

DOES MARKET AND LEARNING ORIENTATION EXIST IN INDONESIAN FM RADIO STATIONS?

Sunardi S. Brahmama
Universitas Widyatama Bandung
Jl. Cikutra 204 A Bandung
Indonesia 40141
Tel: +628121494563
e-mail: nardibrahmana@yahoo.com

Mahmod Sabri Haron
School of Management
Universiti Sains Malaysia
11800 Minden, Pulau Pinang, Malaysia
e-mail: msabri@usm.my

Norizan Mat Saad
School of Management
Universiti Sains Malaysia
11800 Minden, Pulau Pinang, Malaysia
e-mail: nazim@usm.my

ABSTRACT

Two of the most important strategic orientations are market and learning orientation. Previous research shows that these two strategic orientations are positively and significantly influence business performance. Operationalized as culture market and learning orientation meets the Resource-Based View criteria as unique assets. Firm which posse's unique assets have greater capacity to outperform their competitors. Due to the difficulties in protecting innovation in services, services firm should be continuously introduced new services in order to satisfying their customer's needs and wants. Some scholars argued that the implementation of market and learning orientation are among the most important driver of innovation. Therefore, it is very important for Indonesian FM radio stations to develop and implement market and learning orientation. This paper attempted to delineate whether market and learning orientation exist in Indonesian FM radio stations. The result of this study revealed that market and learning orientation of Indonesian FM radio stations are relatively high.

Keywords: Market Orientation, Learning orientation, FM Radio Station, Indonesia

Introduction

Great attention and effort in trying to explain the differences of performance among firms within certain industries have been put forward by many marketing scholars (Atuahene-Gima, 1996; Calantone, Cavusgil, & Zhao, 2002; Deshpande & Farley, 2004; Hult, Hurley, & Knight, & Knight, 2004; Narver, Slater, & MacLachlan, 2000; Slater & Narver, 1995). In general, it is understood that the ability of the firm to adapt to an ever changing environment determine their performance. Firm's ability to adapt to its environment depends on two aspects, namely: resources and knowledge about market (Barney, 1991; Day, 1994; Grant 1991; Drucker, 1954). By integrating resources and combining with the knowledge of the

market would enable firm to innovate product/service directed to satisfying their customer needs and wants. Many marketing scholars agreed that innovation is a key component to the ability of firm success (Narver & Slater, 1990; Smart & Conant, 1994; Calantone, et.al., 2002; Deshpande & Farley, 2004). The ability to innovate is among the most important factors that put impact on firm performance (Auh & Menguc, 2005; Burns & Stalker, 1961; Hurley, Hult, & Tomas, 1998; Porter, 1990). Unfortunately, relatively little is known about the drivers of innovation (Han, Kim, and Srivastava, 1998; Hult et al., 2004).

This study adopts the resource-based view (RBV) of the firm as the theoretical foundation. Over the past 15 years, the resource-based view (RBV) of the firm on the origins of competitive advantage has become a very influential framework and one of the standard theories in the field of strategy (Barney, Wright, & Ketchen, 2001; Hoopes, Madsen, & Walker, 2003; Henri, 2005), and recently in the field of marketing research (Day, 1994; Matar, Gray, and Garret, 2004; Santos-Vijande, Sanzo-Perez; Alvarez-Gonzalez, and Vazquez-Casielles, 2005). The RBV is based on the principle that competitiveness is a function of distinctive and valuable resources and capabilities controlled by a firm (Henri, 2005).

Resources that are valuable, rare, inimitable, and non-substitutable lead to the achievement of sustainable competitive advantage that cannot be easily duplicated by competitors (Barney, 1991). Resources comprise three distinct sub-groups, namely tangible assets, intangible assets and capabilities (Fahy, 2000). The RBV literature has tended to favor capabilities as the most likely source of sustainable competitive advantage (Coyne, 1986; Henri, 2005). The source of sustainable competitive advantage is the firm capability differentials (Coyne, 1986). Hall (1992) argued that intangible resources act as the feedstock to the capabilities differentials. These capabilities differentials would drives innovation in manufacturing sector as well as in services sector (Bharadwa, Varadarajan, and Fahy, 1993) used to answer the challenges of the more demanding market.

