ANTECEDENTS AND CONSEQUENCES OF MARKET ORIENTATION IN NON-PROFIT ORGANIZATIONS: EVIDENCE FROM MALAYSIA

Fariza Hashim, Taibah University
Abdul Rahim Abu Bakar, Taibah University

ABSTRACT

An emerging perspective on market orientation suggests that strategic insights may be gained when firms take into account their customers' view on the organization's level of market orientation. Recent research offers evidence on the applicability of a customer-defined market orientation construct. This study extends this line of research by exploring the customer-defined market orientation antecedents and outcomes in nonprofit organizations such as higher education institutions. This paper accentuates the subject by reviewing a number of theoretical viewpoints as to why a customer perspective should be sought when assessing organizational phenomena such as market orientation. Based on a study conducted on students of a local Malaysian university, this study extends the notion of market orientation to include service quality and customer satisfaction.

JEL: M3

KEYWORDS: Market Orientation, Nonprofit Organization, Marketing Strategy, Higher Institutions

INTRODUCTION

The formation and implementation of strategy and missions in non-profit organizations like higher education institutions (HEI) has become essential. The role of nonprofit organizations is becoming more significant in the market as numbers of new nonprofits are soaring. However, existing nonprofits are failing (Cordes et al., 2001; Ministry of Higher Education, 2007). The rapid growth of nonprofit organizations has created more intense competition for financial support, employees, and volunteers among these organizations (Schmid, 2004; Thompson, 2002). Reductions in government funding and a lack of sponsorship have added to the competitive pressure. At the same time, demand for performance by stakeholders has increased (Dees, et al., 2001; Herman & Renz, 2004). These conditions have forced HEIs to continue to define and refine their strategies and processes to ensure realization of their missions. Prospective students demand that HEI's provide better quality service and offer "high value programs and services". Demands for increasing student enrollments, the pressure to satisfy industry needs and increasing sophistication has lead HEI's to pander to students in a manner consistent with a market orientation perspective. Since the nature of university services requires human interaction with external and internal customers, a market orientation would be particularly important for universities. HEIs not only need to be responsive to customer groups, they ought to provide rigorous, thorough, and relevant educational programs to serve the long-term interests of students and the institution itself.

While there is a great deal of literature on market orientation in the profit sector (Narver and Slater, 1990; Pelham & Wilson, 1996), studies of market orientation in the nonprofit are limited. Studies by Morris et. al (2007); Kara et al. (2004) and Vazquez et al. (2002) have added to the recent literature on market orientation in nonprofit organization. Nonprofit organizations are facing two primary challenges, one is a resource allocation market and second is a resource attraction market (Segal, 1991). Market orientation of nonprofit organization can affect activities and programs directed towards beneficiaries and donors. Unlike for profit organization where assignment and attraction of resources is simultaneous, in nonprofit organization these two tasks are separate involving different target publics and different needs (Shapiro, 1973; Kara et al. 2004). Hence, for nonprofit organization like HEIs to sustain their existence, they need to provide quality programs and services. In addition, the importance of a market-oriented culture is crucial to all levels of the modern organization (Day, 1994; Deshpande et al. 1993) and nonprofit universities are not excluded. Dealing with competitive and economic pressures, these institutions need to identify their own funding rather than relying heavily on the government and look at other cost cutting and revenue increasing mechanisms (Caruana et al., 1998; Thomson, 2002). Apart from that, they also face increasing complex social needs, growing affluence, competition for human resources, increased regulation and accountability and escalating costs (Alexander, 2000; Thompson, 2002). Existing questions include the extent to which HEI offer programs that adopt a market orientation perspective in their institution? And, do the course structures, curriculum and HEI services depict the needs and wants of the customer?

Previous studies have exclusively considered market orientation as an 'employee or manager -perceived phenomenon. As a result, subsequent studies pertaining to a firm's market orientation generally have been based on employee self reports. There has been criticism of this view. The 'customer-defined position' argues that the adoption of the 'employee/manager-defined' view of market orientation is one-sided and myopic as it ignores the vital role of customers in terms of value recognition (Webb et al., 2000). They emphasize it is the customers - as opposed to sellers – perceptions of the level to which a firm is market oriented that is the critical measure of business performance. This argument extends from Desphandé et al. (1993) assertion that the evaluation of a firm's extent of customer orientation (market orientation) should also come from customers, and not just the managers of the firm itself. In the case of higher education programs, the issue becomes more pertinent where academic programs in HEI are charged with being out of sync with the reality. As a matter of fact, Drucker (1954) commented on the issue over five decades ago when he argues that marketing is not a specialized activity, but rather the whole business seen from the customer's point of view. As such, it seems not only intuitively logical but also necessary to view market orientation from the customer vantage.

