

**CAN MARKET ORIENTED BEHAVIOURS LEAD TO THE CREATION OF A
MARKET ORIENTED ORGANISATIONAL CULTURE? AN EXPLORATION OF
SOME THEORETICAL EVIDENCE**

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ABSTRACT

Presents a new theoretical framework for the relationships between Market Oriented Behaviours and the layers of an Organisation's Culture:

The literature identifies an emerging "Activities-Create-Culture" approach to Market Orientation which challenges the Traditional Cultural Approach (Gainer and Padanyi, 2005, p. 856). However, the relationships between Market Oriented Behaviours and the layers of an Organisation's Culture remain unexplored from this emerging perspective, particularly for organisations outside the non-profit sector (Gainer and Padanyi, 2005). Examining the existing literature, this paper deduces a number of hypotheses and, consequently, presents a new theoretical framework which aims to address this research gap.

This new framework offers guidance to managers who are seeking to become Market Oriented, which is appealing as a strong positive relationship between Market Orientation and Organisational Performance is now widely agreed upon in the literature (Pitt *et al.*, 1996; Harris, 2001).

BACKGROUND

1. What is Organisational Culture?

Since the early 1980s there has been a surge of research in the area of Organisational Culture, particularly from a management perspective. This has produced a vast body of literature based on the concept of Organisational Culture (Deshpandé *et al.*, 1993; Hatch, 1993; Homburg and Pflesser, 2000). However, despite this, the definition of Organisational Culture remains widely disputed and, therefore, a universally accepted definition has failed to develop (Deshpandé and Webster, 1989; Brown, 1998; Taras *et al.*, 2009).

Upon reviewing a wide range of definitions, Deshpandé and Webster (1989) conclude that Organisational Culture can be defined as:

The pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization (Deshpandé and Webster, 1989, p. 4)

This definition is not only one of a rare few which is gaining widespread acceptance (Homburg and Pflesser, 2000), but is also similar to many other proposed definitions, for example:

Organisational Culture refers to the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation's history, and which tend to be manifested . . . in the behaviours of its members (Brown, 1998, p. 9)

Organisational culture is the basic assumptions and beliefs that are shared by members of an organisation, that operate unconsciously and define in a basic taken-for-granted fashion an organisation's view of itself and its environment. . . [Which] contributes to how groups of people respond and behave in relation to issues they face (Johnson *et al.*, 2008, p. 189)

Culture . . . is a pattern of beliefs and expectations shared by the organization's members. These beliefs and expectations produce norms that powerfully shape the behavior of individuals and groups in the organization (Schwartz and Davis, 1981, p. 33)

These definitions all agree that an organisation's Culture allows its members to comprehend the organisation, based on their shared values which, in turn, create norms that influence their behaviour.

While the above may capture the general idea of Organisational Culture, one could argue that such definitions are too simplistic as they do not reflect the complexities of the concept (Kotler and Keller, 2009). Schein (2010) extends the definition to:

A pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has 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, 2010, p. 18)

This definition introduces new aspects and, therefore, adds further depth to the concept of Organisational Culture (Halliday, 2002). For example, it introduces "basic assumptions"; their addition means that symbols and tangible objects also need to be considered as part of the concept, as it is believed that these capture and reflect assumptions, which are otherwise unconscious and unspoken in nature (Smircich, 1983, cited in Halliday, 2002, p. 140).

It is clear that "Organisational Culture is and is likely to remain a complex and contested concept" (Jung *et al.*, 2009, p. 1092), which perhaps is too difficult to capture in a single statement. Consequently, the production of a universally accepted definition is restricted. However, Taras *et al.* (2009) identify four commonalities which are "present in virtually all [definitions]" (Taras *et al.*, 2009, p. 358) i.e. Organisational Culture:

1. Has multiple levels;
2. Is shared among individuals who belong to an organisation;
3. Takes a relatively long time to form; and
4. Is relatively durable.

Conclusively, Organisational Culture can be broadly defined as:

A group's shared set of distinct basic assumptions, values, practices, and artifacts that are formed and retained over a long period of time (Taras *et al.*, 2009, p. 359)

2. What is Market Orientation?

The 1980s brought a surge of research not only in the area of Organisational Culture, but also Market Orientation; a concept which is now one of the most widely studied aspects of marketing and has remained at the heart of marketing literature for quite some time (Sheppard, 2011; Hajipour *et al.*, 2013).

Similarly to Organisational Culture, a universally accepted definition of Market Orientation has failed to develop; rather, the concept has been assigned multiple definitions, which have been interpreted in many different ways (Kohli *et al.*, 1993; Sheppard, 2011; Hajipour *et al.*, 2013).