Market orientation and learning orientation are organizational culture (Baker & Sinkula, 1999a; Day, 1994; Hurley & Hult, 1998; Moorman & Miner, 1998; Narver & Slater, 1990; Noble, Sinha and Kumar, 2002), and are recognized as primary capabilities to reach sustainable competitive advantage (Henri, 2005; Hult & Ketchen, 2002; Hurley & Hult, 1998). Narver and Slater (1995) suggest that collectively these two resources contribute to the creation of a unique resource lead to the achievement of sustainable competitive advantage (Barney, 1991; Day, 1994). These two elements of organizational culture are each necessary but are not individually sufficient for creating and leading to what Barney (1991) called as sustainable competitive advantage.

In Indonesia, especially in the context of service sector, these two orientations are not well research. Thus, the objectives of this research are to test and validate market and learning orientation scales in the context of Indonesia and, to delineate the implementation of market and learning orientation of Indonesian FM radio stations. Since the development and validation of market and learning orientation construct and scales mostly in the developed Western countries, this study result will broadening our understanding on this two constructs, especially in the context of developing Eastern country such as Indonesia.

Review of Market Orientation

The concept of market orientation is the central element of the management philosophy based on the marketing concept (Menguc, 1996; Ruekert, 1992; Webster, 1988) and is presumed to contribute to long-term profitability. Two seminal articles, those of Narver and Slater (1990) and of Kohli and Jaworski (1990), coined the concept of market orientation in the early 1990s. Narver and Slater (1990) represent the cultural perspective on market orientation. They define *market orientation* as “the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers

and, thus, continuous superior performance for the business” (Narver & Slater, 1990, pg.21). They state that market orientation consists of three behavioral components, namely:

1. Customer orientation: which involves understanding current and future customer needs in order to create superior value.
2. Competitor orientation: involves acquiring information about existing and potential competitors, their strengths and weaknesses, and their long term capabilities in order to compete effectively;
3. Inter-functional coordination: concerns with the coordination of company resources in creating superior value for the customers, so every function is important, and play a role in customer value creation.

Continuous innovation is implicit in each of these components (Narver & Slater 1990).

Kohli and Jaworski (1990) on the other hand, represent the behavioral perspective of market orientation. They defined market orientation as the organization-wide generation of market intelligence pertaining to current and future customer needs, disseminating of the intelligence across departments, and organization-wide responsiveness to it. Kohli and Jaworski introduced market intelligence rather than customer focus as the central element of market orientation because in their view market intelligence is a much wider concept than customer focus: “It includes consideration of exogenous market factors that affect customer needs and preferences and current as well as future needs of customers” (Kohli & Jaworski, 1990, p. 3).

In this study Narver and Slater definition of market orientation is used: “Market orientation is the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for customers and, thus continuous superior performance for the business. Although several viable market orientation frameworks exist (e.g., Deshpandé, Farley & Webster, 1993; Kohli & Jaworski, 1990), this research adopt the conceptualization of Narver and Slater for its focus on organizational culture which is in line with this research. Furthermore, the dimensions of their framework correspond with the elements of culture, namely customer orientation, competitor orientation, and inter-functional coordination. These dimensions of a market orientation thus become part of an organization’s cultural competitiveness (Hult et al., 2002).

Market-oriented service firms have mainly focused on satisfying expressed needs of the customer, typically by using verbal techniques such as focus groups and customer surveys, to gain understanding of the use of current services (Slater, 2001). The problem is, however, that those techniques tend to result in minor improvements rather than innovative thinking and breakthrough services (Matthing, Sanden and Edvardsson, 2004). This problem arises because customers have trouble imagining and giving feedback about something that they have not experienced (Ulwick, 2002). Organizations simply cannot access, understand, and meet latent needs of the customers by only using surveys and interviews (Matthing et al., 2004). Latent needs can be referred to as what customers really value or the services they need, but have never experienced or would never think to request (Senge, 1990). Therefore, market orientation alone is simply not enough to overcome these problems in the service industry. Service companies need to implement other strategic source of advantage, such as learning orientation (Matthing et al., 2004; Barret, Balloun and Weinstein, 2005).

Review of Learning Orientation

Knowledge, derived from learning, is potentially the most productive resource of an organization and can be a key source of competitive advantage (Barney, 1991; Grant, 1996). An organization’s stock of knowledge is created and expanded through a learning process (Hult, Snoe and Kandemir, 2003).