Drawing from the above argument, an emerging perspective from researchers such as Steinman et al., (2000) and Webb et al. (2000) suggests that beneficial strategic insights may also be gained when firms take into account their customers' view on the organization's level of market orientation. These authors argue that an organization can be described as market-oriented only when the firm's total product offerings are both recognized and described by customers in value terms. In other words, when the customers perceive the firm is market-oriented and offers considerable value to them, only then can the organization be described as market-oriented. This would subsequently lead to customer satisfaction as a result of the organization being market oriented. Apparently, the proposed relationship between market orientation and customer satisfaction will be more appealing when both constructs are measured from a customer vantage. While the explanation of the market orientation and customer satisfaction relationship may appear somewhat tautological, with the exception of an exploratory study by Webb et al. (2000), there is no empirical study on the relationship. As such, an empirical validation on its proposed linkage deserves explicit consideration. Webb et al.(2000) argue that customer satisfaction is a result of the organization being recognized and described as market oriented by customers. With the exception of the Webb et al. (2000) exploratory study, limited empirical studies on the relationship exist. As such, an empirical validation on its proposed linkage deserves explicit consideration.

The majority of the studies on market orientation were done in developed economies whereas there is a dearth of market orientation research in developing economies. So far, research on the subject has been mostly focused on gathering evidence from developed economies, and building theories based on that evidence. However, there are few indications on the extent to which those theories may explain market orientation elsewhere. Deshpandé (1999) corroborated that there has been little interest in the generalizability of marketing concepts, models, theories to the non U.S. or non-Western context, even though such concepts and models might be theoretically inappropriate for emerging markets and transitional economies. Therefore, there is a pressing need for more research on this issues that reflect the reality of developing economies.

This study contributes to the existing literature in several ways. First, the customer-defined market orientation (CDMO) construct will be modified in this study and would validate the market orientation instrument initially developed from the 'employee-perceived view" and "developed economies bias" (Hooley et al., 2000). Second, the market orientation and organization outcome framework will be extended by offering a conceptual model in which CDMO is positioned both as antecedent of service quality (SQ) and customer satisfaction (CS). Third, the findings provide some clarifications whether the antecedents for CDMO are similar to market orientation (employee-perceived). Lastly, the relationships between a CDMO and both SQ and CS are investigated. This paper commenced with the discussion on the antecedents of market orientation, then is followed by the arguments on the views of the antecedents with the inclusion of the quality service. Next, this paper discusses the constructs that were used in the study and statistical results were presented. The findings of the study are then presented and summarized and finally the conclusion of the study is provided.

LITERATURE REVIEW

In general, market orientation (MO) is perceived as a philosophy that permeates the organization (Hooley et al., 1990). There are two main perspectives of market orientation; the behavioural perspective by Kohli and Jaworski (1990) and the cultural perspective by Narver and Slater (1990). The central focus of these two perspectives the organization's customers. Since market orientation involves the operationalization and implementation of marketing concepts (McCarthy and Perreault, 1990), the fundamental premise of satisfying the needs and wants of a firm's customers should be inherent in the conceptualization of market orientation. Therefore, the needs for companies to understand their customers (Shapiro, 1988), meet their needs now (Ruekert, 1992) and in the future (Kohli and Jaworski, 1990), create value for them (Narver and Slater, 1990) are vital. Kohli and Jaworski (1990) describe market orientation as the "organization-wide generation of market intelligence pertaining to current and future customer needs". They argue that MO comprises of three major elements; the generation of market intelligence; intelligence dissemination and responsiveness to market intelligence.

Generation of market intelligence relies on formal and informal mechanisms such as customer surveys, meetings and discussions with customers and trade partners, analysis of sales reports, and formal market research. However, intelligence generation is not the exclusive responsibility of the marketing department (Kohli and Jaworski, 1990). All functional departments in the company such as R&D, manufacturing, and finance need to obtain information that is relevant regarding customers and competitors. Intelligence dissemination is a part of the organization's ability to adapt to market needs and relates to the effectiveness of communication among the functional areas. It is significant as it provides a shared basis for concerted actions by the different departments (Kohli and Jaworski, 1990). Kohli and Jaworski (1990) also insist that all departments need to be responsive by selecting the appropriate target markets, designing, producing, promoting and distributing products that meet current and anticipated needs.

