An Examination of Market Orientated Organisational Culture

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Abstract

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This research is a mixed-method case study of the organisational culture of market orientated companies. Market orientation occupies an important position in marketing and strategy literature. Research has acknowledged the benefits and consequences of market orientation (Narver and Slater, 1990; Kohli and Jaworski, 1990; Ruekert, 1992; Jaworski and Kohli 1993). The importance of organisational culture in the successful implementation of a market orientation strategy has also been recognised (Halliday, 2000). Homburg and Pflesser (2000) determine that an awareness of the distinction between the different layers of organisational culture contributes to a better understanding of the drivers of market orientated behaviour. Thus the research questions of this study investigated what market orientated organisational cultural values, norms, artefacts and behaviours as identified by Homburg and Pflesser (2000) exist in market orientated companies and if they encourage a market orientation. A mixed-methods case study approach was utilised with surveys (n=65), interviews (n=10) and observations in three companies.

This study can conclude that the market orientated organisational cultural values, norms; artefacts and behaviours identified by Homburg and Pflesser (2000) do exist in the companies researched. Furthermore, there was a correlation between values (r = .73), norms (r = .77), artefacts (r = .49) and market orientated behaviours which was further supported by qualitative data. Thus indicating that values influence market orientated behaviours, norms influence market orientated behaviours and artefacts influence market orientated behaviours. In addition, there was evidence of interrelationships between values and interrelationships between norms that facilitated and enhanced a market orientation in companies. Market orientated organisational cultural values and norms were also found to be unique to each company and ranked in accordance with particular company goals. Finally, artefacts were also found to reflect the unique values and norms of a company.

The core conclusion of this study is that the combined synergistic effect of the particular unique market orientated organisational cultural values and norms that exist within a company which are reflected in artefacts are central to the development of a market orientated organisational culture. It is the culture that develops within a company that effectively encourages market orientated behaviours.

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Chapter One

Introduction

1 Introduction

This purpose of this chapter is to provide an introduction to the research. The chapter introduces the background to the research, outlines the research problem and research justification. In addition, the research methodology and definitions of key terms are presented. This chapter will conclude with the delimitations of scope of this study.

1.1 Background to the research

This focus of this study is to examine the organisational culture of market orientated companies. There has been a considerable amount of literature and research covering both market orientation and organisational culture (Narver and Slater, 1990; Kohli and Jaworski, 1990; Slater and Naver, 1994, 2000); Avlonitis and Gounaris, 1999; Gray and Hooley, 2002; Homburg and Pflesser, 2000; van Raaij, 2010). There have been many discussions and debates in the literature relating to the origins, definitions, measurement and implementation of each concept in its own right while at the same time a discussion as to how the two concepts are linked has also been ongoing (Narver and Slater, 1990; Day, 1998, 2000; Homburg and Pflesser, 2000; Kasper, 2002, 2005; van Raaij, 2010). Market orientation is an important element in creating and sustaining a competitive advantage and has over the years been found to be positively related to performance (Narver and Slater, 1990; Kohli and Jaworski, 1990; Ruekert, 1992; Jaworski and Kohli 1993; Hunt and Morgan, 1995; Pelham and Wilson, 1996; Kirca et al., 2005). Narver and Slater (1990) pointed out in their influential writings on the subject that judging by the attention paid to the topic, market orientation is at "the very heart of modern marketing strategy". Taking elements

from the seminal writers on the subject (Narver and Slater, 1990; Kohli and Jaworski, 1990) market orientation is concerned with the creation of superior value for customers and involves the companywide generation, dissemination and responsiveness to that information in order to best serve a customer's current and future needs. Since the early 1990s the main areas of research have conceptualised market orientation from either a behavioural perspective or from a cultural perspective (Narver and Slater, 1990; Kohli and Jaworski, 1990; Griffiths and Grover, 1998 cited in Homburg and Pflesser, 2000; Gebhardt et al., 2006). Each perspective poses the question is the implementation of market orientation brought about a) through behaviours of an organisation or b) is it the organisational culture of the company that influences market orientation behaviours. This study comes from the cultural perspective of market orientation which proposes that the organisational culture encourages a market orientation and market orientated behaviours in an organisation. The organisational cultural elements that influence market orientation are considered the values, norms, artefacts and behaviours that exist in a company. These elements make up the layers of culture and are the manifestations of culture (Schein, 1984; Trice and Beyer, 1993). Schein (1986) wrote "this culture stuff might be a useful new management tool for improving productivity, quality of work life, and helping us regain our competitive edge" (ibid, p. 30). Not much has changed since then as the current interest in organisational culture stems from a number of areas of management and organisational processes such as; organisational performance, human resource management and organisational merger and change (Mullins, 2010).

In the current economic climate companies are faced with new and continuing challenges from the advances in technology, globalisation and in the way business is done with the development of social media. Companies seeking to achieve a competitive advantage often look within their company in order to take advantage of the resources that are unique in order to create a strategy (O'Sullivan, 2013). Both market orientation and organisational culture it has been argued can help companies attain a competitive advantage (Barney, 1986; Parasurman, 1987; Narver and Slater, 1990; Kohli and Jaworski, 1990; Hunt and

Morgan, 1995; Day, 1998, 2000). This study will bring these two areas of research together to focus on what elements of the organisational culture exist in market orientated companies. In addition this study will also investigate if these organisational cultural elements of market orientated values, norms and artefacts encourage market orientated behaviours.

1.2 Research Problem

The research problem addressed in this study is:

What organisational cultural values, norms and artefacts exist in market orientated companies and do these elements encourage a market orientation and market orientated behaviours?

A crucial factor in implementing a market orientation strategy is the organisational culture of the company. Research has acknowledged that ignoring the organisational culture has implications on the successful implementation of a market orientation strategy (Halliday, 2000) consequently it is necessary to identify the characteristics of the organisational culture of market orientated companies. As pointed out by Homburg and Pflesser (2000, p. 450) examining the layers of organisational culture will lead to "a better understanding of the forces driving market orientated behaviour". In order to develop this understanding of how organisational culture is a driver in of market orientated strategies in companies, this study investigated if the organisational cultural values, norms, artefacts in market orientated companies and if they encourage a market orientation.

In order to address the research aim the following research questions were presented:

The first research question asked:

1. What organisational cultural values exist in market orientated companies?

   The most basic shared values identified by Homburg and Pflesser (2000) associated with market orientation include: *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed.*

2. Do the organisational cultural values identified encourage a market orientation?

The second research question asked:

1. What organisational cultural norms exist in market orientated companies?

    The organisational cultural norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* were identified by Homburg and Pflesser (2000) as having market orientation as their concrete objective.

2. Do the organisational cultural norms identified encourage a market orientation?

The third research question asked:

1. What organisational cultural artefacts exist in market orientated companies?

    The artefacts of stories, arrangements, rituals and language were identified by Homburg and Pflesser (2000) as indicators of the level of market orientation in an organisation.

2. Do the organisational cultural artefacts identified encourage a market orientation?

This study concluded that the organisational cultural values identified by Homburg and Pflesser (2000) do exist in market orientated companies; the values are interconnected; the values were found to differ in their importance in the companies researched; and the values were related to market orientation. This is an indication of the importance of values in and for companies as the foundation of a company's culture and as a guiding force for employees signifying what a company stands for and giving employees a sense of direction.

This research can also conclude that the organisational cultural norms identified by Homburg and Pflesser (2000) do exist in the market orientated companies researched. In addition, an interconnection between the norms exists with different companies having a hierarchical order of norms. Norms are formed following the development of shared values within an organisation and employees learn from each other a set of guidelines that become the established

pattern of behaviour. This study found that the norms influenced market orientated behaviours. Norms provide guidelines for acceptable standards of behaviours that are shared and internalised by members of an organisations (Wallace, 2008) and as a result norms encourage a market orientation in an organisation. The importance of this is that established norms can be a powerful force in an organisation.

Finally, in response to the third research question this study can conclude that artefacts exist in the companies researched. Artefacts it was found were used to send subtle signals of the values and norms that were central to the company conveyed through the rituals, the artefacts of language, mission statements and the arrangements. Furthermore, there was evidence that the artefacts reflecting the values and norms in turn encouraged a market orientation in the companies researched. This is an indication of the distinct and important role artefacts play when implementing a market orientation.

Subtle signals were conveyed through the rituals, the artefacts of language, mission statements and the arrangements of the values and norms that are important to the company. It can therefore be argued that a company can use artefacts as a powerful tool in relaying a message of the importance of the values and norms of a market orientation within their organisation.

1.3 Justification of the research

In international research Ireland scored above average compared to their European counterparts in terms of implementing a market orientated strategy (Moloney et al., 2005). The explanation for this was that market orientation was considered a way of tackling the turbulent market conditions head on (ibid). However, although the importance of market orientation is covered extensively in the literature and important advances are being made in a literature enriched with both qualitative and quantitative research, still more needs to be done to address the implementation of market orientation (van Raaij, 2010).

Market orientation is an important strategy and has been described as a "visible hand" that guides managerial behaviour (Greenley, 1995, p. 50 citing Lichtenthal and Wilson, 1992). It also provides a unifying focus within a company that leads

to superior performance and a distinct form of a sustainable competitive advantage (Kohli and Jaworski, 1990). Numerous benefits and consequences of market orientation have been identified such as improved company performance (Kirca et al., 2005); innovation (Han et al., 1998; Hult et al., 2004), greater competitive advantage (Pelham and Wilson, 1996; Kirca et al., 2005), enhanced customer loyalty and satisfaction (Moloney et al., 2005; Kirca et al., 2005); improved quality of products and services provided (Kirca et al., 2005); employee satisfaction and commitment (Wrenn, 1997; Avlonitis and Gounaris, 1999).

In addition various models have been developed to measure the concept (Narver and Slater, 1990; Ruekert, 1992; Kohli et al., 1993; Deshpandé et al., 1993; Deng and Dart, 1994; Gray, 1998; Homburg and Pflesser, 2000). So far, however, previous research in the field of market orientation has failed to identify concrete actions as to how to bring about a market orientation (van Raaij, 2010). There has been little research into the conditions under which market orientation can flourish (Avlonitis and Gounaris, 1999) or as Gray and Hooley (2002) explain, relatively little research have been carried out into the antecedents of market orientation, "the conditions needed to inculcate and nurture a market orientation". Gray and Hooley (2002, p. 982) advise that more qualitative research is needed so as to understand how to adopt a market orientation, its influences and barriers. Additional in-depth qualitative research will provide "richer information on the links between market orientated behaviours and other marketing and management strategies" or into the condition and the antecedents of market orientation.

This study comes from the cultural perspective of market orientation which suggests that the organisational culture encourages a market orientation and market orientated behaviours in an organisation. Researchers have acknowledged that while a "full and detailed understanding is still lacking" a relationship does exist between market orientation and organisational culture (Kasper, 2005). Homburg and Pflesser (2000, p. 450) explain that in previous research on market orientation there has been no distinction made between the layers of culture and, citing Griffiths and Grover (1998), research on market orientation has not looked "at the cultural dimensions behind the observable behaviors".

Understanding the impact an organisation's culture can have is important for all members of an organisation. The Fortune 100 or the Great Place To Work (GPTW) survey highlight the importance of culture in an organisation as a defining factor in a company being a good place to work. The GPTW survey is carried out in forty-eight countries worldwide assessing and measuring organisations in order to see what makes them great places to work. Their programme helps "organisations better understand their own culture and practices" (Dillion, 2013). In the early years of the GPTW survey Irish companies did not understand what being a great place to work was all about according to John Ryan chief executive of GPTW Ireland (Cluskey, 2013). Irish companies said they were not about "beanbags and free food" but have since recognised the importance of responding to changing workplace trends and have worked continuously and committed to creating a "new and sustainable workplace ethos" (Ryan, 2013, quoted in Cluskey, 2013). Trends identified by the GPTW survey show that a unique workplace culture can support a business strategy (Cluskey, 2013) and for this reason looking at the elements of an organisation's culture will help identify what workplace or organisational culture works for market orientated companies.

1.4 Methodology

The study uses a case study approach of three companies in the south east of Ireland employing mixed-methods: questionnaires, interviews and observations in the data collection process. Quantitative data was gathered using a questionnaire based on Homburg and Pflesser (2000) questionnaire. Sixty five completed questionnaires were returned. Data from the questionnaire was analysed using the software package Statistical Package for Social Sciences (SPSS). In order to gain a more in-depth understanding of the culture of the organisation interviews and observations were used to gather data. Ten interviews were carried out with interviewees from different levels and functions within the organisation. Interviews were recorded, transcribed and a thematic analysis was carried out on the data.

1.5 Outline of the Thesis

Exclusive of this chapter, the outline of this thesis is presented which comprises of the following five chapters.

Chapter two presents a review of the literature on organisational culture, market orientation and how they are linked. Following this review research questions were developed.

Chapter three describes the methodology used in this study. It outlines and justifies the mixed-method approach used describing the methods for data collection, data preparation and analysis.

In chapter four the findings of the data collected are presented with each research question addressed.

Chapter five provides an analysis of the data gathered highlighting how the research findings relate to the literature.

Chapter six provides the conclusions in light of the original research aim and research questions as well as identifying recommendations. Limitations, contribution to theory and areas for further research are also presented.

1.6 Definitions

An important aspect of researching the areas of market orientation and organisational culture is the myriad of definitions available in the literature to explain each of the terms and the associated elements. For this reason it is important to define they key terms and how they will be understood in this study.

1.6.1 Market Orientation

In determining what market orientation is Narver and Slater (1990, p. 21) describe market orientation as "the business culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value [for customers]". Market orientation as such is viewed from the cultural perspective and suggests that market orientation is a result of the organisational culture of a company.

The following definition of market orientation from Kohli and Jaworski (1990) describes the behaviours that are related to market orientation specifically:

> Market Orientation is the organization wide *generation* of market intelligence pertaining to current and future customer needs, *dissemination* of the intelligence across departments, and organization wide *responsiveness* to it (Kohli and Jaworski, 1990, p.6, italics in original).

This describes the behaviours that are the essence of market orientation – a concerted effort of gathering information from customers, distributing that information throughout the company allowing everyone to respond effectively to the information gathered. This describes the behaviours that will create the superior value Narver and Slater (1990) relate to.

This study views market orientation from the cultural perspective and throughout this thesis sees market orientation as the business culture that most effectively and efficiently creates the necessary behaviours (Narver and Slater, 1990) namely market generation, dissemination and responsiveness to that information (Kohli and Jaworski, 1990) to create customer value.

1.6.2 Organisational Culture:

Organisational culture has been defined by Schein (1985) as follows:

> Organizational culture is the *pattern of basic assumptions* that a *given group* has *invented, discovered, or developed in learning to cope* with its *problems of external adaptation and internal integration*, and that have *worked well enough to be considered valid* and, therefore, to be *taught to new members* as the correct way to *perceive, think, and feel* in relation to those problems (Schein 1985, p. 3 italics in original).

This definition has provided the foundation upon which other definitions have been built. In Homburg and Pflesser (2000) the basis for their definition of organisational culture is as follows:

> … the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behaviour in the organisation" (Desphandé and Webster, 1989).

This definition emphasises three different layers of culture; value, norms and behaviours which Homburg and Pflesser (ibid) argue are needed in order to understand the interrelations between the layers. The concept of artefacts as a layer of culture was introduced by Schein (1992) and Trice and Beyer (1993).

Thus Homburg and Pflesser (2000) introduced artefacts as an additional layer of culture in their research:

> … organizational culture consists of four distinguishable but interrelated components. They include shared basic values, behavioural norms, different types of artefacts, and behaviours (Homburg and Pflesser, 2000, p. 450).

This study used this definition to analyse the organisational culture of the companies researched. A more in-depth discussion on the concept of organisational culture can be found in the literature review. Each of the four layers of culture will now be defined.

1.6.2.1 Values

Values are considered the foundation of an organisation's culture and give employees a sense of direction and guidelines for their day-to-day behaviour (Deal and Kennedy, 1982). Values are at the core of an organisation's culture (Hofstede et al., 1990; Trice and Beyer, 1993).

The definition of values in this study will be the "social principles, goals and standards considered to have intrinsic worth" (Hatch, 1993, p. 659). This implies that values serve the purpose of guiding desires and how to behave. Values set standards that are acceptable and they also act as standards by which behaviour is justified (Rokeach, 1968a, 1968b).

1.6.2.2 Norms

Norms are the expected standards that guide behaviour and are the result of the shared values within an organisation (Sathe, 1982; O'Reilly et al., 1991; Homburg and Pflesser, 2000). The definition used in this study is: "Norms express which behaviours are expected by others and are culturally acceptable ways to attain outcomes" (Trice and Beyer 1993, p.34). This underlines that norms are more tactical and procedural than values (Sathe, 1983) and are the complex bodies of practical knowledge acquired from others and inducted into practices by others as the right way to do things (Wallace, 2008). Norms are a powerful force in an organisation in that expected standards and behaviours are imparted to employees through their peers and when these standards and behaviours become taken for granted they become the norm and the acceptable way to do things.

1.6.2.3 Artefacts:

Artefacts are the most visible element of an organisation's culture and are defined by Schein (2004) as:

> … the architecture of its physical environment; its language; its technology and products; its artistic creation; its style as embodied in clothing, manners of address, emotional displays, and myths and stories told about the organization; its published lists of values; its observable ritual and ceremonies; and so on" (ibid, p.25)

Homburg and Pflesser (2000) identified four categories of artefacts that are the most frequently mentioned artefacts for market orientation.

- **Arrangement:** The arrangements cover what Schein (ibid, p. 25) described as "the architecture of its physical environment" which cover the offices, meeting rooms and common areas along with the buildings and exterior surroundings.
- **Language:** Language is defined as "a shared system of vocal sounds, written signs or gestures used by members of a culture to convey categorized meanings to each other" (Trice and Beyer 1993, p. 78).
- **Stories**: Stories are defined "as a narrative based on true events - often a combination of truth and fiction" (Trice and Beyer 1984, p. 655).
- **Ritual:** A ritual is defined as "standardized, detailed set of techniques and behaviours that the culture prescribes to manage anxieties and express common identities" (Trice and Beyer, 1993, p. 80).

1.6.2.4 Behaviours:

The behaviours studied during this research relate to the market orientated behaviours defined by Kohli and Jaworski (1990) as:

> … the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it (Kohli and Jaworski, 1990, p. 6)

1.7 Delimitations of Scope and Key Assumptions

This study focuses on the organisational culture of market orientated companies specifically addressing the research problem: What organisational cultural values, norms and artefacts exist in market orientated companies and do the organisational cultural values, norms and artefacts identified encourage a market

orientation and market orientated behaviours? The organisational cultural values, norms and artefacts investigated were identified by Homburg and Pflesser (2000). While this study researched specific values, norms and artefacts it is by no means a complete catalogue of values, norms or artefacts that could impact or encourage a market orientation. It also does not cover the complete aspects of organisational culture that could impact the implementation of this strategy. In light of the lack of models that look specifically at the organisational culture of market orientation the model by Homburg and Pflesser (2000) was deemed the most appropriate for this study

The sample selected for this study were companies who were either shortlisted and/or winners of the Wexford Chamber Business Awards since their inception in 2009. A more extensive sample could have been used allowing for further cases to be studied however due to the scale of this research this was not feasible.

No distinction was made between service or manufacturing industries when selecting the sample. This may have contributed to more specific conclusions and recommendations being made relevant for the particular industry sector.

1.8 Conclusion

This chapter outlined the structure of this study detailing the research undertaken. It introduced the research problem: What organisational cultural values, norms and artefacts exist in market orientated companies and do the organisational cultural values, norms and artefacts identified encourage a market orientation and market orientated behaviours? The background and the justification of the research were presented. The methodology used is a case study approach employing mixed-method to examine the three research questions posed and allowed for the gathering of in-depth information that underpinned the findings, analysis and conclusions of this study. Definitions were presented and limitations of the study were outlined.

The next chapter reviews the literature of market orientation, organisational culture and the connection between the two areas of research followed by the framework that was used to meet the research aim.

Chapter Two

Literature Review

2 Literature Review

2.1 Introduction

The purpose of this chapter is to provide a theoretical foundation upon which the research will be based. At the core of this thesis are two areas of discussion: market orientation and organisational culture.

In the current economic climate one of the most significant discussions revolves around how companies can be successful and what companies can do in order to achieve a competitive advantage. Obtaining a competitive advantage is one of the benefits of being market orientated according to the seminal writings by Narver and Slater (1990) and Kohli and Jaworski (1990). The first part of the literature review will look at what the extant literature says about market orientation.

Understanding organisational culture and what makes it effective in organisational development and performance has also been the subject of many articles and books in the extant literature to date. Organisational culture and its importance have been discussed within the areas of management and organisational practices such as human resources management, mergers and change, leadership and motivation. Although most people will have heard about organisational culture and know the general concept, there are many different meanings and definitions and so it is not so easy to explain exactly what it is (Gebhardt et al., 2006; Mullins, 2010; Alveeson, 2011). The second part of this chapter will look at the area of organisational culture within the extant literature.

The third part of this chapter will discuss the connection between market orientation and organisational culture as understanding this will persuade the reader of the importance of the organisational culture in influencing market orientated behaviours.

2.2 Market Orientation

In this the first section of the literature review an overview of the extant literature on market orientation will be provided. Four main areas will be discussed in relation to market orientation: the definitions of market orientation, the benefits of

market orientation, measuring market orientation and the antecedents of market orientation.

2.2.1 Defining Market Orientation

While much has been written about market orientation during the last two decades, the definition of market orientation is "a bewildering array of phrases and terms used to define an organization's orientation towards the market" (Drummond et al., 2000, p. 571). Lear (1963, p. 53) points out that many companies strive to become market orientated and it "comes in many forms and degrees. It may be planned, forced, or unconscious". By the late 1980s the question of "what is market orientation?" was still being asked. Benson Shapiro (1988) quotes the Wolverine CEO:

> … the only way to get out of this mess is for us to become customer driven or market oriented. I'm not even sure what that means, but I'm damn sure that we want to be there. I don't even know whether there's a difference between being market driven and customer oriented or customer driven and market oriented or whatever. We've just got to do a hell of a lot better (Shapiro, 1988, p.119).

The literature draws attention to the fact that market orientation has its origins in the marketing concept of management philosophy. The marketing concept is considered a cornerstone of marketing since its development in the 1950s and 1960s (Kohli and Jaworski, 1990; Hunt and Morgan, 1995). Kohli and Jaworski (1990, p. 2) cite Felton's (1959) definition of the marketing concept as a "corporate state of mind that integrates and coordinates all the marketing functions", while McNamara (1972) in contrast, defines the marketing concept as:

> … a philosophy of business management, based upon a company-wide acceptance of the need for customer orientation, profit orientation and recognition of the important role of major corporate departments." (cited in Kohli and Jaworski, ibid).

This idea of the marketing concept as a philosophy is reiterated in the various writings referenced in Wrenn (1997). Wrenn (ibid, p. 33) argues the marketing concept is the main ingredient for an organisation's success and forms the "core part of a corporate culture".

McCarthy and Perrault (1984, p. 35) argue that marketing orientation "means trying to carry out the marketing concept". This definition is referenced by Kohli and Jaworski 1990, p. 1) albeit in a slightly different form: "we use the term 'market orientation' to mean the implementation of the marketing concept". The

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writers later expand on their reason for their interpretation of the term "marketing orientation" as "market orientation". They state that using marketing orientation "is both restrictive and misleading" while using the term market orientation is "less politically charged in that it does not inflate the importance of the marketing function in an organization" (Kohli and Jaworski, 1990, p.4). By using the term market orientation they make the implementation of market orientation a company-wide responsibility instead of it just being the responsibility of the marketing department and it also shifts the focus to the market – both to "customers and the forces that affect them" (Kohli and Jaworski, ibid). The idea that market orientation is a company wide activity while also focusing on the market was shared by Shapiro (1988, p. 120) in his discussion on what market orientation is. He pointed out that gathering information on customers must do more and go beyond market research and "permeate every corporate function". Following a review of the extant literature and extensive in-depth interviews of sixty-two managers in four cities across America, Kohli and Jaworksi (1990) came up with the definition:

> Market Orientation is the organization wide *generation* of market intelligence pertaining to current and future customer needs, *dissemination* of the intelligence across departments, and organization wide *responsiveness* to it (Kohli and Jaworski, 1990, p.6, italics in original).

This definition focuses on the customer and a process of obtaining information to better serve the customer's needs. The sharing of information across departments leads to a companywide response to these needs thus making the customer the focal point of the business.

Parallel to Kohli and Jaworski's work in 1990, Narver and Slater (1990) carried out research into the effect market orientation has on business profitability and they describe market orientation as being at the heart of a modern marketing management strategy. Their definition of market orientation is: "The business culture that most effectively and efficiently creates the necessary behaviours for the creation superior value [for customers]" (Narver and Slater, 1990 p. 21). For Narver and Slater (1990) market orientation consists of three elements: firstly, customer orientation; secondly, competitor orientation and thirdly, inter-functional co-ordination along with two decision criteria: long term focus and profitability

(Narver and Slater, 1990 p. 21). Again the customer is at the centre of what market orientation is while also taking competitors into account.

Day (1990, 1994) described market orientation in simple terms stating that it "represents superior skills in understanding and satisfying customers". This definition also puts the focus on customers as well as what implementing the market concept is about (Drucker, 1954 cited in Deshpandé and Webester, 1989); Felton, 1959 as cited in Kolhi and Jaworski, 1990). Deshpandé, et al. (1993) use the term customer orientation instead of market orientation as they see the two terms as being one and the same. Their definition refers to customer orientation as:

> The set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employee, in order to develop a long-term profitable enterprise (Deshpandé, Farley and (Webester, 1993, p.27).

In more recent literature Desphandé and Farley (2004, p. 61) define market orientation as "the set of cross functional processes and activities directed at creating and satisfying customers through continuous needs-assessment".

For Hunt and Morgan (1995, p. 11) market orientation "should be conceptualised as supplementary to the marketing concept" therefore a combination of a focus on gathering information on customers (current and future), competitors (current and future), analysis of that information and using it to develop, modify and implement a strategy. This combines elements of what Kohli and Jaworski (1990) and Narver and Slater (1990) suggest a market orientation strategy is. However, Hunt and Morgan (1995) do point out that they exclude the inter-functional coordination element. They argue that while it can play a role in successfully implementing marketing strategy it has no place in the concept definition. They also put forward the idea that market orientation should be considered as an organisational framework and if adopted and implemented it could become culturally embedded in the organisation (Hunt and Morgan, 1995, p. 11).

From these definitions it can be seen that from the 1990s there was a change in the terminology used to describe the concept of market orientation. Wrenn (1997, p. 33) comments that in the literature prior to Shapiro (1988), Kohli and Jaworski

(1990) and Narver and Slater (1990), referred to the "marketing concept" or "marketing orientation". Kohli and Jaworski (1990) "misquoting" McCarthy and Perrault (1984) may have contributed to the term "market orientation" subsequently being adopted in the literature. Gray et al. (1998) note that the use of the terms marketing orientation and market orientation synonymously has complicated the matter of defining what the terms mean. Wrenn (1997, p. 33) refer to Narver and Slater (1995), who point out that they "follow the practice of Shapiro (1988) and Deshpandé and Webster (1993) and consider the terms market orientated, market driven and customer focused to be synonymous". This has contributed to these terms being used interchangeably throughout the literature in subsequent years. Van Egeren and O'Connor (1998) similarly point out that little has been done to develop a clear definition of market orientation (Gray et al., 1998; van Raaij and Stoelhorst, 2008; van Raaij, 2010). Thus there is confusion between the meanings of the terms marketing concept, marketing orientation and market orientation which leads to them being used interchangeably (Shapiro, 1988; Gray et al., 1998; Harris and Ogbonna, 1999; van Raaij and Stoelhorst, 2008; van Raaij 2010).

Additionally, Griffiths and Grover (1998) as cited in Homburg and Plesser (2000) and van Raaij and Stoelhorst (2008) have highlighted the two distinct perspectives of market orientation: firstly, a behavioural and secondly, a cultural perspective. Kohli and Jaworski's (1990) definition focuses on a company's behaviour or activities related to the generation and dissemination and response to market intelligence (Gray et al. 1998; van Raaij and Stoelhorst 2008). The cultural perspective is related to the characteristics of an organisation's culture that most effectively and efficiently creates the behaviours for creating superior value for customers a view taken by Narver and Slater's (1990).

The definitions provided by Kohli and Jaworski (1990) and Narver and Slater (1990) have been widely used over the last 20 years and are considered the most influential in the area of market orientation. For this thesis the term market orientation will be used which is consistent with the literature on this topic. For the purpose of this thesis market orientation will be defined as: The business

culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for customers (Narver and Slater, 1990).

2.2.2 Benefits of Market Orientation

A significant amount of literature has been published on the benefits to a company of being market orientated including customer satisfaction as well as employee satisfaction and commitment. Initially the debate on the link between market orientation and company performance will be outlined (Narver and Slater, 1990, Kohli and Jaworski, 1990; Ruekert, 1992; Jaworski and Kohli 1993; Pelham and Wilson, 1996; Doyle and Wong, 1998; Kirca et al., 2005). Both Narver and Slater (1990, 1994, 2000) and Kohli et al. (1993), the seminal writers on the subject of market orientation, found that market orientation had a positive impact on the company performance regardless of market or technological turbulence or competitive intensity in the environment. However, others such as Day (1998, p. 12) argue that performance is dependent on other factors such as "strategy and industry character" and points out studies have not been able to trace exactly how market orientation enhances profitability (Day, ibid, p. 12). Moloney et al. (2005) found that international research companies showing a higher level of market orientation had higher financial performance figures (sales and profitability) suggesting that superior market orientation is a key to profitability. Furthermore, there is evidence to support the argument that companies have a greater competitive advantage when a market orientation strategy is pursued (Kohli and Jaworski, 1990; Narver and Slater, 1990; Hunt and Morgan, 1995; Pelham and Wilson, 1996; Kirca et al., 2005). Research by Fahy et al. (2000) found evidence that the marketing capability of market orientation is positively associated with performance. Additionally, Kirca et al. (2005) in a meta-analysis review argue that market orientation can improve an organisation's performance through enhanced customer loyalty and satisfaction as well as the quality of products and services provided.

The extant literature as referenced in Han et al. (1998) has also reflected the important, robust, positive and direct link between innovation and performance. Thompson (1965) as cited in Mavonda et al. (2005, p. 1239) defines innovation as "the generation, acceptance and implementation of new ideas, processes,

products and services" an idea also shared by Hult et al. (2004). Innovation has been the subject of various studies and it is generally agreed that innovation contributes to business performance (Hult et al., 2004). Innovation has been categorised into two distinct categories "technical innovation" - relating to new products, services and production processes while "administrative innovation" relates to organisational structures and administrative processes (Damanpour, 1991 as cited in Han et al. 1998). Han et al. (1998) found that market orientation made a significant contribution towards superior performance when innovation was accounted for. In addition, market orientation was found to facilitate both types of innovation - technical and administrative which in turn has a positive impact on performance. Similarly, Hult et al. (2004) found that market orientation was found "to have a significant and positive effect on innovativeness". In addition, Hult et al. (2004) found that market orientation and innovativeness were two of the strongest drivers of performance. It can thus be argued that the interrelationship between market orientation and innovation has a synergistic effect that can benefit a company.

There has also been support for other mediating factors in the relationship between market orientation and performance. Ruekert (1992, p. 243) found that the degree of market orientation is positively related to "the organizational support processes" such as the provision of training and in how employees are rewarded and compensated. Furthermore, Ruekert's research (1992) showed evidence that suggests that the degree of market orientation in organisational processes plays an important role in achieving financial outcomes and is thus positively related to performance. Similarly, Harris and Ogbonna (2001) and Mandondo et al. (2005) found support for the importance of human resource practices in mediating the relationship between market orientation and performance.

Martin and Martin (2005) found rewarding employees gives them an incentive to create, engage and sustain market orientated behaviours that are supportive of improving product and service quality. This in turn creates an internal customer focus that is essential to drive a market orientation within an organisation (Hauser et al., 1996 as cited in Martin ad Martin, 2005). Subsequently, employee satisfaction and commitment is also said to improve in companies who implement

a market orientation strategy (Ruekert, 1992; Jaworski and Kohli, 1993; Wrenn, 1997). These findings support the idea that market orientation "nurtures a bond between employees and the organization" (Jaworski and Kohli, 1993, p. 64). Employee commitment is reflected in terms of intelligence gathering as they become more sensitive and receptive to identifying customer needs and are more willing to communicate and share the information with other departments (Avlonitis and Gounaris, 1999). This in turn leads to more interdepartmental connectedness and interaction and lessens interdepartmental conflict. It can thus be argued that the combined positive effect of employees market orientated behaviours are positively correlated with market orientation and performance (Doyle and Wong, 1998).

The relationship between market orientation and improved customer satisfaction has been supported in the literature. Kohli and Jaworski (1990) among others conclude that improved customer satisfaction is likely in organisations that develop a market orientation (Wrenn, 1997; Moloney et al., 2005).

Furthermore, the combined beneficial effects a company can experience as a result of a market orientation are highlighted by Ruekert (1992). Ruekert (ibid, p. 244) suggests that the different aspects of market orientation seem to fit together leading "to superior customer responsiveness". Information generation is related to the delivery of service while training and reward systems reinforce customer service and sensitivity. This leads to the cumulative effect of greater company performance and more committed and satisfied employees. Similarly, Hunt and Morgan (1995) describe a market orientation as being "a complex structure" with highly interconnected components that become more effective the longer a market orientation is in place. In summary, market orientation has been argued as benefiting a company.

2.2.3 Measuring Market Orientation

With various definitions of market orientation came various models for measuring the concept, each one offering a different dimension. Thus Mason and Harris (2005) commented that market orientation is "a multi-dimensional construct" that draws from both cultural and behavioural aspects of a company. Narver and Slater's MKTOR (1990) and Kohli et al.'s (1993) MARKOR are two of the best

known scales developed. Variations of these scales were developed by other researchers including Ruekert (1992), Despandé et al. (1993), Deng and Dart (1994), Gray (1998) and Homburg and Pflesser (2000). An outline of these market orientation measurement models will be presented.

2.2.3.1 MKTOR

In 1990 Narver and Slater developed their MKTOR scale for measuring market orientation which was used in an exploratory study to analyse the effect on a company's profitability. Following a review of the literature they came up with three behavioural components that they believe contribute to market orientation, customer orientation, competitor orientation and inter-functional coordination. In addition two decision criteria, long term focus and profitability were identified.

MKTOR measured market orientation based on the simple average of a strategic business unit's (SBU) response to a questionnaire which covered the five areas listed. Narver and Slater (1990, p. 34) themselves describe it as "an important first step in validating the relationship between market orientation and performance". Kohli et al. (1993) praised Narver and Slater's MKTOR model for its positive aspects and described MKTOR as the most comprehensive study to date with some positive features. Kohli et al. (1993) did however have some critique of the scale. Firstly, commenting on the focused view of markets which concentrated on customers and competitors instead of looking at the two stakeholders along with additional factors that drive customer needs and expectations.

Secondly, Kohli et al. (1993 p. 467) comment that Narver and Slater (1990) do not tap into the speed at which market intelligence is generated and distributed within the company. Thirdly, Kohli et al. (1993, p. 467, italics in original) comment that the MKTOR study did not include "*specific* activities and behaviours that represent market orientation". MKTOR has also been criticised for its use of single respondents to develop and complete the questionnaire as this method has been recognised since the 1980s as likely to be unrealistic and unreliable (Mason and Harris 2005). Another criticism is that Narver and Slater (1990) surveyed only one industry in their study. In order to increase the heterogeneity in the sample other researchers opt for including a larger number of respondents

from diversified industries (Avlonitis and Gounaris, 1999). Cadogan and Diamantopoulos (1995, p. 46) highlight the fact that although customer orientation is a component of the MKTOR model, there is no measure of the external factors that may influence customers. Only one item could be perceived as garnering information on customers. Similarly, there is no direct measure of customer satisfaction an important part of customer orientation. With regards to competitor orientation, there is no measure of intelligence generation of what external factors affect competitors (Cadogann and Diamantopoulos, 1995 p. 46).

2.2.3.2 MARKOR

Kohli et al. (1993) developed the MARKOR scale which covered the components of market orientation - generation, dissemination and responsiveness to market intelligence and also incorporated measuring antecedents and consequences of market orientation such as the role of top management, organisation formalisation and interdepartmental connectedness. This measurement scale focuses on the underlying organisational activities which the writers believe would operationalise market orientation. They refer to them as the "pillars" of the marketing concept - customer focus and coordinated marketing (Kohli and Jarworski 1990, p.3).

