

Relational Institutional Pressure on the Business Performance of Islamic Banking in the Former Malang Residency Area

Abdillah Ubaidi ^{a,*}, Andriati Aziizah Syafitri ^b

^{a, b} Universitas Islam Raden Rahmat, Indonesia

*e-mail: abdillah@uniramalang.ac.id

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*Correspondence Author

Name:
Abdillah Ubaidi
e-mail:
abdillah@uniramalang.ac.id

ABSTRACT

This research aims to explore the relationship between institutional pressure and dynamic marketing capabilities (DMC), as well as the connection between DMC and the performance of Islamic Banking in the former Malang residency. The study sampled seven banks, comprising 34 analysis units, which include 7 Branch Offices and 27 sub-branch offices. Data processing was conducted using the Smart PLS 3.0 program in alignment with the proposed hypotheses. The findings of this research are as follows: First, institutional infrastructure – comprising both formal and informal rules – significantly influences a firm's ability to adapt to market conditions. Second, DMC is an integrative process that combines a firm's knowledge, skills, and resources to meet market-related business needs. This research contributes by linking institutional pressures to the development of DMC, emphasizing their cognitive and strategic impact on managers. The implications suggest that firms must align marketing strategies with institutional contexts to achieve sustainable performance, guiding future studies on capability-building in varying regulatory and competitive environments.

Keywords: *Institutional Pressure; Stakeholder Theory; Islamic Bank.*

ABSTRAK

Tujuan penelitian untuk mengeksplorasi hubungan antara tekanan institusional dan kemampuan pemasaran dinamis (DMC), serta hubungan antara DMC dan kinerja perbankan Islam di bekas wilayah Malang. Studi ini melibatkan tujuh bank, yang terdiri dari 34 unit analisis, termasuk 7 kantor cabang dan 27 kantor cabang kecil. Pengolahan data menggunakan program Smart PLS 3.0 sesuai dengan hipotesis. Temuan penelitian ini: Pertama, infrastruktur institusional – mencakup aturan formal dan informal – secara signifikan mempengaruhi kemampuan perusahaan untuk beradaptasi dengan kondisi pasar. Kedua, DMC merupakan proses integratif menggabungkan pengetahuan, keterampilan, dan sumber daya perusahaan untuk memenuhi kebutuhan bisnis terkait dengan pasar. Penelitian ini berkontribusi dengan menghubungkan tekanan institusional dengan pengembangan DMC, menekankan dampak kognitif dan strategisnya terhadap manajer. Implikasinya menyarankan perusahaan harus menyelaraskan strategi pemasaran dengan konteks institusional untuk mencapai kinerja berkelanjutan, serta mengarahkan studi masa depan tentang pembangunan kemampuan dalam lingkungan regulasi dan persaingan yang beragam.

Kata Kunci: *Institutional Pressure; Teori Stakeholder; Bank Syariah.*

INTRODUCTION

The release of the State of Global Islamic Economy Report 2022 (DinarStandard, 2022) places Indonesia in the sixth position as a global Islamic financial power. This position is below Malaysia (#1), Saudi Arabia (#2), Bahrain (#3), Kuwait (#4) and the United Arab Emirates (#5). The Global Islamic Economy Indicator (GIEI) ranks countries with global Islamic economic power. However, the market share of Indonesian Islamic banking is far from that of the countries that are in the top 10 main powers of the global Islamic economy. For example: Malaysia 28%; Saudi Arabia 33%; and the United Arab Emirates 19%.

Indonesia, as part of the top 10 global Islamic Finance countries, is a country with the largest Muslim population, namely 239.9 million people (87.2%). However, the market share of Indonesian Islamic banking is far behind compared to others. Islamic banking assets (as a measure of market share) are only 6.74% (OJK, 2022). In fact, since the 1990s the existence of Islamic banking (started by PT. Bank Muamalat Indonesia) has continued to be supported by various stakeholders including; the government through Bank Indonesia, the Indonesian Ulema Council (MUI), the Financial Services Authority (OJK), the National Committee for Islamic Economics and Finance (KNEKS) and others. However, the development of the Islamic banking market share in Indonesia is still not as expected, even though all stakeholders have provided extraordinary support.