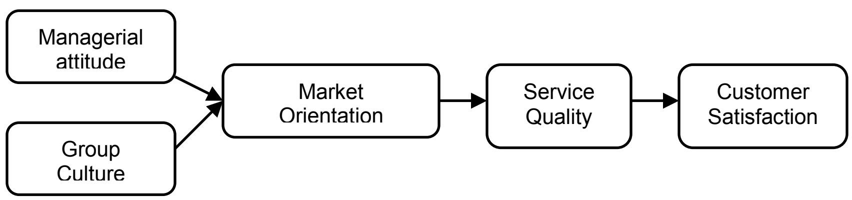
Managerial attitude toward change represents the extent to which senior managers are in favor of change (Damanpour, 1991). Manager's willingness to change would facilitate a firm's market orientation. Jaworski and Kohli (1993) suggested that top managers play a critical role in shaping an organization's values and orientation. Senior management clearly plays a key role in being responsive towards change in both private and public sector (Jaworski and Kohli,1993), they take the primary responsibility and accountability for designing and managing change. It is vital for managers to communicate signals on the importance of being responsive to customers' needs. Narver and Slater (1995) argue that in market-oriented firm, the priority is to constantly deliver superior value to its customers based on its understanding of customer needs and market trends. Consumers' expectations, consumption habits, incomes, and product knowledge change rapidly in a transitional economy. Thus, consumers' perceptions of a product's benefits tend to change over time, thus a firm's offerings that meet customers' needs today may not meet their needs tomorrow (Kohli & Jaworski, 1990). For an organization to confront such fast-changing and competitive environments, it would be essential for it to hold organizational characteristics such as the decentralization of decision-making; managerial participation and empowerment; risk-taking and innovative attitudes and flat structures (Miles and Snow, 1986; Ezzamel et al, 1994). Hence, in order to implement a market-driven strategy, firms need organizational changes that will lead to customer value opportunities in new directions. Successful organizational change is not possible without the commitment of top management leaders who play a key role in shaping the organization's norms, customs, values, and behaviors (Day 1999; Harris and Ogbonna 2001; Jaworski and Kohli 1993; Kasper 2002; Locander, Hamilton, Ladik, and Stuart 2002). Therefore, senior leadership commitment is the first step for initiating the changes that are needed for creating a market-driven culture (Day 1994; Locander, Hamilton, Ladik, and Stuart 2002). Hence, this leads to the hypothesis 1: The more positive the managerial attitude towards change, the greater the market orientation of the institutions.

Cultural perspective views market orientation as the organisational culture that creates the required behaviours for the creation of superior value for customers (Narver and Slater, 1990). Narver and Slater (1990) inferred that market orientation consists of three behavioural elements; customer orientation, competitor orientation and inter-functional coordination. Customer orientation requires a sufficient understanding of the customer to create products or services of superior value which is accomplished by increasing benefits to the customers while decreasing the costs. Hence, firms need to acquire information about the customers and comprehend the economic and political constraints. The competitor orientation relates to the organization understanding on the strengths and weaknesses of its current and future competitors, as well as their long-term capabilities and strategies. Inter-functional coordination refers to the coordinated utilization of the company's resources in creating superior value for its customers. The absence of inter-functional coordination will effect on the cooperation between departments, thus they must be sensitive to the needs of all the other departments within the organization. Deshpandé and Webster (1989) defined organizational culture as a shared pattern of values and beliefs which facilitate a person to understand his function in the organization through norms and behavior.

Consistent with this definition, Cooke and Lafferty's (1983); Barney (1986) and Schein (1985) also emphasize that organizational culture not only reflect shared values, norms and beliefs but it is also complex and affect the way members think and behave. As market orientation requires organization-wide coordination in disseminating information and responding to market intelligence, organizational culture is essential and become part of the concept (Kohli and Jaworski, 1990; Narver and Slater, 1990). Organizational culture such as group culture emphasizes the importance of employee unity, cooperation, and sense of belonging to the firm, promotes employees understanding of both the firm and the market, and encourages participation in decision making (Quinn, 1988). This would facilitate the dispersion of ideas within an organization, which leads to the generation of more new ideas (Damanpour, 1991). Group culture creates cohesion among employees and facilitates them to understand why changes and new actions are necessary, thus employees are more willing to work together and engage in inter-functional activities (Zhou, 2004). This creates conducive environment in developing market orientation as it assists in coordinating and disseminating information as well as responding to market intelligence (Kohli & Jaworski, 1990; Narver & Slater,1990). Hence hypothesis 2 : The stronger the group culture, the more market orientated the institution.

