THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

SMEs' Competitive Advantage and Sources: Application of the Knowledge-Based View

Kibeshi Kiyabo
Doctoral Candidate, School of Business, Mzumbe University, Morogoro, Tanzania
Nsubili Isaga
Senior Lecturer, School of Business, Mzumbe University, Morogoro, Tanzania

Abstract:
This study aimed to determine the influence of learning orientation on competitive advantage under the mediation of entrepreneurial orientation. Guided by the knowledge-based view, this study adopted learning orientation and entrepreneurial orientation as intangible resources. A structured questionnaire was used to collect data from 300 owners-managers of welding SMEs based in Dar es Salaam, Mbeya, and Morogoro urban centres of Tanzania. By the aid of AMOS software, measurement and structural models were developed using structural equation modelling technique. The original sample was bootstrapped using 200 samples to determine the direct and indirect effects among model constructs. Findings inform that entrepreneurial orientation mediates learning orientation and competitive advantage. This study has contributed to the understanding that the combination of learning orientation and entrepreneurial orientation is a reliable source of competitive advantage. The findings imply that the knowledge-based view is suitable to explain not only physical resources but also intangible resources such as learning orientation and entrepreneurial orientation. The study recommends to welding SMEs to combine learning orientation and entrepreneurial orientation on their business endeavours. Replication of this study using other industries is recommended to establish whether the findings of this study are specific to the welding industry or applicable to other industries.

Keywords: *Competitive advantage, entrepreneurial orientation, knowledge-based view, learning orientation, SMEs' performance.*

1. Introduction

Small and Medium Enterprises (SMEs) in developing countries like Tanzania are often faced by various constraints that hamper their growth and thus retard their contribution to socio-economic development. Tanzania is a home of more than 3.1 million enterprises that employ more than 5.2 million people and the contribution of the SMEs to the Gross Domestic Product (GDP) is over 27percent (United Republic of Tanzania [URT], 2012). Among the constraints that face SMEs in Tanzania include lack of financial support from the Government, poor understanding of consumers' needs and services, lack of essential entrepreneurial skills, and weak networking structures (Kazimoto, 2014). Furthermore, the work of Kazimoto (2014) revealed that 68percent of the surveyed respondents were engaged in business without enough entrepreneurship knowledge. In another study, Mashenene and Rumanyika (2014) concluded that inadequate business training, insufficient capital, and anti-entrepreneurial culture are critical constraints hampering the potential growth of SMEs in Tanzania. Recent study by Nkwabi and Mboya (2019) found that SMEs' growth in Tanzania is impacted by financial constraints, capital constraints, poor technology and tight regulations. A critical review on the identified constraints on SMEs informs that most past studies have been investigating the direct influence of such factors on SMEs' performance. However, competitive advantage is scarcely considered as an important factor in promoting SMEs' performance. Some studies, for example, Ibrahim and Mahmood (2016) have investigated together with other things the influence of competitive advantage on business performance. Furthermore, the raised SMEs' constraints in general literature, to the large extent are related to the tangible assets such as financial capital. It has been argued that in modern business environment, intangible assets seem to be more important in creating and sustaining competitive advantage as compared to tangible assets. Intangible assets may be defined as corporate entrepreneurship characterized by pro-activeness, striving aspirations, a team wok approach, dilemma resolution, and a learning capability (Connor, 2002).

Although scholars agree that competitive advantage is important in promoting SMEs' performance, few studies have attempted to obtain empirical evidence on its sources, that is, the factors that influence firm's competitive advantage. Competitive advantage is obtained through ability of the firm to outperform its rivals in the market landscape (Safarnia et al., 2011).

Guided by the knowledge-based view, this study adopted learning orientation and entrepreneurial orientation as intangible resources in form of processes (Grant, 1996). Thus, this study aimed to determine the influence of learning orientation on competitive advantage under the mediation of learning orientation. Specifically, this study intended to determine (1) the influence of learning orientation on entrepreneurial orientation, (2) the influence of entrepreneurial

orientation on competitive advantage, and (3) the mediating effect of entrepreneurial orientation on the relationship between learning orientation and competitive advantage.

The study adopted the quantitative research paradigm with cross-sectional design whereby data were collected using a structured questionnaire which was administered to each respondent. Data were collected from owners-managers of welding industry SMEs located in urban centres of Dar es Salaam, Mbeya and Morogoro in Tanzania.

