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The Role of Market Orientation as a Mediation Variable Entrepreneurial Orientation on Sustainable Performance

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ABSTRACT

This research aims to analyze the influence of Entrepreneurial Orientation on Sustainable Performance by considering the role of Market Orientation as a mediating variable. This research uses a quantitative approach by collecting data through surveys and statistical analysis using smartPLS to test the influence between Entrepreneurial Orientation, Market Orientation, and Sustainable Performance. The research results show that Entrepreneurial Orientation influences Market Orientation. Entrepreneurial Orientation has an influence on Sustainable Performance. Market Orientation influences Sustainable Performance. Entrepreneurial Orientation influences Sustainable Performance through Market Orientation. Limitations of this research include the use of a limited sample of SMEs in Kediri Indonesia and the use of a self-report questionnaire which can cause data bias. Further research with wider sample coverage and more diverse data collection methods is needed to strengthen the generalization of the findings. The findings of this research provide guidance for SMEs to improve sustainable performance through developing entrepreneurial orientation and market orientation. This research provides a new contribution to the literature by examining the role of market orientation as a mediator in the relationship between entrepreneurialism and Sustainable Performance.

INTRODUCTION

The development of fisheries and fish cultivation in Indonesia is a resource that has an important role and added value because of the potential that can support various sectors, especially the economic sector (KKP: 2022). Globally, fisheries resources are increasing, therefore various efforts are being made to manage fisheries with established policies, one of which is long-term and sustainable conservation.

The highest production of aquaculture for East Java Province according to the main commodities is seaweed, milkfish, catfish, shrimp and tilapia. One of the districts in East Java which has relatively high fish cultivation production is Kediri Regency where in 2018 - 2020 experienced a significant increase. In 2018, pond cultured fish production reached 18,792,970 kg. Then in 2019 there was an increase from 2018 to 2019 amounting to 1,527,030 kg and 1,233,710 kg from 2019 to 2020. This can be influenced by several existing factors, one of which is motivation.

Based on the description above, it is known that MSMEs, especially in the catfish cultivation sector in Kediri Regency, have good sustainable performance. One form of

strategy in terms of increasing the amount of production from catfish cultivation in Kediri Regency is by performing sustainably. Sustainable performance is the ability of an organization to achieve its long-term goals in a sustainable manner, both from an economic, social and environmental perspective. In the context of catfish cultivation in Kediri Regency, sustainable performance can be interpreted as the ability of farmers to increase the amount of catfish production in a sustainable manner, without damaging the environment and harming the community. Thus, it is very important to study sustainable performance along with other factors, namely Entrepreneur Orientation, Market Orientation and Information Technology.

Entrepreneurial orientationis the orientation that an organization has to innovate and take risks. Entrepreneurial orientation can encourage cultivators to innovate in the cultivation process, such as using new technology, developing new products, or developing new markets. Entrepreneurial orientation is an interesting phenomenon in the areas of human resource management, marketing management and financial management as well as strategic management to be discussed because of its connection with behavior. This is a behavior that is unique because it is supported by a strong belief within a person in the form of a desire, more specifically a desire for entrepreneurship (Bacq & Janssen, 2011). Entrepreneurial orientation can also have an influence on the creation of market orientation (Baker & Sinkula, 2009; Cho & Lee, 2020).

Market orientationis an orientation that an organization has to understand customer needs and desires. Market orientation can encourage farmers to produce catfish that suit consumer needs and desires. Market orientation according to Narver & Slater (1990) has three (3) behavioral components which include customer orientation, competitor orientation and inter-functional coordination, where customer orientation is the company's or an entrepreneur's understanding of customers, competitor orientation is the company's or an entrepreneur's understanding of competitors and inter-functional coordination is the effort and coordinated utilization by a company or an entrepreneur.

