

Understanding the layers of a market-oriented organisational culture

Jacqueline Byrne¹, Tomás Dwyer^{1*} and Declan Doyle¹

¹ Institute of Technology Carlow, Ireland

* tomas.dwyer@itcarlow.ie

Abstract

Organisations with market-oriented cultures outperform other organisations. Thus the creation of such a culture is paramount. This paper details how distinct layers of an organisation's culture can in combination influence market-oriented behaviours. The importance of organisational culture in the successful implementation of a market orientation strategy has been recognised. However, an awareness of how the layers of organisational culture: values, norms and artefacts can contribute to market-oriented behaviour is still under researched. The layers of organisational culture were thus investigated in three mixed-methods case studies of Irish companies utilising a questionnaire survey, interviews and observations. The core conclusion of the study is that the combined synergistic effect of the particular unique organisational cultural layers in a company encourage market-oriented behaviours. This research adds necessary detail for managers who seek to develop and create a market-oriented culture to improve company performance.

Key words: market orientation; market orientated; organisational culture

INTRODUCTION

Kohli and Jaworski (1990: 1) refer to the term 'market orientation' to indicate the implementation of the marketing concept. Market orientation provides a unifying focus within a company that can lead to superior performance and a sustainable competitive advantage (Gupta et al., 2013; Kumar et al., 2011). Ignoring organisational culture has implications for the successful implementation of a market orientation strategy (Halliday, 2002; Lee et al., 2006; Tiernan et al., 2015). Despite this a 'full and detailed understanding is still lacking' regarding the relationship between market orientation and organisational culture (Kasper, 2005: 3; Pinho et al., 2014). Consequently, it is necessary to identify the characteristics of the culture of market-oriented companies. Examining the layers of organisational culture it is argued will lead to 'a better understanding of the forces driving market-oriented behaviour' (Homburg and Pflesser, 2000: 450). Thus this study examines the layers of organisational culture; the values, norms and artefacts that potentially encourage market-oriented behaviours. There is limited previous research on market orientation that makes a distinction between the layers of culture, 'the cultural dimensions behind the observable behaviors' (Hogan and Coote, 2014; Homburg and Pflesser, 2000: 450; Tiernan et al., 2015).

Although the importance of market orientation is acknowledged in the literature, more needs to be done to address its implementation (Chad et al., 2013; Gupta et al., 2013). Research in the field is limited in identifying concrete actions as to how to bring about a market orientation (van Raaij and Stoelhorst, 2008). Similarly, Foley and Fahy (2004: 220) in an analysis of market orientation from a capabilities perspective, argue that 'relatively little has been achieved that is usefully prescriptive to managers seeking to develop a marketing focus'. Gray and Hooley (2002: 982) summarised that relatively little research has been carried out into the 'the conditions needed to inculcate and nurture a market orientation'. This

study by examining the links between the layers of an organisation's culture addresses this gap in understanding.

The study concludes that the layers of organisational culture: the values, norms and artefacts found in market-oriented companies can encourage market-oriented behaviours. Furthermore, the layers of organisational culture related to market orientation were found to be intra and inter-connected, unique to the particular companies and in synergistic combination encourage market-oriented behaviours. In summary, this research by examining the layers of organisational culture, provides a more detailed means of assessing and developing a market-oriented culture.

LITERATURE

Market orientation can be viewed from two perspectives: the behavioural and the cultural perspective (Colak et al., 2015; Gebhardt et al., 2006; van Raaij and Stoelhorst, 2008). Thus Kohli and Jaworski (1990) define market orientation in terms of the specific behaviours related to a market orientation, namely the generation of information on current and future customer needs, its 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 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 oriented behaviour (Gebhardt et al., 2006). Research advancing the cultural perspective argues that market orientation is part of the culture of the organisation: that is the organisational culture supports and maintains the marketing concept (Deshpandé et al., 1993).

Gray and Hooley (2002: 981) offered a 'more inclusive' definition of market orientation as the implementation of a corporate culture which encourages the behaviours to collect, disseminate and respond to market intelligence on customers, competitors and the wider environment. Thus, it is the culture of the organisation that will bring about a market orientation (Gebhardt et al., 2006; Gray and Hooley, 2002).

Organisational culture has been defined in terms of the very visible to the very tacit and invisible (Schein, 2009). Furthermore, Schein (2009) refers to layers of culture which include the visible artefacts and the values leading to the invisible underlying assumptions shared by members of an organisation. Deshpandé and Webster's (1989: 4) definition of organisational

culture is: ‘the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behaviour in the organisation’. Homburg and Pflesser (2000: 450), building on these definitions, argue that organisational culture is made up of ‘four distinguishable but interrelated components’ namely values, norms, artefacts and behaviours. Thus each of these four layers can be argued as contributing to market orientation (Lee et al., 2006). A review of the literature related to each of the layers provides a framework for the research.

Values

Values have been identified as ‘social principles, goals and standards considered to have intrinsic worth’ (Hatch, 1993: 659). Values provide a foundation for an organisation’s culture and are a powerful influence on norms and the resultant behaviours (Hogan and Coote, 2014). Similarly, Gebhardt et al. (2006) identified cultural values as the basis for market-oriented behaviours. A broad range of values associated with a market orientation have been identified. Furthermore, the mix of values associated with a market orientation is likely to be unique and specific in a company (Gebhardt et al., 2006; Harris, 1998; Harris, 2002a; Homburg and Pflesser, 2000; Kasper, 2005). For example, Homburg and Pflesser (2000) identified sixteen different value dimensions from a literature search; Gebhardt et al. (2006) found the number and nature of the values that organisations sought to implement varied although identifying six common cultural values. Kasper (2005) found support for the notion that a market-oriented culture would be pragmatic thus meeting with customer needs whatever they may be, in effect the culture has the required necessary values. Similarly, Harris (2002a: 624) in a study encompassing twelve case studies concluded that how a firm approaches the development of market orientation is context specific ‘linked to organisational and environmental contingencies’. Furthermore, according to Gebhardt et al. (2006) in a multi-firm study and a conceptual analysis undertaken by Harris (1998) there is evidence that

the particular values may be working in combination in creating a market orientation. Harris (1998: 368) argued there is ‘a wide range of interlinked beliefs and values’ and Gebhardt et al. (2006: 42) referred to ‘values that in combination ... create a more market-oriented culture’.

