The Effect of Organizational Transformation and Organizational Culture on Product Performance with Market Orientation as a Mediation Variable

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Abstract: The purpose of this research is to develop the concept of product performance, which is influenced by organizational transformation and organizational culture, and is mediated by market orientation. This research uses a quantitative approach, using the sampling method of stratified proportional random sampling, with a sample size of $n = 216$ employees. The analytical methods used are Important Performance Analysis and SEM—WarpPls. The results of this study indicate that organizational transformation and organizational culture have a significant effect on market orientation, but they have no significant effect on product performance. Moreover, market orientation has a significant effect on product performance. This study combines research variables comprehensively so as to determine the complete relationship between research variables. The novelty of this study is to identify the complete mediating effect of market orientation on the relationship between organizational transformation and product performance.

Keywords: organizational transformation; organizational culture; market orientation; product performance

1. Introduction

Currently, Indonesia is preparing to face the era of disruption, an era of fundamental innovation and change on a large scale, changing all existing systems and arrangements into new ways. The changes that will occur can lead to changes in the pattern of the economy of the community and companies. This means that if the community and companies are still using the old methods and systems, they will be unable to compete, especially with current developments. In addition, the condition of economic development in the world is estimated to last for the next several years. Indonesia's economic growth during semester 1 in 2019 was 5.1%, a decrease compared to the end of 2018, which was recorded at 5.2%.

Disruption conditions will create a global megatrend phenomenon. This phenomenon is a major change in the economic, social, political, geostrategic, and technological fields that will have an impact on the needs and structure of the global energy market. Global megatrends, in general, are macroeconomic and geostrategic forces that will influence the development of the world widely and in various ways, and provide opportunities for technological developments and innovations to be implemented in human life throughout the world, as well as in companies that are currently developing.

The company's efforts to improve performance require good implementation from both the internal and external sides of the company, namely organizational transformation, organizational culture, market orientation, and the role of the government. Organizational transformation is needed by the company for strategy formulation, and there are various aspects to this, one of which is the resource aspect. Organizational culture is also one of the driving factors that can be used as a form of organizational adaptation to the existing business environment. Organizational transformation and organizational culture are factors

that come from internal organizations that can be used as a reference in forming an impetus to adapt to a dynamic business environment. The important thing is to consider the needs and desires of customers, which are factors that can be managed to be able to compete with similar companies, so a study on market orientation is needed.

Market orientation is the ability of a company to understand, attract, and retain customers [1]. The interests of customers are valuable in that they allow the company to have a better competitive advantage compared to its competitors. A company needs to be market-oriented, which is useful for obtaining information to find out products or services that are not easily imitated, and to follow customer perceptions and current market conditions to improve company performance.

Companies need to pay attention to the performance of the products produced. Product performance is assessed as the value, function, or result obtained from an item or service. Consumers who buy an item or service will see the value and function they will get from the product. If consumers feel the benefits of the values and functions they use, it can be said that the product performance is categorized as good. The reason the researcher chooses the location or area is because the researcher comes from the area or area and is quite aware of the conditions of educational development in the area that is the research objective. This study uses research variables that will be used at PT Pertamina because this company is a state-owned company in charge of serving the needs of the community. Therefore, this research will be very useful for other state-owned companies, where the results of this study can be further implemented to support the financial performance of a country and the welfare of the community's economy.

Based on this, this study examines the effect of organizational transformation and organizational culture on product performance through market orientation as a mediating variable, and the role of the government as a moderating variable, with a case study at PT Pertamina (Persero). This study combines research variables comprehensively so as to determine the complete relationship between research variables. The *novelty* of this research is to compile the relationship between variables from several previous studies, in the context of developing a more implementable product performance model/concept in Indonesia, especially at PT Pertamina (Persero).

2. Literature Review

2.1. Organizational Transformation

Transformational change represents an organizational metamorphosis or a change in the organizational structure. It can be triggered by changes in the external environment and changes in the internal environment. In general, transformation or change is a way of directing or leading an organization to do something different and comprehensive by using a more efficient method or system, so that the organization can survive and develop in line with the development of its environment [2].