The previous description of several studies shows that entrepreneurial orientation influences sustainable performance with market orientation as a mediating variable. This can be abbreviated with a summary in the form of the following table:

Table 1. Research Gap

Research Gap	Relationship Between Variables	Researcher	Findings
Inconsistency of Results	Entrepreneur Orientation > Sustainable Performance	Bulanova et al. (2016); Henley et al. (2017)	Significant
		Chae (2014); Gomez (2018)	Not significant
The role of Market Orientation as a mediating variable is not yet clear	Entrepreneur Orientation > Market Orientation > Sustainable Performance	Gu et al. (2020); Lumpkin & Dess (1996); Wiklund & Shepherd (2005);	Significant
		Chae (2014); Gomez (2018)	Not significant

Source: processed data, 2023.

According to existing research, as listed in Table 1, it shows that there are differences in the results of several studies which have conflicting results. These various results require further research to identify further research to determine and analyze the role factors of market orientation as a mediating variable in entrepreneurial orientation towards sustainable performance.

LITERATURE REVIEW

Sustainable Performance

Sustainability, in essence, pertains to a state wherein current progress does not impede the fulfillment of the needs of future generations (Adams & Abhayawansa, 2022). So, if it is related to performance, it can be said that sustainable performance is an effort made by a person or group of people in an organization where a person or group of people is there to carry out activities so that they can achieve the final goal which can realize sustainable performance.

Measurement of sustainable performance can be measured through the economic dimension consisting of cost performance, environmental and social performance. The social aspect encompasses collaborative capabilities between firms, collaborative capabilities within a firm, employee satisfaction, supplier relations, social benefits, maintaining a balance between professional and family life, representation and dialogue with employees, support for social settings, and sustainable working conditions. On the other hand, the environmental dimension includes activities related to environmental protection, green marketing, environmental policy, energy conservation, reduction of carbon footprint, decrease in energy usage, air pollution reduction, waste management, reduction of resource consumption, and the utilization of recyclable raw materials. The government dimension consists of corporate reputation, environmental logistics policy, transparency in information, investor relations, code of conduct, corporate governance, human capital development. Technical dimensions, consisting of quality management and market orientation (Caiado et al., 2018).

On research Mengistu et al. (2023) can be measured through economic dimensions consisting of financial benefits, costs, and market competitiveness. Environmental dimension: material resources. The social dimension consists of employees and customers.

Based on this description, the measurement of the sustainable performance variable was adopted by two researchers, namely Caiado et al. (2018) and Mengestu et al. (2023), which consists of economic, social and environmental dimensions, but the government dimension and technical dimension are not used as variable measurements because the government dimension is more macro in nature and cannot be measured directly at the company level, and the technical dimension is more macro in nature and cannot be measured directly at the company level. This is because the technology used can vary in each company.

Entrepreneur Orientation

Entrepreneurship has a definition that has developed from century to century, the term entrepreneur comes from French, the history of entrepreneurship in the middle of this century was clerical, which means being responsible for work and of course the environment in which the individual is located. Entrepreneurship is a driver of economic growth. An

entrepreneur is a person who sees opportunities and opportunities to create goods or services that have value (Atarah & Nolan, 2023; Mirvis & Googins, 2018)

The emphasis here is onThe definition of entrepreneurial orientation is that anyone who starts a new business focuses on activities that are in accordance with their desires, driven by both internal and external motivation (Solesvik et al., 2019; Sutter et al., 2019). Conversely, entrepreneurial orientation is an effort to create value through introducing a business, daring to take appropriate risks and through skills, innovation, communication and various materials and media needed to produce a project so that it can run well (Ughetto et al., 2020; Urbano et al., 2019).

In the Big Indonesian Dictionary, orientation is defined as the underlying view of thoughts, attention and tendencies. Miller (1983) defines an Entrepreneurial orientation, as described, involves engaging in product-market innovation, taking on low-risk ventures, and being the first to introduce proactive innovations while strategically outperforming competitors. According to Miller, entrepreneurial orientation is assessed through three dimensions of entrepreneurship: being proactive, taking risks, and fostering innovation. Hayton (2005) further emphasizes that the core of entrepreneurial orientation lies in the inclination (passion) to actively seek the creation and acquisition of new knowledge, along with the integration of knowledge and skills, in order to form novel combinations with available resources.

