

# The Effects of Marketing Orientations on The Performance of SME Construction Firms in Malaysia

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## Abstract

This article presents certain issues and examines the performance of SMEs in the construction industry as well as their impact on the national economy. This work draws attention to the gap in the literature that motivated this investigation. The impact of resources on the performance of organizations has been investigated by earlier scholars. A review of other research, however, indicates that results pertaining to market orientation and performance using random sampling methodologies with 168 sampling are inconsistent. This study investigates the relationship between market orientation and the organizational performance of SME construction firms. The research proposal is offered based on the gaps that have been found. The results indicate a strong correlation between the performance of SMEs in the construction industry and their market orientation, organizational effectiveness, and organizational growth.

**Keywords:** SME, Market Orientation, SME Construction Firm Performance, Organizational Effectiveness, and Organizational Growth.

## Introduction

According to the SME Annual Report 2018/2019, SMEs made up 99 percent of all businesses in the Organization for Economic Cooperation and Development (OECD) member nations and provided between 50 and 60 percent of the added value. Since the 2008–2009 financial crisis, there has been consistent improvement in the worldwide market conditions for SMEs and entrepreneurship, mostly due to increased global investments and a rise in corporate confidence. Bank lending to SMEs has been growing at a moderate rate globally despite recent signs of tightening, reflecting SMEs' decreased demand for traditional bank financing as they have improved their business profiles to draw in alternative financing sources and restored their profit margins.

Simultaneously, unique business models for micro-enterprises, start-ups, and innovative

initiatives continue to face challenges in obtaining financing (SME Annual report 2018/2019). Numerous modifications were made to the SME policy front in 2018 and 2019 to align with the new government strategy and administration. These include initiatives to place a stronger focus on the growth of entrepreneurship, such as the creation of the Ministry of Entrepreneur growth (MED), the National Entrepreneurship Policy 2030 Dasar Keusahawanan Nasional, or DKN (2030), and the Shared Prosperity Vision 2030. The Plan's objectives, programs, and targets are designed to foster the conditions necessary for the SME sector to emerge as the new engine of growth.

### **SMEs Construction Firm in Malaysia**

SMEs construction firm are vital to the growth of the Malaysian economy because they account for 90% of the sector's size and provide a range of construction project operations (Construction Industry Development Board [CIDB], 2011). Notwithstanding their importance to the building supply chain, SMEs are very susceptible to risk (Aziz & Zainon, 2023). With substantial infrastructure and growth, the construction sector has developed into one of the fastest growing in the world. Time overruns are a result of persistent poor performance issues that the construction industry has been dealing with for a long time (Idrees and Shafiq, 2021; Momeet et al., 2022; Chang et al., 2021).

Between 1990 and 1997, the quantity of construction projects increased, especially in the Klang Valley. Because of this, in early 1995 the government issued warnings to the public about asset bubbles and adopted preventative measures (BNM, 1999). The process for foreign ownership of residential properties has been loosened by new government laws. When purchasing a residence for more than RM250,000, foreigners are not need to get approval from the Foreign Investment Committee. The building sector in 2006 will be impacted by a number of actions. (BNM, 2007). According to Tan (2004), the bulk of these businesses would not be able to survive a recession because all of the related firms would be exacerbated or worsened. This would put the viability of the organization as a whole at danger.

As subcontractors to large construction companies and general contractors on small- and medium-sized projects, they play a critical role. Government policy demands that SMEs boost their productivity, effectiveness, and ability to make higher-quality products. Additionally, according to CIDB (2006), the government aspires for Malaysia's construction industry to be a premier, informed, and creative worldwide solution provider.

To do this, the government has realized that in order to improve the industry's performance, productivity, and standards for its significance as a whole, it is necessary to market the sector, introduce new building techniques and technology, and lessen reliance on labour:

Construction SMEs are vital to the growth of the Malaysian economy because they account for 90% of the sector's size and provide a range of construction project operations. But a majority of them are experiencing issues.

- Construction sector is one of five sectors in Malaysian SME. Due to significant construction projects in non-residential sectors including hotels, resorts, malls, and golf courses, which are essential to economic growth, the tourism industry also grew quickly.