Organizational transformation involves a complex mix of well-planned actions, approaches, and timelines, and requires exemplary leadership, high commitment from organizational members, elaborate planning, and impeccable implementation. Leading the change from the front, organizational leaders are usually involved with the complexities of organizational transformation [3].

Chad conducted research entitled "*Extending the use of market orientation: Transforming a charity into a business*" [4]. This study discusses market orientation in charities, and the effect on performance. This research expands knowledge about the application of market orientation, uses a transformation framework in examining market orientation, and provides information on how market orientation can improve organizational performance. The results of this research show that transformation is needed to improve charity, and the study succeeded in enabling it to significantly improve performance and increase service delivery and revenue. This case study provides an example of transforming a charity and becoming more market-oriented to survive in an ever-changing environment,

offering charity managers useful knowledge on how market orientation can be successfully introduced to meet an increasingly competitive environment.

Buschmeyer et al. [5] conducted a study entitled "Organizational transformation towards Product-Service Systems—empirical evidence in managing the behavioral transformation process". The purpose of this study is to examine the effect of transformation of producer organizations towards service product systems; specifically, the aim is to develop new knowledge to support management during the decision-making process in how and through what instruments behavior change can be supported when transforming from producer to solution. Data were obtained from 79 manufacturing industries in Germany. The method used in this research is structural equation modeling with the PLS algorithm. The results of this study indicate that the greatest impact on behavior change and change success is through personnel development and goal setting. Thus, special attention should be paid to the organizational transformation applied to designing personnel development and goal-setting models. Communication does not have a major impact on changing the expected success. Indirectly, this research reveals that organizational transformation has a positive and significant effect on product system services.

Hypothesis 1 (H1). *Organizational transformation affects market orientation.*

Hypothesis 2 (H2). *Organizational transformation affects product performance.*

2.2. Organizational Culture

To ensure the company can remain competitive, one of the focuses is the practice of the organizational culture that has been implemented. From a social constructionist perspective, organizational culture is a living system that becomes a priority for those who lead [6]. Based on this description, it can be concluded that in an organization, there are supporting characteristics related to life in the organization that can be utilized properly.

Culture (*corporate culture*) is the application of organizational culture (*organizational culture*) to a business entity or company. These two terms are often used interchangeably with the same meaning. Brahmasari suggests that organizational culture, as a concept, can be a means to measure the suitability of organizational goals, strategies, and organizational tasks, as well as the resulting impact [7]. Without valid and reliable measures of critical aspects of organizational culture, statements about the impact of culture on performance will continue to be based on speculation, personal observation, and case studies.

McClure [8], from *Lewis College of Business, Marshall University*, conducted a study entitled "*The influence of organizational culture and conflict on market orientation*". This research was conducted in the United States to review three types of culture within the organization, namely *bureaucracy culture, supportive culture*, and *innovative culture*. Then, a model was developed that describes how conflict within the organization mediates the relationship between the organizational culture and *market orientation*. The technique used by researchers to obtain data is distributing questionnaires to potential respondents (as many as 266 company managers in the US from various sectors, supported by a Likert scale). The data and models set by the researchers were then tested and analyzed using *structural equation modeling* and linear regression methods to confirm the mediating relationship between the independent and dependent variables. The independent variable used is *organizational culture* (*bureaucratic culture, supportive culture, innovative culture*), whereas the dependent variable is *market orientation*. Conflict is used as a mediator variable. The relationship between *organizational culture* and *market orientation* is mediated by conflict variables. The results of this study indicate that conflict mediates the relationship between *organizational culture* and *market orientation*. Conflict has a positive relationship with *bureaucratic organizations*, but the conflict has a negative relationship with *supportive* and *innovative organizations*.