Learning orientation is a set of organizational values that defines the ability to create, disseminate, and utilize knowledge (Sinkula, Baker, & Noordewier, 1997). Learning can be considered as a process whereby members in an organization are stimulated to continually strive for new approaches and acquire, as well as share, knowledge consequential to interactions with environments (Argyris, 1977, 1991). Learning orientation refers to organization-wide activity of creating and using knowledge to enhance competitive advantage (Calantone et al., 2002). The review of the literature reveals that learning orientation is conceived as composed of four factors: commitment to learning, shared vision, open-mindedness, and intra-organizational knowledge sharing (Hurley and Hult, 1998; Hult and Ferrell, 1997; Hult, 1998).

Commitment to learning, or the degree to which an organization values and promotes learning (Sinkula et al., 1997), is likely to foster a learning climate (Norman, 1985). The committed organization considers learning as an important investment that is crucial for survival. The more an organization values learning, the more likely it is that learning will occur (Sinkula et al., 1997).

Shared vision refers to an organization-wide focus on learning (Sinkula et al., 1997). Verona (1999) stresses that without a shared vision; learning by members of an organization is less likely to be meaningful. In other words, even if they are motivated to learn, it is difficult to know what to learn. A clear direction for learning is likely to form an organizational strength or even a core competence. Brown and Eisenhardt (1995), note that various departments differ in their ways of obtaining and interpreting knowledge. A shared vision coordinates the focus of various departments and enhances the quality of learning.

Open-mindedness is the willingness to critically evaluate the organization's operational routine and to accept new ideas (Sinkula et al., 1997). Firms must cope with rapidly changing technology and turbulent markets. The rate of knowledge obsolescence is high in most sectors.

Intra-organizational knowledge sharing refers to collective beliefs or behavioral routines related to the spread of learning among different units within an organization (Moorman and Miner, 1998, Zaltman, Duncan and Holbek., 1973). It keeps alive the knowledge and information gathered from various sources and serves as a reference for future action (Lukas, Hult, and Ferrell, 1996).

Learning in the organizations results from the accumulation of individual learning. Because of employee turnover and transfer, intra-organizational knowledge sharing is necessary to prevent the loss of information (Lukas et al., 1996). Even if an organization were committed to learning and has a shared vision, learning will be limited without the accumulation of knowledge (Moorman and Miner, 1998). Some scholars argue that learning does not really occur unless an organization has an effective and efficient system for sharing and reexamining information (Moorman and Miner, 1998). Intra-organizational knowledge sharing does not simply refer to obtaining information from various sources.

Methodology

Samples and Data Collection

The population of this research is Indonesian FM radio stations. A total of 750 questionnaires were sent to the targeted respondent's mail address. A total of 117 complete and usable questionnaires were returned to the researcher. The overall and usable response rates are 20.55% and 17.81% respectively. The total 117 usable questionnaires are between an acceptable numbers of the minimum observation as suggested by Sekaran (2003) that the minimum observation is at least five times of variable to be analyzed and the more acceptable number would have a ten-to-one ratio.

Measures

The conceptualization and instrument for market orientation are adapted from Narver and Slater (1990). This Narver and Slater's scales is known as MKTOR scales. In their conceptualization, market orientation is proposed as one-dimensional construct consisting of three dimensions, namely: customer orientation, competitor orientation, and inter-functional coordination. MKTOR scales were also adapted in service setting, for instance: Barret et al. (2005); Han et al. (1998); Hooley, Fahy, Greenley, Beracs, Fonfara and Snoj, (2003); Sandvik & Sandvik (2003). MKTOR, the instrument originally developed by Narver and Slater (1990) in this study consists of 16 items, six for measuring customer orientation, five for measuring competitor orientation, and five for measuring inter-functional coordination. A seven-point Likert-type scale ranging from 1= strongly disagree, to 7= strongly agree will be employed for all of the market orientation items.