However, the model has limitations. Kohli et al. (1993, p. 473) admit that their findings were not as compelling as they had thought: "Overall, these findings are moderately supportive of the validity of the market orientation construct". A consequence of this is that results for dissemination and responsiveness are collapsed into one dissemination/responsiveness factor. Farrell and Oczkowski (1997) make the point that while Kohli and Jaworski (1990) argue they focus on market rather than customer intelligence, only one item measured market orientation as opposed to customer intelligence. Farrell (2002, p. 4) also commented on the poor psychometric properties and the goodness of fit being well below the accepted cut off point. Additionally, Oczkowski and Farrell (1998, p. 362) criticised the scale for focusing "too heavily on information gathering and dissemination". Pelham (1993) cited in Farrell and Oczkowski (1997) highlighted the fact that even if information is gathered and passed on within the organisation, a more appropriate aspect of market orientation should include understanding

customers and how the company can provide value to the customer as opposed to just information gathering and dissemination. Harris (2002) citing Steinman et al. (2000) and Webb et al. (2000) makes a similar point that even if the information is gathered employees may not have sufficient insight to decipher accurately the views and opinions of customers. In summary, the MKTOR model exhibits more validity and reliability (Greenly 1995; Pelham and Wilson, 1997; Oczkowski and Farrell, 1998) than the MARKOR model and is seen as the superior of the two models (Pelham and Wilson 1997; Farrell 2002).

2.2.3.3 Critiquing MKTOR and MARKOR

While the MKTOR and MARKOR models have been used, adapted and refined in the last twenty years there has been much criticism of the models and the methodologies. Mason and Harris (2005, p. 375) critique the models for their internal focus and questions whether adequate information relating to all dimensions of market orientation including information about customers, would be available within an organisation. A recent article from Gray (2010, p. 372) highlights the fact that quantitative research into market orientation and the resulting findings lack richness and depth of understanding. Little is done to gain an understanding of what managers actually do when they develop and implement market orientation; something which could be garnered through qualitative research. While Kohli and Jaworski (1990) used interviews to develop the MARKOR scale, both market orientation models are quantitative in nature.

Van Bruggen and Smidts (1995) as referenced in van Raaij and Stoelhorst (2008) question how useful the scales are in terms of finding out what needs to be done in order to implement a market orientated strategy. That is the scales cannot be used as a diagnostic tool for managers and do not provide a benchmark for managers to decide if a score is good or not. The scale "should cover all important dimensions of market orientated behaviour" (ibid, 1269-1270). In addition van Raaij and Stoelhorst (2008) argue that as the scales were developed to measure differences between firms, they do not provide guidelines about standards or a reference point or prioritise actions when implementing market orientation in a firm.

2.2.3.4 Other Measurement Models

A number of other models exist for measuring market orientation with most using either MKTOR or MARKOR or a combination of both as a foundation to develop a newer version. Ruekert (1992, p. 228) borrowed aspects of both Narver and Slater's (1990) and Kohli et al.'s (1993) definitions and models to create a new measurement scale. The focus was on developing and executing a business unit strategy, rather than developing a company wide strategy, as they argue that this level is key to organising a focus on market orientation. The dimensions are from a strategic perspective and relate to the degree to which the business unit gathers and uses customer information, develops a strategy to meet the customer's needs and wants and the implementation of that strategy. The customer is identified as the most critical external factor in developing marketing orientation (Lafferty and Hult, 2001). Following his research findings, Rueckert (1992) made specific recommendations for diagnosis, intervention and evaluation of customer information and according to van Raaij and Stoelhorst (2008) encourages the focus on organisational support systems such as the selection, recruitment, training, reward and compensation as being the most important factors in order to successfully implement market orientation.

Deshpandé et al. (1993) have a slightly different interpretation of the dimensions for measuring market orientation. They use the term customer orientation instead of market orientation as they deem it synonymous with market orientation. They also see inter-functional coordination as part of customer orientation and as such it should form part of its meaning. Customer orientation is seen as part of the overall corporate culture whose value reinforces and support the focus of the company. In contrast to other models, Deshpandé, et al. (1993) excludes the dimension of competitor orientation from their concept (Lafferty and Hult, 1999). Deshpandé and Farley (1998) would later develop a model called MORTN from a synthesis of their original model, the MKTOR model and MARKOR model. Narver and Slater (1998a, p. 235) comment that while this model does contribute to marketing thought and practice, they disagree with Deshpandé and Farley (1998) on two points. Firstly, that Deshpandé and Farley (1998) do not

acknowledge the strength of the evidence of the positive relationship between market orientation and performance is an issue for Narver and Slater (1998a). Furthermore Narver and Slater (1998a, 1998b) argue that market orientation is not a set of activities "disassociated from the underlying belief system of an organisation". Market orientation is not a concept that can be implemented in an organisation at any time without consideration of the company culture. This comes back to their definition that it is "the business culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value [for customers]" (Narver and Slater, 1990 p. 21).

Deng and Dart (1994) developed their own framework following a review of existing literature and research and based on MKTOR and MARKOR models. They identified critical factors of market orientation adding the controversial profit orientation to the mix despite this being the subject of debate between Narver and Slater (1990) and Kohli and Jaworski (1993). Inter-functional co-ordination, competitor and customer orientation were the dimensions examined. This model provides little theoretical advance and is seen as a derivative of the MKTOR scale with the addition of profit which the literature sees as a consequence of market orientation rather than an element of market orientation. The resulting thirty-three item scale also makes the model time consuming to implement (Farrell, 2002, p.4).

Gray et al. (1998,) developed a model for measuring market orientation using parts of three different instruments when assessing market orientation of companies in New Zealand. They combined elements of Narver and Slater's MKTOR (1990) model, Kohli et al.'s (1993) MARKOR and Deng and Dart's (1994) model that when grouped together gave a five dimensional model of market orientation. It included customer and competitor orientation, inter-functional co-ordination, responsiveness and profit emphasis and this was tested using a twenty item questionnaire. Farrell (2002, p. 5) analysed the model and argued that little theoretical advance has been made and the model has its limitations in that the groupings make little sense as random items were selected from the original models.

Other models include Day (1994), Pelham and Wilson (1996), and Lafferty and Hult (1999) which in the context of this thesis will not be discussed. However, a significant model from the point of view of this research is Homburg and Pflesser's (2000) model. Homburg and Pflesser (2000) developed a scale from a different perspective. In line with the behavioural and cultural aspects of the various definitions of market orientation their objective was to find out what kind of organisational culture encourages and rewards market orientated behaviour. A multi-layer model of measuring market orientated organisational culture was developed that examined the different layers of culture and the causal link between the cultural layers. Their objective was to find out what kind of organisational culture encourages and rewards market orientated behaviour and what specific beliefs are reflected in cultural documents, artefacts and rituals and how do they relate to market orientated behaviours. While the model provides guidance to managers about how they can develop and foster values and norms that influence market orientated behaviour, Homburg and Pflesser (2000) admit their limitation of using single informants to carry out the survey. This model has been used previously in researching the effects a market orientated organisational culture has on sales force attitudes and behaviours (Farrell, 2005). In the scope of this research it can be argued that this is a suitable model for assessing the organisational culture of market orientated firms. Thus this model is outlined in more detail later in this chapter.

2.2.4 Antecedents of Market Orientation

Having discussed the definition, benefits and measurement of market orientation it is appropriate to consider the factors that can foster or encourage market orientation. It has been mentioned often in the literature that while Kohli and Jaworski (1990), Narver and Slater (1990) and Kohli et al. (1993) put the spotlight on market orientation and how to measure it, little has been done to provide managers with a useful diagnostic scale for implementing market orientation. Avlonitis and Gounaris (1999) point out that little attention has been given to the conditions under which market orientation can flourish. Similarly, as the market orientated measurement scales were developed to measure differences between companies, no guidelines were given to set benchmarks and no actions were

highlighted that managers could apply in a company in order to become more market orientated. It has been suggested that market orientation scale items should be actionable and should cover the all important dimensions of market orientated behaviour (Van Bruggen and Smidts, 1995 cited in van Raaij and Stoelhorst, 2008). Thus in order to develop the concept of market orientation within companies it is important to examine the literature that did address the antecedents of market orientation. Jaworski and Kohli (1993) along with Kirca et al. (2005) highlighted important determinants of market orientation: the role of top management; interdepartmental dynamics; employee commitment and organisational formalisation. In addition, Ruekert (1992) refers to "the degree of market orientation in support processes such as recruiting personnel and the provision of training" as being a determinant of market orientation. Furthermore, the idea of market orientation from the resource based view of the firm as a dynamic capability can be found in the writings of Day (1994) and Foley and Fahy (2009).

2.2.4.1 The Role of Top Management

Top management play an important role in shaping a companies values and orientation and their influence determines the level of market orientation within an organisation (Webster, 1988; Narver and Slater, 1990; Jarworski and Kohli, 1993; Day, 1994; Kirca et al., 2005). Thus it is proposed managers who continuously remind employees about the importance of market orientation and make them aware of the importance of being responsive to market developments affects the level of market orientation in an organisation. Managers who take a certain amount of risk is argued as an important contributing factor to the level of market orientation in a company as employees see that managers are not afraid to fail (Jarworski and Kohli, 1993; Avlonitis and Gounaris, 1999). Absence of a willingness by management to take a certain level of risk will lead, especially among the lower levels of employees, to employees not wanting to respond to market developments. This affects employees' response to new market developments and programmes (Jarworski and Kohli, 1993, p. 64). Thus the literature reiterates the importance of the role of top management in influencing the successful implementation of a market orientation.

2.2.4.2 Interdepartmental Dynamics

Interdepartmental dynamics refers to the interactions between departments resulting in connectedness or conflict among departments. Interdepartmental connectedness promotes market orientation and facilitates the transfer of information to other departments. This in turn facilitates a concerted effort across departments to respond to and satisfy the needs and wants of customers. In contrast to this, interdepartmental conflict is a barrier to market orientation and contributes to a lack of communication within an organisation which prevents the dissemination of market intelligence thus hindering the organisation's responsiveness to market intelligence (Jaworksi and Kohli, 1993; Kirca et al., 2005).

2.2.4.3 Employee Reward Systems

According to the literature rewards systems within a company are strongly related to market orientation. Companies who have employee rewards systems based on a combination of building customer relationships and customer satisfaction tended to be more market orientated (Jaworski and Kohli, 1993; Pelham and Wilson, 1996). Jaworski and Kohli (1993, p.63) emphasise the design of the reward system had the strongest impact on market orientation; finding the "right" reward system appears to facilitate all components of market orientation. Similarly, Ruekert (1992, p. 243) found that the market orientation is positively related to the "support processes" such as the provision of training and the way employees are rewarded and compensated. Market orientated training enhances employees sensitivity to customer needs and stimulates market orientated behaviours (Ruekert, ibid).

2.2.4.4 Organisation Formalisation

Jaworski and Kohli (1993, p. 63) found that centralised decision making is a barrier to market orientation. However, they argue that "properly designed formal rules can facilitate rather than hinders a market orientation" (ibid, p. 63). Avlonitis and Gounaris (1999) argue that a decentralised, informal structure nourishes market orientation along with the delegation of authority and lesser formality. This point adds to the debate for employee empowerment allowing them make decisions at lower levels of the organisation. This idea has been long

championed by Larraché (1995) in his idea behind the Winning Wheels and by Heskett et al (1994) in the Service Profit Chain. The number of departments does not impact market orientation but rather the interconnectedness between departments does which re-emphasises the importance of departmental dynamics (Jaworski and Kohli, 1993, p. 65).

2.2.4.5 Quality

The relationship between quality and market orientation is supported in the literature with the establishment of quality standards facilitating the information flows within the company (Bigné et al., 2005). This enhances the information dissemination and responsiveness to the information leading to a market orientation within the company. The literature also highlights that the relationship between market orientation and quality works both ways.

Lai (2003) makes the point that market orientation is crucial for implementing quality management systems as market orientated companies are more in touch with understanding customer needs and how to translate these needs by responding to customer requirements.

2.2.4.6 Market Orientation as a Dynamic Capability

Day (1994, p. 49) advocates for the capabilities approach to strategy as a beneficial way of creating and sustaining a market orientated organisation. He defines capabilities as "complex bundles of skills and collective learning exercised through organisational processes that ensure superior coordination of functional activities". Developed through accumulated knowledge, it enables the company to coordinate activities and make use of their assets. Companies can become more market orientated if they identify and build capabilities that will set them apart from other market driven companies (Foley and Fahy 2009). Foley and Fahy (2009, p. 16) refer to Srivasta et al. (2001) who point out that marketing and resource-based view scholars are both seeking answers to the same question – "what gives rise to competitive advantage and how can it be sustained?". Foley and Fahy (ibid) also point out that modelling market orientation from the capabilities perspective may "facilitate a more satisfactory prescriptive approach" where "the emphasis will be on identifying key capabilities, which the organisation must develop in order to be market-driven". Day (1994) identified a

positive relationship between market orientation and the market sensing capability, market orientation and the customer-linking capability which he relates to the activities of the customer orientation and information generation, dissemination and responsiveness to that information. In addition, Foley and Fahy (2009, p. 17) point out that "the market-sensing capability is critical to the understanding of the development of the market orientation".

In summary, despite the varying definitions, measurements and conceptualisations of market orientation there is no denying that market orientation is a formidable force that can be used within a company to enhance an organisation's drive for success. Kohli and Jaworski (1990, p. 13) suggest "market orientation provides clarity of focus and vision in an organization's strategy". Greenley (1995, p. 50) citing Lichtenthal and Wilson (1992) maintain that market orientation should be "a visible hand that guides managerial behaviour". Market orientation provides a unifying focus to individuals and departments within the company which in turn leads to superior performance and can be considered an additional and distinct form of a sustainable competitive advantage (Kohli and Jaworski (1990, p. 13). There are certain precursors to market orientation that companies can ensure are in place in order to successfully implement a market orientation. These include the role of top management, interdepartmental dynamics, employee rewards systems and organisational formalisation. While there is no doubt there is a danger of identifying certain market orientated outcomes as antecedents there is evidence from the literature that supports the interconnection and cumulative effect these antecedents can have in successfully implementing and achieving a market orientation. This thesis however argues that a key element in determining a market orientation is the organisational culture. Thus market orientated companies are argued as having a market orientated organisational culture. The second part of this literature review chapter will now discuss the concept of organisational culture.

2.3 Organisational Culture

This second section of the literature review discusses the concept of organisational culture. Initially, an introduction to organisational culture will be presented followed by a discussion of culture as a metaphor and the concept of

organisational climate. Finally, models to measure organisation culture will be presented.

2.3.1 An introduction to Organisational Culture

In 1986 Edgar Schein wrote "this culture stuff might be a useful new management tool for improving productivity, quality of work life, and helping us regain our competitive edge" (Schein, 1986, p. 30). However, while organisational culture is a concept that many people understand explaining what it is or how to describe it is difficult (Mullins, 2010). The term "culture" has its origins in the fields of anthropology and sociology (Kroeber and Kluckhohn, 1952; Kotter and Heskett, 1992; Trice and Beyer, 1993; Brown, 1998) and has many definitions as Kroeber and Kluckhohn (1952) found when they compiled 164 different definitions of culture. The term "culture" was first introduced by Tylor (1871) who is credited with being the founder of cultural anthropology.

He defines culture as:

> ... that complex whole which includes knowledge, belief, art,
> morals, law, custom, and any other capabilities and habits acquired
> by man as a member of society (Tylor 1871, cited in Brown, 1998,
> p. 4).

Clifford Geertz (1973) is credited as being one of the most influential people in terms of our understanding organisational culture according to (Brown, 1998). According to Geertz (1997) the focus should be on "the native's point of view" in order to discover what is significant for those people living in that culture. Geertz's approach concentrated on examining the use of language and symbols in order to understand a particular social situation (Geetz, 1997 as cited in Brown, 1998, p.4). Language and symbols contain many "thick descriptions" which have embedded details and meanings and these need to be interpreted.

Organisational culture has many different definitions and is often referred to as the personality, atmosphere or "feel" of an organisation (Gibson et al., 2006) or "the way we do things around here" (Bower, 1966). It is often used inter-changeably with the terms culture, corporate culture and climate. It has been

described by many as complex and difficult to describe (De Long and Fahey, 2000; Alevesson, 2002; Schein, 2009). Andrew Pettigrew (1979) is the person credited with coining the phrase "organizational culture". His research, carried out in a school in the UK in the early 1970s, looked at what processes and concepts were associated with the creation of organisational culture. He regarded "culture as the source of a family of concepts" with symbols, language, ideology, belief, ritual and myth as the "offspring of culture" (Pettigrew, 1979, pp. 574). These concepts are interdependent to varying degrees and draw attention towards "consciousness and purpose", meaning and the materialisation of normative patterns. It is through these processes that culture evolves into an organisational culture (Pettigrew, 1979, p.576).

Edgar Schein is one of the seminal writers on culture and urges that in order to define organisational culture, understanding the "dynamic evolutionary forces" that govern culture and change is critical. He provides the following definition of organisational culture:

> "Organizational culture is the *pattern of basic assumptions* that a *given group* has *invented, discovered, or developed in learning to cope* with its *problems of external adaptation and internal integration*, and that have *worked well enough to be considered valid* and, therefore, to be *taught to new members* as the correct way to *perceive, think, and feel* in relation to those problems. (Schein 1985, p. 3 italics in original)

Schein (2009, p. 21) describes organisational culture as having many manifestations and the way to think about culture is "to realise that it exists at different 'levels' and that we must understand and manage the deeper levels". The three levels Schein (ibid) refers to range from "the very visible to the very tacit and invisible". From artefacts, to espoused values to underlying assumptions shared by members of an organisation that unconsciously become "taken for granted". This representation of culture is illustrated in Figure 2.1.

Uncovering the Levels of Culture

Artifacts	Visible organizational structures and processes (hard to decipher)
Espoused Values	Strategies, goals, philosophies (espoused justifications)
Basic Underlying Assumptions	Unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings (ultimate source of values and action)
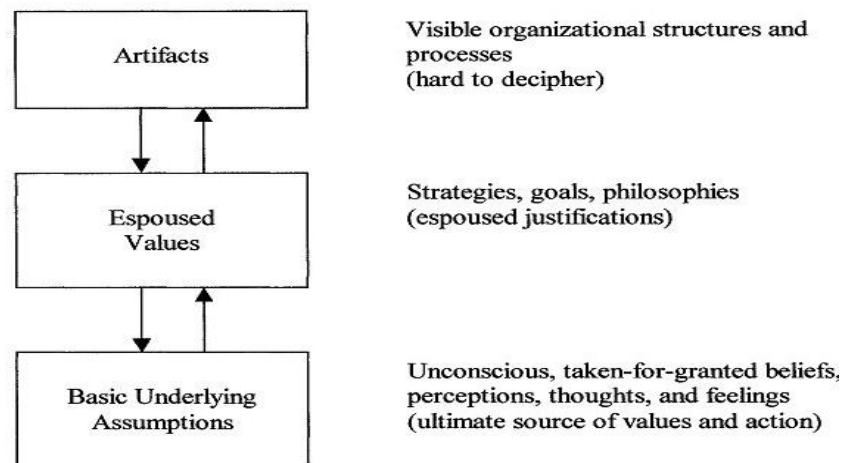
Source: Schein (2004) Organizational Culture and Leadership

Figure 2.1   Schein's Representation of the Layer of Culture

Trice and Beyer (1993, p. 33) when addressing the topic of organisational culture describes culture as having two components: firstly, substance which consists of shared systems of beliefs, values and norms and secondly, forms which include symbols, language, narratives and practices. In terms of substance, Trice and Beyer (ibid) acknowledge that the actual content of a culture resides in its ideologies.

These ideologies embody or represent meaning for members of the culture. Ideologies in a cultural sense are defined as:

> …shared, relatively coherently interrelated sets of emotionally charged beliefs, values, and norms that bind some people together and help them to make sense of their worlds (1993, p. 33).

When these beliefs, values and norms are shared and internalised they "impel people to action and justify their actions to others" according to Trice and Beyer (ibid). Furthermore, they explain that these shared, interrelated sets of beliefs, values and norms are interrelated while also being distinct concepts in themselves. Similarly, values convey preferences for certain behaviours while norms express which behaviours are expected by others and "are culturally acceptable ways to attain outcomes". When these beliefs, values and norms develop into "stable, unified and coherent clusters" over a period of time they can

be used to explain and validate collective and legitimate behaviours. This it can be argued is what leads to the development of an organisational culture. The second element of culture Trice and Beyer (ibid, p. 77) refer to are forms of culture which they consider are manifestations of culture that are observable items members of the culture use to "express, affirm and communicate cultural substance to one another". Thus what Schein (1992) refers to as artefacts.

Other writers describe organisational culture as having two levels: on a deeper less visible level are values that are shared by members of a group and these values persist over time. On the second level are the visible behavioural patterns that new employees are encouraged to follow. Each level has a "natural tendency to influence the other" (Kotter and Heskett, 1992, p. 4). Brown (1998, p. 7) cites various definitions of organisational culture with each one reflecting a different perception of what culture is with Brown (1998, p. 9) himself adopting the following definition in his book:

> Organisational culture refers to the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization's history, and which tend to be manifested in its material arrangements and in the behaviours of its members.

Homburg and Pflesser (2000, p. 450) puts forward a definition of organisational culture with "four distinguishable but interrelated components" with shared basic values, behavioural norms, artefacts and behaviours. They combine the definitions of Desphandé and Webster (1989) which emphasises the three different layers of culture as including values, norms and behaviours of an organisation along with the fourth most visible layer of organisational culture of artefacts introduced by Schein (1992) and Trice and Beyer (1993) which includes stories, arrangements, rituals and language.

Following the "discovery" of the term organisational culture by Pettigrew (1979), the early 1980's saw organisational culture became popular following the publication of certain books which focused on American and Japanese companies and how they differed. Each of these books Ouchi (1982), Peters and Waterman's (1982) and Deal and Kennedy (1982) outlined what made companies excellent and highlighted what competitors were doing. This

contributed to ideas of improving and enhancing the organisational culture of western companies. Giddens (2006) explains that it was during this era that human resources and organisational culture became popular and contributed to the theory of management as we know it today. According to Giddens (2006) in order to promote loyalty and pride in a company incorporating rituals, events and traditions an organisational or corporate culture appeals to all levels of employees in the company and promotes a form of camaraderie and solidarity within the organisation. Thus nowadays it is not common to see casual Fridays, family days, company outings and sponsored events. Focusing on such, it is argued, unifies employees and enhances the sense of company pride (Giddens, 2006, p. 669). An organisation's culture Barney (1986) reminds us is one of the characteristics that differentiates one organisation from another. Barney (1986, p. 663) found that a firm's culture can be a source of sustainable competitive advantage if the culture is "valuable, rare and imperfectly imitable". Once these traits are present they should be nurtured. Chan et al. (2004) cites Barney (1985) among others to confirm the many benefits organisational culture can confer. It can be used "to mobilize, allocate and leverage resources" in achieving the goals of a company "through values, rituals, behaviours, management systems, decision criteria, visionary planning" (Chan et al., 2004, p. 18). Thus organisational culture can be seen as a form of organisational capability.

2.3.2 Perspectives on Culture

As can be seen from the various definitions and discussions in the literature organisational culture is a complex phenomenon and one of the most difficult to define (Homburg and Pflesser, 2000; Scott et al., 2009). The literature uses different perspectives to understand culture in organisations which can be described as integration, differentiation and fragmentation perspectives (Martin 1992, Martin, 2004). The integration perspective is the most popular and according to Martin (2004, p. 4) the least supported empirically. This perspective assumes that a culture "is characterised by consistency, organisation wide consensus and clarity". Martin (ibid) explains that consistency occurs when values are articulated and reinforced by cultural manifestations that generate company wide consensus. A differentiation perspective "masks a series of

overlapping nested organizational subcultures" (Martin, 1992) and describes cultural manifestations as inconsistent (say one thing and do another) with consensus only occurring within the subculture. Within the subculture everything is clear but ambiguities do appear where one subculture meets another (Trice and Beyer, 1993; Martin, 2004). This perspective according to Martin (1992, p. 83) "unveils the workings of power in an organization, acknowledges conflict of interest between groups and attends to difference of opinion". The fragmentation perspective of culture emphasises a lack of consensus both organisation wide and within subcultures. It brings "ambiguity to the foreground" as ambiguity is the defining feature of a fragmented culture in organisations (Martin, 1992; Trice and Beyer, 1993; Martin, 2004). There are many different interpretations of the cultural manifestations' "making the idea of a single clear shared cultural reality highly unlikely" (Martin, 2004, p. 10).

Another area where the culture literature is divided is how to approach culture. Some literature describes culture as an "attribute" - something that an organisation has (Deal and Kennedy, 1982; Peter and Waterman, 1982) similar to the attributes of structure and strategy (Scott et al., 2003c). To use this view would imply that culture is something created by or imported into an organisation by management that can be manipulated and that which can be re-engineered or manipulated to satisfy organisational objectives (Scott et al., ibid). On the other side of the debate, the literature approaches culture as "the whole character and experience of organizational life, i.e. something an organisation is" (Scott et al., 2003c, p. 112). Using this concept organisations are seen as cultures existing in and reproduced through social interactions of the members of the culture (Scott et al., ibid). Trice and Beyer (1993, p. 21) argue that "cultures exist; they are naturally occurring, real systems of thought, feelings and behaviour that inevitably results from sustained human interactions". The view that an organisation is a culture is to say that culture is something that exists and can be reproduced through social interactions and relates to characters and experience of organisational life (Mannion et al., 2009). Scott et al. (2003c) describes this perspective "a global definition of organizational culture" that used the term "culture as metaphor" approach.

For the purpose of this research the approach that an organisation "is" a culture will be used. Smircich (1985) explains that:

> ... organizations exist as systems, of meanings that are shared to various degrees. A sense of common taken for granted ideas, beliefs and meanings are necessary for continuing organized activity. This makes interaction possible without constant confusion or intense interpretations and re-interpretation of meanings (Smircich, 1985 cited in Alevesson, 2006, p. 2).

An interesting point Smircich (1983, p. 355) makes with regards to this discussion on whether culture is seen as "an organizational variable or as a metaphor for conceptualising organization" is that it focuses attention "on the expressive, non-rational qualities of the experience of organization. It legitimates attention to the subjective, interpretive aspects of organizational life."

2.3.3 Organisational Climate

Another aspect of the literature is the use of the terms culture and climate interchangeably. According to Wallace et al. (1999, p. 551) a "close and sometimes ambiguous relationship" exists between organisational culture and climate and this has been the subject of much discussion among academics. Barker (1994) cited in Wallace et al. (1999) highlight the confusion between the terms culture and climate as they have been used synonymously. On the other hand Wallace et al. (1999) cite Morgan and Volkwein (1992) who argue that although the terms culture and climate are "distinctly identifiable elements within organisations" there is some overlap between the two terms.

Trice and Beyer (1993, p. 19) argue that organisational culture is not the same as climate as "climate refers to the psychological environment in which the behaviours of individuals occurred". Climate focuses on measuring individual's perceptions about the company instead of beliefs, norms or values. Wallace et al. (1992) make the point that climate relates to shared perceptions, with culture being made up of shared assumptions. Morgan and Wolkwein (1992) also make a distinction between the two by suggesting that climate is made up of attitudes and values alone while culture exists as a collection of both attitudes, values as well as a collection of basic assumptions (cited in Wallace et al., 1992). Pettigrew (1979) refers to culture as being "a collection of fundamental values and belief systems which give meaning to organizations". Alevesson (1991) argues that

culture is created by the internal and external influences. Mullins (2010, p. 748) acknowledges the difference between climate and culture stating that climate is something that is felt and if culture is defined as "how things are done around here", climate can be defined as "how it feels to work around here" and is likened to the weather in the way in which the climate of a geographical area is the result of a combination of a number of environment forces at play. Climate in organisations is related to the prevailing atmosphere in an organisation and will affect the morale, feelings and well being of employees and affect how they accept the culture of the organisation.

It is important for managers to understand and to be aware of the organisational culture that exists within their companies. This insight helps managers to see what the elements of their organisational culture are and the effectiveness of these elements (Gibson et al., 2006). Schein (2009) reminds us that understanding culture becomes valuable when a problem can be solved; a change made or when something new is learned. Managers need to develop "diagnostic skills" and be able to identify symptoms that require further attention (Gibson et al., 2006). For this reason measuring organisational culture is an important aspect to be considered and is discussed in the following section.

2.3.4 Measuring Organisational Culture

Organisational culture is usually looked at more closely when questions are asked as to why two companies with similar characteristics have different market shares, higher turnover or profitability to each other. Thus there have been many tools developed to measure organisational culture. Hatch (1993, p. 658) addresses the argument against conceptual models of organisational culture as over simplifying a complex phenomena stating, that they serve as an important role in their area of research, theory testing and development.

According to Fletcher and Jones (1992, p. 30) measuring culture has been operationalised either in terms of "type" or "dimensions". Cultural types include "bureaucratic culture" or "clan culture" while the use of dimensions determines the culture of an organisation based on the position of various elements that are important to individuals and the company. Based on this theory Scott et al. (2009) divided up the following models into typology models: Organisational Culture

Inventory (OCI) Lafferty and Cooke; Organizational Culture Assessment Inventory (OCAI) Cameron and Quinn. The follow models: Hofstede's Cultural Model and Denison Organizational Culture Scale (DOCS) are dimensional models. Other models for measuring organisational culture are: Schein's Model of Organizational Culture, Johnson et al.'s Cultural Web and Global Leadership and Organisational Behaviour Effectiveness (GLOBE). A sample of models attempting to measure or understand organisational culture will be discussed to provide an overview of potential approaches that could be argued as useful for the present research project.

2.3.4.1 Schein's Model of Organisational Culture

The forefather of organisational culture Edgar Schein proposes that culture is a complex concept that should be analysed at every level before it can be understood (Schein, 2009, p. 34). The level of cultural analysis ranges from the visible artefacts such as organisational structures and processes, through to espoused beliefs and values covering strategies and goals, to the unconscious taken for granted underlying assumptions, beliefs, thoughts and feelings that determine culture (Schein, 2009, p. 19). Schein believes that unless one digs deep to the level of basic assumptions the artefacts, values and norms cannot be fully understood. It is through the pattern of shared basic taken-for-granted assumptions that culture will manifest itself through the observable artefacts and espoused beliefs and values (Schein, 2004, p. 59). Schein (2009) advises carrying out "clinical research" where the researcher must "establish a helping relationship with the organization". Learning what is going on within the company and becoming involved is what will give valid information beyond surveys, questionnaires and interviews. It is through this relationship and involvement that employees will feel they have something to gain by sharing information about how they feel and think and it is this that is needed to gain "valid cultural data" (Schein 2009, p. 221). Understanding culture becomes valuable when a problem can be solved, a change made or when something new is learned. (Schein, ibid, p. 77).

While various models for measuring culture have been based on Schein's definition and on his framework for analysing the levels of culture (Denison, 1990)

there has also been some criticism in relation to his approach to culture. Hatch (1993) highlights the areas that have been challenged such as Schein's assumption that subcultures are unitary referencing Gregory (1983), Louis (1983), Martin and Siehl (1983), Vorum and Pedersen (1992) and Barley (1993). Other researchers have criticised Schein's idea that the function of culture is to maintain social structure (Feldman, 1991; Meyerson, 1991 cited in Hatch, 1993; Martin, 1992). Hatch (1993, p. 658) also points out that while Schein's model still has relevance; it could be enhanced by the combination of ideas from the symbolic-interpretive perspective such as the introduction of symbols which would accommodate the influence of both theories (Schein's theory and the symbolic interpretive perspective's theory). Hatch (ibid, p. 661) operationalised this into the Cultural Dynamics Model which she says goes beyond Schein's interest "to a more complex process-based understanding of organizational culture".

2.3.4.2 The Organisational Culture Inventory (OCI)

The Organisational Culture Inventory (OCI) was developed by Drs Robert A. Cooke and J. Clayton Lafferty (Human Synergistics, 2012) as a way of assessing and measuring the operating culture within an organisation. It was devised as a way of distinguishing between an organisation's concerns for its employee versus the company's concern for task (Bellot, 2011). It identifies what behaviours employees believe are needed to fit into the organisation and to meet expectations of the company. Results of the assessment are evaluated and classified into twelve behavioural norms that are then grouped into three types of cultures: Constructive, Passive/Defensive, and Aggressive/Defensive that are arranged in a circular manner. Results following this assessment are shown on a Circumplex which "shows" where the organisation fits into each group. The OCI framework is one of the most widely used tools for assessing organisational culture and has been completed by respondents worldwide in various sectors (Cooke and Szumal 2000 cited in Bellot, 2011, p. 35). It has strong psychometric underpinning/reinforcement foundations (Scott et al., 2003a, p. 931) with convergent and discriminate validity established (Cooke and Szumal 2000 cited in Scott et al., 2003a, p. 931). The model is considered to be one of the few

assessment models that, in addition to examining employee perceptions and opinions, it also examines the underlying values and beliefs that bring about these views (Scott et al., 2003a, p. 928).

Critique for the OCI model includes that it "pigeon holes" organisations into predetermined categories whether these categories exist in that culture (Druckman et al, 1997 p. 72 and Trice and Beyer, 1993, p. 42). In addition, it is not user friendly and is not as easy to administer as other models. It is a long survey, requires proprietary analysis that is expensive, is under copyright from the Human Synergistic Company and in addition the analysis results in a limited number of aspects of the culture being looked at (Scott et al., 2003a; Bellot, 2011). Another issue with this model is that the OCI uses individual responses as its unit of analysis (Thomas et al., 1990; McDaniel and Stumpf, 1993; McDaniel, 1995 as cited in Scott et al., 2003b; Taras et al., 2009) but if culture is a shared experience then the findings should be based on the group response and not individual responses.

2.3.4.3 The Organisational Cultural Assessment Instrument (OCAI)

The Organisational Cultural Assessment Instrument (OCAI) is based on the Competing Values Framework which was originally conceptualised by Campbell in 1974. This was later revised by Quinn and Rohrbaugh (1983) and further refined by Cameron and Quinn (2004, 2011) to form the OCAI as we know it today. The OCAI framework consists of four competing values: flexibility and discretion, stability and control, internal focus and integration, external and differentiation. These competing values correspond to four types of organisational culture: the clan culture, the adhocracy culture, the market culture and the hierarchy culture which are said to describe the culture of the organisation. The OCAI assess six dimensions of organisational culture: dominant characteristics; organisational leadership; management of employees; organisational glue; strategic emphases and criteria for success. Responses to statements relating to each dimension are used to create a picture of how employees perceive their organisation operates and assesses the values that characterise the organisation (Cameron and Quinn, 2004, 2011). The survey results are plotted against four competing values in quadrants. Each quadrant

corresponds to one of the four organisational culture types. There are no right or wrong answers to the questions in the same way that there is no right or wrong culture (Cameron and Quinn, 2004, 2011).

This model is, according to Bellot (2011), designed to be simple to use so as to facilitate participation from all levels of the company and in order to appeal to all companies, generalised questions are used. The models validity and reliability has been confirmed through its use in various studies (Quinn and Spreitizer, 1991; Yeung et al. 1991; Zammuto and Spreitizer as cited Bellot, 2011, p. 34). Trice and Beyer (1993, p. 42) agree the etic approach taken has value but outline the model assumes that the predetermined types used are relevant to the particular culture being studied and also that they will not miss any important part of that culture. Similarly, while this model does have its positive points in terms of implementation, Druckman et al. (1997 p. 72) argues that this type tool does not measure culture but rather "measures the dimensions of culture determined in advance by the researcher, thus potentially missing or distorting the actual dimensions of cultures existing priori in the organization itself". For this reason the model fails qualitative methodology standards as it does not disclose unique aspects of the culture of an organisation but rather categorises it into generic categories (Bellot, 2011). Cameron and Quinn (1998) do point out that OCAI is not intended to act as a diagnostic and prescriptive tool. Finally, due to ipsative scoring being used when responding to the statements in the model it creates a situation where respondents are dependent upon each other as they must sum to a predetermined amount, obscuring the interpretation of the results (Bellot, 2011, p. 34).