Belassi et al. [9] conducted a study entitled "*The Effects of Organizational Culture on New Product Development*". This study aims to investigate the effect of the strategic level

variable on *new product development* (NPD) performance. In particular, the study focuses on the relationship between organizational culture and the success of new product performance projects. In this study, the population includes all organizations that develop new products. Sample data were collected from 95 companies in the United States. The research instrument used was a questionnaire that was administered directly to top-level managers involved with new product development. Belassi et al. [9] used a Likert scale with seven points and analyze the data using factor analysis (which aims to classify questions into cultural dimensions: work environment, organization, top management leadership, and organizational results orientation) and KMO and Barlett's tests (to examine the possibility of regrouping these cultural dimensions). The result of the research is that organizational culture influences organizational performance, especially the development of new products.

Hypothesis (H3). *Organizational culture affects market orientation.*

Hypothesis (H4). *Organizational culture affects product performance.*

2.3. Market Orientation

According to Narver et al. [10], market orientation is a business culture in which all employees are committed to continuously creating superior value for customers. Market orientation addresses customers, competitors, and stakeholders, as well as other important trends in strategic decision-making. A business that is very closely related to customers shows the importance of having close relationships with customers, and companies relying on market information as a basis for making strategic decisions are usually described as market-oriented. Market-oriented businesses generate intelligence about current and future customer needs, and about competitors' capabilities and strategies, and can leverage that intelligence across the organization to be able to take coordinated action to create superior customer value.

Carbonell and Escudero [11] conducted a study entitled "*The effect of market orientation on innovation speed and new product performance*". The purpose of this study is to determine how market orientation (intelligence generation, intelligence deployment, and responsiveness) affects the speed of innovation and new product performance, and the mediating role of innovation speed. Data were collected from a sample of 247 companies in various manufacturing industries. The variables used are market orientation (intelligence generation, intelligence dissemination, and responsiveness), innovation speed as mediation, and new product performance as the dependent variable. The data analysis method used is path analysis, with parameter estimation using maximum likelihood estimation. The results show that intelligence generation has an indirect positive effect on the speed of innovation through intelligence deployment and responsiveness. The spread of intelligence positively affects the speed of innovation, both directly and indirectly, through responsiveness. Concerning the effect of the market orientation component on new product performance, the findings suggest a positive relationship between responsiveness and new product performance. The speed of innovation partially mediates the effect of the three main components of market orientation on new product performance.

Hypothesis (H5). *Organizational culture affects market orientation.*

2.4. Product Performance

According to Kotler and Armstrong [12], product performance is the product's ability to perform its functions. Product performance is how well a product can function as perceived and expected by consumers. Product performance is a variable used by several innovation theories, especially the life cycle concept.

Consumers who buy an item or service will see the value and function they will get from the product. According to Kotler [13], most products are built on one of four levels of low, high, and superior performance, determining how well the product can implement

the functions assigned to a product [14]. Products that have high performance attract consumers to meet their needs. Performance provides an impetus to customers to forge a strong bond with the company.

3. Research Method

The approach used in this study is a quantitative approach, namely in the research in the data collection, data analysis, and the interpretation based on the results of statistical/numerical data analysis [15]. Research using a quantitative approach begins with a theoretical study, which is then derived using deductive logic into a research hypothesis accompanied by variable measurement and variable operationalization [16,17]. Then, generalizations are made that rely on statistics, so that conclusions can be drawn as a result of the research findings. Quantitative research uses deductive thinking processes in formulating hypotheses. This type of research is adapted to the research objective, namely the type of explanatory research (explanation). This study examines and explains the causal relationship between exogenous variables and endogenous variables. In analyzing the data in this study, it shows more quantitative analysis as a basis for describing data and making decisions.

Data collection was conducted using a questionnaire. The survey research approach by Pinsonneault and Kraemer [18] was implemented as data collection and measurement processes to produce quantitative descriptions of some aspects of the study population. This means that the survey research is a method of data collection and a measurement process to produce quantitative descriptions of several aspects of the study population being studied [19,20]. This study was conducted to explain the causal relationship between organizational transformation, organizational culture, market orientation, and product performance in the industrial sector. This research is a perception study, in which the measurement of variables is based on the perception (assessment) of the respondents. The variables studied include organizational transformation, organizational culture, market orientation, and product performance. These variables are a description of the object of research, PT Pertamina (Persero). In this study, these variables were measured through the perceptions of the employees of PT Pertamina (Persero), who understand the research variables.

