organization.</td>
<td>0.732</td>
<td>0.752</td>
</tr>
</tbody>
</table>
Table 1:  Reliability Analysis for Multi-item Scales - (Continued).

<table>
<thead>
<tr>
<th></th>
<th>Commitment to learning</th>
<th>Shared vision</th>
<th>Open-mindedness</th>
<th>Market Orientation</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees view themselves as partners in changing the direction of the business unit.</td>
<td>0.856</td>
<td>0.822</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a commonality of purpose in my organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Open-mindedness</strong> (N of items=4) (α=0.90)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We are not afraid to reflect critically on the shared assumptions we have made about our customers.</td>
<td>0.924</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned.</td>
<td>0.851</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We rarely collectively question our own bias about the way we interpret customer information.</td>
<td>0.853</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We continually judge the quality of our decisions and activities taken over time.</td>
<td>0.864</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market Orientation</strong> (N of items=5) (α=0.93)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We hold meetings for investigating the condition of market at least once a season (every three month).</td>
<td>0.920</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We regularly and systematically examine the satisfaction of customers.</td>
<td>0.912</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The aim of our firm is to create the most value for customers.</td>
<td>0.919</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least once a year we ask our customers to find information about the goods and services they will require in future.</td>
<td>0.914</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We quickly react against the competitive deeds threatening us.</td>
<td>0.924</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Performance</strong> (N of items=3) (α=0.92)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realization of firm's profitability aims in the past 3 years.</td>
<td>0.886</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realization of firm's Sale aims in the past 3 years.</td>
<td>0.895</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realization of the ROI desired by firm in the past 3 years.</td>
<td>0.912</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Result
Due to the fact that the scales of the research variables were ordinal in nature, to investigate the relationship between the variables and the amount of correlation among them, the Spearman correlation coefficient was used (Table 2). The results, depicted in table 2, are indicative of the existence of a strong relationship between the research variables at the significance level of 0.01 (α= 0.01). Thus, considering the results shown in table 2, a regression analysis was used to test the research hypotheses.

Table 2:  Description Statistics, Cronbach's Alpha and Correlation

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>α</th>
<th>Commitment to learning</th>
<th>Shared vision</th>
<th>Open-mindedness</th>
<th>Market Orientation</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to learning</td>
<td>3.756</td>
<td>0.824</td>
<td>0.97</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared vision</td>
<td>3.454</td>
<td>0.648</td>
<td>0.83</td>
<td>0.701**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open-mindedness</td>
<td>3.506</td>
<td>0.714</td>
<td>0.9</td>
<td>0.715**</td>
<td>0.790**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Orientation</td>
<td>3.385</td>
<td>0.977</td>
<td>0.92</td>
<td>0.712**</td>
<td>0.748 **</td>
<td>0.738 **</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>2.963</td>
<td>0.809</td>
<td>0.92</td>
<td>0.576**</td>
<td>0.502**</td>
<td>0.510**</td>
<td>0.622 **</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>82</td>
<td>82</td>
<td>82</td>
<td>82</td>
<td>82</td>
<td>82</td>
<td>82</td>
<td></td>
</tr>
</tbody>
</table>

P<0.01**

8.1. The Effect of Learning Orientation on Market Orientation
The results obtained from the Regression analysis regarding the effect of different dimensions of learning orientation (i.e. commitment to learning, open-mindedness and shared vision) on market orientation are indicative of the acceptance of the related hypotheses. As expected, commitment to learning (β= 0.517; t=5.398; P < 0.001), open-mindedness (β = 0.567; t = 6.126; P<0.001) and shared vision (β= 0.577; t= 6.314; p < 0.001) are significantly and positively related to market orientation, leading to the acceptance of hypotheses 1, 2 and 3, respectively (Table 3).
Table 3: Regression of Learning Orientation and Market Orientation

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Market Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Commitment to Learning</td>
<td>0.517 ***</td>
</tr>
<tr>
<td>Shared Vision</td>
<td>0.577 ***</td>
</tr>
<tr>
<td>Open-Mindedness</td>
<td>0.567 ***</td>
</tr>
</tbody>
</table>

8.2. The Effect of Market Orientation on Performance

To test hypothesis 4 which is investigating the relationship between market orientation and commercial performance of small firms, including profitability (4a), Sale (4b) and ROI (4c), the Regression analysis was used. The results showed that market orientation has a positive effect on profitability of firm, (β=0.416; t= 4.093; P< 0.001); thus, hypothesis 4a is also accepted. The results also indicate that market orientation has a significantly positive effect on the sale of firm (β= 0.543; t=4.547; P<0.001); thus hypothesis 4b is also accepted. Moreover, the results obtained from the Regression analysis show that market orientation has a significantly positive effect on ROI (β = 0.330; t = 3.124; P < 0.001). Thus, hypothesis 4c is also accepted (Table 4).

