

The Impact of New Product Development Capability and Market Orientation on the Firm Performance: A Research in Large Scale Enterprises in Turkey

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Abstract

In this study, resource-based view, new product development capability and market orientation are generally mentioned as harmonizing with the aim of achieving high firm performance. In this context, the new new capability and the market focus on the effects of firm performance were investigated. For this purpose, primarily resource based view, new product development capability and market orientation are explained based on the literature. Subsequently, the relationships between new product development capability, market orientation and firm performance were analysed and the effects on firm performance were investigated. The validity and reliability of the scales used in the research were tested using confirmatory factor analysis procedures with data from 272 business managers. Finally, the structural equation modelling method is used to test the hypothesis. As a result of this study, it has been determined that new product development capability has a positive effect on firm performance and that market orientation has an interim variable role between new product development capabilities and firm performance.

Key words: Source-Based Opinion, New product development capability, Market orientation, High firm performance



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INTRODUCTION

Faced with significant opportunities and threats in rapidly changing environmental conditions and increasingly competitive environments, businesses have had to continue their operations in environments where the uncertainty of globalization is high. The globalization of markets, technological developments, increasing legal and institutional arrangements, inter-firm acquisitions and mergers, differentiated and changing demographic structure, social and institutional changes; making it difficult for businesses to succeed and maintain their success. One of the most fundamental questions in the field of strategic management is how to maintain the intense competition in the business environment and the competitive advantage they have gained. The theory of strategic management, advocating that sustainable competitive advantage can be created with valuable, rare, imitative and non-substitutable resources, argues that a well-planned strategy has positive effects on firm performance. However, in today's competition conditions, it is not enough to provide competitive advantage only with these features. Source-Based Opinion; has been expanded by Dynamic Theory of Talents, which is based on routines repeated in a specific framework, with unique characteristics of its origin, enabling its resources to be rearranged and organized according to environmental conditions.

In global markets where competition conditions are increasing day by day, they must continue to operate in an environment where technology, customer needs and expectations change constantly. It is very important to make the right strategic decisions and sector analysis correctly in the increasing competitive environment depending on the changing environmental conditions. Companies that want to gain competitive advantage beyond survival should constantly monitor them for customer satisfaction and offer high quality products in the direction of their wishes. This is an indication of the market-oriented cult of firms that continue their activities in this way. Market orientation; is a concept related to the way companies perceive the environment and how to do business and basically refers to positioning companies according to expectations, needs and behaviours in the market and is one of the basic concepts of today's business world. In recent years, based on the work of Kohli and Jaworski (1990) and Narver and Slater (1990), systematic studies on firm performance for high performance and long-term success in

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the competitive environment of modern business life continue to be studied with increasing interest among academicians.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

New Product Development Capability

Competition has been described in the literature as "the capability of customers to choose on a sustainable basis in favor of alternatives to goods and services offered by the company" (Zerenler et al., 2007). There are two main models in the literature that focus on the source of competitive advantage. The "Five Competitive Power Models", which argue that the source of competitive advantage is the external environment of the business, and the "Resource Based Opinion", which both argues that the source of competitive advantage is the firm's internal "resources and capabilities" as well as both theoretical and empirically significant developments (Seviçin, 2014). The company strategy, which is determined according to the Resource Based View model, which sees the operation as a whole with its concrete activities and abstract resources, should enable the firm to use its basic capabilities in the best way to respond to the opportunities best (Bayramoğlu, 2007). Resource Based View is based on Core competencies, Ricardo's Law of Rent and Penrose's (1959) Theory of the Growth of the Firm (Keskin et al., 2016). Resource Based Opinion (Güle et al., 2010), which emphasizes the importance of internal analysis and external analysis integrity by advocating that firms are heterogeneous, is based on the fundamental proposition that higher than normal income will be generated when competitive advantage is created by valuable, rare, imitative and non-substitutable resources (Barney, 1991).