- The sector accounts for 4.8% of the GDP, but despite its theoretical and empirical significance for socioeconomic development, little research has been done on these topics. Moreover, the significance of the construction business for socio-economic advancement remains inadequately recognized (SME Corp, 2022). Consequently, certain individuals have disregarded this crucial industry.

As many studies have shown, the construction industry is a significant economic sector that significantly contributes to a country's social and economic development. In particular, the construction sector in Malaysia is a critical sector nowadays because its percentage of output to GDP is declining over time despite the increase in development budget allocated for this sector (Hillebrandt, 2000; Gibson, Zellmer-Bruhn & Schwab, 2003; Lopes, 2011; Ofori, 2012; Azmy, et al., 2015). Furthermore, the government's strategy to broaden the private sector's involvement in the New Economic Model (NEM) is still limited.

Isa et al (2015) state that the construction industry has become more dependent on opening up foreign markets, particularly in developing nations like Malaysia. In support of the nation's economic transition towards developed country status, they further stated that the government had urged Malaysian SME owners, the majority of whom are contractors, to develop global strategies to compete with well-established contractors throughout the world, such as those in Japan, Korea, China, the United Kingdom, the United States, and Australia (Isa et al., 2015).

### **Problem statement**

Approximately 86.6% of all SME are employed in the service sector, which also includes industries like retail, accounting, restaurants, wholesale, transportation and communication, construction, and financial intermediaries. In 2021, the service sector accounted for 60.8% of the Malaysian SME (MSME) GDP and remained the largest contributor to the economy despite its less successful performance. Nonetheless, the dominance of MSMEs in the services and construction sectors decreased in 2021. The performance of SMEs in the construction industry was 5.8% in 2018, sank to -15.0%, and then slightly increased to -3.1 in 2021. This indicates that the performance of construction companies is declining or trending sideways, which is detrimental to the Malaysian economy (DOSM, 2022). According to a study conducted in Malaysia, 34% of the projects that took part in the survey had a time overrun of between 100 and 300 days, while 57% of the projects experienced a time overrun of 1,100 days (Ilyas et al., 2020). Contractors have suffered from higher expenses, a smaller profit margin, and a damaged reputation as a result of this circumstance. Late occupancy often results in higher expenses, professional fees, and lower income for the clients. In addition, waste from Malaysia's construction sector is thought to account for at least 30% of all waste disposed of in landfills, which exacerbates already severe environmental issues (CIDB, 2008). Their ability to take in, impart, and use new information and technologies is also hindered. Malaysian SMEs frequently struggle with funding scarcity, resource constraints, a focus on the local market, fierce competition from larger firms, low technology use, a slow rate of global expansion, and a weak network (Che Omar & Anas, 2014). If the existing state of affairs persists, the performance of SME construction firms will continue to contribute little to the GDP in addition to failing to seize commercial opportunities. The purpose of this research is to determine what obstacles need to be removed in order to improve the performance of SMEs in the construction industry.

## **Practical Challenges**

### **Different opinion in the Market Driven Factor**

Market orientation is another sign of positional advantage, according to a 2012 academic study by (Farrell and Oczkowski, 1997). Making timely, market-driven decisions and recognizing and grabbing chances are made possible by adopting the appropriate market orientation (ElNaggar et al., 2023). Consequently, research on market orientation is required, as is continued involvement.

### **Theoretical Issues**

Insufficient research on the integrated model's impact on Malaysia's construction SMEs' performance. According to Rauch et al (2009), additional research is required to expand the operationalization of the current conceptual frameworks and to establish a shared worldwide understanding of marketing orientation (MO) and its results. The current body of research falls short in this regard.

For a long time, the Malaysian government has developed SME development programs with the goal of raising local businesses' adoption of new technology while also increasing efficiency and product quality. SME Corp (2022) reported that SMEs continued to face a range of operational challenges despite the availability of many government assistance programs. Government assistance programs, on the other hand, are thought to be inadequate and underwhelming in their ability to support the growth of regional SMEs.

As a matter of fact, numerous government initiatives have been put in place to support the growth of small and medium-sized enterprises (SMEs). These initiatives include grants for scientific research, financial incentives, technological support, and the sharing of information and experiences through training offered by different government organizations (SME Corp, 2022).