Based on the reviewed literature, it is likely that the following factors are major contributors to the difficulty in defining Market Orientation:

1. Market Orientation's Link to Organisational Culture; and
2. Different Perspectives of Market Orientation.

2.1 Market Orientation's Link to Organisational Culture

It is evident from the literature that there is a strong link between Market Orientation and Organisational Culture. For example:

“Market Orientation [is] the Organisational Culture . . .” (Homburg and Pflesser, 2000, p. 449)

“MO pertains to an organizational culture . . .” (Raju *et al.*, 2011, p. 1320)

“Orientation [is the] adoption of organizational culture . . .” (Hajipour *et al.*, 2013, p. 93)

These definitions all indicate that two are synonymous. Therefore, as Organisational Culture has varying definitions in the literature, this link is, in turn, likely to inhibit the production of a universally agreed definition of Market Orientation. Perhaps until an agreed definition of Organisational Culture is developed, then the same cannot be done for Market Orientation.

2.2 Perspectives of Market Orientation

Furthermore, no agreement has been made on the nature of Market Orientation with two main, broad perspectives identifiable: a Cultural Perspective; and a Behavioural Perspective (Homburg and Pflesser, 2000; Gainer and Padanyi, 2005; Farrell, 2005).

From a **Cultural Perspective**, Market Orientation is viewed as an organisational attitude (Avlonitis and Gounaris, 1999). Its focus is on the norms and values within the organisation which, in turn, create the necessary behaviours for Market Orientation (Sheppard, 2011).

The most widely recognised definition of Market Orientation based on a Cultural Perspective is that of Narver and Slater (1990):

Market Orientation [is] the organizational culture . . . that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business (Narver and Slater, 1990, quoted by Homburg and Pflesser, 2000, p. 449)

From this perspective Market Orientation is considered to be “the adoption of the marketing concept as a business philosophy” (González-Benito and González-Benito, 2005, p. 799).

Conflictingly, a **Behavioural Perspective** “describes market orientation in terms of specific behaviors” which are concerned with implementing the marketing concept (Homburg and Pflesser, 2000, p. 449; Sheppard, 2011).

The most widely recognised definition from this perspective is that of Kohli *et al.*, (1993):

Market orientation [is] the organization-wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence horizontally and vertically within the organization, and organization-wide action or responsiveness to market intelligence (Kohli *et al.*, 1993, p. 467)

This definition identifies three specific behaviours of Market Orientation:

1. Generation of Market Intelligence;
2. Dissemination of Market Intelligence; and
3. Responsiveness to Market Intelligence

2.2.1 The Link between Perspectives

Although these perspectives differ, “there is a fair amount of overlap” between the two (Sheppard, 2011, p. 37). Their main similarity is their focus on the customer i.e. “the customer is the most important component” from both perspectives (Gheysari *et al.*, 2012, p. 545).

It is also argued that in order to possess Market Oriented Behaviours, there must be a corresponding culture embedded in the organisation (Shapiro, 1988). Therefore, Market Orientation can be considered as “a hybrid incorporating both cultural and behavioral aspects” (Gainer and Padanyi, 2005, p. 854). This point is illustrated in Figure 1:



Figure 1: A Diagrammatic Representation of Market Orientation

2.3 Layers of a Market Oriented Organisational Culture

As is conveyed in virtually every definition, Organisational Culture is multi-dimensional and, so, consists of a number of components, often referred to as layers (Hatch, 1993; Taras *et al.*, 2009; Schein, 2010; Homburg and Pflesser, 2000; Farrell, 2005). Namely, these are: values, norms and artifacts.

Furthermore, as per Figure 1 above, Market Orientation is also concerned with specific behaviours; these represent the fourth layer of a Market Oriented Organisational Culture.

Figure 2, which follows, provides an overview of these layers:

