

## Analyzing The Impact Of Foresight, And Organizational Learning On Performance: A Case Of Smes

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### Abstract

The purpose of present study is to examine the direct impact of corporate foresight, and organizational learning on the performance dynamic of SMEs as working in United Arab Emirates (UAE). A sample of 576 questionnaires were distributed among the owners/managers of different SMEs as working in the region of UAE. The data was analyzed through descriptive and two step approach where structural equation modelling (SEM) under Smart PLS was found to be very much help to examine the direct and indirect relationship between the study variables. The study findings show that there is a significant and positive impact of corporate foresight on organizational performance whereas significant impact of organizational learning on organizational performance. The study findings suggest that both owners and managers at SMEs of UAE should attach more importance to innovative capabilities and digital transformation for achieving higher level of organizational performance. Policy makers should reasonable consider the direct and indirect effect of study variables while considering high performance at workplace. To the best of researcher's attention, this research provides a very first empirical evidence in the existing literature on the relationship between corporate foresight, digital transformation, and organizational performance dynamics.

**Keywords:** Organizational performance, organizational learning, corporate foresight, SMEs, UAE.

### 1.0 Introduction

With the effect of technological developments in the 21st century, conditions have changed and they continue to change day by day. Businesses are working to be able to survive in the global competition and maintain their existence. One of the most important means of achieving this is the strategic public relations function of the organizations and the corporate reputation management which is one of the most important functions of this function (Sipahi & Artantas, 2017).

Globally, small-and medium-sized enterprises (SMEs) are acknowledged as the drivers of national growth since they make up 90% of all businesses (Chatterjee & Das, 2016). SMEs make up 99.7% of all business enterprises in the United States, 99% in China, 99% in Europe, 95% in Holland, 95% in the Philippines, 97.8% in Taiwan, and 97.3% in Malaysia (Madanchian, Hussein, Noordin, & Taherdoost, 2015) The numbers above are testimony of the significance of SMES in the business sector. The Asia-Pacific Economic Cooperation (APEC). Draguhn, Manske, and Rüländ (2013) also acknowledged SMEs as the support to larger enterprises, providing the foundation for business expansion activities and continuance of economic growth. SMEs offer even more

employment opportunities compared to big corporations and hold a crucial economic role that expands as the economy becomes more globalized.

As per the latest findings of the world bank, SMEs are playing major role in various economies specifically in the developing ones and account for the business activities at world glance as well. Furthermore, they also contributing towards the creation of job with more than 50 percent employment opportunity at world economy. However, it is believed that formal SMEs units in the emerging economies were contributing towards 40 percent of the national income in terms of GDP. As per the further estimation conducted by world bank, 600 million jobs will be needed by the end of 2030 in order to absorb the increasing global workforce which makes the significant development for the SMEs at higher level for various government around the globe.

Organizational performance is a very important concept that can be defined as the actual output of the results of the organization, as what is measured against the intended aims, goals and objectives of the organization in question (Steiss, 2019). Academics like Worley, Williams, and Lawler III (2014) define organizational performance as consisting of three main areas pertaining to organizational outcomes and these include financial performance, product-market performance, and shareholder return. Essentially speaking, financial performance is said to refer to the profits, return on investments (ROI), and return on assets (ROA) of the organization. On the other hand, product-market performance refers to market share and sales of the organization (Singh & Darwish, 2016). Besides that, the concept of shareholder return refers to the total value of the shareholder return, and also the economic value added. A number of organizations in the past have made attempts to manage organizational performance successfully and effectively via the use of various methodologies such as the balanced scorecard, whereby performance is tracked and measured according to number of dimensions such as financial performance, customer service, social responsibility, employee stewardship, organizational performance, performance improvement, and organizational engineering (Chen, Wang, Huang, & Shen, 2016).

Corporate foresight is a part of an organization's strategic management. The main purpose of corporate foresight is to develop a long-term outlook based on the forthcoming vision, since corporate foresight and planning allow strategic planners to adjust themselves to upcoming challenges, as well as to determine future development prospects and all possible opportunities and uncertainties (Rohrbeck, Battistella, & Huizingh, 2015). Buehring and Liedtka (2018) stated that industrial perspective of corporate foresight allows competitors to compete for most relevant and feasible assumptions, and thus facilitates in the growth of entire industry. Various publications Kononiuk, Sacio-Szymańska, and Gáspár (2017) over the years have been emphasizing that corporate foresight plays an important role in effective strategic management, however, it is still unclear whether future studies will manifest and implement today's management reality.