2. Literature review

2.1. Theoretical Review and Development of Conceptual Framework

The knowledge-based view is an extension to the resource-based view. While the resource-based view recognises knowledge as a generic resource, the knowledge-based view recognises it as a critical input in production and the primary source of value (Grant, 1996). Knowledge management processes are important in creating, sharing and deploying knowledge within firm units so as to create other necessary distinct capabilities and core competencies (Pemberton and Stonehouse, 2000 cited in Theriou et al., 2009). Thus, knowledge is the primary source of all other firm resources and strategies (Curado, 2006). Consequently, knowledge management capabilities have indirect influence on competitive advantage through firm resources (Theriou et al., 2009).

Resource is a broad term which includes assets, capabilities, organisational processes, firm attributes, information, and knowledge (Barney, 1991). Learning orientation is undeniably a commonly used independent variable in firm performance studies. It refers to organisation-wide activity of creating and using knowledge to enhance competitive advantage (Calantone et al., 2002). Learning orientation encourages firms to have commitment to learning, open mindedness among firm members and advocates for shared vision, and intra-organisational knowledge sharing (Calantone et al., 2002). From this discussion, this study argues that learning orientation entails organisational processes of creating and using knowledge for the sake of creating competitive advantage. Thus, learning orientation fits to represent the knowledge management capabilities component of the knowledge-based view. In addition to the knowledge management capabilities, the knowledge-based view consists of firm resources component. Entrepreneurial orientation is another construct which is popularly used as an independent variable in firm performance studies. Lumpkin and Dess (1996) defined entrepreneurial as the 'processes, practices, and decision-making activities that lead to new entry' (p. 136). New entry may mean a firm's decision to enter a new market with old products, or old market with new products, which is the cornerstone of entrepreneurship. Like in the case of learning orientation, entrepreneurial orientation includes together with other things processes that lead to new entry. Since processes are included in the definition of resources (Barney, 1991), this study contends that entrepreneurial orientation is a good representation of firm resources. Therefore, conceptually, learning orientation influences entrepreneurial orientation which eventually influences competitive advantage. The conceptual framework for this study is represented in Figure 1.

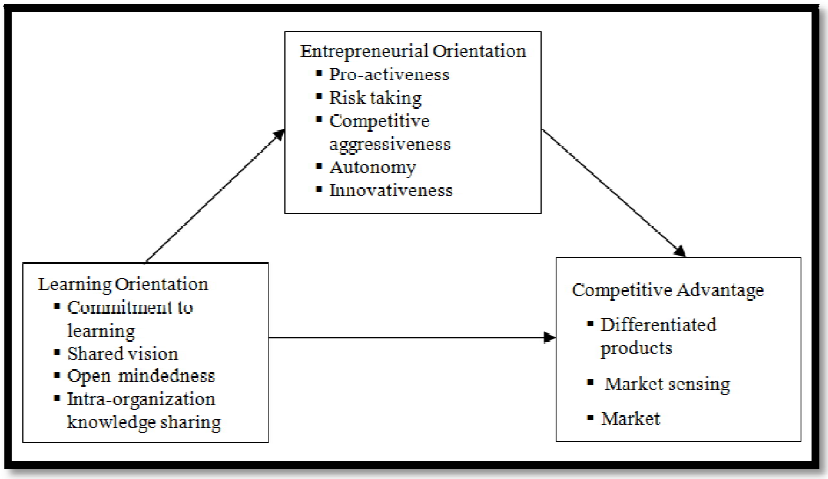

Figure 1: Conceptual Framework
Source: Researchers' Construct Based On Literature Review

The conceptual framework depicts three relationships, first, the influence of learning orientation on entrepreneurial orientation; second, the influence of entrepreneurial orientation on competitive advantage; and third, the mediating effect of entrepreneurial orientation on the relationship between learning orientation and competitive advantage. The conceptual framework is in line with the recommendation of Covin and Wales (2019) who urged future studies to combine entrepreneurial orientation with other mutually exclusive constructs such as learning orientation in structural models.

2.1. Empirical Review and Formulation of Research Hypotheses

In most cases, past studies on learning orientation and entrepreneurial orientation have been investigating the influence of these constructs on SMEs' performance. For example, a recent study by Oktavio et al. (2019) investigated the influence of learning orientation and entrepreneurial orientation on new hotel performance under the mediation of

innovation. However, some studies have attempted to investigate the influence of learning orientation and entrepreneurial orientation on competitive advantage. Martinette & Obenchain-Leeson (2012) found that learning orientation influences competitive advantage and Mustafa et al. (2015) found that entrepreneurial orientation influences competitive advantage. Furthermore, the work of Zeebaree and Siron (2017) found a positive and significant influence of entrepreneurial orientation on competitive advantage. Similarly, Suharto and Subagja (2018) and Utami and Wilopo (2018) found that entrepreneurial orientation influences competitive advantage.