The measurement of the entrepreneur orientation variable was adopted by four researchers, namely Miller (1983), Lumpkin and Dess (1996); Lumpkin & Dess (2001); Wiklund and Shepherd (2005); consisting ofpassion, risk-taking, proactive,and innovative. These four dimensions of entrepreneurial orientation cover various important aspects of entrepreneurship. Passion is related to aspects of motivation and commitment, risk-taking is related to aspects of decision making and courage, proactive is related to aspects of anticipation and action, and innovative is related to aspects of creativity and innovation.

Market Orientation

Market orientationis a business perspective that makes customers the starting point of total company operations. Because it is a market-oriented business, it must systematically and fully have a culture to continue to be creative in creating superior value to customers (Cravens & Piercy, 2003). Market Orientation according to Vitale et al. (2003) is an orientation towards creating value for customers and companies by meeting customer needs.

In the study by Vitale et al. (2003), various terms are employed to describe the concept, including market knowledge, the distribution of market information, and the contribution of marketing activities to customers. In their study, Vitale et al. (2003) simultaneously operationalize the market orientation construct by incorporating elements such as knowledge about markets, dissemination of market information, and contribution to marketing activities. These factors are subsequently utilized as indicators for the market orientation variable in the current research.

RESEARCH METHODS

This research can be said to be explanatory research. The population in this study were members of the Kediri Catfish Entrepreneurs Association cultivating freshwater catfish commodities in Kediri Regency, East Java, totaling 630 catfish farmers. This research uses the

Slovin formula to determine a sample that is too large, because when drawing samples, the size should be representative, so that a sample size of 245 catfish farmers is obtained.

Data collection was carried out by distributing questionnaires via Google Form related to the variables entrepreneurial orientation, market orientation and sustainable performance. This research uses ordinal measurement with a Likert scale.

Data analysis techniques use descriptive analysis and inferential statistics. Inferential statistics are used to test hypotheses and produce a feasible model. The chosen method for data analysis is the Structural Equation Model (SEM), specifically employing a Variant-Based SEM or Partial Least Squares (PLS) approach.

RESULTS AND DISCUSSION

Inferential Statistical Analysis

The SEM method is an analytical tool used to simultaneously test the relationship between various exogenous and endogenous variables which have a number of indicators. In this research, PLS-based SEM data processing techniques were used. The use of PLS software in this research was carried out with SmartPLS version 3.0. PLS analysis tests the influence of entrepreneurial orientation, market orientation, and sustainable performance.

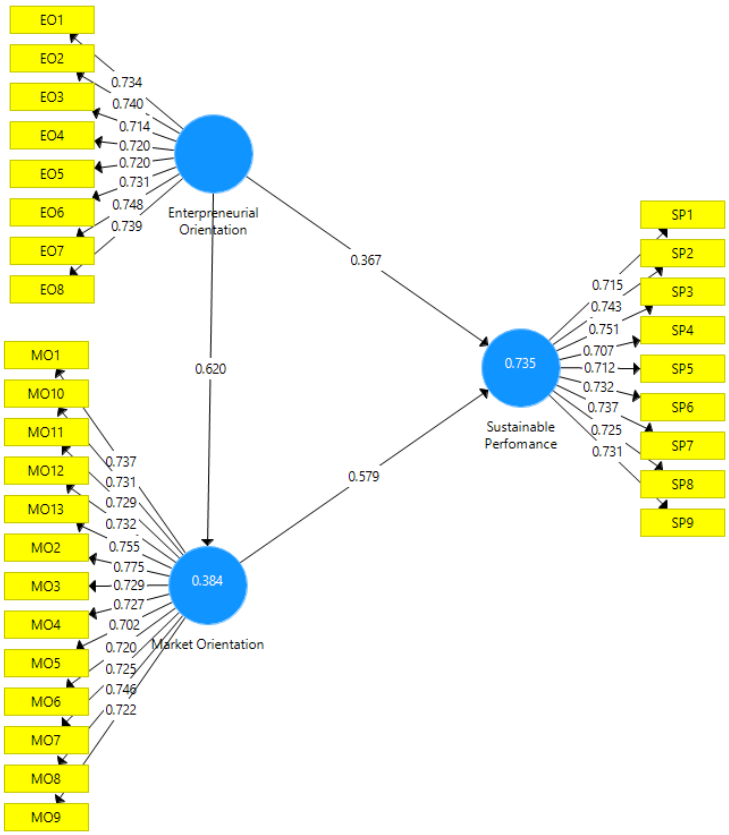

Figure 1. Outer Loading Value of Valid Research Items

Source: Output smartPLS.