Learning orientation can also lead to the achievement of competitive advantage in markets (Mahmoud, Blankson, Owusu-Frimpong, Nwankwo, & Trang, 2016). Learning orientation allows a firm to exploit opportunities and neutralize threats in the competitive business environment and enables a firm to recognize the needs and wants of the customer compared to its rivals which ensures profitability and growth (Liu & Atuahene-Gima, 2018). There have been many instances where a lack of knowledge of changing environmental circumstances and the implication of those changes have caused many firms to be less effective than their competitors (Alén, Banerjee, & Gupta, 2017). It is argued that learning orientation has a positive impact on innovation which consequently influences firm performance. Finally, Vargas (2015) affirms that there is significant relationship between learning orientation, innovation and business performance.

## **2.0 Literature Review**

### **2.1 Organizational performance (OP)**

Organizational performance refers to an organization's assembly of prolific human, physical and capital resources aimed at achieving a shared objective (Shahzad, Mousa, & Sharfman, 2016). It also denotes the degree to which the organization is able to accomplish its objectives. Its efficiency and effectiveness in doing so is the measurement used in assessing such capability (Wilden, Gudergan, Nielsen, & Lings, 2013). As so, 'organizational performance' can be used interchangeably with the term 'effectiveness'. According to Owolabi and Alu (2012) the definition and measurement of effectiveness entail a certain ratio made up of two entities, and that effectiveness denotes the extent of the organization's achievement in terms of profitability. The indicators for measuring organizational performance include profit growth rate, net asset growth, sales return, shareholders return, market share expansion, new product increase, net asset return and others (Malgwi & Dahiru, 2014).

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Meanwhile, the means for measuring organizational performance can be either financially, operationally or behaviorally. Firstly, financial performance is an indication of an organization's profitability and growth. Secondly, operational performance which is denoted by the organization's level of productivity, efficiency, resource acquisition, and employee reaction can facilitate in measuring the organization's effectiveness. Thirdly, behavioral or individual performance is denoted by traits like employee stress, work satisfaction, adaptability, development and open communication. Different studies indicated different internal measures when measuring organizational performance in terms of objective achievement and in determining the organization's health (Yang et al., 2014). However, other studies focused on external measures when measuring organizational performance i.e. by investigating the organization's relationship with its environment. According to Schermerhorn, Yeh and Hong (2012), performance is indicated by both the quality and quantity of individual or group achievement. Meanwhile, Makkonen, Pohjola, Olkkonen, and Koponen (2014) highlighted organizational survivability as an indication of performance i.e. "the ability of the organization to utilize its environment by acquiring limited and beneficial resources in maintaining its operations".

### 2.2 Corporate Foresight

Studies on CF have been carried out by researchers in the field of management science specifically in strategic management, technology management, and innovation management, which might be driven by the function of foresight in the organization (Rohrbeck et al., 2015). This function falls under the responsibility of these departments: strategic management, corporate development, marketing, R&D, innovation management, and controlling. The array of definitions and perspectives on CF renders it difficult to be delineated from strategic and organizational foresight and due to that the terms have been used interchangeably in literature. Since CF and strategic foresight incorporate the same conceptual categories, their interchangeable use is expected (Rohrbeck et al., 2015). However, other researchers pointed out the differing objectives of both concepts whereby strategic foresight focuses on its integration into the organization's strategic processes while CF emphasizes on more dispersed future studies within an organizational reality. Meanwhile, organizational foresight entails the organization's ability rather than a particular foresight process governed by organizational boundaries (Rohrbeck et al., 2015). Hence, this study argues that the three concepts have an on-going relationship with vague and overlapping boundaries. In short, strategic foresight involves the specific objective of foresight procedural implementation in the organization whilst organizational foresight covers a broader sense i.e. the organization's general philosophy, characteristics and ability to foresee. CF is hence defined as being in-between these two concepts (Kononiuk & Sacio-Szymańska, 2015).

