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Market Orientation Model in Indonesia Special Autonomy Regional Government

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Abstract
Purpose: This study aimed to inspect the effect of information technology infrastructure on market orientation. It also intended to examine the impact of market orientation on organizational achievement in Special Autonomy Regional Government.
Research methodology: The study adopted a quantitative research design and obtained samples using cluster and stratified random sampling. The samples were determined on the Gross Regional Domestic Product (GRDP) size of Indonesia's five Special Autonomy Regional Governments. Questionnaire items were distributed to the targeted sample from two clusters of Jakarta Special Capital Province and West Papua Province. The two provinces have the highest and lowest GRDP, respectively. Data were collected from 210 respondents comprising the deputy employers in the regional work units of West Papua Province and Jakarta Special Capital. The data were analyzed using Structural equation modeling (SEM) partial least square (PLS) with LISREL 8.80.
Results: The results showed that information technology infrastructure affects market orientation, which mediates the impact of organizational performance of Indonesia's Special Autonomy Regional Government.
Keywords: *Information Technology Infrastructure, Market Orientation, Organizational Performance*
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1. Introduction

Market orientation is a philosophy that holds the marketers' task to satisfy customers or clients. In this case, marketers must understand their customers' needs and wants. Market-oriented organizational actions respond to customers' wishes (Kohli & Jaworski, 1990; Kotler & Keller, 2016). According to Cervera, Mollá, and Calder $ oAn (2000), an integrated market has four benefits for regional governments. First, it increases the duty to help the community (Hayden, 1993). Second, an integrated market prepares the right instruments to muffle the public's criticism (Cowell, 1991). Third, it simplifies the stock or action of services to fulfill society's request (Wanna, O'Faircheallaigh, & Weller, 1992). Fourth, an integrated market ensures a grade level that satisfies the community (Bovaird, 1995) (Mesigwa, 2022).

Public sector market orientation plays an important role in local governments. Rodrigues (2010) found that the public sector produces a new market-oriented organizations model in communication information technology worldwide. The transformation of communication information technology makes public sector organizations more accessible, responsive, and consistent with citizens' demands through electronic service delivery systems. The United Nations (UN) survey in 2016 on E-government Development Index ranked Indonesia at position 116. This position was below Thailand, the Philippines, Malaysia, and Singapore, ranking at 77, 71, 60, and 4, respectively (Nations, 2016).

Public services on special autonomy are reflected in the facts released by the Indonesian Ombudsman regarding the provincial government zoning compliance in 2017, as shown in Figure 1.1. This compliance assessment reminds state administrators to provide the best treatment to the fact-based community based on evidence-based policy and credible data collection on public service.