How do construction SME entrepreneurs achieve company performance and productivity? Let's have a look at the fundamental issues they encounter. Theoretically speaking, therefore, it may be highly worthwhile to investigate the root cause of Malaysian construction SMEs' poor performance. Under these circumstances, the current empirical study and its findings may be able to close the knowledge gap between the industrial and academic perspectives.

### **Organization Performance**

Li et al (2006); Ventkatraman & Ramanujam (1986) define organizational performance as a metric for evaluating an organization's ability to accomplish its objectives. According to Penrose (1995), an organization's ability to meet its financial goals is measured by its organizational success. When it comes to SMEs' survival, sustainable production is essential. Organizations must periodically evaluate their production to maintain sustainability due to the fast alterations in the environment (Cocca & Alberti, 2010; Najmi et al., 2005). The idea that different organizations perform differently is generally acknowledged (Stoelhorst & van Raaij, 2004). Examining the factors that lead small and medium-sized enterprises (SMEs) to outperform in the marketplace is crucial.

### **Market Orientation**

In the context of micro and small businesses, market orientation (MO) is a dynamic concept that can be reexamine. Making timely judgments that are focused on the market and able to identify and seize opportunities are all made possible by adopting the appropriate market orientation (ElNaggar et al., 2023). Organizations' ability to adapt to varying degrees and

ranges of business environment uncertainty is shaped by how much they implement MO. In order to gather information from customers and rivals and employ combined resources to create value for both customers and the company as a whole, business managers and owners engage in what is known as MO, or management of operations. Although research that examined the function of market orientation as a dynamic capability in the context of micro and small enterprises are rather rare, it is widely acknowledged that MO is essential for the resilience of organizations in unstable business environments.

Thanks to the "Transformation of Economic Development" project, Malaysia is expected to become a high-income developed nation with a knowledge-based economy by the year 2020 (Abdullah, 2009). Economic progress in the new millennium will depend on business competencies and their capacity to withstand a competitive and global environment. To expedite Malaysia's shift to this new economic model, it is imperative that the factors influencing SMEs' performance be examined. Thus, this study aims to analyse the factors influencing the performance of SMEs in Malaysia's construction sectors using the statistical package for social scientist (SPSS).

A substantial positive relationship has been observed between the performance of SMEs and information, communication, and technology (ICT), human resource management (HRM), and market orientation (MO), based on data collected from 400 SMEs in Malaysia's services sector (Ali et al., 2021). In contrast, there is a negative correlation between entrepreneur orientation (EO) and SMEs performance. The results also indicate that market orientation and human resource management are the two determinants with the biggest effects. Therefore, in order to maximize their company's potential, researchers are urged to investigate these two areas for future planning (Ali et al., 2021).

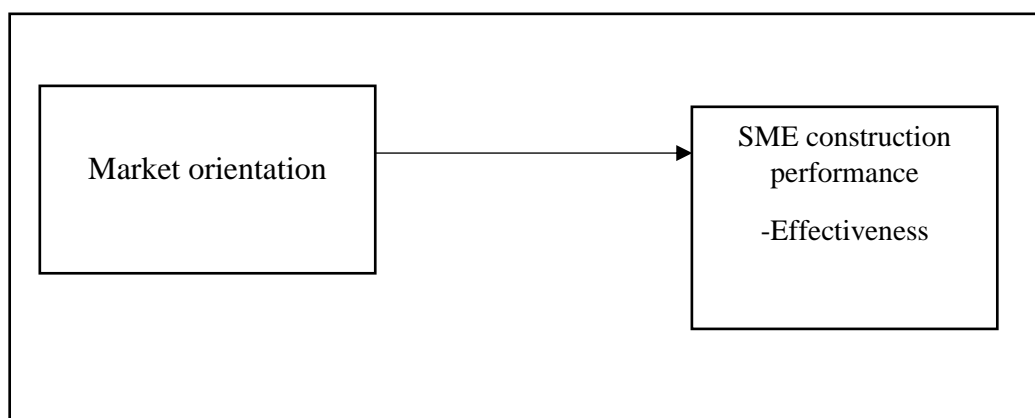
**Objective of the Study**

The objective of this study is

- To determine whether there is a significant effect of market orientation (MO) on SME construction firm performance.

**Research Model and Hypothesis Development**

Figure 1 presents the research and development model that was suggested, based on the hypothesis that the performance of construction firms in MO and SMEs.



