Relationship Investigation between Entrepreneurial Attitude and Market Orientation, Considering Consumers' Engagement Mediation

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Abstract: The purpose of this research is to investigate the relationship between entrepreneurial attitude and market orientation and the enterprise performance with regard to the mediating role of customer participation in Mammut industrial group in Tehran. This research is descriptive survey in terms of method and in terms of collecting data it is correlational and in terms of research objective it is applied. This research consisted of 7 hypotheses and the questionnaire was used for data collection. the reliability coefficient for the questionnaires was reliable. The statistical population of this research consisted of all managers and supervisors working in Mammut Industrial Group in Tehran, whose number was 120 people. One-hundred and five persons were selected as the sample of the study who were selected by the stratified random sampling. According to the KMO and Bartlett test, the research data were sufficient and for this purpose, the factor analysis technique and structural equation-modeling test were used to investigate the research hypotheses and PLS software was utilized. The findings show that there is a significant relationship between the entrepreneurial attitude and customer participation and the enterprise performance. There is a significant relationship between the market orientation and customer participation and the enterprise performance. There is also a significant relationship between the customer participation and the enterprise performance. Therefore, it is possible to understand the role of customer participation in the relationships under study.

Keywords: Entrepreneurial Attitude, Market Orientation, Enterprise Performance, Customer Participation.

INTRODUCTION

Entrepreneurship as an emerging issue in the field of business economics, in a broad and multi-faceted interaction with the market orientation, plays an important role in improving business performance. In today's business environment, where the life cycle of products and services is declining and the future benefits are uncertain, it is crucial for the entrepreneurial institutions to accept risk, innovate and dominate the market. In addition, in order to maintain lasting competitive advantage and generate more profits, the businesses must better respond to market needs than their competitors and must be able to predict market changes properly so that they can provide the best value to their customers (Abolfazli et al., 2015).
The turbulence of the business process, and the increased competition among business institutions, have made the external environment of organizations much different than before. Understanding future business paths and moving in line with them in a way that benefits the institutions necessitate the marketing studies. It is felt, according to some experts, that market orientation affected by the marketing researches can optimally improve the business performance. In today's world, the economic system is moving at a fast pace, and any organization that does not accompany it, will become extinct like dinosaurs. Nowadays, in the business world, the creative and innovative people have been recognized as the organizational entrepreneurs that have made a huge evolution in the industrial and manufacturing fields. Presently, as work and activity take on a new form and move towards self-employment, the wheels of economic development are always moving along with the development of entrepreneurship (Kafashpour and Najafi Syahroodi, 2009).

In the present competitive and dynamic business environment, the institutions try to improve their performance by using a variety of components, including entrepreneurial attitude, market orientation and customer participation. In today's competitive world, the enterprises' good performance compared to their competitors is indicative of their success. Statistics show that in recent years the performance of many enterprises in Iran have had many challenges, despite having the potential to produce and deliver better products to their customers. According to the World Trade Organization's 2015 statistical report, the net export trend has been negative during recent years, overall declining to 2013, with slight improvement in the trade balance of many industries in 2014 (Shiva et al., 2017). It should be noted that the improvement process continued until the end of 2017, but again we saw a downturn in the industry due to production reduction. This highlights the importance of further studying the factors affecting the performance of enterprises operating in industry.

Mammut Industrial Group, a well-known name in the field of international industry, started operating in 1992 as one of the largest industrial groups in the country, and is now a successful industrial enterprise after more than two decades. The company, with its highly qualified and specialized technical staff aiming at the highest quality and the special attention of the senior management of the organization with the motto "Mammut, expecting the best", has taken great and effective steps in advancing the country's industry. This group by utilizing the internal knowledge and experience and technologies of the internationally accredited foreign companies, has provided the possibility of the competition with the excellent products according to the customer's requirements. According to this fact, by planning and equipping its factories to the machines and technology of the world today, this group is one of the top and most prominent industries in the quality of products produced and export volume in the Middle East. Mammoth has set up modern factories in the Persian Gulf countries to increase its production as well as facilitate exports and established companies in Germany, Kuwait, Syria and African countries.