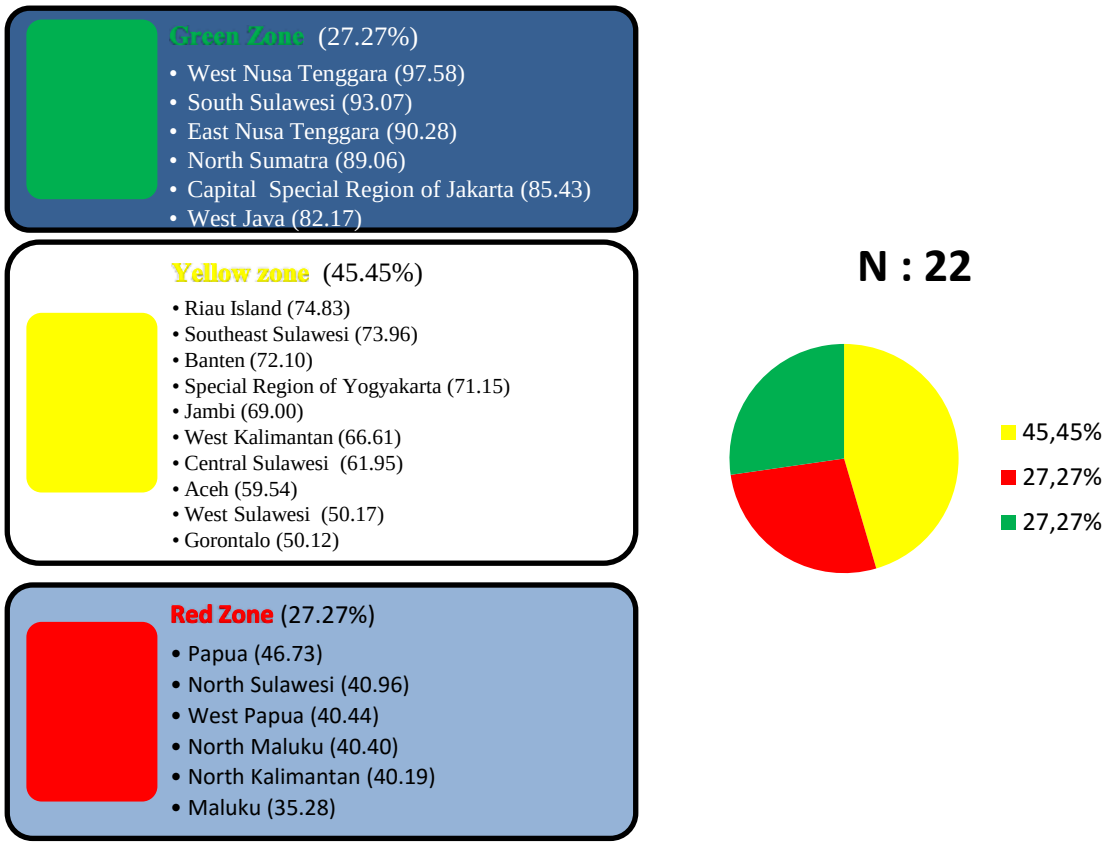


Figure 1. Provincial Government Zoning Compliance in 2017
Source: Indonesia (2017)

Figure 1. shows that provinces with special autonomy status entered the red zones or low compliance predicate. These are the Provincial Government of Papua and the Government of West Papua Province. The Provincial Governments of Aceh and the Special Region of Yogyakarta entered yellow zones or moderate compliance predicate. The Capital Special Region of Jakarta Provincial Government entered green zones or high compliance predicate.

The basic rules that complement the study of public sector market orientation in Indonesia's local government special autonomy are stated in Article 1 (5) of Law No. 32/2004. The article states that regional autonomy is autonomous regions' right, authority, and obligation to manage government affairs and the local community's interests according to laws and regulations. Furthermore, Article 2 paragraph (3) of Law No. 32/2004 states that local governments conduct the broadest autonomy, except for the central government affairs. It aims to improve community welfare, public services, and regional competitiveness.

Table 1. shows the basic rules for forming special autonomous regions in Indonesia, as well as the special autonomous variants.

Table 1. Variants of the Special Autonomy Model in Indonesia

No	Province	Varian of Special Autonomy	Regulation
1.	Aceh		Article. No. 18/2001 jo

		Respond to tension between central and regional relations	Article No. 11/2006
2.	Papua		Article No. 21/2001
3.	West Papua		
4.	Special Region of Yogyakarta	Recognizing the role of history and response to local socio-cultural peculiarities	Article No. 3/1950
5.	Capital Special Region of Jakarta	Forming an ideal service area by giving a special position to an area to adjust the format of administration and service delivery	Article No. 29/2007

Source: Jaweng (2011)

From a conceptual perspective, the technological and market orientation turbulence is the latest variable from market integration to organizational appearance (Jaworski & Kohli, 1993). However, the study did not support this hypothesis. Wahyuningdyah, Dharmmesta, and Purwanto (2017) found that the technological turbulence variable is a precursor to market integration. These findings contradict Zebal and Ali Quazi (2011) that technological turbulence was supported significantly by an integrated market's preceding. Wang et al. (2013) used information technology capability variables and market-centered as antecedents of market orientation. The study found that information technology capability has four measurements of infrastructure, compatibility, integration, and supervision. The results showed that the available information technology infrastructure is adequate. However, it has not been managed properly and has a low-security level (Nurrohmah, Dewi, & Sahadi, 2017).

Market orientation is an interesting subject for academics and practitioners because its application improves organizational achievement. Jaworski and Kohli (1993) examined the temporal propositions in previous studies. According to Kohli and Jaworski (1990), orientational trade influences organizational achievement. However, the study did not show how market orientation influences the company's market share.

