Addis Ababa University

College of Business and Economics

Department of Master of Business Administration in Management

The Effects of Strategy Orientations on Firm Performance: The Case of IT Startups in Addis Ababa

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Addis Ababa University

May 2025

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A Thesis Submitted to the Department of Master of Business Administration in Management College of Business and Economics, Addis Ababa University in Partial Fulfillment for the Requirement of the Degree of Master of Business Administration

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May 2025

Addis Ababa, Ethiopia

Declaration

I, Kidist Nigussie the under signed, declare that this thesis entitled: "The Effects of Strategy Orientations on Firm Performance: the Case of IT Startups in Addis Ababa" is my original work. I have undertaken the research work independently with the guidance and support of Dr. Lakew Alemu. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

Kidist Nigussie		May 31, 2025
Name of Student	Signature	Date

Certificate of Approval

This is to certify that the thesis entitled: *"The Effects of Strategy Orientations on Firm Performance: the Case of IT Startups in Addis Ababa"* submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration of the Postgraduate Studies, Addis Ababa University and is a record of original research undertaken by Kidist Nigussie under my supervision, and no part of the thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

Lakew Alemu		30/05/25
Name of Supervisor	Signature	Date

Approval Sheet

This is to certify that the research prepared by Kidist Nigussie, entitled *"The Effects of Strategy Orientations on Firm Performance: The Case of IT Startups in Addis Ababa"* submitted in partial fulfillment of the requirements for the degree of Master of Business Administration complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Acknowledgement

First and foremost, I would like to thank God for providing me with the strength, guidance, and perseverance to complete this research. I extend my heartfelt gratitude to Addis Ababa University for their invaluable support and resources that made this study possible. The faculty and staff have provided me with an exceptional learning environment, and their encouragement has been instrumental in my academic growth. Lastly, I wish to acknowledge the unwavering support of my family and close friends, who have stood by me with patience, love, and motivation throughout this endeavor. Their belief in me gave me the confidence to push forward even in challenging times.

Abstract

In Ethiopia's rapidly expanding digital economy, technology startups play a vital role in economic transformation but face challenges such as limited infrastructure, regulatory uncertainties, and financial constraints. This study investigates the effects of strategic orientations (market, entrepreneurial, learning, and technology) on firm performance among IT startups in Addis Ababa. Using an explanatory research design and quantitative research approach, data were collected from 155 startup managers through a structured Likert-scale questionnaire. The regression analysis revealed that entrepreneurial orientation had the strongest positive influence on firm performance ($\beta = .693$, $p < .001$), followed by learning orientation ($\beta = .363$, $p < .001$). Technology orientation had a significant but negative effect ($\beta = –.195$, $p = .002$), while market orientation showed no significant relationship ($\beta = –.052$, $p = .348$). The study concludes that strategic alignment, especially in entrepreneurial and learning behaviors, is crucial for startup success. It recommends strengthening entrepreneurial and learning practices, improving market responsiveness, and aligning technology investments with business needs. These findings offer insights for founders and policymakers seeking to drive sustainable growth in Ethiopia's startup ecosystem.

***Key words**: firm performance, Information technology, strategic orientation, IT Startups*

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CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Successful strategic orientation empowers firms to fix problems, and enables them to create new competencies while at the same time strengthening existing abilities. Other orientations like market, entrepreneurial, learning, and technological orientations can also complement the growth of a company by capitalizing on innovation, customer loyalty, and responsiveness (Purity et al., 2020). Having a strategy is not enough; how an organization aligns orientations is also essential in creating an implementable and competitive strategy. Svatošová (2018) states that small and medium-sized enterprises (SMEs) often fail to conduct strategic planning, hence hindering the execution of such plans.

The Ethiopian IT startup ecosystem is an emergent sector marked by rapid technological development accompanied by changing regulatory environments. The digital economy keeps growing, with the main drivers of economic development including job technology, health technology, e-commerce technology, education technology, and agri-tech (Tesfaye et al., 2023). However, these businesses face various barriers of an inadequate infrastructure base, limited funding resources, and regulatory policy uncertainties (World Economic Forum, 2024; Lucidity Insights, 2024). In such conditions, strategic orientation presents itself as essential in ensuring organizational success in the presence of unstable environments. The dynamism in the external environment complicates the decision process in Ethiopia through changing market forces and unpredictable technological trends. This research seeks to explain how IT startups in Addis Ababa leverage strategic orientation as a tool for performance improvement.

Despite the vast amount of research on the impact of organizational performance on strategic orientation, findings have shown considerable variation with dependence on the particular context. Although some studies have presented strong positive relationships between business performance and strategic orientation, others have shown such impacts to be largely context-dependent (Abraham, 2024; Manuel-Alejandro, 2021; Maclean et al., 2023). The findings of the present research will have context-specific implications for startup managers and policymakers,

in terms of helping them formulate adaptive strategies for sustainable growth in spite of environmental turbulence.

1.2. Statement of the Problem

Ethiopia's information technology sector has developed much in the previous decade due to the efforts of the government to enhance technological development and the economy. Launching the Digital Transformation Strategy in 2020 was a significant move to apply technology in various corners to enhance economic development and enable the population to interact with the government (World Economic Forum, 2024). The development is evident in Ethiopia's technology startup sector, which has grown by 200% since 2019 and is worth $300 million (Lucidity Insights, 2024). Key fields in Ethiopia's technology startup sector, such as job-tech, health-tech, e-commerce, ed-tech, and agri-tech, are leveraging digital solutions more to address significant issues and enhance services (Tesfaye et al., 2023). Despite the rapid development, the ecosystem continues to experience issues such as lack of adequate digital infrastructure, regulatory barriers hindering growth, and difficulty in obtaining funding for startups, which impacts the startups' performance in terms of growth and competition (World Economic Forum, 2024). These issues indicate that something must be done in terms of having a clear strategy to enhance performance for businesses in an evolving technology and economy environment (World Economic Forum, 2024).

Organizations must have a strategy in order to be successful and overcome problems in the long run. Večeřová (2018) adds that small and medium-sized enterprises (SMEs) usually cannot succeed because they lack a clear and coherent approach to managing their strategy. Failing to have a strategy may cause companies to fall behind in their environment's changes, new technologies, and what customers need, which can damage their growth. Although companies are aware that they need to have a strategy, most of them do not prioritize planning or link main elements of their strategy together, which makes them susceptible to problems and competition. In the same way, Duarte & Gonçalves (2022) add that most organizations also lack a concerted approach to strategy. Even if organizations have strategic plans in place, they tend to use basic tools and rely excessively on external support, such as government funding, in order to survive. Depending too much on external support can undermine their capacity to earn money independently, putting them at risk financially. Failing to have an effective strategy or being

unable to implement it can cause them to miss opportunities, become less efficient, and have difficulty staying in business in the long run. (Večeřová, 2018; Duarte & Gonçalves, 2022)

On its own, having a strategy does not account for why businesses succeed at differing levels because many variables can influence how successful strategies are. Environmental changes such as rapid technological growth, entrenched competition, and volatile markets play an extremely significant part in the IT sector. Here, firms must continuously respond to uncertainties from the environment. Tsoho and Musa (2021) write that firms in highly unstable environments must employ flexible and adaptive strategies to continue performing well. Similarly, Pratono and Mahmood (2014) suggest that environmental change can enhance or diminish the ability of strategies to be successful, depending on the extent to which firms manage change and uncertainty. In the ever-changing Ethiopian IT sector, environmental instability is extremely significant in influencing how much entrepreneurial, technology, learning, and market strategies contribute to the success of a firm.

Previous studies indicate that the relationship between company performance and its strategic plans in various industries is complex. In the bank sector, entrepreneurial and technology strategies assisted company performance more than learning and market strategies (Abraham, 2024). In the Mexican manufacturing sector, entrepreneurial and market strategies assisted performance but technology strategy had no impact (Manuel-Alejandro, 2021). Other studies indicate that usually, strategic plans enhance overall performance. Maclean et al. (2023) demonstrated that entrepreneurship, technology, and marketing strategies improved company performance and innovation capacity with innovation capacity as the foremost factor. Marei et al. (2024) also demonstrated that entrepreneurship, technology, and market strategies all significantly assisted in enhancing company performance in the telecommunication sector in Jordan with operational sustainability as an accompanying factor. The variations in findings indicate that the success of the above-stated plans may be subject to the sector and can be triggered by other variables. Thus, in the present research, the impact of strategic orientation on company performance will be examined in the IT sector in Addis Ababa.

1.3. Research Questions

1. What is the effect of market orientation on firm performance.

2. What is the effect of entrepreneur orientation on firm performance.

3. What is the effect of learning orientation on firm performance.

4. What is the effect of technology orientation on firm performance.

1.4. Objective of the Study

1.4.1. General Objective

The general objective of this study is to explore the relationship of strategy orientation and firm performance in IT startups in Addis Ababa.

1.4.2. Specific Objectives

1. To examine the effect of market orientation on firm performance.

2. To examine the effect of entrepreneur orientation on firm performance.

3. To examine the effect of learning orientation on firm performance.

4. To examine the effect of technology orientation on firm performance.

1.5. Hypothesis

1. Market Orientation has positive and significant relationship with Firm Performance

2. Entrepreneur Orientation has positive and significant relationship with Firm Performance

3. Learning Orientation has positive and significant relationship with Firm Performance

4. Technology Orientation has positive and significant relationship with Firm Performance

1.6. Significance of the Study

Theoretically, the work makes contributions to the growing body of research on strategic management as it explores the impact of strategic orientation on firm performance in the context of the IT startup environment in Addis Ababa. Even as previous research has studied strategic orientation in diverse industries, findings have been mixed; some concluding to have significant impacts on firm performance while others revealing insignificant or conditionally moderated effects (Abraham, 2024; Manuel-Alejandro, 2021; Maclean et al., 2023; Marei et al., 2024). Noting that IT startups in Ethiopia operate in an environment of high technological dynamism, regulatory strictness, and inadequate infrastructure (World Economic Forum, 2024; Lucidity Insights, 2024), the work draws on Tsoho and Musa's (2021) and Pratono and Mahmood's (2014) research on how firms operating in emergent markets manage environmental turbulence. Through the theory's application in the IT startup ecosystem in Ethiopia in particular, the research adds richness in the understanding of how firms in emergent economies can use strategic orientation to create sustainable performance.

This research provides insightful information for business leaders, IT startup founders, and policymakers who wish to enhance company performance through strategies. When the digital economy expands in Ethiopia, startups in significant fields such as job-tech, health-tech, e-commerce, ed-tech, and agri-tech need to develop strategies to remain competitive and resilient in an ever-changing environment (Tesfaye et al., 2023). The findings will provide evidence-based recommendation on what kind of strategy—such as market, entrepreneurial, learning, or technology-oriented works best in the case and how the company can alter its strategies. Also, as small and medium-sized businesses lack strategy planning and generally require support from the outside (Večeřová, 2018; Duarte & Gonçalves, 2022), businesses will benefit from seeing the long-term advantage of including strategy planning in their activities rather than wholly depending on external funding or making arbitrary decisions. Policymakers will apply the findings to recommend specific actions, for instance, modifying rules, enhancing digital economy infrastructure, and providing innovation incentives for enterprises to develop in order to build a better environment for IT startups. By analyzing both internal and external market situations, the research seeks to support the sustainable growth of the IT startup ecosystem in Ethiopia and enhance the overall success of the digitalization process.