While a good and promising number of studies has attempted to investigate the influence of entrepreneurial orientation on competitive advantage, literature is still in deficit of studies that have attempted to investigate the mediating effect of entrepreneurial orientation on the relationship between learning orientation and competitive advantage. However, according to the postulation of the knowledge-based view, knowledge management capabilities have the direct and indirect effects on competitive advantage through firm resources (Theriou et al., 2009). Taking into account that learning orientation and entrepreneurial orientation are firm resources (Barney, 1991) that represent the knowledge management capabilities and firm resource components of the knowledge-based view respectively, this study argues that the relationship between learning orientation and competitive advantage is mediated by entrepreneurial orientation. Therefore, based on the findings of empirical literature review, the following hypotheses are formulated:

- H_1: Learning orientation positively influences entrepreneurial orientation,
- H_2: Entrepreneurial orientation positively influences competitive advantage, and
- H_3: Entrepreneurial orientation mediates the relationship between learning orientation and competitive advantage.

3. Methodology

3.1. Research Design

This study surveyed owners-managers of welding industry SMEs based in Dar es Salaam, Mbeya and Morogoro urban centres in Tanzania. The sample size was determined using the rule of thumb based on factor analysis and structural equation modelling data analysis techniques. According to Hair et al. (2010), a sample size of 120 suffices the requirements for factor analysis for factor loadings ±0.5 or above. Furthermore, 15-20 observations (subjects) are required for each independent variable or predictor (Hair et al., 2010). This study used learning orientation and entrepreneurial orientation constructs as predictors of competitive advantage construct and learning orientation as a predictor of entrepreneurial orientation (see Figure 1).

Learning orientation construct has 17 items as adopted from Calantone et al. (2002) and entrepreneurial orientation has 14 items as adopted from Campos et al. (2012). Thus, learning orientation contains a large number of items in the model, which is 17. By multiplying 17 by 15 as a minimum number of observations, the minimum sample size was found to be 255 subjects. It is worthy to note that structural equation modelling uses Chi-square statistic in assessing model goodness of fit. Unfortunately, the statistic is sensitive to large sample sizes, that is, as the sample size becomes large, the probability for model failure becomes high as well (Barret, 2007). In this regard, Hair et al. (2010) recommended a sample size of between 100 to 400 subjects for models developed using structural equation modelling technique. In due respect to the requirements of factor analysis and structural equation modelling data analysis techniques, this study used a sample size of 300 subjects.

3.2. Measurement of Variables and Data Collection

This study used learning orientation, entrepreneurial orientation and competitive advantage constructs to develop measurement and structural models. However, all constructs are second order latent variables which cannot be directly measured. The constructs consist of first order latent variables referred to as dimensions whose measurements are inferred from a number of items (observed variables) as shown in Table 1.

Data were collected by interviewing the subjects using a structured questionnaire. This composite method reduces the number of non-responses and ensures comprehensive collection of relevant information to verify the research hypotheses (Kothari, 2004; Singh, 2006). A structured questionnaire is the one that has definite, concrete, and pre-determined questions; and when a questionnaire misses these attributes it is considered as unstructured (Kothari, 2004). Therefore, this study used a structured questionnaire, which has the advantage of facilitating uniform data collection among the subjects and forms the basis for accuracy and consistency of data (Kothari, 2004; Singh, 2006). Thus, all items were designed for respondents to respond to a five-points Likert scale. Respondents were asked to rate their agreement or disagreement to the questions from 1-5; 1 represented 'strongly disagree' while 5 represented 'strongly agree' for all items under the learning orientation, entrepreneurial orientation, and competitive advantage constructs.

Construct	Dimension	Number of items	Source
Learning orientation	Commitment to learning	Four	Calantone et al. (2002)
	Shared vision	Four	
	Open-mindedness	Four	
	Intra-organisational knowledge sharing	Five	
Entrepreneurial Orientation	Pro-activeness	Three	Campos et al. (2012)
	Risk taking	Three	
	Competitive aggressiveness	Two	
	Autonomy	Three	
	Innovativeness	Three	
Competitive advantage	Differentiated products	Three	Ramaswami et al. (2006)
	Market sensing	Four	
	Market responsiveness	Five	

Table 1: Measurement of Model Variables

3.3. Data Analysis

As seen from Table 1, learning orientation, entrepreneurial orientation, and competitive advantage are second order constructs and their dimensions are first order constructs. Modelling of higher order constructs (multiple levels) normally poses model complexity (Kline, 2011). Thus, it was necessary to compute total score for each dimension using a statistical package for social sciences (SPSS) computer software for the sake of reducing the potential model complexity. Through computation of total scores, first order factors (dimensions) were converted into observed variables and consequently, the second order factors (constructs) that is, learning orientation, entrepreneurial orientation, and competitive advantage were converted into first order factors (constructs). Table 2 shows the transformed variables and the associated abbreviations for total scores.

