The Implementation of Market Orientation Revisited: A Change Management Perspective

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Abstract

The literature on market orientation (MO) has shed so much light on all aspects of the construct but the implementation conundrum. This study seeks to further enhance our comprehension of the MO body of knowledge by reviewing various recommendations on the best methodology or logical steps for instituting MO in organizations. The review exercise yielded a constellation of equivocal and unobtrusive processes which obfuscates the process of becoming market oriented. To illuminate the construct and achieve clarity, the change management domain is relied on. Analysis of available theories reveals a multiplicity of ways to institutionalize MO. This study draws on Kurt Lewin's three step-model of change (unfreezing, changing and refreezing). To adequately implement MO, we must unfreeze old organizational assumptions, processes and practices. The change is effected by the introduction of market oriented values and cultural practices, which are reinforced to forestall slippage, back to the old unlearned organizational ways. This is achieved through employee training and use of incentive system. To ensure sustenance of the new MO way of life, we refreeze. This approach involves integrating units and engaging all organizational members by catering to their personal and individual needs to ensure comfortable behaviours.

Key words: Market orientation, implementation, performance, change management
Introduction

Over the years, marketing has been viewed as the organizational function saddled with the responsibility of seeking, understanding and meeting the current and future needs of the firms’ customers. Thus, the discipline is expected to generate revenue in the exchange process, in order to ensure the survival, thriving and sustainability of the firm in our present tumultuous business landscape (Kumar, et al., 2011). Consequently, in a bid to meet the demands of the ever competitive business environment, several business orientations were employed (Avlonitis & Gounaris, 1999). However, whilst a plethora of these orientations exist, the marketing concept resonates. Thus considered as the business orientation which holds that the achievement of firms’ objectives will be contingent essentially on its ability to identify and satisfy customers' current and latent needs better than the competitors (Aggarwal & Singh, 2004). Hence, the implementation of the marketing concept within organizations is termed market orientation (MO) (Ellis, 2006; Kwak, et al., 2013).

Within the MO research domain, four topical areas have attracted streams of research due mainly to their roles as the cornerstone of the construct. They include:

(a) The conceptualization issue: Several conceptualizations of the construct abound, but the two most commonly used as default theories in MO are that as advanced by Narver & Slater (1990) and Kohli & Jarworski (1990). Narver & Slater (1990) in their seminal work conceptualize MO as organizational culture comprising three behavioural components: (a) Customer orientation (b) Competitor orientation and (c) Inter-functional coordination. Hence the authors define MO as:- "Market orientation is the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior performance for the business’ (pg. 21). However, from a seemingly different perspective, Kohli & Jaworski (1990) conceptualize the construct as an organizational behaviour consisting of: - (a) Intelligence generation (b) intelligence dissemination and (c) responsiveness to intelligence generated by the organization. The above studies attempt to address the question relating to the succinct meaning of the construct and how it is distinct from other business orientations. Notwithstanding these seminal works, emerging and parallel conceptualizations exist (Day, 1994b; Jaworski & Kohli, 1996).

(b) Methodological issue: How to aptly measure the construct is of utmost importance (Raaij & Stoelhorst, 2008). Thus, the development of scales and the operationalization of MO to support measurement and universal applicability are of great concern. Consequently, the Kohli & Jaworski's (1990) MARKOR scale, Narver & Slater's (1990) MKTOR scale, Deshpande, Farley and Webster's (1993) Customer orientation scale, Deshpande and Farley's (1998) MORTN scale have all been prescribed.
(c) **Model issue:** The antecedents (causes) and consequences (effects) of MO are the major focal points. However, the effects of the third variable (moderating and mediating variables) are taken into account (Kirca, et al., 2005). This is congruent with extant studies affirming the import and impact of these variables on MO research outcomes. Thus, the disparity in research findings as to the meaning, measurement, antecedents and consequences of the construct have been attributed to this conceptual divergences (Kaur & Gupta, 2010).

(d) **The implementation issue:** This relates to the managerial actions that could be adopted to effectively implement MO. Thus, the overarching question of *how do organizations become market oriented* is echoed loudly (Gebhardt, et al., 2006). While a plethora of research on all other aspects of the MO in various parts of the globe abound, that on ways to implement MO is infinitesimal and begs our attention (Beverland & Lindgreen, 2007; Hinson & Mahmoud, 2011). A few scholarly studies have sought to identify and suggest logical and effective ways of developing and implementing MO with a view to enriching our understanding of the construct and to further improve organizational efficiency and effectiveness. This is predicated on the reasoning that the adoption of the MO is inextricably linked to a number of positive organizational performance outcomes (Baker & Sinkula, 1999; McNaughton, Osborne, Morgan & Kutwaroo, 2001). Received wisdom and research findings in the MO body of knowledge hold that the positive relationship between MO and firm performance is visibly evident in certain sectors, including exports (Hinson, et al., 2008), Pharmaceuticals (Mahmoud, et al, 2010) and manufacturing (Kuada & Buatsi, 2005). However, aside Beverland & Lindgreen's (2007) study of MO implementation in industrial firms, no other study to the best of my knowledge has examined the topic in business- to- business organizations.