*Figure 1: Proposed Research Model*

**Resource-based Theory**

Basis on Wernerfelt (1984) initially presented Resource Based view theory (RBV), which has been regarded as one of the fields of study that is expanding the fastest over the past several years (Galbreath, 2005). The theory of competitive advantage and the ways in which enterprises can gain an edge through the effective use of their resources are explained in detail by Resource-based View theory (RBV) (Makadok, 2001; Newbert, 2007; Wernerfelt, 1984). According to Collis (1994), these resources can be either intangible or tangible assets, or they can be capabilities, which are made up of intangible acquired knowledge and skills (Teece et al., 1997). Based on the Resource-Based View, a company can maintain its competitive advantage if it can: (a) produce long-term economic growth; (b) make use of its capacity to locate, develop, deploy, and protect certain resources; and (c) set itself apart from its rivals.

According to Barney (1991), a company's assets include its skilled workforce, brand name, reputation, capital equipment, and other assets. According to Barney (1991, 2002), these resources are strategic resources that play a major role in establishing a durable competitive advantage since they are valued, uncommon, and incomparable. A company's physical assets, such as its facilities, machinery, and raw materials, are known as its tangible business resources (Carmeli & Tishler, 2004). On the other hand, skills, brand name, market orientation, expertise, perceptions, reputation, and culture are known as its intangible resources (Connor, 2002; Hall, 1992). These resources are the things that a company owns and uses to support the implementation of strategies aimed at enhancing performance, such as organizational procedures, information, and knowledge.

The performance of a corporation is significantly influenced by both tangible and intangible resources, including knowledge, expertise, skills, perceptions, culture, reputation, and network, despite their immobility and heterogeneity (Hall, 1992; Connor, 2002; Peteraf, 1993; Barney, 1991). As a result, these uncommon and unique combinations of strategic resources within a company have the ability to improve performance and provide ongoing advantages over competitors (Barney, 1995; Miller & Shamsie, 1996). A firm's capacity to recognize, develop, use, and preserve specific resources—and to set those resources apart from those of its competitors—will help it succeed and maintain a competitive edge (Amit & Schoemaker, 1993; Collis & Montgomery, 1998; Carmeli & Tishler, 2004; Dierickx & Cool, 1989). According to Barney (1991), a company needs to have strategic competencies that are unique, costly to replicate, and non-replaceable, as well as significant and essential tangible and intangible resources. Consequently, it is appropriate that RBV serve as the foundational theory for our investigation.

**Proposition****Market Orientation and Firm Performance**

As the "cornerstone of the marketing discipline," the marketing concept depends on the construct of market orientation. (Kohli & Jaworski 1990, p1), which "represents the foundation of high-quality marketing practise" (Kohli, Jaworski & Kumar 1993), is predicated on the notion that organizations that are market-oriented would, *ceteris paribus*, better their market performance. (Slater & Narver, 1990).

A conceptual explanation and framework for the relationship between market orientation, procurement process coordination, and performance in the construction industry are given in the first section of the study. It is corroborated by the findings of a pilot case study

conducted in the construction industry. Discussion points from the pilot case study center on the importance of market orientation and how every step of the procurement process should be coordinated. The research findings indicate that procurement process coordination is marginally more important in the construction sector than it is in the manufacturing sector. Information exchange and supply contracts are two successful ways to coordinate, while there are many other options as well (Ikmal, 2010).

Despite the significance of the concept of market orientation to the theory and practice of marketing strategy, there hasn't been much critical examination of the multi-item market orientation scales, MARKOR and MKTOR (Narver & Slater 1990; Kohli et al., 1993). Re-examined both Maktor and Mktor are necessary because according to (Farrell et al., 1997). There previous test by him is inadequate, therefore it is necessary to reexamine again the relationship with SME construction firm performance. These particular measurements are widely accepted by researchers, and a growing body of research focuses on the origins and consequences of a market orientation. With these corroborating details, this hypothesis is proven:

H1: There is significant relationship between market orientation and SME construction firm performance.

## **Methodology**

### **Sampling**

The study's population consists of all CIDB-registered SME construction firms, which have been alphabetically listed and sorted. SME Corp serves as SMEs' information and referral hub, managing SMEs' data and services. SMEs have been selected due of the substantial impact they have on the nation. About 40,000 construction companies registered with CIDB in 2016 comprise the whole population of contractors. The study's sample frame consists of 40,000 SME construction enterprises.