Table 4: Regression of Market Orientation and Performance

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Market Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Profitability</td>
<td>0.416 **</td>
</tr>
<tr>
<td>Sale</td>
<td>0.416 **</td>
</tr>
<tr>
<td>ROI</td>
<td>0.416 **</td>
</tr>
</tbody>
</table>

8.3. Learning Orientation and Performance

Considering the results obtained from the Regression analysis, in addition to the main hypotheses of the research, other findings of the study which are related to the different dimensions of learning orientation (i.e. commitment to learning, open-mindedness and shared vision) and performance of small firms (i.e. Profitability, sale and ROI) are also presented as additional findings. The results of the Regression analysis show that commitment to learning has positive and significant relationships with profitability (β=0.55; t= 5.897; P<0.001), Sale (β = 0.571; t = 6.218; P<0.001) and ROI (β = 0.475; t= 4.833; P < 0.001).

Moreover, the results are indicative of significantly positive relationships between open-mindedness and Profitability (β=0.551; t= 5.899; P< 0.001), Sale (β= 0.599; t = 6.689; P<0.001) and ROI (β= 0.413;t= 4.057; P< 0.001). Furthermore, the results obtained from the Regression analysis indicate that there are significant and positive relationships between shared vision and profitability (β= 0.530; t= 5.593; P< 0.001), Sale (β= 0.586; t = 6.471; P < 0.001) and ROI (β = 0.415; t= 4.085; P<0.001).

9. Conclusion

The present study investigated the effect of learning orientation on market orientation and performance of Tehran's small firms. To do so, and in line with the literature existing in the area of learning orientation and market orientation, 6 hypotheses were put forward the first three of which wanted to examine the effects of the different dimensions of learning orientation including commitment to
learning, open-mindedness and shared vision, respectively, on market orientation. Moreover, the other hypotheses tried to examine the effect of market orientation on performances of firm including, profitability (4a), Sale (4b) and ROI (4c).

The findings of the research show that learning orientation has a significant and positive effect on market orientation of firm. In other words, a high level of commitment to learning, open-mindedness and shared vision leads to the strengthening of market orientation approach in small firms. Based on the findings, organization's commitment to learning leads to the strengthening of organizational culture in organization and in this culture, due to the tendency of organization to create and use knowledge, a suitable perception and understanding from environment and market is created among different parts of organization and the mood for responding to environmental changes increases (Kohli and Jawarski, 1990), as a result of which, firm will be able to extraordinarily recognize opportunities in market and manages to benefit from them in the wavy environment of market (Slater and Narver, 1995).

Therefore, in addition to developing organization’s knowledge about market, rivals and customers, commitment to learning enables organization not to lose the opportunities created in market, which is because of having ability to perceive and predict customers’ needs. It also enables organization to harmonize it self with market through predicting environmental changes (Consistent with Kandemir and Hult, 2005; Calantone et al, 2002; Cahil, 1996; Damanpour, 1991).

Moreover, the findings of the study show that a high level of open mindedness leads to the strengthening of market orientation in small-sized firms, causing the second hypothesis to be accepted. In other words, benefiting from open-mindedness, firm will be able to critically evaluate organization’s daily operations (Sinkula et al, 1997) and to challenge its previous learning about market, rivals and customers (Bettis and prahalad, 1995) and through deleting repetitive methods, assumptions and previous beliefs, and the development of new knowledge and vision about market in organization, it manages to support market orientation in organization (Kohli and Jawarski, 1990).

Furthermore, the findings indicate the existence of a positive and significant relationship between shared vision and market orientation. In other words, through concentrating on learning, small-sized firms manage to strengthen energy, commitment and purposefulness of their personnel (Sinkula et al, 1997). In general, the findings show that learning will be meaningless, unless there is a single thing on which personnel can focus their attention. Otherwise, they won't know what to learn, even if they are all highly motivated to learn. Therefore, shared vision causes the increase in the quality of learning and the strengthening of market orientation vision in small-sized firms, in addition to creating harmony in different parts of organization. This finding is consistent with previous studies (Calanton et al, 2002; Hurley and Hult, 1998; Sinkula et al, 1997).

The findings also show that market orientation has a positive and significant effect on the performance of small-sized firms. In general, due to having long-term commitment to understanding overt and cover needs of customers and also because of the development of innovative solutions, market orientation firm considers customers as highly valuables, thus having the ability to acquire competitive advantage and supreme commercial performance.

Finally, being related to pervious studies in the field of market- and learning-organization, the findings of the present research provides readers with suitable empirical evidence in the research literature of the country in general and in the area of small-sized firms of Tehran in particular. It also provides suitable tools for managers and other researchers.

10. Research Limitations
The present study, like any other research, had some limitations that need to be mentioned. First, it was limited to small industries of Tehran, thus the used statistical sample cannot be representative of other industries and provinces. So, the results cannot be generalized to other studies. Second, all data were gathered at a specific time, thus the variables and results are limited to that point of time.
References