Norms

Norms are described as expectations of acceptable behaviour (Hogan and Coote, 2014) that emanate from the values (Gebhardt et al., 2006) and guide the behaviours (Lee et al., 2006). That is values and their corresponding norms act as a means of influencing the behaviours of group members in appropriate ways (Hogan and Coote, 2014). Thus employees within a company will find out ‘how things are done around here’ from their co-workers learning how to be market-oriented by working with employees who are market-oriented. Norms in Homburg and Pflesser’s (2000) quantitative study were found to have a strong, although indirect, effect on behaviours via the artefacts. Norms which were included under the broader term of marketing cultural artefacts by Harris (1998) are argued as impossible to list exhaustively and similar to values, context specific.

Artefacts

Homburg and Pflesser (2000) outline that artefacts include arrangements (e.g. offices, meeting rooms, common areas and the exterior surroundings), language, stories and rituals and are the easiest level of organisational culture to observe (Schein, 2009). While artefacts are the most visible element of an organisation’s culture, their meaning is symbolically interpreted by those inside the company (Harris, 1998). Artefacts send subtle signals that convey the company values and norms. Homburg and Pflesser’s (2000) research concluded that artefacts play a critical role as determinants of market-oriented behaviours, although this finding was not supported by Farrell (2005).

Behaviours

Behaviours can be understood in the context of this research as ‘behavioural patterns with an instrumental function’ (Homburg and Pflesser, 2000: 450). Gebhardt et al. (2006: 52) concluded from their in-depth multi-form research that it is the cultural values that are the basis for market-oriented behaviours – namely the generation, dissemination and responsiveness to information on current and future customer needs (Kohli and Jaworski, 1990). Hogan and Coote (2014) similarly point out that by emphasising certain values, as well as corresponding norms, managers exert a powerful influence on employee behaviour. Values indicate preferences for behaviour while norms 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 lead to certain behaviours becoming the taken for granted way of doing things (Sathe, 1983: 10). While there is research evidence that supports the proposition that market-oriented behaviours may influence the layers of organisational culture (Tiernan et al., 2015), the literature broadly supports the view that market-oriented values, demonstrated by market-oriented norms and observed through market-oriented artefacts, will lead to market-oriented behaviours (Homburg and Pflesser, 2000; Farrell, 2005). In summary, it is proposed organisational culture while existing on a number of different levels or layers manifests with each level having an effect on the other levels (Lee et al., 2006) although the empirical research is still limited (Hogan and Coote, 2014).

Investigating a market-oriented organisational culture

There is limited previous research on how the distinct layers of a market oriented organisational culture influence market-oriented behaviours (Gebhardt et al., 2006; Tiernan et al., 2015). However, Harris (1998) in a theoretical paper building on the work of Hatch

(1993) did acknowledge the linking and interaction of the different cultural components or layers of a market-oriented culture. Furthermore, of greater significance in this area is Homburg and Pflesser's (2000) study of the cultural characteristics of market orientation. 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 a market orientation. Thus Homburg and Pflesser (2000: 453) identified 'the most relevant shared basic values of a market-oriented organisational culture' as: *success, quality and competence, innovation and flexibility, openness to internal communication, appreciation of employees, responsibility of employees, inter-functional co-operation and speed*. The research examined if market orientation was the objective of the values and the corresponding or analogous norms of these values (Homburg and Pflesser, 2000). Furthermore, relevant artefacts (arrangements, language, stories and rituals) were analysed as to their relationship with market orientation. To measure market orientation Homburg and Pflesser (2000) utilised Kohli et al.'s (1993) MARKOR model of market-oriented behaviours which looks at the three behavioural components of market orientation: the generation, dissemination and responsiveness to market intelligence. While the quantitative focus of Homburg and Pflesser's (2000) research has limitations (Dauber et al., 2012), its conclusions argue for a causal link between the layers of culture and a market orientation. Their research is significant as it proposes a new model of market-oriented culture with previous empirical research not having made the explicit distinctions between the layers of a market-oriented culture.

Thus in light of the limited previous research and as a development on the preceding literature the aim of this research is to investigate the layers of organisational cultural and their influence on market-oriented behaviours.

METHODOLOGY

The purpose of this study is to examine the distinct layers of market-oriented culture and their influence on market-oriented behaviours. The research involved a mixed-method investigation of three case study companies. A mixed-method approach was concluded as appropriate when assessing organisational culture (Trice and Beyer, 1993) with the combination of qualitative and quantitative methods argued as providing greater insight (Brown, 1998). Harris and Ogbonna (1999:185) similarly have argued for research on market-oriented culture that moves beyond a positivist methodology rationalising it reveals 'breadth and depth'. In addition, Harris (2002a) also investigating market orientation argued for the use of multiple case studies.

Research Sample

The research sample consisted of a purposive sample of three companies from an Irish regional business awards competition who responded positively to an invitation to take part in the research.

The companies selected were judged likely to provide data on market-oriented organisational culture based on the following process. From a full list of shortlisted and/or winners of a regional business awards competition sole-traders and non-profit companies were excluded, as well as companies with less than 10 employees, as they were deemed to be possibly problematic in size to answer the research questions. The websites of this revised list of companies were screened for evidence of market orientation. A database of 130 companies was thus generated with all invited to participate in the research. As a result of this correspondence, companies who agreed to participate were further screened using secondary research such as company websites and publications to confirm the likelihood of being market-oriented. It was proposed that this sampling frame could potentially provide data that

would highlight aspects of a market-oriented organisational culture. Finally, a purposive sample of three diverse companies were selected. The investigation of the research questions in more than one case study was deemed appropriate to allow a cross-case or comparative element in ‘tracing’ a market-oriented culture with the aim of finding agreement between the cases (Bennett, 2004; Thomas, 2011). All three companies were industry leaders in an Irish national context.