Based on the processes of the random sampling method and the guidelines provided by Saunders et al (2009), 381 is the suitable sample size for this population. The majority of investigations in Malaysia have reported that the 168 samples collected in this study, or 11% of the total, is sufficient. Roscoe states that an ideal sample size is between 30 and 500. (1975). Though there are several recommendations on the number of minimum sample sizes to adhere to, no single factor can give the level of accuracy of sample size. As a general guideline, Sekaran and Bougie (2019) recommend using 100 to 150 people to determine the appropriate sample size.

Since this study's questionnaires are sent out via mail, all owners and managers of SMEs construction firms in Peninsular Malaysia received a total of 1524 questionnaires, which represent the whole sample frame. Because they are the primary informants, have firsthand knowledge of the industry they were in, and are in a suitable position to respond to the study, the owners and managers of the organization serve as the study's unit of analysis (O' Cass & Ngo, 2007; Heide & Weiss, 1995; Weerawardena, 2003).

### **Scale Reliability**

The tools employed in this study were created based on earlier research and reliability testing. To ensure their relevance for the goals of this study, some of the questions were adapted.

Table 1

*Reliability Coefficient of the Study Variables*

Variables	Total Item	Alpha
Factor1 SME (organization effectiveness) (after FA)	3	.818
Market orientation (Mktor)	14	.901

Table 1 shows that all research variables' coefficient alphas, which range from a minimum of 0.818 to 0.901, are over the acceptable standard of 0.70 (Hair et al., 2006). Overall, the study showed that each instrument, as shown by the trustworthy items, is a relevant measure.

Because of its adaptability when used with continuous variables—variables that may be assessed using an interval or ratio scale—Cronbach's alpha is also preferred (Huck, 2004). The commonly accepted limit for Cronbach's alpha, which is 0.60 as advised by Hair et al (2006); Sekaran (2004), should also be used for this investigation, even though an alpha value of 0.70 or higher is accepted.

**Factor Analysis**

Factor analysis was used to assess the construct validity in this study. According to Hair et al (2006); Tabachnick & Fidell (2001), factor analysis is used to identify the underlying structures or factors in the variables under investigation. According to Coakes et al. (2006), it can assist in determining the construct adequacy of a measurement equipment. To look into the relationships between the items utilized in the suggested measures, a principal component factor analysis with varimax rotation was carried out. Because principal components are commonly utilized, they were selected (Hair et al., 2006). Two factors were retrieved with eigenvalue values of 1 according to a factor analysis that was done. The first component, referred to as SME performance, is actually organization growth and firm effectiveness.

Table 2

*Firm performance After Factor analysis***Pattern Matrix<sup>a</sup>**

	Component	
	2	1
FP2	.948	.
FP1	.895	.
FP8		.909
FP9		.827
FP6		.823
FP5		

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 10 iterations.



### **The Firm Performance after factor analysis**

Many studies have measured the performance of organizations using a range of measures, including growth, financial profitability, and operational efficiency (Thomas & Ramaswamy, 1996). This study has employed the company performance measurement developed by (Phan et al., 2001).

The component analysis result in this study has shown that company effectiveness and firm development are the two reliable aspects of firm success (see table 2).

This outcome is consistent with the parameters put forth by Wood (2006), who said that financial performance is one of the metrics used to measure a firm's effectiveness, and Butler Phan, Saxberg, and Lee (2001), who said that firm effectiveness and growth serve as predictors of future performance. Consequently, the financial result and anticipated performance of the corresponding firms align with the study's examples of firm effectiveness and firm growth.

### **Firm Effectiveness**

Firm effectiveness is the degree to which results are attained as a result of managers' and workers' efforts. Enhancing output quality and bolstering the ability of employees and managers who demonstrate effectiveness at work to produce high-quality results are the goals of these programs (Kelly, 2008). The operational definition of this research states that a company's efficacy is assessed by how well it grows sales volume through aggressive marketing campaigns, improves reputation through innovative branding strategies, and satisfies customers by offering premium products at affordable prices. Consequently, this study demonstrates how construction company owners and managers can function more effectively when their firms are more productive.