Given that growth and development is one of the main goals and missions of the Mammut Industrial Group, the company's leaders and managers are striving to bring manufacturing products to a high point of quality. The company's business sector is trying to grow ever more; by expanding its market share, it will devote more of its market need to the production and products of this industrial company. In addition, seeing some issues such as competition among similar industries and competition with foreign competitors and market development and reduction of internal problems of the company resulting from international sanctions against Iran, we tried to investigate the role and variables of this company and assess their position in the growth and development of the Mammut Industrial Group. Since the quantitative studies have investigated the relationships between these variables; therefore, this study uses survey method to investigate the relationship between the entrepreneurial attitude and market orientation and the enterprise performance regarding the mediating role of customer participation in Mammut Industrial Group. Consequently, the researcher attempts to answer the main question whether there is a significant relationship between the entrepreneurial attitude and market orientation and the enterprise performance regarding the mediating role of customer participation in Mammut industrial Group.
Theoretical foundations and research background

In today's world, the sustainable development cannot be undertaken without considering the level of productivity in the organization and without knowing the factors that contribute to its growth. Continuous improvement in the performance of enterprises creates a great synergy force that can support growth and development plans and create organizational excellence opportunities. Therefore, examining the relationship between and the influence of variables affecting enterprise performance is one of the most important tasks of senior managers and leaders of the economic enterprises. In the present research the researchers will deal with several issues, which are:

- Market orientation: The organizational culture that most effectively creates the behaviors necessary to create eigenvalues for the buyer, and thus, leads to always-superior business performance (Narver and Slater, 1990). In another definition, the production of market information reflects the needs of current and future customers, dissemination of information across different business segments, and the appropriate response of the whole organization to new information (Kohli and Jaworski, 1990).

- Entrepreneurial attitude: The most comprehensive definition of an entrepreneurial attitude is that if a business continually innovates in its products and services, takes risk and is proactive, it has an entrepreneurial tendency (Davis et al., 2010). Others have defined the entrepreneurial attitude as the tendency of senior management to accept calculated risks, innovate and be pioneering (Todorovic and Ma, 2008).

- Enterprise Performance: Performance is a multi-dimensional concept that defines the status of the organization relative to its competitors. Enterprise performance is the process of explaining the quality of effectiveness and efficiency of the past actions. Enterprise performance refers to the optimal utilization of resources, capacities and opportunities to achieve efficiency and effectiveness (Keshavarzi et al., 2015). The enterprise performance refers to the way of performing its mission, organizational tasks and activities and the results of doing them. In another definition, organizational performance is the achievement of, or transcending, organizational and social goals and fulfilling the organizational responsibilities (Haghighi et al., 2010).

- Customer participation: Defined as the amount of communication, interaction, participation and collaboration between customers, users or channel members and a company during a specific activity (product development process) (Tih et al., 2016).

Since similar researches have not found on the relationship between the entrepreneurial orientation and market orientation and the customer participation, the closest researches are cited as the domestic background on this subject.