Company One is an Irish owned family business founded almost 100 years ago that has grown to become a leading national hygiene supplier to major industry sectors including healthcare, work wear and hospitality. It is a limited company that employs approximately 400 employees between its production plant and regional distribution centres and has achieved ISO certification. Company Two is an Irish owned ICT services and supplies company founded in the 1980s and has a number of offices nationwide. It is a limited company that employs approximately 170 employees between its locations and is one of Ireland's largest indigenous ICT supplies and services providers. The company which works closely with global partners has achieved an extensive range of advanced level accreditations and leading international standards and is estimated to have a turnover in excess of €40 million. Company Three is an online retail services firm and is one of Ireland’s fastest growing and most successful web companies. Based in a regional Irish town the company was founded by a husband and wife team in the mid-2000s before becoming part of an international media group quoted on a national stock exchange. The business today employs over 30 people with a turnover in excess of €8 million.

Thus the research involved questionnaires (n=65), interviews (n=10) and observations in three diverse case study companies of large, medium and small size (OECD, 2005).

Furthermore, each company can be categorised as having a different position along the product-service continuum with Company One having predominantly a production focus,

Company Two a mix of product and services and Company Three having a services only focus.

Research Methods and Data Collection

The questionnaire utilised in the research to examine the layers of a market-oriented culture was adapted from Homburg and Pflesser (2000). Homburg and Pflesser (2000) developed the questionnaire items based on a content analysis of fifty reports of companies who focused on increasing their market orientation. Homburg and Pflesser (2000) validated their content analysis via interviews with ten managers from five different industries. The research instrument incorporates Kohli et al.'s (1993) MARKOR measurement tool of market-oriented behaviours.

The seventy-eight Likert statements in the original Homburg and Pflesser (2000) research instrument were reduced to forty-five statements making up four scales that aimed to still reflect the focus of the original research instrument. Additionally, the language of the Likert statements was adapted including modifying the managerial focus of the questions to reflect the multi-informant approach taken in this research. The questionnaire was subject to pre-testing. For a summary of the questionnaire see Table 1.

‘Insert table 1 here’

A multi-informant approach was taken to the interviews to allow a more complete ‘gauge’ of market orientation (Harris, 2002b: 248). Thus interviews were arranged with at least three employees from each case study company from functions such as marketing and customer relations (n=10). The interviews were semi-structured using the research aim as the basis for the interview questions.

As part of the data collection process a tour of each company’s headquarters took place with observations recorded (Harris and Ogbonna, 2000) and photographs taken. The tours covered

canteens, common areas, meeting rooms, offices, reception areas and work areas for employees. Each company's mission statement and employee handbook were reviewed as well as the companies' intranets. Field notes detailing data gathered were written-up following each site visit. Data was collected from the three case study companies over a period of four months. See Table 2 for details on the data collection.

'Insert table 2 here'

Data analysis

Data from the questionnaire was collated for analysis via SPSS. Subsequently the data was suitably prepared (frequencies, means and standard deviations) to allow comparison and display in a coherent form as well as the investigation of relationships. As part of assessing the reliability of quantitative data Cronbach's alpha (α) test was carried out on each of the scales (Tavakol and Dennick, 2011). 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 (Field, 2009; Pallant, 2010; Tavakol and Dennick, 2011). Cronbach's alpha was calculated as .93 for the values scale, .92 for the norms scale, .47 for the artefacts scale and .90 for the behaviours scale. As the alpha for the artefacts scale was below the acceptable limit it was discarded as a scale although the mean responses to the individual items are still reported. The low value of alpha suggests the examination of a broad range of artefacts in a scale resulted in a weak interrelatedness between items (Tavakol and Dennick, 2011).

There was a substantial amount of qualitative data gathered from the ten recorded interviews. Thematic analysis of the transcribed recordings allowed for the identification of patterns and themes within the data (Braun and Clarke, 2006). A general synopsis was compiled of the recurring themes and findings for each interview and for each company followed by a

synopsis of common themes across all interviews (Miles and Huberman, 1984). Data quality processes were adhered to in all aspects of the research process to enhance the quality of the analysis findings (Lincoln and Guba, 1986).

The researchers' personal codes of ethical practice were brought to the research as well as being informed by relevant institutional guidelines which include: research which can be of benefit to participants, respecting the dignity and privacy of all participants, honesty and openness with participants, involvement of all significant individuals, negotiation, reporting of progress, confidentiality, authorisation of access, sensitivity and good relations (IT Carlow, 2011a, 2011b).

Limitations in the methodology of the study can be argued to include the use of the business awards list as a sampling frame as not all companies take part in industry award competitions. However, the selection of market-oriented companies was the aim and the awards list could be considered a pragmatic choice. The lack of control over the completion of self-administered questionnaires is also acknowledged although the targeting of respondents for the multi-informant interview approach is offered as a reassurance to allay this concern.

FINDINGS

Market orientation

The aim of the study is to examine the layers of a market-oriented culture including their influence on market-oriented behaviours. Therefore initially it was necessary to ascertain if the three case study companies investigated were market-oriented, that is, if they had the characteristics of a market-oriented culture (Homburg and Pflesser, 2000). Thus in the questionnaire employees of the three case study companies were asked to indicate their level of agreement with a series of Likert statements describing the values, norms, artefacts and behaviours associated with a market orientation. Tables 3, 4, 5 and 6 present the mean level of agreement among respondents to Likert statements on a five point scale ranging from ‘Strongly Disagree’ to ‘Strongly Agree’ with each level on the scale assigned a numeric value starting at 1 and finishing at 5.