### 2.3 Organizational Learning

Organizational learning is yet another component that researchers have paid special attention to with regard to enhancing and organizational innovation abilities. The fact of the matter is that within the present business world that is characterized by disruptive change, it is apparent that firms are required to manufacture higher value involves combining innovation, efficiency, customization, and quality (Büchi, Cugno, Castagnoli, & Change, 2020; Kaplan, 1983). It is a fact that new sources of value simply cannot be achieved by performing similar actions or dabbling with familiar processes. Instead, it is very important for business models and thinking patterns to be replaced with new, innovative and fresh ones. In order to accomplish this, it is very important for organizational leaders to come up with new ways and means of thinking and acting among members of its organization (Tidd & Bessant, 2018). This can only be accomplished by the implementation of a continuous learning process within the organization that is effective enough to pave the way for enhanced innovative capabilities. It is pointed out that within the high paced world, the ability and capacity of an organization to learn is said to be a very important strategic ability (Ind, Fuller, & Trevail, 2012). It is essential for organizational learning to take place at all levels, so as to ensure that the organization is capable of acquiring, applying and spreading new insights. Present-day challenges faced by organizations call for continuous learning and creativity. One of the best ways to achieve the kind of innovation responsible for organizational progress is to engage in the process of continuous learning (Katzenbach & Smith, 2015).

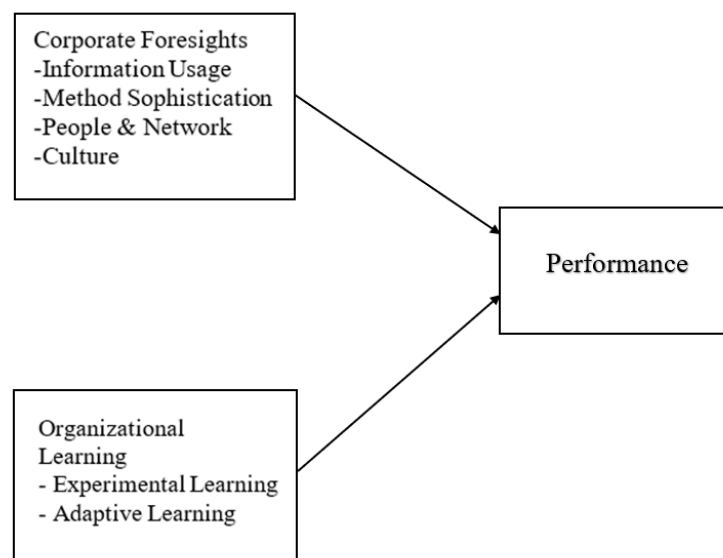


Figure 1: conceptual Framework

### 3.0 Research Methods

#### 3.1 Research Philosophy

Antwi and Hamza (2015) defined research philosophy, also called research paradigm, as “basic belief system or world view that guides the investigation”. There are two major categories of research philosophy, namely, positivist paradigm and interpretive paradigm (Kivunja & Kuyini, 2017). Positivist paradigm is also named as scientific paradigm. This paradigm is a philosophical contribution of (Hassard, 1995). In the social sciences research, the largely practiced research paradigm is the doctrine of positivism. This school of thought believes that social reality could be studied independently. According to Antwi and Hamza (2015) the positivists assume that quantitatively, using correlation and experimentation for determining cause and effect relationship between variables the social life could be represented. In doing so, the positivists follow deductive inquiry. The inquiry’s objective is to test hypotheses that reflect causal relationships between variables; those variables rely on theories and empirical evidence. The objective of deductive research is to draw conclusions that are generalizable, that also allow a revision of theory. Conclusively, positivists are researchers that advocate value-free science, look for precise quantitative measures, test casual theories with numbers, and believe in the importance of replicating research.