The location of this research is in several functions/business units of PT Pertamina, including the CEO, Director of Business Planning and Development, Director of Marketing and Commerce Center, Director of Finance, Director of HR, and business support. The population of this study was all employees of PT Pertamina (Persero) in these sections, as many as $n = 468$ people. The sampling technique used in this study was *stratified proportional random sampling*. *Stratified proportional random sampling* is a sampling technique in heterogeneous and stratified populations where samples are taken from each sub-population, whose number is adjusted to the number of members from each sub-population at random [21,22] with the aim of obtaining a representative sample by looking at the stratified population of PT Pertamina employees, which consisted of several heterogeneous (different) classes, so that the researchers took samples from several levels of employee positions and from each level. Employees' positions were taken proportionally by representatives as samples [21].

Based on calculations using the Slovin formula, the minimum sample in this study was 215.66, rounded up to 216 people. On the other hand, rounding off was done to anticipate that there were respondents who filled out incomplete/correct questionnaires, so the sample size was set to $n = 216$ people from each strategic position in several functions/business units of PT Pertamina. The analytical method used is *the importance–performance analysis* and SEM WarpPLS analysis. the hypothetical model can be seen in Figure 1.
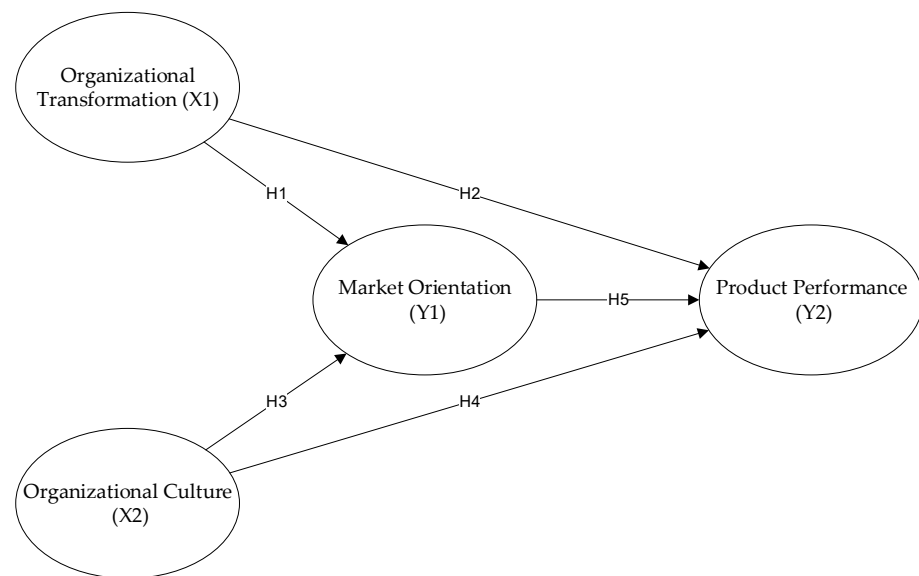
Figure 1. Hypothesis Model.

4. Result

4.1. Model Measurement

This study uses the WarpPLS SEM analysis approach to estimate the model parameters. Before estimating the parameters, it is necessary to check the validity and reliability of each questionnaire item on each variable. A validity test is needed to ensure that the data are correct, whereas reliability is used to ensure that the instrument used is correct in measuring the variables.

Table 1 shows that all *Corrected Item–Total Correlation* values are above 0.3, so all of these items have met validity because they have values above 0.3, meaning that further analysis involves all items. In addition, Table 1 also shows that Cronbach's alpha value of the four variables is worth more than 0.6, so based on the examination of the questionnaire items, it can be concluded that the questionnaire is valid and reliable.