Market share is one of the factors that determine the performance of the Islamic banking business (Albaity et al., 2019). When competitive advantage is associated with the level or intensity of competition in the external environment (Matusik & Hill, 1998) it will shape and influence how companies utilize resources to achieve their performance. From a stakeholder perspective, improving performance requires the support of various stakeholders (Freeman, 1984), so Islamic banks need to obtain support from stakeholders to increase their market share (Bella & Al-Fayoumi, 2016), by increasing credibility and trust in stakeholders (Chapra & Ahmed, 2002; van Greuning & Iqbal, 2008; Hussein, 2014). Without the support of various stakeholders, it is difficult for Islamic banking to increase its market share. The success of an organization in achieving its goals requires the contribution of other organizations, groups or individuals to realize it. These other organizations, groups or individuals are stakeholders who determine the success or failure of the organization's achievements (Bourne, 2009).

The stakeholder perspective places the organization as the centre of a stakeholder network (Barringer & Harrison, 2000; Rowley, 1997), acting as a complex system in exchanging goods, services, information, technology, talent, influence, money, and other resources (Freeman, 1984). Freeman (1984) and other researchers who developed stakeholder theory (eg., Post et al., 2002; Phillips, 2003) developed their logic based on the assumption of an efficient market and gave welfare as the main priority of an organization. According to stakeholder theory, organizational welfare will reach an optimal level by meeting the needs of stakeholders using a win-win solution scheme (Harrison & John, 1996; Walsh, 2005). This is the basis for the prediction of stakeholder theory that an organization that can meet the needs of wider stakeholders will get higher organizational performance than those that can only meet the needs of a few stakeholders (Donaldson & Preston, 1995; Jones, 1995).

Responding to stakeholder pressure is essential in improving the competitive position of the company to achieve the desired results (Bıçakcıoğlu-Peynirci & Tanyeri, 2022). According to Jakhar et al. (2019), stakeholder pressure significantly drives the business performance of the organization and on a strategic note, managers must ensure the level of stakeholder influence, as it is very difficult to satisfy each stakeholder's needs for higher business profitability. Thus, managers must analyse their business models and industry settings to examine the extent to which the company operates in a relevant context to reconfigure marketing resources. This condition is what Bruni & Verona (2009) and Fang & Zou (2009) call Dynamic Marketing Capability (DMC), the responsiveness and efficiency of cross-functional business processes to create and deliver value to customers in response to market changes. The implementation of DMC will logically come sequentially: first by enhancing their competencies and brands through learning and adapting to dominant market players, and then developing dynamic capabilities in the marketing area (Mitrega & Pfajfar, 2021).

Regulatory framework: balancing bank risk sensitivity and leverage ratio can act as a standard measure that allows bank stakeholders to compare and properly assess bank solvency (BCBS, 2013). So that bank financial performance and stakeholder welfare are likely to be determined together (Jiao, 2010). And more stakeholder dialogue and involvement are needed stakeholder (Unerman & Bennett, 2004; Unerman, 2007). Therefore, it is necessary to consider how the internal organization and the external environment of the company interact in shaping their responses to stakeholder pressure (Crilly et al., 2012). Stakeholder pressure,

the classification of types of pressure includes institutional pressure and market pressure. Hamilton-hart & Yeung (2021) emphasize that institutional pressure causes a shift in market structure.

In a market economy, competitors compete for resources. This competition creates pressure to innovate, improve the quality of products and services, and expand new markets (Helmig et al., 2016). So, it is necessary for the company's ability to adjust marketing resources to market volatility (Mitrega & Pfajfar, 2021). According to Mitręga (2020). Considering the implementation of DMC (Dynamic Marketing Capabilities) is necessary for adjusting and adapting to institutional pressure.