Consequently, to date, the paucity of research on MO implementation remain amazingly disturbing. Even the few research studies on the topic have yielded a constellation of confusing, difficult and ambiguous processes to becoming market oriented and sustaining MO within firms (Gerbhardt, Carpenter & Sherry, 2006). This is not unconnected with the huge number of varied approaches to instituting change in our modern firms (Lawler & Sillitoe, 2010). This leads to the fuddling situations within firms and highlights the dilemma of the modern manager. A comprehension of the strategic relevance of MO without a clue on the processes of its adoption and institutionalization would not be of any economic benefit to the firm. Hence, the need to illuminate this subtle phenomenon (MO implementation) underpins this study.

Therefore, based on the foregoing reasoning, in order to create meaning for managers, this paper aims at taking the MO discourse to the next logical level. The paper discusses the three main issues and areas of confusion on the topic including; (a) the "where" (b) the "what" and (c) the "how" of implementing MO. We begin with issues in the MO field of study which obfuscate implementation and draw on change management theory to recommend ways of implementing MO in organizations irrespective of sector and global location.
Implementing Market Orientation (MO)

The MO is reckoned to be necessary for the creation of competitive advantage (Kumar, et al., 2011), building of organizational dynamic capability (Zhou & Li, 2010) and subsequently enhance the performance outcomes of organizations globally (Cano, Carrillat & Jaramillo, 2004). But the implementation of MO has remained most elusive even with the cornucopia of research on the construct. Few research studies on the subject have generated varied approaches which can be best described as cumbersome processes and procedures, woolly and at best byzantine (Kirca, Bearden & Roth, 2011). This underscores Raaij & Stoelhorst's (2008) assertion that drawing a straightforward conclusion from available literature to inform managers on the vital steps to improve their companies MO is indeed an intractable problem. Founded on the premise that while academics as well as practitioners may easily draw a connection to the MO theme, they often times digress from the exact definition of MO (Ottesen & Gronhaug, 2002). This offers an explanation on why we can say so much about MO whilst in actual fact still engage in practices at variance with the MO concept (Lear, 1963).

To this end, several approaches have been recommended by marketing academics on the ways to implement MO. These include, information processing approach (Kohli & Jaworski, 1990), the norm-based approach (Litchenthal & Wilson, 1992), the strategy and support processes approach (Ruekert, 1992), the capabilities approach (Day, 1994), the culture change approach (Narver & Slater, 1998), the systems-based approach (Becker & Homburg, 1999) and the management behaviour approach (Harris & Ogbonna, 1999). Although, these approaches are nomologically in tune with the topic, they are however flawed on various dimensions. For instance, Payne (1988); Ruekert (1992); Day (1994) advanced the modification of organizational processes and activities but the procedure lacks clarity. The cultural transformation approach proposed by Kennedy, Goolsby & Arnould (2003); Gebhardt, Carpenter & Sherry (2006), recommends MO implementation via cultural change. Whilst this sounds plausible, it suffers however from lack of operational precision. Gotteland, Haon & Gauthier (2007) prescribed study of change agents to aid implementation. Although, members of the organization are vital to this course and could be the agents of the desired change, the question of whom to question and use remains perplexing. This view is consistent with empirical research findings which suggest that perceptual differences exist within firms amongst distinct functional managers on the degree of MO (Van Bruggen & Smidts (1995). A seven step approach labelled seven enablers of MO posited by Raaij & Stoelhorst (2008) which emphasizes what to change within organizations is instructive, but disappointingly has not addressed the issue of "the how to change". Interestingly, the use of low MO cognitive model (Martin, Martin & Minnillo, 2009) came promising, but leaves marketing academic and practitioners utterly fuddled. Kaur & Gupta's (2010) prescription of knowledge management for effective generation and dissemination of market intelligence mean that the approach measures MO only from the customers' perspective (Rossiter, 2012). This singular act invalidates the approach as customers alone do not adequately represent the overall object of market intelligence in accordance with Kohli & Jaworski's (1990) construct definition.
Furthermore, granted that some of these suggested methods have employed qualitative and or quantitative methodologies so as to substantiate the distinct features of each of the highlighted approaches, their practical application remains tenuous.