Table 1. Validity and Reliability Test Results.

Variable	Indicator	Items	Correlation Coefficient	Conclusion	*Cronbach's Alpha*	Decision
Organizational Transformation	X1	X11	0.438	Valid	0.732	Reliable
		X12	0.417	Valid		
		X13	0.557	Valid		
Organizational Culture	X2	X21	0.571	Valid	0.761	Reliable
		X22	0.635	Valid		
		X23	0.494	Valid		
		X24	0.611	Valid		
Market Orientation	Y1	Y11	0.497	Valid	0.715	Reliable
		Y12	0.363	Valid		
		Y13	0.460	Valid		
		Y14	0.394	Valid		

Table 1. *Cont.*

Variable	Indicator	Items	Correlation Coefficient	Conclusion	*Cronbach's Alpha*	Decision
Product Performance	Y2	Y21	0.439	Valid	0.767	Reliable
		Y22	0.549	Valid		
		Y23	0.406	Valid		
		Y24	0.634	Valid		
		Y25	0.538	Valid		
		Y26	0.557	Valid		
		Y27	0.469	Valid		
		Y28	0.500	Valid		
		Y29	0.531	Valid		
		Y210	0.596	Valid		
		Y211	0.387	Valid		
		Y212	0.481	Valid		

4.2. Important–Performance Analysis (IPA)

The IPA analysis in this study looked at the four variables used, namely organizational transformation, organizational culture, market orientation, and product performance. Following are the results of the *importance–performance analysis* for each research variable.

Table 2 shows that in organizational transformation (X1), there is one indicator in Quadrant 1, namely identity (X1.1). Therefore, PT Pertamina needs to increase efforts to improve organizational identity because this indicator is very important for the organizational transformation carried out by PT Pertamina, but its performance is still low. The hierarchy (X1.2) and rationality (X1.3) indicators are in Quadrant 3. This indicates that these two indicators have a low level of importance and low performance. Thus, even though performance is low, this is nothing to worry about given that these attributes are not considered very important. Available resources can be used to improve the performance of other, more important attributes.

Table 2 shows that in organizational culture (X3), there are three indicators in Quadrant 1, namely adaptive culture (X2.1), mission culture (X2.2), and bureaucratic culture (X2.4). Therefore, PT Pertamina needs to increase efforts to improve these three indicators because these indicators are very important for PT Pertamina's organizational culture, but the performance is still quite low. The clan culture indicator (X2.3) is in quadrant 2. This shows that the clan culture indicator is considered very important in improving Pertamina's organizational culture, and currently has a fairly good performance, so it needs to be maintained in the future.

Table 2 shows that the market orientation (Y1) has indicators in each quadrant. In Quadrant 1, there are indicators of *Personal Resources Information and Orientation* (PRIO). This shows that PRIO is an important indicator, but current performance is still low, so efforts are needed to improve it. In Quadrant 2, there is an indicator of competitor orientation (Y1.2). This indicates that competitor orientation is a very important indicator in PT Pertamina's market orientation: this indicator is quite good and must be maintained. In Quadrant 3, there are indicators of inter-function coordination (Y1.3). This shows that the indicators of coordination between functions have a low level of importance and low performance. Thus, even though performance is low, this is nothing to worry about given that these attributes are not considered very important. Available resources can be used to improve the performance of other, more important attributes. In Quadrant 4, there are indicators of consumer orientation (Y1.1). This shows that the consumer orientation indicator is a less important attribute, but the current performance is high. However, it is possible to allocate resources to more important indicators.

Table 2. IPA Analysis Results.