Cano *et al.* (2004) showed significant differences between an integrated market and a positive work appearance. The study found that market orientation relationships are stronger in service than in manufacturing companies. Moreover, the influence of market orientation is stronger in nonprofits than in profit-oriented companies. Kara, Spillan, and DeShields Jr (2004) also found that market orientation influences the performance of nonprofit-oriented service companies.

Kirca, Jayachandran, and Bearden (2005) showed that market orientation affects the overall achievement of the organization. The results also indicated a stronger relationship between market orientation and performance in manufacturing than service companies based on revenue size and cost measures. Similar results on the influence of market orientation on organizational achievement were generated by (Ellis, 2006; Kara, Spillan, & DeShields, 2005; Ogbonna & Ogwo, 2013; Pinho, Rodrigues, & Dibb, 2014; Vieira, 2010).

The correlation between market orientation and overall organizational performance is resilient in various study areas and external environmental situations. However, (Han, Kim, & Srivastava, 1998) found that market orientation is insignificantly associated with organizational performance. Other studies showed that orientational trade does not influence community achievement (Agarwal, Erramilli, & Dev, 2003; Au & Tse, 1995; Diamantopoulos & Hart, 1993; Greenley, 1995; Olavarrieta & Friedmann, 2008; Sandvik & Sandvik, 2003; Sargeant & Mohamad, 1999; Widiartanto, 2013). Therefore, the findings that market orientation affects organizational achievement are indefinite.

The methodological issues stated in this study refer to Wahyuningdyah et al. (2017) regarding the antecedents of market orientation evolved by Kohli and Jaworski (1990), as shown in Table 2:

Table 2. Antecedents of market orientation and its consequences (Wahyuningdyah et al. (2017).

Variable group	Name of Variable	Indicators	Methodology
Antecedents of Market Orientation	Leadership emphasis	Adaptability with the community	• Use Regional Work Unit (SKPD) as a unit of analysis. • The source of information is the leadership of the organization. • Population research of district and city governments in Central Java Province. • Research sample five district governments (Pekalongan, Rembang, Boyolali, Sragen and Klaten). One city government (Semarang). • Using purposive convenience sampling technique. • Testing of models and hypotheses is done by structural equation modeling techniques (SEM: Structural Equation Model) with the help of AMOS software.
		Sensitive to service	
		Move according to people's needs.	
	Leader risk aversion	Courage makes a large program even though it is risky.	
		Courage to take great risks for better service	
		Like to improve service programs, though they are at risk	
	Conflict between sections	Cooperation	
		Informal communication opportunities	
		Interaction	
		Perception of alignment goals	
	Connectivity between parts	Ease of communication with superiors and subordinates	
		Ease of relationship between parts	
		Ease of relationship between section heads	
	Formalization	Freedom of work	
		Freedom to do the preferred work	
	Centralization	Approval of superiors for each job	
		Freedom of employees to make their own decisions	
		Requirement of permission from superiors for each solution	
		Requirement of permission from superiors for each decision	
	Award system	Sensitivity to environmental changes as a basis for reward	
		Satisfaction index as a basis for reward	
		Formal appreciation for market intelligence	
		Performance is measured based on relations with the public.	
		Performance evaluation based on service surveys	
	Market turbulence	Variety of services	
		Change in service quality	
	Competitive intensity	Service innovation compared to other regional governments.	
		Promotion intensity between regions	
	Technology turbulence	Technology service reliability	
		Technology support for better service	
		Technology support for new service innovations	
		Interaction with the community to	

Variable group	Name of Variable	Indicators	Methodology
Market Orientation	Intelligence development	identify needs	
		Internal studies for identification of needs	
		Public hearing to evaluate service quality.	
	Intelligence spread	Coordination meeting about environmental change	
		Coordination meetings about public wishes in the future	
		Communication between sections for service development	
		Intelligence dissemination about other regional government programs	
	Draft response	The program plan is based on a study of community needs.	
		The type of service is based on the real needs of the community.	
	Impelmentation responses	Level of response to other local government programs	
		Speed of response to changes in service costs	
Consequences of Market Orientation	Organizational commitment	Employee and agency ties	
		Pride of working in his institution	
		Commitment to agencies	
		Love for institutions	
	Espirit de corps	Empathy among employees	
		Spread group spirit	
		Linkages between individuals	
		Tolerance between employees	
	Organizational Performance	Performance one year ago	
		The performance of the past year	
		Service level for the past year	

Source: Wahyuningdyah et al. (2017)

This study aimed to examine the effect of information technology infrastructure (Wang et al., 2013) on market orientation (Wahyuningdyah et al., 2017). It also intended to explore the impact of market orientation (Wahyuningdyah et al., 2017) on organizational performance (Wahyuningdyah et al., 2017).