Learning orientation consists of four components: commitment to learning, shared vision, open-mindedness, and intraorganizational knowledge sharing (Hurley & Hult, 1998; Moorman and Miner, 1998; Mone, McKinley and Barker., 1998). The four components of learning orientation will be measure with 25 items, six for measuring commitment to learning, six for measuring shared vision, six for measuring open-mindedness, and seven for measuring intraorganizational knowledge sharing. Items for measuring commitment to learning, shared vision, and open-mindedness is adapted from Sinkula et al. (1997), whereas item for measuring intraorganizational knowledge sharing is adapted from Hult and Ferrell (1997). The seven point Likert-type scale ranging from 1= strongly disagree to 7= strongly agree will be use to measure this learning orientation. Some studies these scales in service setting: Hult & Ferrel (1997); Sinkula et al. (1997); Liu, Luo and Shi, (2002); Calantone et al. (2002); Hult et al. 2003.

Goodness of Measures

There are two important methods to assess the goodness of measure namely: factor analysis and reliability analysis (Sekaran, 2003). This study performed factor analysis using principle components and varimax rotation technique. In addition, this study evaluated reliability by assessing the internal consistency of the items representing each construct using Cronbach's alpha that has been widely used in many studies (Hair, Anderson, Tatham and Black, 2006). The results of factor and reliability analyses are described as follows:

Factor analysis is used to achieve data reduction by (1) identifying representative items from a much larger set of items for use in subsequent multivariate analyses, or (2) creating an entirely new set of items, much smaller in number, to partially or completely replace the original set of items (Hair et al., 2006). In both instances, the purpose is to retain the nature and character of the original items, but reduce the number of items.

In performing factor analysis, this study followed the six assumptions that recommended by Hair et al. (2006). First, Kaise-Meyer-Olkin measure of sampling adequacy (KMO) values must exceed .50. Second, Bartlett's test of sphericity is at least significant at .05. Third, Anti-image correlation of items is greater than .50. Fourth, Communalities of items must be greater than .50. Fifth, the minimum requirement of factor loading (cutoff) .50 (n=117) based on a .05 significant level, whereas cross factor loading exists if one item has more than one .50 of factor loading. Sixth, eigenvalues is considered more than 1 for the factor analysis extraction.

Factor Analysis on Market Orientation

Table 1 shows the results of factor analysis on market orientation. In the first run of factor analysis on 16 items of market orientation yielded three factors, KMO (.77), Bartlett test of sphericity (p=.00), Anti-image correlation (>.50). However, the item of "Our top managers from every function regularly visit our current listeners (MO14)" achieved low

communalities (.39). Thus, this item must be dropped. After dropping this item, the second run of factor analysis extracted three factors with KMO (.77), Bartlett Test of Sphericity ($p=.00$), Anti-image correlation and communalities ($>.50$), factor loading ($>.50$) and eigenvalues (>1). Thus, it can be concluded that the results of the second run of factor analysis had fulfilled the all assumptions. The three factors of market orientation explained cumulatively 73.34% of variance. This study found that market orientation in Indonesia's radio stations consists of three factors, namely, competitor orientation, customer orientation, and inter-functional coordination.

Table 1
Factor Analysis on Market Orientation

Items	Factor Loading		
	F 1	F 2	F 3
Competitor Orientation			
We rapidly respond to competitive actions that threaten this radio station.	.87	.14	.29
Top management regularly discusses competitors' strengths.	.86	.13	.29
Top management regularly discusses competitors' strategies.	.84	.13	.14
Our people regularly share information within our organization concerning competitors' strategies.	.81	.14	.21
We target listeners where we have an opportunity for competitive advantage.	.79	.17	.19
Customer Orientation			
We measure listener satisfaction systematically.	-.02	.90	.20
Our business strategies are driven by our beliefs about how we can create greater value for listeners.	-.05	.88	.21
Our strategy for competitive advantage is based on our understanding of listener needs.	.24	.75	.02
We constantly monitor our level of commitment and orientation to serving listeners' needs.	.23	.73	.17
We measure listener satisfaction frequently.	.10	.71	.10
Our business objectives are driven primarily by listener satisfaction.	.32	.71	.05
Inter-functional Coordination			
Our top managers from every function regularly visit our prospective listeners.	.28	.08	.92
All of our business functions in this radio station are responsive to each other's needs and requests.	.28	.10	.91
Our managers understand how everyone in this radio station can contribute to creating customer value.	.16	.22	.80
All of our business functions (e.g., marketing/sales, creative, research and development [R&D], etc.) are integrated in serving the needs of our target listeners.	.36	.27	.62
Percentage Variance Explained	44.51	18.05	10.78
Eigenvalues	6.86	2.71	1.62
KMO	.77		
Bartlett's Test Sig.	.00		