LITERATURE REVIEW

Institutional Pressure

Oliver (1991) defines institutional pressures in five factors: cause, constituent, content, control, and context. Defines institutional pressures through five key factors: cause, constituent, content, control, and context.

1. Cause refers to the underlying purpose of institutional pressures that drive organizations towards conformity.
2. Constituent relates to organizations that experience significant pressure from potentially conflicting forces, including the state, professional bodies, interest groups, and the general public.
3. Content denotes the degree to which institutional pressures align with the organization's goals.
4. Control is the mechanism by which these pressures are enforced, and it plays a crucial role in shaping managerial responses to them.
5. Context addresses important questions about these pressures: what they are, who imposes them, how they are delivered, and where they occur.

Together, these factors help explain the dynamics of institutional pressures organizations face. Fined as the purpose behind institutional pressures for conformity; Constituent is associated with organizations facing a large amount of pressure from potentially conflicting forces from various entities, including the state, professions, interest groups, and the general public; Content represents the extent to which institutional pressures are consistent with organizational goals; Control is considered the mechanism by which institutional pressures are enforced, an important determinant of managerial responses to these pressures. This fifth factor answers the questions: why are these pressures given, who is giving them, what are these pressures, how or in what way are they given, and where they occur.

Dynamic Marketing Capability (DMC)

The term "Dynamic Marketing Capabilities" (DMC) was first introduced in journal publications by Bruni & Verona (2009) and Fang & Zou (2009). The development of DMC contributes to creating a competitive advantage for companies (Barrales-Molina et al., 2013; Konwar et al., 2017), which is crucial for gaining competitiveness within an industry (Day, 1994; Stadler et al., 2013). DMC is often viewed as an extension of dynamic capabilities (DC), positioning it as part of a broader range of DCs (Easterby-smith & Prieto, 2008; Bruni & Verona, 2009). Teece et al. (1997) and Eisenhardt & Martin (2000) define dynamic capabilities (DC) as processes that enable companies to adjust their resources in response to changing environmental conditions. These processes include sensing capability, seizing capability, and transforming capability, which occur systematically in an ongoing cycle. The term DMC was first used in a journal publication 2009 by Bruni & Verona (2009) and Fang & Zou (2009). The development of DMC helps in creating a competitive advantage for a company (Vorhies & Morgan, 2005; Barrales-Molina et al., 2013; Konwar et al., 2017), an important means for a company to gain competitiveness in an industry (Day, 1994; Stadler et al., 2013). DMC is often defined as an extension of dynamic capabilities (DC), a position that views DMC as part of a broader set of DCs (Easterby-Smith & Prieto, 2008; Bruni & Verona, 2009). Teece et al. (1997) and Eisenhardt & Martin (2000) view dynamic capabilities (DC) as a process that enables the adjustment of company resources to changing environmental conditions, namely: sensing capability, seizing capability, and transforming capability systematically in an ongoing cycle;

1. Sensing Capability
Sensing Capability relates to the business's ability to understand and have insight into the macro market environment or operational ecosystem and its potential impact on competitors, customers, Sensing Capability refers to a business's ability to understand and gain insight into the macro market

environment or operational ecosystem, as well as its potential impacts on competitors, customers, and other stakeholders (Day, 1994).

2. Seizing Capability

Seizing capability refers to an organization's ability to capitalize on potential opportunities through new products, processes, or services that align with its strengths and weaknesses, allowing for informed decisions based on market conditions (Teece, 2007; Cao, 2011).

3. Transforming Capability

Transforming Capability relates to an organization's ability to combine and reconfigure resources and organizational structures as markets change (Teece, 2007; Cao, 2011).