2. Literature review

2.1 Market orientation

Various market orientation studies have been conceptualized in the present and future terms since the early 1990s. Two conceptualizations of market orientation have received a widespread promotion (Piercy, Harris, & Lane, 2002). The first conceptualization is the attitude-principle viewpoint of integrated trade promoted by Kohli and Jaworski (1990). The second conceptualization is practical commentary according to the integrated trade investigated by Narver and Slater (1990).

Kohli and Jaworski (1990) stated that organizational behavior in the market orientation contains three sections. These are the cultivation of comprehensive ingenuity associated with recent and future customer needs, ingenuity transmission between the offices or sections within the organization, and reply embodying the formulation of customer-oriented policies.

The second approach proposed by Narver and Slater (1990) holds that the urge to produce super grades for clients has a competitive benefit by encouraging businesses to make and preserve a culture that generates the required actions. The study showed that market orientation brings the necessary actions for creating super value for clients. It becomes a continuous super performance for businesses and influences organizational culture. According to Narver and Slater (1990), market orientation comprises three behavioral components, including customer and competitor orientation, as well as inter-coordination.

Kohli and Jaworski (1990) stated that selecting the term market orientation is a basic consideration. This is because the term implies that the commitment of the marketing is not being upheld. All parts are involved in gathering and disseminating useful information in non-sustainable markets. The clients and factors affecting them are the concentration of market orientation. In line with this, Joseph and Mehta (2015) stated that market orientation gathers further information about market needs and competitors' competencies useful for generating customer satisfaction (Slater & Narver, 1995).

2.2 Information Technology Infrastructure

Information technology is a powerful enabler and provides effective and sufficient tools for knowledge management, including disclosure, sharing, and application (Moradi & Beigi, 2020). This infrastructure contains technology resources that provide maintenance services and applications for current and future conditions (Duncan, 1995). It consists of hardware and software, connection and telecommunications technology, as well as applications that process data and principal information (Byrd & Turner, 2001). The main function of information technology is to facilitate the conveyance of news thoroughly and without obstacles. (Bharadwaj, 2000).

2.3 Organizational Performance

Market orientation gives the organizations the competence to acknowledge and link the market to customers, increasing organizational achievement. Individual or organizational performance is defined as the achievement of goals. Performance refers to all aspects of human resource management intended to advance or develop the effectiveness and efficiency of the individuals and the organizations (Amegayibor, 2021). According to Kohli and Jaworski (1990), the ability of market-oriented organizations to reply to customers' needs and wants determines appropriate actions, supporting Narver and Slater (1990).

Organizational achievement comprises cost-based achievement value after estimating the expense to implement strategies such as profit measures. It also encompasses revenue-based performance measures that do not estimate the expense of implementing strategy, such as sales and market share (Kirca et al., 2005). Studies use global measures that evaluate managers' perceptions of business achievement by comparing organizational achievement to firm goals and rivals (Jaworski & Kohli, 1993).

2.4 Influence of information technology infrastructure on market orientation

The development of information technology is one of the keys to improving market orientation and responsiveness (Fichman, 2004; Shang & Seddon, 2002). Fichman (2004) and Weill, Subramani, and Broadbent (2002) found that hardware compatibility, modularity software, and scalability units are important for market orientation.

The first hypothesis (H1). Information technology infrastructure positively influences market orientation.

2.5 Influence of market orientation on organizational performance

Organizations set goals or purposes, gathers and divides different people into the unit, and assigns them roles and responsibilities by defining the objectives and work methods for accomplishing the set objectives (Emmanuel, 2021). There is a paradigm shift in the administration of the State, often known as the new public management (NPM) approach. This implies that public organizations must implement reforms to fulfill the people's desire for quality services to satisfy the public (Macedo & Pinho, 2006).