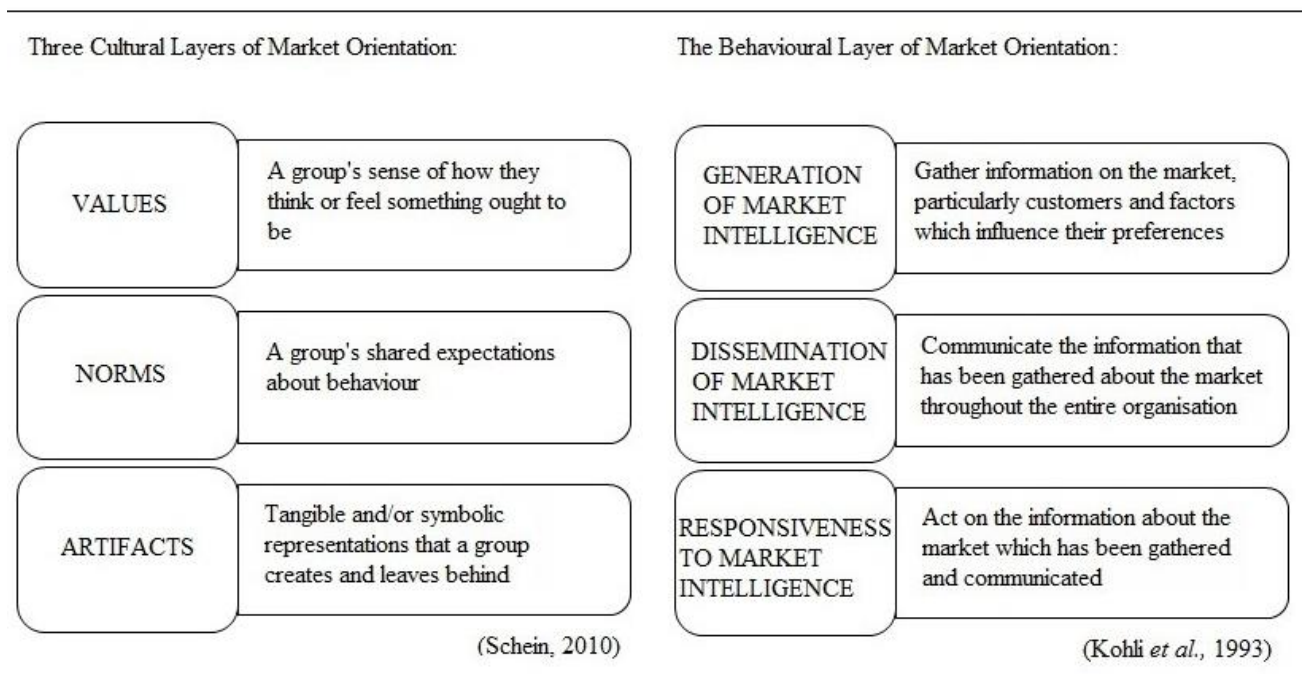


Figure 2: An Overview of the Layers of a Market Oriented Organisational Culture

The principal aim of a Market Oriented Organisational Culture is to have each of these four layers strongly focused on the market, particularly the customer (Homburg and Pflesser, 2000, cited in Farrell, 2005 p. 264).

2.4 Relationships among the Different Layers

The literature agrees that the four layers of a Market Oriented Organisational Culture are closely interrelated (Hatch 1993; Schein, 2010; Homburg and Pflesser, 2000; Farrell, 2005). However, despite this, the body of research which has been conducted into examining and understanding the relationship(s) between these layers remains surprisingly scant (Farrell, 2005). Resultantly, “the strength [and nature] of the relationship between different layers of culture is still unclear” (Taras *et al.*, 2009, p. 359).

2.4.1 The Traditional Approach

As highlighted earlier, the majority of the definitions of Organisational Culture follow Schein’s assumption that shared basic values create norms which, in turn, influence behaviour (Schwartz and Davis, 1981; Brown, 1998; Johnson et al., 2008). Resultantly, strong favouritism towards a Cultural Approach to Market Orientation is evident in the literature (Sheppard, 2011).

Study 1: Although Schein (2010) discusses Cultural Layers in considerable detail, the nature of the relationship(s) between them is left unexplained. In order to address this gap, Hatch (1993) introduced “The Cultural Dynamics Model” which she describes as a wheel, which can be entered at any point and can flow in either a clockwise or an anti-clockwise direction, thus illustrating the dynamic nature of Organisational Culture. She focuses the model on four theoretical relationships between the layers, namely: Manifestation, Realization, Symbolization and Interpretation.

Hatch’s (1993) model is illustrated as follows:

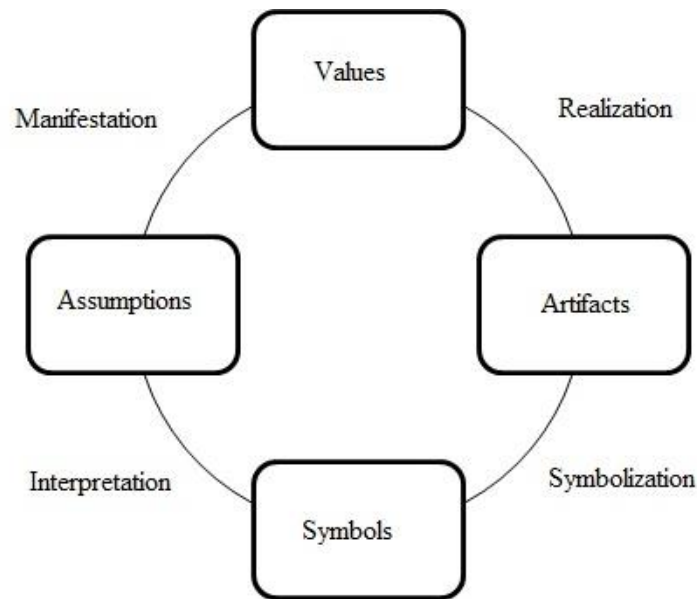


Figure 3: “The Cultural Dynamics Model” (Hatch, 1993, p. 660)

One of the major shortcomings of “The Cultural Dynamics Model”, particularly from the perspective of this piece of research, is that it does not focus specifically on Market Orientation. This point, coupled with the fact that the model adopts a Traditional Cultural Approach, leaves many questions about Market Orientation, particularly with regard to Market Oriented Behaviours and their relationship(s) with the other layers of culture.