‘Insert table 3 here’

‘Insert table 4 here’

‘Insert table 5 here’

‘Insert table 6 here’

The tables can be interpreted as indicating the case study companies have values, norms, artefacts and behaviours associated with a market orientation (Homburg and Pflesser, 2000). The employees surveyed can be interpreted as in general agreeing that the 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* were prevalent in their companies. Similarly, employees in the case study companies agreed that the particular artefacts related to a market orientation exist

within their organisations (Homburg and Pflesser, 2000) as well as the described market-oriented behaviours (Kohli et al., 1993).

The qualitative data provides additional support for the existence of market-oriented values, norms, artefacts and behaviours in each of the companies researched. For example in Company One there is evidence of the value of *quality and competence*. The company has a team of twelve staff members who act as internal auditors and ‘audit to our standard’ according to an interviewee to maintain quality standards. In the same company the research supports the existence of the corresponding norm of *quality and competence* with the Customer Service Manager explaining ‘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 quote illustrates that employees know what the norm is - what is expected of them. Additionally, the company, demonstrating market-oriented behaviours in the generation of market intelligence, carries out surveys with their customers on a regular basis, in order to assess the quality and competence of the company from the customer’s point of view.

Inter-functional co-operation was found to exist in all three case study companies. *Inter-functional co-operation* refers to the degree of formal and informal direct contact between employees across departments (Jaworski and Kohli, 1993). As an illustration in Company One 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 Company Three the norm is to have weekly meetings involving all team members. An interviewee explained, weekly meetings ‘feed into the monthly meetings’ so that everyone is informed and up-to-date – thus the generation and dissemination of market intelligence. The data suggests regardless of company size, formal and informal communication is important to market orientation.

There was also evidence of market-oriented artefacts in the three companies. For example, in Company Three a manager explained the staff common area was like a family kitchen, ‘the morning break is compulsory ... you have to go out for your tea-break at half-ten every day’. This ritual allows for the gathering and disseminating of intelligence among all staff members.

In summary, the research can be interpreted as indicating each of the case study companies exhibited the values, norms, artefacts and behaviours of a market-oriented culture despite their differences in industry, size, ownership, age and product-service mix.

The relationship of market-oriented values, norms and artefacts to behaviours

To address the focus of the research the relationship between the layers of a market-oriented culture and behaviours was investigated. That is, do the values, norms and artefacts of a market-oriented culture drive behaviours.

To explore the relationship between market-oriented values and norms and market-oriented behaviours the Likert statements presented in Tables 3 and 4 were aggregated into scales. These scales were correlated with the Market-oriented behaviours scale, developed from the twelve statements in Table 6. Pearson’s correlation indicates there is a significant relationship between the Values scale and Market-oriented behaviours scale ($r = .74$, p (two-tailed) $<.01$) with a coefficient of determination of $R^2 = 54\%$; and between the Norms and Behaviours scales ($r = .75$, p (two-tailed) $<.01$) with a coefficient of determination of $R^2 = 56\%$; the relationship between artefacts and behaviours was not investigated due to the previously noted low reliability of the scale. Thus there is a relationship between the variables of values and norms and market-oriented behaviours. The coefficients of determination ($R^2 = 54\%$, $R^2 = 56\%$) indicate that a significant proportion of variance in market-oriented behaviours is explained by market-oriented values and norms. This gives substance to the claim that values

and norms play an important role in determining the market-oriented behaviour of employees within the companies researched.

The qualitative data can be argued as confirming this relationship between market-oriented organisational values and norms and behaviours as well as indicating such a relationship between artefacts and behaviours may also exist in each of the companies researched.

Company Two will be used to illustrate this relationship. In the company, a manager outlined how, at interdepartmental meetings there is an open forum where anyone can address an issue but she pointed out that 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 a quality service. This vignette outlines how values such as *innovation and flexibility, openness to internal communication, speed and inter-functional cooperation* influence the norms of behaviour in the company and its subsequent market-oriented behaviours in responding to the needs of customers.

Artefacts were can also be identified as an influence on employee behaviour. In Company Two visual displays were utilised to highlight key targets throughout the day in different departments. For example, in the warehouse a constantly updated electronic screen showed the number of orders being processed. A manager commented on the use of such displays:

... every hour not every month but every hour they [employee teams] 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 ... but it's not just what's my target, again it's a team target.

This information is then later used to create reports on the number of calls received, revenue targets met, progress of employees, communicating with customers and to enhance the overall quality of service. This example demonstrates how the artefacts influence the behaviour of employees and enhance the market orientation of the company in terms of information generation, dissemination and response.

There are subtle signals sent through the physical layout of the surroundings, the language including mission statements and the rituals that encourage market-oriented behaviours such as meeting customers, informal meetings and communication and in the resulting inter-functional coordination. In the three companies researched artefacts in the form of attractive meeting rooms, offices and common areas that support open communication, surroundings that are welcoming and customer oriented, language that was customer-focused and rituals such as interdepartmental meetings were all evident.

In summary, the research can argue that there is a relationship between the layers of organisational culture and market-oriented behaviours.

Connected

Having established that the particular values, norms and artefacts as identified by Homburg and Pflesser (2000) existed in the case study companies, and furthermore that they appear related to market-oriented behaviours, the nature of the relationship between the layers of organisational culture and market-oriented behaviours was explored. Two broad themes were identified in the examination of the data. Firstly, the layers of organisational culture were found to be connected both within the layers and between the layers thus not only are there intra-connections between the values and intra-connections between the norms but also inter-connections between the different layers thus between values and norms and values and

artefacts and so on. Secondly, each company was found to have a particular unique mix of values, norms and artefacts.

In relation to the first theme, the research data supports an interpretation that the values, norms and artefacts associated with a market-oriented culture are connected in each of the case study companies. For example, the norm of *inter-functional co-operation* was found, not surprisingly, to be intra-connected with the norm of *openness to internal communication*.