Qadiri (2017) investigated the relationship between the entrepreneurial attitude and enterprise performance with the mediating role of marketing capabilities and the intensity of competition in the industry. Questionnaire was used to test the hypotheses of this research and to collect the required data. Data were analyzed using LISREL software. The results of the data analysis show a positive relationship between entrepreneurship and performance and the mediating role of marketing capabilities and intensity of competition. Heidarifard (2016), in a research studied the impact of entrepreneurial opportunities on enterprise performance, considering the moderating role of marketing capabilities in Mellat Bank branches in Ilam province. Library and field methods (questionnaire) were used to collect data and contents. The hypotheses were analyzed and tested using PLS software. The results showed that entrepreneurial opportunities have a positive and significant effect on the enterprise performance. Hejazi and Hosseini Moghaddam (2013) investigated the impact of entrepreneurial orientation on the banks performance with an emphasis on the mediating role of market orientation among the private and public banks in Gilan province. Data and assumptions were collected using standard questionnaires and analyzed using factor analysis and
path analysis methods. The results show that there is a significant relationship between the entrepreneurial orientation and performance and there is a significant relationship between the entrepreneurial orientation and customer participation as one of the dimensions of market orientation. Mamun et al. (2018) conducted a research on the impact of entrepreneurship and market orientation on the customer participation and performance of small and medium industrial businesses in Malaysia. In this research, data were collected using a questionnaire and analyzed via structural equation method and PLS software. The results show that there is a significant relationship between entrepreneurship and market orientation and customer participation. There is also a significant relationship between customer participation and business performance. The mediating role of customer participation between the entrepreneurship and market orientation and the business performance is also significant. Mamun et al. (2017) conducted a research on the intervention, customer participation and performance of industrial institutions in Malaysia. After collecting the research data, they used structured interviews, coding and extracting the statistical data and used statistical tests to analyze the data and answer the research questions. The results show that customer participation has a significant impact on the development and success of industrial and manufacturing businesses. Bereket Moumou Buli (2017) conducted a research entitled Entrepreneurship, Market Orientation, and Performance of Small and Medium Businesses among Industrial Companies in Ethiopia. In this research, questionnaires were used to collect data from the managers of the companies under study, and to investigate the research hypotheses using multiple regression statistical method. The results showed that entrepreneurial orientation and market orientation as two strategic tendencies that have a significant (positive) effect on the performance of small and medium-sized businesses.

**Hypotheses and research conceptual model**

In this research, in order to achieve the research objectives, the conceptual model of Mamun et al. (2018) was used. Given that this research examines the relationship between the entrepreneurial attitude and market orientation and the enterprise performance with regard to the mediating role of customer participation, the conceptual and analytical model of research is constituted of three parts: entrepreneurial attitude and market orientation (independent variables), Customer participation (mediating variable) and enterprise performance (dependent variable).

According to the conceptual model of the research, the hypotheses examined in this research are as follows:

- There is a significant relationship between market orientation and customer participation.
- There is a significant relationship between entrepreneurial attitude and customer participation.
- There is a significant relationship between customer participation and enterprise performance.
- There is a significant relationship between entrepreneurial attitude and enterprise performance.
There is a significant relationship between market orientation and enterprise performance.

There is a significant relationship between the market orientation and enterprise performance with respect to the mediating role of customer participation.

There is a significant relationship between the entrepreneurial attitude and enterprise performance regarding the mediating role of customer participation.

Method

Our research is a descriptive survey. The information required for this research is collected in both library and field form. The questionnaire was used as the main measurement tool. The statistical population of this research consisted of all senior managers, operational and middle managers, supervisors in Mammut Industrial Group, head office and sales offices in Tehran with different age and gender composition with the minimum diploma education and with 120 persons. In this research, Krejcie and Morgan table (standard table for determination of sample size of statistical population) was used to estimate sample size. Based on the table, a sample size of 92 people was selected. In order to eliminate the effects of missing and incomplete questionnaires by the respondents on the results of the research, the statistical sample of this research was increased to 110 persons. Finally, after eliminating 5 questionnaires, 105 questionnaires were analyzed. The sampling method used here was stratified random sampling.

Questionnaire was used to measure the variables of the research. Sami Kajalo's (2015) tool was used to measure market orientation variable. The questionnaire surveyed market orientation in eight items. Sami Kajalo's (2015) tool was used to measure the entrepreneurial attitude variable.

This questionnaire surveyed entrepreneurial attitude in six items. Antoncic and Hisrich (2001) questionnaire was used to measure the enterprise performance. In this tool, the performance evaluation of the enterprise was examined using 7 items. The Hollebeek et al. (2014) questionnaire was used to measure customer participation. In this tool, customer participation was measured using 7 items. These questionnaires were answered by the respondents on a 5-grade Likert scale from 1 [I strongly disagree] to 5 [I strongly agree]; the scores obtained by applying the Likert spectrum formed the basis of the analysis. Content validity was used to assess the validity of the questionnaire. For this purpose, the opinions of some experts, academics and senior managers of the company under study were used. Cronbach's alpha coefficient was used to assess the reliability of the questionnaire. The results of Cronbach's alpha coefficient (Alpha> 0.7) indicated the appropriate reliability of questionnaires.