1.7. Scope of the Study

The study attempts to examine the impact of strategy orientation on firm performance in IT start-ups in Addis Ababa. It addresses the impact of four dimensions of strategy orientation: market orientation, entrepreneurial orientation, technology orientation and learning orientation on firm performance. The study utilized both primary and secondary data. A non-probability sampling technique will be employed, and data collection will be conducted using a close-ended, Likert-scale questionnaire. Descriptive and inferential analysis will be conducted.

1.8. Definition of Key Terms

1.8.1. Strategic Orientation

Strategic orientation refers to how an organization makes decisions and behaves to improve performance by acquiring new competencies and enhancing existing ones (Mwenda, 2020; Purity et al., 2020).

1.8.2. Market Orientation

Market orientation is defined as the generation of market intelligence about current and future customer needs, its internal dissemination, and the firm's response to it (Jaworski & Kohli, 2012; Narver & Slater, 1990).

1.8.3. Technology Orientation

Technology orientation is a firm’s inclination toward adopting or developing new technologies and using technological knowledge to create innovative solutions (Gatignon & Xuereb, 1997; Deshpandé et al., 2012).

1.8.4. Entrepreneurial Orientation

Entrepreneurial orientation involves risk-taking, innovativeness, and proactiveness in decision-making and action, particularly in uncertain environments (Miller & Friesen, 1983; Lumpkin & Dess, 1996).

1.8.5. Learning Orientation

Learning orientation reflects a firm’s commitment to continuous learning, the alignment of employees with organizational goals, and openness to questioning existing practices (Sinkula et al., 1997).

1.8.6. Firm Performance

Firm performance refers to how well a company achieves its objectives, typically measured through factors like profitability, efficiency, adaptability, and competitive advantage (Hakala, 2011; Chang & Chuang, 2011).

1.9. Limitation of the Study

This research has some limitations including:

1. **Limited Generalizability**: This study will be conducted exclusively on IT startup firms in Addis Ababa, Ethiopia. While the findings provide valuable insights, caution should be exercised in generalizing these results to other industries or educational institutes in different contexts. Future research could replicate this study across different locations and industries to enhance the generalizability of the findings.

2. Self-Report Bias: The data collected through surveys may be influenced by self-report bias, where participants provide responses that are socially desirable or not entirely accurate. To mitigate this bias, Anonymity and confidentiality were assured to encourage accurate responses; however, self-report bias may still have influence participant responses, potentially affecting the study's outcomes.

1.10. Organization of the Study

This research is organized into five chapters. Chapter One contains the background of the study, statement of the problem, research questions, research objectives, significance of the study, scope of the study, definition of key terms and limitations of the study. Chapter Two presents a literature review of the existing knowledge about the area of the study. Chapter Three presents the methodology and research approach employed in the study, including research design, target population and data collection and analysis. Chapter Four contains data analysis and discussion of results. Chapter Five is the final chapter and contains a summary, conclusions, and recommendations of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1. Theoretical Review

2.1.1. Definition of Strategy

Strategy refers to a deliberate plan of action that guides an organization in achieving its long-term goals by aligning internal capabilities with external opportunities and challenges. As noted in the literature, strategy enables firms to manage complexity, acquire new competencies, and enhance existing ones to remain competitive in dynamic environments (Mwenda, 2020; Purity et al., 2020). It involves a structured process of analysis, planning, implementation, and control aimed at ensuring sustainability and performance (Svatošová, 2018). Beyond internal alignment, strategy also reflects an organization's ability to respond to environmental shifts, such as technological change and market fluctuations (Duarte & Gonçalves, 2022). According to Chandler (1962), strategy is "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary for carrying out these goals." This definition remains foundational in modern strategic thinking, emphasizing that strategy is not merely a set of actions but a coherent path that connects a firm's mission to its competitive positioning.

2.1.2. Overview of Strategic Orientation

Strategic orientation refers to the way an organization makes decisions, behaves, and operates in order to enhance its performance. According to Mwenda (2020), clear strategy enables organizations to deal with issues, acquire new competencies as well as enhance existing ones in order to enhance performance. In the modern fast-paced business environment, the traditional management style of decision-making where only leaders make decisions is not effective. Thus, organizations are employing cultural norms, simple rules, and clear guidelines to guide people's behavior and decision-making. These guiding practices referred to as strategic orientations are significant in enabling organizations to manage complex issues as well as foster development. Stating this does not automatically guarantee company teams to function well and compete effectively. What is essential is how various orientations such as entrepreneurial, customer, market, and technological complement each other for organizational success. Empirical findings

indicate strategic orientations have the potential to impact company growth; however, scant research has examined the extent to which these orientations complement each other in an organization. This research seeks to investigate how these orientations complement each other and their combined impact on organizational growth while offering management teams practical advice on the implementation of various orientations for sustainable performance.

Purity et al. (2020) state that certain aspects of strategic orientation are essential in formulating an integral strategy that enables an organization to achieve its objectives. Strategic orientation has various dimensions that collectively enhance an organization's performance. Through the application of strategic orientations, organizations are in a position to formulate clear and strong strategies in line with their vision and mission and hence succeed in the competitive and dynamic business environment. Strategic orientations enable organizations to formulate an integral plan in line with good performance, with the added advantage of larger market share, satisfied customers, and increased profits. Purity et al. (2020) also point out the importance of regularly reviewing and refining strategies in order to remain competitive in today's dynamic market. To thrive in competition and succeed in the face of increasing growth demands, an organization has to remain vigilant and frequently reassess and alter strategy to outperform opponents and attain continued growth. Strategic orientation does not necessarily mean employing one single strategy; it means ensuring all elements function harmoniously to guide the organization to success.

2.1.2. Importance of Strategy

Strategy in management and business is crucial for long-term growth. Svatošová (2018) opines that an effective e-commerce strategy is crucial for small and medium-sized enterprises (SMEs) to be competitive and develop. The research indicates that formulating an e-commerce strategy involves various steps such as analyzing, preparing, planning, implementation, and control. However, SMEs fail to pursue a comprehensive approach due to which issues arise in critical aspects such as strategic situational analysis, finance and human resources management, and company culture. The research indicates also that although businesses are aware of the significance of strategy, they lack essential elements such as mission and vision, long-term planning, and innovation management. Small organizations find it more difficult to formulate and apply their strategic plans in comparison to large organizations. This reinforces the necessity of having a clear and balanced process of strategic management in order to accord equal attention to all elements in order to attain sustainable e-commerce growth (Svatošová, 2018).

According to this view, strategy is of paramount significance in managing social organizations since it has direct effects on their sustainability and performance. Duarte and Gonçalves (2022) highlight that Portuguese social organizations identify the importance of strategic planning but, however, often use simple strategic instruments while ignoring the overall context. From studies, it has been found that despite many social organizations having strategic plans in place, the plans largely focus on the state support component, hence creating financial dependence. It appears from the evidence that such organizations need to adopt more autonomous and innovative sources of generating income such as establishing business alliances or social enterprises that can involve organic farming or selling handicrafts. Additionally, minimal exposure to more complex strategic instruments just like SWOT analysis and performance measurement models limits these organizations' ability to improve their management processes. For social organizations to achieve sustainability, they need to shift towards more active and diversified management strategies combined with integrating strategic planning and financial independence as well as keeping abreast of changing markets (Duarte & Gonçalves, 2022).

2.1.3. Dimensions of Strategic Orientation

Researchers have also defined strategic orientation differently and have not yet agreed on one single approach (Hern, 2021). Levinthal and March (1993) dichotomize strategic orientation into exploration strategy and exploitation strategy, where exploration strategy emphasizes innovation and discovery of new opportunities and exploitation strategy seeks improved financial performance and operational efficiency. Hakala (2011) adopts a broader approach and suggests four essential components of strategic orientation: entrepreneurial orientation, market orientation, technological orientation, and learning orientation.

Gatignon and Xuereb (1997) discussed a number of other types of business focus such as market orientation (this focuses on customers and competitors), technological orientation, entrepreneurial orientation, manufacturing orientation, and selling orientation. Zhou and Li (2010) discuss two principal understandings of research on strategic orientation: strategic management and strategic marketing. Strategic management considers firms as reactors, defenders, analyzers, and prospectors. Strategic marketing takes on the premise of transforming orientation towards the marketplace.

Ibrahim and Shariff (2016) are of the view that significant elements of strategic orientation such as market orientation, technological orientation, entrepreneurial orientation, and learning

orientation are critical for firms to perform well and be successful. Various authors have proposed various categories, but in this research, four significant elements of strategic orientation have been examined: market orientation, learning orientation, technological orientation, and entrepreneurial orientation.

2.1.3.1 Market Orientation

In a changing business environment, companies must continuously search for new ideas, analyze them, and turn them into marketable actions (Cohen & Levinthal, 1990). Similarly, businesses should gather new information about their customers, share it across the organization, and use it to make necessary changes (Grewal & Tansuhaj, 2001).

To provide a foundation for understanding market orientation, it is essential to review the core marketing philosophies that have guided business practices over time. The production concept emphasizes efficiency and large-scale production, assuming consumers prefer products that are affordable and widely available (Kotler & Keller, 2016). The product concept focuses on continuous product improvement and innovation, based on the belief that consumers favor superior quality (Kotler & Keller, 2016). The selling concept, by contrast, assumes that consumers must be persuaded through aggressive selling and promotional efforts, especially in saturated markets (Baker, 2000). These earlier orientations contrast with the marketing concept, which centers on identifying and satisfying customer needs more effectively than competitors—a major shift toward customer-centered business strategy (Narver & Slater, 1990). Evolving further, the holistic marketing concept considers the integration of relationship marketing, internal marketing, integrated marketing, and societal marketing as essential to delivering consistent value and long-term performance (Kotler & Keller, 2016). Together, these marketing concepts provide the theoretical foundation for market orientation, which applies the marketing concept in practice through systematic market intelligence, customer responsiveness, and interdepartmental coordination (Jaworski & Kohli, 1993).

The resource-based perspective sees market orientation as the efficient use of a company's resources to maintain a competitive advantage (Barney, 1991). From a marketing perspective, market orientation is described as an organizational culture that prioritizes customer needs in business planning (Jaworski & Kohli, 1993; Narver & Slater, 2012). According to Narver and

Slater (1990), market orientation encourages behaviors that create value for customers, improving a company's overall performance.

A widely accepted definition of market orientation is "the creation of market intelligence regarding customers' current and future needs, sharing that intelligence within the company, and responding effectively" (Jaworski & Kohli, 2012). Narver, Slater, and MacLachlan (2004) describe market orientation as a dynamic capability that helps firms track external changes and act quickly on new opportunities. The core focus is on understanding and satisfying customer needs to generate revenue (Omar Faroque & Shameema Ferdausy, 2020). Gatignon and Xuereb (1997) define market orientation as a company's ability to assess, analyze, and meet customer needs.

Zebal and Saber (2014) identify three key factors that shape market orientation: interdepartmental relationships, organizational systems, and top management leadership. Leaders set the organization's values and direction, while collaboration between departments strengthens market orientation by facilitating knowledge sharing. However, conflicts between departments can weaken it by making it harder to respond to market demands. Organizational structures that support market orientation include incentive programs, specialized training, and formalized decision-making processes.