However, despite this limitation, an interesting aspect of the model is the fact that Hatch (1993) claims it can flow in either direction (clockwise or anti-clockwise) and be entered at any point. This begs the question: If the wheel were specifically focused on a Market Oriented Organisational Culture and, therefore, also included Market Oriented Behaviours, could a reverse approach i.e. a Behavioural Approach also be valid, given the multi-directional nature of the model? In other words, could it be the case that Behaviours could create Culture?

Study 2: In contrast to Hatch (1993), a study carried out by Homburg and Pflesser (2000), focuses specifically on Market Orientation. By building upon Kohli *et al's.*, (1993) widely recognised and utilised “MARKOR” measure of Market Orientation, Homburg and Pflesser (2000) ultimately became the first to introduce a measurement tool, which takes each of the four layers of a Market Oriented Organisational Culture into account.

They found that values have a positive impact on norms which, in turn, have a positive impact on artifacts. These artifacts were found to have a positive impact on Market Oriented behaviours.

Therefore, Homburg and Pflesser (2000) conclude that, through their direct impact on artifacts, values and norms indirectly impact on Market Oriented behaviours. Hence, they believe that artifacts are of major importance in determining Market Oriented behaviour.

Homburg and Pflesser’s (2000) model is illustrated as follows:

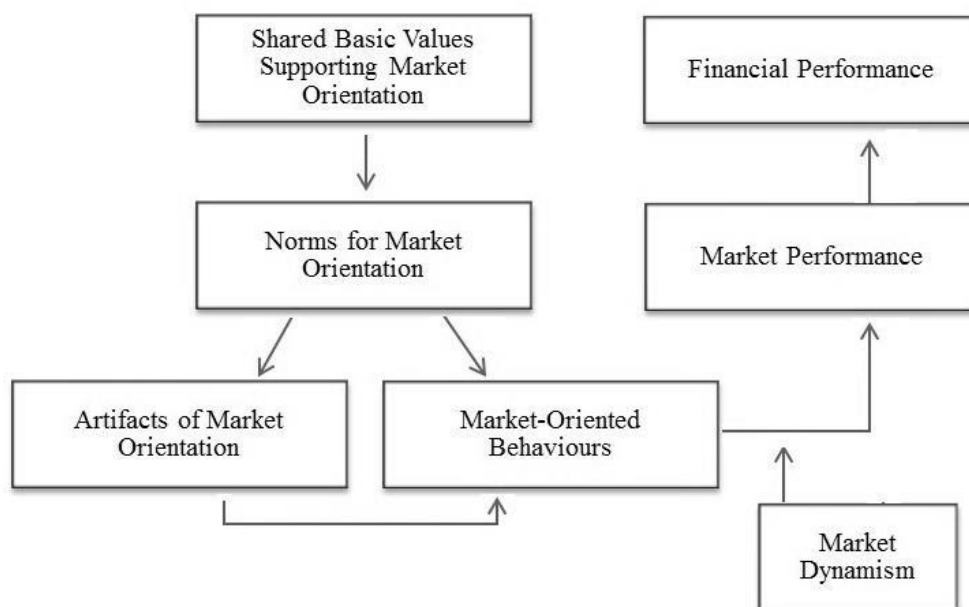


Figure 4: “Framework for Market-Oriented Organizational Culture” (Homburg and Pflesser, 2000, p. 451)

One could criticise Homburg and Pflesser's (2000) model, due to its poor translation of their findings. For example, the model's hierarchical structure implies that there is a direct relationship between values, norms and behaviours, rather than an indirect relationship, which their research found. Furthermore, the model also suggests that Market Oriented behaviours can be produced purely by values and norms, without the presence of artifacts when, in actual fact, from their findings, Homburg and Pflesser (2000) believe the opposite to be true.

Study 3: Interestingly, a follow-up study carried out by Farrell (2005), which focuses on the individual (salesperson) level, as opposed to the organisational level investigated by Homburg and Pflesser (2000), finds "a complete lack of support" (Farrell, 2005, p. 271) for the relationship between artifacts and behaviours. Thus, Farrell's (2005) findings are extremely contradictory to those of Homburg and Pflesser (2000).

Both of these studies adopted the Traditional Cultural Approach. A Behavioural Approach was neither considered nor tested by either Homburg and Pflesser (2000) or by Farrell (2005). It is interesting to note that such an approach could be explanatory of findings which Farrell (2005) finds "puzzling" (Farrell, 2005, p. 271) e.g. that artifacts do not directly impact on behaviours; if a Behavioural Approach was considered, then perhaps it could be the case that artifacts are a result of behaviour rather than a cause of it and, thus, would be indirectly supportive rather than directly supportive of a Market Oriented Organisational Culture.