Data analysis and modeling of problem

To test the research hypotheses and generally test the conceptual model of research based on the data collected, the analysis of partial least squares (PLS) was used, which is a variance-based path modeling technique, and simultaneously enables the investigation of hypotheses (relation of hidden and explicit variables). The partial least squares approach is one of the approaches of structural equation and is a method for the analysis of formative and reflective structures (Sepehri et al., 2013); it is a comprehensive approach to test hypotheses about the hidden and observed variable relationships, especially when the number of markers of every factor is high and there is a multiple collinearity between them. In designing the structural model of the present research, this approach is used to estimate the factor loads and path coefficients. One of the strengths of the partial least squares method as one of the structural equation modeling techniques is its ability to analyze very Group models and to estimate the impact coefficients of variables even with finite and small sample sizes and abnormal distributions (Hair et al., 2012). Therefore, due to the size of the sample collected for this research, as well as the presence of hidden variables in the model and the need to test the hypotheses and confirm the model, PLS method is a suitable tool and is largely compatible with the existing
conditions. A complete model of structural equations is a mixture of path diagram and partial least squares analysis.

Analyzing the structural equations
In order to investigate the relationship between the research variables (Fig. 1) and analyze the hypotheses, the research structural model along with the coefficients of factor loads (Fig. 2) and the research structural model along with the significance coefficients (Fig. 3) are presented using PLS software. In doing factor analysis, one must first make sure that the available data can be used for analysis. So first let's examine the suitability of the data for factor analysis. In this regard, we use the KMO and Bartlett tests. The results of this test (numerical value of KMO greater than 0.7 and Bartlett test significance number less than 0.05) indicate that the correlations between the data are appropriate for the factor analysis and sampling adequacy. Thus we can do the factor analysis. Below each of the models have been analyzed.

Table 1: KMO and Bartlett test results

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<tbody>
<tr>
<td>KMO value</td>
<td>0.702</td>
</tr>
<tr>
<td>Bartlett test</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Figure 2: Structural model of the research along with the factor loads coefficients
Results of model implementation

In the structural equation modeling methodology, it is first necessary to study the validity and reliability of the structures to determine whether the selected markers are sufficiently accurate to measure their desired structures. For this purpose, we investigate the factor loads coefficients, Cronbach's alpha coefficients and composite reliability. The criterion value for the appropriateness of the coefficients of factor loads is 0.4. In the structural model of the research along with factor loads coefficients (Fig. 2), all numbers of the factor load coefficients of the questions are greater than 0.4 indicating that this criterion is appropriate. After measuring the factor loads of the questions, it is time to calculate and report Cronbach's alpha coefficients and composite reliability. Given that the appropriate value for Cronbach's alpha and composite reliability is 0.7 and in accordance with the research findings, these criteria have adopted appropriate values (Alpha> 0.7 and CR> 0.7) for the hidden variables, the appropriateness of the convergent validity of the research can be confirmed. The second criterion for evaluating the fitting of the measurement models is convergent validity, which examines the correlation of each structure with its questions (indices). Since the appropriate value for the AVE (Average Variance Extracted) is 0.5 and according to the research findings, this criterion has adopted a good value for the hidden variables, the appropriateness of the convergent validity of the research is confirmed.

**Table 2: Convergent validity results of research hidden variables**

<table>
<thead>
<tr>
<th>Hidden variables</th>
<th>Average Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial attitude</td>
<td>0.841</td>
</tr>
<tr>
<td>Market orientation</td>
<td>0.846</td>
</tr>
</tbody>
</table>
Next, we investigate the fitting of the structural model of the research. One of the criteria for checking the fitting of the structural model in a research is $R^2$ coefficients related to the hidden endogenous (dependent) variables of the model. $R^2$ is a criterion indicating the influence of an exogenous variable on an endogenous variable and three values of 0.19, 0.33 and 0.67 are considered as the criterion value for the weak, moderate and strong values of $R^2$. The values obtained can be checked in Table 2.