The Resource Based View (Acar, 2010), which defines the outward-looking nature of competitive advantage and consequently the high performance of generic strategies (Acar, 2010) is an approach that describes how entrepreneurial firms develop their sources and capabilities and how to balance resources and capabilities (Faiz et al. 2015). According to Source-Based Opinion, the resources that empower the firm are three kinds as financial, physical and indefinite resources (Zehir et al., 2005). Deciding how to allocate resources within the firm is as important as developing best practices using these resources, integrating the existing talent infrastructure, and investing in those talents with minimal resources (Nath et al., 2010). For the Resource Based View that forms the basis of the concept of organizational capability, the literature also emphasizes customer value, competitive advantage, and high performance, and emphasizes that resources that meet certain conditions allow the implementation of strategies that enhance talent without achieving sustainable competitive advantage (Keskin et al., 2013).

Defining, developing, protecting and using the resources and talents that enable managers to sustain business competitiveness and high profitability in the professional business life is very difficult (Amit et al., 1993). Skills critical to strategic management are adapting, structuring and reorganizing organizational, internal and external capabilities, resources and functional capabilities in a way that best suits the changing external environment. (Turan, 2014). Resources and values must contribute to the formation of talent in order to be valuable (Tecee et al., 1997).

Snow and Hrebiniak (1980), management skills, general management, financial management, marketing and sales, product research and development, engineering, production, distribution, legal affairs and staff; Celuch et al. (2002), the ability to establish business capabilities in the form of globalization capability, senior management capability, product / service capability, marketing and sales capability, technical capability, information systems capability, order fulfillment capability and partnership (Acar, 2008). At the basis of a good price policy is to have the ability to design products at an affordable price, focusing on the target volume of the customer (Zehir et al., 2005). Attitudes such as making product designs with customers, obtaining information from customers for product quality, collecting information about the purpose of use by searching for the product characteristics and types desired by the customers are behaviors that will make customer participation functional (Perçin, 2006). According to Kotler, the most important impact of globalization is that everyone creates both more danger and opportunity at the same time (Zehir et al., 2005). It is very important for the companies to have the capability to adjust the mix of product-price as well as to maintain the distribution channel relationships

without sacrificing the image of the company so that they can maintain sustainable competitive advantage. (Uzkurt, 2002).

Market Orientation

Market orientation is defined as an organizational culture that includes values and beliefs that prioritize customers in the business plan in the early stages of marketing literature. In later periods, decision support systems as a cultural phenomenon, organization of market intelligence throughout the organization, marketing information systems and market research efforts, information spread between functions, and information based actions (Renko, 2009). Businesses that have to maintain their lives in global markets where intense changes and developments are experienced have to be 'market focused' and are considered to have a significant relationship between corporate marketing strategy and corporate strategy (Altunel, 2011). In order to ensure high customer satisfaction, it is very important for the enterprises to have a customer-oriented approach and to understand customer demands accurately and completely. Market orientation if the competitive advantage is expressed as different product / service development from competitors; Understanding changes in customer preferences and creating superior value for customers through marketing activities (Findıklı et al., 2014). Numerous studies on market orientation in different industries and countries have tested market orientation and organizational priorities in firm performance (Smirnova, 2011). There are two different cultural and behavioral perspectives in the literature on market orientation, which is one of the basic concepts of strategic marketing and strategic management disciplines. Narver and Slater (1990) define market orientation as a culture that produces the most productive and effective way to create superior value for customers. Kohli and Jaworski (1990) have described the firm as a group of activities or behaviors (Eren et al., 2013).