The community expects improved service performance in line with environmental developments. In responding to environmental changes in public organizations, market orientation in the private sector is quickly transformed into public organizations (Rodrigues, 2010).

Market orientation must be adopted to improve organizational achievement. Studies have shown that organizational performance results from the most formidable market orientation (Vieira, 2010). Several studies in public and nonprofit-oriented organizations also showed similar findings (Caruana, Ramaseshan, & Ewing, 1999; Cervera, Mollá, & Sanchez, 2001). Therefore, the following hypothesis was proposed:
Second Hypothesis (H2). Market orientation positively influences organizational performance.

Figure 2.1 Conceptual framework

3. Research methodology

3.1 Data collection

This study adopted a quantitative approach with a survey method. Creswell (2014) stated that a survey design provides a quantitative or numeric description of the data from a population. Furthermore, questionnaires were distributed to respondents comprising the Heads of Regional Apparatus Organizations with extensive knowledge about the management of regional organizations.

3.2 Population and Samples

The study population consisted of all Regional Apparatus Organizations (RAO) included in the Special Autonomy Regional Government (1) Aceh Province (2) Papua Province (3) West Papua Province (4) Special Capital Region of Jakarta (5), and Special Province of Yogyakarta. The population distribution in each province is shown in Table 3.

Table 3. Research Population

Province	**Population**	**Regulations concerning the formation of Regional Apparatus Organizations (RAO)**
Aceh	43 RAO	Aceh Qonun Number 13/2016
Papua	41 RAO	Permendagri Number 9/2017
West Papua	41 RAO	Permendagri Number 9/2017
Special Region of Yogyakarta	35 RAO	Perdais Number 3/2015
Capital Special Region of Jakarta	42 RAO	Perda Number 5/2016
Total	**202 RAO**	

Source: Regulations concerning the formation of Regional Apparatus Organizations (RAO) in each Special Autonomy Province

The study sample was taken using probability sampling techniques with the cluster and stratified random sampling method (Newman, 2013). The target population was divided into strata with high and low levels to reduce the cost of reaching the sample element based on additional information (Newman, 2013) on Gross Domestic Regional Product (GDRP).

Gross Domestic Regional Product (GDRP) is an important indicator of economic conditions in a given period at current and constant prices ((BPS), 2022). The government expense in the public service sector influences Gross Domestic Regional Product (GDRP) growth as a benchmark for regional economic growth. Regional government expenditure is measured from the total routine expenditure and

development expense provided in the provincial estimate. High expenditure on local governments' performance impacts an area's economy (Wibisono, 2003).

Gross Domestic Regional Product (GDRP) Per Capita based on Constant Prices according to Expenditures (million rupiahs) in 2015-2017 is shown in Table 4.

Table 4. Gross Domestic Regional Product (GDRP) Per Capita at Constant Price Based on Expenditures (million rupiahs) in 2015-2017.

Province	Gross Domestic Regional Product (GDRP) Per Capita based on Constant Prices according to Expenditures (Million rupiahs)			Average Value	Strata	Median
	2015	2016	2017			
Aceh	28,166,383.07	29,096,098.71	30,315,796.54	29,192,759.44		25,574,017,69
Papua	32,577,901.22	35,555,272.9	37,205,907.27	35,113,027.13		
West Papua	13,086,621.49	13,677,820.55	14,226,705.39	13,663,715.81	lowest	
Special Region of Yogyakarta	20,868,612.89	21,922,049.96	23,075,164.96	21,955,275.94		
Capital Special Region of Jakarta	363,640,961.8	385,019,549.4	408,963,937.4	385,874,816.2	highest	

Source: (BPS) (2022)

Table 4 shows that the Special Capital Region of Jakarta has the highest average value of 385,874,816.2 of Gross Domestic Regional Product (GDRP) per Capita based on Constant Prices according to Expenditures (Million Rupiah). Therefore, the sample amounted to 210 respondents after multiplying 42 Regional Apparatus Organizations (RAO) in the Special Capital Region Province Jakarta by five heads of regional government officials and heads of the Field regional Apparatus Organizational.