In a research context, a path model is used to describe the relationship between variables and present levels of significance when testing hypotheses. From Figure 1 it can be seen that entrepreneurial orientation influences market orientation by 62%, entrepreneurial

orientation influences sustainable performance by 36.7%, market orientation influences sustainable performance by 57.9%.

Evaluation of the Measurement Model (Outer Model)

Measurement model analysis is used to evaluate the validity and reliability of a construct. An individual reflective measure is considered to have high validity if its correlation exceeds 0.60 with the construct being measured (Ghozali and Latan, 2015). There are 3 things in assessing the outer model, namely convergent validity, discriminant validity, and composite reliability.

1) Convergent Validity

Convergent validity is used to evaluate the validity of the relationship between each latent variable and its indicators. The following are the outer loading results for each indicator related to exogenous and endogenous latent variables, which can be found in table 1.

Table 2. Convergent Validity Test Results via Outer Loading

Indicator	Items	Outer Loading	Cut Off	Results
	Sustainable Performance			
Economic aspect	SP1	0.715	0.60	Valid
	SP2	0.743		Valid
	SP3	0.751		Valid
Social Aspects	SP4	0.707		Valid
	SP5	0.712		Valid
	SP6	0.732		Valid
Environmental Aspects	SP7	0.737		Valid
	SP8	0.725		Valid
	SP9	0.731		Valid
	Entrepreneurial Orientation			
Passions	EO1	0.734	0.60	Valid
	EO2	0.740		Valid
Risk-Taking	EO3	0.714		Valid
	EO4	0.720		Valid
Proactive	EO5	0.720		Valid
	EO6	0.731		Valid
Innovative	EO7	0.748		Valid
	EO8	0.739		Valid
	Market Orientation			
Knowledge of the Market	MO1	0.737	0.60	Valid
	MO2	0.775		Valid
	MO3	0.729		Valid
	MO4	0.727		Valid
	MO5	0.702		Valid
	MO6	0.720		Valid
Dissemination of Market Information	MO7	0.725		Valid
	MO8	0.746		Valid
	MO9	0.722		Valid
	MO10	0.731		Valid
Marketing Contribution	MO11	0.729		Valid
	MO12	0.732		Valid
	MO13	0.755		Valid

Source: Output smartPLS.

Table 2 shows that all items in the variables have been confirmed as valid and have met the convergent validity test criteria. Convergent validity can also be evaluated through the Average Variance Extracted (AVE) value. The results of convergent validity testing, based on the AVE value, are presented in Table 3.

Table 3. Average Variance Extracted (AVE) Findings

Variable	Cut off	AVE	Results
Sustainable Performance	0.50	0.531	Valid
Entrepreneurial Orientation	0.50	0.538	Valid
Market Orientation	0.50	0.534	Valid

Source: Output smartPLS.

From Table 3, it can be identified that the variables used to describe the relationship between all indicators and latent variables, namely entrepreneurial orientation, market orientation and sustainable performance, are said to be valid because they have met an AVE value exceeding 0.50. Therefore, these indicators are considered valid in measuring research variables.

2) Discriminant Validity

Another factor that can be used to assess validity is discriminant validity. Discriminant validity is evaluated by looking at cross loading, with the requirement that the outer loading value must be greater than the correlation value between the indicator and other variables. The findings of discriminant validity testing can be found in Table 4.