Evidence in Company Three of this inter-connection was that the employees had the norm of coming together for the morning coffee break daily and in creating the company newsletter as well as in cross-departmental training. A manager outlined these activities ‘creates a mutual appreciation for what people do’. The intra-connection of these norms of *inter-functional co-operation* and *openness to internal communication* was also evident in Company One where the Customer Service Manager 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’.

An example of evidence of the relationship between the norms of *success* and *innovation and flexibility* is in Company Two where a manager explained everyone is striving for success ‘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:

...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 illustrates how *innovation and flexibility* in finding solutions and in solving problems can lead to *success* and that employees know they can contribute possible solutions - that it is 'the normal thing to do'. Thus in each of the companies researched there appeared to be intra-connections in the layers of market-oriented organisational culture.

These intra-connections in-between the norms in a company can be argued as producing an exponential effect or synergy. It is the influence of a combination of values, of norms and of artefacts that enhances the market orientation of companies. As an illustration an interviewee in Company Two commented that in their organisation 'everything revolves around teamwork', there is 'honest communication ... in a flexible environment' where employees 'come into work and can achieve something' where 'there is a passion for the business... [and employees] stand up for [the company]'. This comment highlights values that could be described as *inter-functional cooperation, quality and competence* and *openness to internal communication* that enhance each other in combination.

The evidence demonstrates intra-connection between the layers of a market-oriented culture. Furthermore, there is evidence of a vertical or inter-connection between the layers of organisational culture i.e. between the values and the norms and the artefacts in each of the companies. For example in Company Three the relationship between an artefact and values was evident. The HR Manager explained 'the first thing [you see when] you come [in] ... is a picture frame with all pictures [from the company] through the years so far'. This collage depicts company employees as well as events such as days out and meeting with customers. The collage, a company artefact, illustrates according to the HR Manager a core value within the company that 'people matter'. Another example from the same company illustrates the

connection between artefacts and norms of behaviour where the company had a 'culture poster' in place. The HR Manager explained what employees were tasked to do in creating it:

... 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 according to the HR Manager 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'. This culture poster resulted in a modification of the behaviours in the company with the HR Manager explaining that now when responding to queries from customers 'instead of just pushing out bog standard replies' someone personally signs the emails and the email is never just a standardised response. The 'culture poster' had an influence on the behaviour of the company in interacting with customers.

In addition, supporting the argument of a vertical connection between the layers of a market-oriented organisational culture this study found that when a company that exhibited certain values it also exhibited corresponding norm and related artefacts. For example, in the case of Company Two there was quantitative and qualitative evidence of the value and corresponding norm of *quality and competence* – employees know what is expected of them and consequently what they should and should not do. Similarly, where the value of *speed* was identified it was also found to be connected to the norm of *speed* in the swift and efficient ways that employees responded to queries within a twenty-four hour time frame in one company or an eight-hour time frame in another. As another example, the values of *inter-functional cooperation* and *openness to internal communication* were evident in the norm of

regular meetings taking place in Company Three with the inclusion of employees from across all different departments in an ‘open forum’ offering everyone the opportunity to address issues. The values of *inter-functional cooperation* and *openness to internal communication* exhibited in the norms were also reflected in the artefacts where a common area was conducive to open communication and in the ritual of everyone taking their morning tea break together. The artefacts embodied the company values and norms.

In summary, the research evidence indicates the inter-connection between and intra-connections within the layers of market-oriented culture. These connections between the layers of a market-oriented organisational culture have the capacity to produce a synergistic or enhancing effect with values reinforcing values as well as connecting with related and corresponding norms and enabled via company artefacts.

Uniqueness

The second broad qualitative research theme was that each company was found to have a particular unique mix of values, norms and artefacts. While quantitative and qualitative data indicated that the investigated market-oriented values, norms and artefacts existed across all three companies it was to varying degrees in unique combinations. When survey data was investigated at a company level the average or mean value of certain values, norms and artefacts varied across the case study companies. Thus when investigated at a company level employees in all three case study companies agreed that the value of *innovation and flexibility* was strongly present in their company. Indeed, employees of Company Three, the services company, ranked it as the value they mostly strong agreed was found in their company. Whereas the employees of the production and the mixed product services company had *quality and competence* as the value they most strongly agreed was found in their company, perhaps an indication of the primacy of having a quality product in their industries. The employees of the smaller services company had *appreciation of employees*,

responsibility of employees and *speed* ranked higher as values that best described their company. *Openness to internal communication* and *inter-functional cooperation* also ranked high with the employees of Company Three the services company and Company Two the mixed product-services company. Thus while the sample size and number of case studies is limited, employees in all companies indicated *innovation and flexibility* is a value that describes their company, *quality and competence* is a value that is strongly held in the product focused companies with *speed* and employee focused values strongly held in the services type companies.

An example will illustrate the uniqueness of the cultural values in the companies. A value that differed in its ranked importance across the three companies was *appreciation of employees*, which was ranked highest in Company Three while ranked lower in the other companies. In this company the Human Resource Manager explained that one of their core values was that ‘people matter’. Similarly, norms differed in their importance in each company, in Company Three where the norm of *speed* was ranked high by employees there is a set response time in place for dealing with customer queries. The particular values, norms and artefacts that were ranked highest in each individual company appeared to be relevant to its competitive environment and capabilities. In this case Company Three a services company placed an emphasis on people as well as the speed of response in delivering that service.

In summary, this study can conclude that there is an identifiable set of values, norms and artefacts related to market orientation. Each layer contributes to the culture of the organisation to encourage market-oriented behaviours. Furthermore, market-oriented values, norms and artefacts influence market-oriented behaviours in an inter- and intra-connected company relevant and unique way. Thus a market-oriented organisational culture is a fusion of layers; values, norms and artefacts that bring about market-oriented behaviours. It is this

organisational culture that is the essence of market orientation as described by Narver and Slater (1990).