The source of the competitive advantage has shifted in recent years from production-related assets to market-based assets and capabilities (Ramaswami et al., 2009). Market orientation is a business culture in which all employees are involved in the process to create continuous and more value to customers (Narver ve Slater, 1990). According to Narver and Slater (1990), competitiveness and customer-focused activities and coordination between functions must be ensured in order to achieve high competitive advantage by producing goods and services that will create (Hamşioğlu, 2011). In addition, the market orientation; to establish close relationships with customers, channel members and suppliers, to establish market requirements before competitors, and to create a link with the external environment (Koçak, 2012). However, businesses may miss new product development opportunities as long as they do not develop entrepreneurial trends that will provide a proactive focus on innovations that will meet new and ambiguous customer needs and needs (Li vd., 2008). Businesses must be customer-focused in order to achieve long-term profit and performance advantage by demonstrating value-creating behaviors to their customers (Yılmaz et al., 2009). Deshpandé, Farley, and Webster (1993) stated that they are more important than customer orientation, competitiveness for organizational innovation, and interfunctional coordination (Renko et al., 2009). In business that focus on creating customer value basically, regardless of sector, industry or business line, customer focus is the key variable of market orientation (Eren, 2013). Yang et al. (2006), customer orientation refers to the organization of customers, the orientation of the customer to meet future needs and the management of the company to worry about customer satisfaction. Narver and Slater (1990) expressed market orientation as customer value creation by obtaining information about customer needs and preferences. In 1996, they said that customer orientation is the corporate culture and that the customer has all kinds of behavior to create value (Güler, 2014).

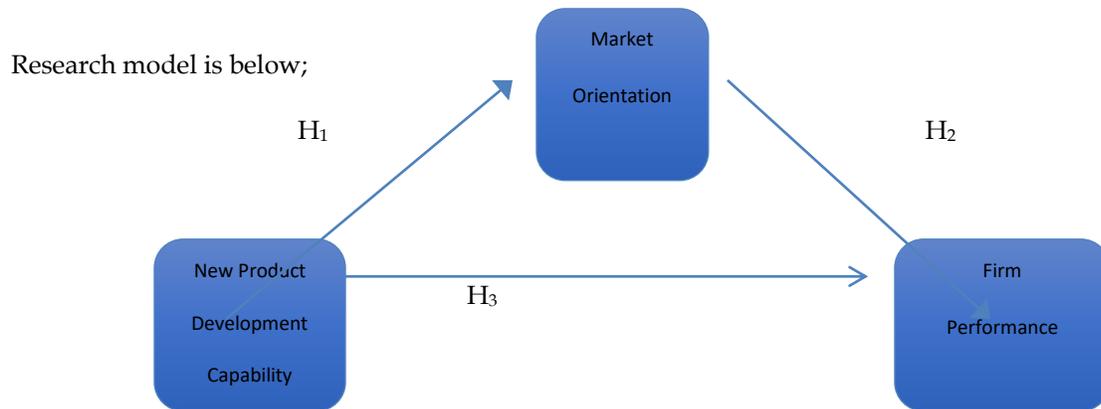
Competition among firms that appeal to the same customer group is very high, especially in the sectors where change is fast due to the influence of globalization. (Bulut vd., 2009). Narver and Slater (1990), competitor orientation; the firm defines the weak and strong aspects of its opponents in the short term as meaningful strategies and abilities of the current or potential opponents in the long run (Akman et al., 2008). Competitive orientation is the ability to perceive the strengths and weaknesses of competitors in the short run, and to predict competence, competencies and strategies in the long run (Eren, 2013). It is very important that the enterprises that are expected to develop themselves according to the constantly changing demands and demands of the market should maintain the compatibility of the external

environment and the internal environment as well as the continuity of their skills, talents and motivations (McGuinness et al., 2005). Horizontal communication and decision-making autonomy within the firm should be increased. Ensuring that all departments act in harmony by increasing the use of acquired knowledge about customers and competitors, will give them the ability to mimic opponents in business (Bulut et al., 2009). Coordination between functions; is defined as the movement of people working in different departments and functions within the organization to achieve organizational goals and is very important for innovation projects in particular. (Eren, 2013).

H1: New Product Development capability is positively related to market orientation.

H2: Market Orientation is positively related to firm performance.

H3: There is a mediation effect of market orientation on relationship between new product development capability firm performance.