Variable	Indicator	Importance	Performance	Quadrant Category (In Science)
X1	X11	0.978	0.840	Q1
	X12	0.620	0.728	Q3
	X13	0.682	0.696	Q3
X2	X21	0.872	0.768	Q1
	X22	0.831	0.847	Q1
	X23	0.675	0.976	Q2
	X24	0.994	0.869	Q1
Y1	Y11	0.920	0.658	Q4
	Y12	0.649	0.769	Q2
	Y13	0.627	0.648	Q3
	Y14	0.906	0.809	Q1
Y2	Y21	0.975	0.886	Q1
	Y22	0.634	0.788	Q2
	Y23	0.872	0.787	Q1
	Y24	0.701	0.627	Q3
	Y25	0.753	0.900	Q1
	Y26	0.760	0.770	Q1
	Y27	0.781	0.952	Q1
	Y28	0.619	0.928	Q2
	Y29	0.756	0.626	Q4
	Y210	0.662	0.810	Q2
	Y211	0.642	0.927	Q2
	Y212	0.982	0.637	Q4

Table 2 shows that for product performance (Y2), there is one indicator in each quadrant. In Quadrant 1, there are indicators of quality (Y2.1), price (Y2.3), *scope* (Y2.5), *customer satisfaction* (Y2.6), and *efficiency of use of resources* (Y2.7). This shows that PRIO is an important indicator, but current performance is still low, so efforts are needed to improve it. In Quadrant 2, there are indicators of time (Y2.2), *effectiveness* (Y2.8), *profitability* (Y2.10), and *business performance* (Y2.11). This indicates that the four indicators are very important in PT Pertamina's market orientation: these indicators are quite good and must be maintained. In Quadrant 3, there are indicators of *health, safety*, and *environment* (Y2.4). This shows that these indicators have a low level of importance and low performance. Thus, even though performance is low, this is nothing to worry about given that these attributes are not considered very important. Available resources can be used to improve the performance of other, more important attributes. In Quadrant 4, there are indicators of *productivity* (Y2.9) and *service quality* (Y2.12). This shows that both indicators are less important attributes, but current performance is high. However, it is possible to allocate resources to more important indicators.

4.3. SEM WarpPLS Analysis

The results of the WarpPLS SEM analysis hypothesis testing are presented in the following Table 3.

Table 3. Results of the Inner Hypothesis Testing of the WarpPLS SEM Model.

Hypothesis	Effect of Latent Variables			Coefficient	*p*-Value	Decision
	Exogenous Variable	→	Endogenous Variables			
H1	Organizational Transformation	→	Market Orientation	0.5189	0.0000	Significant
H2	Organizational Transformation	→	Product Performance	0.0522	0.3509	Not significant
H3	Organizational culture	→	Market Orientation	0.4233	0.0000	Significant
H4	Organizational culture	→	Product Performance	0.0970	0.0778	Not significant
H5	Market Orientation	→	Product Performance	0.7296	0.0000	Significant

Table 3 presents the results of testing the *inner model* of the WarpPLS SEM analysis:

1. The effect of organizational transformation on market orientation with a path coefficient of 0.5189 and a *p*-value of 0.0000 (less than 0.05): there is a significant effect of organizational transformation on market orientation. Given that the path coefficient is positive, it can be concluded that when the organizational transformation is higher, the market orientation will increase significantly.

2. The effect of organizational transformation on on product performance with a path coefficient of 0.0522 and a *p*-value of 0.3509 (more than 0.05): there is an insignificant effect of organizational transformation on product performance. Given that the path coefficient is positive, it can be concluded that when the organizational transformation is higher, the product performance will not increase.

3. The influence of organizational culture on market orientation with a coefficient of 0.4233, and a *p*-value of 0.0000 (less than 0.05): there is a significant influence of organizational culture on market orientation. Given that the path coefficient is positive, it can be concluded that when the organizational culture is higher, the market orientation will increase significantly.

4. The effect of organizational transformation on product performance with a path coefficient of 0.0970, and a *p*-value of 0.0778 (more than 0.05): there is an insignificant effect of organizational transformation on product performance. Given that the path coefficient is positive, it can be concluded that when the organizational transformation is higher, the product performance will increase insignificantly.

5. Effect of market orientation on product performance with a path coefficient of 0.7296, and a *p*-value of 0.0000 (less than 0.05). There is a significant influence of market orientation on product performance. Given that the path coefficient is positive, it can be concluded that when the market orientation is better, the product performance will increase significantly.