2.3.4.4 Hofstede's Organisational Culture Model

In the 1980s Hofstede headed a research project concerned with the mapping of national culture and by 1990 he would focus his attention to organisational culture. Although Hofstede (2010, p. 343-344) pointed out that there is no standard definition for organisational culture and he labelled it as "a fad" and "fashionable", even calling a chapter in his book "the organizational culture craze" he did provide his own definition of organisational culture as "the collective programming of the mind that distinguishes the members of one organization

from others".   In 1990 Hofstede et al. researched organisational culture in Denmark and the Netherlands which resulted in the development of "The Hofstede Model". This was further developed by Bob Waisfisz in collaboration with Geert Hofstede to form the Organisational Cultural model (Geert Hofstede Centre, 2012).   The model consists of six autonomous dimensions or variables; means oriented versus goal oriented, internally driven versus externally driven; easy-going versus strict work discipline; local versus professional; open systems versus closed systems; employee oriented versus work oriented and two semi-autonomous dimensions; degree of identification with your organisation and degree of acceptance of leadership style.   Both quantitative and qualitative research was used to develop this model looking at how an organisation's culture manifests itself.   According to Kasper (2002, p. 1052) the model has been validated in several case studies and is a more detailed measure of corporate culture than other models.

McSweeney (2002, p. 97) on the other hand is quite vocal in his criticism of Hofstede et al.'s (1990) research.   He points out that Hofstede's portrayal of organisational culture "lacks clarity".   McSweeney (ibid) argues Hofstede "does not sufficiently distinguish between nor adequately define the concepts of 'practice' and 'perceptions of practice'".   Furthermore, Hofstede does not sufficiently address 'sources/causes' of the differences that exist at the organisational level "between practices or the perceptions of practices".   In addition McSweeney (ibid) highlights that Hofstede ignores extant research that "directly criticises or rejects the treatment of levels of culture as methodologically distinct".   Bond (1988) cited in McSweeney (2002, p. 97, square brackets in original) points out that the "ecological or culture level approach [used by Hofstede] does not yield individual level dimensions of values".

Hofstede et al. (1990, p. 313-314) do counter that their research data "is too limited to claim universality for the model" and that certain types of organisations were missing from their data set and as such other practices could be relevant. However they believe that their research contributes to "demystification of the organizational culture construct" as they have brought it into the realm of management theory and practice.

2.3.4.5 Denison Organisational Culture Survey (DOCS)

The Denison Organisational Cultural Survey Model is a measurement tool to allow companies assess their current cultural strengths and weakness as well as acting as a tool to help all stakeholders understand the impact their culture has the on the company's performance. Developed by Daniel Denison a consultant in the area of organisational culture, this model has at the centre the company's beliefs and assumptions. The model measures the behaviours that are theorised to drive these beliefs and assumptions which in turn create the culture of a company. The model is based on four cultural traits that the literature has shown to have an effect on organisational performance which are; involvement, consistency, adaptability and mission (Denison and Mishra, 1995; Denison, 2006). The model can be used as a guide to implement a change within an organisation in order to enhance the effectiveness in the company. Due to the fact that results are compared to other companies in a global database of over 5,000 organisations who have also completed the survey, the DOCS provides a benchmark and advises companies what their score should be in order to achieve a specific performance level. Similar to the OCI a circular profile or Circumplex is created mapping the results of the survey. The survey results are reported in this colourful graphic and the more colour the stronger the culture (Scott et al., 2009; Denison, 2011).

Denison Consulting applauds its own benefits commenting that it is based on behavioural research and "speaks the language of business". It also comments that unlike the OCI model, while a well respected assessment tool, was developed from a different angle as Dr Lafferty the originator of the model is a clinical psychologist. As such the OCI model focuses on different aspects of personal effectiveness such as psychodynamics and thinking style and their impact on health (Denison, 2012). Praise for the model is that it is easy to administer online, is cost effective and the findings are presented in reports and graphics (Finger, 2003).

This model which comes from the consultancy domain has a more pragmatic focus than a theoretical focus and is geared towards designing an off-the-shelf product for quantitative research (Jung et al., 2009, p. 1092). One of the

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strengths of carrying out quantitative research is that it can be implemented and evaluated quickly and the resulting numerical data facilitates a comparison between companies (Yauch and Steudel, 2003 p. 473). It is however questionable if such commercial packages that say they will provide a road map to success can provide "a generic, ideal instrument for cultural exploration" (Jung et al., 2009, p. 1093). Again the survey is a self report survey and as such does not give the best unbiased opinion (Thomas et al., 1990; McDaniel and Stumpf, 1993; McDaniel, 1995 as cited in Scott et al., 2003b; Taras et al., 2009). Also this survey only measures the most observable behaviours and does not tap into the underlying layers that make up a culture (Zwaam, 2006).

2.3.4.6 The Cultural Web

The Cultural Web was developed in 1992 by Gerry Johnson and has been used successfully to map organisational culture since its inception. The Cultural Web is used to help understand the culture of an organisation bringing together various aspects that are used to analyse an organisational culture (Mullins, 2010, p. 743). Johnson et al. (2002, p. 242) note that the Cultural Web is a useful concept for understanding how the layers of values, beliefs and assumptions are connected and how they influence strategy. As per Johnson (2001) the ideal implementation of the Cultural Web is in a group setting by managers from an organisation who generate their own ideas and perceptions about the culture of the company they work for. Elements of the Cultural Web are explained to the group and consist of, stories, rituals and routines, symbols, power structure, control system, organisation structures and paradigm. Each person writes down an example of these elements within the organisation. This is then followed by discussions among the groups and this helps managers become aware of the importance of cultural aspects within the company and areas can be highlighted that may need to be addressed (Johnson, 2001).

Research carried out in Australia in the hospitality sector used the Cultural Web in their strategy analysis and they comment on the usefulness of the framework for this purpose (Kemp and Dwyer, 2001. Traditional approaches to strategy did not recognise "the importance and power of culture" according to Kemp and Dwyer (ibid) and they credit the Cultural Web framework for demonstrating how

cultural influences on behaviour came about within the organisation. By using the framework it showed the impact this information has had on the company (Kemp and Dwyer, 2001).

In summary this section provided an overview of the extant literature on organisational culture. Organisational culture has become a useful management tool "for improving productivity, quality of work life, and helping us regain our competitive edge" (Schein, 1986, p. 30). Organisational culture can be a capability that provides a source of sustainable competitive advantage (Barney, 1986; Day, 1998). This idea of a competitive advantage was also evident in the market orientation literature and is one of the many common links between market orientation and organisational culture. The following section highlights the links between the two areas of research and helped formulate the research questions at the heart of this study.

2.4 Organisational Culture and Market Orientation

In this the final section of the literature review, an overview of the literature connecting market orientation and organisational culture will be presented. This section will firstly highlight how the two concepts are intertwined. Secondly, models that have combined the two concepts of organisational culture and market orientation will be presented and finally justification of the framework in this study will be provided.

While market orientation and organisational culture have been covered extensively in the literature, a portion of the literature also addresses the connection between market orientation and organisational culture. As previously outlined market orientation can be viewed from two perspectives: the behavioural and the cultural perspective (Griffiths and Grover, 1998 cited in Homburg and Pflesser, 2000; Gebhardt et al., 2006). Kohli and Jaworski (1990) define market orientation in terms of the specific behaviours related to market orientation namely the generation of information on current and future customer needs, the dissemination and the responsiveness to that information. This view of market orientation is firmly rooted in the behavioural perspective and advocates that the activities of market orientation are separate from organisational culture (Gebhardt

et al., 2006). On the other hand, Narver and Slater (1990) define market orientation in terms of the business culture that most effectively and efficiently instils the necessary behaviours for creating superior value for customers. This suggests that it is the organisational culture that encourages market orientation behaviour (Gebhardt et al., 2006). Research advancing the cultural perspective sees a clear link between market orientation and organisational culture, arguing market orientation is part of the culture of the organisation. The organisational culture values support and maintain the marketing concept (Despandé et al., 1993). This idea is further developed by Gray and Hooley (2002, p. 981) who offer a new definition of market orientation that they say is a "more inclusive" definition that covers both the philosophy and behaviour and "allows investigation of mediating and moderating variables, as well as antecedents and consequences".   They see market orientation as the implementation of a corporate culture which encourages the behaviours to collect, disseminate and respond to market intelligence on customer, competitors and the wider environment. It is the culture of the organisation the authors Gray and Hooley (2002) argue that will bring about the success of market orientation. The literature also supports the role that the organisational culture plays in influencing the information processes within an organisation (Moorman, 1995; Gebhardt et al., 2006).   That is the generation, dissemination and responsiveness to that information; one of the cornerstones on which a market orientation is based.

In order to investigate the cultural perspective further, attention needs to be drawn to what organisational culture elements will bring about the market orientated behaviours. As was evident from the review of the literature, organisational culture was defined in terms of the very visible to the very tacit and invisible (Schein, 2009). Schein (ibid) refers to the layers of culture which range from the visible artefacts, followed by the values leading to the invisible underlying assumptions shared by members of an organisation (see Figure 2.1). Culture creates a degree of structure and order in social life and it provides ideas that help people cope with uncertainties and ambiguities according to Trice and Beyer (1993, p. 1). Homburg and Pflesser (2000, p. 450) however, argue that organisational culture is made up of "four distinguishable but interrelated

components". They cite Desphandé and Webster's (1989, p. 4) definition of organisational culture as it is one of the most widely accepted definitions: "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide the norms for behaviour in the organisation". In addition, Homburg and Pflesser (2000) add Schein's (1984) component of artefacts as the fourth component added to values, norms and behaviours in their understanding of organisational culture. This study of organisational culture will use this four component definition analysing the organisational culture under values, norms, artefacts leading to behaviours. Thus each of these elements will be addressed individually.

2.4.1 Values

In the literature values have been identified as "social principles, goals and standards considered to have intrinsic worth" (Hatch, 1993, p. 659) and "modes of conduct and end-states of existence" according to Rokeach (1968a). As such values are a standard that serves the purpose of guiding desires and how to behave, what attitudes are acceptable and they act as standards by which behaviour is justified (Rokeach, ibid, p. 550). Deal and Kennedy (1982, p. 21) refer to values as "the bedrock of any corporate culture" which give employees a sense of direction and guidelines for their day-to-day behaviour. Hofstede et al. (1990) depict organisational culture as an onion with values at the centre, an idea shared by Trice and Beyer (1993) acknowledging that values are at the core of an organisation.

The importance of values in organisational culture has been an important aspect in the recruiting of personnel when looking for the "person-culture fit" according to O'Reilly et al. (1991). When choosing companies to work for Schneider (1987) as referenced in O'Reilly et al. (1991) remarked that people may be attracted to companies who share the same values they do. Values are what the company stands for and when employees share, identify with and embrace these organisational values they can shape how employees behave (Deal and Kennedy, 1982). The literature supports that an organisational culture based on common values is an important tool in the implementation of market orientation. Gebhardt et al. (2006) in their research on changing an organisational culture to

become market orientated found that cultural values form the basis for market orientated behaviours. They identified six cultural values; trust, openness, keeping promises, respect, collaboration and viewing the market as the raison d'être. Homburg and Pflesser (2000) identified eights basic values that they deemed were supportive of a market orientation. These were success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation and speed.

2.4.2 Norms

The next layer of organisation culture considered is that of norms. Norms are formed following the development of shared values within an organisation and they guide behaviour (Sathe, 1983, O'Reilly et al., 1991; Homurg and Pflesser, 2000). Norms are the complex bodies of practical knowledge acquired from others and inducted into practices by others. Norms are "more tactical and procedural" than values (Sathe, 1983, p. 7) and provide guidelines for what is good and what is the right way to do things (Wallace, 2008). Similarly, Trice and Beyer (1993, p. 34) express norms as behaviours which are expected by others and are culturally acceptable ways to achieve an outcome. Norms are acceptable standards of behaviour that are shared by a group's members. Norms tell members how they should and should not behave under certain circumstances. Norms act as a means of influencing the behaviours of a group's members (Robins and Judge, 2007). The literature supports the concept that norms are a means of conveying information within an organisation. De Long and Fahey (2000, p. 118) point out that "culture embodies all the unspoken norms or rules about how knowledge is distributed between the organisation and individuals" and as such it is the culture of the company that will enhance or hinder interdepartmental communication. Employees within a company will learn "how things are done around here" (Bower, 1966) from their co-workers and they learn how to be market orientated by working with employees who are market orientated (Hunt and Morgan, 1995). This knowledge and experience of market orientation is passed on through the cultural norms that exist in a company and it can be argued that this leads to specific behaviours.

2.4.3 Artefacts

Artefacts are according to Schein (2009) the easiest level to observe in an organisation. For Homburg and Pflesser (2000) artefacts include: arrangements e.g. offices, meeting rooms and common areas and the exterior surroundings; language; stories told within the organisation; and rituals that are observed in an organisation. These artefacts have a strong symbolic meaning according to Trice and Beyer (1993) and Schein (1992). While artefacts are the most visible element of an organisation's culture, interpreting the meaning of these artefacts will be different in each company and the meaning of the artefact for that organisation can only be interpreted by those inside the company. The literature supports the notion that artefacts support the values and norms that companies stand for. Pettigrew (1979) says that the embodiment of values in an organisation is through the mission statements and activities such as rituals and "programmes of activities". Artefacts send subtle signals to everyone to convey the company values, norms, mission, goals, who the company wants to serve, what the company wants to achieve and how it wants to achieve it. For Homburg and Pflesser (2000) artefacts play an important role as determinants of market orientated behaviours.

2.4.4 Behaviours

The literature reminds us that culture existing on a number of different levels manifests itself in various elements of organisational life (Detert et al., 2000) with each level having "a natural tendency" to affect the other levels (Kotter and Heskett, 1992). Sathe (1983) points out that values and norms have an influence on how people behave. These elements of culture generate higher levels of cooperation and commitment to motivate employees to act appropriately and thus influence behaviour. Values cannot be directly observed according to Hofstede et al. (1990) but are inferred through manifestations of behaviours (cited in Wallace et al., 1999). Values indicate preferences for behaviour while norms are more procedural and tactical and indicate the standards of expected behaviour. When values and norms are held over a period of time there is no need to communicate their implicit message – certain things "go without saying" and these guidelines and cues help the receiver interpret the message and leads to

certain behaviours becoming the taken for granted way of doing things (Sathe, 1983, p. 10). Homburg and Pflesser (2000, p. 450) refer to "organizational behavioural patterns with an instrumental function" of market orientation which include the generation of market intelligence, the dissemination of market intelligence and the responsiveness to market intelligence. The generation, dissemination and responsiveness to the market intelligence leads to a focus on specific behaviours which Jaworski and Kohli (1993) determine are the behaviours that will bring about a market orientation and in so doing allows for the degree of market orientation to be measured. Thus instilling market orientated values, demonstrated by market orientated norms and observed through market orientated artefacts will lead to market orientated behaviours.

2.4.5 Models for Measuring Market Orientation Organisational Culture

Although models for measuring market orientation take the cultural perspective, few market orientation models take a detailed look at culture and its impact or examine the link between market orientation and organisational culture. There has been some research conducted on the relationship between market orientation and organisational values (Cadogan and Diamantopoulos, 1995; Lafferty and Hult, 2001; Kirca et al., 2005). Other research has looked at the importance of values in organisations and their influence on managerial behaviours (Flowers and Hughes, 1978 cited in Wallace et al., 1999; Hofstede et al., 1990; O' Reilly et al., 1991) and changing organisational culture (Detert et al. 2000, Gebhardt et al., 2006). Additionally, Kasper (2005, p. 10) found that the organisational cultural writings of Desphandé and Webster (1989) and Desphandé et al. (1993) have been influential in the field of market orientation. While all this research is important in developing the knowledge base of each topic, Beverland and Lindgreen (2010, p. 29) go so far as to say that to their knowledge "no research has focused on implementing a market orientated culture". However, Homburg and Pflesser's (2000) argue their research "examines the cultural characteristics of market orientation". Thus The Multi-Layered Model of Market- Oriented Organisational Culture from Homburg and Pflesser (2000) will be discussed. In addition Hofstede's Organisational Cultural

model will be reviewed as the literature from Kasper (2005) supports an indirect link to market orientation.

2.4.5.1 Homburg and Pflesser's (2000) Model of Market Oriented Organisational Culture

Homburg and Pflesser's (2000) model address both the area of market orientation and organisational culture. Their research is thus from the "cultural perspective" of market orientation looking at what kind of organisational culture encourages and rewards market orientation behaviour. Their research firstly, made the distinction between the different layers of organisational culture; secondly, analysed the relationships between the different layers of market orientated organisational culture; and finally, examined the performance outcomes of a market-orientated organisational culture. Homburg and Pflesser (2000) contend that there are four distinct but interrelated components of organisational culture: values, norms, artefacts and behaviours and their research identified the causal link between the layers of culture that support market orientation.

More specifically, Homburg and Pflesser (2000, p. 453) set out to identify what values are "the most relevant shared basic values of a market orientated organisational culture". Following content analysis of literature Homburg and Pflesser (ibid) identified the values most frequently associated with market orientation. This was subsequently confirmed through qualitative interviews where managers from varying levels in five different industries confirmed the following values as being the most relevant shared basic values of market orientation. These were included: *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed*. While these values were found to be most frequently associated with market orientation, they are not however, considered to "exclusively support market orientation" but rather they may also support other orientations. In addition, this research also analysed the norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* and examined if market

orientation was their "concrete objective" (Homburg and Pflesser, 2000). Furthermore, specific stories and arrangements were analysed as the most frequently mentioned artefacts for market orientation followed by rituals and language. This research then examined the connection between the different components of culture and market orientation. To measure market orientation the MARKOR model of market orientated behaviours from Kohli et al. (1993) was utilised which looks at the three components of market orientation; the generation, dissemination and responsiveness to market intelligence. While the authors also analysed how a market orientated culture influences financial performance, within the scope of this thesis the effects on performance will not be considered.

Critique of Homburg and Pflesser's (2000) model comes from Dauber et al. (2012, p. 4) who explain that the model, while empirically tested, does not consider interaction between culture and performance (only a linear effect was analysed). Also organisational culture dynamics such as cultural change are not addressed. Homburg and Pflesser (2000, p. 458) themselves offer limitations of the model highlighting that they used single informants in strategic business units for their research which may lead to informant bias with regards to the concept of organisational culture. They also point out the "strong national character" of the study as their study was among German companies therefore research in other countries may lead to different values being identified. From a managerial perspective, they suggest a "more parsimonious measure of market orientated organisational culture" thus reducing the number of items measured but "still making the distinction among the layers".

2.4.5.2 Hofstede's Organisational Cultural Model

As discussed in the literature review of organisational culture models, Hofstede et al. (1990) developed this model for measuring organisational culture following a cross organisational study of different companies based in Denmark and the Netherlands with the backing of the Institute for Research on International Cooperation (IRIC). The study found that "the shared perceptions of daily practice should be considered the core of an organisation's culture" (Hofstede et al., 1990, p. 348). While this model looks at organisational culture, there is

reference in the literature linking it to implementing a market orientation. Kasper (2005, p. 12) credits Hofstede et al.'s (1990) model for measuring organisational culture with containing aspects that offer the opportunity to measure underlying culture and "how this is reflected in the marketing domain". Kasper (ibid) found that Hofstede's model contains aspects that bring the degree of market orientation within a company clearly to the fore. This research supports the view that a market orientated culture will be open, employee orientated, professional, pragmatic and results-orientated and have a balance between tight and loose systems. A culture of openness will contribute to knowing the customer well and to doing the best for the customer. A culture of being employee orientated is also associated according to Kasper (2001) with knowing the customer well; in addition, according to Hofstede et al. (1990), employees will feel that the organisation takes responsibility for their welfare. This in turn will lead to greater employee commitment, satisfaction and involvement - all elements that can improve market orientation as found by Kohli and Jaworski (1990) and Jaworski and Kohli (1993). Hofstede et al. (1990, pp. 313-314) see the limitations of their study in that their research data "is too limited to claim universality for the model" and the absence of different types of organisations may suggest other models for measuring organisational culture may be relevant.

2.4.6 A Framework for Market Orientated Organisational Culture

Having reviewed the literature covering the area of market orientation and organisational culture and taking account of the consensus from Kasper (2005, p. 3), it is still not clear what organisational culture fits with a market orientation strategy. Kasper (ibid) makes the point that while "full and detailed understanding is still lacking" a relationship does exists between market orientation and organisational culture. As this study will look at the elements of an organisational culture that encourage a market orientation the Multi-Layered Model of Market-Oriented Organisational Culture from Homburg and Pflesser (2000) is judged as most appropriate and thus will be utilised in this study.

Homburg and Pflesser (2000) contend that there are four distinct but interrelated components of organisational culture: values, norms, artefacts and behaviours and their research identified the causal link between the layers of culture that

support market orientation. For this reason this research will examine values, norms and artefacts (stories, arrangements, rituals and language) and their relationship with behaviours (Homburg and Pflesser, 2000). Using the Hofstede Model was considered but on reflection it was considered too large an undertaking for the purpose of this research with extensive training by the Hofstede Institute recommended before receiving the full details of the model and before its implementation could take place. It is acknowledged it is unlikely that any single instrument will ever provide a valid, reliable and trustworthy assessment of an organisation's culture. However, an awareness of the limitations can be taken into account that will aid in the gathering of information about the organisational culture. The research of Homburg and Pflesser (2000) was based on a mixed-method approach and this is justified when looking at an area like culture which is hard to define and comes from observing and looking at what people do. A mixed- method approach is suggested in the literature to be the best option to use when assessing culture (Trice and Beyer, 1993; Scott et al., 2009). For this study the Homburg and Pflesser (2000) model should provide the researcher with the data to answer the research questions outlined. The first research question asked:

1. What organisational cultural values exist in market orientated companies?

   The most basic shared values identified by Homburg and Pflesser (2000) associated with market orientation include those of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed.*

2. Do the values identified encourage a market orientation?

The second research question asked:

1. What organisational cultural norms exist in market orientated companies?

   The organisational cultural norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* were identified by Homburg and Pflesser (2000) as having market orientation as their objective.

2. Do the norms identified encourage a market orientation?

The third research question asked:

1. What organisational cultural artefacts exist in market orientated companies?

   The artefacts of stories, arrangements, rituals and language identified by Homburg and Pflesser (2000) as indicators of the level of market orientation in an organisation.

2. Do the organisational cultural artefacts identified encourage a market orientation?

2.5 Conclusion

To conclude, the literature review has highlighted the complexities related to market orientation and organisational culture the areas of research in this study. Both market orientation and organisational culture have numerous definitions and perspectives which have led to debates when it comes to their measurement and conceptualisation. The literature has highlighted the importance of each concept and how each concept has its own distinct elements but also that "a relationship does exist between market orientation and organisational culture" (Kasper, 2005, p. 3). The literature identified certain organisational culture values, norms and artefacts that can enhance a market orientation. This study will research if the market orientated organisational cultural values, norms and artefacts identified by Homburg and Pflesser (2000) exist in the companies researched and if they encourage a market orientation. The next chapter will outline the methodology taken to gather the data in order to answer the research questions.

Chapter Three

Methodology

3 Methodology

3.1 Introduction

The purpose of this chapter is to describe in detail the research design to answer the research questions. The first part of this chapter outlines the research aim and objectives followed by a discussion on research philosophy, methodology and sample. The next part of the chapter is concerned with the outline of the research methods and the procedures used in data collection. This is followed by a discussion on the techniques used to analyse the data, ethics and research limitations.

3.2 Research Aim

The purpose of this study is to examine if the market orientated organisational cultural values, norms and artefacts as identified by Homburg and Pflesser (2000) exist in market orientated companies and if they encourage a market orientation.

3.3 Research Questions

To address the research aim the following research questions are presented:

The first research question asked:

1. What organisational cultural values exist in market orientated companies?

   The most basic shared values identified by Homburg and Pflesser (2000) associated with market orientation include: *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed.*

2. Do the values identified encourage a market orientation?

The second research question asked:

1. What organisational cultural norms exist in market orientated companies?

   The organisational cultural norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* were identified by Homburg and Pflesser (2000) as having market orientation as the concrete objective of these norms.

2. Do the norms identified encourage a market orientation?

The third research question asked:

1. What organisational cultural artefacts exist in market orientated companies?

   The artefacts of stories, arrangements, rituals and language were identified by Homburg and Pflesser (2000) as indicators of the level of market orientation in an organisation.

2. Do the organisational cultural artefacts identified encourage a market orientation?

3.4 Research Philosophy

In order to research the organisational culture of market orientated companies careful analysis of what method will give the researcher the answers to the research questions is needed. Rubin and Rubin (2012, p. 14) point out that not only will the research questions determine the choice of research techniques used but also the researcher must be willing to accept the assumptions that underlie each set of tools. What can be known, what are the appropriate research tools and designs and what standards will be used to judge the quality of the research. These assumptions taken together make up the research paradigm or research philosophy. Teddie and Tashakkori (2009, p. 84) describe a paradigm as "a worldview, together with the various philosophical assumptions associated with that point of view". The following philosophical assumptions as outlined by Burrell and Morgan (1979, p. 4) are: ontology, epistemology, human nature and methodology. The first ontological assumptions "concern the very essence of the phenomena under investigation". This relates to the study of existence and questions "whether the reality under investigation is external to the individual"; separate from the conscious mind or "the product of individual cognition". Is the reality "out there" or "a product of one's mind" (ibid) is at the core of the ontological assumption.

Connected to the ontology issue is the second assumption of epistemology relating to the grounds of knowledge. How does one understand the world and how is this knowledge communicated to others. It deals with the question of whether knowledge can be acquired or must it be experienced? In addition to the

ontological and epistemological assumption is the assumption concerning "the relationship between human beings and their environment" and asks are humans determined by their environment or do they create their environment? These three sets of assumptions have important implications for "the methodological nature" of the research undertaken.

Each ontological, epistemological and human nature position are interrelated and have consequences which determine the way in which research is undertaken and how knowledge is obtained. Grix (2001) reiterates the direct relationship between the building blocks of research i.e. ontology, epistemology, methodology and the methods used to gather data. Thus it can be argued that the researcher's ontological, epistemological and human nature stance determines the methodologies used (Burrell and Morgan, 1979; Morgan and Smircich, 1980). Grix (2002, p. 177) shares a similar view and points out that the starting point of all research is ontology with epistemological and methodological positions following on logically.

The following table developed by Burrell and Morgan (1979, p. 4) highlight the various ontological, epistemological, human and methodological perspectives of the approaches to social sciences and illustrate the two broad polarised perspectives of the subjective-objective dimensions of each stance. Figure 3.1 depicts the four assumptions and describes each research paradigm using the descriptive labels as they have been used in social philosophy literature (ibid).

The subjective–objective dimension

The subjectivist approach to social science		The objectivist approach to social science
Nominalism	ontology	Realism
Anti-positivism	epistemology	Positivism
Voluntarism	human nature	Determinism
Ideographic	methodology	Nomothetic
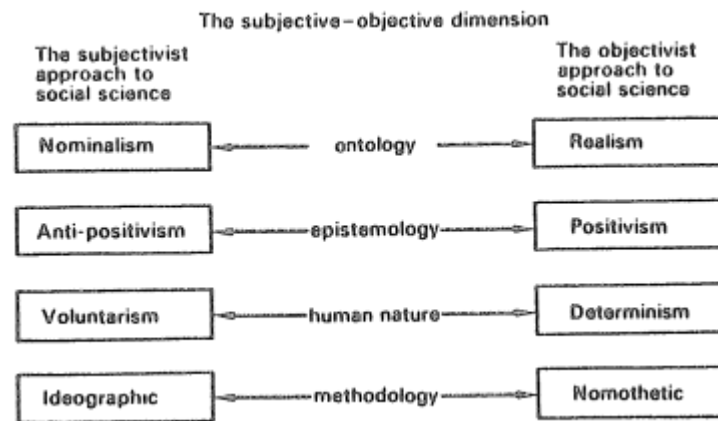
Source: Burrell and Morgan (1979) Sociological Paradigms and Organisational Analysis

Figure 3.1   A Scheme For Analysing Assumptions About The Nature Of Social Science: The Subjective-Objective Dimension

The labels vary across the literature for example "nominalism" is also known as "constructionism" or "constructivism" which "asserts that social phenomena and their meanings are continually being accomplished by social actors" (Bryman, 2008). Similarly Burrell and Morgan (1979) label the subjectivist epistemological view "anti-positivism" while Rubin and Rubin (2012) refer to this stance as "naturalist".   Both refer to the subjectivist epistemological stance that the researcher seeks to understand what has happened and to explain what is seen.

For the purpose of this research the researcher refers to ontology being concerned with the nature of social entities and further describes the ontological position of constructivism as challenging the objectivism position that organisations and cultures have meanings and are independent of social actors. For the purpose of this research the constructivism view of organisational culture will be taken "to be an emergent reality in a continuous state of construction and reconstruction" (Bryman and Bell, 2011, p. 21). This position as highlighted by Bryman and Bell (2011) informs the way the research questions are formulated as well as the way the research is carried out and what epistemological standpoint will be taken. This in turn will lead to the anti-positivist/interpretivist paradigm being adapted as a way of understanding the theory of knowledge and ways of gaining and validating knowledge of the social entity (Grix, 2002, p. 177). This leads to the discussion about whether qualitative or quantitative methods will

generate the most appropriate knowledge about the two topics of this study - market orientation and organisational culture. While each paradigm will provide rich data to enable the research questions to be addressed, the literature emphasises that "rigorous qualitative research can provide the 'why' behind statistically significant differences" (Robbins, 2001) as cited in Jeanty and Hibel (2011, p. 635). Teddie and Tashakkori (2009, p. 90) challenge the distinct contrast between objectivity and subjectivity and advocate for the pragmatists approach which stress that "epistemology issues exist on a continuum, rather than opposing poles". Pragmatists according to Teddie and Tashakkori (2009, p. 87) choose to use a full array of both qualitative and quantitative methods as either methods is useful and the decision of which method to use depends on research question and whether the study is deductive or inductive. Additionally taking the pragmatist stance, in order to satisfactorily obtain the data necessary to understand the areas of research – in this case market orientation and organisational culture and to garner information to address the research questions at the heart of this study, elements of both the positivist and interpretitivist paradigm will be used in a mixed methods approach. This will incorporate elements of each paradigm to include both quantifiable surveys (positivist) and qualitative interviews (anti-positivist/interpretitivist) and will enable the researcher to answer the research questions posed in this study.

This pragmatic mixed methodology has support in the literature. A comprehensive analysis of an organisation's culture will involve the collection of data relating to the physical location, layout, artefacts and symbols of the company. According to Brown (1998) the quantitative approach leads to precise and convincing results into how culture is lived by employees. Quantitative research takes the form of questionnaire survey techniques with the use of questions and statements about how employees evaluate the organisations. Ideally he says these questionnaires should be circulated to a large representative sample of employees. In this research employees were surveyed in order to provide a good understanding of the culture of the companies. Well designed questionnaires can provide results that allow a researcher understand the values, beliefs and attitudes of the employees in the company. The strength

of such a method is that data can be quantified and a comparison made between departments or between companies. One drawback is that questionnaires do not garner important information on the stories, myths and legends, rituals and artefacts within a company. However, an element of finding out some information with regards to artefacts specifically, is the language used, which is incorporated into the questionnaire as used by Homburg and Pflesser (2002). Druckman et al (1997, p.67) note the limitations of quantitative research, as researchers may need to decide in advance what the culture is in order to measure it and they also point to the fact that researchers "usually fail to capture the continuity and all the context in which the studied phenomena occur". Druckman et al (1997, p. 72) go on to say that when assessing culture via questionnaires (which may measure dimensions of culture), interviews and documents what is really being measured are superficial characteristics of an organisation rather than in-depth cultural values.

Druckman et al. (1997) citing others favours qualitative research using in-depth qualitative methods where artefacts, stories, myths and interpretation systems are studied over a period of time to gleam the cultural attributes of an organisation. The underlying philosophy of this method is that it is only by experiencing something that one can understand it. A qualitative approach offers interesting and empathetic interpretations of culture which are hard to quantify. It involves interviews and direct observations and allows for very different information to be collected. A representative sample of employees should be used and the format of the interviews should use a standard list of questions while giving respondents sufficient time to answer these questions. This semi-structured approach is likely to be successful in encouraging employees to talk about the company as opposed to unstructured interviews with no fixed questions that can result in a lot of disjointed information being gathered that would shed little light on an organisation's culture (Brown 1998). Brown (ibid) also highlights the arguments against qualitative research commenting that the information gathered from interviewing employees may prove unreliable and difficult to decipher as it depends on the interview skills of the researcher. It also depends on them interpreting what is being said and also in their ability to integrate the

information into a picture of an organisation's culture. It is a subjective approach as two researchers could interpret the information in different ways. There is no right or wrong way to interpret information. The validity of the data is judged on the usefulness of the insight it creates. Memories are not always reliable and can be mistaken or the story teller may be economical with the truth or misleading. The data provided is an interpretation not an account founded on objective truth. Druckman et al. (1997) acknowledge the argument against qualitative research pointing out that breadth and comparability are said to be lost by using a qualitative approach.

In order to assess culture, both Brown (1998) and Druckman et al. (1997) suggest a combination of both qualitative and quantitative methods be used; questionnaires, detailed interviews and observations which will give greater insight into an organisation's culture. Van der Berg and Wilderom (2004, p. 576) also deem the use of qualitative data alone insufficient when comparing organisational culture. They propose the use of group or individual interviews in order to discover unique characteristics of a culture such as organisational values and events that have an emotional or influential significance to employees. This data can be used to better interpret quantitative data that is gathered.

As can be seen from Table 3.1 other studies examining organisational culture which were discussed in Chapter 2 indicate a variety of methods have been used in these models when assess organisational culture.

Table 3.1   Research Methods used in Organisational Cultural Studies

	Method Used

Organisational Culture Study	Qualitative	Quantitative	Mixed Methods
Schein	Observations, integration in company setting		
OCI Cooke and Lafferty (1986Clayton		Survey leading to type classifications	
OCAI Quinn and Rohrbaugh (1983)		Survey leading to type classifications	
Hofstede's Organisational Culture Model (1990)			Surveys and In-depth Interviews
DOCS Denison (1990)		Survey leading to type classifications	
The Cultural Web Johnson (1992)			Workshop: Self analysis and Observations

A similar research approach dilemma exists when attempting to examine marketing orientation. Gray (2010, p. 372) argues there is still a need for obtaining a greater understanding of what to do in order to translate a market orientated culture into practice. He points out (ibid, p. 372) that previous studies into market orientation were quantitative rather than qualitative and the findings lacked "richness and depth of understanding". He goes on to write that with the exception of Kohli and Jaworski (1990) where preliminary interviews were used to develop MARKOR, few studies have tried to gain an understanding of what managers do in order to develop and implement a market orientated strategy. Thus a mixed-methods study offers advantages. Table 3.2 indicates the methods used in other studies of market orientation which were discussed in chapter 2. As can be seen in most cases there was qualitative research carried out prior to conducting a quantitative measurement. Only in one case was a mixed method approach used.

Table 3.2   Research Methods used in Market Orientation Studies

Market Orientation Study	Method Used		
	Quantitative	Qualitative	Mixed Methods
MKTOR Narver and Slater (1990)	Questionnaire	Literature review during development	
Ruekert (1992)	Questionnaire		
MARKOR Kohli et al. (1993)	Questionnaire	Interviews during development	
Desphandé et al. (1993)			Interviews and questionnaire
Deng and Dart (1994)	Questionnaire	Literature review, interviews during development	
Gray et al. (1998)	Questionnaire		
Homburg and Pflesser (2000)	Questionnaire	Content analysis, interviews,	

3.4.1 Case Study Methodology

Saunders et al (2009, p. 146) cite Morris and Wood (1991) in their argument that the case study is of particular interest when wanting to gain "a rich understanding of the context of the research and the process being enacted". Saunders et al. (2009) suggest case study research for an explanatory and exploratory research using a combination of techniques to gather information. Yin (2003, p.1) outlines why case studies are a suitable option when undertaking research as they can be used in many situations "to contribute to our knowledge of individual, group, organizational, social, political and related phenomena". He argues that "the distinctive need" for using case studies as a method of research comes from the desire to understand complex social phenomena and this method "allows investigators to retain the holistic and meaningfully characteristics of real-life events?" (ibid, p. 2). Case studies are popular as they are a method that has been proven as a means of being direct, of adding experience and of improving understanding (Creswell, 2009).

