

PhD Viva Voce Presentation

By

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**TOPIC: A Synthesis Model Of Market
Orientation Construct Toward
Organizational Performance: Evidence
From Ghana**

Purpose of the Study

The study was to developed a model that depicts how listing on the Stock Market influence a firm's market orientation behavior and consequently the business' performance

RESEARCH PROBLEM

- (1) **Bases**: Previous works have used one or few market orientation perspectives, or conducted the study by firm and industry specific contexts, or failed to use three critical scales
- (2) **Gaps**: The established and addressed gaps fail to generate the necessary market orientation behavior of firms and hence firm performance
- (3) **Why Address Research Gap**: Addressing the gaps is important because more light is thrown on the study area

SIGNIFICANCE OF THE STUDY

❖ Practice:

- Research Finding 1: *Seven key internal antecedents contributed to market orientation of firms*
- Implications: *The findings can contribute to regular assessment of key antecedents of firms' market orientation behavior*

- Research Finding 2: *Three key external antecedents contributed to market orientation behavior*
- Implications: *The findings can encourage strategic management of external antecedents that contribute to firms' market orientation*
- Research Finding 3: *Market orientation is significantly related to performance of Listed Companies*
- Implications: *The findings can encourage the use of synthesis study of market orientation where all perspectives are employed in one study, since the perspective defines firms behavior that leads to improvement in performance*

❖ Policy

- Research Finding 4: *The market orientation of Listed firms is not dependent on the type of business or the period of listing*
- Implications: *The findings can serve as a basis for promoting the stock market as a means of regulating businesses in developing countries*

❖ Theoretical:

- Research Finding 5: *Three new scales (leadership style, organization capabilities and internal marketing contributed to market orientation and business performance*
- Implications: *The findings can contribute to given the necessary attention to the three scales in the theories of market orientation*

LITERATURE REVIEW

Since the works of Kohli & Jaworski (1990) and Narver & Slater (1993), researchers have tried to conceptualize and measure market orientation in relation to business performance (Zebal, 2003; Mavondo et al (5005); Liu Li & Zhao (2006); Malik & Naaem (2009) and Tamaskova (2009)

LITERATURE REVIEW CONT

- Market orientation is concerned with pursuance of intelligence pertaining to customers, competitors (Narver & Slater, 1990) and intelligence acquisition, intelligence dissemination and responding to intelligence (Kohli & Jaworski, 1993).
- Market orientation, is a policy statement, which defines the understanding and meeting of customers' needs as the key to competitive advantage(Pitt, Prinsloo & Berthon, 2007).
- Mavondo et al. (2005) identify market orientation as a business behavior that fosters the organization's continuous learning about its customers and competitors.

LITERATURE REVIEW CONT.

- Market orientation enables firms to understand the market place and develop appropriate product and service strategies to meet customer needs and requirements (Liu, Li & Zhao, 2006).
- The importance of market orientation for a firm's performance depends upon certain environmental conditions (Narver & Slater, 1990; Atuahene-Gima 1995; Zebal, 2003).

LITERATURE REVIEW CONT.

- Narver & Slater (1990) studied market orientation as intelligence pertaining to customers, competitors but used single perspective in the study
- Kohli & Jaworski (1993) studied market orientation in relation to intelligence acquisition, intelligence dissemination and responding to intelligence. This study though used more than one perspective, it was firm specific.
- Zebal (2003) attempted to improve on earlier studies by employing five perspectives in a synthesis study. Nevertheless, his study was also based on industry specific context. Again, it failed to meet the six required perspectives

LITERATURE REVIEW CONT.

- Mavondo et al. (2005) moved a step further by studying market orientation as a business behavior that fosters the organization's continuous learning about its customers and competitors. Again that study was industry specific
- Liu Li & Zhao (2006) conceptualized market orientation as enabling firms to understand the market place and develop appropriate product and service strategies to meet customer needs and requirements, yet the research was not a synthesis study
- Tamaskova, (2009) and Malik & Naeem (2009) tried to improve on previous studies of market orientation by considering key management and organizational factors that influence market orientation. Here again, they fail to consider leadership style, organizational capabilities and internal marketing

LITERATURE REVIEW CONT.

- The literature reviewed have shown that synthesis study of market orientation is under researched.
- Also, these studies have been limited to firm or industry specific context rather than a market or many industry context
- Again, previous works have ignored leadership style, organizational capabilities and internal marketing as moderating factors of market orientation and business performance
- *These gaps have been addressed by doing a synthesis study in a market situation, as well as introducing leadership style, organizational capabilities and internal marketing as moderating factors of market orientation and business performance*

THE RESEARCH METHODOLOGY

DATA COLLECTION

The study used both quantitative and qualitative methods (Oslen, 2004; Cheng, 2005) to address the research problem

Quantitative:

- Help to answer the research questions of this study (Hoepfl, 1997)
- Help to measure as well as analyze causal relationship between antecedents and components of market orientation and its consequences (Denzin & Lincoln, 1998).
- Help generate research questions and hypotheses to be tested.