Table 4. Discriminant Validity Test Results (Cross Loading)

Items	Variable		
	Sustainable Performance (SP)	Entrepreneurial Orientation (EO)	Market Orientation (MO)
SP1	**0.715**	0.536	0.544
SP2	**0.743**	0.516	0.661
SP3	**0.751**	0.572	0.627
SP4	**0.707**	0.517	0.557
SP5	**0.712**	0.517	0.596
SP6	**0.732**	0.532	0.593
SP7	**0.737**	0.543	0.556
SP8	**0.725**	0.466	0.560
SP9	**0.731**	0.561	0.587
EO1	0.480	**0.734**	0.420
EO2	0.548	**0.740**	0.458
EO3	0.475	**0.714**	0.369
EO4	0.516	**0.720**	0.452
EO5	0.552	**0.720**	0.476
EO6	0.522	**0.731**	0.487
EO7	0.584	**0.748**	0.483
EO8	0.555	**0.739**	0.463
MO1	0.533	0.389	**0.737**
MO2	0.629	0.464	**0.775**
MO3	0.503	0.374	**0.729**

Items	Variable		
	Sustainable Performance (SP)	Entrepreneurial Orientation (EO)	Market Orientation (MO)
MO4	0.526	0.479	**0.727**
MO5	0.499	0.397	**0.702**
MO6	0.575	0.319	**0.720**
MO7	0.651	0.516	**0.725**
MO8	0.576	0.467	**0.746**
MO9	0.596	0.502	**0.722**
MO10	0.604	0.524	**0.731**
MO11	0.655	0.502	**0.729**
MO12	0.627	0.476	**0.732**
MO13	0.668	0.436	**0.755**

Source: Output smartPLS.

Based on the cross loading findings in Table 4, it can be seen that the outer loading value of each item is higher than the cross loading value. This indicates that each indicator is considered to be able to effectively measure the corresponding latent variable. In addition, the latent variable also meets the criteria for discriminant validity.

3) Composite Reliability

The following are the composite reliability test findings listed in Table 5.

Table 5. Cronbach's Alpha and Composite Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability	Cut Off	Results
Entrepreneurial Orientation	0.876	0.902	0.60	Reliable
Market Orientation	0.928	0.938	0.60	Reliable
Sustainable Performance	0.889	0.910	0.60	Reliable

Source: Output smartPLS.

Table 5 reveals that all variables, namely entrepreneurial orientation, market orientation, and sustainable performance, exhibit Cronbach's alpha values and composite reliability values surpassing 0.60. This leads to the conclusion that all variables in this study can be deemed reliable. This observation also suggests that the items utilized as instruments in this research are devoid of errors and are deemed suitable for use in subsequent tests.

Structural Model Evaluation (Inner Model)

Inner model testing in SEM can be carried out using three methods, namely R-Square (R^2), Predictive Relevance (Q-Square/ Q^2), and Goodness of Fit (Gof).

1) Evaluation of the Coefficient of Determination (R-Square/ R^2)

R-Square measures how well the model can explain variations in endogenous latent variables. The R-Square value ranges from 0 to 1, and the higher the value, the better the model is at explaining variability. R-Square was calculated for each endogenous latent variable in the model. Table 6 describes the findings of the inner model assessment using the coefficient of determination (R^2):

Table 6. Inner Model Evaluation Results with Determination Coefficient (R^2)

		Influence	R-Square
Entrepreneurial orientation	➔	Market orientation	0.384
Entrepreneurial orientation Market orientation	➔	Sustainable performance	0.735

Source: Output SmartPLS.

The R-Square value pertains to the coefficient of determination related to the endogenous construct. Table 5 data reveals that, for the market orientation variable, the R-Square value stands at 0.384. This implies that 38.4% of the influence on market orientation by the entrepreneurial orientation variable is accounted for, while the remaining impact is attributed to other factors not incorporated into the research model. Additionally, the coefficient of determination is considered weak, given that it is below 0.67, as per the criteria established by Chin (1998:323). Moreover, the combined influence of the entrepreneurial orientation and market orientation variables on sustainable performance reaches 0.735 or 73.5%. The remainder is explicable by other variables not encompassed in the research model. This coefficient of determination is characterized as strong since it exceeds 0.67, aligning with the criteria outlined by Chin (1998:323)..