Bell (2010, pp. 8-10) reiterates the usefulness of this approach as it allows for the in-depth look at particular aspects and features that are common and which are unique to individuals and organisations and it helps to identify how these features interact within the work processes, how they are implemented and how they influence the way the organisations function, something that may be lost in a large scale study.

Robert Stake (1978, p. 5) states that case studies are believed to be useful in the study of human affairs because they are down to earth and are attention holding. They are, he said, the preferred method of research "as they may be epistemologically in harmony with the reader's experience" (ibid, p. 5). Robson (2002) refers to Stake's (1995, 2005) opinion that case studies are essentially qualitative. However, he adds, referring to Gerring (2006) and Yin (2009) that it has become widely accepted that case studies can contain both qualitative and quantitative data collection methods. Scott et al. (2009) comments that using the case study approach is a way to build a rich and thick description of a group or organisation using different kinds of data in order to build a picture of what makes up that group or organisation.

While the above arguments are in praise of using case studies as a method of research there have also been arguments against their use. Rowely (2002, p. 16) explains that the most challenging aspect of the application of case study research is "to lift the investigation from a descriptive account of 'what happens' to a piece of research that can lay claim to be a worthwhile, if modest addition to knowledge". Yin (2003) addresses the issues of case studies being a less desirable form of inquiry. One factor Yin (ibid) mentions is the complaint that case studies take too long to complete with the findings presented as large unreadable documents. This he notes may apply to case studies done in the past but may not necessarily apply to future case studies and with shorter narratives this can be avoided. This complaint, he argues, may have arisen due to the confusion between case studies and other methods of data collection such as ethnography which do take longer to complete but the case study approach "does *not* depend solely on ethnographic or participant-observer data" (Yin, 2003, p. 10, italics in original text). As mentioned by Creswell (2009) case study research can

contain various methods of data collection both qualitative and quantitative. Another argument against case studies lies in the confusion of case study teaching and case study research which Yin (2003) highlights are two completely different things. In teaching, case study materials can be altered to demonstrate a particular point, which is forbidden in case study research as case study researchers work at portraying all information fairly and correctly. One final argument is that case studies "provide little basis for scientific generalization" which Yin (2003, p. 10) argues can also be said of experiments and he goes on to justify their use saying that scientific facts are rarely based on a single experiment but on multiple experiments and the same can be said of multiple case studies. Saunders et al (2009, p. 147) argue case study research is a worthwhile way of exploring an existing theory and a well structured case study may even "challenge an existing theory and also provide a source of new research questions".

Pauwels and Matthyssens (2004) maintain multiple case study research methodology remains the most important method by far. Using multiple case studies will provide evidence from more than one company and the information gathered will be more compelling with multiple case sampling adding confidence to findings. Thus replication of the process in more than one company will corroborate the findings and will qualify and/or extends the findings of the first case and will allow for comparison and contrasts being made (Yin, 2003; Miles and Huberman, 1984b). With regards to generalising from one case to the next, Miles and Huberman (1984a, p. 29) point out that this is done on the basis of matching to the theory and "not to a larger universe".

The type of case study research also needs to be considered. Yin (2003) proposes that it depends on the type of "who", "what", "where" and "why" questions being asked about a particular topic. Answering these questions will lead the researcher to explore, describe and explain events in their everyday environment: a) exploratory research, where the researcher attempts to explain why certain behaviours occurred by determining causes and effects and; b) descriptive strategy, whereby an account of the main characteristics of a real world situation are used to clarify an idea or reinforce an argument while c)

explanatory research, which is trying to understand by looking beyond descriptive features and studying surrounding context.

As this study covers the topic of organisational culture and market orientation the approach taken in this research is a multiple case study strategy using mixed-methods. The objective of first part of the research questions posed in this study asked what organisational cultural values, norms and artefacts exist in market orientated companies and relates to the exploratory element of this strategy. The second part of the research question asked if the organisational cultural values, norms and artefacts identified encourage a market orientation and reflects the exploratory and explanatory elements of this strategy and using the mixed methods strategy will contribute to the researcher striving to take what Yin (2003) refers to as the "holistic approach" looking at the organisation as a whole using different techniques that will each contribute information to answering the research questions at the heart of this study. Using the case study approach will allow for comparison across the companies and with reference to Creswell (2009) has been proven as a way of adding experience and of improving understanding across the companies. Using mixed methods will allow for rich data to be gathered with quantitative data giving precise and convincing results that will contribute to the understanding of how a market oriented culture is lived within a company (Brown, 1998) while qualitative data will complements and enriches quantitative data that would not be otherwise be garnered from questionnaires.

3.4.2 Research Sample

Sampling entails the selection of units for analysis in a way that maximises the answering of the research questions set out by the researcher. The unit of analysis is the individual case or group that is being studied and is the focus of attention that the researcher will express the findings on (Teddie and Tashakkori, 2009). Probability and non-probability are the two main sampling strategies. Non-probability sampling is a sample that has not been chosen randomly and implies that some units are more likely to be chosen than others. If non-probability sampling is used sampling bias may occur as human judgement will be used in the selection process with some units more likely to be selected than others. In contrast probability sampling uses a selection of units that have been

chosen randomly with each unit having a chance of being selected. This method is used to avoid sampling error and sampling bias. Non-probability sampling in qualitative research may take the form of purposive sampling. Purposive sampling may be defined as selecting units based on specific purposes associated with answering a research study's question and is where the research participants are selected strategically to cater for this as well as allowing variety in the resulting sample (Bryman and Bell, 2011).

This study will use a non-probability purposive sampling method. For the purpose of the research the population selected will be companies in the south east of Ireland, specifically Wexford. The sample selected from this population will be the companies who were shortlisted and/or winners of the Wexford Chamber Business Awards since their inception in 2009. The reason for choosing this sample is these companies were judged and deemed by their peers as having shown traits of being successful in the business world. Thus in relation to the research questions it is proposed that this sample will provide data that could highlight aspects of a market orientated organisational culture.

To arrive at the selected sample of companies from the shortlisted and/or winners of the Wexford Chamber Business Awards a number of steps were undertaken. From the full list of companies shortlisted and/or winners of the Wexford Chamber Business Awards duplicates were eliminated. Furthermore, sole-traders/individuals and non-profit companies were removed as they were deemed to be problematic to answer the research questions. The websites of the revised list of company websites were screened for evidence of market orientation. Thus evidence such as a customer-focus, communication with customers through a 'contact us' or 'your feedback' facility, industry awards, quality or other employee focused awards, employee empowerment and inter-functional coordination among staff was noted. Additionally, where possible, information about the number of employees was noted with a company size of at least 10 employees judged sufficient to undertake the research. A database of 130 companies was thus generated. All 130 companies were sent an email asking if they would be interested in participating in the study (See Appendix A). A brief description of the study and what the research process involved was

outlined. As a result of this correspondence, companies who agreed to participate were further screened using secondary research as further support for their likelihood of having a market orientation.

In summary, a purposive sample of three potentially market orientated companies was selected from the shortlisted and/or winners of the Wexford Chamber Business Award.

3.5 Research Methods

Three research methods were utilised in the mixed-methods case study approach undertaken: questionnaires, interviews and observation.

3.5.1 Questionnaire

Questionnaires use the strategy of participants self-reporting their opinions, attitudes, beliefs and feelings towards a topic according to Teddie and Tashakkori (2009). For example, closed-ended Likert scale questions measure respondents' level of agreement or disagreement to multiple items being researched. Nowadays one of the major advantages of questionnaires is that they can be posted to respondents or emailed due to the advances in technology and in the use of personal computers (ibid). The questionnaire that was used in this research was adapted from Homburg and Pflesser (2000). In Homburg and Pflesser's (2000) original questionnaire market orientation, market performance and market dynamism was measured. For the purpose of this study only the section on market orientation was used as market performance and market dynamism did not form part of this study. The section of the survey that originally pertained to market orientation was subdivided for this survey into shared basic values supporting market orientation labelled "Company Values", norms for market orientation labelled "The Way We Do Things Round Here" and the sections covering artefacts for market orientation and market orientated behaviours (adapted from Kohli et al., 1993) was labelled "Our Surroundings, Procedures and Practices". The "Company Values" sections contained 11 statements covering the eight most relevant values as identified by Homburg and Pflesser (2000) to include *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees,*

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responsibility of employees, inter-functional co-operation and *speed*. The section labelled "The Way We Do Things Round Here" covering norms that had market orientation as their concrete objective as identified by Homburg and Pflesser (2000) included norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* and contained 15 statements The questionnaire statements relating to market orientated artefacts and market orientated behaviour labelled "Our Surroundings, Procedures and Practices" were subdivided into the categories of artefacts stories, arrangements, rituals and language and market orientated behaviours statements were adapted from Kohli et al. (1993). In order to reduce the total number of 78 statements, it was decided to include at least one or a combination of the original statements under each section. In the original questionnaire up to 4 or 5 statements were used to measure if a value or norm existed. After careful consideration so as to avoid ambiguity and in order to reduce the number of statements, where it was deemed more practical statements were combined. Additionally, statements were phrased from the employee's perspective rather than solely a manager's perspective. From the initial 78 statements the questionnaire was reduced to 50 statements that aimed to still reflect the focus of the original research instrument (see Table 3.3). The statements from Kohli et al. (1993) examining market orientation which Homburg and Pflesser (2000) employed were also used here.   Pretesting of the questionnaire involved distributing the questionnaire to the academic staff of IT Carlow who completed or are currently undertaking research in their field. Comments and suggestions were made with regards to wording and statements with consideration of the target audience in order to avoid confusion and ambiguity. It was suggested using a 5 point Likert scale instead of a 7 point scale and headings were introduced. See Appendix C for the final questionnaire.

Table 3.3 Questionnaire Development

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Questions	Data Collected	Source
1-2	Demographic data	Relevant Data sought in order to identify company and job title of the respondent.
3-13	**Company Values:** success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation and speed	Adapted from Homburg and Pflesser (2000): These statements measure the degree of agreement that the basic shared values identified are associated with market orientation.
14-29	**The Way We Do Things Round Here:** Norms of success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation and speed	Adapted from Homburg and Pflesser (2000). These statements measure the degree of agreement that the norms identified have market orientation as their concrete objective.
30	**Our Surroundings, Procedures and Practices:** Artefacts – Stories	Adapted from Homburg and Pflesser (2000). These statements measure the degrees of agreement that the artefacts are indicators of the level of market orientation in an organisation.
31-33	Artefacts – Arrangements	Adapted from Homburg and Pflesser (2000). These statements measure the degrees of agreement that the artefacts are indicators of the level of market orientation in an organisation.
34-35	Artefacts – Rituals	Adapted from Homburg and Pflesser (2000). These statements measure the degrees of agreement that the artefacts are indicators of the level of market orientation in an organisation.
36-47	Market Orientated Behaviours	Adapted from Kohli et al. (1990). These statements measure the degrees of agreement that the market orientated behaviours exist in the companies researched.

48-52	Artefacts – Language	Adapted from Homburg and Pflesser (2000) These statements measure the degree of frequency each statement is heard in each company sought.

3.5.2 Interviews

Interviews in a mixed method approach are said to be a powerful data collection strategy due to the nature of the one-to-one interaction between the researcher and the interviewee (Teddie and Tashakkori, 2009).   The selection of interviewees was purposive so as to obtain relevant information to answer the research questions. Interviews were arranged with three employees from varying levels and functions such as marketing and customer relations with each of the three case study companies. The interviews were semi-structured using the research questions and themes from the questionnaire as the basis for the interview questions. See Appendix D for the interview theme sheet.

3.5.3 Observation

Observation is a versatile tool used to supplement other research methods (Blumberg et al., 2008). It can provide specific answers to research questions and is valuable in that it collects original data at the time it occurs. This flexible approach to data collection also allows the researcher to react, to question and report subtle or unusual aspects that are observed (Blumberg et al., 2008, Creswell, 2009). As part of the data collection a tour of the company was requested which took place on the day the interviews were recorded. This allowed the researcher to ascertain if particular artefacts were visible in the companies researched. An observation guide was drafted to structure the observations (Hair et al., 2011). This included a list of artefacts that were identified during the review of the literature and during the research questions. See Appendix E for the observation guide. Photographs were also taken to enhance the data collection (see Appendices F-M).

3.6 Data Collection Procedure

Over a period of four months from October 2012 to January 2013 data was collected from the companies in this study. Quantitative data was collected

electronically via the web-based survey provider SurveyMonkey. Additionally in the case of one company a paper questionnaire was circulated to facilitate the collection of data from employees with no access to a personal computer. The questionnaire was provided online via a SurveyMonkey link which was sent to the contact person in each company taking part in the study. They were asked to distribute the link to as many employees as possible. After one week a reminder email from the contact person was again circulated to employees asking them to complete the survey within the next two weeks. After a period of 3 weeks the data from the survey was downloaded for analysis using the software package Statistical Package for Social Sciences (SPSS). From the three companies a total of sixty nine questionnaires were completed during this time.

Qualitative data was collected using one-to-one interviews which were recorded. A semi-structured approach was used based on the research questions and themes from the questionnaire. The questions and general structure of the interview was pretested in order to test for clarity with the recording equipment and also to give an idea of the length of time needed to get through each of the areas to be discussed. A copy of the interviews themes was provided to interviewees prior to the interviews. Interviews were recorded at each of the companies on four different dates from October 2012 to January 2013. A total of ten interviews were conducted giving a substantial amount of qualitative data. The following table displays details of the data collection procedure showing the dates and details of the interviewees who participated in the study on the day. .

Table 3.4 Data Collection Details

Company One
Visit Details
- Visited on 15th November 2013.   - A tour of the company offices was provided.   - Observations with artefact checklist also used, photographs were taken.
Research Tool Utilised
- Semi-structured interviews with the General Manager of Customer Delivery, with the Sales manager and the Sales Department Manager contributing via phone from Dublin.   - Online link provided to employees.   - Thirty-two online surveys were gathered from this company over a four week period.
Company Two
Visit Details
- Visited on 2nd October 2012.   - A tour of the office was provided where observations with artefact checklist also used, photographs were also taken.   - On October 15th, 2012 another interview was recorded with the Customer Support Manager
Research Tool Utilised
- Semi-structured interviews with the Marketing Manager and the HR Culture Manager.   - Online link provided to employees.   - Fifteen online surveys were gathered from this company over a four week period.
Company Three
Visit Details
- Visited company on November 1st 2012.   - A tour of some of the company facilities was provided by the one of the Managers.   - Observations with artefact checklist also used, photographs were also taken.
Research Tool Utilised

- On January 16th, 2013 four semi structured interviews were recorded with the purchasing manager and a member of the purchasing team, the customer service co-ordinator and a member of the marketing team.
- Observations with artefact checklist also used, photographs were also taken.
- Eighteen surveys were gathered from this company in both online and paper format.

The tour covered canteens, common areas, meeting rooms, offices, reception areas and work areas for employees that enabled the researcher to observe the layout of the buildings while also recording observations of artefacts that were on display such as awards, photos, signage and décor in each of the locations. It was permitted to take photographs while there (see Appendices F-M). Copies of the company mission statements and employee guidelines and handbook were provided in addition to being shown the company website and the employees' intranet. The external buildings and surroundings were also observed on arrival and departure. Field notes, detailing data gathered were wrote up following each site visit to enhance and compliment other data collected.

3.7 Data Preparation

Data preparation for the qualitative data involved converting the recorded interviews into MP3 files for transcription. In light of the substantial amount of data from the qualitative collection process (a total of ten interviews were recorded giving approximately five hours of recorded material) and the time frame available the transcription was completed by an external provider. In order to become familiar with the data, the transcripts were read a number of times. Transcripts were read initially in conjunction with the recorded interviews to ensure correctness of the transcriptions.

Quantitative data preparation is necessary in order to check for errors and to identify outliers or extreme values which could bias statistics or test results. Initially data was downloaded from SurveyMonkey into the Statistical Package for Social Sciences (SPSS) with paper questionnaires inputted manually. Data was checked to ensure it had been entered correctly with a decision made as to

whether to include or exclude cases depending on further investigations. Reverse coded statements were identified as well as errors in the data set. Data preparation also involved creating scales and indexes; recoding of variables to enable analysis using single variables. This was followed by data reduction which enabled the researcher to reduce responses from a number of questions to a single score or number that could be easily compared (Blaikie, 2003). Descriptive statistics were used in order to answer the research questions outlined in this research.

As outliers can affect test results, calculating the trimmed mean reduces the effect of such outliers on the mean distribution of data. Field (2009) explains that by removing the extreme outer percentages of scores a new mean is calculated that produces an accurate result. When there is little difference between the old mean and the new mean no further investigation is required. In the case of all three scales the results of the 5% Trimmed Mean test showed little difference between the mean and the 5% Trimmed Mean.

3.7.1 Testing of Data

As part of the data preparation stage the quantitative data was assessed for parametric statistical tests.

3.7.1.1 Parametric Testing

Parametric testing is a form of statistical testing that requires meeting four assumptions or criteria; the normal distribution of data, homogeneity of variance, the use of interval data and independent data (Bryman and Cramer, 2008, p. 145; Field, 2009, p. 133).

3.7.1.2 Testing for Normal Distribution

Data that is normally distributed is characterised by a bell-shaped curve, is described as symmetrical and has the greatest frequencies around the centre and smaller frequencies towards the extremes (Fields, 2009; Pallant, 2005). Pallant (2005, p. 53) notes that normality can be assessed by looking at the skewness and kurtosis values however the Kolomogorov-Smirnov (K-S) test is a more accurate measure. When testing for normality in this study, the initial visual examination of the skewness and kurtosis values indicated the data is not

normally distributed, while further visual examination indicates skewness to the left. According to Pallant (2005, p. 57) however, the K-S test would indicate normality if the result showed a significant value (p >.05). In the case of the *values* scale the K-S test result (D(65) =0.12, p<.05) indicates that the distribution is not normal. However, the *norms* scale results (D(61) = 0.09, p > .05) and *behaviours* scale (D(59) = 0.10, p > .05) K-S test results indicate normality with the results showing a significant value (p >.05).

Additionally, Field (2009, p. 134) does point out that "distribution tends to be normal regardless of the population distribution in samples of thirty or more". For this reason the research data will be considered to be normally distributed as the sample exceeds thirty.

3.7.1.3 Homogeneity of variance

When testing for homogeneity the Levene's test of equality of variances (F test) indicates if the spread of scores is equal across different cases. The significant result of the test should be $p \geq .05$ in order to assume equal variances (Field, 2009, p. 150). In this case the results confirm equal variances across all three scales.[1]

3.7.1.4 Interval Data

Data for this research is generated from questionnaires using Likert type scales and as such the data is considered to be ordinal data (Knapp, 1990; Jamieson, 2004). Ordinal scales occur from "the operation of rank-ordering" (Stevens, 1953, p. 679). There has been much debate about analysing ordinal data obtained from Likert type scales as interval data. Jamieson (2004, p. 1217) points out that the "rules" have been ignored and cites Blaikie's (2003) observation that it has become "common practice to assume that Likert type categories constitute interval-level measurement". Bryman and Cramer (2008, p. 145) citing Lord (1953) state that parametric testing can be carried out on ordinal data "as the test applies to numbers and not to what the numbers signify". Bryman and Cramer (2008) also note that while data from psychological and sociological variables such as attitudes are ordinal in nature, parametric tests are routinely applied to

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[1] Levene's *F* Test Results: Values F(2,56)=0.12 *ns*; Norms F(2,56)=0.43 *ns;* Behaviours F(2,56)=0.33 *ns*

these variables. Thus in this research the ordinal data will be treated as interval data.

3.7.1.5 Independence

The data collected in this research is independent and is reflected in the fact that each participant completed the survey (in most cases online). Berdie et al. (1973) describes the use of questionnaires as the best way of securing answers to questions where the respondent fills in questionnaire himself/herself.

In summary, data from research in the social science field is often analysed using non-parametric statistics as it often violates one or more of the assumptions underlying the use of traditional parametric statistics. With non-parametric testing, data does not make assumptions about the distribution of the sample population and is used with smaller sample sizes and with nominal or ordinal data. However, Bryman and Cramer (2008, p. 145) has pointed out that data that was artificially set up to violate the assumptions for parametric tests does not differ greatly from samples that did not violate the assumptions. Furthermore, Bryman and Cramer (2008, p. 145) advise that, where exceptions to the assumptions appear, it makes sense to test using both parametric and non-parametric tests and to compare the differences. While this study does come from the area of social sciences, parametric tests will be presented with non-parametric tests used as a control when analysing the data.

3.8 Quantitative Data Analysis

The purpose of this section is to outline how the data was analysed. It will describe the process involved in testing the data in order to find patterns, observe differences and offer explanations.

3.8.1 Descriptive Statistics

Using the SPSS package a number of descriptive statistics were generated that would enhance the description of the characteristics of the sample and provide information to address specific research questions (Pallant, 2005). Calculating frequencies enabled particular counts and percentages to be calculated along with the mean and standard deviation that enabled the data generated to be compared easily and displayed in a coherent form. Scatter plots, Q plots and bar

charts could also be created as a result which made visual analysis of the data easier. Outliers along with skewness and kurtosis could be more easily observed in this way. Responses to the Likert scales were combined to consolidate responses e.g. responses to strongly agree and agree were recoded as agree giving a percentage of the total agreement of respondents. In the same way strongly disagree and agree were recoded to give the total percentage of disagreement among respondents. Neither agree nor disagree remained unchanged.

3.8.2 Correlation

Correlation refers to a technique that analyses the relationships between variables and is considered to be one of the most important and basic tools when explaining the relationship between variables. Correlation indicates both the strength and the direction of the relationship between a pair of variables but not the causality between them. Correlation coefficients, such as Pearson's product-moment correlation is calculated to provide concise assessments of the relationship between the variables. As this is a parametric test, data should meet the assumptions of parametric testing as previously discussed.

3.8.3 Effect Size

The effect size according to Field (2009, p. 57) is a useful objective measure of the importance of an effect. Cohen's *d* or Pearson's correlation coefficient *r* are the most common measures used. Field (ibid) cites Cohen (1988, 1992) who made some suggestions as to what characterises a large or small effect; r = .10 is a small effect where the effect size explains 1% of the total variance, r = .30 is medium effect where the effect accounts for 9% of the total variance and, r = .50 is a large effect where the effect accounts for 25% of the variance.

3.8.4 Testing for Internal Reliability and Consistency

As part of assessing the reliability or internal consistency of quantitative data Cronbach's alpha (α) is one of the most popular indicators. Cronbach's α determines how closely related a set of items are as a group or in order to gauge its reliability, their internal consistency or average correlation within a survey. Cronbach's α is expressed as a number between 0 and 1 and ideally the score should be above 0.7 to 0.8. A value lower than this is an indication of unreliability

(Pallant, 2005; Field, 2009; Tavakol and Dennick, 2011). Field (2009, p. 675) citing Cortina (1993) points out that caution needs to be used when going by these general guidelines as the score depends on the number of items in the scale.

A larger number of items in a scale increase the Cronbach's α and this could be an indication that the same item is being measured repeatedly. Another item to check for with a high Cronbach's α score is negatively worded questions as they need to be reverse-coded so as not to affect the Cronbach's α calculation.

Questionnaires that are made up of "theoretically correlated items" are scales as defined by Streiner (2003). When testing for reliability using Cronbach's α, the items within the scale should be correlated to each other as the internal consistency describes the extent to which the items measure the same concept or construct (Tavakol and Dennick, 2011). For this reason the reliability of the *behaviours* scale was carried out giving a Cronbach's α = .90 for all companies. See below for each individual company score.[1]

As some questions within the *values* scale measured different aspects of the same values, the Cronbach's α test was not calculated for each individual value. Only where two or more questions were asked about one value was the Cronbach's α test carried out. In the values scale three questions measured *appreciation of employees* giving a Cronbach's α = .93. In the *norms* scale the following norms were tested separately for Cronbach's α as more than one question was asked: *openness to communication* (α = .66), *inter-functional co-operation* (α = .87), and *appreciation of employees* (α = .77).

3.9 Qualitative Data Analysis

Thematic analysis is, according to Braun and Clarke (2006), a method of searching across the data, identifying repeated patterns of meanings, analysing and reporting these patterns or themes within data. They suggest that thematic analysis should form the foundation of any qualitative analysis. It is a tool for

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[1] Cronbach's α for behaviour scale: Company 1: 0.90; Company 2: 0.83; Company 3: 0.90.

organising and describing data and the ease with which this method can be learned and implemented along with the flexibility it offers both simple and complex data are among the many benefits of using this method. It can produce insightful analysis to answer research questions and can be used across a range of epistemologies.

Miles and Huberman (1984a, p. 23-24) put forward the concept that qualitative data analysis consists of "three concurrent flows of activity": data reduction, data display followed by conclusion drawing verification. Thus a process of simplifying, extracting and transforming the raw data into coded data that can then be used to assemble the information which in turn facilitates the conclusion drawing and validation of the patterns found within the data. This process sharpens the focus of the data and organises the data to allow for final conclusions to be drawn.

As Braun and Clarke (2006), Miles and Huberman (1984b) and King (2004) recommend the starting point for thematic analysis is the familiarisation of the data which involved reading and re-reading of the transcripts of the interviews in addition to repeatedly listening to interviews. Initially notes were made in the margin which would later help identify sections of the data that would fit codes such as particular values or behaviours (Miles and Huberman, 1984b). Codes were then used as a tool to identify the relevant sections of the interview data that could then be organised into themes. The starting point for developing codes was the use of the interview topic guide which included the values identified by Homburg and Pflesser (2000), the elements of market orientation identified by Kohli et al. (1993) and other elements of organisational culture and market orientation identified in the literature. Using these codes, chunks of text from the interviews or exchanges between interviewer and interviewee exploring an idea which captured a broad theme were then clustered together into meaningful segments with themes and sub themes developed where necessary (Braun and Clarke, 2006). Defining and naming themes was an on- going process as was the revision of the themes as Braun and Clarke (2006) advised. Once themes had been identified a general synopsis was compiled of the recurring themes and overall findings of the qualitative data for each company initially followed by a synopsis of common themes across all interviews. This was then used to

compliment the quantitative data findings and was used to present a coherent picture of all the data collected during the data collection process. The final step of the analysis involves the writing up of the selected extracts which give a rich and compelling example of the themes relating to the research questions and literature.

3.10 Data Quality

In a mixed method approach two different sets of standards are used for assessing data quality (Teddie and Tashakkori, 2009, p. 209). Quantitative research requires data to be evaluated in terms of validity and reliability. What terms are analogue in qualitative research has been the topic of much discussion in the literature (Byrman, 2008; Teddie and Tashakkori, 2009; Hair et al. 2011). Byrman (2008) citing Lincon and Guba (1985) refer to the qualitative terms of validity and reliability as trustworthiness and authenticity while Teddie and Tashakkori (2009) refer to credibility and dependability being the equivalent in qualitative data. This study will use the terms credibility and dependability when discussing the data quality of qualitative data.

Measuring validity and credibility asks the question 'Does the measurement really measure what it claims?' Are the conclusions drawn "logical, believable and justified by the data" (Hair et al., 2011, p. 286). In order to ensure the data fulfils this criteria, for quantitative data the questionnaires were pretested before distribution and following data collection the data was checked for outliers. In qualitative data testing of credibility entailed looking at the data and asking "how believable are the findings". Triangulation is "the combination of methodologies" (Denzin, 1979 quoted in Jick, 1979, p. 602) and is a way of ensuring data quality (Bryman, 2008) as multiple viewpoints give greater accuracy (Jick, 1979). Teddie and Tashakkori (2009, p. 213) advise that especially in mixed research, triangulation has been suggested as a strategy for assessing the overall quality of the data. Triangulation is the confirmation of two or more independent measurement processes that helps reduce the uncertainty of interpretation. If the quantitative and qualitative data "are reliable and credible, then the mixed method study will have high overall data quality" Teddie and Tashakkori (2009, p. 209).

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Reliability and dependability are concerned with the consistency of the results. The question to ask is: "Are the findings likely to apply at other times?" (Bryman, 2008). This also relates to the extent to which the collection techniques or analysis used will yield consistent results or findings (Saunders et al., 2009). In quantitative data this entails carrying out the Cronbach's α test on the data which verifies reliability. With qualitative data this entails looking at the responses received and recognising if the results are consistent within the company researched and if this is in line with what was expected. Bryman (2008) suggests keeping complete records of all phases of the research process in order to ensure data quality at all times.

The researcher ensured data quality was evident in all aspects of the research process as this will enhance the quality of the findings and analysis of the data in this study.

3.11 Ethics and Confidentiality

Research involves collecting data from people about people (Creswell, 2009). The data collected for this study pertains to sensitive information about the companies taking part in this research. In addition respondents provided personal opinions while completing questionnaires and interviews and as such respondents were assured of their anonymity. As a result every effort was made to ensure the confidentially of the data. No names or other identifiable information was presented and data was stored is a secure location with a numbering system used in order to mask the identity of respondents. While it is recognised that the level of anonymity in case study research has limitations each company researched was identified by a number after initial profiling.

3.12 Limitations

The use of the Wexford Chamber Business Awards list could be argued as a limitation as not all companies apply to take part in industry award competitions. However, the selection of market-orientated case study companies was the aim and thus the Wexford Chamber Business Awards list could be considered a pragmatic choice.

A pilot study was not carried out as a pilot case study could be considered a separate case study in itself and thus would be a significant undertaking not considered feasible. However, the interview themes and questionnaire were pre-tested and the research process was considered an iterative process where learning from one case study was brought to the next.

The lack of control over who received and completed the questionnaire was a further limitation as the distribution was controlled by the contact person in the companies researched. However the researcher was persistent in the request that respondents should be from all areas and levels within an organisation.

3.13 Conclusion

This chapter described the research design and methodology used in order to gather relevant qualitative and quantitative data. The following table details the case study protocol followed during the research and outlines the objectives, methods, field work and data quality steps taken while carrying out this research.

Table 3.5 Case Study Protocol

Objectives	The purpose of this study is to examine what organisational cultural values, norms and artefacts exist in market orientated companies and to find out if these organisational cultural values, norms and artefacts identified encourage a market orientation and market orientated behaviours.
Method	Through • Observations • Artefacts Checklist • Photos taken The research will examine if the organisational values, norm and artefacts identified are evident in the companies in this study.
Field Work	**Company One:** • Three Interviews • Thirty-two online surveys. **Company Two:** • Three Interviews • Fifteen online surveys **Company Three:** • Four interviews • Eighteen online and paper surveys
Data Quality	Questionnaire was pretested before distribution and checked for outliers during analysis, Cronbach's α test ensured reliability. Asking and recognising how believable the findings for each company are and what was expected ensure the data answers the research questions asked. Triangulation was used to ensure data quality with multiple viewpoints for greater accuracy

This mixed-method approach detailed and justified the necessary steps taken in order to answer the research questions set out in this study. This mixed method approach enabled the quantitative data collected to be enhanced with the

qualitative data and vice versa. Having discussed the methodology used to collect and analyse the data the next chapter will present the findings to the research questions.

Chapter Four

Presentation of Findings

4 Presentation of Findings

4.1 Introduction

The purpose of this chapter is to present the analysis of the empirical information obtained from the questionnaires, interviews and observations of the firms researched. This chapter will initially present an outline of the companies researched as well a discussion of their market orientation. Following this the findings relating to each of the research questions is presented.

4.2 Company Profiles and Market Orientation

4.2.1 Celtic Linen

Founded by the Scallan family in 1926, Celtic Linen is an Irish owned, family run business located in Drinagh just outside of Wexford town. What started as a small domestic laundry has grown to become the second largest production facility in Europe. Celtic Linen has the capacity to process approximately one million pieces of linen per week and supplies laundry, provides rental services and product sales to three major industry sectors – healthcare, work wear and the hospitality industry in Ireland. The company employs approximately 400 employees between its production plant in Wexford and distribution centres in Dublin, Carlow, Cork and Galway (Celtic Linen, 2012).

A €30 million investment in their Wexford plant has contributed to bringing Celtic Linen up to the highest quality and environmental standards in both Ireland and Europe and to it being the leading service provider in their field. Having achieved ISO quality standards[2] Celtic Linen actively look to maintain and improve these high standards. For example, the company has sought to reduce their impact on the environment and thus has implemented some measures within the plant to reduce water through their Steam Recovery System, introduced a Chemical Reduction Initiative and invested in an electric truck which is used in the Dublin area for deliveries (Enniscorthy Guardian, 2011). Celtic Linen are looking to

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[2]Celtic Linen has received and maintained the following ISO standards: ISO 9001 Quality standard since 1994, the ISO 14001 Environmental Management Systems standard award in 2009 and in 2010 Celtic Linen were awarded the EN 14065:2002 Risk Analysis and Bio-contamination Control.

enhance the customer experience through the development of their one stop shop providing a wide range of catering, textile and janitorial products to customers all over Ireland (Celtic Linen, 2012).

4.2.1.1 Celtic Linen and Market Orientation

The aim of this research was to investigate the organisational culture in market orientated companies thus it is initially important to establish that the case study companies researched are market orientated. The market orientation of each company was established quantitatively and qualitatively. Quantitatively the study utilised the MARKOR scale (Kohli et al., 1993) with respondents being asked to indicate their level of agreement to a series of statements to determine the level of market orientation. The lowest score on the scale would be 12 (indicating strong agreement with all the 12 statements and therefore a strong market orientation) with 60 the highest score (indicating strong disagreement with all the statements and therefore a weak market orientation) and the mid-point of the scale would be a score of 36. Following analysis of the responses to the MARKOR statements the mean responses of Celtic Linen employees was 29.13 on the scale with a standard deviation of 7.36. It can be argued this score on the MARKOR scale indicates that the company is market orientated. For reference, the score of 29.13 for Celtic Linen is below the midpoint of the scale (a score of 36) and thus respondents have indicated the company is more market orientated than not. See Appendix N, Table 1 for a summary of responses to the MARKOR statements for each individual company.

Qualitatively the research process indicated that Celtic Linen had a market orientation. That is the company was focused on gathering information from their customers, passing the information to the relevant departments and in turn responding to that information to deliver a better level of service. As an illustration the Customer Service Co-ordinator explained "we have to look after the customers". She went on to explain how building a rapport with customers is important and cited the way Client Service Representatives are encouraged to spend time with customers, to get to know their needs and pre-empt their stock requirements. She outlined that taking "twenty minutes talking to the customer and keeping the customer happy can be invaluable to us". The Customer Service

Co-ordinator further details that Customer Service Representatives and key account managers "call in to see [customers] once a week, in some cases maybe twice a week … so they build a good relationship with the customer" and this allows them to record queries, issues and discuss their future plans. The Customer Service Co-ordinator gave a specific example where following their meetings with a customer, information was passed on and responded to:

> …for Christmas we knew that our hotels had a lot of weddings so that would impact on what table linen we'd use and then we know well if a hotel has five weddings that means they have turnovers of linen so there's nearly a full book out and book in every day so that's going to increase our usage. So I'll meet with the production shop and the supervisor in linen hire because I'd say there's one product I know that we are quite short of like so I know we have to start to build it up because it's a new customer so we would share that type of information.

This data is an excellent example of a company receiving information, disseminating it and communicated it to the relevant areas in order to respond to the information so as to cater for future demands and needs customers have. The benefit for Celtic Linen the Customer Service Co-ordinator pointed out is that the customer will see and will appreciate that the company spends time discussing their needs and looking after them and "we're hoping …[they will] say, … Celtic are here and they are looking after me" and this will lead to the customer retention.

4.2.2 Datapac

Datapac was founded in 1982 and is Ireland's largest indigenous ICT solutions provider based in Enniscorthy, County Wexford with offices in Dublin, Cork and Belfast. Datapac provides a comprehensive range of services to its 6,000 plus business customers in Ireland ranging from ICT infrastructure, cloud computing, managed services, managed print, business applications to IT consumables. The company employs approximately 170 employees between its locations. An extensive end-to-end ICT solutions portfolio means the company has a strong position in the Irish market. Furthermore, the company have working partnerships with companies such Microsoft, HP, VMware, Cisco, EMC, Citrix and IBM. Datapac have achieved a wide range of awards from their partners. An example of one such award is the Irish Cisco Premier Partner of the Year Award that Datapac received in 2011 in recognition of excellent service, value and support to

the Irish market. In addition the award recognises Datapac's expertise in delivering communication solutions to a wide range of companies in Ireland. According to their website Datapac attributes their continuing success to their unique partnership approach with customers and their on-going commitment to customers in 'making life easier'. Datapac (2012) strive to be a trusted IT partner providing products, solutions and services of the highest quality to their customers that facilitates long term cost reduction, enhances efficiencies and maintains competitiveness.