Business Performance

Business performance refers to the evaluation of the results achieved by an organization during a specified period. This assessment helps determine whether there has been an improvement compared to previous periods and what impact this change has on the organization (Bisschoff & Christoff, 2019). According to Kim & Davidson (2004), organizational performance is defined by how efficiently and effectively an organization executes its administrative and operational functions in alignment with its mission, as well as the degree to which it produces actions and outputs based on its institutional mandates. Prieto & Revilla (2006) describe business performance as a complex concept that encompasses more than just financial ratios; it is assessed through both non-financial and financial performance indicators. Therefore, we can conclude that business performance is a reflection of an organization's results (Prieto & Revilla, 2006).

1. Financial Performance

Financial performance refers to the achievement of a company's economic objectives (Lahiri et al., 2022). As noted by Simon et al. (2015), financial performance is assessed not only through increased profitability but also by factors such as financial stability and growth.

2. Non-Financial Performance

Non-financial performance broadly refers to the effects of a company's activities on its operational effectiveness (Lahiri et al., 2022). According to Maltz et al. (2003), non-financial performance is multidimensional. The most commonly used indicators of non-financial performance include the company's adaptability (Lahiri et al., 2022).

Hypothesis Development

Institutional Pressure and DMC

H1: Institutional Pressure has a positive influence on dynamic marketing capabilities (DMC)

DMC and Business Performance

When examining the micro-foundations of dynamic capability (DC), researchers highlight that cross-functional marketing capabilities play a crucial role in enhancing both DC and overall business performance (Barrales-molina et al., 2014). These capabilities enable companies to create, deploy, and safeguard intangible assets that contribute to long-term competitive advantage (Teece, 2007). As a result, DC serves as a theoretical framework for understanding how organizations can develop dynamic capabilities and improve their business performance through marketing initiatives (Liang et al., 2022). Research by Kachouie et al. (2018) indicates that Dynamic Marketing Capabilities (DMC) can serve as a self-evaluation tool for companies, allowing them to compare their performance with that of key competitors, which is linked to improved business outcomes. Based on this information, we can formulate the following hypothesis:

H2: DMC (Dynamic Marketing Capabilities) positively influence Business Performance.

RESEARCH METHODS

Population and Sample

The population of this study was the Branch Offices (KC-Kantor Cabang) and Assistant Branch Offices

(KCP-Kantor Cabang Pembantu) of Islamic Banking in the Malang Residency Area, East Java, totalling 41 offices (OJK, 2022). The former Malang residency area includes: Malang Regency, Malang City, Batu City, Pasuruan Regency, Pasuruan City, Probolinggo Regency, Probolinggo City and Lumajang Regency. This area was selected due to its devout Muslim population, making Islam a significant part of the social and cultural life. Additionally, many Pondok Pesantren contribute to the local economy.

This study focuses on the Branch Offices and Sub-Branch Offices of Islamic Banking. Using the Slovin formula with a 10% error margin, a sample of 30 units was determined. The respondents for this research included middle and top managers, who were selected to provide a comprehensive representation. Following the Slovin formula, 120 respondents were identified, with each Branch Office represented by the Head of the Branch Offices or Sub-Branch Offices (KC/KCP) and at least three additional respondents from the office's staff. In this context, each Branch Office and Sub-Branch Office operates as an autonomous organization that can manage its own territory.

Data Collection Procedure

Adopting research conducted by Chapman et al. (2020), this study took samples from respondents of Islamic banking practitioners in East Java. Respondents were recruited through links distributed through social media channels and/or company emails to participate in an online survey on Islamic Banking Development - stakeholder perspective. In general, 10-15 minutes is the ideal duration for respondents to fill out the questionnaire, while more than 30 minutes seems too long (Revilla & Höhne, 2020) Based on this, the questionnaire design of this study is estimated to require a duration of no more than 20 minutes so that the data collection process is close to ideal.