#### 3.2 Sample Size

Researchers generally agree that the larger the sample size, the greater the power of a statistical test and power analysis is a statistical procedure for determining an appropriate sample size (Lachin,1981). Hence, to determine the minimum sample for this study, a priori power analysis is conducted using G\*Power 3.1 software. Specifically, G\*Power is an approach for validating the empirical findings of CB-SEM path modelling in complex models. Power (1- $\beta$ ), which refers to the probability of obtaining a valid result, is computed by calculating the probability of rejecting the false null hypothesis (H0) when H1 is true. This study employed a priori analysis based on the three established parameters contributing to the dynamics of power: the significance level ( $\alpha$ ) which is 0.05, the sample size, and the effect size which is 0.15. While early researchers had to use power charts and tables, efficient software such as G\*Power 3.1.2 now simplifies the task. To achieve a high degree of probability of producing significant results when the relationship is truly significant, Razali and Wah (2011) suggested that the power of statistical tests should be at least 0.8. Figure 3.1 provides a better understanding.

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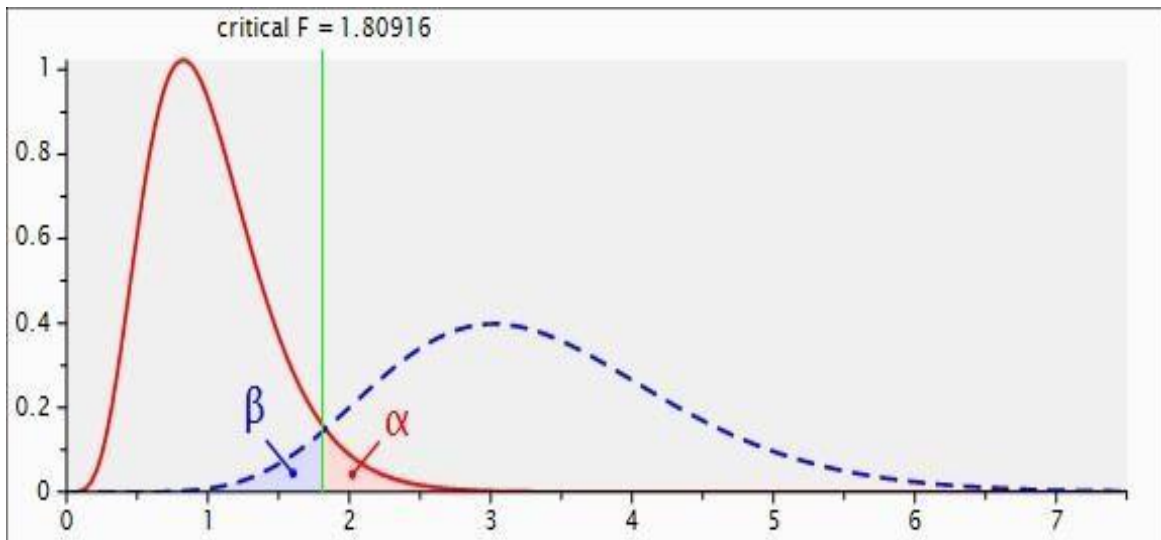


Figure 2 G Power

Although the power analysis determines the minimum sample size required for a study, this value is independent of the study population. The population or a sample chosen from it should at least equal the actual sample as determined by the power analysis. With the population of this study totaling 9000 SMEs, it would be very difficult to study all the elements. An appropriate sample size that represents this population is therefore determined, using Dillman (2011) as shown below:

$$N_s = (N_p)(p)(1-p) / (N_p - 1)(B/C)^2 + (p)(1-p)$$

where:

$N_s$  = completed sample size needed (notation often used is  $n$ )

$N_p$  = size of population (notation often used is  $N$ )

$p$  = proportion expected to answer a certain way (50% or 0.5 is most conservative)

$B$  = acceptable level of sampling error (0.05= $\pm 5\%$ ; 0.03= $\pm 3\%$ )

$C$  = Z statistic associate with confidence interval (1.645=90% confidence level; 1.960=95% confidence level; 2.576=99% confidence level)

$$\begin{aligned} N_s &= (9000) (0.5) (1 - 0.5) / (9000 - 1)(0.05/1.96)^2 + (0.5)(1 - 0.5) \\ &= 354 \end{aligned}$$

Salkind 's view for adjusting sample size Ja'afaru Bambale (2014) suggested that the size could be increased by 40% to 50% in order to cover the possibility of lost questionnaires and uncooperative subjects. Hence, as a result of the situation in the rate of the responses during this survey, sample size is increased by 50%. This is done after several phone calls and follow-up visits with free consultation were made by the researcher. The new sample size is thus

$$354 + 172 = 526 \text{ SMEs}$$

### 3.3 Corporate Foresight Scale

The carpet foresight in the screens study is operationalized as the five-dimensional constructs namely, the information usage, Method sophistication, People, and Networks. The scale is adopted from the prior study of (Rohrbeck, 2010).