DISCUSSION AND CONCLUSIONS

This study can conclude that the organisational cultural values, norms and artefacts identified by Homburg and Pflesser (2000) as related to market orientation were evident in case study companies researched. Furthermore, there was evidence in this study that the organisational cultural values ($r = .74$), norms ($r = .75$) and artefacts were found to influence market-oriented behaviours within the organisations researched.

The findings are in line with previous empirical research (Gebhardt et al., 2006; Homburg and Pflesser, 2000; Kasper, 2005) and have relevance as it suggests while the possible range of values and norms related to market orientation is broad there may be a finite number or range that can be identified - this study found support for all eight values and norms also identified by Homburg and Pflesser (2000). It is acknowledged that the values and norms that are relevant for a particular company will always depend on the goals of the company and its unique context. However, the findings of this study posit that there is a set of identifiable values and norms that can potentially be selected and imbued within a company to create a market orientation. There was also evidence in this study that pointed to the significance of artefacts to embody the particular market-oriented values and norms of the companies researched (Brown, 1998). The artefacts in the form of arrangements, language, rituals and stories are also argued as encouraging market-oriented behaviours (Bitner, 1990; Deal and Kennedy, 1982; Homburg and Pflesser, 2000; Jaworski and Kohl, 1993;).

Furthermore, this study found that while each layer of the organisational culture had a distinct role in influencing market-oriented behaviours, there is evidence that suggests an intra-connection within each layer in a market-oriented organisational culture and this intra-

connection within the layers was found to play a role in implementing a market orientation. As well as this intra-connection there was evidence of an inter-connection between the layers i.e. between the values, norms and artefacts which enhanced the market-oriented behaviours within the companies researched. These findings develop the understanding of the layered perspective of market-oriented culture (Day, 2000; Detert et al., 2000; Gray, 2010; Lai, 2003; Ruekert, 1992). Thus companies can benefit from a harmonisation of the values, norms and artefacts and the resulting synergistic effect in the implementation of a market-oriented culture.

Each company was also found to have a unique mix of values, norms and artefacts relevant to the particular goals of that company. Argandoña (2003: 19-21) discussing values argues this is 'logical, inevitable and even desirable' as they are developed and fostered according to the company's mission and distinctive capabilities. Certain values will make sense for particular organisations in specific economic circumstances and the challenges the company faces in the environment (Argandoña, 2003; Deal and Kennedy, 1982). Thus in summary it is the combined synergistic effect of the unique mix of relevant values, norms and artefacts in companies that encourages market-oriented behaviour.

To conclude the contribution of this study can be identified as firstly providing additional support for the cultural perspective of market orientation. Secondly, the study findings confirmed the values, norms and artefacts identified by Homburg and Pflesser (2000) encourage market-oriented behaviours. Thirdly, the study contributed to a further understanding of the dynamics of the layers of a market-oriented organisational culture in implementing a market orientation. Fourthly, the study presents a questionnaire survey that can be utilised as a diagnostic tool in evaluating the market-oriented culture of a firm. These contributions can provide managerial guidance to the range of values, norms and artefacts linked to market orientation and the details of their interrelationships; Furthermore, the study

can aid in ‘value and norm development’ in the cultural transformation required to be a market-oriented organisation (Gebhardt et al., 2006). Similarly, the study can aid in providing ‘a priori education’ to members of an organisation where the aim is to increase the level of market orientation (Narver et al., 1998). As van Raaij and Stoelhorst (2008) identified, in a review of the literature, developing top down programmes to change or create norms is an enabler in creating market orientation; this study provides the details of what such a programme may include.

It is recommended that organisations that are seeking to become market-oriented will benefit from having organisational cultural values, corresponding norms and related artefacts that have been linked to market orientation, that are compatible and enhancing and are aligned with the specific circumstances of the company. Furthermore, it is recommended that managers understand the aspects and dynamics of a market-oriented organisational culture and their own role in its creation. For example, in the selection of relevant and related values, in the reinforcement and encouragement of corresponding norms, the creation of appropriate rituals and provision of ideal arrangements such as offices, meeting rooms and common areas.

Limitations and further research

While the present research is argued as providing guidance on the details of a market-oriented culture it can be subject to critique. Firstly, arguing that market-oriented companies exhibit a market-oriented culture is hardly surprising. However, it is argued that the value of this research is in the understanding it gives of the range of values, norms and artefacts and their interrelationships. Similarly, to understand how to achieve customer satisfaction investigating organisations with high levels of customer satisfaction makes sense. A second criticism of the study is that arguing the values, norms and artefacts required in a company need to be relevant and unique to a company’s context could be considered vague and in essence limited

in its usefulness. However, similar to the organisational capabilities literature where the capabilities of a firm are argued as ‘the distinctive, hard-to-duplicate resources the firm has developed’ (Day, 1994: 38) a market-oriented culture appears to be by necessity company relevant. A third critique is that this research provides only part of the requirements for a company aiming to increase their level of market orientation; an argument the present authors would agree with. For example, van Raaij and Stoelhorst (2008) outline the broad range of enablers of a market orientation as including the organisational structure, processes, ICT systems, reward systems, leadership and competence management. Other authors have also identified precursors or antecedents to market orientation as including the role of top management, interdepartmental dynamics, employee rewards systems and organisational formalisation (Jaworski and Kohli, 1993; Kirca et al., 2005; Ruekert, 1992). Fourthly, the present research could be viewed as a public relations exercise for the companies who are the focus of the research, in essence proclaiming their customer focus. However, the anonymity of the questionnaires, the qualitative research process including the multi-informant approach of the interviews and the fact that the companies were selected due to their perceived market orientation does provide some reassurance that the companies are what they say they are. Finally, it is recognised that organisational culture as a concept is complex in nature and thus researching it is complex. It is acknowledged that there are significant differences in the definitions and terms used to describe both culture and organisational culture in a literature ‘fraught with debate regarding definitions, methodologies, perspectives and applications’ (Alveeson, 2011: 13). Harris (1999) has argued that difficulties in developing a market-oriented culture include the degree to which it can be considered pluralistic in the organisation, the degree to which it will dominate other organisational cultures and the degree to which it can be managed and subsequently entrenched. Similarly, it is acknowledged there

is corresponding strength in the disagreement in the literature on how market orientation should be defined with no consensus as of yet emerging (Gainer and Padanyi, 2005).