2.4.2 An Emerging Approach

As illustrated above, a Traditional Cultural Approach has been widely assumed, and adopted, in the literature. However, in more recent years, growing concern for this rationale has been expressed (Gainer and Padanyi, 2005; Taras *et al.*, 2009): Taking into consideration that "no

agreement has been reached on the exact nature of market orientation” (Gainer and Padanyi, 2005, p. 854) it could be argued as irrational that the Traditional Cultural Approach is always taken. In fact, “It may be possible that [the] reverse order is also worthy of consideration” (Gainer and Padanyi, 2005, p. 854).

Study 1: In an exploratory study carried out by Gainer and Padanyi (2005, p. 856), both a Traditional Cultural Approach which they term “Culture-Drives-Activities” and an Emerging Behavioural Approach which they term “Activities-Create-Culture” were tested:

While their traditional “Culture-Drives-Activities” model produced a poor fit, their emerging “Activities-Create-Culture” model, which is illustrated in Figure 5 as follows, produced an exceptional fit:

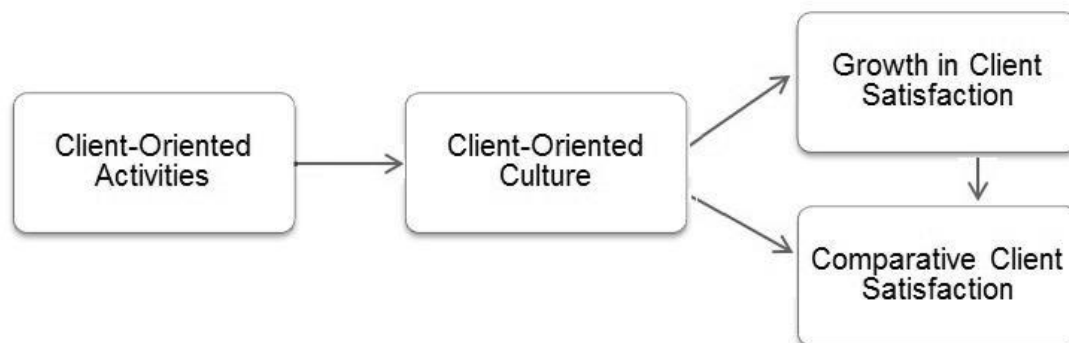


Figure 5: “Relationship between Market-Oriented Culture and Behaviors in Non-profit Organizations” (Gainer and Padanyi, 2005, p. 858)

However, it is important to note that Gainer and Padanyi’s (2005) work was conducted in a non-profit setting. Therefore, questions remain as to whether or not their emerging “Activities-Create-Culture” approach is applicable outside of a non-profit setting (Gainer and Padanyi, 2005).

Study 2: A Behavioural Approach has also been supported by both Griffiths and Grover (1998) and González-Benito and González-Benito (2005) who believe that Market Oriented Behaviour may be an antecedent of Market Oriented Culture. In fact, when tested by González-Benito and González-Benito (2005), they found that, while both the cultural and behavioural perspectives of Market Orientation are related, culture is not necessarily an antecedent of behaviour as has been traditionally assumed (González-Benito and González-Benito, 2005, p. 800).

Therefore, while behaviour is often considered to be a consequence of culture, there may be support for “inverse reasoning” (González-Benito and González-Benito, 2005, p. 808). That is, Market Oriented Culture may be a consequence of Market Oriented Behaviour.

While González-Benito and González-Benito’s (2005) findings cannot be generalised due to research limitations, they do provide support for merit in Gainer and Padanyi’s (2005, p. 856) “Activities-Create-Culture” approach.

DEVELOPMENT OF RESEARCH HYPOTHESES

2.5 Research Gap

Although there has been growing support for movement away from the Traditional Cultural Approach to an Emerging Behavioural Approach (Gainer and Padanyi, 2005; Griffiths and Grover, 1998, cited in González-Benito and González-Benito, 2005; González-Benito and González-Benito, 2005; Taras *et al.*, 2009), to date, no research has focused specifically on the layers of a Market Oriented Organisational Culture from this emerging approach. Consequently, many questions remain about the nature of the relationship among these layers from such a perspective. It is this research gap, which illustrated in Figure 6, that the researcher wishes to address:

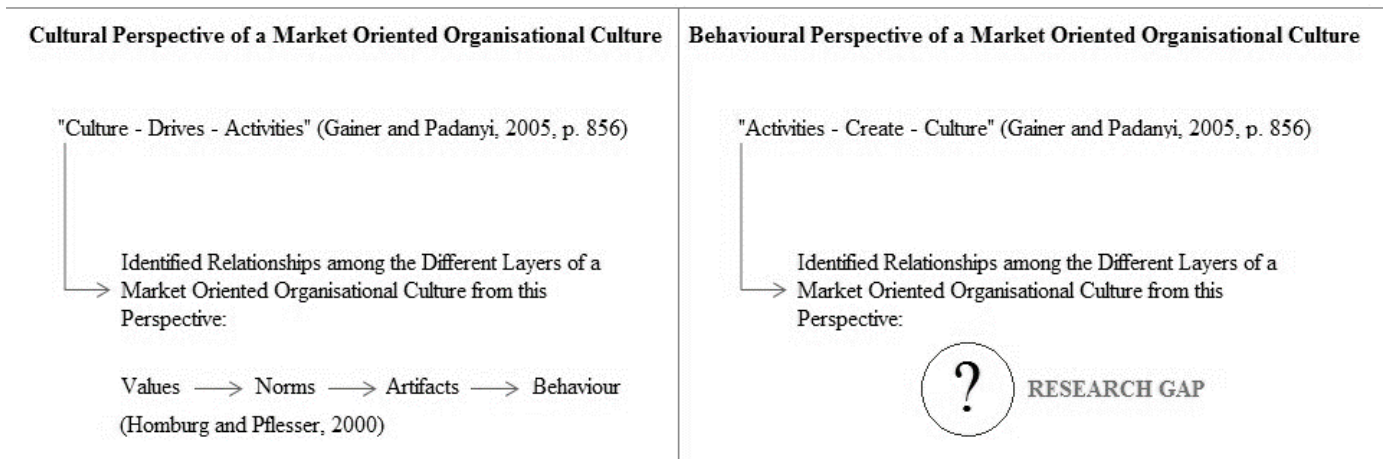


Figure 6: Identified Research Gap

Against this background, the researcher wishes to propose and develop a number of hypotheses; combined, these will ultimately provide a theoretical framework for the relationship(s) among different layers of a Market Oriented Organisational Culture, from an emerging “Activities-Create-Culture” approach as proposed by Gainer and Padanyi (2005, p. 856).

2.6 Development of Hypotheses

Hypothesis 1

As was highlighted earlier, Homburg and Pflesser (2000) focused their research in a similar area. However, they adopted the Traditional Cultural Approach. Therefore, as the researcher is adopting a Behavioural Approach for this study, then one would expect the hypotheses for this piece of research to be the reverse of those of Homburg and Pflesser (2000), given the opposite perspectives, but otherwise similar nature of the studies in question.

Consequently, while Homburg and Pflesser (2000) hypothesised that Market Oriented artifacts have a positive influence on Market Oriented behaviours, this piece of research hypothesises the reverse i.e. the Market Oriented behaviours of a firm influence Market Oriented artifacts.

Support for this hypothesis can be argued from the existing literature, much of which, ironically, is based on the Traditional Cultural Approach to Market Orientation:

Both Snow (2005) and Schein (2010) agree that artifacts represent the tangible manifestations that a group create and leave behind, which are reflective of their culture. Based on this understanding, one can assume that, in order for these tangible manifestations to be initially created, actions (i.e. Market Oriented behaviours) must first materialise. Snow (2005) lends additional strengthening support for this argument when he says that “Artifacts are keys to the past . . . [from which] we come to know . . . [an organisation’s] behaviors” (Snow, 2005, p. 15). This strongly implies that artifacts originate from, and are influenced by, behaviours.

To convey this point using a practical example, one could take the fact that stories are a classification of artifacts (Hart, 2003). Market Oriented stories are most often based on true events which occurred in an organisation’s history (Turner and Spencer, 1997). They “anchor an organization’s past to its present” (Brady and Haley, 2013, p. 41). Therefore, behaviour has to initially occur in order for these stories to develop and transpire. Conclusively, in this case, behaviour precedes and influences the artifact.

Based on the above argument it is hypothesised that:

H1: The Market Oriented Behaviours of a Firm influence Cultural Artifacts

Hypothesis 2

While Homburg and Pflesser (2000) hypothesised that Market Oriented norms have a positive impact on Market Oriented behaviours, this piece of research hypothesises the reverse i.e. Market Oriented behaviours influence norms. Support for this can be found in the literature:

As Gainer and Padanyi (2005) point out, much of the “adoption – entrenchment” theory proposed by Zeitz et al. (1999), which falls under the fields of institutional theory and new management processes, is supportive of their “Activities-Create-Culture” approach (Zeitz et al., 1999; Gainer and Padanyi, 2005, p. 860):

Adoption refers to the selection and initial use of a practice which is new to an organisation (Caleche and Lilien, 1986, cited in Zeitz et al., 1999, p. 743). Once a practice has been adopted, it may become entrenched, meaning that it is very unlikely to be ceased by the organisation (Zeitz et al., 1999). If entrenchment does not occur, then the practice is considered to be a fad which can easily be abandoned by the organisation at any time (Abrahamson, 1999, cited in Zeitz et al., 1999, p. 743). Therefore, one would expect that Market Oriented practices (i.e. Behaviours) should be entrenched in a Market Oriented organisation, rather than being mere fads which can be abandoned at any time.