### **Firm Growth**

A company's development is assessed using both financial and non-financial benchmarks. An rise in sales and revenue requires finance. Business growth, as defined by business dictionary.com (<http://www.businessdictionary.com/>), is the process of improving specific performance metrics of a firm. There are two methods to achieve business growth: increasing revenue through more product or service sales or decreasing costs to improve the operation's profitability. Any business that generates a significant positive cash flow or earnings growth that is much greater than the rate of inflation qualifies as a growth firm, according to Investopedia.

Reinvesting its own retained earnings can prove to be a very advantageous choice for an expanding company. Consequently, it typically distributes little to no dividend to its shareholders.

According to certain research, growth can be measured using a range of indicators. The most often suggested indicators are profits, market share, assets, sales, employment, and physical output (Ardishvili et al., 1998; Davidsson et al., 1998; Wiklund, 1998).

**Market orientation after Factor analysis**

Table 3. Market orientation

Table 3

*Rotated Component Matrix for Market orientation (Maktor)*

**Rotated Component Matrix<sup>a</sup>**

	Component		
	1	2	3
MKT14	.872		
MKT5	.814		
MKT12	.788		
MKT10	.769		
MKT7	.759		
MKT13	.633		
MKT6		.932	
MKT9		.742	
MKT11			
MKT4			
MKT1			.908
MKT3			.768
MKT8			
MKT2			

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Referring to Table 3, the component analysis result in this study has demonstrated three dependable MO dimensions: Maktor1, Maktor2, and Maktor3. Therefore, the study's examples of firm effectiveness and firm growth correspond to the financial outcome and projected performance of the firm, respectively.

**Table 4**

*Cronbach Alpha for Dimensions of Maktor1, 2 and 3*

Market orientation		Cronbach Alpha (α) after Factor Analysis
Market orientation 1	6	.919
Market orientation 2	2	.812
Market orientation 3	2	.792

With reference to Table 4, the component analysis has identified six factors based on the cumulative variance of Eigen values; these factors have a combined score of 79.10%.

Table 3's rotation component matrix revealed that six items, including MAK25 (customer satisfaction), MAK27 (salespeople share information about competitors' tactics), MAK210 (top management team continuously discusses competitors' plans and strengths), and

MAKT12, had converged into factor one. We share information on both positive and negative client experiences across all business functions), MAKT 13 (Meeting the needs of our target audiences entails all business processes, including finance and accounting, research and development, marketing and sales, and production), and MAKT 14 (All of our supervisors are aware of the potential contributions that each employee can make to creating value for our clients). The factor's Cronbach Alpha was .919.

Hence, this factor was reliable. The new name for this factor is "MAKTOR1)." The second factor has three items: \* It takes time for other departments to be informed when one department learns something important about competitors; \* We regularly assess the potential impact of changes to our business environment, such as new regulations, on customers; \* The entire department or organization is quickly informed of significant events that affect a significant clientele; and \* Its Cronbach Alpha value was .812. The new name for this factor is "MAKTOR2." The third factor is made up of MKT 1 (Response from customers drives company goals) and MKT 3 (understanding customer wants is the cornerstone of our strategy for gaining a competitive edge). The third element is composed of two scored items .792 Cronbach Alpha coefficient.

Therefore, the characteristics of firm effectiveness and firm growth for SME construction companies in this study suggest performance and business sustainability. Thus, the hypotheses are expanded as below;

- H1:** There is significant influence exist between Market orientation (Maktor1) and performance (effectiveness) of SME construction firm.
- H2:** There is significant influence exist between Market orientation (Maktor2) and performance (effectiveness) of SME construction firm.
- H3:** There is significant influence exist between Market orientation (Maktor3) and performance (effectiveness) of SME construction firm.
- H4:** There is significant influence exist between Market orientation (Maktor1) and performance (Growth) of SME construction firm.
- H5:** There is significant influence exist between Market orientation (Maktor2) and performance (Growth) of SME construction firm.
- H6:** There is significant influence exist between Market orientation (Maktor3) and performance (Growth) of SME construction firm.

## **Results and Discussion**

### **Sample Characteristic**

The following Table 5 displays the profile of the respondents (owners/managers) as reported by (Yusuff, 2015; Murjan, 2012; O'Cass & Ngo, 2007; Heide & Weiss, 1995; Weerawardena 2003). The study sample is made up of respondents with different characteristics, such as gender and condition of operation. The samples displayed are representative of Malaysia's natural SMEs because they were chosen at random from among Malaysian CIDB registered members.