Meanwhile, quality of service has been studied in the area of management for years because the market is more competitive and marketing management has transferred its focus from internal performance such as production to external interests such as satisfaction and customers' perception of service quality (Gronroos, 1992). The literature suggests a linkage among market orientation, customer satisfaction and service quality through the concept of value. In the market orientation literature, provision is positioned as a central organizational objective (Narver & Slater, 1990). There are three equally important prerequisites for the creation of superior customer value. The first two prerequisites basically focus on the customer and competitor orientations. The third prerequisite involves coordinating across the firm's departmental boundaries those activities necessary to deliver superior value (Narver & Slater, 1990). Woodruff et al. (1993) explicate the sentiments of other researchers in stating that by being responsive to customer's needs, customer value delivery strategies are instrumental in building strong customer satisfaction. Webb et al. (2000) exploratory study found that market orientation has a positive relationship with service quality and satisfaction. In customers' interactions with a service firm, they are positioned in the relationship such that they are able to form opinions about the service quality received and consequently construct cognitive evaluations about the organization's level of delivered service (Webb, 2000). These arguments lead to hypothesis 3. Hypothesis 3 : The greater the level of customer-defined market orientation, the greater the level of perceived service quality. Figure 1 summarizes the relationship between the variables.

Figure 1: Proposed Framework



DATA AND METHODOLOGY

This study analyzes market orientation concepts in a nonprofit organization in Malaysia. The organization is a public higher education institution fully owned by the government. The respondents of this study were students currently enrolled in this public university in Malaysia. Out of the total population of 1,266 students, 300 questionnaires were randomly distributed. The clean returned questionnaires were 211 yielding a response rate of 70 per cent. Potential non-response bias was assessed based on Armstrong and Overton (1977) suggestions. There was no significant difference between early and late respondents on any of the key variables, thus reducing the concerns about non-response bias.

A questionnaire was used as an instrument in this study. The constructs used are adopted from previous studies with modifications done on the market orientation scale to reflect the customer perspective. Each statement was assessed using a five-point scale ranging from '1 = strongly disagree' to '5 = strongly agree'. The 14 item scale had three main elements made up of customer orientation, competitor orientation and inter-functional coordination. Section B of the questionnaire represents managerial attitude towards change and the institution's group culture. Group culture was adapted from the cultural value framework developed by Quinn (1988) and managerial attitude towards change was adapted from Lau and Woodman's (1995) change instrument. Both scales were measured on a five item Likert scale response format. Group culture was represented by three items while managerial attitude towards change by five items. Section C of the questionnaire represents the service quality of the institution consisting of eleven items taken out of the original 22 item SERVQUAL scale developed by Parasuraman, Zeithaml, and Berry (1998). The items were related to services of the institution and were modified to match the study's approach. These scales also used a 5-point Likert type response. Finally, section D of the questionnaire consists of the respondents' background information. This section inquires about the respondents' personal description and academic related questions. In establishing the scale development and validation procedure, the suggestions of Churchill (1979) were followed. Adopting the guidelines outlined by Hair et al. (1998), Exploratory Factor Analysis (EFA) using principal components analysis and varimax rotation was conducted (Greenley, 1995). Variables with low factor loadings below 0.3 were deleted. Only variables that loaded significantly and greater than 0.3 onto more than one factor were considered. Communalities of the variables, representing the amount of variance accounted for by the factor solution of each variable, were examined. Factors with communalities lower than 0.4 were deleted.

RESULTS

Several inferential statistical tests were conducted. Correlations and simple regression were carried out for the variables and the results were summarized in Table 1,2, 3 and 4. Table 1 summarizes the results of correlation for antecedent variables which include managerial attitude and group culture. The first dependent variable is market orientation, a mediating variable is service quality and a second dependent variable is customer satisfaction. The results show that all proposed relationships were significant. From the correlation results it was clear that there is a significant positive relationship between managerial attitude towards change and market orientation (r = 0.281), group culture and market orientation (r = 0.365) as well as market orientation and service quality (r = 0.287).