How it was Used:

- Survey method was used to collect data from respondents due to its wide acceptance and its superiority over experiment and unobtrusive methods
- The questionnaire were self administered due to busy schedule of respondents

RESEARCH METHODOLOGY CONT.

Qualitative

- It involved data collected through the use of in-depth interview in a case study approach in which semi-structured questionnaires were utilized for the case companies.
- The case study approach used to help obtain data from a few informants
- To use sample size that is more specific and quite small compared to other sample sizes.

How Used

- The in-depth interviews were fully transcribed and then sorted and classified according to the major headings of the questionnaire in the systematic and iterative manner
- Face-to-face interview was used to ensure that respondents who are busy officers are personally reached at their own convenience

RESEARCH METHODOLOGY CONT.

SAMPLING PLAN

- The population of the study was 36 companies
- Twenty four companies out of the target population of 36 companies accepted to participate in the survey
- The 24 companies representing 66.67% of the target population were used as a sample for the quantitative study (Krejcie & Morgan (1970))
- Convenience sampling was used to select ten companies for the qualitative study

RESEARCH METHODOLOGY CONT.

Data Analysis

Research Question	Analysis Method	Reasons
Question One: What internal factors (antecedents) actually influence the market orientation in the Stock Market?	Step-wise regression	Study the contribution of the internal antecedents to market orientation
Question Two: What external factors (antecedents) actually determine the market orientation of Listed Companies in Ghana?	Step-wise regression	Assess the contribution of external antecedents to market orientation
Question Three: To what extent does the level of market orientation of the companies in the Stock Market in Ghana impact on the economic and non-economic performance of these companies?	Step-wise regression	Measures contribution of market orientation to business performance
Question Four: Is the market orientation and business performance relationship of Listed Companies in Ghana affected by type of business and period of listing?	ANOVA	Measures the F-ratio effects of listing on business type or period of listing
Question Five: What is the contribution of management leadership style, organizational capabilities and internal marketing to the market orientation and business performance	Step-wise regression	Evaluates the contribution of each key scale to market orientation of listed firms

PRESENTATION AND ANALYS

Research Question	Test Performed	Results of the Analysis
Question One: What internal factors (antecedents) actually influence the market orientation in the Stock Market?	1. Test to determine management antecedents of market orientation 2. Test to determine organizational antecedent to market orientation	1. Supported 2. Supported
Question Two: What external factors (antecedents) actually determine the market orientation of Listed Companies in Ghana?	3. Test to determine external antecedent to market orientation	3. Supported
Question Three: To what extent does the level of market orientation of the companies in the Stock Market in Ghana impact on the economic and non-economic performance of these companies?	4. Test to determine relationship of listing and business type 5. Test to establish relationship between listing and period listed	4. Supported 5. Supported
Question Four: Is the market orientation and business performance relationship of Listed Companies in Ghana affected by type of business and period of listing?	6. Test to determine effect of market orientation on economic performance 7. Test to determine effect of market orientation on non-economic performance	6. Highly supported 7. Highly supported
Question Five: What is the contribution of management leadership style, organizational capabilities and internal marketing to the market orientation and business performance	8. Leadership style and organizational capabilities on market orientation 9. Internal marketing on economic and non-economic performance	8. Supported 9. Highly supported

PRESENTATION AND ANALYS CONT.

Key Findings

- Organizational capabilities was statistically significant with internal marketing ($\beta = 0.63$, $P < 0.006$), intelligence generation ($\beta = 0.63$, $P < 0.011$), and intelligence responsiveness ($\beta = 0.67$, $P < 0.007$).
- Management leadership style related significantly to internal marketing ($\beta = 0.40$, $P < 0.005$) and intelligence generation ($\beta = 0.43$, $P < 0.005$).
- Internal marketing contributed significantly to all three economic performances of Listed Companies: profitability ($\beta = 0.41$, $P < 0.01$), ROI ($\beta = 0.55$, $P < 0.00$), and sales growth ($\beta = 0.44$, $P < 0.01$).
- Internal marketing also contributed significantly to all three economic performances of Listed Companies: employee commitment ($\beta = 0.35$, $P < 0.02$), spirit de corps ($\beta = 0.45$, $P < 0.01$), customer satisfaction ($\beta = .36$, $P < 0.02$), and customer retention ($\beta = 0.48$, $P < 0.01$).

PRESENTATION AND ANALYS CONT.