4. Results and Discussions

4.1. Data Analysis

Data were analyzed using structural equation modeling (SEM) partial least square (PLS), with LISREL 8.80 application. Partial least square (PLS) is more compatible with data with a smaller sample (Hair, 2009). Meanwhile Analysis of Structural Equation Modeling consists of the following stages:

a) Measurement Model

Convergent and discriminant validity tests were performed to examine the reliability of the outer model (Hair, 2009). Cronbach's alpha was applied to test each composite reliability or internal consistency. Table 4.1 presents Cronbach alpha ranging from 0.829007 - 0.893869 and composite reliability ranges from 0.885586 - 0.918743. The practical rules used are rates more than 0.6, indicating reliability (Hair, 2009). Convergent reliability (Henseler, Ringle, & Sinkovics, 2009) used the Average Variance Extracted (AVE). Adequate convergent validity was indicated by AVE values of at least 0.5 (Henseler et al., 2009).

Table 5 shows adequate convergent validity, with AVE values of all variables exceeding 0.5 AVE. Discriminant validity could also be tested using Fornell-Larcker and cross-loading. Using the Fornell-Larcker criterion, discriminant validity is calculated by comparing the square roots of LE with latent variable correlation. The validity is sufficient when the square root of AVE along the diagonal exceeds the correlation between constructs. All AVE square roots are higher than diagonal for both rows and columns in Table 6. A measure of discriminant validity through cross-loading indicates that all parts

must exceed other designs (Hair, 2009), as shown in Table 7. Therefore, the reliability and validity results using PLS on each construct meet the requirements.

Table 5. Cronbach's Alpha, Composite Reliability and Average Variance Extracted.

VARIABLE	AVE	Cronbach's Alpha	Composite Reliability	Criteria
Information Technology Infrastructure (ITI)	0.610753	0.893019	0.916199	Reliable
Market Orientation (MO)	0.660862	0.829007	0.885586	Reliable
Organizational Performance (OP)	0.653616	0.893869	0.918743	Reliable

Table 6. Discriminant validity of Latent Variable Correlation.

VARIABLE	Information Technology Infrastructure (ITI)	Market Orientation (MO)	Organizational Performance (OP)
Information Technology Infrastructure (ITI)	0.781507		
Market Orientation (MO)	0.678487	0.812934	
Organizational Performance (OP)	0.740053	0.683273	0.808465

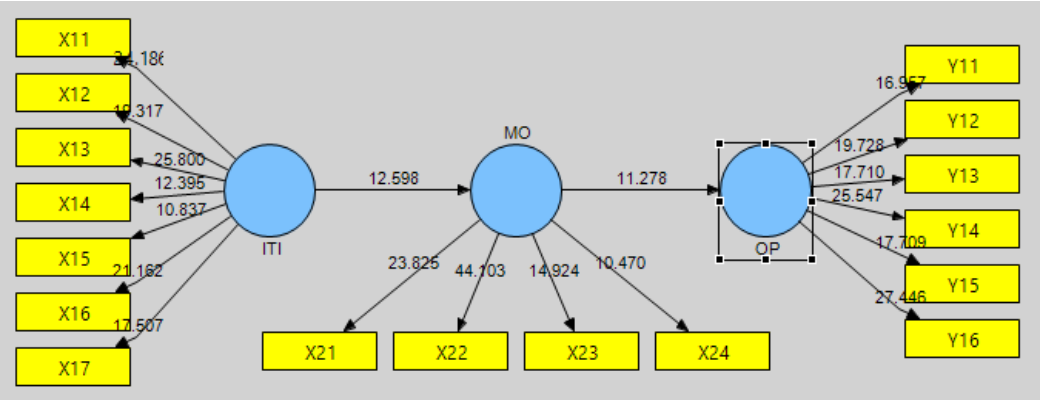
Table 7. Cross loadings

INDIKATOR	Information Technology Infrastructure (ITI)	Market Orientation (MO)	Organizational Performance (OP)
X11	0.838655	0.577342	0.665835
X12	0.820573	0.512598	0.555873
X13	0.822936	0.511955	0.534565
X14	0.699766	0.545362	0.542753
X15	0.715216	0.387934	0.449689
X16	0.812656	0.511767	0.623472
X17	0.748165	0.608118	0.626677
X21	0.575985	0.869232	0.595957
X22	0.664908	0.881256	0.705018
X23	0.464389	0.771358	0.484140
X24	0.463812	0.718524	0.367428
Y11	0.535900	0.477532	0.762802
Y12	0.620549	0.511938	0.789400
Y13	0.662677	0.571772	0.807197
Y14	0.643445	0.602413	0.849053
Y15	0.509087	0.520353	0.798049
Y16	0.607752	0.612042	0.841032

b) Assessment Structural Models (Inner Model)

The inner model describes the relationship between exogenous latent and endogenous variables based on the substantive theory.