### 3.4 Organizational Learning Scale

Organizational Learning has operationalized as a two-dimensional construct namely experimental learning, and Adaptive learning. The measurement is adopted from the earlier studies of the (Zuo, Fisher, & Yang, 2019).

### 3.5 Organizational Performance Scale

The items which were used for the evaluation of organizational performance came from a review of academic literature. According to this research, organizational performance was assessed using 9 items adapted from (Agha, Alrubaiee, Jamhour, & management, 2012; Joneidi Jafari & NiliPourTabataba'i, 2017).

### 3.6 Data Analysis Technique

Present study has applied two step approach for analyzing the study data and the relationship between the variables. Under two step approach, firstly there is a measurement model assessment followed by structural model assessment. For the assessment of measurement model, various model fit indices are calculated and discussed in order to justify the presence of individual items for each of the latent constructs and their presence in the study model. Whereas under second step, structural model assessment is carried out while using Smart PLS.

### 4.0 Analysis and Discussion

Present section provides the output for the descriptive results through mean score, minimum, maximum, standard deviation and variance as found in each of the study items. It is observed that total number of the responses against each of the study item. It is observed that total number of the responses as entered into SPSS for the purpose of examining the data trends of the study. It is accepted that descriptive scores help to analyze the trends and patterns of the data with help of above stated measures like mean and standard deviation etc. More specifically, the mean score of the information usage is 3.57 which is found to be the highest mean score in the study items. Whereas the value of standard deviation of 3.57 mean score is 1.089 with the variance of 1.18. In addition. The mean score for the rest of the items under information usage (IU) is in range of 2 to 4 with lowest value of the mean score is represented by IU6 as well. However, the trends in the standard deviation and variance for these responses are relatively nearer to each other, hence showing not a higher level of dispersion in each of the stated items.

The mean scores for the key items under method supplication or MS are also provided along with the dispersion scores in terms of standard deviation and variance in Table 4.6 also. It is found that MS1 has a mean score of 2.53 with the deviation of 0.940 while MS2 has a mean value of 2.67 with the standard deviation of .87, respectively. Similarly, the mean score for MS3 and MS4 is 2.77 and 2.78 and finally for MS5 is 2.48 which means that all these items have a reasonable mean outcome. Additionally, the items for the people and network PN are also showing a mean score of between 2 and 4 as stated in Table 4.6. Finally, the items for the culture (CUL) indicates the highest mean score of 3.11 by CUL1 while lowest by CUL4 which is 2.98, accordingly. The second independent variable of the study is known as organizational learning as measured through adaptive learning (AL) and experimental learning (EL). As per the descriptive results, overall five items for EL and five for AL are added in the study model, where it is found that EL5 has a mean score of 2.88 and for the AL, the highest mean score of 3.19 is reflected by AL1 and AL3.

**Table 1 Descriptive Scores**

Items	N	Minimum	Maximum	Mean	Std. Deviation	Variance
IU1	385	1.00	5.00	3.5766	1.08971	1.187
IU2	385	1.00	5.00	2.5117	1.07553	1.157
IU3	385	1.00	5.00	3.4519	1.02490	1.050
IU4	385	1.00	5.00	2.5455	1.05259	1.108
IU5	385	1.00	5.00	3.6000	1.12083	1.256
IU6	385	1.00	5.00	2.4104	1.12171	1.258
IU7	385	1.00	5.00	1.9714	1.18441	1.403
MS1	385	1.00	5.00	2.5377	.94056	.885
MS2	385	1.00	5.00	2.6701	.87068	.758