Table 5

*Respondent profile*

Items	Categories	Frequency	Percentage
Gender	Male	135	80.4
	Female	33	19.6
State operates	Kuala Lumpur	67	39.8
	Penang	5	3.0
	Perak	8	4.8
	Selangor	48	28.5
	Negeri_Sembilan	9	5.4
	Melaka	10	6.0
	Johor	11	6.5
	Terengganu	4	2.4
	Kelantan	6	3.6

**Multiple Regression Analysis**

The characteristics that determine the organizational effectiveness and growth of SMEs and MO are correlated, as shown in Table 6.

In terms of organizational performance, the results show that while both Hypothesis One (H1) and Hypothesis Three (H3) were supported, H3 was not. H5 and Hypothesis 4 (H4) were found to be supportive of organizational growth. But H6 was not support.

In short as shown in table 6, Mktor1 and Mktor 3 were corelated with organizational effectiveness and Mktor 2 were not corelated. Whereas Mktor 1 and Mktor 2 were corelated with drganisational growth and Mktor 3 were not corelated.

Table 6

*Correlations between Variables Understudied*

	Organizational_Effectiveness	Organizational_Growth
Mktor1	.283**	
Mktor 2	.124	.458**
Maktor3	.207**	.658**
		.028

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

\*Correlation is significant at the 0.05 level (2-tailed)

Table 7

Findings according to objectives and Hypothesis

	Issues	Problems (objectives)	Hypothesis	Findings
1	Issue 1 Market orientation (Maktor1) and SME performance (organizational effectiveness)	1. To examine whether Market orientation (Maktor1) influence organizational effectiveness	H2 There is a significant influence exist on relationship between Market orientation (Maktor1) and organizational effectiveness	F1 Supported 283**
2	Issue 2 Market orientation (Maktor2) and SME performance (organizational effectiveness)	1. To examine whether Market orientation (Maktor2) organizational effectiveness	H2 There is a significant influence exist on relationship between Market orientation (Mktor2 ) and organizational effectiveness	F2 Not supported .124
3	Issue 3 Market orientation (Maktor3) and SME performance (organizational effectiveness)	1. To examine whether Market orientation (Maktor3) influence organizational effectiveness	H3 There is a significant influence exist on relationship between Market orientation (Maktor) and organizational effectiveness	F3 Supported 207**
4	Issue 4 Market orientation (Maktor1) and SME performance (Organizational growth)	1. To examine whether Market orientation (Maktor1) influence Organizational growth	H4 There is a significant influence exist on relationship between Market orientation (Maktor1) and Organizational growth	F4 Supported 458**
5	Issue 5 Market orientation (Maktor2) and SME performance (Organizational growth)	. To examine whether Market orientation (Maktor2) influence Organizational growth	H5 There is a significant influence exist on relationship between Market orientation (Maktor2) and Organizational growth	F5 Supported 658**
6	Issue 6 Market orientation	. To examine whether Market orientation (Maktor3) influence Organizational	H6 There is a significant influence exist on relationship between	F6 Not supported .028

(Maktor2) and SME performance (Organizational growth)	growth	Market orientation (Maktor3) and Organizational growth	
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All things considered, our results corroborate current research indicating that Malaysian SMEs should prioritize market orientation (Maktor1, and 3) in order to influence the effectiveness of business performance. (Maktor1, and 2) in order to influence the growth of business performance. The SME construction business performance studies also gain new insights from this.

**Conclusion**

Research has been done with the goal of examining the relationship between MO and Firm Performance, and the findings have been promising. Table 6 demonstrates that SME construction firms significantly and favorably impact the firm's growth and effectiveness, two key performance factors. This implies that in order to achieve company effectiveness and growth, market orientation must be used effectively. This study also agrees with Farrell (1997). It makes a contribution to organizational performance theory and practice. It also advances our knowledge of the variables influencing SME performance. In particular, it sheds further light on the relationship between Market orientation (entrepreneurial resources) and SME construction performance. This research also expands on the additional insights that indicated the inclusion of extra resources that could influence the performance of SMEs in the construction industry in terms of effectiveness and growth

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