Table 1: Pattern Matrix Illustrating Correlations and Cronbach's Alpha for the Specific Construct

No	Constructs	1	2	3	4	5	No of Items	Alpha
1	Market Orientation	1.0					14	.89
2	Managerial attitude towards change	.281**	1.0				2	.56
3	Group Culture	.365**	.083	1.0			5	.81
4	Service Quality	.287**	.174*	.303**	1.0		11	.86
5	Satisfaction	.314	.258**	.329**	.331**	1.0	1	

***Significant at 0.01 level (2-tailed), * Significant at 0.05 level (2-tailed), N= 211*

Table 2 summarizes the results for correlation between antecedent variables (manager's attitude and group culture), market orientation elements which are customer orientation, competitor orientation, inter-functional coordination, and service quality. The dependent variable is customer satisfaction. The results show that there is a significant relationship between manager's attitude and group culture towards market orientation. Manager's attitude has a positive relationship r = 0.252 at a 0.001 confidence level while group culture has a stronger relationship r = 0.344 at a 0.001 confidence level toward market orientation. This indicates that the greater the manager's attitude and group culture, the greater the market orientation of the organization. A composite value of market orientation also showed a positive significant relationship (r = 0.287) towards service quality, however its elements depicted some variance. The market orientation elements; customer orientation (r = 0.221) and competitor orientation (r = 0.166) have a positive significant relationship towards service quality but inter-functional orientation (r = 0.091) did not show any significance. This signifies that inter-functional orientation was not significant in developing quality service but customer and competitor orientation were vital in such circumstances. Finally, service quality has a positive significant relationship (r=0.331) towards customer satisfaction, thus the greater the service quality, the greater the customer satisfaction

Table 2: Correlation Results on Variables

Construct	**Market Orientation**	**Mediating Variable**	**Dependent Variable Customer Satisfaction**
		Service Quality	
Manager Attitude	.252***		
Group Culture	.344***		
Market Orientation		.287***	
Customer Orientation		.221***	
Competitor Orientation		.166**	
Interfunctional Coordination		.091(0.239)	
Service Quality			.331***

****Significant at 0.001 level, **significant at 0.05 level*

Table 3 indicates regression estimates of the equation: Market orientation = α + β1 (managerial attitude) + β2 (group culture) +β3 (service quality). The results depicted the value of antecedent variables which are managerial attitude and group culture as well as service quality, a mediating variable. The findings show the adjusted R square of managerial attitude against the market orientation was 0.075, signifying that about 7.5% of changes in market orientation are explained by managerial attitude towards change. At the F value of 25.395, managerial attitude relationship towards the market orientation was significant at the .0001 level, thus Hypothesis 1was supported. The adjusted R square for group culture against market orientation was 0.129 indicated that nearly thirteen percent of changes in market orientation is significantly explained by group culture. With an F value of 32.058 the group culture relationship toward market orientation was significant at 0.001 confident level. This result shows that group culture has a stronger effect on market orientation compared to other antecedents. Hence, Hypothesis 2 was supported. Finally, the adjusted R square for service quality against market orientation was 0.078 depicting that about 7.8 percent of changes in market orientation are explained by service quality. An F value of 18.815 for the service quality relationship towards market orientation, was significant at the 0.001 level supporting Hypothesis 3.

Table 3: Regression Results of the Antecedents towards Market Orientation

	Adjusted R2	F value
Managerial attitude	0.075	25.395***
Group culture	0.129	32.058***
Service quality	0.078	18.815***

****Significant at 0.001 level*

Table 4 summarizes the test results. Hypothesis 1 was supported, showing that more positive managerial attitudes towards change imply a greater market orientation of the institution. Hypothesis 2 was also supported indicating the stronger a group culture, the more market orientated the institution. Hypothesis 3 was also supported showed greater levels of customer-defined market orientation imply greater levels of perceived service quality**.**

Table 4: Summary of Hypothesis Testing

No.	Variables	Hypothesis Statement	Significance
1	Managerial attitude towards change	The more positive the managerial attitude towards change, the higher the exemplified market orientation of the institutions. (H1)	√
2	Group culture	The stronger the group culture, the more market-oriented the institution. (H2)	√
3	Service Quality	The greater level of customer-defined market orientation, the greater the level of perceived service quality. (H3)	√

This table shows a summary of the hypothesis tests conducted in this paper.