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MS3	385	1.00	5.00	2.7792	.94405	.891
MS4	385	1.00	5.00	2.7870	.93616	.876
MS5	385	1.00	5.00	2.4883	1.46682	2.152
PN1	385	1.00	5.00	2.5299	.90988	.828
PN2	385	1.00	5.00	2.5636	.96379	.929
PN3	385	1.00	5.00	2.3195	1.00481	1.010
PN4	385	1.00	5.00	2.5481	.99132	.983
PN5	385	1.00	5.00	2.4935	1.06829	1.141
PN6	385	1.00	5.00	2.4234	.98951	.979
PN7	385	1.00	5.00	2.5792	.94900	.901
CUL1	385	1.00	5.00	3.1169	1.11306	1.239
CUL2	385	1.00	5.00	3.0182	1.20207	1.445
CUL3	385	1.00	5.00	3.0623	1.12095	1.257
CUL4	385	1.00	5.00	2.9870	1.05442	1.112
CUL5	385	1.00	5.00	3.0260	1.05788	1.119
EL1	385	1.00	5.00	2.7974	.99504	.990
EL2	385	1.00	5.00	2.7662	1.09326	1.195
EL3	385	1.00	5.00	2.7558	1.17155	1.373
EL4	385	1.00	5.00	2.8753	1.20979	1.464
EL5	385	1.00	5.00	2.8831	1.13392	1.286
AL1	385	1.00	5.00	3.1948	1.10914	1.230
AL2	385	1.00	5.00	3.1610	1.16146	1.349
AL3	385	1.00	5.00	3.1974	1.05450	1.112
AL4	385	1.00	5.00	3.0416	1.04500	1.092
AL5	385	1.00	5.00	3.1351	1.05694	1.117

As stated earlier, current study has utilized the tool facility of Smart PLS for analyzing the relationship between the study variable while following the two-step approach. For this purpose, a range of studies are found while justifying the implication of Smart PLS (Ali, Rasoolimanesh, Sarstedt, Ringle, & Ryu, 2018). Among various methods, the examining of individual items loadings, Cronbach's alpha, composite reliability and finally the average variance extracted are some of the key core findings which help to understand the assessment of the measurement model in any research. So our study has applied all these methods to analyze the measurement model. Under Table 4.7 the findings are presented where the second column shows the loadings for the individual items of each of the study variable. It is observed that factor loadings for AL1 is 0.833, AL2; 0.855, AL3;0.844, AL4;0.797, and AL5;0.816. Similarly, for Culture items, the relative loadings are observed as CUL1; 0.823, CUL2; 0.846, CUL3; 0.858, CUL4; 0.837, and CUL5; 0.798. Besides, the factor of organizational performance has also reflected the factor loading of 0.717 for OP1, 0.731 for OP2, 0.792 for OP4, 0.862 for OP5, 0.862 for OP6, 0.803 for OP7, 0.816 for OP8, and 0.860 for OP9, respectively. All these factors loadings are providing a good evidence to claim that there is no issue for the internal loading for each of the items as reflected under Table 2.

**Table 2: Factor Loadings, Cronbach's Alpha, Composite Reliability, Average Variance Extracted (AVE)**

Variables	Items	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
<b>Adaptive Learning</b>	AL1	0.831	0.886	0.916	0.686
	AL2	0.853			
	AL3	0.844			

	AL4	0.797			
	AL5	0.816			
<b>Culture</b>	CUL1	0.823	0.889	0.919	0.693
	CUL2	0.846			
	CUL3	0.858			
	CUL4	0.837			
	CUL5	0.798			
<b>Experimental Learning</b>	EL1	0.777	0.885	0.916	0.687
	EL2	0.813			
	EL3	0.890			
	EL4	0.787			
	EL5	0.870			
<b>Information Usage</b>	IU1	0.746	0.909	0.928	0.649
	IU2	0.778			
	IU3	0.811			
	IU4	0.847			
	IU5	0.798			
	IU6	0.820			
	IU7	0.833			
<b>Method Sophistication</b>	MS1	0.750	0.856	0.905	0.706
	MS2	0.940			
	MS3	0.746			
	MS5	0.906			
<b>Organizational Performance</b>	OP1	0.717	0.923	0.937	0.652
	OP3	0.731			
	OP4	0.792			
	OP5	0.862			
	OP6	0.862			
	OP7	0.803			
	OP8	0.816			
	OP9	0.860			
<b>People &amp; Network</b>	PN1	0.740	0.857	0.897	0.637
	PN4	0.772			
	PN5	0.865			
	PN6	0.842			
	PN7	0.765			

The value of R2 and adjusted R2 in the main dependent variable ; organizational performance is 0.241 and 0.235, respectively. This would claim that there is a reasonable variation in the main dependent variable due to all explanatory variables of the study, hence no problem for the relative R2 under present study.