Market orientation offers several benefits, categorized into four areas: innovation, customer satisfaction, employee engagement, and overall company performance (Masa'deh, 2018). Organizational performance can be evaluated in three ways: revenue-based performance (measuring income without considering strategy implementation costs), cost-based performance (factoring in costs associated with executing strategies), and global performance (comparing company achievements with competitors and goals) (Kirca et al., 2005).

Narver and Slater (1990) describe three main elements of market orientation: customer orientation (understanding customer needs), competitor orientation (monitoring and responding to competitors), and cross-functional coordination (ensuring different departments work together to create value). Business leaders must be customer-focused and understand consumer needs to deliver higher value (Narver & Slater, 1990). Customer orientation emphasizes analyzing customer preferences to build long-term relationships and gather feedback quickly (Zhou & Li, 2010). Competitor orientation focuses on understanding rivals' strategies and adapting to them (Zhou, 2007).

2.1.3.2. Technology Orientation

Technology orientation is understood as a firm's attitude toward the adoption or development of new technologies, products, and ideas, as well as its ability to utilize technological knowledge in creating new solutions (Gatignon & Xuereb, 1997). Firms with a strong technology orientation focus on research and development (R&D) and incorporate new technologies into the process of product development (Deshpandé et al., 2012). Tsou et al. (2014) claim that technology-oriented companies continue to be open to new ideas and purposely adopt new technologies in order to advance the superiority of their products and services. Such companies continuously bring innovative ideas, new products, and processes to the marketplace, making technology their core competency (Kateb, Obeidat & Maqableh, 2015). What is more, technology orientation can play a crucial role in product innovation as well as overall business performance (Obeidat, 2016).

Technology firms focus on product innovation rather than probing the customers' needs. This approach centered on technology involves an active position in observing and capitalizing on advances in technology to incorporate them into business activities (Tambunan, 2019). Technology-driven instruments can be adopted by providing higher product quality and customer satisfaction while at the same time augmenting organizational performance (Frambach et al., 2016). Technology orientation focuses on new technologies for producing new products and redesigning new ones (Ardito & Dangelico, 2018). Technology investment allows organizations to exceed customers' expectations and maximize returns. Three dimensions of technology orientation are categorized by Gatignon and Xuereb (1997) into commitment to research and development, new technology acquisitions, and implementation of new innovations.

2.1.3.3. Entrepreneurial Orientation

Entrepreneurial orientation was initially discussed by Miller and Friesen (1983), and ever since, numerous individuals have examined it in various industries and cultures. The three key characteristics of entrepreneurial orientation are risk-taking (investing in uncertain ventures), innovativeness (developing new products and processes), and proactiveness (being ahead in market trends) (Miller & Friesen, 1983). Risk-taking involves investing in new ventures when the results are dubious (Lumpkin & Dess, 1996). Proactiveness involves being proactive and launching new products in the market before anyone else. Innovativeness involves experimenting with new concepts and providing new products or services in the market. Entrepreneurial orientation is the manner in which managers decide and act in an entrepreneurial manner,

according to Covin and Slevin (1989). Lumpkin and Dess (1996) define it as an approach leading to new market entrance. Lumpkin and Dess (1996) identify five key dimensions of entrepreneurial orientation: independence, innovativeness, risk-taking, proactiveness, and competitive aggressiveness. Companies with high entrepreneurial orientation will be more inclined to experiment with new ideas, take calculated risks, and behave entrepreneurially in the marketplace (Lumpkin & Dess, 1996). Entrepreneurial orientation is of great significance in enhancing products and services to satisfy customers' demands and enhance business performance (Liu & Fu, 2011). Although there is some argument regarding the precise elements involved, risk-taking, innovation, and proactiveness are frequently regarded as essential components of entrepreneurial orientation (Hakala, 2011; Martin & Javalgi, 2016). A key aspect of entrepreneurial orientation is committing resources—companies must be willing to invest in new possibilities even if they may lose something (Balodi, 2014). Innovation entails an organization's capacity to generate new ideas and design new products and technologies (Ramezan et al., 2013). To be proactive is to monitor what occurs in the marketplace, alter business strategies, and meet emerging customer demands.

2.1.3.4. Learning Orientation

An organization's willingness to learn and improve is referred to as learning orientation (Sinkula et al., 1997). Learning orientation implies a combination of values which support knowledge generation and application for improved business performance (Slater & Narver, 1995). Learning-oriented organizations embed learning in the organizational culture, hence encouraging employees to acquire new competencies and develop flexibility in keeping up with the changing environment (Real et al., 2014). Several studies highlight the positive influence of learning orientation on business performance (Azadegan & Dooley, 2010). Learning orientation helps in converting information into implementable knowledge and hence makes it easier to promote innovation and change. Some studies suggest learning orientation does not directly influence performance but rather acts as an intervening factor between innovation capability and business performance (Pesämaa et al., 2013). In addition, learning orientation motivates employees to think innovatively and take on new practices for generating value for the firm (Baker & Sinkula, 1999). Learning orientation is closely related to an organization's learning ability, organizational culture, as well as organizational systems (Ferrell et al., 2010). Learning-oriented firms give high

priority to the gathering and sharing of market knowledge for sustaining competitive advantage (Holt & Macpherson, 2006).

Sinkula et al. (1997) suggest three vital elements of learning orientation: learning commitment, i.e., the need for ongoing learning; shared vision, i.e., aligning employees with the company's overall goals; and open-mindedness, i.e., questioning current knowledge and encouraging creative thinking.

2.1.6. Overview of Organizational Performance

Business performance is often seen as the most important outcome in research on strategy and information systems (Lin & Wu, 2014). According to Hakala (2011), performance is a complex concept that depends on how managers understand their company's results in relation to its goals. It is used by organizational stakeholders to track progress toward business objectives (Lee et al., 2014). Melville explains that business performance includes key factors such as productivity, efficiency, profitability, market value, and competitive advantage. Chang and Chuang (2011) further define business performance by three key aspects: effectiveness, efficiency, and adaptability. Firm performance can be measured both quantitatively and qualitatively. Quantitative measures include financial aspects such as profitability, growth, market value, total return on shareholders, and economic value added. On the other hand, qualitative measures focus on aspects like communication, leadership, initiative, and empathy. According to Westover (2016), performance is the ability of an organization to reach its goals by using resources efficiently and effectively. A well-performing company is more likely to survive, grow, and make a profit. Since performance is a broad concept, researchers often use different measures to study its relationship with market orientation (MO) and entrepreneurial orientation (EO) (Kirca et al., 2005).

Firm performance is also linked to how well SMEs manage different product categories and business sizes. Because financial data for SMEs is often hard to obtain, subjective performance measures, such as owner assessments, are commonly used. Altuntas and Eregez (2013) found that many studies show a positive link between strategic orientation and strong business performance. Moreover, strategic orientation helps businesses respond to changes in their industry, influencing their level of innovation and competitive success.

2.2. Empirical Review

2.2.1. Impact of Strategic Orientation on Firm Performance

Strategic orientation is of pivotal importance in influencing the performance of the firm in dynamic business settings. According to Farkas (2016), firm performance and strategic orientation have an interdependent relationship in line with entrepreneurial orientation, learning orientation, and the environment. In analyzing micro, small, and medium enterprises in Hungary, he observed that different strategic orientations have an impact on differing performance aspects of efficiency, growth, and profitability. Entrepreneurial orientation in the form of innovation, being proactive, and risk-taking was found to be a major factor in ensuring firm success. However, the availability of finances was found to be an important factor where firms with more financial assistance realized higher levels of growth. Additionally, the research supports the long-term approach where it is realized that investment in learning as well as in innovation may not necessarily bring returns in terms of time but are beneficial in the long run.

Similarly, Elayyan et al. (2025) emphasize the importance of integrating different strategic orientations for better firm performance. Their study of S&P 500 manufacturing firms highlights that companies with high levels of both market and entrepreneurial orientation tend to achieve the best results. In contrast, firms with a conservative approach—low market and low entrepreneurial orientation—experience weaker performance. This suggests that firms operating in competitive environments should focus on both market awareness and entrepreneurial initiatives to maintain a competitive edge. Moreover, Obeidat (2016) explores the role of innovation as a mediator between strategic orientation and firm performance. His findings indicate that while strategic orientation does not directly impact firm performance, it significantly influences innovation, which in turn enhances organizational success. This highlights the need for firms to adopt innovation-driven strategies to maximize the benefits of strategic orientation and remain competitive in evolving markets.

Strategic orientation determines a company's performance, especially in dynamic contexts. Strategic orientation, Farkas (2016) argues, does have a multi-dimensional impact in accordance with firm performance and is moderated by entrepreneurial orientation, learning orientation, as well as environmental factors. Farkas's (2016) research in Hungarian MSMEs established that different kinds of strategic orientations have an impact towards different aspects of performance, such as efficiency, growth, as well as profitability. Entrepreneurial orientation, consisting of

innovation, proactiveness, as well as taking risks, was established to have a determining impact towards firm success. Access to funds was, however, established to have a determining impact, in that better-funded companies experienced more vigorous growth. The research also established that companies are motivated to adopt a long-term orientation since investments in learning as well as innovation shall not have short-run financial rewards but can result in improved performance in the future. This concurs with research by Elayyan et al. (2025), who are of the perception that companies pursuing a combination of orientations towards entrepreneurs as well as markets report highest performance, especially in competitive environments. Their research among S&P 500 manufacturing companies established that companies with high levels of awareness of markets as well as entrepreneurial behavior reported significantly higher performance than companies pursuing a conservative strategic orientation.

Building on this, Aloulou (2018) also confirms that there exists a need to adopt a set of strategic orientations in order to achieve optimal performance in a firm. His research among Saudi industrial businesses determined that entrepreneurial orientation has a mediating role in order to increase effectiveness of both technology and market orientations to company success. This means that transition economy businesses must find a fine balance in their strategies in order to spur growth as well as competitiveness in the long run. However, as Ibarra (2021) describes, success in strategic orientation depends on a company's ability to absorb as well as apply knowledge. His paper illustrates that there exist positive effects of market as well as entrepreneurial orientations to company performance, but technology orientation alone fails to bring noticeable gains in case it lacks complementation by innovation strategies. This concurs with Maclean et al. (2023), who suggest that strategic orientation spurs firm performance by organizational innovation, particularly in SMEs. Their paper highlights the requirement for companies to develop strong innovation capabilities in order to effectively take advantage of their strategic orientations in order to drive success in volatile business environments in the future.

2.3. Conceptual Framework

The conceptual framework of this study integrates the key constructs of strategic orientation and firm performance within the context of IT startups in Addis Ababa. It posits that strategic orientations—market, entrepreneurial, learning, and technological—collectively influence firm performance.