Data Analysis and Hypothesis Testing Techniques

To conduct data analysis, we employed the partial least squares (PLS) method. Hair et al. (2017) explained that the Partial Least Squares (PLS) path model consists of 2 parts, namely the structural model and the measurement model. The structural model or inner model in SEM-PLS describes the relationship between latent variables, while the measurement model or outer model in SEM-PLS describes the relationship between latent variables and their indicators.

The conceptual model proposes that institutional pressure positively influences Dynamic Marketing Capabilities (DMC), which in turn enhance business performance. DMC act as a strategic mediator, enabling firms to respond to market changes, optimize resources, and gain competitive advantage, thereby linking external institutional forces to internal performance outcomes.

RESULTS AND DISCUSSION

Sample Profile of Islamic Banking

The following are 7 sample banks that are willing to become participants in this research.

Table 1 Sample Profile of Islamic Banking

No.	Name of Islamic Bank	Code	Type	KC	KCP	Unit of Analysis		Unit of Analysis Respondents	of
						Tot.	%	Tot.	%
1	Bank Syariah Indonesia	BRIS	BUS	2	23	25	73.5%	144	77.8%
2	Bank Jatim Syariah	BJTM	UUS	1	1	2	5.9%	9	4.9%
3	Bank Muamalat	BBMI	BUS	1	2	3	8.8%	12	6.5%
4	Bank Panin Dubai Syariah	PNBS	BUS	1	0	1	2.9%	8	4.3%
5	Bank Mega Syariah	MEGA	BUS	1	0	1	2.9%	4	2.2%
6	BTN Syariah	BBTN	UUS	1	0	1	2.9%	4	2.2%
7	BCA Syariah	BCAS	BUS	0	1	1	2.9%	4	2.2%
Total				7	27	34	100.0%	185	100.0%

Source: Primary data, 2024

Seven sample banks were obtained, and 34 analysis units (7 branch offices and 27 sub-branch offices) were obtained from a sample target of 30 based on the Slovin formula used to determine the sample.

Data Quality Test

Reliability is a way to test the extent to which the results of a measurement can be trusted. A measuring instrument has high reliability if several times of measurement on the same group of subjects, in several measurements on the same group of subjects, the results are relatively the same, as long as the aspects measured in the subject have not changed. Reliability also shows the degree of consistency of an instrument and a reliable instrument is one that always gives identical scores (Kerlinger & Lee, 2000; Creswell, 2008). Cronbach's alpha measures the lower limit of the reliability value of a construct. The rule of thumb used for Cronbach's alpha value is that it is greater than 0.7 (Kerlinger & Lee, 2000; Creswell, 2008). Cronbach's alpha measures the lowest value of the reliability of a variable so that the Cronbach's Alpha value is > 0.60 .

Based on the results of the data quality test presented in Table 2, it can be concluded that all constructs demonstrate good reliability. This assessment is determined by examining the Cronbach's Alpha value for each indicator block measuring the construct. A construct is considered reliable if the Cronbach's Alpha value exceeds 0.60. Reliability testing is essential to verify the instrument's accuracy, consistency, and precision used to measure the construct. For a construct to be deemed reliably high, the Cronbach's Alpha value should be greater than 0.70, as noted by (Chin, 1998). The test results indicate that all constructs have Cronbach's Alpha values above the 0.7 threshold, confirming that all variables employed are reliable.

Table. 2 Data Quality Test

Variable	Cronbach's Alpha	Average Variance Extracted (AVE)
Business Performance	0.981	0.691
Dynamic Marketing Capability	0.993	0.659
Institutional Pressure	0.923	0.544

Source: Primary data, 2024

Model and Analysis Results

The data processing process uses the Smart PLS 3.0 program concerning the proposed hypothesis. The data source is multisource consisting of 1 task force leader and several task force members. Furthermore, data aggregation will be carried out to produce data at the task force level. The following figure presents the analysis model and regression coefficients for each variable.