Figure 8. Inner Value Model or Structural Mode



The goodness of Fit Model was used to assess the structural model and evaluate the R-square dependent latent variables. Stone-Geisser Q-Square predictive relevance was adopted to rate how well the model and its parameter estimates generate the observation value. Q-square value> 0 indicates the model has predictive relevance. Conversely, a value of Q-Square ≤ 0 implies the model lacks predictive relevance. The Q-Square is calculated as follows:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \dots (1 - R_p^2)$$

Where R12, $R_2^2 \dots R_p^2$ is the R-square of endogenous variables in the equation model. The magnitude of Q2 has a value of 0 <Q2 <1, where getting closer to 1 means the model is improving. The amount of Q2 is equivalent to the total determination coefficient in path analysis.

Table 9. Value of R-Square

VARIABLE	R Squares
Information Technology Infrastructure (ITI)	-
Market Orientation (MO)	0.460345
Organizational Performance (OP)	0.466862

Table 9 shows that sub 1 of the structural model acquired an R-square value of 0.460345. This demonstrated that 46.03% of Market Orientation (MO) could be explained by Information Technology Infrastructure (ITI). The structural model sub 2 acquired an R-square value of 0.466862. It implies that 46.69% of the Organizational Performance (OP) variable was explained by Market Orientation (MO). The rest was influenced by other variables outside the model. The study also investigated how well the model produced the observations. The Q-Square was calculated as follows.

$$Q^2 = 1 - (1 - 0.460345)(1 - 0.466862)$$
$$= 0.712289$$

The calculations of the Q-square value obtained 0.712289. The magnitude of Q2 has a range of 0 <Q2 <1, where getting closer to 1 indicates the model is improving.

c) Testing of Hypotheses

The output results of the inner weight become the basis used in hypothesis testing. The t-statistic value between the independent and dependent variable in the Path Coefficient table on the Smart output Pls WAS used to evaluate the significance of the predictive model in structural model testing. The hypothesis's rejection and acceptance limits are proposed when the t value is calculated, or the t table value is (n-k-1).

Bootstrapping for the sample was conducted to test the hypothesis to minimize data abnormality. The following tables show the results using bootstrapping from PLS:

Table 10. Result for Inner Weights

Hypothesis	Correlation	Total Effect Original Estimate (O)	Indirects Effects	T-Statistics (|O/STERR|)	Conclusion
H_1	**ITI->MO**	0.678487	0.463592	12.598480	Supported
H_2	**MO->OP**	0.683273	-	11.277910	Supported

Table 11. Hypothesis Testing 1

Hypothesis	Correlation	Total Effects Original Sample Estimate (O)	Indirects Effects	T-Statistics (|O/STERR|)	Conclusion
H_1	**ITI->MO**	0.678487	0.463592	12.598480	Supported

The first hypothesis test results indicated that the effect of Information Technology Infrastructure (ITI) on Market Oriented (MO) had a path coefficient (Total Effects) value of 0.678487 with a t-count of 12.598480. This value exceeds t-table 1.960, implying that Information Technology Infrastructure (ITI) positively and significantly affects Market Orientation (MO), supporting hypothesis 1.

The Total Effects value of 0.678487 was obtained from Directs Effects (0.214895) of Information Technology Infrastructure (ITI) on Organizational Performance (OP) through Indirects Effects (0.463592) of Market Orientation (MO).

Table 12. Hypothesis Testing 2

Hypothesis	Correlation	Total Effects Original Sample Estimate (O)	Indirects Effects	T-Statistics (|O/STERR|)	Conclusion
H_2	**MO->OP**	0.683273	-	11.277910	Supported

The second hypothesis test results indicated that the effect of Market Orientation (MO) on Organizational Performance (OP) obtained a path coefficient (Total Effects) value of 0.683273 with a t-count of 11.277910. This value exceeds t-table 1.960, indicating that Market Orientation (MO) significantly and positively affects Organizational Performance (OP), supporting hypothesis 2.