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**Table 3: R<sup>2</sup> of the Model**

Variable	R Square	R Square Adjusted
Organizational Performance	0.241	0.235

## 4.1 Direct Relationship Results

Present section covers the findings for the direct relationship between the study variables. For this purpose, PLS-SEM approach is applied, and results are generated accordingly. In order to analyze the relationship between the study variables, findings are provided under Table 4 with the help of beta coefficients, standard deviation of the coefficients, T-statistics, and finally the P-values as well. The first coefficient under Table 4 is 0.119 which indicates a positive impact of corporate foresight on the performance. This would indicate that higher corporate foresight may leads towards higher firm performance under full sample consideration. The value of standard deviation in the relative coefficient is 0.062 which specifies the measure of dispersion. This would indicate that with the unit change in the value of corporate foresight, there is a positive impact on performance under full sample of the study. Additionally, the coefficient value and the standard deviation has provided a T-statistics of 1.93 which is above the threshold level. Finally, the P-value of first beta coefficient is 0.054 which is less than 10 percent level of significance. Therefore, it is claimed that there is a positive and significant impact of corporate foresight on the innovativeness where higher corporate foresight may lead to higher performance and vice versa. In addition, the findings under Table 4 also expresses the direct impact of organizational learning on the firm performance, where the coefficient value is 0.162 and standard error of 0.006. This would employ that there is a positive impact of organizational learning on the performance of SMEs in the region of UAE. However, this impact is found to be positively significant at 5 percent as p-value and T-score are showing their scores like 2.688 and 0.000, respectively.

**Table 4 Analyzing the Direct Relationship Between the Study Constructs**

Path	Beta	STDEV	T Statistics	P Values
Corporate Foresights -> Performance	0.119	0.062	1.93	0.054
Organizational Learning -> Performance	0.162	0.06	2.688	0.007

## 5.0 Conclusion

Regardless of the existing belief which suggests that corporate foresight enhances the performance of an organization, researchers did very limited research on the link between business foresight, organizational learning and performance, therefore systematic empirical analysis must be conducted to study these relationships. The contributions of the study are of two folds: theoretical contributions, and managerial contributions for which can be explained under following way. In terms of theoretical perspective, present study has provided various contributions. For example, as per the review of existing literature, it is found that very little has been theoretically explored for determining the association between the corporate foresight, organizational learning, and performance dynamics. Therefore, present study has provided some good theoretical understanding for exploring the direct relationship between the study variables. Along with some theoretical contribution, this study is also observed with some methodological contributions. For example, present study has analyzed the study variables through two step approach which comprises of measurement model assessment and structural model assessment. Under measurement model assessment, all the study items based on the collected data were analyzed for the reliability and validity through set of measures. This would indicate the very first methodological contributions as associated with this research. After measurement model assessment, this study has analyzed the relationship between the study variables through structural model assessment which is the second step-in two-way approach. Under structural model assessment, both direct and indirect relationship between the study variables were tested and findings are presented in an appropriate way. The implication of two step approach is observed through Smart PLS. Furthermore, this study has also calculated and presented descriptive trends in the dataset, normality of the residuals, and collinearity diagnostic which are other methodological contributions in the present research.

This study also identified different inherent limitation. 1) The study involves cross sectional data. Because if the data collection is carried out at a certain point in time, then it does not consider any effect of variations that occurred over time and hinders to assess the cause and effect relationships (Creswell, 2003; Zikmund, 2003). The study which was derived from the assumption that a group of independent variables predict the dependent variable. Although, the multivariate analysis does not allow to forecast the causal association between variables (Brewerton & Millward, 2004). According to Wang, Su and Yang (2011) a longitudinal study is needed to analyze SMEs over time and interpret its performance. Furthermore, longitudinal study gives additional information about the dynamic features of corporate foresight and organizational learning and explain causal relationships in the model. In addition, this research does not consider the impact of organizational learning processes, routines, and organizational cultures, and also ignored the impact of dynamic business environmental changes (Argote, McEvily & Reagans, 2003).

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