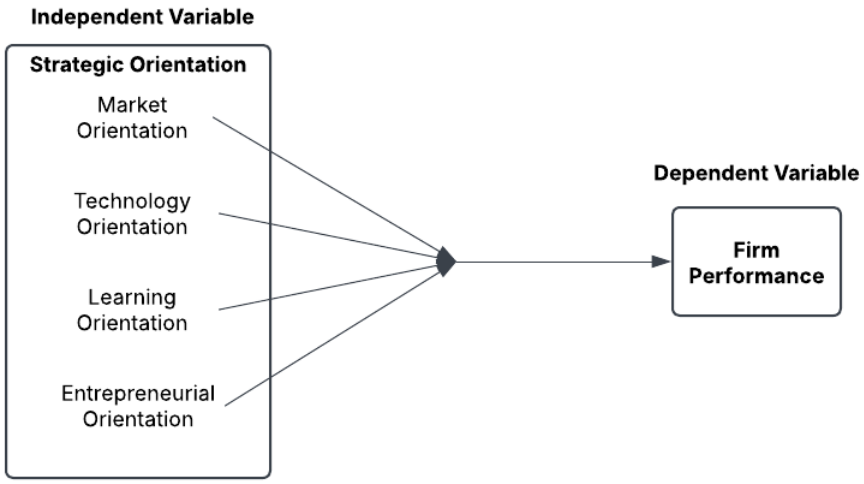

Figure 1: Conceptual Framework

Source: Narver and Slater (1990), Lumpkin and Dess (1996), Gatignon and Xuereb (1997), Calantone, Cavusgil and Zhao (2002)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This section explains the “how” of this study and outlines the study's research design, approach, data sources, sampling, method of data collection, method of data analysis, survey instrument, and ethical consideration.

3.2. Research Design and Approach

A research design refers to the framework that integrates the purpose, data collection, sampling, and analysis processes of a study to ensure coherence and precision (Haenssgen, M. J., 2019). An explanatory research refers to a type of research where the objective is to understand why a given phenomenon exists through the study of cause-and-effect relations between variables (Creswell, 2014). An explanatory research design is utilized in this study to investigate the impact of strategic orientation on the performance of firms.

A research strategy provides a concise description both of the steps and processes the researcher will adopt during the collection and analysis and interpretation of research findings (Grover, 2015). Quantitative research is concerned with the collection of numerical data in the form of polls and surveys and existing statistics and uses statistical or computer methods to analyze and generalize across groups or to report phenomena. (Babbie, 2010; Muijs, 2010) This research applies a quantitative research strategy to examine the impact of strategic orientation on firm performance.

3.3. Sources of Data

This study used both primary and secondary data. Secondary data was collected from relevant past literature from academic research databases and primary data was collected through structured, close-ended, 5-point, Likert-scale based questionnaire from founders and top level managers.

3.4. Target Population and Sampling

The target population of this study is the number of technology startups in Addis Ababa which was over 253. Probability sampling technique was used to calculate the sample size for the study.

To calculate the sample size, the researcher used the formula developed by Yamane (1967) that can be used to calculate sample size for a known sample size as in the case of this study:

$$n = N/ (1+N e2)$$

Where:

n = Sample size

N = Total population

e = accepted margin of error with 95% confidence level

Therefore, n= 253/ (1+253*(0.05) ^2) = **154.9 (155)**

3.5. Sampling Method

Sampling methods are generally categorized into probability and non-probability sampling techniques, both of which determine how research participants are selected. In probability sampling, each participant has an equal chance of being selected from the target population, ensuring that the sample is representative and that findings can be generalized to the broader population. In contrast, non-probability sampling does not provide equal selection chances for all elements of the target population. Instead, participants are chosen based on specific criteria, often relying on the researcher's judgment to include or exclude certain elements.

For this study, a non-probability sampling method has been selected. This choice is based on the assumption that strategic decisions are primarily made by top-level management. Since the research focuses on strategy development, only individuals in senior leadership positions are considered relevant participants, making non-probability sampling the most appropriate approach.

3.6. Method of Data Collection

To undertake this study, both primary and secondary data was be collected. Primary data was collected through close-ended, Likert-scale based questionnaire. In an effort to make this research more valid, creditable and applicable secondary sources which are important to the study were reviewed. Before the actual data collection, a pilot test was conducted to ensure the clarity, reliability, and validity of the questionnaire items and to identify any potential issues in the wording, structure, or understanding of the survey by respondents.

3.7. Method of Data Analysis

The collected data was analyzed using SPSS software and descriptive and inferential analysis was be conducted. The descriptive analysis includes explanation of the descriptive statistics of respondents` demographic profile and analysis of the mean and standard deviation of responses. Inferential analysis includes correlation and regression analysis to show the influence of variables on firm performance.

3.8. Survey Instrument

The research questionnaire for the present study was developed from measurement instruments of various earlier studies. It is divided into two broad sections: The first section consists of five items capturing the demographic attributes of the respondents. The second section consists of closed-ended items measuring the dependent, independent, and moderating variables. The items on all the scales consist of a five-point Likert scale, from 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, to 5 = Strongly Agree.

Every research instrument used in the study is needed for the measurement of the respective variable in a valid manner. It gives a methodological approach towards measuring abstract constructs and facilitates uniform assessment of firm performance.

Each research tool in the study is required for the valid measurement of its variable. It provides a systematic way of measuring abstract entities and enables consistency in the measurement of firm performance.

Deshpandé, Farley, and Webster (1993) market orientation measures the organization's customer focus. The more oriented towards the market the organization is, the higher its competitiveness and customer satisfaction. For instance, "We measure customer satisfaction systematically and frequently." reflects the organization's willingness to find out what the customers need. Similarly, "Our business strategies are driven by our beliefs about how we can create greater value for customers." reflects the degree to which customer needs are the key motivator for strategic action.

Learning orientation, according to Sinkula et al. (1997), considers the ability of a firm to learn continuously in order to adapt and innovate. An example being, "Our startup constantly checks the quality of our activities and past decisions." outlines the requirement to reflect and improve business processes. Another example being, "We let employees discuss their errors freely in

order to learn from those errors." calls attention to a system where people are encouraged to learn from errors rather than hiding them.

Technology orientation, from the perspective of Gatignon and Xuereb (1997), refers to the measurement of the degree to which a firm is concerned with technological innovation and how competitive advantage can be maintained through it. The statement "Our products and services involve the latest technology" reflects the firm's focus towards innovation. The statement "We invest significantly in research and development to remain in line with the latest technologies" reflects the firm's proactive investment in technology.

Entrepreneurial orientation, in terms of Bolton and Lane (2011), measures the risk-taking propensity, innovation propensity, and proactivity of the firm. e.g., "I prefer taking bold action by exploring the unfamiliar" captures the firm's predisposition towards the future uncertainty in order to achieve growth. Similarly, "I search proactively for new possibilities in the face of uncertainty about their success" identifies the firm's proactive search behavior in pursuit and utilization of business opportunities.

Finally, firm performance, measured using Prieto and Revilla (2006), assesses both financial and non-financial success. For instance, "The reputation of our IT startup is stronger than that of our competitors." represents brand strength as a key performance indicator. Similarly, "Our firm has experienced significant revenue growth over the past three years." reflects financial success as a core aspect of performance evaluation.

These instruments provide a thorough assessment of strategic orientation and its impact on firm performance, making them essential for a strong and meaningful analysis.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1. Introduction

This chapter deals with data presentation and analysis. The first section discusses with demographic characteristics of the respondents. The second section discusses the main part of the study which is employee motivation variables; the analysis, and interpretation of the data that is gathered through questionnaire.

4.2. Reliability

Cronbach's Alpha coefficient is a widely recognized statistical measure used to evaluate the internal consistency and reliability of a scale or questionnaire. According to Hair (2006), a Cronbach's Alpha value greater than 0.7 suggests high reliability, meaning that the items consistently measure the intended concept, while a value below 0.3 indicates low reliability, implying poor correlation among the items.

In this study, the Cronbach's Alpha coefficient is reported to be 0. 935, which is significantly above the 0.7 threshold. This high value suggests a strong level of internal consistency, indicating that the questionnaire reliably measure the construct being assessed.

4.3. Demographic Characteristics

Table 1 Demographic Characteristics

No	Variable	Class	Frequency	%
1	Gender	Male	93	60
		Female	62	40
		Total	**155**	**100**
2	Age	18-25	16	10.3
		26-33	59	38.1
		34-41	59	38.1

		42-50	20	12.9
		Above 50	1	0.6
		Total	**155**	**100**
3	Level of education	Did Not Complete College	1	0.6
		Undergraduate Degree	97	62.6
		Master's Degree	57	36.8
		PhD	0	0
		Total	**155**	**100**
4	Year of Establishment	Below 1 Year	50	32.3
		1-2 Year	93	60
		2-3 Year	12	7.7
		Total	**155**	**100**
5	Sector	Fintech	30	19.4
		EdTech	56	36.1
		Ecommerce	40	25.8
		Delivery	23	14.8
		Other	6	3.9
		Total	**155**	**100**

Source: Own Survey 2025

The demographic characteristics of the respondents provide important context for the study. Out of the total 155 participants, 93 were male, accounting for 60% of the sample, while 62 were female, making up the remaining 40%. This indicates a male-dominant participation in the study.

Regarding age distribution, the majority of the respondents were between the ages of 26 and 41. Specifically, 59 participants (38.1%) were aged 26–33, and another 59 participants (38.1%) were aged 33–41. Participants aged 42 - 50 made up 12.9% of the sample, while those aged 18–25

accounted for 10.3%. Only one respondent, representing 0.6%, was above the age of 50. This shows that most respondents were young adults, which aligns with the age range typically seen in startup environments.

In terms of educational background, a large portion of the participants had completed an undergraduate degree. Out of the 155 respondents, 97 individuals (62.6%) held an undergraduate degree, and 57 individuals (36.8%) had a master's degree. Only one participant had not completed college, and there were no PhD holders in the sample. This indicates that the majority of the respondents had a relatively high level of education, which is common among startup founders and managers.

The data also shows that most of the startups were newly established. A total of 93 startups (60%) had been in operation for 1 to 2 years, 50 startups (32.3%) were less than one year old, and only 12 startups (7.7%) had been operating for 2 to 3 years. This demonstrates that the startups involved in the study were still in their early stages of development.

Finally, the sector distribution reveals that the largest group of startups were in the EdTech sector, with 56 respondents (36.1%). E-commerce followed with 40 participants (25.8%), and Fintech came next with 30 participants (19.4%). The Delivery sector had 23 respondents (14.8%), while the remaining 6 respondents (3.9%) were from other sectors. This shows that education technology is currently a dominant focus among IT startups in Addis Ababa, followed by e-commerce and financial technology

4.3. Descriptive Analysis

The descriptive analysis provides a summary of respondents' perceptions by examining the average responses (mean) and the degree of variability (standard deviation) across key study variables. In descriptive analysis, the mean and standard deviation (SD) are essential for understanding central tendency and variability in Likert-scale survey responses. On a 5-point Likert scale, the mean is commonly interpreted using set ranges: 1.00–1.80 indicates *strong disagreement*, 1.81–2.60 *disagreement*, 2.61–3.40 *neutrality*, 3.41–4.20 *agreement*, and 4.21–5.00 *strong agreement* (Boone & Boone, 2012). These thresholds help researchers assess the general sentiment of respondents toward specific statements. Meanwhile, the standard deviation shows how much individual responses vary from the mean. A low SD (typically < 1.0) suggests consensus among respondents, whereas a high SD≥(1.0) indicates diverse or divided opinions

(Ali et al., 2016; Hair et al., 2014). In this study, these standards help identify not only the strength of agreement with strategic orientation items but also how uniformly those views are held across IT startup managers.