First order factors	Observed variables	Abbreviations
Learning orientation (LO)	Commitment to learning	Total CLE
	Shared vision	Total SVI
	Open-mindedness	Total OMI
	Intra-organisational knowledge sharing	Total IOR
Entrepreneurial Orientation (EO)	Pro-activeness	Total PRO
	Risk taking	Total RTA
	Competitive aggressiveness	Total CAG
	Autonomy	Total AUT
	Innovativeness	Total INN
Competitive advantage (CA)	Differentiated products	Total DPR
	Market sensing	Total MSE
	Market responsiveness	Total MRE

Table 2: Transformed Model Constructs

Structural equation modelling data analysis technique was used to develop measurement and structural models. It consists of confirmatory factor analysis (CFA) and latent variable path analysis (LVPA) techniques. By the aid of Analysis of Moment Structures (AMOS) computer software, this study developed measurement and structural models using CFA and LVPA techniques respectively.

Since the model comprises mediation of entrepreneurial orientation on the relationship between learning orientation and competitive advantage, bootstrapping of sample data was performed using 200 samples to facilitate determination of the direct effect of learning orientation on entrepreneurial orientation, the direct effect of entrepreneurial orientation on competitive advantage, and the indirect effect of learning orientation on competitive advantage through entrepreneurial orientation. Statistical significance was assessed at 5% level of significance and bias corrected (BC) 95% confidence interval (CI) level for each effect. The mediating effect is evident when the bias correct confidence interval excludes 0 and no mediation is found when the confidence interval includes 0 (Memon et al., 2018; Cepeda et al., 2018).

4. Findings

4.1. Confirmatory Factor Analysis

CFA technique was used to determine the factor loadings, correlations among constructs, and model goodness of fit. Differentiated products (Total DPR) dimension of competitive advantage (CA) construct had a factor loading of 0.23

which is too low (< 0.5) (Zainudin, 2015) hence deleted from the model. The remaining dimensions had factor loadings greater than 0.5 hence retained for further analysis. Innovativeness (Total INN) dimension of entrepreneurial orientation construct was deleted due to high modification index (26.068) with commitment to learning (Total CLE) dimension of learning orientation. Deletion of the two dimensions did not render the model acceptable. Thus, in addition, competitive aggressiveness (Total CAG) dimension of entrepreneurial orientation was deleted due to high modification index (8.092) with pro-activeness (Total PRO) dimension of entrepreneurial orientation. After deletion of the three dimensions, the measurement model was found acceptable with minimum Chi-square statistic of 20.762 ($p > 0.05$). Insignificant minimum Chi-square statistic informs that the observed covariance matrix is closer to the theory implied covariance matrix. Other model fit indices were also found to be in acceptable ranges, that is, cmin/df ratio < 3.0, CFI > 0.90 and RMSEA < 0.08 (Zainudin, 2015), and construct correlations less than 0.90 (Pallant, 2005; Tabachnick & Fidell, 2007) (see Figure 2).