Despite the substantial body of work in the area of market orientation and organisational culture further understating of market-oriented organisational culture and its implementation is required. For example, what value, norms and artefacts can be deemed of most importance and in what particular organisational and national contexts. Additionally, further research that follows from this study includes the styles and roles of leaders and or management in an organisation in introducing and influencing the adoption of particular values and norms in developing a market-oriented culture. This could include examining the dynamics of organisational culture with regard to its strength, its receptability, adaptability and transferability (Harris, 1998). Also in light of the expansive discussion in the literature in understanding organisational culture (Alvesson, 2011) the importance of artefacts and the role they play in organisations necessitates further study including better measures. These research directions can be argued as requiring in-depth qualitative methods such as ethnography or a larger scale quantitative approach or a sequential mix of both.

The core conclusion of this study is that the combined synergistic effect of the particular unique market-oriented organisational cultural values and norms that exist within a company which are reflected in artefacts are central to the development of a market-oriented organisational culture. It is the culture within a company that potentially encourages market-oriented behaviours thus understanding the dynamics of this culture has merit.

References

- Alvesson, M. (2011). 'Meaning, Discourse, and Identity', in N. Ashkanasy, C. Wilderom and M. Peterson (eds), *Handbook Of Organizational Culture And Climate*, 2nd ed., London: Sage Publications.
- Argandoña, A. (2003). 'Fostering Values in Organizations'. *Journal of Business Ethics*, 45:1, 15-28.
- Bennett, A. (2004). 'Case study methods: Design, use, and comparative advantages', in D. Sprinz and Y. Wolinsky-Nahmias (eds), *Models, numbers, and cases: Methods for studying international relations*, University of Michigan Press.
- Bitner, M. (1990). 'Evaluating Service Encounters: The Effects of Physical Surroundings and Employee Responses'. *The Journal of Marketing*, 54, 69-82.
- Braun, V. and Clarke, V. (2006). 'Using thematic analysis in psychology'. *Qualitative research in psychology*, 3:2, 77-101.
- Brown, A. (1998). *Organizational Culture*, 2nd ed., London: Pitman.
- Chad, P., Kyriazis, E. and Motion, J. (2013). 'Development of a market orientation research agenda for the nonprofit sector'. *Journal of Nonprofit & Public Sector Marketing*, 25:1, 1-27.
- Colak, M., Husain, Z. and Dayan, M. (2015). 'Some antecedents, moderators and consequences of market orientation in international joint ventures'. *Journal for Global Business Advancement*, 8:4, 36-450.
- Dauber, D., Fink, G. and Yolles, M. (2012). 'Configuration Model of Organizational Culture'. *SAGE Open* 2:1, 1-16.
- Day, G. (1994). 'The Capabilities of Market-Driven Organizations'. *The Journal of Marketing*, 58:4, 37-52.
- Day, G. (2000). 'Managing Market Relationships'. *Journal of the Academy Of Marketing Science*, 28:1, 24-30.
- Deal, T. and Kennedy, A. (1982). *Corporate Cultures*, Reading: Addison Wesley Publishing.
- Deshpande, R. and Webster Jr., F. (1989). 'Organizational culture and marketing: defining the research agenda'. *The Journal of Marketing*, 53:1, 3-15.
- Deshpandé, R., Farley, J. and Webster Jr, F. (1993). 'Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis'. *The Journal of Marketing*, 57:1, 23-37.
- Detert, J., Schroeder, R. and Mauriel, J. (2000). 'A Framework for Linking Culture and Improvement Initiatives in Organizations'. *Academy Of Management Review*, 25:4, 850-863.

- Farrell, M. (2005). 'The Effect of a Market-Oriented Organisational Culture on Sales-Force Behaviour and Attitudes'. *Journal of Strategic Marketing*, 13:4, 261-273.
- Field, A. (2009). *Discovering Statistics Using SPSS*, London: Sage Publications.
- Foley, A. and Fahy, J. (2004). 'Towards a further understanding of the development of market orientation in the firm: a conceptual framework based on the market-sensing capability'. *Journal of Strategic Marketing*, 12:4, 219-230.
- Gainer, B. and Padanyi, P. (2005). 'The relationship between market-oriented activities and market-oriented culture: implications for the development of market orientation in non-profit service organizations'. *Journal of Business Research*, 58:6, 854-862.
- Gebhardt, G., Carpenter, G. and Sherry, J. (2006). 'Creating a Market Orientation: A Longitudinal, Multifirm, Grounded Analysis of Cultural Transformation'. *Journal of Marketing*, 70:4, 37-55.
- Gray, B. (2010). 'Fine Tuning Market Oriented Practices'. *Business Horizons*, 53:4, 371-383.
- Gray, B. and Hooley, G. (2002). 'Market Orientation and Service Firm Performance – A Research Agenda'. *European Journal of Marketing*, 36:9/10, 980-989.
- Gupta, M., Sahi, G. and Chahal, H. (2013). 'Improving market orientation: the theory of constraints-based framework'. *Journal of Strategic Marketing*, 21:4, 305-322.
- Halliday, S. (2002). 'Barriers to Customer-Oriented: A Case Applied and Explained'. *European Journal of Marketing*, 36:1-1, 136-158.
- Harris, L. (1998). 'Cultural Domination: The Key to Market-Oriented Culture?'. *European Journal of Marketing*, 32:3/4, 354-373.
- Harris, L. (2002a). 'Measuring Market Orientation: Exploring a Market Oriented Approach'. *Journal of Market-Focused Management*, 5:3, 239-270.
- Harris, L. (2002b). 'Developing market orientation: an exploration of differences in management approaches'. *Journal of Marketing Management*, 18:7-8, 603-632.
- Harris, L. and Ogbonna, E. (1999). 'Developing A Market Oriented Culture: A Critical Evaluation'. *Journal of Management Studies*, 36:2, 177-196.
- Harris, L. and Ogbonna, E. (2000). 'The responses of front-line employees to market-oriented culture change'. *European Journal of Marketing*, 34:3/4, 318 – 340.
- Hatch, M. (1993). 'The Dynamics of Organizational Culture'. *Academy of Management Review*, 18:4, 657-693.
- Hogan, S. and Coote, L. (2014). 'Organizational culture, innovation, and performance: A test of Schein's model'. *Journal of Business Research*, 67:8, 1609-1621.