4.3.1. Descriptive Analysis of Market Orientation

Table 2 Descriptive Analysis of Market Orientation

Market Orientation	N	M	SD
Our business objectives are driven primarily by customer satisfaction.	155	3.60	0.803
We constantly monitor our level of commitment and orientation to serving customer needs.	155	3.38	0.928
We freely communicate information about our successful and unsuccessful customer experiences across all business functions.	155	4.00	0.000
Our strategy for competitive advantage is based on our understanding of customers' needs.	155	3.34	1.096
We measure customer satisfaction systematically and frequently.	155	3.59	0.881
We have routine or regular measures of customer service.	155	3.77	0.771
We are more customer focused than our competitors.	155	4.18	0.760
I believe this business exists primarily to serve customers.	155	3.34	1.096
We poll end users at least once a year to assess the quality of our products and services	155	3.57	0.897
Average	**155**	**3.64**	**0.803**

Source: Own Survey 2025

The descriptive statistics related to market orientation, as shown in Table 2, provide insights into how technology startups in Addis Ababa perceive and implement customer-focused strategies. The statement "Our business objectives are driven primarily by customer satisfaction" received a

mean score of 3.60 (SD = 0.803), indicating that customer satisfaction is moderately prioritized as a business driver. The item "We constantly monitor our level of commitment and orientation to serving customer needs" scored slightly lower at 3.38 (SD = 0.928), suggesting that while efforts exist, there may be inconsistency in how such monitoring is conducted across firms.

The highest mean score was observed for "We are more customer focused than our competitors", which received 4.18 (SD = 0.760), reflecting a strong belief among startups that they are ahead in customer-centric strategies compared to others in the industry or their competition. Similarly, "We freely communicate information about our successful and unsuccessful customer experiences across all business functions" scored a high 4.00 (SD = 0.000), indicating a well-established internal communication culture related to customer feedback.

Conversely, items such as "Our strategy for competitive advantage is based on our understanding of customers' needs" and "I believe this business exists primarily to serve customers" both scored lower at 3.34 (SD = 1.096), suggesting that not all respondents strongly align strategic direction or business purpose with customer needs. With an average mean score of 3.64, the findings indicate a generally positive orientation toward market-driven strategies, though there remains room for improvement in aligning business strategy more systematically and consistently with customer needs across all areas of operation.

4.3.2. Descriptive Analysis of Technology Orientation

Table 3 Descriptive Analysis of Technology Orientation

Technology Orientation	N	M	SD
Our startup's product development initiatives are more ambitious than those of our competitors.	155	3.77	0.771
We possess stronger technological expertise compared to others in our industry.	155	4.17	0.780
We are highly active in developing and adopting new technologies.	155	3.37	1.094
Research and development (R&D) activities play a crucial role in driving our innovation efforts.	155	3.60	0.887

Our products and services incorporate cutting-edge technology.	155	3.57	0.980
We take the lead in initiating the development of new technologies.	155	3.19	0.883
Our company rapidly integrates emerging technologies into our solutions.	155	3.79	0.819
The development of new products and services is guided by highly skilled technical professionals.	155	3.45	0.869
We utilize advanced technologies and methodologies to enhance our offerings.	155	3.77	0.701
Our startup continuously innovates to adapt to the evolving expectations of our customers.	155	3.57	0.967
Average	**155**	**3.62**	**0.875**

Source: Own Survey 2025

The descriptive statistics on technology orientation, as presented in Table 3, provide valuable insights into the technological behaviors and priorities of technology startups in Addis Ababa. The item "We possess stronger technological expertise compared to others in our industry" received one of the highest mean scores at 4.17 (SD = 0.780), indicating a strong level of confidence among respondents regarding their firm's technological capability. Similarly, the statement "Our company rapidly integrates emerging technologies into our solutions" scored a high mean of 3.79 (SD = 0.819), suggesting that startups are actively engaging with technological advancements in a timely manner.

"Our startup's product development initiatives are more ambitious than those of our competitors" and "We utilize advanced technologies and methodologies to enhance our offerings" both received a mean score of 3.77, reflecting a proactive approach toward leveraging technology for competitive advantage. However, the item "We take the lead in initiating the development of new technologies" received the lowest mean score of 3.19 (SD = 0.883), indicating that fewer startups consider themselves technology pioneers or leaders in innovation initiation.

Other areas, such as “Our products and services incorporate cutting-edge technology” (M = 3.57, SD = 0.980) and “Our startup continuously innovates to adapt to the evolving expectations of our customers” (M = 3.57, SD = 0.967), show that innovation and technology integration are moderately practiced across these firms. With an overall average mean of 3.62, the results indicate a generally positive orientation toward technology among the surveyed startups. While there is evidence of strength in adopting and applying technology, there is still room to enhance leadership in pioneering new technological developments.

4.3.3. Descriptive Analysis of Entrepreneurial Orientation

Table 4 Descriptive Analysis of Entrepreneurial Orientation

Entrepreneurial Orientation	N	M	SD
I like to take bold action by venturing into the unknown.	155	3.19	0.881
I am willing to invest a lot of time and/or money on something that might yield a high return.	155	3.79	0.814
I tend to act “boldly” in situations where risk is involved.	155	3.46	0.877
I often like to try new and unusual activities that are not typical but not necessarily risky.	155	3.58	0.859
In general, I prefer a strong emphasis in projects on unique, one-of-a-kind approaches rather than revisiting tried and true approaches used before.	155	3.59	0.979
I prefer to try my own unique way when learning new things rather than doing it like everyone else does.	155	3.20	0.871
I favor experimentation and original approaches to problem solving rather than using methods others generally use for solving their problems.	155	3.29	0.890
I usually act in anticipation of future problems, needs or changes.	155	3.73	0.696
I tend to plan ahead on projects.	155	3.51	1.034

I prefer to "step-up" and get things going on projects rather than sit and wait for someone else to do it.	155	3.80	0.963
Average	**155**	**3.51**	**0.886**

Source: Own Survey 2025

The descriptive statistics related to entrepreneurial orientation, as outlined in Table 4, provide meaningful insights into the risk-taking, proactiveness, and innovativeness of technology startups in Addis Ababa. The statement "I prefer to 'step-up' and get things going on projects rather than sit and wait for someone else to do it" received the highest mean score of 3.80 (SD = 0.963), suggesting that many respondents see themselves as proactive initiators of action. Similarly, "I am willing to invest a lot of time and/or money on something that might yield a high return" scored 3.79 (SD = 0.814), indicating a strong appetite for high-risk, high-reward opportunities.

Items such as "I usually act in anticipation of future problems, needs or changes" (M = 3.73, SD = 0.696) and "I tend to plan ahead on projects" (M = 3.51, SD = 1.034) also reinforce the forward-thinking and strategic planning behaviors prevalent among the startups surveyed. However, responses to "I like to take bold action by venturing into the unknown" (M = 3.19, SD = 0.881) and "I prefer to try my own unique way when learning new things rather than doing it like everyone else does" (M = 3.20, SD = 0.871) were relatively lower, suggesting that while there is some level of innovation and risk-taking, it may not be uniformly strong across all entrepreneurial dimensions.

The overall average mean score of 3.51 indicates a generally positive entrepreneurial orientation among the respondents. These startups show notable proactiveness and a willingness to explore new and innovative approaches, though certain aspects like boldness and originality may benefit from further development.

4.3.4. Descriptive Analysis of Learning Orientation

Table 5 Descriptive Analysis of Learning Orientation

Learning Orientation	N	M	SD
Our startup has specific mechanisms for sharing lessons and insights across departments.	155	2.75	1.021

There is complete alignment on our startup's vision across all levels, functions, and teams.	155	3.57	0.939
Managers frequently consult employees to discuss new developments.	155	3.17	0.918
In our startup, employee learning is seen as an investment, not an expense.	155	3.09	1.286
Our managers do not believe that accepting diverse viewpoints is important.	155	3.43	0.797
Learning is the key to our startup's competitive advantage.	155	3.06	1.247
Employees are always eager to learn, and our startup provides ample learning opportunities.	155	3.47	1.021
Continuous learning is essential to ensuring our startup's long-term survival.	155	3.77	0.944
Our startup consistently evaluates the quality of our activities and past decisions.	155	3.54	1.065
We actively encourage employees and customers to provide feedback on how we operate and suggest ways to improve.	155	3.56	0.898
Average	**155**	**3.34**	**1.013**

Source: Own Survey 2025

The results presented in Table 5 offer an overview of the learning orientation within technology startups in Addis Ababa. The highest mean score was found in the statement "Continuous learning is essential to ensuring our startup's long-term survival" with a mean of 3.77 (SD = 0.944), indicating a strong agreement with the importance of learning for sustainability. This was followed by "There is complete alignment on our startup's vision across all levels, functions, and teams" (M = 3.57, SD = 0.939) and "We actively encourage employees and customers to provide feedback on how we operate and suggest ways to improve" (M = 3.56, SD = 0.898), reflecting a culture of openness and alignment.

However, several items scored notably lower. For example, “Our startup has specific mechanisms for sharing lessons and insights across departments” received a mean score of 2.75 (SD = 1.021), suggesting a neutral to slightly positive perception, indicating potential gaps in structured knowledge sharing. Similarly, “Learning is the key to our startup’s competitive advantage” (M = 3.06, SD = 1.247) and “In our startup, employee learning is seen as an investment, not an expense” (M = 3.09, SD = 1.286) scored close to the neutral range, showing that while learning is somewhat valued, it may not yet be deeply embedded as a strategic priority.

The overall average mean of 3.34 falls within the neutral range, implying that learning orientation exists but may not be strongly emphasized across all dimensions. The relatively high standard deviation (1.013) also indicates varying perceptions among respondents. These findings suggest opportunities for startups to strengthen formal learning mechanisms, reinforce the strategic value of learning, and ensure alignment of learning initiatives with organizational goals

4.3.7. Descriptive Analysis of Firm Performance

Table 6 Descriptive Analysis of Firm Performance

Firm Performance	N	M	SD
Our IT startup has become more profitable in the past few years.	155	3.51	1.034
The return on assets of our IT startup has improved over the past few years.	155	3.80	0.963
Our IT startup’s market share has increased in the past few years.	155	3.16	0.872
The production cost of our IT startup has increased in the past few years.	155	3.74	0.898
The work productivity in our IT startup has improved over the past few years.	155	3.29	0.890
Our customers are highly satisfied with our IT startup compared to our competitors.	155	3.73	0.696
The quality of our IT startup’s services is superior to that of	155	3.51	1.034

our competitors.			
The reputation of our IT startup is stronger than that of our competitors.	155	3.80	0.963
The number of registered customers for our IT startup has increased in the past few years.	155	3.16	0.872
Average	**155**	**3.52**	**0.913**

Source: Own Survey 2025

The findings in Table 8 provide a comprehensive picture of firm performance among IT startups in Addis Ababa. The highest mean values were recorded for the items "The return on assets of our IT startup has improved over the past few years" and "The reputation of our IT startup is stronger than that of our competitors", both scoring 3.80 (SD = 0.963), indicating a solid agreement and suggesting improved financial outcomes and competitive standing.

Also notable is the statement "Our customers are highly satisfied with our IT startup compared to our competitors" (M = 3.73, SD = 0.696), highlighting positive customer perception. Meanwhile, "The production cost of our IT startup has increased in the past few years" also received a relatively high score (M = 3.74, SD = 0.898), which could reflect either expanding operations or rising input costs.