FINDINGS AND DISCUSSIONS

The research plan is formed as: establishing research model, researching for the measurement in the literature, constructing the best fitting measurement compound from the alternatives, reaching the participants and informing them for the survey, gathering the data and analyzing to test the hypotheses with SPSS and AMOS package programs.

Measurement Instrument and Sample

In order to measure research variables a questionnaire was prepared depending on the scales used in previous studies in the literature. In this study we used 17 items market orientation scale used by Narver, J:C. And S.F. Slater, 1990. New product development capability scale adapted from Barrales-Molina et al. (2015) This scale includes 4 items. Firm performance scale includes 6 items adapted from Venkatraman & Ramanujan (1986), Baker & Sinkula (1999), Vorhies et al. (1999), Lynch (2000), Antoncic & Hisrich (2001), Zahra et al. (2002), Rozenzweig et al. (2003). For each construct, items ranging (Likert-style) from 1 (strongly disagree) to 5 (strongly agree) with 3 as a middle point.

A survey was adopted to gather data via a self-administered questionnaire from manufacturing and service firms in Turkey/Marmara region. To avoid industry bias, data was collected from several industries. Discarding 18 partially completed questionnaires, the final sample consisted of 272 aggregated data. Information on the sample is provided in Table 1. The participating companies are mostly Electronic, automotive and raw materials firms and they have commonly above 50-500 employees. Additionally the age of sample firms is between 10 and 25 years by a majority.

Table 1. Research Sample

| Firm Size | | | | Industry | | |
|-----------|----------|--------|----------------------|--------------|------------------------------|--------|
| | Below 50 | 57 | 21,00% | | Automotive and raw materials | 59 |
| 50-500 | 128 | 47,00% | Chemistry and Health | 52 | 19,10% | |
| Above 500 | 87 | 32,00% | Electronic | 61 | 22,40% | |
| | | | Food | 22 | 8,10% | |
| Firm Age | Below 10 | 28 | 10,30% | Textile | 37 | 13,60% |
| | 10-25 | 123 | 45,20% | Others | 41 | 15,00% |
| | Above 25 | 115 | 44,40% | Total | 160 | |

Validity and Reliability of the Measurements

In order to understand the underlying dimensions of the measured constructs used in the research, exploratory factor analysis was performed by using principal component analyses extraction method and promax rotation. The reason of choosing promax rotation is that it is recommended to use this method in social sciences (Hair et al. 2010). Kaiser-Meyer-Olkin (KMO) sample adequacy test and Bartlett sphericity tests were applied to test whether the data set is suitable for factor analysis. If KMO value is greater than 0.5 and “p” value is less than 0.05 in Barlett test we can say that data set is adequate for factor analysis (Field, 2009). According to analyses results KMO value is 0,944 and Barlett test result is significant at 0.001 levels. That means our data set is adequate for factor analysis.

At the principal component analyses, sub limit of factor loadings of each items were taken as 0.50 by taking into consideration to the size of the sample (Hair et al 2010). According to the PCA, each variables loaded to the foreseen factor component and factor loadings over the 0.500 value. Cronbach’s Alphas are higher than the standard 0.7 cut-off point (Field, 2009), supporting the reliability and internal consistency of the 5 constructs.

A confirmatory factor analysis was carried out to examine the unidimensionality, convergent and discriminant validity of the constructs. The measurement model fit indices fell within the recommended parameters ($\chi^2/df = 1,755$, GFI=0,885, TLI=0,957, CFI=0,963, PNFI=0,795, RMSEA=0,053) as suggested by Hu and Bentler (1999) and Schumacker and Lomax (2012). All items loaded on their respective constructs, and all loadings were significant at the .001 level. These results indicate unidimensionality among the research constructs (Anderson and Gerbing,1988).