CONCLUDING COMMENTS

This study confirms that organizational group culture and managerial attitude towards change are antecedents of customer-defined market orientation. The findings yielded results similar to Jaworski and Kohli (1993) where top management emphasis was a determinant of market orientation. Responding and taking more risks by the top management were perceived by students as making decisive actions towards becoming more market-oriented. This approach has been the main competitive advantage of many higher education institutions in Malaysia. In regards to academic perspectives, the institution attempts to provide and offer more programs that conform to ever changing market needs. Group culture emphasizes the importance of employee unity, cooperation, and a sense of belonging to the firm, promotes employees' understanding of both the firm and the market, and encourages participation in decision making (Quinn, 1988). Based on our observations, the institution emphasis working together to achieve objectives and targets as a team was the main strategy adopted by this institution. With its aggressive and committed workforce each employee is accountable to the institution. The institution was also committed to creating a harmonized working relationship among its employees and as part of its organizational culture.

The findings of this study show evidence of a positive association among customer-defined market orientation and perceived service quality. It corroborates the findings of Webb et. al, (2000). Market-orientation, as an overall organizational value provision system, influences the behavioural norms and shaped the organization's attributes and delivery behaviour. This has an impact on both service quality and customer satisfaction. However, an interesting notion was derived from this study. Specifically, an average level of "market orientation" was perceived by the students. This accentuates the argument of Bailey and Dangerfield (2000) that being market oriented should not lead academic institutions to become customer led which addresses student immediate and expressed wants and needs as this approach creates several interrelated problems. Hence, although student evaluations of the programs were average, the impact of the courses could only be realized when they excel in their later careers.

The overall results demonstrate that market orientation, particularly an organizational culture, influences the behavioural norms that shape an organization attributes and delivery behaviour. Being a market oriented institution warrants that the firm delivers a quality service in compliance with the needs or requirements of customers. Consequently, this would lead to customer satisfaction based on the quality of services rendered. The findings illustrate that management may be able to influence customer satisfaction and service quality by adopting and implementing a market-oriented culture. The findings also attest the significance of each of the dimensions of market orientation. The results exhibit the ordering of standardized coefficients in terms of importance. It is evident that customers are able to observe if the firm has an emphasis on customers or competitors. Finally, this study accentuates our earlier argument that customer satisfaction is derived from value delivered by the level of service from being market oriented. In conclusion, this study has provides insight into market orientation of non-profit institutions, service quality and the customer satisfaction relationship.

REFERENCES

Alexander, J.(2000), Adaptive Strategies on Nonprofit Human Service Organizations in an era of Devolution and New Public Management, Nonprofit Management and Leadership,10(3),287-302.

Armstrong, J. and Overton, T.S. (1977), "Estimating Non-Response Bias in Mail Surveys", *Journal of Marketing Research*, Vol.4, 396-402.

Bailey, Jeffrey J. and Dangerfield, Byron (2000), "Applying the Distinction Between Market-Oriented and Customer-Led Strategic Perspectives to Business School Strategy", *Journal of Education for Business*, 75 (3): 183-187

Barney, J. (1986), "Organizational Culture: Can It Be A Source of Sustained Competitive Advantage", *Academy of Management Review,* Vol. 11, pp. 656–665.

Caruana, A, Ramaseshan, B and Ewing, M.T. (1998), "Do Universities That Are More Market Oriented Perform Better," *International Journal of Public Sector Management*, 11(1): 55-70.

Churchill, G. A Jr. (1979), "A Paradigm for Developing Better Measures of Marketing Constructs", *Journal of Marketing Research*, Vol. 16, pp. 64-73.

Cooke, R.A. and Lafferty, J.C. (1983), *Level V: Organizational Culture Inventory-Form I.*, Human Synergistics, Plymouth, MI.
Cordes, J., Steuerle,C., Twombly, E., (2001), Dimensions of Nonprofit Entrepreneurship, Maxwell Policy Research Symposium, Center for Policy Research, Syracuse University.

Damanpour, F. (1991), "Organizational Innovation: A Meta-Analysis of Effects of Determinants and Moderators", *Academy of Management Journal,* Vol. 34, pp. 555-590.