On the other hand, the statements "Our IT startup's market share has increased in the past few years" and "The number of registered customers for our IT startup has increased in the past few years" scored lower (M = 3.16, SD = 0.872 for both), placing them in the neutral range. This indicates a more conservative perception of market expansion and customer base growth.

The overall average mean score of 3.52 falls into the agree range, implying that respondents perceive their firms as generally performing well. The standard deviation (0.913) reflects a moderate level of variability in responses.

4.4. Linearity Test

Linearity refers to the degree to which the variation in the dependent variable is related to the variation in the independent variables. To determine whether the relationship between the dependent variable and the independent is linear, so, plots of the regression residuals through SPSS software has been used. This assumption is important because linear regression models are

based on the premise that the relationship between the variables is linear. The test typically involves creating a scatter plot of the residuals against the predicted values or the independent variables, and examining the plot for any nonlinear patterns.

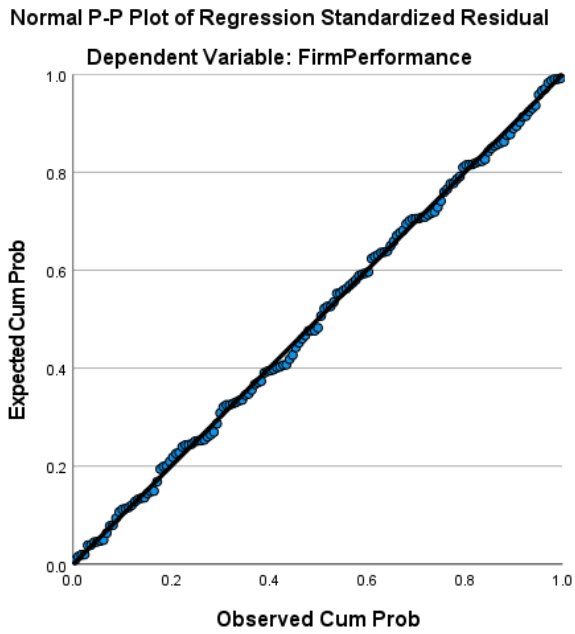

Figure 2 linearity Test

The scatter plot of residuals above indicates a consistent spread of data points along the graph with no very little deviation, suggesting that the relationship between the independent variables and the dependent variable is linear. The residuals appear randomly scattered around the horizontal line at zero, which supports the assumption of linearity. This pattern also suggests that the residuals are normally distributed around their mean. Therefore, the linearity assumption is met.

4.5. Normality Test

Figure 3 displays the histogram of standardized residuals overlaid with a normal distribution curve. While a few residuals—particularly around the center—deviate slightly from the curve, the overall distribution closely resembles a bell shape. This visual pattern suggests that the residuals are approximately normally distributed. Therefore, the assumption of normality is satisfied. Meeting this assumption is important, as it supports the validity of statistical inferences, including hypothesis testing and the accuracy of standard errors and p-values.

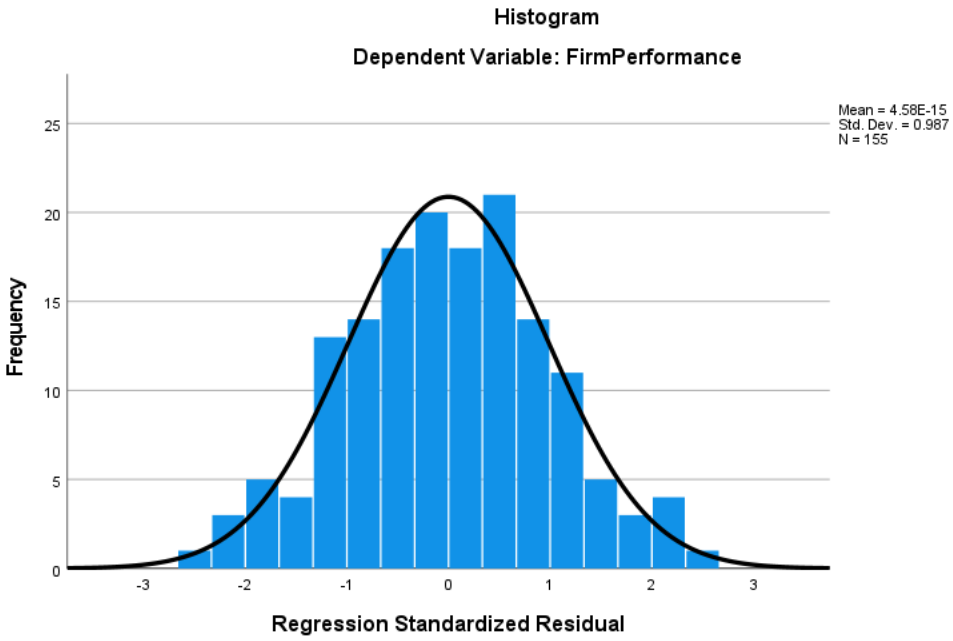

Figure 3 Histogram

Homoscedasticity

The homoscedasticity test examines whether the residuals have constant variance across all levels of predicted values. Figure 4 displays a scatterplot of standardized residuals versus standardized predicted values for the dependent variable, firm performance. The plot shows that the residuals are randomly and evenly scattered around the horizontal axis, with no clear pattern, curvature, or funnel shape. This visual evidence suggests that the variance of the residuals remains relatively consistent across all predicted values. Therefore, the assumption of homoscedasticity is met in this regression model. Satisfying this assumption ensures that the standard errors of the regression coefficients are reliable, supporting the accuracy of hypothesis tests and confidence intervals used in the analysis.

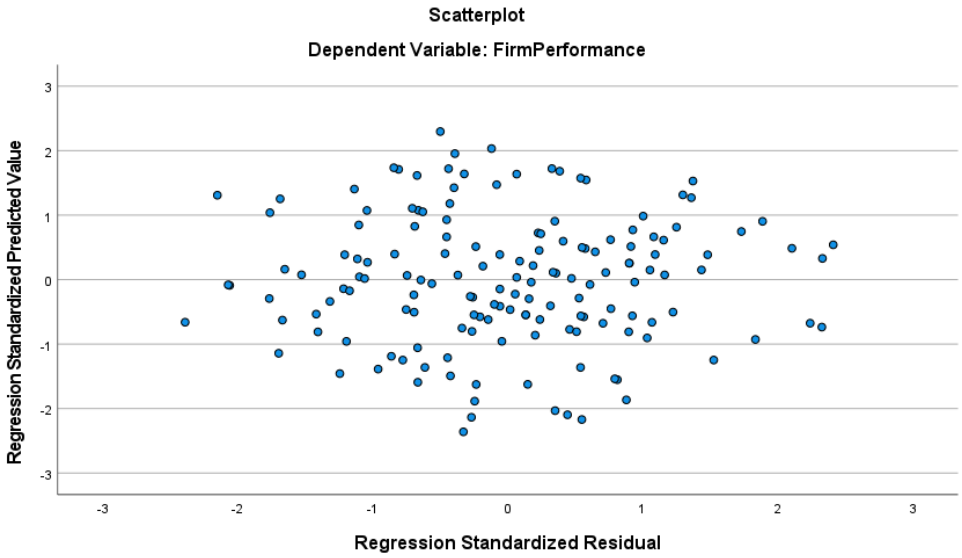

Figure 4 Homoscedasticity

Multicollinearity

Multicollinearity occurs when two or more independent variables in a regression model are highly correlated, allowing one to be predicted from the others with considerable accuracy. While a strong relationship between independent and dependent variables is essential, multicollinearity among independent variables can distort the reliability of coefficient estimates and weaken the statistical power of the model (Asthana & Bhushan, 2016). In this study, multicollinearity was assessed using Tolerance and Variance Inflation Factor (VIF) values. As shown in Table X, all tolerance values are above the commonly accepted threshold of 0.1, and all VIF values are below 10, with the highest being 1.896 for entrepreneurial orientation. These results indicate that multicollinearity is not a concern in this model, and the independent variables can be reliably used to explain variations in firm performance.

Collinearity Statistics		
	Tolerance	**VIF**
Market Orientation	.689	1.452
Technology Orientation	.530	1.886
Entrepreneurship Orientation	.527	1.896
Learning Orientation	.736	1.359

4.6. Inferential Statistics

4.6.1. Correlation Analysis

To determine the existence and level of association, the researcher used a bivariate correlation. Pearson correlation coefficient with falls between -1.0 and +1.0 and indicates the strength and direction of the association between the two variables (Field, 2005). Pearson´s correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between motivation and employee performance.

The significant level of all variables is less than P=0.05 which shows suggests that the correlation coefficient is unlikely to have occurred by chance, and therefore provides evidence that there is a true relationship between the variables.

Table 7 Correlation Analysis

		MA	TO	EO	LO	FP
Market Orientation	Pearson Correlation	1				
	Sig.					
Technology Orientation	Pearson Correlation	.531	1			
	Sig.	.001				
Enter Orientation	Pearson Correlation	.364	.594	1		
	Sig.	.001	.001			
Learning Orientation	Pearson Correlation	.036	.287	.487	1	
	Sig.	.658	.001	.001		
Firm Performance	Pearson Correlation	.109	.293	.735	.642	1
	Sig.	.176	.001	.001	.001	

Source: Own Survey 2025

Table 9 presents the Pearson correlation coefficients among the four strategic orientations (Market, Technology, Entrepreneurial, Learning) and Firm Performance in IT startups. The strength of correlation is interpreted as:

- Strong (0.75 to 1.0)
- Moderate (0.30 to 0.75)
- Weak (0.00 to 0.30)

Market orientation has a weak and insignificant correlation, indicating that market orientation has little to no direct relationship with firm performance in this context. Technology Orientation Interpretation having moderate and significant correlation ($r = 0.293$, $p < 0.01$), suggesting that as technology orientation increases, firm performance tends to improve moderately.

Entrepreneurial Orientation has a strong and highly significant positive correlation ($r = 0.735$, $p < 0.01$) This implies that entrepreneurial orientation plays a critical role in enhancing firm performance among IT startups. Learning Orientation has moderate to strong, significant positive correlation ($r = 0.642$, $p < 0.01$) with firm performance indicating that firms that prioritize continuous learning and knowledge sharing are more likely to perform better.

4.7. Regression Analysis

The multiple regression analysis was conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influencer; independent variable to the dependent variable with insights into the roles of the moderator. The proposed hypotheses were tested using multiple regression analysis.

Table 8 Model Summary

Model	R	R Square	Adjusted R Squared	Std. Error of the Estimate
1	.824	.680	.671	.28945

Source: Own Survey 2025

The model summary of the research reveals an exceptionally strong relationship between the independent variables namely, strategic orientations (market, technology, learning, and entrepreneurial), and the dependent variable, which is firm performance. The correlation coefficient (R) is 0.824, indicating a near-perfect linear relationship. This suggests that changes in the strategic orientations are almost perfectly associated with changes in the performance of IT startups in Addis Ababa. The coefficient of determination (R^2) is 0.680, which means that 68% of the variation in firm performance is explained by the independent variables included in the model.