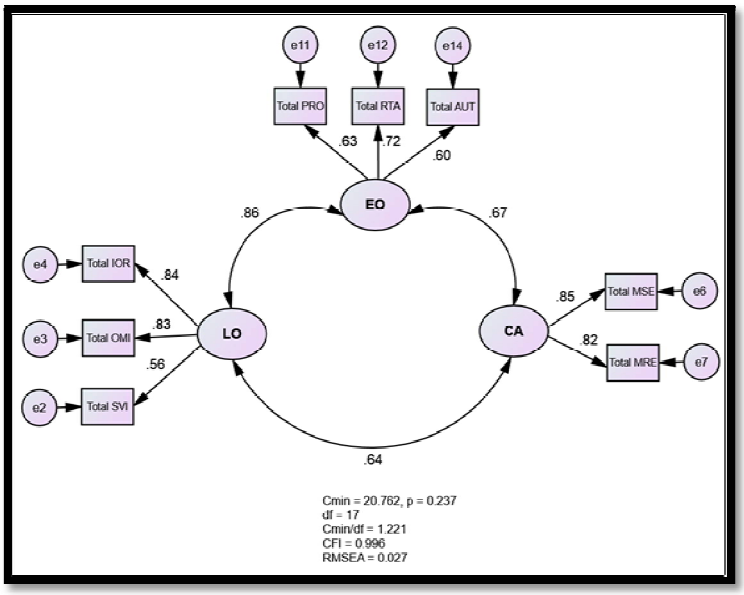

Figure 2: Measurement Model

Construct reliability or sometimes referred to as composite reliability (CR) is an indicator of construct reliability. It was computed using the online calculator (http://www.thestatisticalmind.com/calculators/comprel/composite_reliability.htm). Average variance extracted (AVE) is an indicator of construct convergent validity. In addition to AVE values, convergent validity is also determined using by factor loadings. AVE is simply the average of squares of the factor loadings on each construct. It was determined using Microsoft Excel spreadsheet. AVE values higher than 0.5 and CR values higher than 0.6 indicate acceptable construct validity and reliability respectively (Zainudin, 2015). Learning orientation had AVE and CR values of 0.569 and 0.794 respectively. Entrepreneurial orientation had AVE and CR values of 0.425 and 0.688 respectively. Finally, competitive advantage construct had AVE and CR values of 0.697 and 0.821 respectively. In exception of AVE value of 0.425 on entrepreneurial orientation construct which was less than 0.5, other AVE and CR values were found to be higher than 0.5 and 0.6 respectively hence acceptable. However, since the factor loadings for entrepreneurial orientation construct were all greater than 0.5, entrepreneurial orientation was deemed to have achieved construct convergent validity.

4.2. Hypotheses Testing

This study used the LVPA technique to test the research hypotheses. Findings from the structural model (Fig. 3) using the original sample show that learning orientation positively and significantly influences entrepreneurial orientation ($\beta = 0.86$, $p < 0.001$). Likewise, entrepreneurial orientation positively and significantly influences competitive advantage ($\beta = 0.45$, $p = 0.025$).

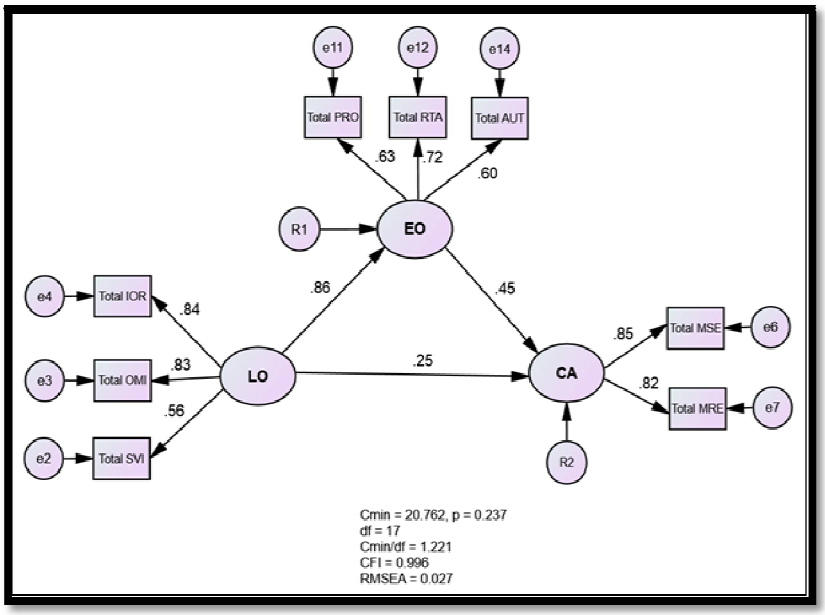

Figure 3: Structural Model

Sample bootstrapping results for direct and indirect effects among the constructs are summarized in Table 3. The results divided into three parts: firstly, the influence of learning orientation on entrepreneurial orientation was found to be positive and significant at 5% level of significance and the bias corrected 95% confidence interval excludes 0. Secondly, the influence of entrepreneurial orientation on competitive advantage was found to be positive and significant at 5% level of significance and the bias corrected 95% confidence interval excludes 0. Thirdly, the indirect influence of learning orientation on competitive advantage through entrepreneurial orientation was found to be positive and significant at 5% level of significance and the bias corrected 95% confidence interval excludes 0. These results confirm that hypothesis H_1, H_2, and H_3 are supported by the collected data.

No.	Hypothesis	Coefficient (β)	p-value (2-tailed)	Significance (α = 0.05)	95% Corrected bias (BC)		Decision
					Lower	Upper	
H_1	EO←LO	0.862	0.008	Significant	0.744	0.958	Supported
H_2	CA←EO	0.454	0.041	Significant	0.073	1.050	Supported
H_3	CA←EO←LO	0.391	0.030	Significant	0.075	1.096	Supported

Table 3: Direct and Indirect Effects among Constructs

5. Discussion

This study aimed at determining the influence of learning orientation on competitive advantage under the mediation of entrepreneurial orientation. The influences of learning orientation on entrepreneurial orientation; entrepreneurial orientation on competitive advantage; and the mediating effect of entrepreneurial orientation on the relationship between learning orientation and competitive advantage were determined. Measurement and structural models were developed using the original sample and then bootstrapping (200 samples) was performed to determine the direct and indirect effects among the constructs.