2) Evaluation of Structural Models Through Predictive Relevance (Q-Square/ Q^2)

Q-Square measures the model's ability to predict endogenous variables. A positive Q-Square value indicates the model has good predictive ability. Q-Square is calculated by comparing the model's predicted findings with the actual findings, and higher values indicate better prediction levels. The results of Q^2 research in this research are:

$Q2 = 1 - (1 - R1^2) \times (1-R22)$
$= 1 - (1 - 0.384) \times (1-0.735)$
$= 1 - (0.616) \times (0.265)$
$= 1 - 0.163$
$= 0.837$

Based on these calculations, it can be concluded that this research model has strong qualifications and can be considered suitable for hypothesis testing. As much as 83.7% of the variation in the sustainable performance variable can be explained by the entrepreneurial orientation and market orientation variables. Meanwhile, the remaining 16.3% can be attributed to other factors not included in the research model.

3) Evaluation of Structural Models Through Goodness of Fit (GoF)

GoF is a metric that measures overall model suitability, and is considered a single measure for the outer model and inner model. The GoF evaluation findings are presented in Table 7.

Table 7. Goodness of Fit Evaluation Results

Variable	R-square (R^2)	AVE
Entrepreneurial orientation	-	0.534
Market orientation	0.384	0.538
Sustainable performance	0.735	0.531
Average	**0.560**	**0.534**

Source: Source: Output smartPLS.

The GoF value calculation is carried out using the following steps:

$$GoF = \sqrt{AVE \times R^2}$$
$$= \sqrt{0{,}534 \times 0{,}560}$$
$$= 0{,}547$$

From the calculation findings above, the GoF value is 0.547. This indicates that overall, the structural model in this research has quite large predictive properties. Therefore, with a high level of confidence, hypothesis testing can be carried out with confidence that the model has adequate reliability in representing the structure of the relationships between the observed variables.

Hypothesis Testing Results and Mediation Test Findings

Hypothesis testing was carried out to evaluate the impact of the entrepreneurial orientation variable on sustainable performance, both directly and through the market orientation variable. Findings from testing direct and indirect effects for the hypotheses are presented in table 8.

Table 8. Hypothesis Testing

Hypothesis	Connection	Path Coefficients	t- statistics	p-values	Information
H1	Entrepreneurial orientation → Market orientation	0.620	13.961	0.000	Significant
H2	Entrepreneurial orientation →Sustainable performance	0.367	6.842	0.000	Significant
H3	Market orientation → Sustainable performance	0.579	11.452	0.000	Significant
H4	Entrepreneurial orientation →Market orientation → Sustainable performance	0.359	8.498	0.000	Significant

Source: Output smartPLS.

Based on the findings of the path coefficient test, it can be explained that the t-statistics value obtained for the influence of the entrepreneurial orientation variable on market orientation is 13.961 with a p-value of 0.000, or in other words, the t-statistics value is (13.961 > 1.96) and p -value (0.000 < 0.05), this is considered significant. The path coefficient of the entrepreneurial orientation variable on market orientation shows a positive influence with a value of 0.620. Thus entrepreneurial orientation has a positive and significant influence on market orientation, so hypothesis 1 is accepted.

The impact of entrepreneurial orientation on sustainable performance is noteworthy, evidenced by a t-statistics value of 6.842 and a significance level (p-value) of 0.000. The t-statistics value surpasses 1.96, and the p-value is below 0.05. Additionally, the positive path coefficient of the entrepreneurial orientation variable stands at 0.367. Consequently, it can be inferred that entrepreneurial orientation exerts a positive and significant influence on sustainable performance, leading to the acceptance of hypothesis 2.

Similarly, the influence of market orientation on sustainable performance is substantial, as indicated by a t-statistics value of 11.452 and a significance level (p-value) of 0.000, coupled

with a path coefficient value of 0.579. Hence, it can be concluded that market orientation has a positive and significant effect on sustainable performance, leading to the acceptance of hypothesis 3.