As was highlighted in Figure 2, norms are shared expectations about behaviour; they determine the behaviours which members of an organisation pressure each other to follow (Kilman *et al.*, 1985, cited in Homburg and Pflesser, 2000, p. 452). Therefore, based on the above discussion, an adopted practice (fad) does not constitute a norm, as it can be abandoned at any time and, so, pressure to follow it does not ensue. However, once a practice becomes entrenched it resists removal (Zeitz *et al.*, 1999), so, pressure to follow the practice develops; the entrenched practice becomes a norm. Conclusively, the practice (behaviour) precedes the norm.

Moreover, Zeitz *et al.*, (1999) argue that “as one actor (individual, organization, etc.) adopts and uses a given practice, this fact will be known to other actors, who will be motivated to adopt the practice themselves (Banerjee, 1995, cited in Zeitz et al., 1999, p. 750). This process, which they refer to as “imitative propensity” facilitates entrenchment (Zeitz et al., 1999, p. 746) and lends further support to the argument that behaviours precede and influence norms.

Hence, it is hypothesised that:

H2: The Market Oriented Behaviours of a Firm influence Cultural Norms

Hypothesis 3

The researcher also hypothesises that Market Oriented artifacts influence norms:

It is widely agreed that Culture consists of values at its core and visible artifacts and behaviours at its surface (Taras *et al.*, 2009). So, if one is to consider a new member joining an organisation, their first impression and understanding of the organisation's culture is most likely to be gained from the visible, overt behaviours and artifacts, which lie on the surface of the organisation. With this point taken into consideration, one can argue that artifacts may help members to identify norms within an organisation and, thus, shape and influence their own norms based on this understanding. In this sense, Market Oriented artifacts influence norms.

Similar thought is provided by Griffiths and Grover (1998) who state that "market-oriented artefacts serve as a means to communicate the culture of the organisation" (Griffiths and Grover, 1998, cited in Farrell, 2005, p. 265). This implies that artifacts have the ability to communicate norms, as norms represent a component of an organisation's culture. Therefore, it is hypothesised that:

H3: The Market Oriented Artifacts of a Firm influence Cultural Norms

Hypothesis 4

The fourth research hypothesis is based on the belief that Market Oriented behaviours influence Market Oriented values:

According to Zeitz *et al.* (1999) “An entrenched practice implies . . . connection with . . . deeply held values” (Zeitz *et al.*, 1999, p. 743). Hence, a link between behaviours and values is identified.

Zeitz *et al.* (1999) lend subtle support for the idea that behaviours influence values: They refer to personal identity which they believe is related to organisational identity. These are closely linked to values. Zeitz *et al.*, (1999, p. 746) state that “such identities result from numerous actions and interactions”. This implies that behaviours can precede, and influence, values.

Moreover, the hypothesis that Market Oriented behaviours influence values is overtly supported by González-Benito and González-Benito (2005). While they acknowledge that, with regard to Market Orientation, there is a relationship between values and behaviours, they agree with Griffiths and Grover (1998) that “the causality might be reciprocal” (Griffiths and Grover, 1998, cited in González-Benito and González-Benito, 2005, p. 805). That is to say that while, on one hand, culture may lead to consistent behaviour, there are grounds for the belief that, on the other hand, behaviour may lead to culture and ultimately “foster the formation of beliefs and values within the organization” (Griffiths and Grover, 1998, cited in González-Benito and González-Benito, 2005, p. 805).

They further argue that some organisations may implement Market Oriented behaviours without necessarily possessing Market Oriented values (González-Benito and González-Benito, 2005), in which case, behaviour provides the foundation for the “progressive development of the . . . values . . . that make up the organizational culture” (Griffiths and Grover, 1998, cited in González-Benito and González-Benito, 2005, p. 799). Essentially, González-Benito and González-Benito (2005) argue that behaviour can provide the foundation for the formation of values and, ultimately, culture itself.

This leads to researcher to hypothesise that:

H4: The Market Oriented Behaviours of a Firm influence Cultural Values

Hypothesis 5

The fifth research hypothesis is that Market Oriented artifacts influence values. Similarly to the four previous hypotheses, this is the reverse of Homburg and Pflesser (2000), who hypothesised that values influence artifacts.