The study formulated three hypotheses to accomplish the specific objectives. Firstly, it was hypothesized that learning orientation positively influences entrepreneurial orientation. This hypothesis was supported by the original sample and the bootstrapped samples. These findings confirm that knowledge is the source of other resources as suggested by the knowledge-based view (Theriou et al., 2009). However, since literature lacks empirical studies regarding the influence of learning orientation on entrepreneurial orientation, this study was unable to compare the findings of the present study from findings in past studies.

Secondly, the study hypothesized that entrepreneurial orientation positively influences competitive advantage. This hypothesis was also supported by the collected data. Thus, as firm members become more autonomous and a firm becomes more proactive and takes appropriates risks in undertaking its business, such a firm place itself in a good position to create competitive advantage over business rivals. Nevertheless, similar findings have also been reported in past studies (see for example Mustafa et al., 2015; Zeebaree & Siron, 2017; Suharto & Subagja, 2018; Utami & Wilopo, 2018) hence the findings of this study are in line with the findings from past studies.

Thirdly, this study hypothesized that entrepreneurial orientation mediates the relationship between learning orientation and competitive advantage. Bootstrapping data supported this hypothesis. These findings confirm that learning orientation and entrepreneurial orientation (intangible resources) are source of competitive advantage. The findings are

in compliance with the knowledge-based view which suggests that competitive advantage is governed by the firms' capability in developing new knowledge-based assets that create core competencies (Pemberton & Stonehouse, 2000 cited in Theriou et al., 2009). The findings inform that as the firm embraces learning orientation through shared vision, open-mindedness and intra-organisational knowledge sharing, the firm becomes well acquainted with the past successes and failures. The acquired knowledge enables the firm among other things to competently and appropriately identify and manage potential risks that may emerge in the course of creating competitive advantage. Thus, entrepreneurial orientation is an important factor for learning orientation to practically create the firm's competitive advantage.

Finally, this study acknowledges that past studies have done much in studying learning orientation and entrepreneurial orientation as independent variables in models involving SMEs' performance as a dependent variable. On one hand, studies on the influence of learning orientation on SMEs' performance include but not limited to Amin (2015), Calantone et al. (2002), Eshlaghy and Maatofi (2011), and Yeni (2015). On the other hand, studies on the influence of entrepreneurial orientation on SMEs' performance include but not limited to Amin et al. (2016), Campos and Valenzuela (2013), Fatoki (2012), Mata and Aliyu (2014) and Zehir et al. (2015). However, past studies have not done much in studying the mediating effect of entrepreneurial orientation on the relationship between learning orientation and competitive advantage. Therefore, this study was unable to compare the findings of this study from the findings in past studies.

6. Conclusion, Implications and Recommendations

6.1. Conclusion

The findings from this study are three-fold; first, learning orientation has a positive and significant influence on entrepreneurial orientation; second, entrepreneurial orientation has a positive and significant influence on competitive advantage, and third; entrepreneurial orientation positively and significantly mediates the relationship between learning orientation and competitive advantage. The findings confirm that competitive advantage can be created by implementing a combination of learning orientation and entrepreneurial orientation. Therefore, this study concludes that learning orientation and entrepreneurial orientation (firm intangible resources) are reliable source of competitive advantage. While learning orientation enables firms to learn from past successes and failures so as to plan on how to avoid the past failures and maintain or even improve the successes in hand, entrepreneurial orientation facilitates firms to act proactively and by engaging in risk taking actions which when well executed will create competitive advantage for better firm performance.

6.2. Contribution of the Study

Guided by the knowledge-based view, this study determined the influence of learning orientation on competitive advantage under the mediation of entrepreneurial orientation. Despite the clear postulation of the knowledge-based view that, knowledge is a source of competitive advantage, past studies have not paid much attention to obtain empirical evidence on its importance as a source of competitive advantage. Generally, past studies have been emphasizing on the factors that influence firm performance leaving out the sources of competitive advantage unstudied. Thus, in addition to the existing knowledge that learning orientation and entrepreneurial orientation promote SMEs' performance, this study has contributed to the understanding that the combination of learning orientation and entrepreneurial orientation is a reliable source of competitive advantage which eventually promotes SMEs' performance. Moreover, Phillips and Pugh (2005) argued that, a study makes an original contribution to existing knowledge when it tries out something in a certain country that has previously only been done abroad. In this regard, to the best knowledge of the authors, no study has attempted to obtain empirical evidence concerning the influence of learning orientation on competitive advantage under the mediation of entrepreneurial orientation in the welding industry in Tanzania. Thus, the study has contributed to existing knowledge by unveiling the combination of learning orientation and entrepreneurial orientation as an important source of competitive advantage in the welding industry in Tanzania, the knowledge that did not exist before this study.