4.2.2.1 Datapac and Market Orientation

Quantitative data indicates Datapac is market orientated with the mean score of respondents to the MARKOR scale 26.58 with a standard deviation of 7.20. Again as a reference point the mid-point of the scale is a score of 36, with 12 being the lowest score on the scale (indicating a strong level of agreement with the statements and therefore a strong market orientation) and with 60 the highest score (indicating strong disagreement with all the statements and therefore a weak market orientation). Thus it can be argued Datapac with a score of 26.58 on the MARKOR scale is market orientated as respondents indicate a strong level of agreement with the statements. See Appendix N, Table 2 for a summary of responses to the MARKOR statements for each individual company.

From the qualitative interviews carried out there was evidence that Datapac is market orientated. The generation of information is reflected in the focus on customers and in establishing and building relationships with customers. According to the General Manager of the Service Delivery Department staff are encouraged to build a rapport with customers; she explains "You get to know your customer. You build the relationship but you also capture the information". Information is captured through the use of a customer database where information is recorded which enhances the relationship between customer and company. The interviewee explained that the customer should have the same experience with every person they deal with and she highlighted that:

> we have a customer comment card, so anything that might help the next person
> or the person working beside you [is recorded] because if you were out, you want

[the customer] to have the same customer experience as she would have had if she got you.

Their customer database is updated daily and facilitates the ease of information exchange within the company about the customer. The database enhances the relationship between the company and the customer and enables a better level of service while allowing the company to gain valuable feedback from customers through the relationship that develops as a result. This system the interviewee explained allows for the information to be gathered, disseminated online to the relevant departments and allows for a quick response to the information received.

The system she explained is:

> … an integral part of the resource planning system. It links everything in the business from procurement to pushing the button on the invoice so it makes sure that every transaction is integrated in the business, so we would have a case management system so the customer service team get a phone call in saying, you know, I got my ink and toner delivery and I was short one, so that then, a case goes up on that system. It gets logged as a case type so it's a short shipment possibly. That goes to the warehouse. They investigate it. They check their stock. They find actually we have one too many so they adjust it out of their stock, ship it to the customer and we close the case ... and the customer gets the issue resolved. So we do that for every customer query that would come in from a customer service perspective and then we analyse that at various points.

This example illustrates the essence of market orientation and as was pointed out by the Manager "It's great having the information but you need to do something about it". She went on to explain how the company responded to the information received, highlighting how it led to improvements within the company in dealing with customer feedback in relation to missing items in their orders. This has led to the introduction of a new procedure within the company where each package is now weighed before shipment so as to ensure each item ordered is present and complete. This action has led to a change within the company for the betterment of all customers. It has reduced re-order costs and has prevented a similar error happening again. This change of procedure has not only improved the relationship between the company and the customer, who can see that the company did something about the information they received improving the service quality but has also had an impact on the bottom line of the company through cost savings. The company utilises an employee newsletter and SharePoint facility that allows information such as this to be shared. Furthermore, through weekly and monthly meetings all staff remain up to date on new customer

procedures and this in turn facilitates a quick responsiveness in the company to information received.

4.2.3 DoneDeal

DoneDeal is Ireland's leading classified website and is the biggest and fastest growing in this sector (DoneDeal, 2012). Based in Wexford town, this company was founded by a husband and wife team of Fred and Geraldine Karlsson in 2005 out of the need they identified for buying and selling furniture online in Ireland. The couple relocated to Ireland from Sweden where they were able to sell their belongings online before emigrating. Wanting a similar outlet to buy furniture and other goods online when they arrived in Ireland they found such a business did not exist. Thus they decided to develop the business themselves. Initially both founders of the company worked full-time in other occupations and worked on their DoneDeal website at night and at the weekend. The company has grown since then and today employs 17 people with plans to take on an additional 14 staff in Wexford and Dublin. The reason for the expansion of their workforce is their increasing popularity with 2.9 million unique visitors to their site per month. Turnover is over €3 million and revenue as of January 2012 had increased year on year by 124% (DoneDeal, 2012).

Fred Karlsson includes listening to the customer as one of his tips for success and focusing on the website as another (DoneDeal, 2010). This appears evident on DoneDeal.ie where technical innovation is used as a way to differentiate their website from competitors. For example, their phone-based payment system, the first website in Ireland to use such a facility, where seventy-five percent of users currently pay for their advertisements by phone. The development of m.donedeal.ie the mobile version of their website as well as the launch of their iPhone and Android App are an indication of how DoneDeal responds to customers' needs in the current environment. Their success is evident in the awards the company has received over the last number of years[3] and in its growing customer base, revenue and traffic volumes. In 2011 DoneDeal sold a

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[3]In 2009 Net Visionary Internet Marketer, in 2009 Shortlisted for the All Ireland Marketing Awards in the Small Business Category, in 2010 Fred Karlsson was shortlisted as a finalist for the Ernst & Young Entrepreneur of the Year Awards.

share of their company to Schibsted Media Group, a Norwegian company who operate in a specialist classified media division that supports online classified sites in 25 countries. A deal according to DoneDeal will allow the company to benefit from collaborative synergies that will enable them to provide a better service and experience to their every increasing customer base (DoneDeal, 2012).

4.2.3.1 DoneDeal and Market Orientation

DoneDeal could be argued as having a strong market orientation with the mean response of employees 19.14 and a standard deviation of 5.41 on the MARKOR scale As a reference point the lowest score on the scale would be 12 (indicating strong agreement with all the 12 statements and therefore a strong market orientation) with 60 the highest score (indicating strong disagreement with all the statements and therefore a weak market orientation), the mid-point of the scale would be a score of 36. This MARKOR score of 19.14 for DoneDeal indicates a strong degree of agreement among respondents that the company is market orientated. See Appendix N, Table 3 for a summary of responses to the MARKOR statements for each individual company.

Qualitative data indicated the elements of market orientation, gathering information from customers, communicating and distributing that information and reacting to it are all very much part of the company. As one interviewee said at DoneDeal they "listen to their customers and … implement changes that the customers want". The company interacts with customers through blogs on their website, Twitter, Facebook as well as at outdoor events with each opportunity used as a way to gather information on what the customer wants. Interviews with staff indicated an openness to ideas from customers with regards to new features introduced on the website and also feedback on existing features. The Marketing Manager describes what happened following a recent event:

> … we were all taking notes of things people were saying to us. Then go back to the technical team and now they're starting to make the changes so they'll all be happy …instead of saying 'Yeah, yeah', and forgetting about it.

The comments and feedback are welcomed and assessed by members of the team and acted on where it is felt the feedback warrants the necessary changes.

An example was given by the Customer Service Manager who reacting to feedback introduced policies with regard to animal welfare, fraud and the type of items sold on the site. This is all part of the company wanting to protect its customers and build a relationship and as one manager put it customers "see that they were listened to". Furthermore, the interviewees expalined that the information is shared at weekly meetings with all employees keeping everyone informed and up-to-date on what is going on within the company.

For example, prior to the airing of a recent TV campaign all staff were informed and involved in the final preparation of the advertisement.

As the Marketing Manager explained:

> When we were making the TV ad everybody was in on the start like coming up with the drivers and barriers, like the whole company were in. Then everybody saw the proofs before they were approved and you know so everybody was involved.

This example gives an indication of the level of involvement of employees in an important venture for the company and shows the level of communication the company has when it comes to sharing information.

In summary, the three companies investigated it can be argued have a market orientation thus facilitating the investigation of the organisational culture in market orientated firms. As this study is not a comparative study the companies researched will be referred to as Company 1, 2 and 3 in the remainder of the study.

4.3 Market Orientated Organisational Culture Values

The first research question asked 1. What organisational cultural values exist in market orientated companies? 2. Do the organisational cultural values identified encourage a market orientation? Each part of the research question will be presented with qualitative and quantitative findings discussed.

Research Question 1.1: What organisational cultural values exist in market orientated companies in Ireland?

Homburg and Pflesser (2000, p. 453) identified values that are "the most relevant shared basic values of a market orientated organisational culture". The values

include: *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed*. This study investigated if the above organisational cultural values existed among employees of the three case study companies. To undertake this investigation respondents were asked to indicate their level of agreement with statements describing these values. The following Table 4.1 shows the level of agreement among respondents to the proposed statements.

Table 4.1 Organisational Cultural Values in All Companies

Market Orientated Values In Our Company:	Agree %	NAD %	Disagree %	Mean %	Std Dev
Quality and Competence High-quality and error-free work is valued.	88	8	5	1.17	0.49
Inter-functional Cooperation Teamwork and cooperation across different departments and areas are valued.	86	12	2	1.15	0.4
Innovation and Flexibility We are open towards innovation (e.g. related to products or processes) and creativity.	86	12	2	1.15	0.4
Openness to Internal Communication* Open proactive communication across departments and areas is valued. Information exchange across departments and areas is valued.	80	15	5	2.49	1
Success We place great value on performance-oriented employees.	79	17	5	1.26	0.54
Speed Every employee aspires to promptness in their work processes (e.g. handling queries or customer requests efficiently).	79	15	6	1.28	0.57
Appreciation of Employees* Every employee is appreciated in our company. Value is placed on a feeling of belonging among employees. We aspire to a high degree of employee satisfaction.	71	17	12	1.42	0.70
Responsibility of Employees Acting and thinking like an entrepreneur is valued in our company.	62	29	9	1.48	0.66

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=65. *The values reflect the response with the highest score

4.3.1 Values Exist

From the above Table 4.1 the data can be interpreted as indicating that respondents concur that the organisational cultural values as identified by Homburg and Pflesser (2000) do exist within the companies researched. There was over 80% of agreement among respondents that the top four values exist in their companies. These values are *quality and competence*, *inter-functional co-operation, innovation and flexibility and openness to internal communication*. In addition 79% of respondents agreed the values of *success* and *speed* existed in their companies. The value with the lowest level of agreement was that of *responsibility of employees* with 62% of respondents agreeing the value existed in their company while lower than the other seven norms, it still shows a significant agreement that the value exists. The qualitative data provides additional support for the existence of the market orientated values in the culture

of the companies researched. The highest value evident in all companies across the sample, with 88% of respondents indicating its existence, was the value of *quality and competence*. The qualitative data supports the existence of this value of *quality and competence*. For example, in one company an interviewee relayed the story of the National Standards Authority auditor who came to the company to assess their standards and identify gaps between their current system and the desired standards. The auditor reported, according to the manager, that he was "struggling to give a corrective action because what you have written down is what you do and the process works". This illustrates that the company are following the guidelines and procedures that were set out and the quality auditor could find no gaps between what they want to achieve and what they are achieving in terms of high quality standards. These standards are implemented and maintained throughout all processes and are a clear sign of the value placed on *quality and competence* in this company. There is also evidence that *quality and competence* plays a major role in one of the other companies researched. The company had a team of twelve internal auditors made up of staff members. The team of auditors carry out a number of audits within the company and "audit to our standard" so as to keep up-to-date with national standards. The company also carries out a number of surveys among their customers on a regular basis, in order to assess the quality and competence of the company from the customer's point of view. The Customer Service Co-ordinator explained that "we pick twenty accounts over a broad spectrum and I change them around every year so … we wouldn't do the same ones every year". This reflects the value of *quality and competence* the company strives for and thus is evidence of the market orientated values within the company.

4.3.2 Values are Connected

The value of *inter-functional co-operation* was ranked high in all three companies with 86% of respondents agreeing in their responses to its existence (see Table 4.1). Inter-functional co-operation plays an important role in the dissemination of information which is a key element of market orientation where information is shared across departments so as to facilitate the responsiveness to that information. This value of *inter-functional co-operation* is interconnected with the

value of *openness to internal communication*, which on average 80% of respondents agreed in the survey exists within their companies. An openness to internal communication would allow for easier exchange of information across departments thus contributing to the market orientation of the company. Evidence of the interconnection of *inter-functional co-operation and openness to internal communication* was provided in an interview with the Marketing Manager of one company. The Marketing Manager explained that "there's a meeting of one sort or another" every Tuesday where everyone gets to hear about what is currently going on within the company. Similarly, the Customer Service Manager of another company highlighted the fact that she meets with the production manager on a daily basis because "our two jobs intermingle, you know if he doesn't know the information or if I don't know what he's doing we're in trouble. Like what he does impacts on my customers". Furthermore, the manager explained that during busier times they talk "maybe fifty times a day … up to eleven, half eleven at night". Without this *inter-functional co-operation* and *openness to communication* the elements of market orientation – information generation, dissemination and responsiveness to that information may not be as smooth as is evident within these companies.

4.3.3 Rank Order of Values

The quantitative and qualitative data indicated that the organisational cultural values identified by Homburg and Pflesser (2000) do exist across all three companies albeit it must be noted to varying degrees. Certain values were ranked higher in one company and lower in others. The value of *quality and competence* was ranked highest in two of the three companies researched while in the other company it was ranked in fourth place. Thus indicating that while the value of *quality and competence* exists, other values were more dominant in their company. An example of the how each value differs in importance across the three companies can be seen in the value of *appreciation of employees* which was ranked highest in one company while in other companies was ranked lower. The importance of the value of *appreciation of employees* in the company it was ranked highest in was identified by the Human Resource (HR) Manager who explained that one of the core values of their company was that "people matter"

(see Appendix G) and in order to keep everyone up to date "everybody knows about everything" and is involved in various activities within the company. This is a sign of how the employees' involvement and contribution is appreciated. A more detailed outline of the level of agreement shown by respondents in each individual company to each of the values can be examined in Appendix N, Tables 4-6.

In summary, there is evidence that the most relevant shared basic values of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* of a market orientated organisational culture as identified by Homburg and Pflesser (2000) do exist in the companies researched. Furthermore, it was noted that the market orientated organisational cultural values are connected as well as found to exist to varying strengths or level of importance within each company.

Research Question 1.2: What organisational cultural values identified encourage market orientation in companies?

4.3.4   Values Influence Market Orientated Behaviours

Having verified that the values exist, the second part of this research question investigated if the organisational cultural values encourage a market orientation in companies.   Quantitatively the Pearson's correlation indicates there is a significant relationship between values and market orientated behaviours ($r = .73$, p (one-tailed) $<.01$)[4].   The coefficient of determination ($R^2 = 53\%$) indicates there is a significant proportion of variance in market orientated behaviours explained by market orientated values.   Thus there is a relationship between two variables, values and behaviours, and there is a significant proportion of overlap between values and market orientated behaviours thus giving substance to the claim that values play an important role in determining the market orientated behaviour of employees within the companies researched.

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[4]The Spearman's rho results also indicate a correlation between values and behaviours ($r = .68$, p (one-tailed) $<.01$).

The qualitative data can be argued as confirming the relationship between market orientated organisational cultural values and behaviours. An example of this is the HR Manager in the company who explained that one of their core values is "people matter". This reiterates the importance of employees who through the value of *appreciation of employees* can be seen to have a positive impact on what is done within that company. In terms of employee training in this company the HR Manager explained that when selecting training for employees "it's about making the person grow" and is a clear indication of the value of appreciating employees being put into action. It reflects the high value employees have within the company where their growth and development is important to the company and where the value drives the behaviour within the company. Another example of the qualitative data confirming the relationship between market orientated values and behaviours is in the company with the internal auditors. The team of internal auditors selected from staff members who are trained to carry out a number of audits within the company and having them carry out checks on fellow staff members is an example of how the value impacts the behaviours within the company. As the Customer Service Manager reported:

> … if we say that we wash at such a temperature, you know, they're having to do proofs that the temperature is reached and it's things like, you know, keeping the area clean … that they're wearing the correct garb and procedure and even things like that if I'm moving around I'm supposed to have the yellow jacket on me.

The value of *quality and competence* can be seen in the checking of quality standards in everyday things like this and is evidence of how the value affects the behaviour of employees within the company.

To summarise, there is quantitative data (r = .73) evidence in the companies researched in this study, that the shared basic values of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* of a market orientated company have an affect on the behaviours of employees. Additionally qualitative data provided support for the organisational cultural values driving behaviours that lead to a greater market orientation within the companies.

To conclude, the organisational cultural values of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and speed do exist in the market orientated companies researched. Evidence was provided that the organisational cultural values exist and are interconnected to each other thus enhancing or complimenting other values. There was also evidence that the rank order of values was different among the companies researched and the values were found to encourage market orientated behaviours.

4.4 Market Orientated Organisational Culture Norms

The second research question asked 1. What organisational cultural norms as identified by Homburg and Pflesser (2000) exist in market orientated companies? 2. Do the organisational cultural norms identified encourage market orientation?

Each part of the research question is presented with qualitative and quantitative findings.

Research Question 2.1: What organisational cultural norms exist in market orientated companies in Ireland?

Homburg and Pflesser (2000, p. 450) citing O'Reilly (1989) and Thibuat and Kelley (1959) define norms as "expectations about behaviours or its results that are at least partially shared by a social group" and they see the basis for norms as being the shared basic values within an organisation. Norms, according to Trice and Beyer (1993, p. 9) are "specific and taken-for-granted expectations for how people should behave in a myriad of circumstances" and are formed following recurring patterns of behaviour where people see what is the right way to behave and they become emotionally attached to them [the recurring patterns of behaviours]". During the quantitative research process respondents were asked to indicate the degree to which market orientated organisational cultural norms existed in their company. Table 4.2 shows the norms that respondents agreed exist within all companies.

Table 4.2 Organisational Culture Norms in All Companies

Market Orientated Norms	Agree %	NAD %	Disagree %	Mean %	Std Dev
Quality and Competence It is expected that frontline staff with direct customer contact have the necessary social skills and abilities to deal with customers.	97	3	0	1.03	0.18
Success Market performance (e.g. market share, customer satisfaction) is measured regularly.	93	5	2	1.08	0.33
Appreciation of Employees* In our company, the individuality of each employee is viewed as a competitive advantage. A quality performance and a high involvement of employees are expected for the fulfilment of customer needs.	92	3	5	1.13	0.46
Innovation and Flexibility* Generally accepted procedures are examined regularly to become more effective in serving our customers and markets. There is flexibility when finding solutions to problems. New value-adding products and services are identified and developed continuously.	90	10	0	1.10	0.30
Speed A quick response to market changes is expected.	80	20	0	1.20	0.40
Openness to Internal Communication* Cross departmental/area meetings (e.g. discussions about market trends) are organised regularly with market-related problems mentioned directly and openly. The distribution and storage of key information (e.g. contact details) about customers is encouraged. The distribution and storage of key information (e.g. contact details) about customers is assessed regularly.	77	18	5	1.28	0.55
Responsibility of Employees All employees feel responsible for finding out and solving customer problems.	74	16	10	1.36	0.66
Inter-functional Cooperation* Employees expect that customers are involved in the planning of new product or service programmes. It is expected that market information (e.g. market share, customer satisfaction) is distributed to different departments or area. The distribution of market information (e.g. market share, customer satisfaction) across different departments or areas is measured regularly. The degree of co-ordination of decision about marketing activities in different department or areas is managed.	66	18	16	1.51	0.77

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=65. *The values reflect the response with the highest score.

4.4.1 Norms Exist

From Table 4.2 it can be interpreted that organisational cultural norms are agreed by respondents to exist in the case study companies. It can be noted that for four of the norms over 90% of respondents were in agreement they existed in their companies. Furthermore, there is a limited disagreement to all but two of the norms existence. Additionally, the norm with the greatest level of disagreement, *inter-functional cooperation*, is still agreed to exist by two thirds of respondents. The dominant market orientated norm in the companies surveyed was the norm of *quality and competence* with 97% of respondents agreeing that the norm exists. The qualitative data also supports the existence of the market orientated norm of *quality and competence.* For example, the Customer Service Manager of one company explained "employees know it is their responsibility to make sure that their area is clean, that they are clean, that they're wearing the proper garb." This would indicate that employees know what the "norm" is or what is expected of them and they behave accordingly. The norm of *speed* is also evident in the companies. For example, in one company they strive to keep to their promise of responding within an eight hour timeframe. One interviewee explained:

> …we'll endeavour to beat that eight hours, not just to deliver that eight hours response but to beat that eight hour response. If we can, you know, fix your server in two hours we will do it and that's what we always push to do...[get] the quickest possible response time.

In summary, there is quantitative and qualitative evidence of the existence of market orientated norms.

4.4.2 Norms are Influenced by Values

As mentioned in the above paragraph the dominant market orientated organisational cultural norm in the companies surveyed was the norm of *quality and competence* (97% agreement). In the findings to the first research question the value of *quality and competence* also scored high among respondents (88% agreement). Thus it could be suggest that the value of *quality and competence* influences the norms of *quality and competence.* This supports the suggestion from the literature that values form the basis for norms within an organisation (Homburg and Pflesser (2000) with values defining what is important and norms defining appropriate attitudes and behaviours (Sørensen, 2002).

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4.4.3 Norms are Connected

Analysis of the findings to the research questions indicated an interconnection between the norms. In one company the norm of *success* and *innovation and flexibility* can be seen to be connected in an anecdote relayed by the General Manager of the Service Delivery Department. She explained that employees in the company keep an eye on how they can make a difference and they are keen to find and turn an opportunity into something. She described it is as follows:

> Everybody here is quite keen to take an opportunity and whether that opportunity is, around, you know, a sales opportunity, a development opportunity, an opportunity to help somebody out so to some extent its probably a little bit opportunistic   if you see an opportunity you can take it, you can enhance it, you can add to it.

This element of everyone striving for *success* the Manager added can be seen in the common belief that "everybody is working towards a shared goal or a shared vision and everybody is keen to get to that [goal]". Furthermore, she explained employees know they have the flexibility to make suggestions in order to solve problems as the manager explained:

> …employees are encouraged [to] don't just come with the problem [but] come with the solution. You mightn't have the full solution worked out. It mightn't be necessarily the best solution but come with something … bring something to the table even if you're not a hundred per cent sure and we'll work with you to add, to refine it and to make it better

This example shows how *innovation and flexibility* in finding solutions and in solving problems can lead to *success* and the fact that employees know they can contribute possible solutions - that it is "the normal thing to do" proves that norms do exist within the company. It is the way things are done within the company.

4.4.4 Rank Order of Norms

Analysis of the findings to the research questions indicated that the norms differed in their importance for each company. For example in one company the norm of *speed* was ranked very high with 93% of respondents agreeing this norm existed in their company while in another company 56% of respondents agreed that the norm of *speed* was evident in their company. Qualitatively this is also confirmed by an interviewee from the company where *speed* ranked high who explained that the company has a twenty-four hour response time in place dealing with customer queries. Appendix N Table 7-9 outlines the level of agreement by

respondents in each individual company to the market orientated statements indicating the individual nature of market orientation norms in companies.

To sum up, respondents within the companies researched agree that the organisational cultural market orientated norms identified by Homburg and Pflesser (2000) of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* do exist in their companies. In addition norms are interconnected and were found to enhance or compliment other norms. Evidence was also provided that indicates that norms have a different hierarchical order within the companies researched.

Research Question 2.2: What organisational cultural norms identified encourage a market orientation in companies?

4.4.5 Norms Influence Behaviours

Having found that the norms exist within the companies researched the second part of this research question investigated if the organisational cultural norms identified encourage market orientation in companies. The Pearson's correlation indicates there is a significant relationship between norms and behaviours ($r = .77$, p (one-tailed) $<.01$). The coefficient of determination $R^2 = 59\%$ indicates a significant variance in behaviours is accounted for by norms. This suggests that the two variables are related. Furthermore, it is argued from the perspective of this research that having market orientated norms influences market orientated behaviours norms. As a note the relationship between norms and market orientated behaviours is stronger in comparison to the relationship between values and market orientated behaviours, as discussed in the first research question. This would indicate that norms have the stronger influence on behaviours in this study.[5]

Qualitative data supports the quantitative relationship found between market orientated organisational cultural norms and behaviours. An example indicates,

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[5]Non–parametric test the Spearman's rho results also indicate a strong correlation between norms and behaviours ($r = .74$, p (one-tailed) $<.01$).

in one company the Warehouse Manager reported that procedures are in place and stored where all employees have access to them. As a result employees know what the procedures are within the company and they know what is expected of them. She also explained that at the start of interdepartmental meetings there is an open forum where anyone can address an issue but she also pointed out the employees know they "don't have to wait for a meeting if the matter is urgent". Employees know they can take action if they need to before the meeting and this in turn leads to them being active in solving problems and in finding solutions. Employees know they have the flexibility to be innovative to "think on their feet and to make decisions" in order to maintain quality service and for the company to be successful. This is evidence of norms at work where employees receive information and respond to the information leading to market orientated behaviours within the company. Another example of norms influencing behaviours again is from the Customer Service Manager. When she explained that employees know there are regular internal audits with procedures in place and they "know it's their responsibility to make sure that their area is clean". This example shows that the norm of *quality and competence* is at the core of these procedures which encourages market orientated behaviour.

In summary, it can be seen in the companies researched in this study that there is a strong relationship between norms and behaviours. Companies that had specific norms, such as *quality and competence,* also had specific market orientated behaviours relating to these norms.

To conclude, the market orientated organisational cultural norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* do exist in the companies researched. Both qualitative and quantitative evidence indicated that the market orientated organisational cultural norms are connected with other norms and were found to facilitate other norms. Evidence was also provided that different norms have a different hierarchical order in the different companies researched. Finally, evidence that market orientated organisational cultural norms influence market orientated behaviour was provided.

4.5 Market Orientated Organisational Culture Artefacts

The third research question asked 1. What organisational cultural artefacts exist in market orientated companies? 2. Do the organisational cultural artefacts identified encourage a market orientation in companies? Each part of the question will be presented with qualitative and quantitative findings.

Research Question 3.1: What organisational cultural artefacts exist in market orientated companies?

Artefacts are the most visible layer of an organisational culture according to Homburg and Pflesser (2000). Trice and Beyer (1993) include stories, arrangements, rituals and language as artefacts which have strong symbolic meaning created by an organisation. Homburg and Pflesser (2000) identified specifically stories and arrangements as the most frequently mentioned artefacts for market orientation in their research followed by rituals and language. Stories included exceptional employee behaviour or ideal customer-orientated behaviours. Market orientated arrangements may include an open and friendly customer entrance and welcome area. Rituals of market orientation would be customer events or regular awards for customer orientated employees while the language within an organisation would indicate a degree of market orientation.

In this study respondents were asked to indicate their level of agreement to statements relating to the artefacts that existed within their companies. Table 4.3 presents respondents level of agreement with the statements on artefacts.

Table 4.3 Organisational Cultural Artefacts in All Companies

Artefacts Rituals, Arrangements, Language and Stories	Agree %	NAD %	Disagree %	Mean %	Std Dev
Attractive meeting and common areas (e.g. tea room, canteen) exist where information can be exchanged informally between employees.	86	10	3	1.17	0.46
Offices and meeting rooms are built in a way that supports communication among all employees.	86	5	9	1.22	0.59
Buildings, the exterior surroundings and the reception area are laid out very clearly so that visitors or customers find their way easily.	73	17	10	1.37	0.67
There are unwritten rules within the company that prevent a customer-focused approach. *	21	16	62	2.41	0.82
Employees who are customer-oriented are rewarded.	56	31	14	1.58	0.72
We regularly organise events for customers.	42	31	27	1.85	0.83

Please Indicate how often you have heard the following phrases in with your company	Freq %	Occas %	Rarely %	Mean %	Std Dev
"From the customer's point of view . . . . . "	86	10	3	1.17	0.46
"What is the customer expecting from us?"	80	17	3	1.24	0.51
"There are stories told within your company about customer-focused "heroes" (the founder, current or previous employees)."	53	22	25	1.73	0.85
"I know very well what the customers desires."	44	32	24	1.80	0.80
"The idea sounds good but is it realistic for our company?"	32	37	31	1.98	0.80

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree Freq = Very Frequently combined with Frequently, Occas = Occasionally, Rarely = Rarely combined with Never N=59 * Indicates a reverse coded statement.

Appendix N, Tables 10-12 outlines the level of agreement by respondents in each individual company.

4.5.1 Artefacts Exist

An outline of the findings of each artefact (arrangements, language, stories and rituals), will be presented.

4.5.1.1 Arrangements

With regard to arrangements the data in the table can be interpreted as indicating respondents in all companies were in agreement with their existence, as evidenced in the first three statements in Table 4.3. Thus 86% of respondents agree that meeting and common areas exist where information can be exchanged informally between employees. There was also 86% of agreement that offices and meeting rooms are built in a way that supports communication among all employees. This was followed by 73% of respondents agreeing that buildings, the exterior surroundings and the reception area are laid out very clearly so that visitors or customers find their way easily. In the qualitative interview process and through observations from visiting the companies researched, there is clear evidence of market orientated arrangements in the companies. Each company had a canteen, tea room or common area within the company. Meeting rooms were conducive to open communication with one interviewee noting that the tables in the meeting room were arranged in such a way that everyone sees everyone else. The interviewee also commented that most meeting rooms all have large windows where everything is visible from inside and outside the room. In another company there were varying styles to the meeting rooms ranging from

the formal meeting room with a large conference table to the smaller rooms with bean bags for less formal meetings.

Another arrangement that enhances the atmosphere of one of the companies researched was "the first thing [you see when] you come [in] … [it] is a picture frame with all pictures through the years so far". This collage depicts all the events the employees have taken part in including days out and meeting customers and has photos of all staff members employed by the company up to that point (see Appendix F). The reason for this is to create the atmosphere within the company which illustrates the core value within the company that "people matter" according to the HR Manager (see Appendix G). Creating an atmosphere that is "laid back, there's nobody looking over your shoulder. If your work is being done that's what's required" the HR Manager reported and the Marketing Manager added that it's "family orientated, very family orientated … all ideas are listened to." This element of creating an atmosphere that is good to work in, for looking after and in appreciating employees can in turn lead to happier employees who look after the customer better. Another company had a poster hanging on the wall that said "it takes months to find a customer and seconds to lose one", a sign that the relationship with the customer is important as is listening to and paying attention to that customer - a key element of market orientation where gathering information and responding to that information counts (see Appendix I).

4.5.1.2 Language

The data from Table 4.3 can be interpreted that respondents in all companies were in agreement that the language used is market orientated. In response to the statement: *"From the customer's point of view . . . ."*. 86% of questionnaire respondents agreed that they heard this statement most often. This is followed by 80% agreement among respondents agreeing that in the next statement they heard often was: *"What is the customer expecting from us?"*. Thus indicating the language used in the company is market orientated. Mission statements are manifestations of the long term goals and purpose of an organisation. This is where the organisation lays out what it wants to be and who it wants to serve and

is seen as an important instrument through which the company can convey its essential values (David 1989; Leuthesser and Kohli 1997). While all companies did say they had a mission statement it was only visibly displayed in one company. The other two companies' mission statements were contained in their employee handbook or were available online. The mission statement of one company had the company goal of "providing the highest quality … products and services" to their customers reflecting the values that exist within the company. In addition to their mission statement, another company also had a "culture poster" in place (see Appendix H). This was created by the HR and Customer Service Manager. The HR Manager explained what employees were asked to do for the poster:

> … write down what we [the employees] felt was important for customers and for working here … give me five things that you think of when you think of like culture, us and how this company should make you feel and [the culture poster] is basically a collage of what everyone came back with.

The result was a collection of phrases and sentences that employees felt were important for them and their customers: "never be rude, encourage others, love your job … do I understand what is being said, more human less robots" and this has for example, the HR Manager explained, been put into action when responding to queries from customers "instead of just pushing out bog standard replies". She went on to explain that as a result the company policy is that someone personally signs their emails and that the mail is not just a standardised response. The Customer Service Manager explained further that this is also reflected in their twenty-four hour response time they have in place where dealing promptly with customer queries is important. The "culture poster" as an artefact manifests the important elements within the company - their values and beliefs that contribute to the market orientation of the company (see Appendix H).

4.5.1.3 Stories

With regards to stories as artefacts 75% of respondents agreed frequently or occasionally "*There are stories told within your company about customer-focused "heroes" (the founder, current or previous employees)".* This provides evidence of the integral role stories play in an organisation and was also evident in a story relayed in an interview in one company. This long standing employee deemed

the company's success was due to the fact that "we stand on the shoulders of giants. It's the people who have gone beforehand who did all the hard work". This story acknowledges the work of the heroes who have gone before and who made the company what it is today. Furthermore, in response to the statement that unwritten rules exist within the company that prevent a customer focused approach, 62.3% disagreed indicating that such rules do not exist which is a good indication that reflects a market orientation within the company.

4.5.1.4 Rituals

The artefacts pertaining to rituals ranked lower with respondents with 56% agreeing that employees who are customer-oriented are rewarded and 42% agreeing that their companies regularly organise events for customers. However, in one company the staff common area is very much like a family kitchen and one of the rituals within this company is that "you can get as many cups of coffee as you want and bring them to your desk [but] ... the morning break is compulsory … you have to go out [to the kitchen] for your tea break at half ten every day" (see Appendix J). This is part of reinforcing the "family" culture within the company and promotes communication among employees and serves as a good place for gathering and disseminating information among all staff members.

4.5.2 Artefacts are Connected to Values and Norms

As can be seen from the qualitative data a number of market orientated artefacts such as rituals, arrangements language and stories were found to exist in the companies researched. Artefacts "are concrete manifestations of culture" (Trice and Beyer, 1993) and are the embodiment of what is important to a company (Pettigrew, 1979). In the data it was found that artefacts were connected to the values and norms of the companies researched. An example is how the values that are important to a company are expressed through the mission statement of a company in both the language used and in its physical form. This is evident in the statement "customers matter" which is stated in one company's mission statement (see Appendices G and H). In the quantitative evidence 86% of respondents agreed with the statement that in their company *"From the customer's point of view"* is heard very frequently indicating that the company

actively see things from the customers perspective and the language used indicates a customer focus within the company.

The rituals in a company are evidence of how the norms are connected to artefacts. The ritual of meeting for morning tea break as was done in one company is an indication of how the ritual conveys the norm of the *appreciation of employees* and the physical arrangements for facilitating such a ritual is also evidence that the informal communication is encouraged. This is also reflected quantitatively in the high agreement from respondents with 86% agreeing that: "*Attractive meeting and common areas (e.g. tea room, canteen) exist where information can be exchanged informally between employees*". These artefacts are important elements in reinforcing the values and norms of *inter-functional cooperation* and *openness to communication* which are important aspects for the implementation of a market orientation

In summary, there is evidence that artefacts do exist in all companies researched in this study. As with values and norms, artefacts exist to varying degrees across the different companies with each company having its own unique way of portraying their values through different artefacts. The artefacts reflect the values and norms that are important to the company through rituals, language and arrangement. The culture of the company dictates the type of artefacts present within that company for example the "culture poster". This "culture poster" may look out of place in the production area or warehouse area of the other companies researched. The effect the artefacts have is also different from one company to the next and this would be reflected in the compulsory morning tea break held in one company. This may not be possible in all companies due to the sheer number of employees. Artefacts are the embodiment of what is important to a company. It can be interpreted that the evidence provided both qualitatively and quantitatively reflect how artefacts are used effectively in the companies researched to convey important values and norms.

Research Question 3.2: What organisational cultural artefacts identified encourage a market orientation in companies?

4.5.3 Artefacts Influence Market Orientated Behaviour

The second part of this question asked if the organisational cultural artefacts encourage a market orientation in companies. Pearson's correlation test indicates there is a relationship between artefacts and behaviours (r = .49, p (one-tailed) <.01). The coefficient of determination R^2 = 23.7% provides an indication of the strength of the relationship between the two variables. Thus it can be argued that through the use of artefacts such as rituals, arrangements, stories and language market orientated behaviour can be encouraged.[6]

Qualitative data can be interpreted as providing additional evidence that the artefacts in each company have an impact on the market orientated behaviours. The Customer Service Manager of one company described the relationship her company has with their outsourced customer service team members. The outsourced customer service team also have this "culture poster" hanging in their offices because "we want them to feel like they work for us because that's really important I think". The outsourced customer service team is treated as if they were direct employees and the manager emphasised "they're part of our team". The interviewee further explained that:

> We do want them to feel comfortable about their workspace like whilst we know we're not responsible for it, we want them to know if there's anything that we can do to make it better for them.

This, the Customer Service Manager says, leads to a good relationship with the outsourced customer service team and "they actually feel loyal to us … [and] we have achieved [that] by having a good relationship with them". From the Customer Service Manager's point of view, it all comes down to "our culture, our culture is massive, you know that kind of feel good [feeling] ... [and] no one should come into work and feel miserable because that's how you will react to people when you're dealing with them". It is clear that this company understands how the

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[6]. The Spearman's rho results also indicate a correlation between artefacts and behaviours (r = .44, p (one-tailed) <.01).

various elements of their culture can affect behaviour when dealing with customer's queries. Thus by enhancing their culture through artefacts it then leads to better customer service and market orientation.