<table>
<thead>
<tr>
<th>Hidden variables</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial attitude</td>
<td>0.000</td>
</tr>
<tr>
<td>Market orientation</td>
<td>0.000</td>
</tr>
<tr>
<td>Customer participation</td>
<td>0.200</td>
</tr>
<tr>
<td>Enterprise performance</td>
<td>0.091</td>
</tr>
</tbody>
</table>

GOF criterion is used to check the fitting of the overall model. Three values of 0.01, 0.25 and 0.36 are presented as weak, medium and strong values for GOF. This criterion is calculated by the formula

$$GOF = \sqrt{\text{communalities} \times R^2}$$

<table>
<thead>
<tr>
<th>GOF</th>
<th>$R^2$</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.354</td>
<td>0.146</td>
<td>0.816</td>
</tr>
</tbody>
</table>

With respect to the value obtained for GOF by 0.345, the appropriate fitting of the general model is confirmed.

**Analyzing internal paths coefficients (testing hypotheses)**

The main purpose of this research is to investigate the relationship between the entrepreneurial attitude and market orientation and the enterprise performance with regard to the mediating role of customer participation. For this purpose, the internal path coefficients (hidden variables path) will answer the research questions. The coefficient of each internal path corresponds to one of the research hypotheses. The internal path coefficients of the model were calculated by the PLS approach, which is shown in Table 5 with the values of the path coefficient and the significance coefficient. Since the coefficients of $t$ for all research hypotheses are greater than 1.96, all of them confirm the confidence level of 95%. According to Table 5, which shows the results of direct relation and significance coefficients ($t$-statistic) between variables, it can be found that all values ($t$-statistic) obtained for the relation of research variables are greater than absolute value of 1.96, indicating that the relationship is meaningful. Therefore, in the first, second, third, fourth and fifth hypotheses, the hypothesis $H_0$ is rejected and the hypothesis $H_1$ is confirmed and it can be concluded that there is a significant relationship between the market orientation and customer participation and the enterprise performance. There is a significant relationship between the entrepreneurial attitude and customer participation and the enterprise performance. Finally, there is a significant relationship between customer participation and enterprise performance.
Table 5: Results of Direct Relationship and Significance Coefficients of Model Hypotheses

<table>
<thead>
<tr>
<th>Path (hypothesis)</th>
<th>Path coefficient</th>
<th>Significance</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market orientation – customer participation</td>
<td>0.28</td>
<td>4.97</td>
<td>First hypothesis confirmed</td>
</tr>
<tr>
<td>Entrepreneurial attitude - customer participation</td>
<td>0.33</td>
<td>7.10</td>
<td>Second hypothesis confirmed</td>
</tr>
<tr>
<td>Customer participation – enterprise performance</td>
<td>0.12</td>
<td>2.05</td>
<td>Third hypothesis confirmed</td>
</tr>
<tr>
<td>Entrepreneurial attitude - enterprise performance</td>
<td>0.16</td>
<td>3.46</td>
<td>Forth hypothesis confirmed</td>
</tr>
<tr>
<td>Market orientation – enterprise performance</td>
<td>0.13</td>
<td>2.17</td>
<td>Fifth hypothesis confirmed</td>
</tr>
</tbody>
</table>

In this research, we investigated the relationship between market orientation and enterprise performance with respect to the mediating role of customer participation in Mammut Industrial Group. According to the results, it confirms the significant relationship between two variables of market orientation and customer participation and confirms the significant relationship between two variables of customer participation and enterprise performance. The results also indicate that there is a significant relationship between the two variables of entrepreneurial attitude and customer participation; it also confirms the significant relationship between two variables of customer participation and firm performance. One can understand the mediating role of customer participation in the relationship between entrepreneurial attitude and firm performance.