- Homburg, C. and Pflesser, C. (2000). 'A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes'. *Journal of Marketing Research*, 37:4, 449-462.
- IT Carlow (2011a). Policy and Procedures on Ethics in Research, Carlow: Institute of Technology Carlow. <http://www.itcarlow.ie/public/userfiles/files/pdfs/PG-Policy/Appendices/Appendix%20E/Policy-%26-Procedures-on-Ethics-in-Research.doc> [accessed 1 June 2016].
- IT Carlow (2011b). Research Code of Practise, Carlow: Institute of Technology Carlow. http://www.itcarlow.ie/public/userfiles/files/ITCarlow-Ethics-in-Research-Policy-Version3_0.pdf [accessed 1 June 2016].
- Jaworski, B. and Kohli, A. (1993). 'Market Orientation: Antecedents and Consequences'. *The Journal of Marketing*, 57:3, 53-70.
- Kasper, H. (2005). The Culture of Market Oriented Organisations, METEOR, Maastricht research school of Economics of TEchnology and Organizations. <http://arno.unimaas.nl/show.cgi?fid=3912> [accessed 1 June 2016].
- Kirca, A., Jayachandran, S. and Bearden, W. (2005). 'Market Orientation: A Meta-analytic Review and Assessment of its Antecedents and Impact on Performance'. *Journal of Marketing*, 69:2, 24-41.
- Kohli, A. and Jaworski, B. (1990). 'Market Orientation: The Construct, Research Propositions, and Managerial Implications'. *Journal of Marketing*, 54:2, 1-18.
- Kohli, A., Jaworski, B. and Kumar, A. (1993). 'MARKOR: A Measure of Market Orientation'. *Journal of Marketing Research*, 30:4, 467-477.
- Kumar, V., Jones, E., Venkatesan, R. and Leone, R., (2011). 'Is market orientation a source of sustainable competitive advantage or simply the cost of competing?'. *Journal of Marketing*, 75:1, 16-30.
- Lai, K-H. (2003). 'Market Orientation in Quality-Orientated Organizations and its Impact on their Performance'. *The International Journal of Production Economics*, 84:1. 17-34.
- Lee, S., Yoon, S., Kim, S. and Kang, J. (2006). 'The integrated effects of market-oriented culture and marketing strategy on firm performance'. *Journal of strategic marketing*, 14:3, 245-261.
- Lincoln Y. and Guba E. (1986). 'But Is It Rigorous? Trustworthiness and Authenticity in Naturalistic Evaluation'. *New Directions for Evaluation*, 30, 73-84.
- Miles, M. and Huberman, M. (1984). *Quantitative Data Analysis*, Thousand Oaks: Sage.
- Narver, J. and Slater, F. and Tietje, B. (1998). 'Creating A Market Orientation', *Journal of Market Focused Management*, 2:3, 241.255.
- Narver, J. and Slater, S. (1990). 'The Effect of A Market Orientation on Business Profitability'. *The Journal of Marketing*, 54:4, 20-35.

OECD (2005). Glossary of Statistical Terms, Small and Medium-Sized Enterprises (SMESs), OECD SME and Entrepreneurship Outlook: 2005.
<https://stats.oecd.org/glossary/detail.asp?ID=3123> [accessed 22 December 2016].

Pallant, J. (2010). *SPSS Survival Manual: A Step By Step Guide To Data Analysis Using SPSS*, 2nd ed., Sydney: Open University Press.

Pinho, J., Rodrigues, A. and Dibb, S. (2014). 'The role of corporate culture, market orientation and organisational commitment in organisational performance: the case of non-profit organisations'. *Journal of Management Development*, 33:4, 374-398.

Ruekert, R. (1992). 'Developing A Market Orientation: An Organizational Strategy Perspective'. *International Journal of Research in Marketing*, 9:3, 225-245.

Sathe, V. (1983). 'Implications Of Corporate Culture: A Manager's Guide To Action'. *Organizational Dynamics*, 12:2, 4-23.

Schein, E. (2009). *The Corporate Culture Survival Guide*, San Francisco: Jossey-Bass

Tavakol, M. and Dennick, R. (2011). 'Making sense of Cronbach's alpha'. *International Journal of Medical Education*, 2, 53-55.

Tiernan, C., Dwyer, T., Mulligan, J. and Davies J. (2015). An Examination of the Influence of Market Oriented Behaviours on the Layers of an Organisation's Culture, Academy of Marketing Conference – The Magic in Marketing.
<http://programme.exordo.com/am2015/delegates/presentation/58/> [accessed 1 June 2016].

Thomas, G. (2011). 'A Typology for the Case Study in Social Science following a Review of Definition, Discourse, and Structure'. *Qualitative Inquiry*, 17:6, 511-521.

Trice, H. and Beyer J. (1993). *The Cultures of Work Organizations*, New Jersey: Prentice-Hall.

van Raaij, E. and Stoelhorst, J. (2008). 'The Implementation of a Market Orientation: A Review and Integration of the Contributions to date'. *European Journal of Marketing*, 42:11/12, 1265-1293.