6.3. Implication of the Findings

Leaning orientation and entrepreneurial orientation have been used as firm resources in form of processes (Barney, 1991), this study has proved that the influence of learning orientation on competitive advantage is mediated by entrepreneurial orientation. The findings of this study imply that the knowledge-based view is suitable to explain not only physical resources but also intangible resources such as learning orientation and entrepreneurial orientation. Connor (2002) argued that tangible resources are more vulnerable to imitation than the intangible ones. Therefore, firm owners-managers ought to strategically invest not only in physical resources but also in intangible resources in order to create competitive advantage for better SMEs' performance.

6.4. Limitation of the Study

The data for this research have been collected from owners-managers of welding industry SMEs in Tanzania thus, the findings cannot be generalized beyond this industry. While the measures of learning orientation and entrepreneurial orientation are to the large extent agreed as adopted from Calantone et al. (2002) and Campos et al. (2012) respectively, the measures for competitive advantage are not yet agreed thus it can be measured using various dimensions. In this context, measurement of competitive advantage is limited to differentiated products, market sensing, and market responsiveness.

6.5. Recommendations

Based on the findings of this study, owners-managers of SMEs in the welding industry will probably appreciate the importance of combining learning orientation and entrepreneurial orientation as the source of competitive advantage. Thus, the study recommends to owners-managers of welding industry SMEs to combine learning orientation and entrepreneurial orientation on their business endeavours. Furthermore, this study has attempted to investigate the influence of learning orientation on competitive advantage under the mediation of entrepreneurial orientation. The findings provide promising avenues to investigate the influence of learning orientation on competitive advantage under the mediation of entrepreneurial orientation on other industries away from the welding industry. Therefore, replication of this study using other industries is strongly recommended. Such studies will establish whether the findings of this study are specific to the welding industry or applicable to other industries as well.

7. References

i. Amin, M. (2015). The effect of entrepreneurship orientation and learning orientation on SMEs' performance: an SEM – PLS approach. *Journal of International Business and Entrepreneurship Development*, 8(3), 215-230.
ii. Amin, M., Thurasamy, R., Mohamad, A., Aznur, A. and Kaswuri, H. (2016). The effect of market orientation as a mediating variable in the relationship between entrepreneurial orientation and SMEs performance. *Nankai Business Review International*, 7.
iii. Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
iv. Barret, P. (2007). Structural equation modelling: Adjudging model fit. *Personality and Individual Differences*, 42, 815-824.
v. Calantone, R. J., Cavusgila, S. T. and Zhao, Y. (2002). Learning orientation, firm innovation capability, and firm performance. *Industrial Marketing Management*, 31(6), 515-524.
vi. Campos, H. M. and Valenzuela, F. A. A. (2013). The relationship between entrepreneurial orientation, time orientation and small business performance: evidence from Mexico. *Revista da Micro e Pequena Empresa, Campo Limpo Paulista*, 7(1), 48-63.
vii. Campos, H. M., Nuno de la Parra, J. P. and Parellada, F. S. (2012). The entrepreneurial orientation-dominant logic-performance relationship in new ventures: An exploratory quantitative study. *BAR, Rio de Janeiro*, 9(4), 60-77.
viii. Cepeda, G., Nitzl, C., and Roldán, J. L. (2018). Mediation analyses in partial least squares structural equation modeling: guidelines and empirical examples. In H. Latan & R. Noonan (Eds.), *Partial least squares structural equation modeling: basic concepts, methodological issues and applications*. Heidelberg: Springer.
ix. Connor, T. (2002). The resource-based view of strategy and its value to practising managers. *Strategic Change*, 11, 307–316.
x. Covin, J. G. and Wales, W, J. (2019). Crafting high-impact entrepreneurial orientation research: Some suggested guidelines. *Entrepreneurship Theory and Practice*, 43(1), 3-18.
xi. Curado, C. (2006). *The knowledge based-view of the firm: from theoretical origins to future implications* (Working Paper 1). ISEG – Universidade Técnica de Lisboa.
xii. Eshlaghy, A. T. and Maatofi, A. (2011). Learning orientation, innovation and performance: Evidence from small-sized business firms in Iran. *European Journal of Social Sciences*, 19(1), 114-122.
xiii. Fatoki, O. (2012). The impact of entrepreneurial orientation on access to debt finance and performance of small and medium enterprises in South Africa. *Journal of Social Sciences*, 32(2). 121-131.
xiv. Grant, R. M. (1996). Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17(winter special issue), 109-122.
xv. Hair, J. F. Jr., Black, W. C., Babin, B. J. and Anderson, R. E. (2010). *Multivariate Data Analysis: Global Perspective*. New Jersey: Pearson Prentice Hall.
xvi. Ibrahim, N. M. N. and Mahmood, R. B. (2016). Factors influencing small and medium enterprises' performance. *International Journal of Economics, Commerce and Management*, 4(1), 379-391.
xvii. Kazimoto, P. (2014). Assessment of challenges facing Small and Medium Enterprises towards international marketing standards: A case study of Arusha region Tanzania. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 4(2), 303-311.
xviii. Kline, R. B. (2011). *Principles and Practice of Structural Equation Modelling*. New York: The Guilford.
xix. Kothari, C. R. (2004). *Research Methodology*. New Delhi: New Age.
xx. Lumpkin, G. T. and Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-172.
xxi. Martinette, L. A. and Obenchain-Leeson, A. (2012). The relationship between learning orientation and business performance and the moderating effect of competitive Advantage: A service organization perspective. *Journal of Service Science*, 5(1), 43-58.
xxii. Mashenene, R. G. and Rumanyika, J. (2014). Business constraints and potential growth of small and medium enterprises in Tanzania: A Review. *European Journal of Business and Management*, 6(32), 72-79.
xxiii. Mata, B. A. K. and Aliyu, M. S. (2014). The relationship between some determinants of SME performance in Nigeria: A qualitative approach. *European Journal of Business and Management*, 6(2), 107-114.
xxiv. Memon, M. A., Cheah, J., Ramayah, T., Ting, H. and Chuah, F. (2018). Mediation analysis issues and recommendations. *Journal of Applied Structural Equation Modeling*, 2(1), 1-9.
xxv. Nkwabi, J. M. and Mboya, L. B. (2019). A review of factors affecting the growth of small and medium enterprises (SMEs) in Tanzania. European Journal of Business and Management, 11(33), 1-8.