Table 2. Exploratory and Confirmatory Factor Analyses

| Construct | Items | Factor Loading | | Validity and Reliability Values |
|------------------------------|--------------|----------------|---------|---|
| | | EFA | CFA | |
| Competitor Orientation | comp_or_1 | 0,752 | dropped | Cronbach α ; 0,774 SCR; 0,807 AVE; 0,584 |
| | comp_or_2 | 0,640 | 0,815 | |
| | comp_or_3 | 0,682 | 0,765 | |
| | comp_or_4 | 0,629 | 0,708 | |
| Costumer Orientation | cost_or_1 | 0,698 | 0,872 | Cronbach α ; 0,887 SCR; 0,891 AVE; 0,672 |
| | cost_or_2 | 0,752 | 0,764 | |
| | cost_or_3 | 0,771 | 0,87 | |
| | cost_or_4 | 0,711 | 0,767 | |
| | cost_or_5 | 0,617 | dropped | |
| | cost_or_6 | 0,659 | dropped | |
| Interfunctional Coordination | intfnc_crd_1 | 0,620 | 0,766 | Cronbach α ; 0,922 |

| | | | | |
|------------------------------------|--------------|-------|-------|---------------------------|
| | intfnc_crd_2 | 0,713 | 0,778 | SCR; 0,923 |
| | intfnc_crd_3 | 0,593 | 0,684 | AVE; 0,634 |
| | intfnc_crd_4 | 0,797 | 0,827 | |
| | intfnc_crd_5 | 0,737 | 0,868 | |
| | intfnc_crd_6 | 0,717 | 0,842 | |
| | intfnc_crd_7 | 0,676 | 0,795 | |
| New product development capability | npd_cap_1 | 0,854 | 0,722 | Cronbach α ; 0,944 |
| | npd_cap_2 | 0,877 | 0,725 | SCR; 0,945 |
| | npd_cap_3 | 0,861 | 0,731 | AVE; 0,811 |
| | npd_cap_4 | 0,872 | 0,716 | |
| Firm performance | firm_perf_1 | 0,723 | 0,755 | Cronbach α ; 0,944 |
| | firm_perf_2 | 0,738 | 0,779 | SCR; 0,901 |
| | firm_perf_3 | 0,759 | 0,872 | AVE; 0,604 |
| | firm_perf_4 | 0,716 | 0,719 | |
| | firm_perf_5 | 0,802 | 0,759 | |
| | firm_perf_6 | 0,734 | 0,769 | |

(i) Principal Component Analysis with Varimax Rotation

(ii) KMO =0,944, Bartlett Test; $p < 0.001$

(iii) Total Variance Explained (%); 71,239

(iv) All CFA trait is statistically significant with the lowest t value being 27,948 at $p < 0.001$

$\chi^2/df = 1,755$, GFI=0,885, TLI=0,957, CFI=0,963, PNFI=0,795, RMSEA=0,053

The composite factor reliability (CR) values, which assess the internal consistency of a measure, exceeded the .60 threshold. In addition, the average variance extracted (AVE) estimates exceeded the .50 threshold, in support of convergent validity (Bagozzi and Yi,1988).

Table 3. Correlations, Means and Standart Deviations

| Constructs | Market Orientation | Competitor Orientation | Interfunctional Coordination | Customer Orientation | New Product Development Capability | Firm Performance | Mean | Std. Deviation |
|------------------------------------|--------------------|------------------------|------------------------------|----------------------|------------------------------------|------------------|------|----------------|
| Market Orientation | 1 | | | | | | 3,87 | 0,55 |
| Competitor Orientation | ,859*** | 1 | | | | | 3,76 | 0,61 |
| Interfunctional Coordination | ,892*** | ,631*** | 1 | | | | 4,02 | 0,61 |
| Customer Orientation | ,904*** | ,651*** | ,740*** | 1 | | | 3,82 | 0,64 |
| New Product development capability | ,472*** | ,414*** | ,390*** | ,448*** | 1 | | 3,67 | 0,77 |
| Firm performance | ,586*** | ,512*** | ,476*** | ,564*** | ,521*** | 1 | 3,74 | 0,61 |

All correlations are statistically significant at $p < 0,001$ (***)

Correlation analysis indicates that there is a positive and significant relationship between factor constructs. This shows that research variables correlate each other sufficiently and they can be reviewed adequately. Also multicollinearity does not exist in the research variables because correlation levels among IVs/DVs are less than 0.7 (Hair et al. 2010).