Note: Items with factor loading less than .50 were deleted

Factor Analysis on Learning Orientation

The factor analysis was performed on 25 items measuring learning orientation. The results of factor analysis extracted 4 factors with KMO (.86), Bartlett test of sphericity ($p=.00$), Anti-image correlation ($>.50$), and communalities ($>.50$). Thus, it can be concluded that the results of factor analysis had fulfilled the all assumptions. Table 1 shows the results of factor analysis on market orientation.

The four factors of learning orientation explained cumulatively 70.76% of variance. The first factor contained 7 items that are related to intra-organizational knowledge sharing and, therefore it is labeled as intra-organizational knowledge sharing. The 6 items related to shared-vision were found in the second factor and, thus it is labeled as shared vision. The third factor contained 6 items that related to commitment to learning, and it is labeled as commitment to learning. The last factor contained 6 items that related to open mindedness, and then it is labeled as open mindedness.

Table 2
Factor Analysis on Export Learning Orientation

Items	Factor Loading			
	F1	F2	F3	F4
Intra-organizational knowledge sharing				
We always communicate the lessons learned from the past widely.	.85	.05	.28	.22
We always analyze unsuccessful organizational Endeavors.	.85	.14	.11	.17
Top management repeatedly emphasizes the importance of knowledge sharing in our company.	.84	.26	.14	.03
In this radio station, there is a good deal of organizational conversation that keeps alive the lessons learned from history.	.84	.02	.29	.22
We have specific mechanisms for sharing lessons learned in organizational activities from department to department.	.80	.10	.11	.27
We put little effort in sharing experiences. ®	.73	.23	.02	.18
We put little effort in sharing lessons. ®	.71	.25	.00	.18
Shared Vision				
There is a total agreement on our radio station vision across all levels, functions, and divisions.	.16	.86	.17	.14
Top leadership believes in sharing its vision for the radio station with the lower levels.	.17	.83	.26	.12
All employees are committed to the goals of this radio station.	.25	.79	.35	.15
In this radio station, there is a well-expressed concept of who we are and where we are going as a business unit.	.18	.78	.35	.14
Employees view themselves as partners in charting the direction of the radio station.	.27	.77	.32	.09
This radio station does not have a well-defined vision for the entire organization. ®	.06	.72	.12	.25
Commitment to Learning				

Managers basically agree that our radio station's ability to learn is the key to our competitive advantage.	.06	.12	.83	.11
The basic value of this radio station including learning as key to improvement.	.15	.33	.80	.13
The sense around this radio station is that employee learning is an investment, not an expense.	.10	.24	.78	.18
Learning in this radio station is seen as a key commodity necessary to guarantee organizational survival.	.34	.20	.77	.24
This radio station culture is one that does not make employee learning a top priority. ®	.10	.34	.63	.12
The collective wisdom in this radio station is that once we quit learning, we endanger our future.	.13	.34	.60	.29

Open Mindedness

An emphasis on constant innovation is not a part of our radio station culture. ®	.20	.17	.03	.76
Original ideas are highly valued in this radio station.	.15	.15	.18	.76
Managers encourage employees to "think outside of the box".	.12	.14	.16	.73
Managers in this radio station do not want their "view of the world" to be questioned. ®	.20	.11	.25	.73
Our radio station places a high value on open-mindedness.	.17	.23	.16	.72
In this radio station, we are not afraid to reflect critically on the shared assumption we have about the way we do business.	.25	-.04	.23	.71

Percentage Variance Explained 42.18 12.54 9.05 6.99

Eigenvalues 10.55 3.13 2.26 1.75

KMO .86

Bartlett's Test Sig. .00

Note: Items with factor loading less than .50 were dropped

Reliability Analysis

Reliability is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the goodness of a measure (Sekaran, 2003). In addition, Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability.