Another example from a different company of how the artefacts affect employee behaviours is the use of visual displays to highlight key targets throughout the day in different departments in the company. White boards are used in some departments to display the daily targets for each employee which are updated hourly (see Appendix K). In other departments electronic displays are used with targets displayed on a large electronic screen visible to all team members. In the warehouse there is an electronic moving visual display showing the number of orders in and out so that employees can see how they are doing. This motivates the employees, the Warehouse Manager explained, as they can see how they are achieving their Key Performance Indicators (KPIs) on an on-going basis and they can see the information being communicated to all involved. This information is then later used to create reports on the number of calls received, revenue targets met and also gives an indication of the progress of each employee. The General Manager of the Service Delivery Department commented on the use of such displays and explained that they are updated:

> …every hour not every month but every hour they would write up what their figure is and they'll try to achieve their hourly targets, their daily target ... so there's that kind of drive to close the deal and to, you know, but it's not just what's my target – again it's a team target.

This indicates how the artefact affects the behaviour of employees and enhances the market orientation of the company in terms of information dissemination where information is passed on readily. It is this information that is later used to facilitate a suitable response to the customer and also to create reports that are used to enhance the service quality and delivery.

In summary, quantitative and qualitative data can be interpreted as indicating artefacts do have an important role to play within a company in terms of influencing market orientated behaviour. Hatch (1993) explained artefacts can have a stronger impact than written instruction. The use of rituals, arrangements, mission statements, employee handbooks and procedures play an important role

in everyone being informed and in knowing what is expected of them and these in turn lead to a market orientation within the company.

To conclude the organisational cultural artefacts are interlinked with the values and norms within the companies researched. Evidence was provided that the artefacts present do manifest these values and norms of the company in a tangible form that employees can use, can relate to and have access to. It is through the use of artefacts that employees' behaviour is impacted and it is through this that the company displays their market orientation on a daily basis.

4.6 Conclusion

To conclude, the findings relating to each of the research questions show that the shared basic organisational cultural values, identified by Homburg and Pflesser (2000) do exist and are most likely to encourage a market orientation in the companies researched in this study. The organisation-wide norms put forward by Homburg and Pflesser (2000) were found to exist and were influenced by the values held in the company. Norms it was found guide market orientated behaviours within the organisations researched. The artefacts Homburg and Pflesser (2000) identified as being the most frequently mentioned artefacts in terms of market orientation were evident in the companies researched in this study. The findings also indicate an interconnection between the values themselves and were found to compliment or enhance other values. This was also evident with market orientated norms where norms were found to facilitate or enable other norms. The research found that in different companies, different values and norms were found to exist in the companies researched to varying degrees. There was concrete evidence from the data that indicates a connection between the values and norms and between artefacts and both values and norms. There was evidence that artefacts were found to reflect the value and norms that are important to a company. Artefacts were also found to varying degrees and in varying forms depending on the culture of the company. The research findings also confirmed that there is a correlation and supporting qualitative data of a relationship between values, norms and artefacts and market orientated behaviours.

Chapter Five
Analysis

5 Analysis

The purpose of this chapter is to provide an analysis of the key research findings. The chapter will present each research question with an analysis supported by extant literature.

5.1 Organisational Culture Values of Market Orientated Companies

The first research question asked 1. What organisational cultural values exist in market orientated companies in Ireland? 2. Do the organisational cultural values identified encourage a market orientation in companies?

The research undertaken indicates a number of findings for part one of the research question. Firstly, there is evidence that the organisational cultural values of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* identified by Homburg and Pflesser (2000) do exist in the market-orientated companies researched. Secondly, these values are interconnected with each other. Thirdly, it was found that while the values exist in all companies, there is a difference in the hierarchical arrangement or rank ordering of the values within the companies researched. In relation to part two of the research question there is evidence that the values encourage a market orientation in companies. Each finding will be analysed in conjunction with the relevant literature.

5.1.1 Values Exist

There is evidence that the organisational cultural values Homburg and Pflesser (2000) identified as being the most frequently associated with market orientation do exist in the companies researched in this study. For example, a value respondents across all companies agreed existed was that of *quality and competence*. Quality plays a major role in the companies researched and was evident in the quality procedures and standards in place in the companies researched. An example of such a procedure in one of the companies researched is the training of staff members as internal auditors to check quality standards on a regular basis. This practice is supported in the literature by Bigné et al. (2005) who point out that quality systems are a means of ensuring quality

within the company and this can be achieved by companies taking their own initiatives and undertaking their own in-house studies by their own personnel (Diaz and Vazquez, 1998 cited in Bigné et al., 2005). Bigné et al. (Ibid) found that the greater the use of quality measuring systems the greater the predisposition of company to implement market orientation. Market orientation gives the company a competitive advantage a point also emphasised by Narver and Slater (1990) and Kohli et al. (1993).

The value of *inter-functional co-operation* was also found to exist in the three companies researched. *Inter-functional co-operation* refers to the degree of formal and informal direct contact between employees across departments (Jaworski and Kohli, 1993). Departments working together sharing and discussing information about customers facilitates a quick and effective response to the customer's needs. There was evidence of regular cross departmental meetings taking place in all three companies researched. For example, in one company meetings take place daily where the Customer Service Manager and the Production Manager "talk first thing every morning" as their work is connected and they share information that affects both departments. In another company meetings take place weekly involving all team members. Weekly meetings it was explained "feed into the monthly meetings" so that everyone is informed and up to date on what is happening across the company. Literature support for *inter-functional co-operation* as a market orientated value is found from Jaworski and Kohli (1993, p. 56, p. 64) who explain that interdepartmental dynamics and interdepartmental connectedness facilitate the interaction between department, the exchange of information and the use of this information and this in turn plays an important role in determining the level of market orientation within a company. These efforts foster an understanding among employees and managers across departments and give them an insight into the perspective of their colleagues (Kohli and Jaworski, 1990). Thus market orientation is greatly enhanced by the value of *inter-functional co-operation*.

Market orientation is supported by the value of *openness to internal communication* which was identified as a value that exists in the companies

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researched. An *openness to internal communication* offers everyone the opportunity to discuss "general operations and making sure everything is running smoothly" the manager in one company explained. Another interviewee explained how internal communication takes place in their organisation because of the open plan offices where "a lot of managers sit out on the floor ninety per cent of their time" in order to get to know and meet people and to get "a feel for the pulse of the organisation … [and] what is going on". Another manager explained "managers can be approached by staff" and a lot of suggestions and information comes from talking to employees. Both Naver and Slater (1990) and Kohli et al. (1993) acknowledge the importance of clear communication between departments as this promotes a market orientation within companies. The essence of *openness to internal communication* is that being open for communication from all employees and departments allows for a greater dissemination of information. This in turns enhances the market orientation within the company and was evident in the companies that took part in this study.

Thus the organisational cultural values associated with market orientation identified by Homburg and Pflesser (2000) have been found to exist in the companies researched. Values provide employees with guidelines and direction for day-to-day behaviour. When employees as Deal and Kennedy (1982) point out identify, embrace and act on the values of the company, which in this study have been linked to market orientation, the company can succeed and it can be argued the company benefits as this leads to a greater understanding of the customer needs and how to respond to those needs.

5.1.2 Values are Connected

The organisational cultural values associated with market orientation can be interpreted from the data as connected in all three case study companies. The values appear not only connected but were in fact enhanced or facilitated by the presence of another value or values. An example of this is the connection found between the values of *openness to internal communication* and *inter-functional co-operation* across departments in all three companies investigated. Evidence of this connection includes when employees from all areas came together for their morning coffee break daily, to create the company news letter or in cross-

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departmental training as it "creates a mutual appreciation for what people do" as one manager put it. Additional evidence of the values as linked was found with companies having an "open forum" at the start of cross departmental meetings allowing for the exchange of information and encouraging co-operation in addressing issues. Kohli and Jaworski (1990) and Jaworski and Kohli (1993) have similarly suggested interdepartmental training programmes, newsletters and cross functional activities in addition to aligning the need for customer focus and customer satisfaction across departments are ways of promoting cooperation among departments and of reducing conflict. Additionally, Naver and Slater (1990) and Jaworski and Kohli (1993) acknowledge the importance of clear communication between departments in promoting a market orientation within companies. The values of *openness to internal communication* and *inter-functional co-operation* go hand in hand to allow for the seamless exchange of information across departments. These values give support to a focused response to the customers' needs while contributing to the market orientation of the company.

In one company the connection between *quality* and *inter-functional cooperation* was evident in the team of internal auditors at work with their co-workers to maintain quality standards within the company. This creates a teamwork environment within the organisation with everyone working towards a common goal. Support for this is found in the literature with Lai (2003, p. 22) advising that the coordinated efforts in all departments following "the roadmap of quality management implementation" contributes to customer satisfaction. Similarly Conti (1993), as referenced in Bigné et al. (2005), advocates for the establishment of quality standards as it creates definite information flows within the company enhancing *inter-functional cooperation* and leads to a greater market orientation within the company. This supports the evidence of how the values of *quality and competence* and *inter-functional co-operation* go hand in hand to develop a market orientation.

This research found that as well as there being a connection between values, they were also facilitated or enhanced by the presence of other values in the companies researched. *Inter-functional cooperation* among departments was

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found to contribute not only to a greater atmosphere but there was a greater esprit de corps among employees and greater employee commitment (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993). As one interviewee put it "everything revolves around teamwork", where "honest communication" is encouraged "in a flexible environment" where employees "come into work and can achieve something". She explained further that "there is a passion for the business… [employees] stand up for [the company]". Detert et al. (2000) confirm that the value of collaboration leads to better decisions, higher quality and higher morale in a company. This endorses the effects the value of *inter-functional cooperation* will have not only in their pursuit of the value of *quality and competence* but also on the other values of *openness to internal communication* and *appreciation of employees*. Each value is enhanced by the other or a combination of the other values.

In the companies studied the values of *success, quality and competence* and *innovation and flexibility* were interlinked. Two of the companies in this study actively developed close relationships with customers while trying out new innovative ideas for their products and services. Customers tested the products and services and this led to changes and enhancements being made in direct response to the information received. It also contributed to the successful launch of the new innovative products or services with one company winning an award for their improved feature. In the literature Slater (2000) advises that market orientated companies gain a deeper insight into customers' desires by learning from customers, being responsive and by developing innovative products and services. Similarly, Gray (2010) emphasises that companies who are flexible are able to provide innovative products and services with a quality focus can better position themselves for success as they have a better understanding of their customers. The interconnection between the values of *innovation and flexibility*, *success, quality and competence* working together enhance each other and this can be interpreted as leading to a competitive advantage for the companies. This is also important indication of the relationship linking market orientation and performance as reiterated in the literature (Han et al., 2005). This also emphasises the importance of each of the values as well as the connection

between the values as they contribute to the effective implement of a market orientated strategy.

5.1.3 Rank Order of Values

The findings of this research shows that the organisational cultural values identified do exist across all three companies albeit to varying degrees. The rank ordering of values is different across the companies with some values ranked higher in one company and lower in others.   For example the value of *appreciation of employees* was ranked highest with respondents in one company while it was ranked lower in the other two companies researched.   In the two other companies the values of *quality and competence* and of *success* were ranked highly in these companies while in the third company these two values were ranked much lower. This is an indication of the importance each company places on their values and is evidence for the argument that the existence of different values within an organisation is according to Argandoña (2003, pp.19-21) "logical, inevitable and even desirable".   He also points out that not all organisations need the same values. Their mission, the company's distinctive capabilities and the challenges posed by the environment they operate in are not always the same and as such will lead to different values existing in companies and also to varying degrees. Similarly, Deal and Kennedy (1982, pp. 22-23) make the point that certain values will make sense for particular organisations in specific economic circumstances.

Values are an important and powerful influence in an organisation and should be managed carefully. Companies should identify and order those values that offer consistency, meaning and confidence to other values when selecting the values the company wants to live by according to Argandoña (2003). Values give employees direction, show them what the company stands for and give them a sense of identity. When values become a reality in the minds of employees it pulls the organisation together. It is this sense of "pulling together" as Deal and Kennedy (1982) describe it, that makes values so effective.

5.1.4 Values Encourage Market Orientated Behaviour

The second part of the research question investigated if the organisational cultural values of *success, quality and competence, innovation and flexibility,*

openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation and *speed* encourage a market orientation in companies.

There was supporting evidence in this study that the above values formed the basis for a market orientation. The Pearson's correlation test confirms the relationship between values and market orientated behaviours (r =.73, p (one-tailed) <.01). The coefficient of determination verifies that there is a significant proportion of variance (52%) in market orientated behaviours that is explained by values. This indicates that values play an important role in determining the market orientated behaviour of employees within the companies researched in this study.

This research found that organisational cultural values influence market orientated behaviours. In one company as a result of the value of *quality*, teams of internal auditors implement quality standards. Furthermore, those quality standards are company wide and require *openness to internal communication* and *inter-functional cooperation*. The connection between these values and market orientation is supported by the literature. For example Bigné et al. (2005, p. 1026) advocate for the use of quality measuring systems as the greater their use the greater the predisposition of the company to implement market orientation. In addition this leads to greater inter-functional cooperation across departments as information flow is enhanced as a result. Lai (2003) also acknowledges that market orientation and the value of *quality* complement each other. By implementing quality management systems, companies are more in touch with understanding customer needs and how to respond to customer requirements while also encouraging the exchange of information across departments.

Support for the values of *openness to internal communication* and *inter-functional cooperation* influencing market orientated behaviours was evident in the companies researched. Employees coming together both formally through interdepartmental meetings with an "open forum" to discuss issues that affects everyone at the start of each meeting is evidence of these values at work. Also when employees share information they gleam from conversations they have with

customers they share this on their customer database for all to read. As one interviewee explained with regards one customer "we now know she also has two kids. We can ask are they going to school or whatever the case maybe so, … having that information …you get to know your customer. You build the relationship but you also capture the information." This is an example of what Naver and Slater (1990) and Jaworski and Kohli (1993) acknowledge is an important aspect in allowing for the seamless exchange of information across departments as clear communication promotes market orientation across departments. These values of *openness to internal communication* and *inter-functional cooperation* encourage communication among employees and departments and promotes intelligence dissemination as employees become more receptive to identifying customer needs and in sharing this information with colleagues (Avlonitis and Gounaris, 1999). This then leads to more interdepartmental connectedness and interaction and lessens interdepartmental conflict which have been found to be determinants of market orientation facilitating the dissemination of market intelligence and the organisation's responsiveness to that information thus influencing market orientated behaviours (Jaworksi and Kohli, 1993; Kirca et al., 2005).

This research has shown that there is a relationship between market orientated organisational values and market orientated behaviours. Values influence behaviour according to (Kotter and Heskett, 1992) and thus it can be proposed that embedding the values associated with market orientation will drive market orientated behaviours.

In summary, values are according to Deal and Kennedy (1982) "the bedrock of any corporate culture". Values provide employees with "a sense of common direction for all employees and guidelines for day-to-day behavior" Deal and Kennedy (ibid). Companies succeed as a result of their employees identifying, embracing and acting on the values of the company. The analysis of this research question confirms that the values identified by Homburg and Pflesser (2000) of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* do exist within the

companies researched. The values have been shown to complement market orientation and as a result are evidence of a market orientation in place in the companies which took part in this study. While the values exist, this study found that they exist to varying degrees within the companies researched. The literature has confirmed that this is natural and desired. This is due to different capabilities that exist within the companies, the culture within the companies as well as the challenges facing companies in the environment in which they operate in. It was found that values influence behaviours and encourage a market orientation and should be embedded in the culture of the organisation.

5.2 Organisational Culture Norms of Market Orientated Companies

The second research question asked 1. What organisational cultural norms exist in market orientated companies? 2. Do the organisational cultural norms identified encourage a market orientation in companies?

The analysis of the research indicates there are a number of findings in relation to the first part of the research question. Firstly, there is evidence that the organisational cultural norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* identified by Homburg and Pflesser (2000) do exist in the companies researched.

Secondly, these organisational cultural norms are interconnected with each other. Thirdly, while the norms do exist, there is a difference in the ranking or hierarchical arrangement of the norms within the companies researched. In relation to part two of the question there is evidence that these norms encourage a market orientation in companies. Each finding will be analysed combined with the relevant literature.

5.2.1 Norms Exist

According to Homburg and Pflesser (2000) the organisational cultural norms they identified had market orientation as "the concrete objective". These are the norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed.* This study found that in the

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companies researched these norms do exist. For example *quality and competence* was a norm the majority of respondents in this study agreed existed in their companies. Evidence of this norm was found in the department of one company where all employees know what is expected of them and they understand how implementing quality standards is connected to the customers' needs. An interviewee explained employees "would know what's expected of them" and "employees know it is their responsibility to make sure that their area is clean, that they are clean, that they're wearing the proper garb". The literature from Trice and Beyer (1993, p. 9) reminds us that norms are "specific and taken-for-granted expectations for how people should behave in a myriad of circumstances". In the companies researched, everyone knows what is expected, they know what their responsibilities are in terms of what to do and what not to do. There is support in the literature for quality and market orientation complementing each other (Lai, 2003, p. 22). As a result employees behaving and responding accordingly to the norms leads to the company being more market orientated.

In this study respondents agreed that the organisational cultural norm of *success* existed in their companies. This norm can relate to the level of success in terms of customer satisfaction. The companies researched are actively listening to their customers and evidence of this norm includes customer service representatives in one company being encouraged to take the time to listen to what customers have to say. They are encouraged "to sit down and have a cup of coffee with their customers" as customer satisfaction is an important aspect for this company. The interviewee explained "… keeping the customer happy can be invaluable to us ... customer retention … [is] important … it's our business". Encouraging norms where the customers feel the company is "looking after me" are the norms that lead to greater customer satisfaction. It can therefore be argued that the norms of a successful company building and maintaining this type of customer care and rapport leads to a greater market orientation in the company. Slater and Narver (1994) advocate for companies to continuously monitor and improve customer satisfaction. They argue that guidelines and standards that are manifested in the culture of the organisation encourage and maintain customer

satisfaction and value. It is therefore these guidelines in the form of norms that leads to better relationships with customers which in turn lead to a market orientation in the company.

Marvin Bower the man who coined the phrase "the way we do things round here" explained employees learn from each other what is expected of them, how they should perform and how they should conduct themselves (Bower, 1966). Once this evolves as a set of guidelines that gradually become established as expected patterns of behaviour it is a powerful force at work in an organisation. This research indicates it is these patterns of behaviours, the organisational cultural norms that Homburg and Pflesser (2000) identified as having market orientation as "the concrete objective", that give companies a market orientation.

5.2.2 Norms are influenced by Values

The important and powerful influence of values in an organisation is evident in the literature (Rokeach, 1968a, 1968b; Deal and Kennedy, 1982; Hofstede et al., 1990; Trice and Beyer, 1993; Argandoña, 2003). Values are an indication of what a company stands (Argandoña (2003) in addition to giving employees a set of guide-lines for their day-to-day behaviour (Deal and Kennedy, 1982). Norms are formed following the development of shared values within an organisation and become the expected standards that guide employee behaviour (Sathe, 1982; O'Reilly et al., 1991; Homburg and Pflesser, 2000). Values indicate preferences for behaviour while norms are more procedural and tactical and indicate the standards of expected behaviour according to Sathe (1983, p. 7). While values cannot be directly observed they are inferred through manifestations of behaviours (Hofstede et al., 1990 as referenced in Wallace et al., 1999) and it can thus be argued that norms are the manifestation of values that are evident in an organisation as they define appropriate behaviours and attitudes (Sørensen, 2002).

This study found that in all companies researched when the value existed in the company there was a corresponding norm. An example of this is shown in the case of the value of *quality and competence*. As a result of this value within a company it was found that the norm of *quality and competence* existed and led to employees adhering to quality standards with all employees knowing what is

expected of them and what they should and should not do. This is evidence that suggests values influence norms. Another example of values influencing norms was found in another company where the value of *innovation and flexibility* led employees to actively look for opportunities to help customers find solutions to problems and is evidence of an innovative norm in place were customers are valued within a company. The value of *speed* is also reflected in the swift and efficient norms that were evident where employees are quick to respond to queries with a twenty-four hour time frame in one company or an eight hour time frame in another.

5.2.3 Norms are Connected

Norms exist as a result of employees acting in line with behaviours that have been demonstrated, shared and internalised by fellow employees (Wallace, 2008). Norms are the unwritten rules and guideline of how an employee should behave in an organisation. The findings to this research suggest norms can exist on their own or they can be enhanced or facilitated by the existence of one or more norms within an organisation. There was for example a connection between the norms of *success* and *innovation and flexibility* found in the companies researched. As evidence, in one company in response to customer's queries employees know they have the flexibility to take the initiative and come up with ideas in order to help customers and this contributes to the success of the company. One interviewee explained the employees know they can act if the matter is urgent and are encouraged not to "... just come with the problem [but] come with the solution". Support for this is found in the literature from Gray (2010) who highlighted the fact that successful companies are more flexible and better able to provide innovative products and services and can also better position themselves for success. Support for empowering employees to make decisions and to provide solutions to customer's problems is also found in the literature (Parasuraman, 1987; Slater and Narver, 1994; Heskett et al., 1994; Day, 1994; Larréché, 1995 and Ford et al., 2002). It can be argued that empowering employees to resolve customer problems without approval means the response time is quicker. This contributes to forging a good relationship with customers

and shows the link between the norms of *success* and *innovation and flexibility* and how they enhance the market orientation within a company.

A connection between the norms *innovation and flexibility, speed, inter-functional co-operation* and *openness to internal communication* was found in the companies researched who used technology to maintain their customer records. As evidence one interviewee explained that they used an electronic system to record and capture every interaction with each department across the company. Furthermore the interviewee explained that records are maintained and updated regularly as having that information allows them "to build a relationship with the customer" and facilitates consistency in the customer experience while providing "continuity when someone is out". This can only be achieved through the expectation that employees across all departments will update the database and this is achieved through the norms of *inter-functional co-operation* and *openness to internal communication.* It is through *inter-functional co-operation* norms that employee's have a better understanding of their colleagues, the challenges they face and it also helps them adapt if customers' needs change thus demonstrating *innovation* and *flexibility*. Furthermore, it contributes to a better responsiveness or *speed* in meeting customer's needs. Support for connection between the norms identified through the use of technology can be found in Day (2000, p. 20) who explains how maintaining management systems where information is gathered and shared with all employees, keeps employees up to date on customers and allows them the flexibility to take initiatives without concerns that the relationship might be jeopardized.

As this evidence shows individual norms are enhanced or facilitated by the connection between other norms and this combination encourage employees to strive for greater success while also contributing to the market orientation of the company.

5.2.4 Rank Order of Norms

In this study different organisational cultural norms existed in the companies researched and were ranked differently in each company. Due to the nature of norms, which are defined by Trice and Beyer (1993) as specific and taken-for-granted expectations for how people should behave in a variety of situations, it is

understandable that each company has different experiences and different expectations as to how employees should behave. Therefore it is logical that norms and their rank ordering will be different within a company as a result.

As evidence of the differing order of norms in different companies *appreciation of employees* was ranked high in one company but lower in the other two companies according to the questionnaire data (see Appendix N, Table 4-6**).** Appreciation for employees in the company in which this norm was ranked highest was shown by encouraging employees to take part in courses, conferences or to read books "to bridge a gap in training" as one interviewee explained. Furthermore the interviewee explained employees choose the course themselves and "it's about making the person grow as well … so the training does not necessarily have to be anything to do with their job". Support from Ruekert (1992) indicates that there is a strong positive relationship between companies who provide support in the form of the provision of training and market orientation.

Thus it can be argued that each company had its own way of doing things while still having market orientation as their concrete objective. As differences in the rank order of values are "logical, inevitable and even desirable" (Argandoña, 2003, p.19-21) it can be argued that this also applies to the rank order of norms. Norms are what employees follow because they seem right (Wallace, 2008) and they give employees a sense of direction of how to implement the particular shared values of the company.

5.2.5 Norms Influence Market Orientation

The second part of this research question investigated the relationship between organisational cultural norms and market orientated behaviours. Homburg and Pflesser (2000) remind us that norms are expectations about behaviour that are shared by a social group and they also advise that norms have a stronger influence on behaviours than values. The Pearson's correlation indicates there is a significant relationship between norms and market orientated behaviours   (r = .77, p (one-tailed) < .01) with the coefficient of determination of 59% indicating a significant proportion of variance in behaviours that is accounted for by norms. Thus it was found in this research that having the identified market orientated norms was related to having stronger market orientated behaviours. Furthermore,

the relationship between norms and market orientation (r = .77) was found to be stronger than the relationship between values and market orientation (r = .73).

Qualitative data supports this quantitative finding of a relationship between norms and mark orient behaviours. For example in one company which demonstrated the norm of *quality and competence* it also had specific market orientated behaviours relating to this norm. In the company there was an awareness among employees, as one interviewee pointed out, that all employees knew what was expected of them in terms of quality procedures. This resulted in the company actively adhering to quality standards and behaving accordingly. This is a clear indication of how the norm affects the market orientated behaviours within the company. The literature supports this with Hunt and Morgan (1995, p. 13) confirming that employees learn how to be market orientated not from reading policies and text books but rather from working with other employees that are already market orientated. Employees learn from each other, they learn the ground rules and guidelines and "how things are done around here" (Bower, 1966). In addition, Wallace (2008) reminds us that when strong links between situations and behaviours are formed, thinking about those situations makes the appropriate behaviour more likely.

There is also research evidence that the norm of *innovation and flexibility* influences the market orientated behaviours of employees. There was evidence in the companies researched that employees who were guided by the norms of *innovation and flexibility* acted on their own initiative and responded quickly to customers needs. Employees had the flexibility to react to customer queries. They knew they "don't have to wait for a meeting if the matter is urgent". This expectation of how people should behave which is how Trice and Beyer (1993, p. 9) describe a norm, leads to them thinking on their feet, solving problems and finding solutions in response to customer needs. By doing this employees maintain a quality service and this enhances the relationship with the customer. This point provides evidence of how norms encourage market orientated behaviours in employees when they receive and respond to the information.

Norms lead to specific behaviours as a result of a company's capabilities which according to Day (1994; 2000) are "complex bundles of skills and knowledge

exercised through organisational processes that enables firms to coordinate their activities to make use of their assets and to continuously learn and improve". Capabilities that are so deeply embedded in the organisational routines and practices that cannot be copied is what leads to a company's competitive advantage (Diekx and Cool, 1989) cited in Day (1994). It is through these organisational processes, routines and practices that norms develop and affect the implementation of market oriented behaviours. The interpretation of this knowledge transcends the individual capabilities and unifies the capabilities into a cohesive force among employees in the company.

In summary it can be seen that the organisational cultural norms identified by Homburg and Pflesser (2000) of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* do exist in the companies researched. The norms are formed following the development of values within the companies researched. There was evidence of norms being influenced by values. This research verifies that market orientation is "the concrete objective" of the norms. Due to the nature of norms and their development, there are different ranking of norms within the companies researched. There is also evidence that the norms are interrelated and connected to each other. This research also confirmed that the norms complement market orientation. The relationship between norms and behaviour is further established by the fact that the Pearson's correlation indicates there is a coefficient of determination of 59% indicating a strong relationship between norms and market orientated behaviours. This suggests that the influence of norms on market orientated behaviours has a stronger influence than values on behaviours in this study. Norms are "specific and taken-for-granted expectations for how people should behave in a myriad of circumstances" (Trice and Beyer 1993). Johnson (2010) refers to "taken-for-grantedness" as being a filter through which employees make sense of their world internally and externally. Norms, as Johnson (ibid) explained, provide a "shorthand" way of explaining complex situations and may also be the basis for the organisation's success as it is difficult to imitate and as such can provide the company with a competitive advantage.

Thus it can be argued that norms are a powerful force in an organisation as norms are guided and activated by behaviours that are enforced, internalised and shared by members of an organisations (Wallace, 2008) and as such can be used to encourage a market orientation in an organisation.

5.3 Organisational Culture Artefacts of Market Orientated Companies

The third research question asked 1. What organisational cultural artefacts exist in market orientated companies? 2. Do the organisational cultural artefacts identified encourage a market orientation in companies?"

This research indicates that there were a number of findings for part one of the research question. Firstly, there is evidence that the artefacts of stories, arrangements, rituals and language identified by Homburg and Pflesser (2000) do exist in the companies researched. Secondly, these artefacts are connected to values and norms. In response to part two of the research question it was found that these artefacts do encourage a market orientation. Each finding will be analysed in conjunction with support from the relevant literature.

5.3.1 Artefacts Exist

Artefacts are according to Schein (2004) the visible organisational structures and processes that can be seen but are hard to decipher in an organisation.

In this study artefacts include:

- The arrangements which cover the offices, meeting rooms and common areas along with the buildings and exterior surroundings.
- The language used in the company when discussing customers and in documents such as the mission statements.
- The stories told within the organisation.
- The rituals and ceremonies that are observed.

Each of these artefacts will be outlined in relation to the research findings and relevant literature.

5.3.1.1 Arrangements

Arrangements according to Homburg and Pflesser (2000) would include an open and friendly customer entrance and welcome area, offices, meeting rooms and common areas such as a canteen or tea room.

Following analysis of the findings, artefacts relating to arrangements were ranked highly by respondents in this study. Respondents agreed that the meeting and common areas do exist where information can be exchanged informally between employees. There was supporting evidence from respondents that offices and meeting rooms are built in a way that supports communication among all employees. The layout of furniture in offices was conducive to open communication and according to one interviewee was set out so that "everyone sees everyone else". Bennett and Bennett (1970) referenced in Bitner (1992, p. 61) make the point that "all social interaction is affected by the physical container in which it occurs". Thus it can be interpreted from this research that an environment where both formal and informal communication is encouraged also facilitates interdepartmental co-operation and communication. In addition, it indicates that in the companies researched these arrangements promote *inter-functional cooperation* and *openness to internal communication*. This in turn affects the market orientation within the company where information can easily be exchanged and discussed.

Another arrangement that respondents agreed existed in their companies was the physical layout of buildings including the exterior surroundings. They were well laid out and clear for visitors or customers to find their way easily. Bitner (1992) acknowledges the affect of physical design and décor has on both customers and employees alike. The ability of the physical environment to influence behaviour in services has been presented in several studies. Berg and Kreiner (1990) advocate for the efficacy of corporate architecture as it can have significant influence on how people interact, communicate and perform work tasks. Additionally, research in the organisational behavioural field has shown how the environment can influence motivation, employee satisfaction and productivity (as cited in Bitner, 1992). Thus the impact of the physical environment can influence the nature of interactions between departments and

fellow employees as well as the interactions with customers. This in turn creates a greater environment for communication and facilitates exchange of information within the company and is linked to how artefacts affect market orientated behaviours.

5.3.1.2 Language

In terms of language, according to the questionnaire respondents (86%) agreed the statement they heard most often was that of: *"From the customer's point of view…"* The language used sends a message that the companies researched think about what the customer wants and they see things from the customer's viewpoint in order to improve the customer experience. Thinking about the customer and the customer's point of view is an important element and is a point also reflected in the next statement respondents (80%) agreed they heard often: *"What is the customer expecting from us?".* The language companies use is not just a means of communicating Brown (1998) reminds us. In order to work together, employees in an organisation must develop a mutual understanding through the common use of language so that everyone understands what is meant by terms and phrases used. Similarly, Pettigrew (1979) referencing Berger and Luckman (1966) tells us that language is the system of vocal signs that can characterise and stabilise experience and give these experiences meaning. Language also compels us to action and is a way of achieving practical results. There is agreement that the language in the Likert statements indicates a customer-focus in the companies. These statements send a signal that the customer is important and that the company is serious about what the customer says and what the customer expects from the company.

Taking a customer focused approach during meetings and discussions indicates a higher degree of market orientation according to Homburg and Pflesser (2010). During this research there was evidence that customers are important and that issues concerning customers were discussed and communicated to all departments in meetings. One interviewee reported having an "open forum" at the start of cross departmental meetings, information could be exchanged. This is where customer issues can be addressed and finding solutions to the issues encourages co-operation among employees and departments. Pettigrew (1979,

p. 575) explained that words are part of the action and thus it can be interpreted that companies are serious about keeping a customer focus and being market orientated during meetings and discussions.

Another artefact that reflects the language used in the companies researched was that of the mission statements. The mission statements were either hanging in the offices and or were available to employees online or in their employee handbook. The mission statement in one company was developed by employees themselves. Mission statements are manifestations of the long term goals and purpose of an organisation. Through the language and statements used, the organisation lays out what it wants to be and who it wants to serve. It gives an important insight into what the company wants to convey as its essential values (David 1989; Leuthesser and Kohli 1997, Brown, 1998). Similarly, Pettigrew (1979) reminds us that mission statements embody the values in an organisation. Emphasising the importance of the customer and serving their needs in the mission statements sends a signal that the company is customer focused and shows employees what the company values (see Appendices G and H). Being customer focused is at the core of market orientation and it is through these artefacts that a company encourages a market orientation.

5.3.1.3 Stories

In this study the example of stories as outlined by Homburg and Pflesser (2000) relate to exceptional or ideal customer orientated behaviours from employees and managers. The literature reminds us that stories have long been recognised as being an integral part of the life of an organisation. In terms of stories as artefacts respondents (62%) across the sample disagreed with the statement *"There are unwritten rules within the company that prevent a customer-focused approach"*. The reaction of respondents to this statement would indicate that a customer focused approach exists in the companies researched and is encouraged by all.

Further evidence was provided of the powerful force a story can have in an organisation and was relayed in an interview in one company. This employee worked thirty three years with the company and the reason he gave for staying with the company was because of "the ethos of the company". He explained that "there are a lot of people who would be entitled to and would have a claim on

making [the company name] what it is today … so who takes the credit? ... Everyone has got a share equally … it's been the whole team and [with] everyone making the same effort". The reason for the company's success he added was "because we stand on the shoulders of giants. It's the people who have gone beforehand who did all the hard work". This story it can be interpreted is recognition of the heroes who have gone before and of the present co-workers who make the company what it is today. Support for the importance of stories as artefacts is found in Deal and Kennedy (1982, p. 87) who tell us that stories are "the most powerful way to convey information and shape behaviour". Additionally, Brown (1998) describes stories as not just indicators of values and beliefs but also guardians of values and beliefs as well. They are used not only to illustrate the knowledge and insight into an organisation and how it works, they also reflect the loyal members of a team. Furthermore, Brown (ibid) reminds us that stories are important indicators of the cultural values and beliefs in an organisation. Similarly, Beyer and Trice (1987, p. 6) describe organisational stories as an expression or affirmation of important organisational norms.

Stories that are told and retold create and reinforce cultural preferences for certain actions and decisions in a company. Stories have the potential as a powerful tool for management as companies who rely on stories are more reliable than ones that don't (Weick, 1987 cited by Brown, 1998, p. 221).

5.3.1.4 Rituals

During this research certain rituals were found to exist within the companies that took part in this study. An example is the daily ritual of all employees meeting in the kitchen for their morning tea break. One manager explained that "the morning break is compulsory … you have to go out [to the kitchen] for your tea break at half ten every day". She explained that it reinforces the "family" culture within the company and it promotes communication among employees. It serves as a good opportunity to gather and exchange information among all staff members. By encouraging open communication, the company benefits as the atmosphere and a sense of belonging develops. This is turn leads to greater esprit de corps and creates an environment where everyone works towards achieving the common goals within the organisation. Support for the effect of open communication

towards increasing employee commitment and satisfaction and making a contribution to market orientation within a company can be found (Kohli and Jaworski, 1990; Ruekert, 1992).

Evidence of another ritual in the same company was the delivery of a scone and a smoothie to every employee's desk on Friday mornings. This the interviewee explained was "just simple where everybody enjoys it and it's nice on a Friday, the last day of the week". This is part of the "feel good [feeling]" in the organisation and is the company's way of supporting and showing appreciation for their employees. Similarly, Larréché (1995) also advocates spoiling employees as this leads to them treating customers in the same way and is an indication of how both employees and customers are valued. Valuing employees leads to an atmosphere in the organisation where employees experience a greater sense of belonging, work commitment and esprit de corps. Valuing customers leads to better relationships with customers and enhances the market orientation of the company in the long run.