Table 9 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Constant	.139	.260		.535	.594
MA	- .050	.053	-.052	-.942	.348
TO	-.248	.080	-.195	-3.077	.002
EO	.897	.081	.693	10.894	< .001
LO	.412	.061	.363	6.741	< .001

Source: Own Survey 2025

Table 11 presents the result of regression analysis which is based on the four independent variables (Market, Technology, Entrepreneurial and Learning Orientation). The independent variables that contribute to the variance of the dependent variable are explained by the standardized Beta coefficient. The beta value on the coefficient table indicates the level of effect each dimension has on the dependent variable which is firm performance.

The strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via a standardized Beta coefficient. The above coefficient table shows that the constant, beta value and p-value of the variables to examine the significance of set hypothesis, excluding market orientation remaining variables significant with 0.002, 0.001 and 0.001 with unstandardized beta coefficient -0.248, 0.897 and 0.412

The researcher performed a regression analysis to determine the relationship between dependent and independent variables. The regression equation was:

$Y = a + b1X1 + b2X2 + b3X3 + e$

Where; Y: Firm Performance

X1: Technology Orientation

X2: Entrepreneurial Orientation

X3: Learning Orientation

A: Constant

As per the model for this regression:

Firm Performance = 0.139 + (-0.248) X1 + 0.897X2 + 0.412 X3 + 0.260

beta (β) is a coefficient that represents the change in the dependent variable (Y) that is associated with a one-unit change in the independent variable (X) while holding all other independent variables constant. The model suggests that Entrepreneurial Orientation (0.897) and Learning Orientation (0.412) have the strongest effect on firm performance; therefore, H3 and H4 are supported. However, there was no positive significant relationship between Technology Orientation on employee performance.

Hypothesis Testing and Interpretation of Results

The decision criteria either to reject or accept the hypothesis is depend up on the value of p, meaning that if $p \leq 0.05$ reject the null hypothesis, but accepting the alternative hypothesis and if $p \geq 0.05$ reject the alternative hypothesis, but accepting the null hypothesis.

Table 10 Hypothesis Testing

Hypothesis	Description	Unstandardized Beta Coefficient	Sig	Decision
H1	Market Orientation has positive and significant relationship with Firm Performance	- .050	.348	Declined
H2	Technology Orientation has positive and significant relationship with Firm Performance	-.195	.002	Declined
H3	Entrepreneurial Orientation has positive and significant relationship with Firm Performance	.693	< .001	Accepted
H4	Learning Orientation has positive and significant relationship with Firm Performance	.363	< .001	Accepted

H1: Market Orientation has positive and significant relationship with Firm Performance

The result of multiple regression analysis of table 9 indicates that Market Orientation has niether significant nor positive influence on the firm performance with the values β= -.052 & P= .348 demonstrates that the weak and negative influence on firm performance.

H2: Technology Orientation has positive and significant relationship with Firm Performance

The result of multiple regression analysis of table 9 shows that Technology Orientation has a significant influence on the Firm Performance with the values β= -.195 & P= .001 demonstrates that the greater influence of Technology Orientation on employee performance. This implies that the one percent increase in work will increase 41.2% positive increase in firm performance.

H3: Entrepreneur Orientation has positive and significant relationship with Firm Performance

The result of multiple regression analysis of table 9 shows that Entrepreneur Orientation has a significant influence on the Firm Performance with the value β= .693 & P < .002 demonstrates that the greater influence of Entrepreneur Orientation on employee performance. This implies that the one percent increase in work will increase -24.8% negative increase in firm performance.

H4: Learning Orientation has positive and significant relationship with Firm Performance

The result of multiple regression analysis of table 9 shows that Learning Orientation has a positive and significant influence on the Firm Performance with the values β= .363 & P < .001 demonstrates that the greater influence of Learning Orientation on employee performance. This implies that the one percent increase in work will increase 89.7% positive increase in firm performance.

CAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary

This study examined the effects of strategic orientations (market orientation, technology orientation, entrepreneurial orientation, and learning orientation) on firm performance in technology startups in Addis Ababa. The research was guided by four specific objectives: to investigate the relationship of each strategic orientation dimension with firm performance. The descriptive findings revealed that entrepreneurial orientation had the highest mean score, followed by technology orientation, market orientation, and learning orientation. Correlation analysis showed strong positive relationships between entrepreneurial and learning orientations with firm performance, while market orientation exhibited a weak, insignificant relationship.

Multiple regression analysis demonstrated that entrepreneurial orientation had the strongest and most significant positive effect on firm performance ($\beta = .693$, $p < .001$), followed by learning orientation ($\beta = .363$, $p < .001$). Technology orientation, however, showed a significant but negative effect ($\beta = -.195$, $p = .002$), suggesting potential misalignment or ineffective application of technology. Market orientation had no significant impact on performance ($\beta = -.052$, $p = .348$). These findings align partially with previous research and highlight the context-specific nature of strategic orientation effectiveness.

5.2. Conclusion

This study examined the effects of strategic orientations—market, technology, entrepreneurial, and learning—on firm performance among IT startups in Addis Ababa. The findings from the regression analysis reveal that entrepreneurial orientation has the strongest positive and significant impact on firm performance ($\beta = .693$, $p < .001$), indicating that startups with proactive, innovative, and risk-taking behaviors are more likely to perform better. Learning orientation also shows a positive and significant influence ($\beta = .363$, $p < .001$), suggesting that firms that foster continuous learning and knowledge sharing tend to experience improved performance outcomes.

In contrast, technology orientation was found to have a significant but negative impact on firm performance ($\beta = –.195$, $p = .002$), indicating that an overemphasis on technology without

strategic alignment may hinder performance in the startup context. Market orientation showed no significant relationship with firm performance ($\beta = -.052$, $p = .348$), implying that customer-focused strategies alone do not guarantee performance improvements unless supported by other complementary capabilities.

Overall, the results highlight the importance of strengthening entrepreneurial and learning behaviors within startups. While technology adoption remains vital, it should be strategically aligned with business goals. Additionally, market orientation efforts should be enhanced and integrated with other strategic dimensions to generate meaningful impact.

5.3. Recommendation

- Although this study contributes to strategy development knowledge for IT startups in Addis Ababa, its generalizability is limited due to its narrow geographic and sectoral focus. Future research should include diverse regions and industries. It is recommended that startups prioritize entrepreneurial and learning orientations, align technology use with business goals, and strengthen market responsiveness.
- The predictor variables explained 68% of the variation in firm performance, suggesting that future research should explore additional factors—such as moderating variables (e.g., firm size, age, or environmental turbulence) or other strategic and operational variables—that may further explain performance outcomes.
- Technology startups should foster a proactive, risk-taking, and opportunity-seeking culture. Founders should invest in leadership development and encourage innovation across teams to maximize entrepreneurial orientation's impact.
- Although startups claim to be customer-focused, the weak statistical link suggests gaps in translating customer insights into strategic action. Continuous market research, feedback loops, and interdepartmental collaboration should be enhanced.

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Appendix I

Questionnaire

Addis Ababa University

School of Post-Graduate Studies

This questionnaire is conducted for the partial fulfillment of a Master's degree in Business Administration at Addis Ababa University on the title "The Effect of Strategy Orientation on Firm Performance: the Case of IT Startups in Addis Ababa" The information you provide is used ONLY for academic purpose. Your honest and thoughtful response is crucial the for validity and soundness of the result. All information you provide is confidential and anonymous. Thank you in advance for your cooperation.

Part I: General Profile

Please put a (√) mark in the box that best describes you.

1. **Gender**

- Male ☐
- Female ☐

2. **Age**

- 18 - 25 ☐
- 26 – 30 ☐
- 31 – 35 ☐
- 36 – 40 ☐
- Above 40 ☐

3**. Educational Level**

- Did not Complete College ☐
- Undergraduate Degree ☐
- Master`s Degree ☐
- PhD ☐

4. **Year of Establishment of the Startup**

- Below 1 year ☐
- 1 – 2 Years ☐
- 2 – 3 Years ☐
- 3 – 4 Years ☐
- 4 - 5 Years ☐
- More than 5 Years ☐

5. **Sector**

- FinTech ☐
- EdTech ☐
- E-commerce ☐
- Delivery ☐
- Other ☐

Part II

Market Orientation	**SA**	**A**	**N**	**D**	**SD**
Our business objectives are driven primarily by customer satisfaction.					
We constantly monitor our level of commitment and orientation to serving customer needs.					
We freely communicate information about our successful and unsuccessful customer experiences across all business functions.					
Our strategy for competitive advantage is based on our understanding of customers' needs.					
We measure customer satisfaction systematically and frequently.					

We have routine or regular measures of customer service.					
We are more customer focused than our competitors.					
I believe this business exists primarily to serve customers.					
We poll end users at least once a year to assess the quality of our products and services.					

Technology Orientation	**SA**	**A**	**N**	**D**	**SD**
Our startup's product development initiatives are more ambitious than those of our competitors.					
We possess stronger technological expertise compared to others in our industry.					
We are highly active in developing and adopting new technologies.					
Research and development (R&D) activities play a crucial role in driving our innovation efforts.					
Our products and services incorporate cutting-edge technology.					
We take the lead in initiating the development of new technologies.					
Our company rapidly integrates emerging technologies into our solutions.					
The development of new products and services is guided by highly skilled technical professionals.					
We utilize advanced technologies and methodologies to					

enhance our offerings.					
Our startup continuously innovates to adapt to the evolving expectations of our customers.					

Entrepreneurial Orientation	**SA**	**A**	**N**	**D**	**SD**
I like to take bold action by venturing into the unknown.					
I am willing to invest a lot of time and/or money on something that might yield a high return.					
I tend to act "boldly" in situations where risk is involved.					
I often like to try new and unusual activities that are not typical but not necessarily risky.					
In general, I prefer a strong emphasis in projects on unique, one-of-a-kind approaches rather than revisiting tried and true approaches used before.					
I prefer to try my own unique way when learning new things rather than doing it like everyone else does.					
I favor experimentation and original approaches to problem solving rather than using methods others generally use for solving their problems.					
I usually act in anticipation of future problems, needs or changes.					
I tend to plan ahead on projects.					
I prefer to "step-up" and get things going on projects rather than sit and wait for someone else to do it.					

Learning Orientation	**SA**	**A**	**N**	**D**	**SD**
Our startup has specific mechanisms for sharing lessons and insights across departments.					
There is complete alignment on our startup's vision across all levels, functions, and teams.					
Managers frequently consult employees to discuss new developments.					
In our startup, employee learning is seen as an investment, not an expense.					
Our managers do not believe that accepting diverse viewpoints is important.					
Learning is the key to our startup's competitive advantage.					
Employees are always eager to learn, and our startup provides ample learning opportunities.					
Continuous learning is essential to ensuring our startup's long-term survival.					
Our startup consistently evaluates the quality of our activities and past decisions.					
We actively encourage employees and customers to provide feedback on how we operate and suggest ways to improve.					

Firm Performance	**SA**	**A**	**N**	**D**	**SD**
Our IT startup has become more profitable in the past few years.					
The return on assets of our IT startup has improved over the past few years.					
Our IT startup's market share has increased in the past few years.					
The production cost of our IT startup has increased in the past few years.					
The work productivity in our IT startup has improved over the past few years.					
Our customers are highly satisfied with our IT startup compared to our competitors.					
The quality of our IT startup's services is superior to that of our competitors.					
The reputation of our IT startup is stronger than that of our competitors.					
The number of registered customers for our IT startup has increased in the past few years.					