According to Nunnally (1978), the reliability between .50 and .60 is sufficient for early stages of a research. On the other hand, Hair et al. (2006) argued that .70 of coefficient is desirable. The higher the Cronbach's alpha (close to 1), the higher the internal consistency reliability while Cronbach's alpha of less than .60 is generally considered as poor, .70 considered to be acceptable, and those higher than .80 to be good (Sekaran, 2003).

The results of the reliability analysis summarized in Table 3 affirmed that all the scales display satisfactory levels of reliability with Cronbach's alpha values much higher than the minimum threshold (Cronbach's alpha > .70). For instance, the Cronbach's alpha scores were for: Market orientation (.89 to .93 and Learning orientation (.87 to .94).

Table 3
Reliability Analysis on Variables of the Study

Construct	Variables	No of Items	Cronbach's alpha
Market Orientation	Competitor Orientation	5	.93
	Customer Orientation	6	.89
	Inter-functional Coordination	4	.90
Learning Orientation	Commitment to Learning	6	.90
	Shared Vision	6	.94
	Open Mindedness	6	.87
	Intra-organizational Knowledge	7	.94
	Sharing		

Results

In order to describe the responses on variables of the study, the descriptive analysis was conducted. This analysis contained frequency, mean, minimum, maximum, and standard deviation.

Table 4 displays the results of mean value and standard deviation scores on competitor orientation, customer orientation, inter-functional coordination, commitment to learning, shared vision, open mindedness, and intra-organizational knowledge sharing.

Table 4
Mean Values and Standard Deviation of Variables (N=117)

Variables	Mean	Std Deviation
Competitor Orientation	5.55	.97
Customer Orientation	5.78	.71
Inter-functional Coordination	5.73	.94
Commitment to Learning	5.71	.81
Shared Vision	5.74	.91
Open Mindedness	5.49	.83
Intra-organizational Knowledge Sharing	5.52	.82

Descriptive Analysis on Market Orientation

Table 4 above indicates that the mean values of the market orientation variables ranged from 5.55 to 5.78 and the standard deviation ranged from .71 to .97. The patterns of mean value suggested that customer orientation registered the highest mean score (5.78) compared to competitor orientation (5.55) and inter-functional coordination (5.73). This indicated that there is high customer orientation in Indonesian radio stations for creating superior value for customers. The mean value score of inter-functional coordination (5.73) and competitor orientation (5.55) achieved moderately high scores compared to median score (on a-7 point scale). This implied that Indonesian radio stations find out what customer needs and wants in current and future programs in order to create a value-added benefit as well as gagging and understanding their competitors' strengths and weaknesses.

The results of standard deviation clearly indicated the patterns of observations are heterogeneously dispersed. For instance, customer orientation dimension, there were statistically 90% of the observations are within 4.63 to 7.00 [$5.78 \pm (2 * .71)$] and more than half of observations were within 5.07 to 6.49 ($5.78 \pm .71$) (Sekaran, 2003). For competitor orientation, 90% of responding firms' answer ranged from 3.61 and 7.00 [$5.55 \pm (2 * .97)$] and more than half of them fell with 4.58 to 6.52 ($5.55 \pm .97$), while inter-functional coordination,

about 90% and more than 50% of total observations might fall within 3.85 to 7.00 [$5.73 \pm (2 * .94)$] and 4.79 to 6.67 ($5.73 \pm .94$) respectively.

Descriptive Analysis on Learning Orientation

The patterns of mean values presented in Table 4 shows that the mean scores for learning orientation dimensions ranged from 5.49 to 5.74 and standard deviation from .82 to .91. The patterns of mean value scores suggest that shared vision ranked the highest mean score (5.74). This finding indicated that Indonesian radio stations perceived shared vision was very high. This was followed by commitment to learning (5.71), Intra-organizational Knowledge Sharing (5.52), and open mindedness (5.49).

The results of standard deviation clearly indicated the patterns of observations were heterogeneously dispersed. For instance, shared vision dimension, there were statistically 90% of the observations were within 3.92 to 7.00 [$5.74 \pm (2 * .91)$] and more than half of observations were within 4.83 to 6.65 ($5.74 \pm .91$). For commitment to learning dimension, 90% of responding firms' answer ranged from 4.09 and 7.00 [$5.71 \pm (2 * .81)$] and more than half of them fell with 4.90 to 6.52 ($5.71 \pm .81$). For intra-organizational knowledge sharing dimension, 90% of responding firms' answer ranged from 3.88 and 7.00 [$5.52 \pm (2 * .82)$] and more than half of them fell with 4.70 to 6.34 ($5.52 \pm .82$). while open mindedness dimension, statistically 90% and more than 50% of total observations might fall within 3.83 to 7.00 [$5.49 \pm (2 * .83)$] and 4.66 to 6.32 ($5.49 \pm .83$) respectively.