Rituals have been described in the literature as "dramatizations of the company's basic cultural values" (Deal and Kennedy, 1982, p. 62). As such rituals are important to a company as they embody a value that is important to its members; it sends a signal of how effective the culture is. When a company recognises the importance of rituals, it can use them to build a strong culture that will produce even better results (Deal and Kennedy, 1982, p. 68).

This section drew conclusions on the influence of the artefacts of arrangements, language, stories and rituals as powerful influences on market orientation.

5.3.2 Artefacts are Connected to Values and Norms

The second key finding to the research question "What organisational cultural artefacts exist in market orientated companies?" was the link found between values and norms. Artefacts are cultural expressions and are used by people to convey, affirm or communicate the essence of a company's culture (Trice and Beyer, 1984). It is through artefacts that a company communicates values and norms.

5.3.2.1 Values and Artefacts

In the companies there was evidence in their mission statements of the company values. In one company their mission statement included "Customers matter … encourage others [fellow workers] … all ideas are valued … all opinions are valued" (see Appendices G and H). This is evidence of what is important to this company as it reflects the values the company strives for. Support for the use of mission statements indicates that they are seen as a way to convey the company's essential values (Leuthesser and Kohli 1997; David 1989). Mission statements are a common artefact displayed to remind employees of the long term goals and purpose of an organisation, what the company wants to be and who it wants to serve.

Another artefact that reflects the values of an organisation that was evident in the companies researched was the display of quality awards and various accolades won (see Appendix L). These awards are a physical reminder of the importance of the values of *quality* and *success* that exist in the companies researched. Support for the effective use of such artefacts is found in Bitner (1990, p. 66) who advocates for the use of explicit or implicit signals. Implicit cues she says include quality certificates displayed, photographs on the walls or personal objects displayed. These can create a symbolic meaning and create an impression on employees and on the customer as well. They can be used to contribute to the achievement of both internal and external goals of the company. Thus it can be used to indicate the customer focus the company has and how important the customer is to the company.

5.3.2.2 Norms and Artefacts

In this study there was evidence of a link between the rituals and the norms of the companies researched. The daily ritual of coming together for the morning tea break symbolises and sends a signal to employees that they are important to the company. Support for the importance of rituals as an integral part of an organisation's culture can be found in the literature (Pettigrew, 1979; Deal and Kennedy, 1982) which suggests that rituals represent what is important within an organisation. Deal and Kennedy (ibid) add that rituals are significant as "they

give the culture a tangible, cohesive form". Thus the ritual of meeting for a morning tea break facilitates camaraderie among employees, which leads to *inter-functional cooperation* and communication and enhances the atmosphere in the company. This in turns leads to a greater market orientation in the company.

By connecting organisational cultural values and norms to artefacts it can therefore be argued that artefacts are a powerful tool in relaying a message to employees and customers alike. They can be used as a means of communicating and tangiblising the values, norms and expected behaviours of a market orientated company.

Different Artefacts Found in Companies

There was evidence that different companies used different artefacts within their organisation. One company used a collage of their employees that was displayed in the entrance to the company in order to create an atmosphere that reflected one of the core values of the company that "people matter" (see Appendix G). Another company while it did display photos of the company and its staff these photos were displayed in the canteen area and reflected the history of the company over the decades. In this company there was also evidence of another artefact of stories which recognises the heroes or former colleagues on whose shoulders the current employees stand and who made the company what it is today as relayed by one colleague. These artefacts emphasise the importance of the history of the company and sends a signal of the value placed on employees past and present. Trice and Beyer (1984) describe such cultural forms as "a vehicle for conveying meaning" while Pettrigrew (1979) citing Cohen (1974) explains that symbols evoke emotions and impel to action. These are examples of the different artefacts that were evident in the different companies are an indication of how artefacts vary from company to company. While each artefact plays an important role in conveying the values and norms important within each company as Schein (2004) points out that while they are the most visible layer of culture their meaning is interpreted by those within the company. Also different

values and norms will be ranked differently in each company and thus the artefacts used will be different.

Similarly in one company the company mission statement created by employees was displayed for everyone to see while in the other two companies the mission statement was not displayed but was available online or in the employee handbook – again while the mission statement is the embodiment of the values within an organisation Pettrigrew (1979), the culture of the company it could be argued could determine the type and form of artefact that was visible within each company.

5.3.2.3 Artefacts Encourage Market Orientation

The second part of this research question looked at the relationship between organisational cultural artefacts and market orientated behaviours. The Pearson's correlation test indicates there is a relationship between artefacts and behaviours ($r = .49$, p (one-tailed) $<.01$) with a coefficient of determination $R^2 = 24\%$.

This indicates there is a variance in behaviours accounted for by artefacts, although it can be argued as a weak to medium effect. The relationship between artefacts and market orientation is not as strong as the relationship between values and market orientation ($r = .73$) and norms and market orientation ($r = .77$). However, the relationship between artefacts and behaviours signifies artefacts such as rituals, arrangements; stories and language are related and can be argued as encouraging a market orientation in companies.

Homburg and Pflesser (2000) emphasise the important role of artefacts as determinants of market orientated behaviours. The physical layout of offices, having meeting and common areas where information can be exchanged informally between employees and having offices and meeting rooms which support communication among all employees is an important artefact in encouraging market orientation as the physical environment has been found to influence the nature of interactions between departments and employees and customers (as cited in Bitner, 1992). Berg and Kreiner (1990) support the

influence a corporate architecture has on how people interact and communicate and how they perform work tasks. Such arrangements facilitate a greater information generation, dissemination and responsiveness contributing to the market orientation within the company. This indicates a link between artefacts and market orientated behaviours. In addition, Jaworski and Kohl (1993, p. 56) endorse interdepartmental connectedness, which they refer to as the degree of formal and informal direct contact among employees across departments because of its effect on market orientation. Rituals within the company that promote communication are made easier to maintain by the fact that the meeting rooms and common areas encourage such communication among employees. The ritual of meeting daily for a morning tea break for example, offers the opportunity to exchange information both formally and informally and this is how information is generated, disseminated and discussions leading to suggestions on how to respond to the information are communicated and discussed. This is evidence of market orientation in practice.

In summary, the organisational cultural artefacts identified by Homburg and Pflesser (2000) do exist in the companies researched. Artefacts in the form of meeting rooms and common areas that facilitate and support open communication were identified by respondents. Attractive meeting rooms, offices and common areas that all supported communication among employees and external surroundings that were well laid out, welcoming and customer orientated were artefacts respondents agreed existed in their companies. There was evidence that the language used indicates a customer-focus in the companies researched. Rituals such as interdepartmental meetings that embodied the company's culture were evident and gave a signal of the importance of both the customer and employees. Rituals encourage a greater sense of belonging, work commitment and esprit de corps among employees, of striving to achieve the company's goals as they recognise the values and beliefs that are important to the company as well as the expected norms and behaviours within the company. There are subtle signals sent through these rituals as well as through other artefacts such as language, mission statements, physical layout of the surroundings that remind employees of the values that are important to the

company and this all contributes to encouraging market orientated norms and behaviours which in turn leads to a great market orientation within the organisation.

Schein (2010) describes artefacts as the outer visible layer of the manifestations of culture. An important point made by Schein (2004, p. 27) is that the interpretation of artefacts is difficult as one's own feelings and reactions will influence one's opinion. While they are, he says, visible to the observer their meaning is invisible and lies in the practices and is interpreted by those inside the company.

5.3.2.4 The Relationship of Market Orientated Organisational Cultural Layers

This study provided evidence that a market orientated organisational culture is a fusion of the layers of culture: values, norms and artefacts that bring about market orientated behaviours within an organisation. Each layer contributes to the culture of the organisation and signals to members what the company stands for in terms of values along with the norms or expected standards of behaviours each of which are conveyed through the artefacts such as rituals, arrangements, stories and language that exist within an organisation.

Quantitatively there was evidence that suggested an interrelationship between the layers of culture. This was evident when values were ranked highly by respondents the corresponding norms were also ranked equally highly. Both the values and norms of *quality and competence, speed* and *innovation and flexibility* were ranked highly by respondents indicating that values influence norms. Qualitatively, the values of *inter-functional cooperation* and *openness to internal communication* were evident in the regular meetings that take place where everyone gets to hear about what is going on in the company as one interviewee explained. This follows through to the norms of *inter-functional cooperation* and *openness to internal communication* where the inclusion of employees from across the different departments are invited to join in the meetings where an "open forum" offers everyone the opportunity to address an issue. The

importance of these values and norms is reflected in the artefacts of arrangements where common area are conducive to open communication and in the ritual of everyone taking their morning tea break together. These artefacts embody the company values and norms that are important in the company and send a signal to everyone in the organisation of their importance. This indicated how each layer successfully contributes to the market orientation that the company strives for through the market orientated behaviours that employees exhibit. Market orientation as described by Narver and Slater (1990, p. 21) is "the business culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value [for customers]" and this is brought about by the composite of the values, norms and artefacts that lead to market orientated behaviours.

This study has provided qualitative and quantitative evidence to reflect how the values that lay the foundation of the company culture, that are at the core of the company and are communicated subtly through norms and artefacts. Each layer encourages market orientated behaviours and this in turn leads to employees being receptive to information customers impart through the rapport they establish and enables them to disseminate that information across departments. This is facilitated through the open communication channels that were evident in the companies researched and through the artefacts such as rituals were employees meet and exchange information easily. This allows for an efficient and quick response to the information received. While each element plays an important role in forming the organisational culture, it is natural and logical and desirable (Argandoña, 2003) that different companies will have different values, norms and artefacts ranked differently resulting in different desired behaviours within an organisation. Each company will have its own way of doing things dictated by the environment in which it operates with each layer contributing to the culture of that organisation.

Evidence from this study has shown how effective each layer of the organisational culture of an organisation - values, norms and artefacts is effectively used to promote and encourage market orientated behaviours and a market orientation

within each company and it is this organisational culture that is the essence of market orientation as described by Narver and Slater (1990).

5.4 Conclusion

To conclude, the analysis of the key research findings confirm that the organisational cultural values identified by Homburg and Pflesser (2000) of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* do exist within the companies researched. Values are an important element in an organisation as they form the basis for the foundation of any corporate culture. They provide employees with guidelines for day-to-day behaviour and give them a sense of direction. The values of the companies in this research have been linked to market orientation and by employees identifying, embracing and acting on these values the company benefits as a greater understanding of the customer needs and how to respond to those needs develops and leads the company to success.

There was supporting evidence for the interconnection between values. Each value was enhanced or facilitated by the presence of one or more values. The importance of each value as well as the connection between the values contributes to the effective implementation of a market orientation strategy and can be interpreted as leading to a competitive advantage for the companies researched.

While there was evidence of values found in all companies, this study found that the values exist to varying degrees within the companies researched. This is due to different organisational cultures, different operating environments with varying challenges along with different capabilities within the companies and the literature supports this as being natural and desired. This research found that values influence market orientated behaviours and embedding such values will drive market orientated behaviours.

The organisational cultural norms identified by Homburg and Pflesser (2000) of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-*

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functional co-operation and *speed* do exist in the companies researched and this study confirmed that market orientation is "the concrete objective" of the norms. Norms are specific taken for granted expectations of how people should behave and perform and are formed as a result of the shared values within an organisation. When employees learn this from each other a set of guidelines evolves and becomes an established pattern of behaviour. It is these established patterns of behaviour that are norms and they have a powerful force in an organisation.

Due to the nature of the development of norms, companies had different experiences and expectations of how employees should behave and as a result there was a different ranking of norms within the companies researched. There is also evidence in this study that the norms are interrelated and connected to each other. Norms can exist on their own or they are enhanced or facilitated by the existence of other norms. It was also found that norms complement market orientation. There is a strong relationship established between norms and market orientated behaviours. Norms it has been found lead to specific behaviours and through the implementation of organisational processes, routines and practices norms develop that support market orientation. These routines and practices encapsulate the firm's capabilities and it is through these norms that a company's competitive advantage is embedded.

Finally, it was confirmed that the organisational cultural artefacts identified by Homburg and Pflesser (2000) do exist in the companies researched. Offices, meeting rooms and common areas were conducive to open communication in all companies researched. In addition the physical layout of the buildings and surroundings were welcoming and well laid out reflecting a customer focus.

Clear and precise language in documents, discussions and communication across departments was evident in the companies researched reflecting their customer focus. Stories relayed gave an insight into the culture of the companies researched and into the values that exist in the companies researched.

There were rituals in place in the companies that exemplify the company's culture which signal the importance of both the customer and employees. These rituals

were found to encourage a greater sense of belonging, work commitment and esprit de corps among employees who identify the values, norms and expected behaviours of the company. Subtle signals were conveyed through the rituals, the artefacts of language, mission statements and the arrangements of the values and norms that are important to the company. It can therefore be argued that a company can use artefacts as a powerful tool in relaying a message of the importance of the values and norms of a market orientation within their organisations.

Chapter Six

Conclusions

6   Conclusions and Recommendations

The purpose of this final chapter is to present the conclusions and recommendations to the research. The chapter structure is to initially present a general overview of the conclusions in light of the original research aim, followed by the conclusions with recommendations to each research question. Finally, research limitations, contribution to theory and areas for further research will be presented.

6.1   Conclusion on the Research Aim

The present study set out to examine what organisational cultural values and norms of *success*, *quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* and the organisational cultural artefacts as identified by Homburg and Pflesser (2000) exist in market orientated companies. The study also investigated if these organisational cultural values, norms and artefacts identified encourage a market orientation in companies.

This study can conclude that the organisational cultural values, norms and artefacts identified by Homburg and Pflesser (2000) do exist in the companies researched. There was evidence in this study that the organisational cultural values, norms and artefacts were found to influence market orientated behaviours within the organisations researched (r = .73; r = .77; r = .49). This study presented evidence that the presence of market orientated organisational cultural values led to companies having the propensity for market orientation. This is in line with research by Gebhardt et al. (2006) among others (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Homburg and Pflesser, 2000; Bigné et al., 2005; Kasper, 2005; Martin et al., 2009). Market orientated norms it was found were a determinant of market orientation within a company (Jaworski and Kohli, 1993; Slater and Narver, 1994). Consequently market orientated organisational cultural values and norms were found to influence market orientated behaviours as supported in the literature (Kotter and Heskett, 1992; Day, 1994; Hunt and Morgan 1995). There was evidence in this study that pointed to the significance of artefacts as they were used to embody the particular market orientated values

and norms of the companies researched (Pettigrew, 1979; Deal and Kennedy, 1982; Trice and Beyer, 1993; Leuthesser and Kohli 1997; Brown, 1998). The artefacts in the form of arrangements, language, rituals and stories that existed in the companies were used to send subtle signals of values and norms which resulted in encouraging market orientated behaviours. Homburg and Pflesser (2000) along with others found that such artefacts encourage specific behaviours among employees (Bitner, 1990; Jaworski and Kohl, 1993; Deal and Kennedy, 2000).

Furthermore, this study found that while each layer of the organisational culture had a distinct role to play in influencing market orientated behaviours, there is evidence from this study that suggests a connection between each layer of values, norms and artefacts that make up the organisational culture. Wallace (2008) along with Homburg and Pflesser (2000) supports the connection between the layers of values and norms as norms are the way values are implemented by employees. Artefacts this study found were used to reflect the organisational cultural values and norms that were important to a company (Pettigrew, 1979; Deal and Kennedy, 1982; Trice and Beyer, 1993; Leuthesser and Kohli 1997; Brown, 1998). Consequently the inter-connection between the layers was found to play a major role in implementing a market orientation, a point supported in the literature (Detert et al., 2000; Day, 2000; Lai, 2003). Moreover there was a connection found between the different values and norms themselves which enhanced the market orientated behaviours within the companies researched. Gray (2010) among others supports this point (Ruekert, 1992; Slater, 2000).

During the research it emerged that different companies had different market orientated organisational cultural values and norms that were relevant for their company. Each company had values and norms that were relevant to the particular goals the company had set. This is natural and logical as values and norms are developed and fostered according to the company's mission, the company's distinctive capabilities and the challenges the company faces in the environment they operate in (Deal and Kennedy, 1982; Argandoña, 2003).

In this study the core conclusion is that the combined synergistic effect of the particular unique market orientated organisational cultural values and norms that

exist within a company which are reflected in artefacts are central to the development of a market orientated organisational culture. It is the culture that develops within a company that effectively encourages market orientated behaviours.

This study acknowledges that due to the complex nature of organisational culture it is difficult to apply one set of guideline or to prescribe certain actions that will result in certain behaviours when implementing a market orientated strategy. However, taken as a whole the results of this study demonstrates and provides an insight into how the market orientated organisational cultural values, norms and artefacts as identified by Homburg and Pflesser (2000) had an effect on employee behaviours and it indicated a relationship between these values, norms and artefacts and market orientated behaviours.

6.2 Organisational Culture Values of Market Orientated Companies

The first research question asked: 1. What organisational cultural values exist in market orientated companies? 2. Do the organisational cultural values identified encourage a market orientation in companies? Four key conclusions were found: the values exist; the values are interconnected; the values were found to differ in their importance in the companies researched; and the values were related to market orientation. These findings have merit with values and their importance in and for companies attracting considerable attention in the literature (Deal and Kennedy, 1982; Schein 1984; Hofstede 1984; Trice and Beyer, 1993; Homburg and Pflesser, 2000; Argandoña, 2003;). Values are according to Deal and Kennedy (1982), the bedrock of the company culture. Values give employees direction and show them what the company stands for. Furthermore, values give employees a sense of identity as they support the standards set (Deal and Kennedy, 1982).

6.2.1 Values Exist

This study found that the organisational cultural values identified by Homburg and Pflesser (2000) existed in the companies researched. Thus suggesting that companies who want to be market orientated should have market orientated organisational cultural values embedded in the culture of their organisation. This

research confirms that the values of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* as identified by Homburg and Pflesser (2000) do exist within the companies researched. This study provided evidence of how these organisational cultural values enhance a market orientated strategy in the companies researched. These market orientated values reflect what is important for a company and they provide employees with established standards which when employees identify with, embrace and act upon can lead to the successful implementation of a market orientation strategy in the company.

6.2.2 Values are Connected

This study found an interconnection between the organisational cultural values and additionally how the organisational cultural values complement market orientation. Thus companies can benefit from the harmonisation of the values and the synergistic effect the values have in the company's effective implementation of a market orientated strategy. This study found evidence of the importance of the interconnection between the values and how this builds towards a market orientation in a complementary fashion (e.g. the combination of inter-functional cooperation along with openness to internal communication and information dissemination). It is the combined synergistic effect of the values in action in the companies researched that encourages market orientated behaviour. This in turn leads to an intrinsic capability that enables companies to experience a competitive advantage over their competitors as they strive towards a market orientation (Narver and Slater, 1990; Kohli and Jaworski, 1990).

6.2.3 Rank Order of Values

This study found that values differ in their importance or rank in the companies researched. Thus different companies have different values depending on the capabilities that exist within the companies, the culture within the companies and the challenges the companies face in the environment in which they operate in, which the literature supports as being logical, natural and desired (Deal and Kennedy, 1982; Argandoña, 2003). For example, having the value of *innovation and flexibility* may not be relevant in a market where a standardised product is

required. This study found that while the organisational cultural values existed, they existed to varying degrees within the companies researched. As a result companies in this study had values that were relevant and important to their company in their quest for market orientation. These organisational cultural values were consistent and in line with the company's mission and organisational culture.

6.2.4 Values Encourage Market Orientated Behaviour

The second part of the research question investigated whether the values identified encourage market orientated behaviours. A significant correlation was found between market orientated organisational cultural values and market orientated behaviours (r =.72). Thus the presence of market orientated organisational cultural values it can be argued encourages market orientated behaviours.

6.2.5 Recommendations

Four recommendations can be made for companies who want to utilise the influence of values in their organisation. Firstly, it would be recommended that companies who wish to pursue a market orientated strategy benefit from having organisational cultural values that have been linked to a market orientation. This study identified eight values that have been identified as enhancing a market orientated strategy in the companies researched.

Secondly, companies should select organisational cultural values that are compatible and that enhance and compliment market orientation. This is also important taking the influence of values in the development of norms into account. This will lead to the company benefiting from the rewards of a greater market orientation as well as a competitive advantage that a market orientated strategy leads to (Narver and Slater, 1990; Kohli et al., 1993).

Thirdly, companies will benefit when they identify organisational cultural values that are aligned with the environment they work in. Companies should rank those values that are consistent and give meaning and confidence to other values the company wants to strive for (Argandoña, 2003).

Fourthly, market orientated organisational cultural values offer employees certain key principles and guidelines on how they should behave in a market orientated way. In light of this relationship companies should communicate values that encourage market orientated behaviours. As emphasised by Jaworski and Kohli (1993) and Kirca et al. (2005) an antecedent of market orientation is the role of and the emphasis placed by top management on market orientation. Market orientated organisational values that are supported communicated and embodied by top management is a important determinant of market orientation values being embraced by employees as they behave accordingly and this pulls the organisation together, which is why values are so effective (Deal and Kennedy, 1982).

6.3 Organisational Culture Norms of Market Orientated Companies

The second research question asked: 1. What organisational cultural norms exist in market orientated companies? 2. Do the organisational cultural norms identified encourage a market orientation in companies? Based on this research four key conclusions were found: firstly, organisational cultural norms exist in the companies researched; secondly, there is an interconnection between the market orientation organisational cultural norms; thirdly, the hierarchical order of organisational cultural norms was different in the companies researched; and fourthly norms are related to being market orientated. These conclusions have significance as organisational cultural norms take shape following the development of shared values within an organisation (Homburg and Pflesser, 2000) thus indicating an interconnection between organisational cultural values and norms.

6.3.1 Norms Exist

This study found that the organisational cultural norms identified by Homburg and Pflesser (2000) do exist in the companies researched and that market orientation is "the concrete objective" of these norms. Thus it is suggested that companies who want a market orientation should ensure that market orientated norms exist in their companies. This research confirmed that the norms identified by Homburg and Pflesser (2000) of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees,*

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responsibility of employees, inter-functional co-operation and *speed* do exist in the companies researched and they have market orientation as their objective.

The companies in this study had market orientated organisational cultural norms as a result of the development of guidelines and standards of behaviour in line the values the company held. The values of market orientation led to development of market orientated norms that facilitated information generation, dissemination and responsiveness to that information. Having norms in line with a market orientation is important as employees see how they are expected to behave. When the established behaviours are demonstrated by management and colleagues, shared and internalised by employees they are used as a guideline for the accepted way of doing things and the accepted patterns and standard of market orientated behaviour.

6.3.2 Norms are Connected

This study confirmed a connection between market orientated organisational cultural norms and how they in turn compliment market orientation. This study found that one norm was enhanced or facilitated by the presence of one or more norms and the combined effect enriches and compliments market orientation. An example of this is in the connection found between the norms of innovation and flexibility, speed, inter-functional co-operation and openness to internal communication.

6.3.3 Rank Order of Norms

This study confirmed that there is a hierarchical order of market orientated organisational cultural norms in an organisation. The development of norms depends on the experience, the particular standards of behaviours and the different expectations of how employees should behave in an organisation. As a result it is logical that norms and their rank ordering will differ.

Thus ensuring that the particular relevant market orientated norms exist and are communicated to all involved will, it is suggested, contribute to the implementation of a market orientation in an organisation.

6.3.4 Norms Encourage Market Orientation

This research study can conclude that organisational cultural norms have a relationship with market orientated behaviour. Thus it can be argued companies wishing to strive for a market orientation need to have market orientated organisational cultural norms. This study has provided qualitative evidence that norms encourage market orientated behaviours among employees. Furthermore, there is a significant correlation between market orientated organisational cultural norms and market orientated behaviours (r =.77). This relationship indicates that when employees see market orientated norms demonstrated they will act accordingly resulting in the development of market orientated behaviours (Hunt and Morgan, 1995). When there is a strong link between situations and behaviours, thinking about those situations makes the appropriate behaviour more likely (Wallace, 2008).

6.3.5 Recommendations

Four recommendations can be made for companies to clarify the usefulness of norms aiming to implement a market orientation. Firstly, based on this research the author would recommend that companies striving towards a market orientation need to ensure that market orientated organisational cultural norms are in place within their companies. Norms exist as a result of employees acting in line with demonstrated behaviours that have been established and shared by colleagues. Ensuring that employees understand market orientation and how their actions embody the pattern of expected behaviours is important. The role of management is important in this aspect as their influence determines the level of market orientation within an organisation and when employees see management demonstrating market orientated norms and behaviours this sends a strong signal to employees of what is expected of them. It is when employees internalise and use these norms as a guideline for the accepted way of doing things that the accepted patterns and standards of behaviour become the norm.

Secondly, companies who understand how norms are interlinked and how they compliment market orientation should use this knowledge to develop norms that are appropriate for their company to gain an advantage. Companies should

encourage norms that are not only compatible but collectively promote a market orientation among employees at all levels of the organisation.

Thirdly, it is important to understand that different norms will have a different hierarchical order within companies. Understanding that norms develop depending on the experience and expected standards of behaviour within that company is another important aspect to be considered. Thus it is important that norms that are relevant and in line with the values of an organisation are developed, communicated, demonstrated at all levels within the company from management to maintenance, encouraged and shared among all employees.

Fourthly, norms are related to behaviours thus indicating that having specific market orientated norms will encourage specific market orientated behaviours. Ensuring that particular market orientated behaviours are encouraged and demonstrated by management and all employees leads to everyone taking these norms and standards of behaviour as being the "taken for granted" way of doing things in an organisation and will establish the basis for implementing a market orientation strategy in an organisation.

In summary the recommendations propose that by ensuring these guidelines and standards in the form of norms are communicated and become manifested in the culture of the company by all employees at all levels and and by encouraging these identified norms, companies can use the established expected patterns of behaviour to enhance the market orientation within a company.

6.4 Organisational Culture Artefacts of Market Orientated Companies

The third research question asked: 1. What organisational cultural artefacts exist in market orientated companies? 2. Do the organisational cultural artefacts identified encourage a market orientation in companies? The evidence from this study suggests three conclusions; firstly, artefacts exist in the companies researched; secondly, values and norms are reflected in the artefacts and thirdly artefacts encourage a market orientation. These conclusions draw on the distinct and important role artefacts play when implementing a market orientation.

6.4.1 Artefacts Exist

This study can conclude that artefacts can be used successfully to enhance and support a market orientation in companies. The findings of this study indicate that the artefacts of arrangements, language, stories and rituals identified by Homburg and Pflesser (2000) as market orientated exist in the companies researched. These artefacts it was found give substance to aspects of market orientated values and norms. As a result it is suggested that companies who want to implement a market orientation should use artefacts that embody a market orientation.

6.4.2 Artefacts Reflect the Values and Norms

This study found that the particular artefacts in the companies researched reflected the particular market orientated values and norms that were important to these companies. Thus artefacts are the visible manifestations of what a particular company stands for as they reflect their distinct market orientated values and norms. Companies can in effect use artefacts to convey a certain message regarding their market orientation.

6.4.3 Artefact encourage Market Orientation

Market orientated organisational cultural artefacts it is argued encourage market orientated behaviours. This study provided qualitative evidence of how using artefacts is a beneficial way of contributing to and encouraging market orientated behaviours within the organisation. Furthermore, a correlation between artefacts and market orientated behaviour indicates a relationship (r =.49). From the layout of offices and common areas that promote communication and physical surroundings that are welcoming and well laid out to the language, rituals in place and stories told, all of these artefacts can be used to encourage the market orientated values and norm that are important to an organisation. In summary, artefacts can be used to successfully accentuate market oriented values and norms that encourage market oriented behaviours in the companies researched.

6.4.4 Recommendations

Three recommendations can be made for companies who want to benefit from the effective use of artefacts in their company. Firstly, artefacts are an important channel for sending subtle signals to everyone in an organisation in order to

symbolise what market orientated values and norms are important to the company. Choosing clear language to communicate these values and norms, along with encouraging stories and rituals that reflect the market orientated values and norms are important ways to impart a message to employees and customers alike.

Secondly choosing arrangements for offices, meeting rooms, common areas, canteens and tea room that are conducive to open communication, that encourage and facilitate inter-department connectedness and cooperation is an important determinant of the successful implementation of a market orientation. Companies benefit from creating an environment that is conducive to communication and should be taken into account when designing or redesigning the physical layout in an organisation.

Thirdly, companies should understand the influence and effect artefacts can have on employees. For example, through the use of relevant and consistent artefacts, companies benefit from creating an atmosphere and environment that contributes to employee motivation, satisfaction and productivity and has an impact on how employees interact with each other. Providing the opportunity for rituals it can be argued encourages market orientation and can have a beneficial effect leading to greater atmosphere in a company and as a result inter-functional cooperation and cross departmental relations improve. The camaraderie and esprit de corps among employees develops as well as a greater sense of belonging and work commitment all contributing to everyone working together to achieve company goals.

To sum up artefacts contribute to the successful communication of values that a company stands for and norms that the company wants to encourage in order to achieve a market orientation. Companies can successfully use artefacts to create and or enhance an environment that leads to instilling a market orientation in all aspects of the organisation's life.

6.5 Limitations

Limitations of this study are based on the boundaries and scope of the research questions. Organisational culture is a concept complex in nature and thus

researching it is also complex. There are significant differences in the definitions and terms used to describe both culture and organisational culture with the literature "fraught with debate regarding definitions, methodologies, perspectives and applications" (Alveeson, 2011, p. 13). Similarly, the literature and research on the topic of market orientation has concerned itself with a discussion on what the concept is and how best to measure, implement and achieve it. While every effort was made to successfully research these areas this study was bound by the research questions it posed.

This research used a case study approach employing mixed-method to investigate the organisational culture of the companies in this study. While these methods addressed the research questions further knowledge and understanding on the influences of organisational culture on a market orientated strategy may be gained by a larger scale quantitative study or a more detailed ethnographic study.

6.6   Contribution to Theory

This study firstly, presented findings that provide additional support for the cultural perspective of market orientation that suggests that the organisational culture of a company will bring about market orientated behaviours. Secondly, the findings contribute to the further understanding of the role organisational culture plays in implementing a market orientation. Thirdly, the study confirmed the existence of the specific values, norms and artefacts identified by Homburg and Pflesser (2000) in the market orientated companies researched. Fourthly, the findings confirmed the values, norms and artefacts identified by Homburg and Pflesser (2000) encourage market orientated behaviours. Finally the findings contribute to the understanding of the important role artefacts play in the implementation of a market orientation.

Firstly, this study has presented both qualitative and quantitative findings in response to each research question that supports the cultural perspective of market orientation. Each layer of the organisational culture: values, norms and artefacts were found to play an integral role in the implementation of a market orientation strategy (Day, 1998). The results indicate that it is the values, norm

and artefacts that encourage the market orientated behaviours thus contributing further support for the perspective of an organisational culture encouraging market orientated behaviours. Although the literature has acknowledged that a full and detailed understanding of the relationship between organisational culture and market orientation is lacking (Kasper, 2005) this study has in a real way contributed evidence that verifies the relationship between organisational culture and market orientation does exist.

Secondly, this study provided qualitative and quantitative evidence that contributes to the further understanding of the role organisational culture plays in implementing a market orientation. Each individual layer of culture was found to independently contribute to a market orientation. There was evidence to support an interconnection between the values and norms themselves and it may be inferred from the results that there was also an interrelationship between the layers of values, norms and artefacts which brought about the market orientated behaviours. It is argued that this results in a more comprehensive understanding of the role organisational culture plays – specifically how each layer of culture plays in contributing to market orientation. This study has shown that collectively through the fusion of the layers of the organisational culture composing of values and norms reinforced through artefacts market orientated behaviours of information generation, dissemination and responsiveness to that information are encouraged and are central to the successful implementation of this strategy (Day, 1998, Kasper, 2005). Homburg and Pflesser (2000) identified two gaps when looking at market orientation from a cultural perspective: 1) there has been no distinction made between the layers of culture (Homburg and Pflesser, 2000) and 2) the cultural dimensions that are behind observable behaviours have not been considered (Homburg and Pflesser, 2000 citing Griffiths and Grover, 1998). This study contributed evidence that confirms the distinction between the layers of culture and highlighted the important role each layer plays in implementing market orientation as well as the interconnection between the layers in a market orientated organisational culture. This study has also contributed to understanding the cultural dimensions of values, norms and artefacts behind the observable market orientated behaviours.

In answering the question posed by Deshpandé and Farley (1998) as to the kind of organizational culture that encourages and rewards market orientation behaviours, Homburg and Pflesser (2000) identified four "distinguishable but interrelated components" of organisational culture made up of values, norms and artefacts that bring about market orientated behaviours. This study thirdly, confirms the existence of the eight values and norms and artefacts identified by Homburg and Pflesser (2000) in the companies researched. By identifying eight organisational cultural values and norms of *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation* and *speed* and identifying artefacts of stories, arrangements, rituals and language as indicators of market orientation Homburg and Pflesser (2000) provided specific answers to that question. While there have been advances in the implementation issue of market orientation the area is still underdeveloped according to (van Raaij and Stoelhorst, 2008; Van Raaij, 2010). This study has contributed evidence that enriches the knowledge of what organisational cultural values, norms and artefacts can instil and infuse a market orientation within a company. By confirming that specific organisational cultural values, norms and artefacts exist in market orientated companies it provides concrete examples of the organisational cultural values, norms and artefacts under which a market orientation can flourish (Avlonitis and Gounaris, 1999). Thus expanding the knowledge of implementing a market orientation by providing managers with actionable items that will help translate theory into practice.

Fourthly, this study added support to the importance of organisational cultural values, norms and artefacts that encourage a market orientation. This study further confirmed specific values and norms that are considered "essential building blocks" of a market orientated culture (Kasper, 2005). Furthermore the importance of specific values not only in creating and encouraging a market orientation but also in changing an organisational culture to be more market orientated were also supported (Gebhardt et al., 2006). While these studies by Kasper (2005) and Gebhardt et al. (2006) highlighted common values and norms that encourage market orientation, this study has expanded the range of values

and norms in line with Homburg and Pflesser (2000). This study has confirmed that specific market orientated values; norms and artefacts can be antecedents of market orientation which nurture market orientated behaviours within an organisation. Thus contributing a comprehensive range of values, norms and artefacts underpinning a market orientation.

Finally the findings of this study contribute to understanding the important role of artefacts in an organisational culture. Since Schein (1984) introduced artefacts to the organisational culture literature the topic is under-researched topic and thus a gap in understanding how artefacts can be used effectively is evident. This study revealed the importance of the artefacts in the form of arrangements, language, stories and rituals as a means of conveying market orientated values and norms for the successful implementation of a market orientation. This study provides new insights into the powerful influence and effect artefacts can have within an organisation and how artefacts can be used furthering the exploratory element of artefacts from Homburg and Pflesser's (2000) original study. This study contributed an awareness of the significant role artefacts play in organisational life. This study provided concrete examples of the type of artefacts that facilitated, encouraged and resulted in a market orientation and market orientated behaviours thus contributing valuable information of how the most visible layer of culture can be utilised to communicate the organisational values and norms of an organisation.

This study used a case study approach employing mixed methods to examine the organisational culture of market orientated companies. This enabled in-depth qualitative data to be garnered that facilitated a collection of rich information which complemented quantitative data thus enabling links between organisational culture and market orientation to be made and giving an insight into the condition and the antecedents of market orientation.

To conclude, this study has made a valuable contribution to the field of research into what makes up a market orientated organisational culture.

6.7 Areas of Further Research

This research provides information on the importance of developing a comprehensive understanding of the elements of an organisational culture. Understanding how values, norms and artefacts can contribute to or enhance a market orientation in a company it is argued is an important aspect for managers at all levels to be aware of and to understand the influence these can have on employees and their behaviours. However, in the process of analysing the results of this research, it became evident that there were areas that merited further investigation. These include the role of the leaders in an organisation and their role in implementing values or in encouraging the antecedents of market orientation (Kohli and Jaworski, 1990; Narver and Slater, 1998).

Following on in this vein is a need for a more focused study of values and how values can be introduced, changed and their influence understood in an organisation. Another area of investigation this study highlighted was the importance of norms in influencing behaviours in an organisation. Undertaking a comprehensive study of norms and their usefulness within an organisation, investigating how they are encouraged in organisations and how they can be successfully utilised in implementing strategy or in guiding and teaching employees within an organisation has merit.

Finally, in light of the expanding discussion of organisational culture to include identity, discourse and image (Alevsson, 2011) in the literature, an area of further research could look at the importance of artefacts and the role they play in organisations as this is a common theme in all of the above areas of discussion.