Conclusion and Suggestions

The results of the present research indicate that the constant changes in customer needs and the economic boom in the competitive businesses force companies to develop new products. The goal is to respond to new and hidden customer needs, adapt to business conditions, counter competitors' strategies, and improve customer satisfaction. Therefore, it can be said that new product development is one of the most important activities of dynamic manufacturing businesses and an important factor for the long-term survival of businesses. To achieve this, it is important for industrial businesses to develop market orientation policies to increase customer participation. Industrial businesses must have dynamics in order to achieve a sustainable competitive advantage; market-orientation and its impact on the competitive advantage is one of the key issues in marketing management. The more the organization is able to gain a better understanding of customer needs as well as the activities of competitors and factors influencing market conditions and make this information available to policymakers at all levels of the organization, the greater will be its ability to survive in a competitive market. The results obtained in this section of the research are in agreement with the findings of Shaabani et al. (2016) and Mamun et al. (2018).

Many successful companies attribute their success to the entrepreneurial orientation, a decision-making approach based on the entrepreneurial skills and capabilities. Entrepreneurial attitude keeps companies alert and makes them know market trends by exposing new technologies and helps them assess the need for new products. Entrepreneurial Attitude Helps companies identify opportunities and launch new investment by informing decision makers about industry changes and customer demand. With these explanations, we can understand that the entrepreneurial attitude has a significant relationship with the customer participation. The results in this section of the research are in agreement with the findings of Hejazi and Hosseini Moghadam (2013), Zare Matin et al. (2013), Mamun et al. (2018), and Jennifer Rowley et al. (2012).

Given that the customer participation can influence the attainment of corporate goals in the area of production and supply of new customer needs, surely strengthening this factor in the industrial businesses can have a significant impact on the performance of such establishments and organizations. Researchers see new product development as a vital force for many companies and have identified it as the best hope for
future growth. Therefore, by obtaining customer information in the customer participation process, one can achieve optimal results in the performance of the company. The results of this section of the research are in agreement with the findings of Mazraeh Farahani (2016), Hosseini (2016), Mamun et al. (2018), Mamun et al. (2017), Bayra et al. (2012).

Attention to the attitude has been said to be a best tool for entrepreneurship. It is believed that having diverse, purposeful attitudes will lead to more entrepreneurial activity, and that these attitudes can only be expected from the entrepreneurial practices. It should be noted that entrepreneurs do not act in a vacuum, they respond to the entrepreneurial environments that surround them. With that attitude, they are looking at product development so that they can increase business productivity and gain more market share. With this attitude, the entrepreneurs play a role in breaking down barriers and solving environmental problems and market barriers. So they have a great impact on the performance of the enterprise and promote the excellence and survival of the organization and bring tangible results in the return of the business-industrial enterprises. The results obtained in this part of the research are in agreement with the findings of Ghadiri (2017), Heidarifar (2016), Rakhshani (2015), Hejazi and Hosseini Moghadam (2013), Mamun et al. (2018), Vanessa et al. (2016) and Sami Kajolo (2015).

Market orientation can be defined as a stage of the organization's prosperity, or as a level that reflects the growth of a business. Cutler sees market orientation as the final step in the development of a business, and believes that market orientation has generated in line with the development of various business trends. The results in this section of the research are in line with the findings of Asadi Ojayi (2015), Weisi (2015), Mousavi (2014), Mamun et al. (2018), Patrick Jangel (2015) and Agus & Sohadi (2003).

The following suggestions can be considered in the line with of the results of this research:

- The marketing research team should regularly measure customer satisfaction in specific periods and take advantage of new marketing techniques that influence customer satisfaction.
- In order to foster entrepreneurial attitude and benefit from the results of customer participation processes, it is recommended to establish teams in the organization to innovate, design and offer new products using customer information.
- Measuring customer satisfaction with the brand products of Mammut Industrial Group and taking into consideration the strengths and weaknesses in the form of the improvement projects.
- In order to succeed in achieving the goals of the company in the performance of the enterprise, special attention should be paid to the company's strategies for timely production of information, timely dissemination of information and timely and appropriate response to the market needs.
- Corporate marketing managers need to effectively identify their target market and design appropriate policies for each of their markets according to the market conditions.

Research limitations

This research has some limitations and obstacles that we will mention below. Since current research has been conducted in the field of humanities, the possibility of influencing some variables on the research results that are beyond the control of the researcher is not out of the expectation. Since the questionnaire was used to collect the required information, the psychological conditions, motivation, willingness and accuracy of the subjects are influential in answering the questions.

Reference