In the SEM analysis with the WarpPLS approach, in addition to the results of the direct influence test, the results of the indirect effect test are also obtained. Indirect influence is an influence that occurs through one or more mediating variables. The results of testing the indirect effect with one mediating variable are presented in Table 4.

Table 4 shows that the indirect effect of organizational transformation on product performance proved significant because the *p*-value is less than 0.05. The results of the indirect effect hypothesis testing show that market orientation acts as a mediating variable that mediates the relationship between organizational transformation and product performance. However, the indirect influence of organizational culture on product performance proved insignificant because the *p*-value was more than 0.05. The results of testing the indirect

influence hypothesis indicate that market orientation does not act as a mediating variable in the relationship between organizational culture and product performance.

Table 4. Indirect Effect Hypothesis Test.

Relationship			Path Coefficient	*p*-Value	Conclusion
Independent	Mediation	Dependent			
Organizational Transformation (X1)	Market orientation (Y1)	Product performance (Y2) _	0.3786	0.031	Significant
Organizational Culture (X2)	Market orientation (Y1)	Product performance (Y2) _	0. 3088	0.055	Not Significant

The total effect on the relationship of these variables is shown in Table 5.

Table 5. Results of Hypothesis Testing for Total Effects.

Variable		Coefficient	*p*-Value	Note
Independent	Dependent			
Organizational Transformation (X1)	Product performance (Y2)	0.4309	0.0054	Significant

Table 5 shows that there is a significant total effect on corporate maturity on corporate sustainability. This is indicated because the *p*-value is 0.005 (less than 0.05). Therefore, the effect of organizational transformation on product performance is proven to have a significant effect in total. Market orientation, as a complete mediating variable, can relate to the effect of organizational transformation on product performance.

Theoretically, this research contributes to the development of concepts and theories related to strategic management, namely the development of product performance models/concepts. This is because in this study, a test was carried out, the concept of which was based on the strategic management theory, which was developed by Wheelen and Hunger [23]; the organizational transformation theory, which was developed by Canterino et al. [24]; the organizational culture theory, which was developed by Ashkanasy et al. [25], and Brahmasari [7]; the market orientation theory, which was developed by Gheysari et al. [26] and Kotler [27]; and the theory of product performance, which was developed by Kotler and Armstrong [12].

In addition, some practical implications obtained from this research are as follows:

(1) The results of this study can be a source of information for designing company strategies and policies in order to encourage the product performance of PT Pertamina (Persero).

(2) The results of this study are expected to be empirical evidence for the public, in general, about the benefits and importance of organizational transformation, and the management of organizational culture carried out by PT Pertamina (Persero), which has implications for further business development.

(3) The results of this study are expected to be input for the government to formulate a business policy by looking at the condition of PT Pertamina (Persero), which is one of the state-owned enterprises (SOE), as the basis for decision-making and business policy formulation for SOE in general, and PT Pertamina (Persero) in particular.

5. Conclusions

Based on the results of the empirical analysis, it can be concluded that organizational transformation and organizational culture have a significant effect on market orientation, but have no significant effect on product performance. Though the effect of market orientation on product performance is significant, the effect of the market orientation variable

as mediation is only significant in the relationship between organizational transformation and product performance. Based on the results of the IPA analysis, this study also provides information that most of the indicators are in Quadrant 1. This shows that it is necessary to improve the performance of the current indicators to improve the performance of PT Pertamina. Based on the research results that have been obtained in this study, the following are suggestions from researchers, namely the need for a deeper understanding of product performance in a company, and additional knowledge in providing services to customers or consumers, mainly by considering market orientation. Companies that are included in the state-owned enterprises are expected to face competition, and must increase their competitive advantage in their business in order to be able to survive and still be able to grow and develop in the face of business competition. Furthermore, it is recommended for further researchers to add other variables that are closely related in theory to business success, to expand the scope of research.

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