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8 Appendices

Appendix A

Initial Email Sent

Dear

I am a Masters student at the Wexford Campus of IT Carlow currently researching the organisational culture of market orientated companies in the south east of Ireland.

As your company reached the final stages of the Wexford Chamber Business Awards I would appreciate your participation in my research. You may find the results of my research a benefit in identifying what makes your company a success. The findings will contribute to the understanding of what aspects of an organisational culture best promotes a customer focused approach.

The research process will take up a small amount of time with as many employees as possible completing a survey. This can be done either electronically (a link can be provided for distribution to all employees) or in paper format. Furthermore, 3 interviews from varying positions within the company e.g. marketing manager, customer service employee and a senior manager will be carried out. These interviews will take approximately 30 minutes and will cover themes such as: internal communication, internal cooperation across departments or areas, appreciation of employees and responsibility of employees.

If you feel some of the following words accurately describe your company values: success, innovation, openness, internal communication, competence, speed, inter-functional cooperation, teamwork, responsibility of employees, appreciation of employees, flexibility and quality and you would like to participate in the research, please confirm your interest by replying to this email.

All data collected will be for the sole purpose of the research and will be treated in the strictest confidence.

If you have any questions please do not hesitate to contact me either at Jacqueline.Byrne@itcarlow.ie or by calling 053 91 858XX.

Your participation would be greatly appreciated.

Yours sincerely

Jacqueline Byrne
Business Studies Postgraduate Student
Wexford Campus
Institute of Technology Carlow
Summerhill, Wexford, Ireland

Appendix B

Follow Up Email

Dear

On August 28th, 2012 I sent an email asking if you would be interested in participating in some research looking at the organisational culture of customer focused companies.

As outlined in the previous email the research process will take up a small amount of time with as many employees as possible completing a survey. This can be done either electronically (a link can be provided for distribution to all employees) or in paper format. Furthermore, 3 interviews from varying positions within the company e.g. marketing manager, customer service employee and a senior manager will be carried out. These interviews will take approximately 30 minutes and will cover themes such as: internal communication, internal cooperation across departments or areas, appreciation of employees and responsibility of employees.

I would appreciate if you would consider taking part in this study.

If your company has more than ten employees and you feel some of the following words accurately describe your company values: success, innovation, openness, internal communication, competence, speed, inter-functional cooperation, teamwork, responsibility of employees, appreciation of employees, flexibility and quality and you would like to participate in the research, please confirm your interest by replying to this email.

All data collected will be for the sole purpose of the research and will be treated in the strictest confidence.

If you have any questions please do not hesitate to contact me either at

Your participation would be greatly appreciated.

Yours sincerely,

Jacqueline Byrne
Business Studies Postgraduate Student
Wexford Campus
Institute of Technology Carlow
Summerhill, Wexford, Ireland

Appendix C

Questionnaire

WEXFORD CAMPUS
INSTITUTE *of*
TECHNOLOGY
CARLOW
Institiúid Teicneolaíochta Cheatharlach
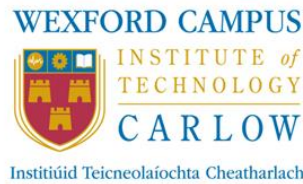
Organisational Culture
Research By: Jacqueline Byrne
Jacqueline.Byrne@itcarlow.ie

I am a Masters student at the Wexford Campus of IT Carlow currently researching the organisational culture of customer focused companies in the south east of Ireland. The aim of this questionnaire is to look at the organisational culture in your company and to find out what aspects of organisational culture best promote a customer focused approach.

This questionnaire will take just a few minutes of your time. All data collected will be for the sole purpose of the research and will be treated in the strictest confidence.

Company Name: _____

Job Title: _____

Please read the following statements and indicate, by ticking the boxes, the most appropriate response in relation to your company.

Our Company Values In our company:	Strongly Agree	Agree	Neither Agree nor Disagree	Dis-agree	Strongly Disagree
1. We place great value on performance-oriented employees.	☐	☐	☐	☐	☐
2. We are open towards innovation (e.g. related to products or processes) and creativity.	☐	☐	☐	☐	☐
3. Open proactive communication across departments and areas is valued.	☐	☐	☐	☐	☐

4. Information exchange across departments and areas is valued.	☐	☐	☐	☐	☐
5. High-quality and error-free work is valued.	☐	☐	☐	☐	☐
6. Every employee aspires to promptness in their work processes (e.g. handling queries or customer requests efficiently).	☐	☐	☐	☐	☐
7. Teamwork and cooperation across different departments and areas are valued.	☐	☐	☐	☐	☐
8. Acting and thinking like an entrepreneur is valued in our company.	☐	☐	☐	☐	☐
9. Every employee is appreciated in our company.	☐	☐	☐	☐	☐
10. Value is placed on a feeling of belonging among employees.	☐	☐	☐	☐	☐
11. We aspire to a high degree of employee satisfaction.	☐	☐	☐	☐	☐

They Way We Do Things Round Here In our company:	Strongly Agree	Agree	Neither Agree nor Disagree	Dis-agree	Strongly Disagree
12. Market performance (e.g. market share, customer satisfaction) is measured regularly.	☐	☐	☐	☐	☐
13. Generally accepted procedures are examined regularly to become more effective in serving our customers and markets.	☐	☐	☐	☐	☐
14. There is flexibility when finding solutions to problems.	☐	☐	☐	☐	☐
15. New value-adding products and services	☐	☐	☐	☐	☐

are identified and developed continuously.

16. Cross departmental/area meetings (e.g. discussions about market trends) are organised regularly with market-related problems mentioned directly and openly. ☐ ☐ ☐ ☐ ☐

17. The distribution and storage of key information (e.g. contact details) about customers is encouraged. ☐ ☐ ☐ ☐ ☐

18. The distribution and storage of key information (e.g. contact details) about customers is assessed regularly. ☐ ☐ ☐ ☐ ☐

19. It is expected that frontline staff with direct customer contact have the necessary social skills and abilities to deal with customers. ☐ ☐ ☐ ☐ ☐

20. A quick response to market changes is expected. ☐ ☐ ☐ ☐ ☐

21. Employees expect that customers are involved in the planning of new product or service programmes. ☐ ☐ ☐ ☐ ☐

22. It is expected that market information (e.g. market share, customer satisfaction) is distributed to different departments or areas. ☐ ☐ ☐ ☐ ☐

23. The distribution of market information (e.g. market share, customer satisfaction) ☐ ☐ ☐ ☐ ☐

across different departments or areas is measured regularly.

24. The degree of co-ordination of decision about marketing activities in different department or areas is managed. ☐ ☐ ☐ ☐ ☐

25. All employees feel responsible for finding out and solving customer problems. ☐ ☐ ☐ ☐ ☐

26. In our company, the individuality of each employee is viewed as a competitive advantage. ☐ ☐ ☐ ☐ ☐

27. A quality performance and a high involvement of employees are expected for the fulfilment of customer needs. ☐ ☐ ☐ ☐ ☐

28. There are unwritten rules within the company that prevent a customer-focused approach. ☐ ☐ ☐ ☐ ☐

Our Surroundings In our company:	Strongly Agree	Agree	Neither Agree nor Disagree	Dis-agree	Strongly Disagree
29. Buildings, the exterior surroundings and the reception area are laid out very clearly so that visitors or customers find their way easily.	☐	☐	☐	☐	☐
30. Offices and meeting rooms are built in a way that supports communication among all employees.	☐	☐	☐	☐	☐
31. Attractive meeting and common areas (e.g. tea room, canteen) exist where information can be exchanged informally between employees.	☐	☐	☐	☐	☐

Procedures and Practices In our company:	Strongly Agree	Agree	Neither Agree nor Disagree	Dis-agree	Strongly Disagree
32. Employees who are customer-oriented are rewarded.	☐	☐	☐	☐	☐
33. We regularly organise events for customers.	☐	☐	☐	☐	☐
34. We meet with customers at least once a year to find out what products or services they will need in the future.	☐	☐	☐	☐	☐
35. We are slow to detect changes in our customers' product preferences.	☐	☐	☐	☐	☐
36. We survey customers at least once a year to assess the quality of our products and services.	☐	☐	☐	☐	☐
37. We are slow to detect fundamental shifts in our industry (e.g. competition, technology, regulation).	☐	☐	☐	☐	☐
38. We have meetings across departments and areas at regular intervals to discuss market trends and developments.	☐	☐	☐	☐	☐
39. Time is spent discussing customers' future needs across departments or areas.	☐	☐	☐	☐	☐
40. When something important happens to a major customer or market, the whole company knows about it within a short period of time.	☐	☐	☐	☐	☐
41. Data on customer satisfaction is distributed to all levels within departments or areas on a regular basis.	☐	☐	☐	☐	☐
42. We regularly review our product pr service development efforts to ensure that they are in line with what customers want.	☐	☐	☐	☐	☐
43. Several departments or areas get together regularly to plan a response to changes taking place in our business environment.	☐	☐	☐	☐	☐

44. The activities of the different departments or areas in this company are well coordinated.

☐ ☐ ☐ ☐ ☐

45. When we find that customers would like us to modify a product or service, the departments or areas involved make a determined effort to do so.

☐ ☐ ☐ ☐ ☐

Customer-Focused Language

Please read the following statements and indicate how often you have heard them mentioned in your company:	Very Freq-uently	Freq-uently	Occasion-ally	Rarely	Never
46. "From the customer's point of view . . . . . "	☐	☐	☐	☐	☐
47. "What is the customer expecting from us?"	☐	☐	☐	☐	☐
48. "The idea sounds good but is it realistic for our company?"	☐	☐	☐	☐	☐
49. "I know very well what the customers desires."	☐	☐	☐	☐	☐
50. There are stories told within your company about customer-focused "heroes" (the founder, current or previous employees).	☐	☐	☐	☐	☐

Thank you for completing this questionnaire. All data collected will be for the sole purpose of the research and will be treated in the strictest confidence.

Appendix D

Interview Themes

General questions regarding Organisational Culture	• How would you describe the culture of your company? • How does this filter throughout the company?
General questions regarding Customers	• What does your company do that makes the company customer focused? • How is this achieved? • Customer Information: How do you engage customers or gather information on customers? Surveys, visits, feedback? • Are updates or feedback received shared or passes on to employees or departments? When/How? • Do you keep logs of calls, types of queries, number of calls and quality of calls for example? • How do you react to this information from Customers? • Is customer retention important? • Is the information passed on to employees in all departments or only in certain departments like marketing? • With customer queries do you have a policy/procedure (SOP) when dealing with these? How is it communicated to employees?
General questions regarding Employees	• How are employees trained in any way that would enhance this approach? • When recruiting employees do you look for anything in particular if they are to deal with customers? Is training provided? • Do employees have the flexibility to make decisions themselves with regards solving a problem?
Artefacts	
Arrangements, Rituals, Stories and Language	**Do you have:** • a vision or mission statement? • Is it on display for everyone to see? • an employee handbook? • regular staff meetings?

	• employee events outside of work – social or team building sessions for example ? • a suggestion box, communications board, employee newsletter? • an employee training plan? • cross departmental training? • a reward or incentive systems in place for employees at all levels? • flexible working arrangements in place? • internal surveys looking for employee feedback?
Values/Norms	
Success	Are Awards on display? Shared/Celebrated
Innovation and Flexibility	Suggestion box Ideas for competitions Flexibility In working hours? In what is done? Is there flexibility to solve problems? Quality Error log Stats kept
Openness To Internal Communication	Formal /Informal communication Somewhere to go
Internal Communication	Cross dept meetings/info exchange Is info on how the company is doing shared with employees? How? Surveys, sales analysis Email newsletters Meeting Intranet Different locations Competence When recruiting Training/ Training Plan
Speed	Particular policy in place with regards to speed
Inter-functional Cooperation	Meetings Info shared Teamwork Cross dept tasks/jobs Cross training Days out team building
Responsibility of Employees	Can they make decisions?
Appreciation of Employees	Rewards / Incentives Employee involvement

Appendix E

Artefact Observation Checklist

Artefact Observation Checklist	
Canteen, tea room, facilities	
Meeting rooms	
Employee Handbook	
Ear to the ground about customers,	
Mission Statement	
Employee Newsletter	
Employee Weekly Email	
Notice boards	
Suggestion boxes	
Common area	
Awards displayed	
Media coverage on show	
Slogans/sayings Poster, Sign	
Signs into building	
Reception Area	
Atmosphere in office	
Other Items:	
General Observations:	

Appendix F

Company Collage

Company Values/Mission Statement

Our Company Values & Culture - This is WHO we are!

DoneDeal Core Values

<div style="text-align:center; color:red">

People Matter

Animals Matter

We Care

Integrity

Honesty

All Ideas are Valued

All Opinions are Valued

Fairness

Encourage Improvement & Development

Pride & Passion

Fun Factor

</div>

Top 10 Serious Culture Stuff (Hee Hee!)

1. Get out of Bed Factor: Fun and exciting place to work.

2. Wake up Brain: Educational place to work with lots of opportunities to learn.

3. Big, Big, Bigger: Encourage and support people to grow individually and as part of the company.

4. Happy Endings: Focus on outcome and results.

5. Bright Ideas: Inspiring work environment to encourage innovation.

6. Smarty Pants: We only hire smart people so you can be sure it's a stimulating environment to work in.

7. Expect Respect: Respecting colleagues is a must.

8. We Deal with Real: *"To whom it may concern"* - that's just not us! All communication is kept informal, even to our clients.

9. Cool Idea Board: Got a cool idea, then share it! One is picked monthly and there is

a "Cool Prize" for your "Cool Idea".

10. Giving a Helping Hand: Donations to employees chosen charities.

& On The Lighter Side of Culture....

11. Morning Meet: 10:30am everyday, everyone - Tea, coffee and a chat.

12. Appreciation Day: That's when we say "You're Great" to someone in the team. There's gifts, lunch and they become the office DJ for the day! But SSshhh.....it's a surprise!

13. Fun Days Out: Not for the faint hearted! One trip involved driving tanks - we love the adrenalin rush!

14. Toys for Big Boys & Girls: Toys bought by the newbies to challenge the inner child.

15. Music Fridays: One iPod, one office DJ - can you rise to the challenge?

16. Monthly Quiz: Once a Month it's quiz time, completely random questions but you're not allowed to "Phone a Friend".

17. Just for Fun: We do it just because we can - "change your appearance day", "mad tshirt day"....

Appendix H

Culture Poster

223

Appendix I

Customer Poster
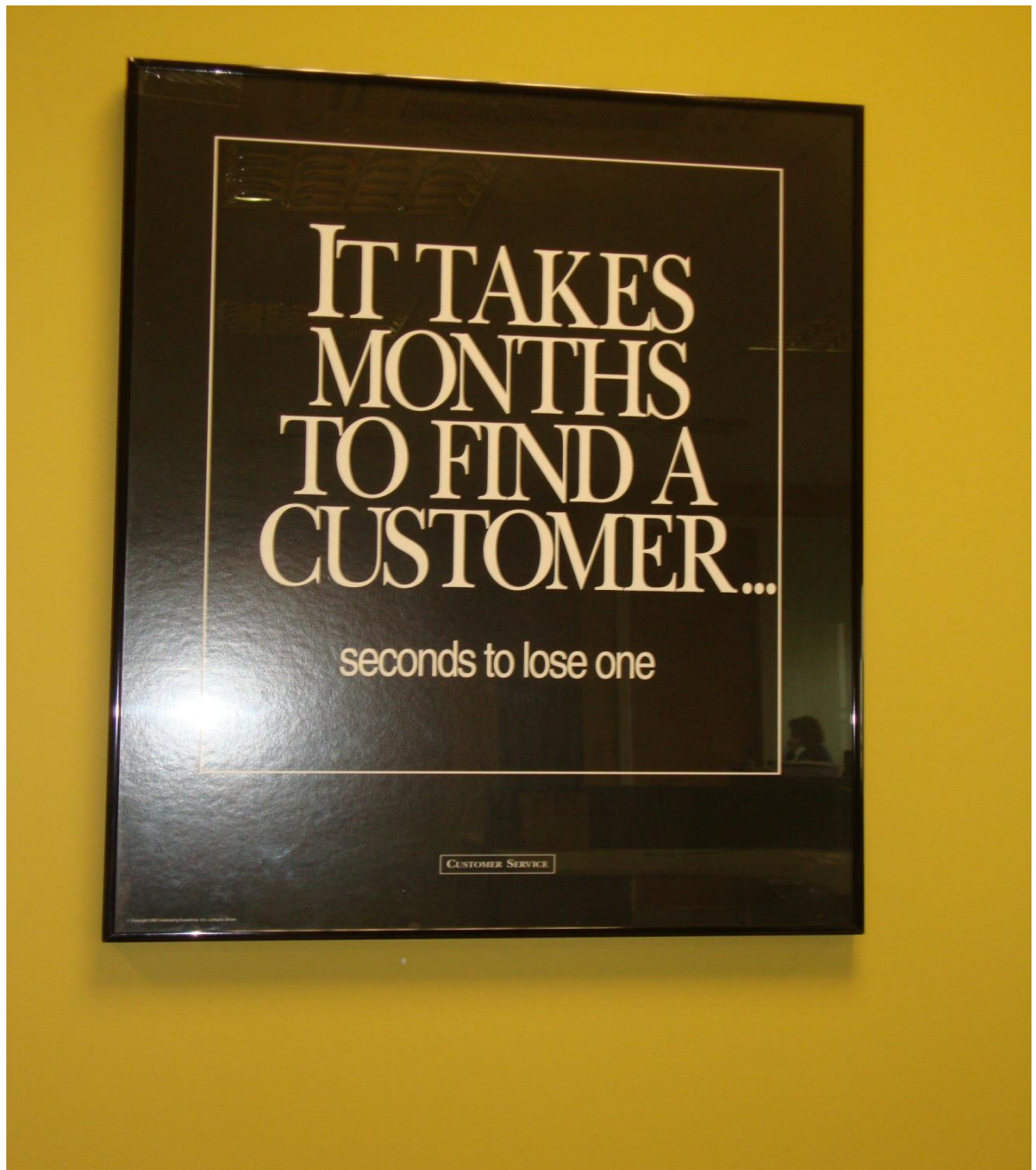
Appendix J

Company Kitchen

Company White Boards

Appendix L

Quality Awards

Appendix M

Suggestion Box

SUGGESTIONS

Appendix N

Additional Quantitative Data

Table 1   Company One MARKOR Scale Market Orientated Behaviours

Table 2   Company Two MARKOR Scale Market Orientated Behaviours

Table 3   Company Three MARKOR Scale Market Orientated Behaviours

Table 4   Company One Market Orientated Organisational Cultural Values

Table 5   Company Two Market Orientated Organisational Cultural Values

Table 6   Company Three Market Orientated Organisational Cultural Values

Table 7   Company One Market Orientated Organisational Cultural Norms

Table 8   Company Two Market Orientated Organisational Cultural Norms

Table 9   Company Three Market Orientated Organisational Cultural Norms

Table 10   Company One Market Orientated Organisational Cultural Artefacts

Table 11   Company Two Market Orientated Organisational Cultural Artefacts

Table 12   Company Three Market Orientated Organisational Cultural Artefacts

Table 1 Company One MARKOR Scale Market Orientated Behaviours

Market Orientated Behaviours	Agree %	NAD %	Disagree %	Mean %	Std Dev
We are slow to detect fundamental shifts in our industry (e.g. competition, technology, regulation).	93	3	3	1.10	0.41
When we find that customers would like us to modify a product or service, the departments or areas involved make a determined effort to do so.	93	0	7	1.14	0.52
The activities of the different departments or areas in this company are well coordinated.	83	3	14	1.31	0.71
We regularly review our product or service development efforts to ensure that they are in line with what customers want.	79	10	10	1.31	0.66
We meet with customers at least once a year to find out what products or services they will need in the future.	76	17	7	1.31	0.60
We are slow to detect changes in our customers' product preferences.	76	21	3	1.28	0.53
Several departments or areas get together regularly to plan a response to changes taking place in our business environment.	76	14	10	1.34	0.67
When something important happens to a major customer or market, the whole company knows about it within a short period of time.	72	10	17	1.45	0.78
Time is spent discussing customers' future needs across departments or areas.	62	21	17	1.55	0.78
Data on customer satisfaction is distributed to all levels within departments or areas on a regular basis.	59	21	21	1.62	0.82
We survey customers at least once a year to assess the quality of our products and services.	52	35	14	1.62	0.73
We have meetings across departments and areas at regular intervals to discuss market trends and developments.	52	31	17	1.66	0.77

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree N=29 * Indicates a reverse coded statement.

Table 2 Company Two MARKOR Scale Market Orientated Behaviours

Market Orientated Behaviours	Agree %	NAD %	Disagree %	Mean %	Std Dev
Time is spent discussing customers' future needs across departments or areas.	100	0	0	1.00	0.00
We regularly review our product or service development efforts to ensure that they are in line with what customers want.	100	0	0	1.00	0.00
Several departments or areas get together regularly to plan a response to changes taking place in our business environment.	100	0	0	1.00	0.00
The activities of the different departments or areas in this company are well coordinated.	100			1.00	0.00
We are slow to detect fundamental shifts in our industry (e.g. competition, technology, regulation).	93	7	0	1.14	0.53
We have meetings across departments and areas at regular intervals to discuss market trends and developments.	93	7	0	1.07	0.27
When we find that customers would like us to modify a product or service, the departments or areas involved make a determined effort to do so.	93	7	0	1.07	0.27
When something important happens to a major customer or market, the whole company knows about it within a short period of time.	86	7	7	1.21	0.58
We are slow to detect changes in our customers' product preferences.	79	7	4	1.36	0.74
Data on customer satisfaction is distributed to all levels within departments or areas on a regular basis.	79	21	0	1.21	0.43
We meet with customers at least once a year to find out what products or services they will need in the future.	71	14	14	1.42	0.76
We survey customers at least once a year to assess the quality of our products and services.	57	29	14	1.57	0.76

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree N=14 * Indicates a reverse coded statement.

Table 3 Company Three MARKOR Scale Market Orientated Behaviours

Market Orientated Behaviours	Agree %	NAD %	Disagree %	Mean %	Std Dev
We meet with customers at least once a year to find out what products or services they will need in the future.	88	6	6	1.19	0.54
We are slow to detect fundamental shifts in our industry (e.g. competition, technology, regulation).	88	0	13	1.25	0.68
We regularly review our product or service development efforts to ensure that they are in line with what customers want.	81	6	13	1.31	0.70
We survey customers at least once a year to assess the quality of our products and services.	75	19	6	1.31	0.60
We are slow to detect changes in our customers' product preferences.	63	31	6	1.44	0.63
Time is spent discussing customers' future needs across departments or areas.	63	25	13	1.50	0.73
When something important happens to a major customer or market, the whole company knows about it within a short period of time.	63	6	31	1.69	0.95
We have meetings across departments and areas at regular intervals to discuss market trends and developments.	56	31	13	1.56	0.73
When we find that customers would like us to modify a product or service, the departments or areas involved make a determined effort to do so.	56	31	13	1.56	0.73
Several departments or areas get together regularly to plan a response to changes taking place in our business environment.	50	31	19	1.69	0.79
Data on customer satisfaction is distributed to all levels within departments or areas on a regular basis.	44	13	44	2.00	0.97
The activities of the different departments or areas in this company are well coordinated.	38	50	13	1.75	0.68

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree   N=16   * Indicates a reverse coded statement.

Table 4 Company One Organisational Cultural Values

Market Orientated Values	Agree %	NAD %	Disagree %	Mean %	Std Dev
Quality and Competence High-quality and error-free work is valued.	94	6	0	1.06	0.25
Inter-functional Cooperation Teamwork and cooperation across different departments and areas are valued.	88	13	0	1.13	0.34
Innovation and Flexibility We are open towards innovation (e.g. related to products or processes) and creativity.	84	13	3	1.19	0.47
Success We place great value on performance-oriented employees.	84	13	3	1.19	0.47
Openness to Internal Communication* Open proactive communication across departments and areas is valued. Information exchange across departments and areas is valued.	84	13	3	1.81	0.90
Speed Every employee aspires to promptness in their work processes (e.g. handling queries or customer requests efficiently).	81	9	9	1.28	0.63
Responsibility of Employees Acting and thinking like an entrepreneur is valued in our company.	66	25	9	1.44	0.67
Appreciation of Employees * Every employee is appreciated in our company. Value is placed on a feeling of belonging among employees. We aspire to a high degree of employee satisfaction.	65	16	19	2.34	1.18

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=32. *The values reflect the response with the highest score.

Table 5 Company Two Organisational Cultural Values

Market Orientated Values	Agree %	NAD %	Disagree %	Mean %	Std Dev
Innovation and Flexibility We are open towards innovation (e.g. related to products or processes) and creativity.	100	0	0	1.07	0.26
Openness to Internal Communication* Open proactive communication across departments and areas is valued. Information exchange across departments and areas is valued.	100	0	0	1.07	0.26
Inter-functional Cooperation Teamwork and cooperation across different departments and areas are valued.	100	0	0	1.13	0.35
Appreciation of Employees* Every employee is appreciated in our company. Value is placed on a feeling of belonging among employees. We aspire to a high degree of employee satisfaction.	100	0	0	1.07	0.26
Speed Every employee aspires to promptness in their work processes (e.g. handling queries or customer requests efficiently).	93	7	0	1.47	0.64
Responsibility of Employees Acting and thinking like an entrepreneur is valued in our company.	87	7	7	1.73	0.88
Quality and Competence High-quality and error-free work is valued.	73	13	13	1.87	1.13
Success We place great value on performance-oriented employees.	67	27	7	2.2	0.86

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=15. *The values reflect the response with the highest score.

Table 6 Company Three Organisational Cultural Values

Market Orientated Values	Agree %	NAD %	Disagree %	Mean %	Std Dev
Quality and Competence High-quality and error-free work is valued.	89	6	6	1.78	0.81
Success We place great value on performance-oriented employees.	78	17	6	2.11	0.96
Innovation and Flexibility We are open towards innovation (e.g. related to products or processes) and creativity.	78	22	0	2.00	0.69
Inter-functional Cooperation Teamwork and cooperation across different departments and areas are valued.	72	22	6	2.17	0.79
Openness to Internal Communication* Open proactive communication across departments and areas is valued. Information exchange across departments and areas is valued.	66	28	6	2.22	0.81
Speed Every employee aspires to promptness in their work processes (e.g. handling queries or customer requests efficiently).	61	33	6	2.22	0.88
Appreciation of Employees* Every employee is appreciated in our company. Value is placed on a feeling of belonging among employees. We aspire to a high degree of employee satisfaction.	56	33	11	2.388	0.92
Responsibility of Employees Acting and thinking like an entrepreneur is valued in our company.	33	56	11	2.72	0.75

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=18.
*The values reflect the response with the highest score.

Table 7 Company One Organisational Cultural Norms

Market Orientated Norms	Agree %	NAD %	Disagree %	Mean %	Std Dev
Appreciation of Employees In our company, the individuality of each employee is viewed as a competitive advantage. A quality performance and a high involvement of employees are expected for the fulfilment of customer needs.	97	0	3	1.07	0.37
Success Market performance (e.g. market share, customer satisfaction) is measured regularly.	94	6	0	1.13	0.44
Innovation and Flexibility Generally accepted procedures are examined regularly to become more effective in serving our customers and markets. There is flexibility when finding solutions to problems. New value-adding products and services are identified and developed continuously.	90	10	0	1.10	0.31
Quality and Competence It is expected that frontline staff with direct customer contact have the necessary social skills and abilities to deal with customers.	88	12	0	1.00	0.00
Openness to Internal Communication Cross departmental/area meetings (e.g. discussions about market trends) are organised regularly with market-related problems mentioned directly and openly. The distribution and storage of key information (e.g. contact details) about customers is encouraged. The distribution and storage of key information (e.g. contact details) about customers is assessed regularly.	81	13	6	1.17	0.46
Speed A quick response to market changes is expected.	56	44	0	1.13	0.35
Inter-functional Cooperation Employees expect that customers are involved in the planning of new product or service programmes. It is expected that market information (e.g. market share, customer satisfaction) is distributed to different departments or areas. The distribution of market information (e.g. market share, customer satisfaction) across different departments or areas is measured regularly. The degree of co-ordination of decision about marketing activities in different department or areas is managed.	44	19	37	1.40	0.72
Responsibility of Employees All employees feel responsible for finding out and solving customer problems.	25	38	37	1.13	0.35

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=30. *The values reflect the response with the highest score.

Table 8 Company Two Organisational Cultural Norms

Market Orientated Norms	Agree %	NAD %	Disagree %	Mean %	Std Dev
Success Market performance (e.g. market share, customer satisfaction) is measured regularly.	100	0	0	1.00	0.00
Innovation and Flexibility Generally accepted procedures are examined regularly to become more effective in serving our customers and markets. There is flexibility when finding solutions to problems. New value-adding products and services are identified and developed continuously.	100	0	0	1.00	0.00
Quality and Competence It is expected that frontline staff with direct customer contact have the necessary social skills and abilities to deal with customers.	100	0	0	1.00	0.74
Responsibility of Employees All employees feel responsible for finding out and solving customer problems.	100	0	0	1.00	0.00
Appreciation of Employees In our company, the individuality of each employee is viewed as a competitive advantage. A quality performance and a high involvement of employees are expected for the fulfilment of customer needs.	100	0	0	1.00	0.00
Speed A quick response to market changes is expected.	93	7	0	1.07	0.26
Inter-functional Cooperation Employees expect that customers are involved in the planning of new product or service programmes. It is expected that market information (e.g. market share, customer satisfaction) is distributed to different departments or areas. The distribution of market information (e.g. market share, customer satisfaction) across different departments or areas is measured regularly. The degree of co-ordination of decision about marketing activities in different department or areas is managed.	93	7	0	1.07	0.26
Openness to Internal Communication Cross departmental/area meetings (e.g. discussions about market trends) are organised regularly with market-related problems mentioned directly and openly. The distribution and storage of key information (e.g. contact details) about customers is encouraged. The distribution and storage of key information (e.g. contact details) about customers is assessed regularly.	93	7	0	1.07	0.26

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=15. *The values reflect the response with the highest score.

Table 9 Company Three Organisational Cultural Norms

Market Orientated Norms	Agree %	NAD %	Disagree %	Mean %	Std Dev
Quality and Competence It is expected that frontline staff with direct customer contact have the necessary social skills and abilities to deal with customers.	100	0	0	1.13	0.34
Appreciation of Employees In our company, the individuality of each employee is viewed as a competitive advantage. A quality performance and a high involvement of employees are expected for the fulfillment of customer needs.	97	3	0	1.38	0.72
Success Market performance (e.g. market share, customer satisfaction) is measured regularly**.**	90	7	3	1.06	0.25
Innovation and Flexibility Generally accepted procedures are examined regularly to become more effective in serving our customers and markets. There is flexibility when finding solutions to problems. New value-adding products and services are identified and developed continuously.	90	10	0	1.38	0.72
Speed A quick response to market changes is expected.	87	13	0	1.44	0.51
Responsibility of Employees All employees feel responsible for finding out and solving customer problems.	87	13	0	2.13	0.81
Openness to Internal Communication Cross departmental/area meetings (e.g. discussions about market trends) are organised regularly with market-related problems mentioned directly and openly. The distribution and storage of key information (e.g. contact details) about customers is encouraged. The distribution and storage of key information (e.g. contact details) about customers is assessed regularly.	87	10	3	1.25	0.58
Appreciation of Employees In our company, the individuality of each employee is viewed as a competitive advantage. A quality performance and a high involvement of employees are expected for the fulfilment of customer needs.	97	3	0	1.38	0.72
Inter-functional Cooperation Employees expect that customers are involved in the planning of new product or service programmes. It is expected that market information (e.g. market share, customer satisfaction) is distributed to different departments or areas. The distribution of market information (e.g. market share, customer satisfaction) across different departments or areas is measured regularly. The degree of co-ordination of decision about marketing activities in different department or areas is managed**.**	44	19	38	1.94	0.93

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree. N=16. *The values reflect the response with the highest score.

Table 10 Company One Organisational Cultural Artefacts

Artefacts Rituals, Arrangements, Language and Stories	Agree %	NAD %	Disagree %	Mean %	Std Dev
Attractive meeting and common areas (e.g. tea room, canteen) exist where information can be exchanged informally between employees.	86	10	3	1.17	0.46
Offices and meeting rooms are built in a way that supports communication among all employees.	86	5	9	1.22	0.59
Buildings, the exterior surroundings and the reception area are laid out very clearly so that visitors or customers find their way easily.	73	17	10	1.37	0.67
There are unwritten rules within the company that prevent a customer-focused approach. *	21	16	62	2.41	0.82
Employees who are customer-oriented are rewarded.	56	31	14	1.58	0.72
We regularly organise events for customers.	42	31	27	1.85	0.83
Please Indicate how often you have heard the following phrases in with your company	**Freq %**	**Occas %**	**Rarely %**	**Mean %**	**Std Dev**
"From the customer's point of view . . . . . "	86	10	3	1.17	0.46
"What is the customer expecting from us?"	80	17	3	1.24	0.51
"There are stories told within your company about customer-focused "heroes" (the founder, current or previous employees)."	53	22	25	1.73	0.85
"I know very well what the customers desires."	44	32	24	1.80	0.80
"The idea sounds good but is it realistic for our company?"	32	37	31	1.98	0.80

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree
Freq = Very Frequently combined with Frequently, Occas = Occasionally, Rarely = Rarely combined with Never N=29 * Indicates a reverse coded statement.

Table 11 Company Two Organisational Cultural Artefacts

Market Orientated Artefacts	Agree %	NAD %	Disagree %	Mean %	Std Dev
Attractive meeting and common areas (e.g. tea room, canteen) exist where information can be exchanged informally between employees.	100	0	0	1.00	0.00
Offices and meeting rooms are built in a way that supports communication among all employees.	100	0	0	1.00	0.00
Employees who are customer-oriented are rewarded.	86	14	0	1.14	0.36
There are unwritten rules within the company that prevent a customer-focused approach.*	80	7	13	2.67	0.72
We regularly organise events for customers.	43	36	21	1.79	0.80
Buildings, the exterior surroundings and the reception area are laid out very clearly so that visitors or customers find their way easily.	21	50	29	2.07	0.73
Please Indicate how often you have heard the following phrases in with your company	**Freq %**	**Occas %**	**Rarely %**	**Mean %**	**Std Dev**
"From the customer's point of view . . . . . "	100			1.00	0.00
"What is the customer expecting from us?"	100			1.00	0.00
There are stories told within your company about customer-focused "heroes" (the founder, current or previous employees).	86			1.29	0.73
"I know very well what the customers desires."	43			1.93	0.92
"The idea sounds good but is it realistic for our company?"	29			1.86	0.66

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree
Freq = Very Frequently combined with Frequently, Occas = Occasionally, Rarely = Rarely combined with Never N=14 * Indicates a reverse coded statement.

Table 12 Company Three Organisational Cultural Artefacts

Market Orientated Artefacts	Agree %	NAD %	Disagree %	Mean %	Std Dev
Buildings, the exterior surroundings and the reception area are laid out very clearly so that visitors or customers find their way easily.	100	0	0	1.00	0.00
Attractive meeting and common areas (e.g. tea room, canteen) exist where information can be exchanged informally between employees.	75	19	6	1.31	0.60
There are unwritten rules within the company that prevent a customer-focused approach.*	56	13	31	2.25	0.93
Offices and meeting rooms are built in a way that supports communication among all employees.	50	19	31	1.81	0.91
Employees who are customer-oriented are rewarded.	38	44	19	1.81	0.75
We regularly organise events for customers.	19	31	50	2.31	0.79
Please Indicate how often you have heard the following phrases in with your company	**Freq %**	**Occas %**	**Rarely %**	**Mean %**	**Std Dev**
"From the customer's point of view . . . . ."	88			1.25	0.68
"What is the customer expecting from us?"	69			1.31	0.48
"The idea sounds good but is it realistic for our company?"	50			1.63	0.72
There are stories told within your company about customer-focused "heroes" (the founder, current or previous employees).	50			1.81	0.91
"I know very well what the customers desires."	44			1.75	0.77

Figures are rounded and are valid percentages. Agree = Strongly Agree combined with Agree, NAD = Neither Agree or Disagree, Disagree = Disagree combined with Strongly Disagree
Freq = Very Frequently combined with Frequently, Occas = Occasionally, Rarely = Rarely combined with Never N=16 * Indicates a reverse coded statement.