

**CRITICAL INDICATORS FOR APPAREL SMES' PERFORMANCE:
MARKET ORIENTATION, LEARNING ORIENTATION, AND INNOVATION**

By

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Thesis submitted to the faculty of the Virginia Polytechnic Institute and State University

in partial fulfillment of the requirement for the degree of

MASTER IN SCIENCE

IN APPAREL, HOUSING, AND RESOURCE MANAGEMENT

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May 2, 2008

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Keywords: SMEs, market orientation, learning orientation, innovation, performance,

South Korean apparel industry

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ABSTRACT

The purpose of this study was to generalize the findings about market orientation, learning orientation, innovation and performance to the textile and apparel context in South Korea, specifically to SMEs, and, in addition, to investigate the role of informal relationships in SMEs within the presence of these other variables. This study postulates that market orientation, learning orientation, and innovation are related to performance. This study conducted a survey in South Korea, using a paper-and-pencil questionnaire, to determine the relationship of various management related variables with the SMEs' performance. Of the 200 questionnaires that were distributed, 183 were returned and 178 were completed and usable for the research. Results of this study showed that components of market orientation and learning orientation were both significantly related to innovation and some components along with innovation were significantly related to South Korean apparel SMEs' performance. The proposed relationship of these factors to performance could be generalized to SMEs in the apparel industry, within the context of South Korea.