As mentioned earlier, stories represent one category of artifacts (Hart, 2003). This fact can be used to support the proposed hypothesis: According to Brady and Haley (2013), one opportunity which storytelling presents for an organisation, is to alter the “mental frames” of its members (Brady and Haley, 2013, p. 42). Therefore, as values are considered to determine how members of a group perceive, think and/or feel, and, as stories can be used to change or manipulate people’s “mental frames” (Brady and Haley, 2013, p. 42) it could be concluded that artifacts can influence values. Hence, it is hypothesised that:

H5: The Market Oriented Artifacts of a Firm influence Cultural Values

Hypothesis 6

Leading on from the preceding hypotheses, the researcher’s sixth and final hypothesis proposes that Market Oriented norms influence values. Again, support for this is provided in the existing literature:

Assumptions, which are a categorisation of values, have been described as “the products of socialization into an organisational . . . culture” (Gjerald and Øgaard, 2012, p. 2). As norms are believed to determine the behaviours that members of an organisation pressure each other to follow (Kilman *et al.*, 1985, cited in Homburg and Pflesser, 2000, p. 452, and also cited in Farrell, 2005, p. 262), one would assume that norms are, therefore, strongly influential to the socialization process. Therefore, the notion that assumptions represent “the products of socialization” (Gjerald and Øgaard, 2012, p. 2) lends support for the argument that norms precede these assumptions, and may ultimately precede and influence values.

Additionally, Griffiths and Grover (1998) provide strong support for such a hypothesis in their statement that “the development of norms . . . foster the formation of . . . values within the organization” (Griffiths and Grover, 1998, cited in González-Benito and González-Benito, 2005, p. 805).

Consequently, the researcher hypothesises that:

H6: The Market Oriented Norms of a Firm influence Cultural Values

CONCLUSION

Theoretical Framework

These six hypotheses haven been combined to create a new theoretical framework for the relationships among the different layers of a Market Oriented Organisational Culture from an emerging “Activities-Create-Culture” approach to Market Orientation (Gainer and Padanyi, 2005, p. 856). This new theoretical framework is illustrated as follows:

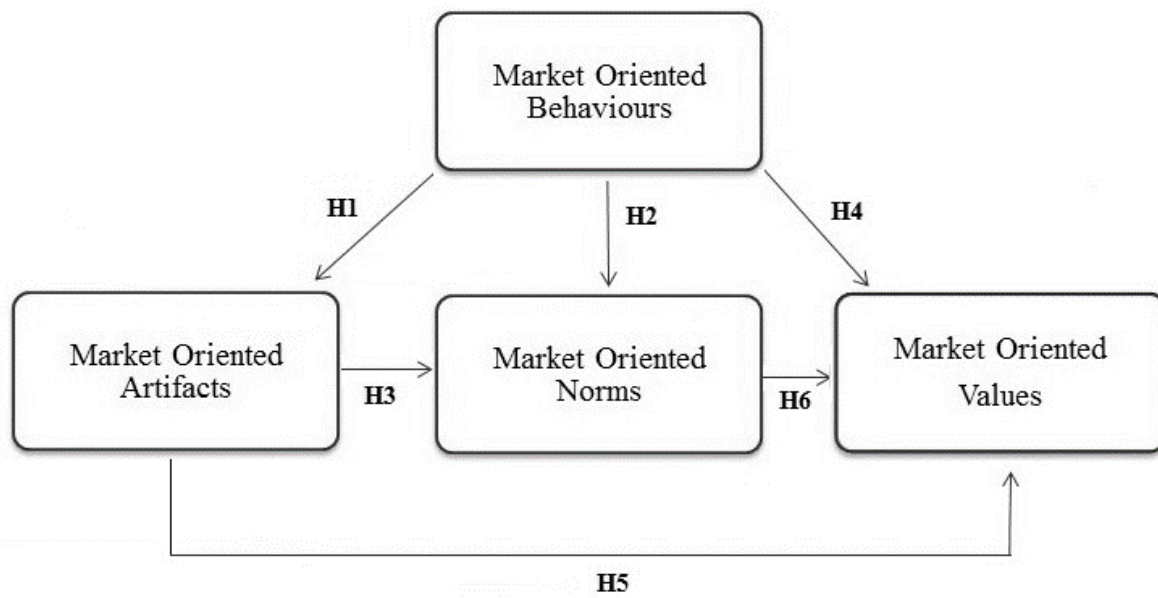


Figure 7: New Theoretical Framework for the Relationships between the Layers of a Market Oriented Organisational Culture from Gainer and Padanyi’s (2005, p. 856) “Activities-Create-Culture” Approach

Potential Implications

The proposed new theoretical framework presented in this paper, see Figure 7 above, potentially offers guidance to managers who are seeking to change their Organisational Culture and/or become Market Oriented; managers should concentrate on developing and implementing Market Oriented Behaviours in advance of trying to embed a Market Oriented Organisational Culture in their organisation.

This guidance is desirable as a strong positive relationship between Market Orientation and Organisational Performance is now widely agreed upon in the literature (Pitt *et al.*, 1996; Harris, 2001); those organisations who possess a strong Market Orientation generally outperform other organisations (Deshpandé *et al.*, 1993).

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