Hypotheses Testing

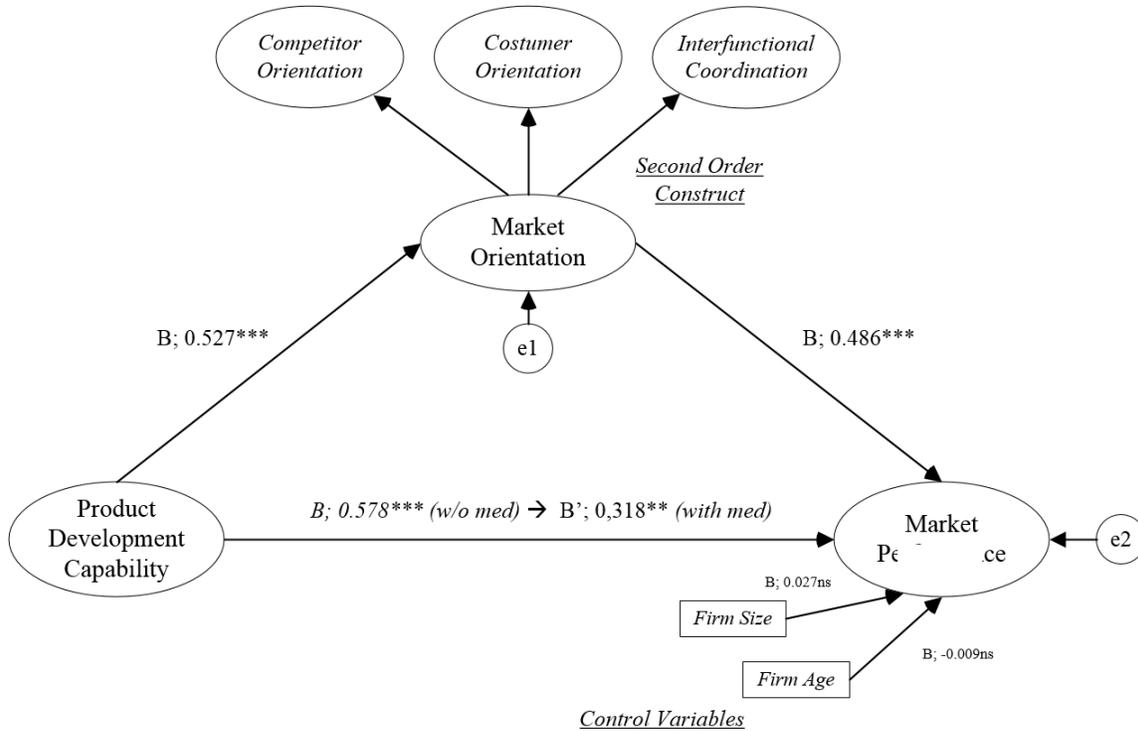
Structural equation modelling was used to test the hypotheses in this study. The use of structural equation modeling is due to the fact that SEM is a advantageous method that allows to examine causal relations (Hox and Bechger 1998). As shown in Table 4, the results demonstrate that new product development capability has a positive association with learning capability ($B=0,527$ $p<0,001$), supporting H1. Also market orientation has a positive association with firm performance ($B=0,486$ $p<0,001$), supporting H2.