xxvi. Octavio, A., Kaihatu, T. S. and Kartika, E. W. (2019). Learning orientation, entrepreneurial orientation, innovation and their impacts on new hotel performance: Evidence from Surabaya. *Journal of Applied Management*, 17(1), 8-19.

xxvii. Pallant, J. (2005). *SPSS survival manual: a step guide to data analysis using SPSS for Windows (Version 12)*. Sydney: Allen & Unwin.

xxviii. Phillips, E. M., and Pugh, D. S. (2005). How to Get a PhD: A Handbook for Supervisors and their Students. New York: Open University

xxix. Ramaswami, S. N., Srivastava, R. and Bhargava, M. (2006). Market-based assets and capabilities, business processes, and financial performance. Emory University.

xxx. Safarnia, H., Akbari, Z. and Abbasi, A. (2011). Review of market orientation & competitive advantage in the industrial estate's companies (Kerman, Iran): Appraisal of model by Amos Graphics. *World Journal of Social Sciences,* 1(5), 132-150.

xxxi. Singh, Y. K. (2006). *Research Methodology and Statistics*. New Delhi: New Age.

xxxii. Suharto and Subagja, I. K. (2018). The influence of market orientation and entrepreneurial orientation to competitive advantage through business innovation: Study on batik trusmi cirebon West Java province Indonesia. *International Review of Management and Marketing*, 8(1), 19-27.

xxxiii. Tabachnick, B. G. and Fidell, L. S. (2007). *Using multivariate statistics*. New York: Pearson Education, Inc.

xxxiv. Theriou, N. G., Aggelidis, V. and Theriou, G. N. (2009). A theoretical framework contrasting the resource-based perspective and the knowledge-based view. *European Research Studies*, 12(3), 177-190.

xxxv. United Republic of Tanzania [URT]. (2012). National baseline survey report: Micro, Small and Medium Enterprises in Tanzania. Dar es Salaam. Ministry of Trade and Industry.

xxxvi. Utami, A. K. and Wilopo, S. (2018). Effect of entrepreneurial orientation toward competitive advantage and business performance. *RJOAS*, 7(79), 140-149.

xxxvii. Yeni, Y. H. (2015). The influence of entrepreneurial orientation and learning orientation on firm performance of MSMEs in west Sumatra. Paper presented at the Australasian conference on business and social sciences. Sydney.

xxxviii. Zainudin, A. (2015). SEM Made Simple: A Gentle Approach to Learning Structural Equation Modeling. MPWS Rich Publication Sdn. Bhd.

xxxix. Zeebaree, M. R. Y. and Siron, R. B. (2017). The impact of entrepreneurial orientation on competitive advantage moderated by financing support in SMEs. *International Review of Management and Marketing*, 7(1), 43-52.

xl. Zehir, C., Can, E. and Karaboga, T. (2015). Linking entrepreneurial orientation to firm performance: The role of differentiation strategy and innovation performance. *Procedia - Social and Behavioural Sciences*, 210, 358-367.