Appendix II

Results from Data Analysis

G

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	93	59.6	60.0	60.0
	Female	62	39.7	40.0	100.0
	Total	155	99.4	100.0	
Missing	System	1	.6		
Total		156	100.0		

A

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 25 Years	16	10.3	10.3	10.3
	26 - 33 Years	59	37.8	38.1	48.4
	34 - 41 Years	59	37.8	38.1	86.5
	42 - 50 Years	20	12.8	12.9	99.4
	Above 50 Years	1	.6	.6	100.0
	Total	155	99.4	100.0	
Missing	System	1	.6		
Total		156	100.0		

EL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Did not complete college	1	.6	.6	.6
	Undergraduate Degree	97	62.2	62.6	63.2
	Masters Degree	57	36.5	36.8	100.0
	Total	155	99.4	100.0	
Missing	System	1	.6		
Total		156	100.0		

MS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 Year	50	32.1	32.3	32.3
	1 - 2 Year	93	59.6	60.0	92.3
	2 - 3 Year	12	7.7	7.7	100.0
	Total	155	99.4	100.0	
Missing	System	1	.6		
Total		156	100.0		

S

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fintech	30	19.2	19.4	19.4
	Edtech	56	35.9	36.1	55.5
	Ecommerce	40	25.6	25.8	81.3
	Delivery	23	14.7	14.8	96.1
	Other	6	3.8	3.9	100.0
	Total	155	99.4	100.0	
Missing	System	1	.6		
Total		156	100.0		

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MO	155	2	4	3.60	.803
MO	155	2	4	3.38	.928
MO	155	4	4	4.00	.000
MO	155	1	5	3.34	1.096
MO	155	1	5	3.59	.881
MO	155	2	5	3.77	.771
MO	155	1	5	4.18	.760
MO	155	1	5	3.34	1.096
MO	155	1	5	3.57	.897
Valid N (listwise)	155				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation

TO	155	2	5	3.77	.771
TO	155	1	5	4.17	.780
TO	155	1	5	3.37	1.094
TO	155	1	5	3.60	.887
TO	155	1	5	3.57	.980
TO	155	1	5	3.19	.883
TO	155	2	5	3.79	.819
TO	155	1	5	3.45	.869
TO	155	2	5	3.77	.701
TO	155	1	5	3.57	.967
Valid N (listwise)	155				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
EO	155	1	5	3.19	.881
EO	155	2	5	3.79	.814
EO	155	1	5	3.46	.877
EO	155	1	5	3.58	.859
EO	155	1	5	3.59	.979
EO	155	1	5	3.20	.871
EO	155	1	5	3.29	.890
EO	155	2	5	3.73	.696
EO	155	1	5	3.51	1.034
EO	155	2	5	3.80	.963
Valid N (listwise)	155				

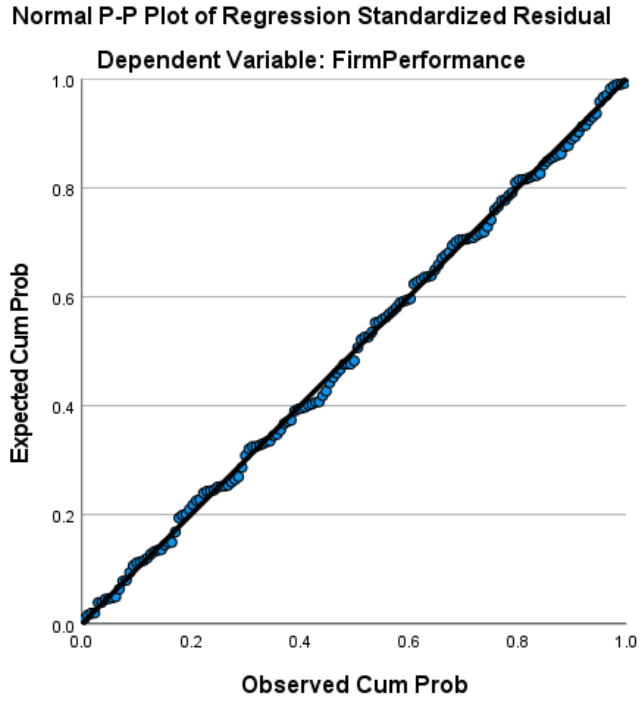
Descriptive Statistics

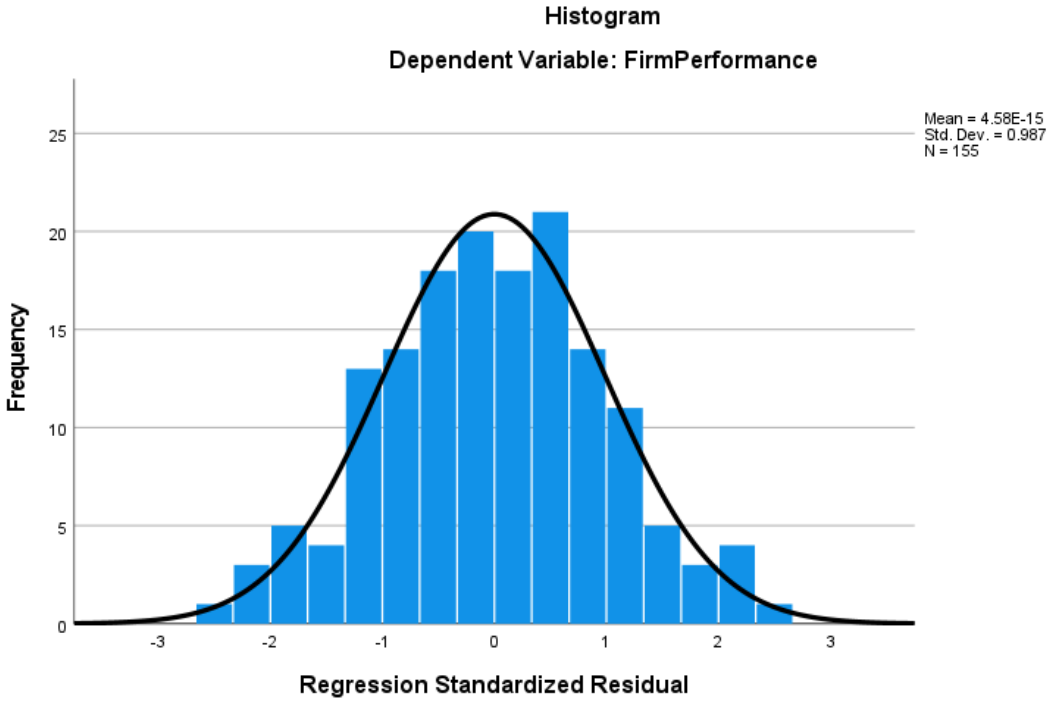
	N	Minimum	Maximum	Mean	Std. Deviation
LO	155	1	5	2.75	1.021
LO	155	1	5	3.57	.939
LO	155	1	5	3.17	.918
LO	155	1	5	3.09	1.286
LO	155	1	5	3.43	.797
LO	155	1	5	3.06	1.247
LO	155	1	5	3.47	1.021
LO	155	2	5	3.77	.944
LO	155	1	5	3.54	1.065

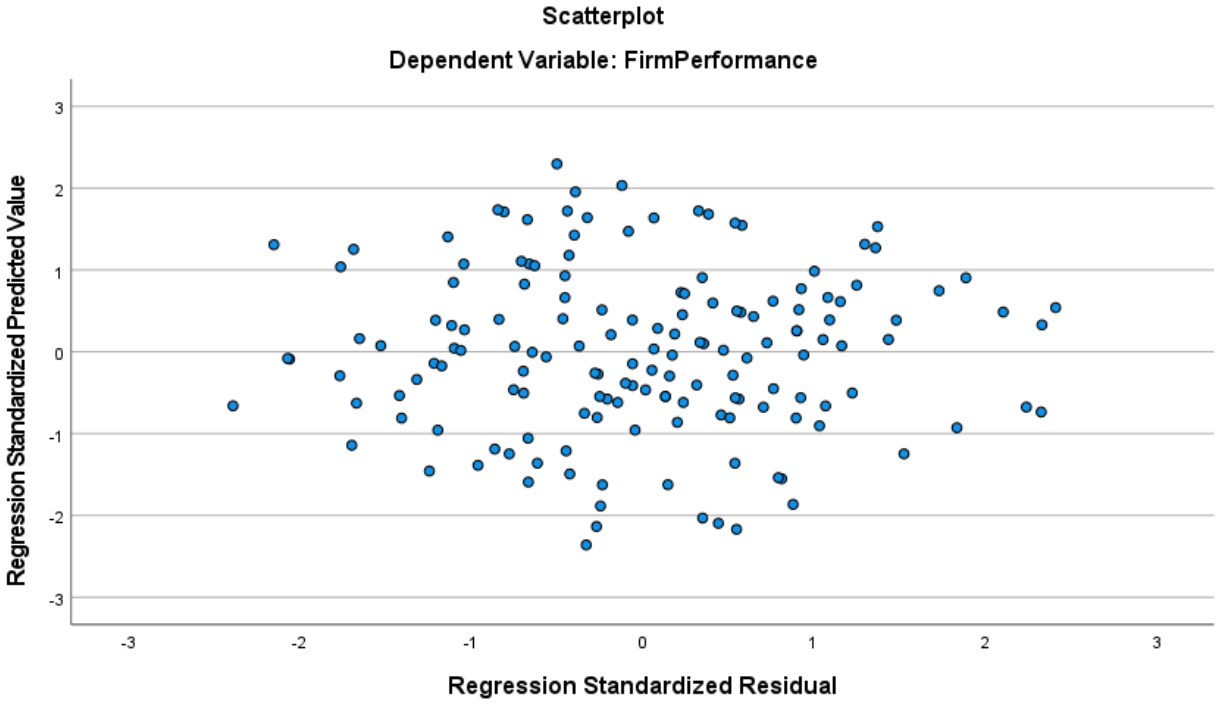
LO	155	1	5	3.56	.898
Valid N (listwise)	155				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FP	155	1	5	3.51	1.034
FP	155	2	5	3.80	.963
FP	155	1	5	3.16	.872
FP	155	2	5	3.74	.898
FP	155	1	5	3.29	.890
FP	155	2	5	3.73	.696
FP	155	1	5	3.51	1.034
FP	155	2	5	3.80	.963
FP	155	1	5	3.16	.872
Valid N (listwise)	155				







Correlations

		MarketOrientation	TechnologyOrientation	EnterOrientation	LearningOrientation	FirmPerformance
MarketOrientation	Pearson Correlation	1	.531**	.364**	.036	.109
	Sig. (2-tailed)		.000	.000	.658	.176
	N	155	155	155	155	155
TechnologyOrientation	Pearson Correlation	.531**	1	.594**	.287**	.293**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	155	155	155	155	155
EnterOrientation	Pearson Correlation	.364**	.594**	1	.487**	.735**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	155	155	155	155	155
LearningOrientation	Pearson Correlation	.036	.287**	.487**	1	.642**
	Sig. (2-tailed)	.658	.000	.000		.000
	N	155	155	155	155	155
FirmPerformance	Pearson Correlation	.109	.293**	.735**	.642**	1
	Sig. (2-tailed)	.176	.000	.000	.000	
	N	155	155	155	155	155

**. Correlation is significant at the 0.01 level (2-tailed).