We examined the mediating effect of market orientation by following the analysis strategy of Baron and Kenny (1986) and Preacher and Hayes (2008). According to the results of these analysis, before the inclusion of the mediating variable into analysis, we saw that new product development capability influence firm performance ($\beta=0,578$; $p<0,001$) positively and significantly. When we include the mediating variable into the model, it has been observed that the effect of the new product development capability on firm performance ($\beta=0,318$; $p<0,001$) is not removed completely but decreased. According to Baron and Kenny (1986) it is possible to say that there is a mediator effect in our analysis. Addition to this, as a result of the indirect effect of new product development capability on firm performance in 5000 bootstrap sample with 95% confidence interval (Preacher and Hayes 2008), it has been concluded that market orientation has a mediator effect between new product development capability and firm performance. Related mediator effect could be defined as partially due to the fact that the existing relation between new product development capability and firm performance association has been decreasing but not disappearing. Eventually, H3 was supported.

Table 4. Structural Equation Modelling

| Relation Type | IVs | DVs | |
|--|------------------------------------|--------------------|------------------|
| | | Market Orientation | Firm Performance |
| w/o mediation direct relation | New Product Development Capability | | 0,578*** (8,994) |
| with mediation direct relations | New Product Development Capability | 0,527*** (7,309) | 0,318*** (4,966) |
| | Market Orientation | | 0,486*** (6,250) |
| indirect relations | <i>Firm Size</i> | | 0,027 (0,508) |
| | <i>Firm Age</i> | | -0,009 (-0,168) |
| indirect relations | New Product Development Capability | | 0,256** |

*Model Fit: $X^2/df = 1,581$, $GFI=0,886$, $TLI=0,961$, $CFI=0,966$, $PNFI=0,806$, $RMSEA=0,046$
Standardized coefficient are reported with t-values in parentheses, *** $p<0,001$, ** $p<0,01$
Indirect Effect; CI Lower: 0,173 CI Upper: 0,361 in 5000 Bootstrap Samples, %95 Confidence Interval*



In this study shows that new capability is positively correlated with firm market orientation approach. In particular, i) the capability to develop new export products ii) the investment in R & D studies to develop new export products and the success of presenting them to the market; and iii) the speed of new product development for exports improve the better and more successful market-oriented activities of firms. Here, it seems that the new information / knowledge has been developed correctly by competitor-oriented behaviors in order to improve the innovation efforts. Findings also show that market-oriented behavior affects firm firm performance. For example, senior management responds immediately to the threats of the operating opponents, discusses the strengths and strategies of the competitors on a regular basis, discusses areas where there is a competitive advantage, collects information on competitor strategies and shares them with related departments; all business units operate in a coordinated manner to meet the needs of the target market and all units are sensitive to each other's needs and requests and share information / experiences between the market and the customers and if all the information obtained to provide customer satisfaction is shared among the functions, competitiveness and coordination between functions will develop the market-oriented activities of the business also develop. Here, it appears that management has provided coordination and coherence between activities, which impacts competitor-focused behavior and inter-functional coordination.

In addition, the management's new product development capabilities add market-oriented behavior to each other and thus seem to increase the company's dynamic mutual performance. Apparently, management's new new capabilities are key points or strength lines in increasing firm performance. Except for special cases, organizational capabilities have an effect that requires a constant arrangement on firm performance behaviors and structure. Firms provide sustainable competitive edge by increasing market focus by developing new product development capabilities. Thus, companies that increase their performance in the global competitive environment are more preferred than their competitors for a long time. As a result, both talents and activities are perceived as a whole and the company is seen as a whole with all its employees.

CONCLUSION AND DISCUSSIONS

This study provides a framework for researchers and managers to comprehend the relationship between

new product development capability and firm performance by revealing the effective role of market orientation in new product development capability. An attempt to reveal the importance of organizational capabilities and market orientation for the firm was made in this study. Organizational capability, core competency, and market orientation were improved by testing experimentally, and a contribution was made to the literature.