The mediation test results indicate that the t-statistics value was 8.498, surpassing the t-table value of 1.96. This suggests a substantial impact of entrepreneurial orientation on sustainable performance through market orientation. The positive path coefficient of 0.359 signifies a one-way influence, indicating that a stronger entrepreneurial orientation among catfish farmers in terms of passion, risk-taking, proactivity, and innovation corresponds to elevated sustainable performance, and vice versa. In the direct examination of the entrepreneurial orientation variable on sustainable performance, a t-statistics value of 6.842 and a path coefficient of 0.367 were obtained. This implies a positive and significant influence of entrepreneurial orientation on sustainable performance, as the t-statistics value exceeds the t-table value (6.842 > 1.96). Following the mediation test, the t-statistics value was 8.498 with a path coefficient of 0.359. Comparing this to the direct test results (0.367), there is a slight reduction in the effect when mediation is considered. Thus, it can be concluded that the impact of market orientation as a mediating variable for entrepreneurial orientation on sustainable performance is partially mediating. This aligns with Baron and Kenny's (1986) theory, asserting that if the independent variable's effect on the dependent variable decreases (but not to zero) when the mediating variable is included, partial mediation occurs.

DISCUSSION

The Influence of Entrepreneurial Orientation on Market Orientation

Entrepreneurial orientation has a positive effect on market orientation in catfish farmers. Entrepreneurial-oriented cultivators are more likely to understand customer needs, take risks, and adapt to market changes. This can help farmers to achieve better performance, such as increasing sales, profits and customer satisfaction. Entrepreneurial-oriented catfish farmers may be more likely to invest in research and development to develop new products that meet unmet customer needs. Entrepreneurial Orientation, which reflects a proactive and innovative attitude in identifying and taking business opportunities, can encourage catfish farmers to be involved in product innovation and cultivation processes. This opens up opportunities for them to increase responsiveness to changing market preferences. In addition, the risk orientation contained in Entrepreneurial Orientation can encourage cultivators to take measured risks in exploring new markets or developing new products in accordance with market needs. Entrepreneurial Orientation can also strengthen customer orientation, helping farmers to better understand customer needs and desires, which can then be directed through market orientation to provide catfish products that are more in line with market preferences. In addition, catfish farmers who have a high entrepreneurial orientation tend to see new opportunities in the market, and market orientation can help them direct their efforts to suit the needs of that market. The results of this study support Day & Wensley (1988), Kohli & Jaworski (1990), Zahra & Garvis (2000), AndRenko et al. (2020) which states that market orientation will increase because it is based on several components in MSME actors in the form of entrepreneurial orientation.

The Influence of Entrepreneurial Orientation on Sustainable Performance

Entrepreneurial Orientation influences Sustainable Performance. This shows that

entrepreneurial orientation, which includes the characteristics of passion, risk-taking, proactiveness, innovation, can be the main driver in shaping the sustainable performance of an organization, including in the context of the catfish farming industry. The passion aspect in Entrepreneurial Orientation can move an organization to commit to sustainable values and goals. When business people have an interest and dedication to social and environmental aspects, they tend to adopt practices that support sustainability as an integral part of the company's identity and mission. Risk-taking in Entrepreneurial Orientation also has a positive impact on sustainable performance. Organizations that are willing to take risks to implement sustainable practices or create environmentally friendly innovations can achieve long-term competitive advantage. Although risks may arise, potential rewards in the form of sustainability can be an encouragement for the organization's sustainable performance. Proactivity in Entrepreneurial Orientation reflects the organization's ability to detect and anticipate sustainable opportunities and challenges. Organizations that are proactive on environmental and social issues will likely respond more effectively to market and regulatory demands that evolve over time. Innovativeness, as one of the main elements in Entrepreneurial Orientation, opens up opportunities to create sustainable solutions. Innovations in products, processes, or business models can help organizations achieve sustainability goals in a more efficient and effective way. The results of this study support Kohli & Jaworski (1990), Covin & Slevin (1991), Zahra & Garvis (2000), Ireland et al, (2003), Wiklund & Shepherd (2005), and Hooi et al. (2016)who found that entrepreneurial orientation towards sustainable performance.