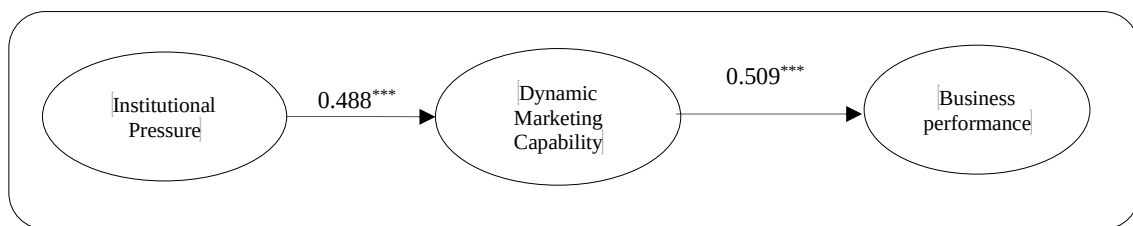


Figure 1. Model Analysis Results

Source: Author Work, 2025

Notes:

- * = Significant at the α level = 0.10 (10%)
- ** = Significant at the α level = 0.05 (5%)
- *** = Significant at the α level = 0.01 (1%)

Table 3 Model and Analysis Results

Hypotheses		Coefficient	t-Value	P-Value	Conclusion
DMC	---> BP	0.509	5.258	0.000	Supported
IP	---> DMC	0.488	4.586	0.000	Supported

Source: Primary data, 2024

Notes:

DMC=Dynamic Marketing Capability; IP= Institutional Pressure; BF= Business Performance

Test the Hypothesis

Test the Effect of Institutional Pressure on Dynamic Marketing Capability

The standardized regression coefficient value of the influence of Institutional Pressure on Dynamic Marketing Capability based on the test results is 0.488. This coefficient means that every change in the Institutional Pressure variable by 1 perception unit will be followed by an increase in the Dynamic Marketing Capability value of 0.488 perception units. Likewise, conversely, if there is a decrease in the perception value of Institutional Pressure. With a p-value of 0.000 smaller than $\alpha = 5\%$, supported by a calculated t value of $4.586 > t \text{ table } 1.960$, it can be concluded that there is a significant positive influence of Institutional Pressure on Dynamic Marketing Capability, thus hypothesis 1 is supported. Support for hypothesis 1 is in line with Institutional Theory (DiMaggio & Powell, 1983) in explaining institutional pressure. According to Mizruchi & Fein (1999), companies continuously aim to maintain and increase legitimacy through agreement with pressures that arise from their institutional environment.

Test the Effect of Dynamic Marketing Capability on Business Performance

The standardized regression coefficient value of the influence of Dynamic Marketing Capability on Business Performance based on the test results is 0.509. This coefficient means that every change in the dynamic marketing capability variable of 1 perception unit will be followed by an increase in the Business Performance value of 0.509 perception units. Likewise, vice versa, if there is a decrease in the perception value of Business Performance. With a p-value of 0.000 smaller than $\alpha = 5\%$, supported by a calculated t value of $5.258 > t \text{ table } 1.960$, it can be concluded that there is a significant positive influence of dynamic marketing capability on Business Performance, thus hypothesis 2 is supported.

The effectiveness of market orientation in improving bank performance will depend on the optimal conditions to implement this orientation. In a situation of external instability generated by the crisis and its negative impact on customer confidence, banks must develop internal mechanisms that allow them to exploit their substantive capabilities fully, and at the same time update and adapt to face the new conditions prevailing in the current business context (Tirado et al., 2019).