Day, G.S. and Nedungadi, P. (1994), "Managerial Representations of Competitive Advantage", *Journal of Marketing*, Vol. 58, pp. 31-44.

Day, G. (1999) *The Market-driven Organization: Understanding, Attracting and Keeping Valuable Customers.* New York: Free Press.

Dees, J.G., Emerson, J., Economy, P., (2001), Social Enterprenuership. In Dees, J.G, Emerson, J., Economy, J. (Eds.),Enterprising Non-Profits, John Wiley, New York, 1-18

Deshpandé, R., Farley, J.U., and Webster, F.E. (1993), "Corporate Culture, Customer Orientation and Innovativeness in Japanese Firms: A Quadrad Analysis", *Journal of Marketing*, Vol. 57:.23-7.

Deshpandé, R. (1999), "What are the Contributions of Marketing to Organizational Performance and Societal Welfare?" *Journal of Marketing*, Vol. 63 (Special Issue), pp. 164-167.

Deshpandé, R. and Webster, F.E., (1989), "Organizational Culture and Marketing: Defining the Research Agenda", *Journal of Marketing*, Vol. 53, No.1, pp. 3-15.

Drucker, P. F. (1954), *The Practice of Management*, New York: Harper and Row Publishers.

Ezzamel, M., Simon L., and Hugh, W., (1994), "The New Organization and the New Managerial Work, *European Management Journal,* Vol. 12, no. 4: 454-61.

Gronroos, C. (1992). *Service Management: A Management Focus for Service Competition.* In Lovelock, C.H. Managing Services: Marketing, Operations, and Human Resources (Eds.). Englewood Cliffs, NJ: Prentice Hall, 9-16.

Greenley, G.E. (1995), "Market Orientation and Company Performance: An Empirical Evidence from UK Companies", *British Journal of Management*, Vol. 6, No.1, pp. 1-14.

Hair, J. F. Jr, Anderson, R.E., Tatham, R.L. and Black, W.C. (1998), *Multivariate Data Analysis,* MacMillan Publishing Co: New York

Herman, R.D.,Renz, D.O. (2004), Doing Things Right: Effectiveness in Local Nonprofit Organizations, A Panel Study, Public Administration Review, 64(6),694-705.

Hooley, G.J., Cox, T., Fahy, J., Shipley, D., Beracs, J., Fonfara, K. and Snoj, B. (2000), "Market Orientation in the Transition Economies of Central Europe: Tests of the Narver and Slater Market Orientation Scales", *Journal of Business Research,* Vol. 50, pp.273-285.

Hooley, G.J., Lynch, J.E. and Shepherd, J. (1990), "The Marketing Concept - Putting the Theory Into Practice", *European Journal of Marketing*, Vol. 24, No. 9, pp. 7-23.

Harris, L., C., Ogbonna, E. (2001), "Leadership Style and Market Orientation: An Empirical Study", *European Journal of Marketing* 35 (5/6): 744-764.
Jaworski, B.J. and Kohli, A.K. (1993), "Market Orientation: Antecedents and Consequences", *Journal of Marketing*, Vol. 57, pp. 53-70.

Kara, A., Spillan, J.E., DeShields, O.W., (2004), An Empirical Investigation of the Link Between Market Orientation and Business Performance in Nonprofit Service Providers, Journal of Marketing Theory and Practice, 12(2),59-72.

Kasper, H. (2002), "Culture and Leadership in Market-Oriented Service Organizations". *European Journal of Marketing* 36, (9/10): 1047-1057.

Kohli, A.K. and Jaworski, B.J. (1990), "Market Orientation: The Construct, Research Propositions, and Managerial Implications", *Journal of Marketing*, Vol. 35:1-18.

Kohli, A.K. and Jaworski, B.J. (1993), "MARKOR: A Measure of Market Orientation", *Journal of Marketing Research*, Vol. 30, pp.467-477.

Lau, C., M., Woodman, R., W., (1995), "Understanding organizational change: a schematic perspective", *Academy of Management Journal,* Vol. 38 (2), 537-554.

Locander, W., B., Hamilton, F., Ladik, D., Stuart, J. (2002), "Developing a Leadership-Rich Culture: The Missing Link to Creating a Market Focused Organization". *Journal of Market-Focused Management,* Vol. 5 (June): 149-163.

McCarthy, J.E. and Perreault, W.D. Jr (1990), *Basic Marketing - A Managerial Approach*, 10th ed., Irwin, Homewood, IL.