The Influence of Market Orientation on Sustainable Performance

Market Orientation influences Sustainable Performance. This shows that the better an organization can understand and respond to market needs related to sustainability, the greater it will achieve sustainable performance. Market orientation, which involves in-depth knowledge of the market, dissemination of market information, and marketing contributions, can be a driving force in achieving sustainability goals. By having good market knowledge, organizations can identify sustainability-related opportunities and challenges, such as changing consumer trends leading to demand for more environmentally friendly products. Effective market orientation allows organizations to adapt practices to suit the demands and expectations of a market that increasingly prioritizes sustainability. Dissemination of good market information in market orientation facilitates effective communication with stakeholders, including consumers, suppliers and business partners. This enables collaboration and information exchange that can help improve sustainable practices in an organization's supply chain and operations. Marketing contributions in market orientation can also shape a positive image of the company regarding sustainability. Through marketing strategies focused on sustainable values, organizations can increase consumer awareness and trust in their products or services, which can have a positive impact on Sustainable Performance. By improving market orientation, organizations can achieve sustainability through increasing operational efficiency, implementing environmentally friendly practices, and providing products or services that are more in line with market expectations. Thus, market orientation is not only a tool for understanding the market, but also a strong strategy for improving sustainable performance and creating long-term value for organizations in a business environment that increasingly prioritizes sustainability. The results of this study

support Liu & Su (2014), Pantouvakis et al. (2017), Alerasoul et al. (2022) stated that market orientation has an influence on sustainable performance.

The Influence of Entrepreneurial Orientation on Sustainable Performance through Market Orientation

Market orientation mediates the influence of entrepreneurial orientation on sustainable performance. Entrepreneurial orientation can be the main driver in forming marketing strategies and business adaptations that support sustainability. This creates a close link between entrepreneurial orientation, sustainable performance and market orientation, helping organizations to remain relevant and successful in a business environment that increasingly prioritizes sustainability. Entrepreneurial orientation, which includes traits such as passion, risk-taking, proactiveness, and innovation, can play an important role in forming a market orientation that supports sustainability. Entrepreneurial Orientation can encourage organizations to adopt a proactive attitude towards opportunities and challenges related to sustainability. The risk-taking nature of entrepreneurial orientation encourages organizations to take measurable risks related to innovation and sustainable practices. When entrepreneurial orientation is directed at creating and exploiting environmentally or socially friendly market opportunities, this can motivate the organization to develop a strong market orientation. A robust market orientation, characterized by a profound understanding of the market, effective dissemination of market information, and active marketing contributions, serves as a pathway for the favorable influence of entrepreneurial orientation on sustainable performance. Through market orientation, organizations can effectively respond to market needs and preferences regarding sustainable products or services. Good market knowledge in market orientation allows organizations to adapt their strategies to the needs of consumers who are increasingly concerned about sustainability. By promoting environmentally friendly products or services or by focusing on sustainable values, organizations can create greater market demand. Sustainable performance has a close relationship with all the efforts that have been made by MSME players. It is clear that there is an entrepreneurial orientation possessed by individuals because individuals want to be in a zone that can have a positive impact, moreover, there is a strong role of market orientation which can be a medium. in providing the influence of entrepreneurial orientation on sustainable performance (Boso et al., 2013; Demirel & Kesidou, 2019).

CONCLUSIONS

Based on the discussion, it can be concluded that entrepreneurial orientation influences market orientation. Entrepreneurial orientation motivates companies to adapt more effectively to shifts in the market. Companies with high EO tend to be more daring to innovate, take risks, and be proactive in developing new products and services. This can help companies to meet changing market needs and increase competitiveness.

Entrepreneurial orientation influences sustainable performance. Entrepreneurial orientation provides impetus for continuous innovation, not only in product or service development, but also in overall business operations and strategy. Innovation driven by Entrepreneurial orientation forms the basis of long-term competitive advantage and increases organizational competitiveness, supporting sustainable performance.

Market orientation influences sustainable performance. Companies that have market orientation tend to be better able to understand customer needs and create products or services that suit these needs. Products or services that suit customer needs tend to be more sustainable because they will be more popular with customers.

Market orientation mediates the influence of entrepreneurial orientation on sustainable performance. Entrepreneurial orientation encourages companies to innovate and create new products or services. New products or services that suit customer needs will increase customer satisfaction. Customer satisfaction will increase customer loyalty. Customer loyalty will increase revenue. Increased income will increase sustainable performance.

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