Discussion

Market Orientation

The independent variables of this study were strategic orientations which were market orientation, and learning orientation. The result of factor analysis found that market orientation consists of three dimensions (customer orientation, competitor orientation, and inter-functional orientation). This result confirmed the Narver & Slater's market orientation construct (Narver & Slater, 1990). Descriptive statistics analysis shows that the mean value for the three dimensions of market orientation were greater than the median score (on 7 point-likert scale). This result indicates that the Indonesian FM radio stations manager perceived the implementation of market orientation in Indonesian FM radio stations is relatively high compared to the median score.

Orders of the mean score of the three dimensions, from the highest to the lowest, are customer orientation (5.78), followed by inter-functional coordination (5.73) and competitor orientation (5.55). This result suggest that Indonesian FM radio station managers perceived that activities directed to understanding customers is the most important activity in developing market orientation.

In brief it could be concluded that the degree of market orientation implementation of Indonesian FM radio stations is relatively high. The findings of this study are in line with the studies reported by Barret et al., (2005) and Sandvik and Sandvik (2003) that the mean values of market orientation dimensions in service sector are relatively high compared to the median score.

Learning Orientation

The result of factor analysis found that learning orientation consists of four dimensions (commitment to learning, shared vision, open mindedness and intra-organizational knowledge sharing). This result confirmed the Hurley and Hult's learning orientation (Hurley and Hult 1998). Descriptive statistics analysis shows that the mean value for the four dimensions of learning orientation were greater than the median score (on 7 point-likert scale). Shared vision dimension registers relatively the highest score (5.74),

followed by commitment to learning (5.71), intra-organizational knowledge sharing (5.52) and open mindedness (5.49).

This result indicates that the Indonesian FM radio stations manager perceived the implementation of learning orientation in Indonesian FM radio stations is relatively high compared to the median score. The findings also suggest that among the four dimensions of learning orientation, shared vision is the most important to the Indonesian FM radio stations in developing learning orientation.

Shared vision refers to an organization-wide focus on learning (Sinkula et al., 1997). Verona (1999) stresses that without a shared vision; learning by members of an organization is less likely to be meaningful. In other words, even if they are motivated to learn, it is difficult to know what to learn. A widespread problem in organizations is that many creative ideas are never implemented (Hult, 1998) for lack of a common direction.

A shared vision coordinates the focus of various departments and enhances the quality of learning. The concept of shared vision in learning theory is analogous to internal communication and integration in the R&D literature; various divisions are encouraged to overcome cross-functional communication barriers to increase information flow, coordinate actions with other departments, and form a common sense of innovation (Brown and Eisenhardt, 1995).

It is obvious that Indonesian FM radio stations viewed shared vision as a corner stone in developing learning orientation. This finding is in line with other findings in the context of learning orientation in services, such as, Calantone et al. (2002), Liu et al. (2002) and Sinkula et al. (1997).

Conclusion

The findings revealed that market and learning orientation of Indonesian FM radio stations is relatively high. Due the turbulence environment of Indonesian media industry, the Indonesian FM radio stations participating in this study understood and realized that in order to survive they should adopt, develop and implement important organizational factors such as market and learning orientation. Furthermore, these two strategic orientations would enhance the ability of Indonesian FM radio station innovate and introduce new program directing to satisfying the ever changing listeners needs and wants.

This research aims to measure the implementation of market and learning orientation of Indonesian FM radio stations and, validate market and learning orientation scales in the context of Indonesian services. However this research also has some limitations. The use of single informant may not be clearly represented the FM radio station. This study merely revealed the degree of market and learning orientation of Indonesian FM radio stations. Further research may use multiple informants to better capture the firm's conditions. It is also very important to measure the impact of market and learning orientation on innovation degree and business performance. Last but not least, it is suggested to use longitudinal data in future research.

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