

**THE EFFECT OF ENTREPRENEURIAL
ORIENTATION, ORGANIZATIONAL
LEARNING AND INNOVATION
PERFORMANCE ON SMEs FIRM
PERFORMANCE IN ALGERIA**

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Universiti Malaysia Terengganu

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ON SMEs FIRM PERFORMANCE IN ALGERIA**

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**A Thesis Submitted in Fulfillment of the Requirements for the Degree of
Doctor of Philosophy of Management in the School of Maritime Business and
Management
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DEDICATION

This work is dedicated to the most important people in my life...

To my respected parents - My Mother and My Father – for their infinite love and prayers

that kept me going ahead and find my way in my darkest nights.

I also wish to dedicate this thesis to my sisters, brothers and many friends who have

supported me throughout the process.

Thank you for your love and encouragement.

Abstract of thesis presented to the Senate of Universiti Malaysia Terengganu in fulfillment of the requirement for the degree of Doctor Philosophy

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Algerian SMEs play an important role in economic development and income growth. However, increasing business competition has placed SMEs in a vulnerable position due to their limited resources. Undoubtedly, their success in responding to the challenges of the business environment depends, in great part, on their strategy for engaging in entrepreneurial behaviors. The main purpose of this study was to investigate the mediating effect of organizational learning (OL) and Innovation performance (IP) on the relationships between Entrepreneurial Orientation (EO) and the firm performance (FP).

However, this study contributed to the entrepreneurial orientation (EO)–performance literature by offering a wider picture that includes two intermediate steps: organizational

learning (OL) and innovation performance. This study also provided an explanation of firm performance differences by focusing on EO. Due to the acknowledged importance of OL as a critical variable for strategy implementation, this study integrated many theories such as the contingency theory and resource-based view theory and get inspired by the congruence model to study the effect of organizational learning (OL) on successful strategy implementation. This quantitative study presents and discusses empirical findings from a survey of a total of 500 owner/managers of SMEs in Algeria, 258 questionnaires were returned giving a response rate of 51.6 percent, which is relatively good. In fact, this study followed a rigorous process to establish the construct validity of the measure by employing EFA as well as CFA using both SPSS and PLS-SEM.

The results support our conceptual model and demonstrate its usefulness in explaining differences in SMEs performance. However, supported the premises of contingency theory, resource-based view theory and the congruence model confirming the importance of supportive OL for any successful strategy implementation. Findings suggested that OL and innovation performance should be enhanced by managers in order to boost the positive EO–performance link.

Abstrak tesis yang dikemukakan kepada Senat Universiti Malaysia Terengganu sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

**KESAN ORIENTASI KEUSAHAWANAN, PEMBELAJARAN
ORGANISASI DAN PRESTASI INOVASI KE ATAS PRESTASI
FIRMA IKS DI ALGERIA**

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Peusahaan Kecil dan Sederhana (IKS) Algeria memainkan peranan penting dalam pembangunan ekonomi dan pertumbuhan pendapatan. Walau bagaimanapun, peningkatan persaingan perniagaan telah meletakkan IKS dalam kedudukan yang tidak menentu disebabkan sumber-sumber yang terhad. Tidak dinafikan, kejayaan mereka bertindak balas kepada cabaran persekitaran perniagaan sebahagian besarnya bergantung kepada strategi mereka melibatkan diri dalam tingkah laku keusahawanan. Tujuan utama kajian ini adalah untuk mengkaji kesan pengantara pembelajaran organisasi (OL) dan prestasi inovasi (IP) dalam hubungan antara orientasi keusahawanan (EO) dan prestasi firma (FP).

Walau bagaimanapun, kajian ini menyumbang kepada sastera orientasi keusahawanan (EO) - prestasi dengan menawarkan gambaran yang lebih luas yang merangkumi dua langkah perantaraan: pembelajaran organisasi (OL) dan prestasi inovasi. Kajian ini juga memberi penjelasan mengenai perbezaan prestasi firma dengan memberi tumpuan kepada EO. Oleh kerana kepentingan yang diakui bahawa OL sebagai pembolehubah penting bagi pelaksanaan strategi, kajian ini mengintegrasikan banyak teori seperti teori kontingensi dan teori pandangan berasaskan sumber dan mendapat inspirasi dari model kesesuaian untuk mengkaji kesan pembelajaran organisasi (OL) ke atas kejayaan pelaksanaan strategi. Kajian kuantitatif ini memaparkan dan membincangkan penemuan kajian empirical daripada sejumlah 500 pemilik / pengurus IKS di Algeria, 258 soal selidik telah dikembalikan yang memberi kadar maklumbalas sebanyak 51.6 peratus, yang mana adalah kadar maklumbalas yang agak baik. Malah, kajian ini mengikut proses yang terperinci untuk membentuk kesahihan konstruk pengukuran dengan mengukur EFA dan juga CFA menggunakan kedua-dua SPSS dan PLS-SEM.

Hasil kajian menyokong model konsep kajian dan menunjukkan kepentingannya dalam menerangkan perbezaan prestasi IKS. Walaubagaimanapun, dengan disokong oleh teori kontingensi, teori pandangan berasaskan sumber dan model kesesuaian, telah mengesahkan kepentingan sokongan OL dalam kejayaan pelaksanaan strategi. Hasil kajian menerangkan bahawa OL dan prestasi inovasi perlu dipertingkatkan oleh pengurus bagi meningkatkan hubungan positif EO- Prestasi.