- The findings show that market orientation and performance of Listed Companies is not dependant on business type or period of listing. The ANOVA results shows:

Financial: (F = 1.47 p<0.46)

Manufacturing: (F = 1.70 p<0.46)

Mines/Energy: (F = 1.65 p<0.45)

Service/general business: (F = 1.59 p<0.45)

Pharmaceuticals/health sector: (F = 1.23 p<0.34)

Agribusiness: (F = 2.16 p<0.47)

DISCUSSIONS OF THE RESULTS

Research Objective	Research Question	Research Findings
1. To identify internal antecedents influence market orientation of Listed Companies in Ghana.	Question One: What internal factors (antecedents) actually influence the market orientation in the Stock Market?	Seven key internal antecedents contributed to market orientation of Listed Companies
2. To identify external antecedent which influence market orientation of Listed Companies in Ghana.	Question Two: What external factors (antecedents) actually determine the market orientation of Listed Companies in Ghana?	Three external antecedents contributed to market orientation of Listed Companies
3. To determine the relationship between market orientation and business performance of Listed Companies.	Question Three: To what extent does the level of market orientation of the companies in the Stock Market in Ghana impact on the economic and non-economic performance of these companies?	Market orientation correlated significantly to economic and non-economic performance of Listed Companies
4. To examine the significant differences in market orientation and business performance of Listed Companies	Question Four: Is the market orientation and business performance relationship of Listed Companies in Ghana affected by type of business and period of listing?	Market orientation of listed firms was not dependent on business type or period of listing
5. To justify the necessity of the three new scales introduced to the study of market orientation in this study.	Question Five: What is the contribution of management leadership style, organizational capabilities and internal marketing to the market orientation and business performance	The three new scales (leadership style, organizational capabilities and internal marketing contributed significantly to market orientation and business performance of firms

DISCUSSIONS OF THE RESULTS CONT.

Relationship of Research Findings to Other Research

Finding 1, 2 and 3:

- Caruana et al. (1998), market orientation and performance of Universities
- Pulendran et al., (2000), study of antecedents and consequences of market orientation in Australia
- Liu et al. (2002), in market orientation study in UK
- Zebal (2003), study of synthesis model of market orientation of Consumer Goods Companies in Bangladesh
- Asikhia (2009), moderating role of E-Marketing on the consequences of market orientation in Nigerian firms
- Alhakimi & Baharun (2010), in a synthesis model of market orientation constructs toward building customer value

DISCUSSIONS OF THE RESULTS CONT.

Implications of Research Findings

Research Findings	Practical Implication	Theoretical Implications	Policy Implications
1. Seven key internal antecedents contributed to market orientation of Listed Companies	The findings can contribute to regular assessment of key antecedents of firms' market orientation behavior		
2. Three external antecedents contributed to market orientation of Listed Companies	The findings can encourage strategic management of external antecedents that contribute to firms' market orientation		
6. Market orientation correlated significantly to economic and non-economic performance of Listed Companies	The findings can encourage the use of synthesis study of market orientation	The findings can encourage the use of synthesis study of market orientation	
4. Market orientation of listed firms was not dependent on business type or period of listing			The findings can serve as a basis for promoting the stock market as a means of regulating businesses in developing countries
5. The three new scales (leadership style, organizational capabilities and internal marketing contributed significantly to market orientation and business performance of firms		The findings can contribute to given the necessary attention to the three scales in the theories of market orientation	

CONCLUSIONS AND SUMMARY

Research Objective	Research Finding	Research Implication
1. To identify internal antecedents influence market orientation of Listed Companies in Ghana.	Seven key internal antecedents contributed to market orientation of Listed Companies	Practice: The findings can contribute to regular assessment of key antecedents of firms' market orientation behavior
2. To identify external antecedent which influence market orientation of Listed Companies in Ghana.	Three external antecedents contributed to market orientation of Listed Companies	Practice: The findings can encourage strategic management of external antecedents that contribute to firms' market orientation
3. To determine the relationship between market orientation and business performance of Listed Companies.	Market orientation correlated significantly with economic and non-economic performance of Listed Companies	Practice: The findings can encourage the use of synthesis study of market orientation
4. To examine the significant differences in market orientation and business performance of Listed Companies	Market orientation of listed firms was not dependent on business type or period of listing	Policy: The findings can serve as a basis for promoting the stock market as a means of regulating businesses in developing countries
5. To justify the necessity of the three new scales introduced to the study of market orientation in this study.	The three new scales (leadership style, organizational capabilities and internal marketing contributed significantly to market orientation and business performance of firms	Theory: The findings can contribute to given the necessary attention to the three scales in the theories of market orientation

CONCLUSIONS & SUMMARY CONT.

The three gaps in knowledge have been filled by the study as follows:

- The use of synthesis study instead of single or few perspectives contributed to market orientation and business performance
- The study examined whether there is relationship in market orientation of listed firms, which showed a positive relationship
- The study came out with three new scales (leadership style, organizational capabilities and internal marketing), which contributed significantly to the market orientation of Listed Companies

THANK YOU