Discussion

The study's results indicate that, in the context of Islamic banking in the former Malang residency area, East Java, institutional pressure significantly influences the development of dynamic marketing capabilities. Notably, regulatory pressure positively affects a company's ability to implement dynamic marketing strategies. As highlighted by Yuan et al. (2016), differences in institutional contexts across countries can impact organizational capabilities, which in turn affect a company's strategic fit and dynamic marketing capabilities. Institutional infrastructure, including formal and informal rules, requires companies to adapt to market demands and underscores the importance of marketing capabilities. These capabilities have cognitive and normative effects on managers, leading them to internalize the need for dynamic capabilities that align with the current market (Zhou et al., 2014). Furthermore, as noted by Yang et al. (2012), the presence of normative pressure encourages companies to utilize their market-based capabilities to optimize resource allocation. In summary, this study illustrates that companies respond to both coercive and mimetic pressures by actively exploring the market to enhance their dynamic capabilities. Islamic banking can stay competitive and agile by understanding and adapting to market demands. Integrating DMC into a firm's strategy improves resource allocation and decision-making, leading to long-term success and sustainability in today's fast-paced market. Marketing capabilities are "integrative processes designed to apply a firm's collective knowledge, skills, and resources to market-related business needs. This enables the business to add value to its goods and services, adapt to market conditions, take advantage of market opportunities, and address competitive threats" (Vorhies & Morgan, 2005). By utilizing the resource and capability-based view of the firm, marketing researchers have shown that marketing capabilities can help create competitive advantage because they may be rare, difficult to achieve, difficult to duplicate, and their value can be appropriated by the firm, or in this case the bank (Hooley et al., 2005; Vorhies et al., 1999). In addition, Tirado et al. (2019) explained that through marketing capabilities, which in turn results in better performance. In the banking context, DMC ensures the company's sustainable performance, in a crisis. Having strong marketing capabilities can help Islamic banking survive and thrive in economic uncertainty or industry disruptions. By effectively leveraging resources, banks can

adapt to changing market conditions, differentiate themselves from competitors, and meet customer needs, resulting in sustainable performance and long-term success.

Marketing capabilities allow banks to understand market needs, introduce new products, and organize marketing activities and strategies that offer unique value to their customers. These capabilities help banks build and maintain client relationships, ultimately leading to greater efficiency and cost control. As a result, banks can outperform their competitors (Fang et al., 2019 and Kamboj & Rahman, 2015). Additionally, research findings indicate that Dynamic Marketing Capabilities (DMC) serve as a strategic and explorative tool that enables Islamic banks to adopt an approach that enhances their ability to adapt, renew, or upgrade in response to market conditions, thereby improving business performance. Islamic banking can maintain competitiveness by integrating DMC. By continuously improving marketing strategies and adapting to customer needs, they can differentiate themselves, provide superior value, and increase customer satisfaction, loyalty, and sustainable growth.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of this study, two main conclusions can be drawn regarding their theoretical, practical, and policy implications. *First*, institutional infrastructure – formal and informal rules – significantly influences firms' ability to adapt to market conditions. This focus enhances their marketing capabilities, which subsequently have cognitive and normative effects on managers, leading them to prioritize dynamic capabilities that align with current market demands. Both regulatory and competitive pressures, as forms of institutional pressure, positively impact DMC. Regulatory pressure is a strong motivating factor since the government, in its regulatory role, can penalize firms for non-compliance. Conversely, competitive pressure drives the need for continuous improvement and the pursuit of competitive advantage. *Second*, DMC is an integrative process incorporating a firm's knowledge, skills, and resources to address market-related business needs. It is crucial to recognize the importance of market orientation and effective marketing capabilities to enhance sustainable business performance. Consequently, DMC can provide a sustainable competitive advantage.

This study has important implications, but it also has several limitations. First, it focuses solely on the Islamic banking industry within the former Malang residency in East Java, which limits the ability to generalize the findings to other contexts. Additionally, the study does not take into account the differences among various types of Islamic banks, such as BPRS (Rural Banks), BUS (Sharia Commercial Banks), and UUS (Business Units), each of which has its own distinct organizational culture. Further research is necessary to broaden the scope of this study by including more respondents from diverse backgrounds and geographical locations. This will aid in generalizing the research findings to a broader context. And also, considering specifically the types of Islamic banks. To get a representation of the organizational culture of each type of Islamic bank in Indonesia.

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