Miles, R., E., Snow, C., C. (1986), "Organizations: New Concepts For New Forms", *California Management Review* 28, no. 3: 62-73.

Malaysia Ministry of Higher Education, (2007), Statistics of Public Higher Education Institutions in Malaysia, Putrajaya, Malaysia.

Morris, M.H., Coombes, S., Schindehutte, M., Allen,J. (2007), Antecedents and Outcomes of Entreprenuerial and Market Orientations in a Nonprofit Context: Theoretical and Empirical Insights, 13 (4), 12-39.

Narver, J.C. and Slater, S.F. (1990), "The Effect of a Market Orientation on Business Philosophy", *Journal Of Marketing*, Vol. 54, p.20-35.

Narver, J.C. and Slater, S.F. (1995), "Market Orientation and the Learning Organization", *Journal of Marketing*, Vol. 59, pp.63-74.

Parasuraman, A., Zeithaml, V., A., Berry, L., L. (1998). "SERVQUAL: A Multiple- Item Scale for Measuring Consumer Perceptions of Service Quality", *Journal of Retailing,* Vol. 64, 12-40.

Pelham, A.M., Wilson, D.T. (1996), A Longitudinal Study of the Impact of Market Structure, Firm Structure, Strategy and Market Orientation Culture on Dimensions of Small-firm Performance, Journal of the Academy of Marketing Science, 24 (1), 27-43.

Quinn, James B. (1988), "Innovation and Corporate Strategy: Managed Chaos", in Mel Horwitch, ed. *Technology in the modern corporation: A Strategic Perspective.* New York: Pergamon Press.

Ruekert, R.W. (1992), "Developing a Market Orientation: An Organizational Strategy Perspective", *International Journal of Research in Marketing*, Vol. 9, pp. 225-45.

Schein, E. H. (1985), *Organizational Culture and Leadership*. San Francisco: Jossey-Bass.

Schmid, H., (2004), The Role of Nonprofit Human Service Organizations in Providing Social Services, Administration in Social Work, 28(3/4), 1-21.

Segal, U.A., (1991), Marketing and Social Welfare: Matched Goals and Dual Constituencies, Administration in Social Work, 15(4), 19-33.

Shapiro, B., P. (1988), What the Hell is Market Oriented?, *Harvard Business Review,* 66,119-125.

Slater, S.F and Narver, J.C. (1994), "Market Orientation, Customer Value and Superior Performance", *Business Horizons*, Vol. 37, No.2, pp.22-29.

Steinman, C., Deshpandé, R. and Farley, J.U. (2000), "Beyond Market Orientation: When Customers and Suppliers Disagree", Journal of the Academy of Marketing Science, Vol. 28(1):109-119.

Thompson, J.L., (2002), The World of the Social Enterprenuer, The International Journal of Public Sector Management, 15(4), 412-431.

Vanquez, R., Alvarez, L.I., Santos, M.L., (2002), Market Orientation and Social Services in Private Nonprofit Organizations, European Journal of Marketing, 36(9/10),1022-1046.

Webb, D., Webster, C., Kreppa, A. (2000), "An exploration of the meaning and outcomes of a Customer-Defined market orientation", *Journal of Business Research,* Vol. 48 No. 2, pp. 102-12.

Zeithaml, V., Parasuraman, A., Berry, L., L. (1990), *Delivering Quality Service: Balancing Customer Perceptions and Expectations,* Free Press, New York.

Zhou, K., Z., Gao, G., Y., Yang, Z., Zhou, N. (2004), "Developing Strategic Orientation In China: Antecedents And Consequences Of Market And Innovation Orientations", *Journal of Business Research,* 58, pp.1049-1058.

BIOGRAPHY

Dr Fariza Hashim is an Associate Professor at University Utara Malaysia, Malaysia and currently attached at Taibah University, Madinah Munawarah, Saudi Arabia. Dr. Fariza Hashim can be contacted at College of Business, Taibah University, PO Box 344, Madinah Munawarah, Saudi Arabia, Email: farizahashim@gmail.com

Dr Abdul Rahim Abu Bakar is an Assistant Professor at Taibah University, Saudi Arabia. Email: Dr. Abdul Rahim Abu Bakar can be contacted at College of Business, Taibah University, PO Box 344, Madinah Munawarah, Saudi Arabia, Email:drrahimbakar@gmail.com