The equivocal and unobtrusive guides to becoming market oriented recommended thus far has become problematic, polemic and a source of worry to all and drew the attention of marketing academics. Thus, Jaworski & Kohli (1996, p.31) expressed so much concern and opined that “A lot more work has to be done in coming up with practical suggestions for enhancing market orientation”. This view suggests inapplicability of the present methods and buttresses Lehmann's (2005) call for us to develop a comprehension of what change mechanisms/agents and interventions would be essential to institutionalize MO and ensure it is sustained in firms. This undoubtedly connotes changing the way we perceive and manage our organizations.

Consequently, to effect the institutionalization of MO, this study relies on the change management domain for possible insight into the most practicable and pragmatic methods to enhance our ability to achieve this much needed outcome. However, within the change management school of thought, a plethora of theories relevant to instituting change within organizations abound. Each of these theories approaches organizational change from the perspective of how organizations work. Therefore, the processes employed for instituting organizational change include, organizations as machines, political systems, organisms, flux and transformation (Cameron & Green, 2012). These approaches are premised on treating change from changing the organizational structure, culture and process (Kaur & Gupta, 2010). Based on analysis, the Lewin's three step model of change, dubbed "Kurt Lewin's Force Field Model of change" is adopted for the study, as it is the most appropriate and less complicated for use in modern times (Analoui,2007).

**Kurt Lewin's Force Field Model of Change**

Within this model, change is perceived as having three distinct steps of (a) unfreezing (b) changing and (c) refreezing. This is based on the premise that change is a state of imbalance between driving and restraining forces (Burke, 2011). Thus to implement change, organizational managers should go step-by-step through each of these three phases.

(A) Unfreezing: This connotes the loosening up of previous work processes and organizational culture. That is, unlearning past processes by questioning the current state of affairs so as to institutionalize a new work process. Hence, to implement change, managers must change the status quo and initiate pressure in favor of the new change (Lewin, 1951; Burnes, 2004). This is the most difficult part of the change process as humans often times resist any form of change, therefore enormous amount of organizational resources must be committed to achieve this process (Analoui, 2007). Haven unfrozen past processes by challenging past processes and assumptions, the organization moves to the next phase which is changing.
(B) Changing or instituting change: Haven unlearned the past practices; the organizational managers must introduce a new set of assumptions, practices and processes. Consequently, firms will identify the necessity for adopting the MO within the firms as the beginning of the change process (Lafferty and Hult, 2001). It is sacrosanct that once the change is instituted it must be reinforced and frozen. This can be achieved by providing employee trainings and incentives system which are essential to forestall slippage back to the old system (Lawler and Sillitoe, 2010).

(C) Refreezing: This involves the integration of organizational members. This is achieved by refreezing the new assumptions, practices and processes to cement the new state of affairs (Burke, 2011). Narver, Slater & Tietje (1998) suggest that refreezing might involve and necessitate changes to the firm's systems and structure. Thus, a careful and critical re-learning of the newly implemented MO system must be reinforced (Becker and Homburg, 1999). Kennedy, Goolsby & Arnloud (2003) assert that this is consistent with cascading leadership deemed essential for effective MO. It is vitally important that learning orientation is echoed to ensure that the new MO cultural values must be refrozen (Baker and Sinkula, 1999). These steps are critical to the implementation of the MO in organizations.

Conclusion

This paper looked at the implementation of MO within organizations. It began with an introduction of the marketing concept which is the primordial archetype on which the MO theory is premised. Hence, the MO is widely seen in the community of marketing scholars as the implementation of the marketing concept. MO research to date has generated confusing, conflicting and at best inconclusive findings due essentially to the varied definitions, meanings and interpretations accorded the construct. The Narver & Slater's (1990) and Kohli & Jaworski's (1990) perspectives (cultural and behavioral) seem currently the default conceptualizations.

Several critical topical areas of MO which have generated divergent research outcomes were highlighted. They include scope, measurement, model and implementation issues. Extant research streams are reported on every aspect of the topic investigated but for the implementation issues. This dearth of scholarly work on this area underpinned this study, which is with a view to illuminating this rather elusive aspect of the construct.

In order to implement MO within organizations, a review of the few studies was conducted. The result suggests confusing and equivocal recommendations, hence leading to the conundrum. Thus, the paper sought to introduce clarity to this body of knowledge and relies on the change management school of thought. Upon analysis, the Kurt Lewin's (1951) force field model of change was employed to guide the implementation of MO. The model comprises three phases including, unfreezing, changing and refreezing (Burke, 2011). It is hoped that the careful use of this model would aid organizational managers in their quest to institutionalize MO for the benefit of all members.
References