The market-oriented activities of firms are improved by quickly responding to the behaviors of competitors that threaten the firm, by the fact that managers always follow the strengths and strategies of their competitors and share them in the relevant department, and by taking action in the areas with a competitive advantage. Furthermore, it is also important that employees are sensitive to interdepartmental requests and share their knowledge and experience with each other to ensure customer satisfaction and that all departments work coordinately to meet market needs. Thus, customer orientation, competitor orientation, and interfunctional coordination develop, and the market-oriented activities of the firm are improved. The firm's capability to develop new export products, its investments in R & D studies to develop new export products and success in offering them to the market, and the new product development speed develop better and successful market-oriented activities of businesses. Here, the fact that new knowledge develops in direct proportion to the competitor-oriented behaviors of the organization to improve innovation efforts is among the results of the study.

Furthermore, it was observed in the study that the new product development capability and market-oriented behaviors were joined and increased the firm performance with dynamic mutual interaction. Nevertheless, the organizing principles of management that constitute meaning and knowledge are also important to increase the effectiveness of market orientation. The firms that increase their performance through market-oriented activities in a global competitive environment also increase their preferability in the long term compared to their competitors. Therefore, capabilities and activities are perceived as a whole, and the firm and all employees are considered to be matched with each other. Another result, contrary to all of them, is that customer-oriented activities of the management in line with the results obtained do not have a statistical significance on the firm performance.

This study has some methodological limitations. Since the people who answered questions about the cross-sectional independent variable also answered the questions about the dependent variable, the fact that some of the people who participated in the survey in the study were not managers and had no knowledge of the firm on a macro basis (in terms of detailed financial performance evaluation) constituted a limitation regarding the objectivity of the answers given. The generalization of the sample depending on the characteristics of the data is also another limitation of the study. The study was carried out in national and international firms operating in the Marmara Region. The researchers should take into account the cultural differences of organizations while generalizing the results of the study to different sectors. A sample from Turkey covering Istanbul and its surroundings has some limitations with respect to the interpretation and implementation of the results. Performing an implementation in a culturally limited region even in the highly industrialized cities of America, Europe or Asia is regarded as a study limitation. Therefore, it is recommended for researchers who will conduct further studies to use the face-to-face interview method and to carry out the study with the employees who are at least at the manager level.

In this study in which the relationship between new product development capability and market orientation and firm performance was revealed, the effects of new product development capability and market orientation on the firm performance were tested by a revised scale. The new product development capability, one of the market-oriented organizational capabilities, was made measurable with this scale. According to the results of the study, it was observed that there was a positive relationship between the firm's new product development capability and market orientation. In other words, the results showed that investment in new product development capability affected the development of market-oriented activities. Furthermore, new product development capability tends to create high firm performance and can be applied to the organization in detail to ensure a sustainable competitive advantage in a global competitive environment. The fact that the firm's market-oriented behaviors affect the firm performance is another result of the study.

Based on the results of the study, the following recommendations can be made to managers: The different skills and experiences of management should comply with the situation and problems that differ in time with the effect of globalization. The management should increase the willingness of employees to participate further in learning experiences, and this willingness should ensure that employees learn from other experiences and make better use of them. Information catalysts in which employees are involved in the process should also be selected to be able to provide a sustainable competitive advantage and for all kinds of initiatives. Managers should always be conscious of having core competencies that can improve the firm's capabilities according to market conditions, customer requests, and demands. The market orientation discussed in the study should certainly have the necessary structure in which the opportunity for the new product development capability, one of the organizational capabilities, is ensured. The capability is a useful and continuous process the development of which will never end because the resource that emerges in dependent relationships may have an intrinsic orientation by realizing the differences in meaning of competencies and core competencies. The managers who can question the capability process as a process can help their customers by realizing their capability and core competencies and improving them as required. Certainly, the management can also create new capabilities by building a skeleton with core competencies. It should be the leader of balance and change in organizational structures that define or limit social networks within the organization. The managers, who should consider the objectives that have been initially imagined or planned, should take market orientation processes and new formations into consideration and keep them under control. They should facilitate the internal development and communication by facilitating the market-oriented activities in which new ideas are spread, and these ideas should be involved in the structures with formal organizational systems to create organizational change and capability development activities. Furthermore, these ideas should also develop innovations that will increase organizational performance by cooperating with additional gains and resources.

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