4.2. Discussion

Overby, Bharadwaj, and Sambamurthy (2006) and Min, Song, and Keebler (2002) found that the strategic use of information technology positively influences market orientation by supporting marketing activities. Day (1994) also showed that information technology helps organizations evolve new abilities and skills. According to Min *et al.* (2002), technology changes the orientation of traditional markets to be more useful and effective. It is used by organizations to gather, process, and distribute information inside and outside their boundaries.

Prasad, Ramamurthy, and Naidu (2001) stated that information technology and its collaborative environment help organizations in three ways. First, it facilitates access to information about customers and competitors. Second, information technology is important in sharing creative ideas between customers, suppliers, and partners regardless of distance, language, and time constraints. Third, it increases the speed and flexibility in responding to customer needs. Therefore, information technology is important for gathering information about environmental changes. It is also essential in sharing information and knowledge and developing market-focused responses that support market-oriented behavior (Min et al., 2002; Prasad et al., 2001).

Market orientation adoption is a necessity for organizations to improve performance. Studies have shown that organizational performance results from the most formidable market orientation (Vieira, 2010). The performance of public organizations could be improved through market orientation (Caruana et al., 1999; Cervera et al., 2001; Jas & Skelcher, 2005). According to Walker, Brewer, Boyne, and Avellaneda (2011), the right market orientation could increase people's satisfaction with public services.

5. Conclusion

5.1. Conclusion

The main objective of this study is to look at the effect of information technology infrastructure on market orientation and the effect of market orientation towards organizational achievement. The main objective was generated by previous research arranged by Wahyuningdyah et al. (2017) that antecedents and consequences of market orientation yield mixed results.

The findings support previous studies that information technology infrastructure has a determinate and strong impact on market orientation in special autonomous regional governments. Therefore, the first hypothesis in this study was supported. The autonomous regional government relies on a flexible information technology infrastructure to provide smooth and consistent access to the community. Furthermore, database-oriented applications in routine operations increase speed to adjust service plans and delivery based on community needs. These results support (Bhatt, Emdad, Roberts, & Grover, 2010). Additionally, strong information technology infrastructure simplifies communication and collaboration in Regional Apparatus Organizations Government of the Special Autonomy Region.

Market orientation has an absolute and prominent impact on organizational performance in special autonomy local governments, supporting the second hypothesis. These results support previous studies that market orientation positively affects overall organizational performance (Cano, Carrillat, & Jaramillo, 2004; Ellis, 2006; Jaworski & Kohli, 1993; Kara et al., 2004; Ogbonna & Ogwo, 2013; Pinho et al., 2014; Vieira, 2010).

5.2. Limitation

This study has several limitations. First, it did not distinguish Regional Apparatus Organizations that interact directly rarely with the community. Second, data were obtained only from the internal service provider organization, not the recipient community. Third, the impact of market orientation in the regional government of special autonomy was only organizational and measured subjectively. The organizational measurement was not objective and based on the assessment of external parties.

Future studies should separately examine Regional Apparatus Organizations that interact directly and rarely with the community. The sample size must be enlarged regarding the number of respondents, the study area, and additional information sources from the recipient community. Additionally, the studies should measure organizational performance using assessment data from other agencies.

5.3. Suggestion

The results support the theoretical implications of information technology infrastructure on market orientation and its effect on organizational performance. However, the practical implications could fill the gaps in studies on antecedents and market orientation consequences. The study was conducted in

Indonesia by the government of the Special Capital Region of Jakarta. This is because few studies have been conducted in the region.

Another consideration is the system in government organizations that shifted from the public administration to the new public management paradigm and eventually became a new public service (Denhardt & Denhardt, 2015). This paradigm change was realized by the Government of the Republic of Indonesia with the issuance of Law No. 23 of 2014 concerning regional government (Revised Law No. 32 of 2004), which emphasizes regional autonomy. Subsequently, applying market-oriented business concepts in the private sector is a challenge in the government sector. This is because of the fundamental differences in organizational goals that require a new framework for business concepts in government organizations.

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