# A QUANTITATIVE STUDY OF MARKET ORIENTATION AND ORGANIZATIONAL PERFORMANCE OF LISTED COMPANIES: EVIDENCE FROM GHANA

Solomon A. Keelson, Takoradi Polytechnic


## ABSTRACT

*The study is part of a larger research of market orientation, which was conducted to build on previous research, and particularly examined the association between market orientation and business performance in a larger market context, using a synthesis model approach. Using the survey approach 24 companies out of 37 listed companies participated in the quantitative study; where 72 senior officials were surveyed from August 2011 to September 2011, through a five-likert scale questions. In this preliminary analysis, correlation analysis was used to measure the association between antecedents of market orientation and components of market orientation; as well as the link between market orientation components and business performance of firms. The findings indicated that top management factors on the average had statistical significant relationship with market orientation; organizational factors related highly with market orientation; and external factors also had statistical significant relationship with market orientation. Similarly, the four components of market orientation were found to have statistical significance correlation with both economic and non-economic performance of business. Thus, the results implied that the overall performance of listed companies in Ghana is linked to market orientation.*


## INTRODUCTION

The marketing concept has received a lot of research attention, with particular emphasis on its implementation issues (Turner and Crowford, 1994; Kotler and Armstrong, 2010). The importance of the implementation issues have reflected in the manner in which the term "market orientation" had been used extensively to refer to the marketing concept (Shapiro, 1988; Narver and Slater, 1990; Kohli and Jaworski, 1990). Similarly, authors have linked the origin of market orientation to the marketing concept (Kohli and Jaworski, 1990; Narver and Slater, 1990; Ruekert, 1992; Gainer and Pandanyi, 2005; Carr and Lopez; 2007). This suggests that the marketing concept and its implementation have consequences to the overall business strategy.

Six different perspectives have so far been identified to relate to the implementation of the marketing concept. These include organizational decision making perspective, market intelligence perspective, culturally based behavioural perspective, the strategic focus perspective, the customer orientation perspective and the system-based perspective have emerged. Researchers have used one perspectives or another in their study of market orientation, and the implementation of the marketing concept. The six perspectives have demonstrated a number of commonalities, which reveal common areas of agreement; nevertheless, there exist differences, particularly in the concept's conceptualization. Furthermore, despite the importance and extensive use of these market orientation perspectives in the market orientation literature, they have been found to have their individual limitations (Oczkowski and Farrell, 1997; Mavondo and Farrell, 2000). Thus, unlike previous studies, this study conceptualizes market orientation as a combination of all six perspectives (Zebal, 2003; Alhakimi and Baharun, 2009; Bytyqi, 2010).Thus, in this study the six different perspectives have been combined to propose a synthesis model of market orientation (Chapter, Figure 2.1). In other to evaluate the six different perspectives in this study, three issues, from the marketing concept to the outcomes of implementing the marketing concept were identified. These were the originators, which include the marketing concept and its implementation; the necessitators, including the antecedents of market orientation; and the end-products, including market orientation and its consequences.

Again, despite the importance of market orientation to modern business, the challenge identified in the market orientation literature is the lack of systematic effort to develop valid measures of market orientation (Kaynak and Kara, 2004);and the inconsistencies in the findings of the market orientation studies in developing countries (Malik and Naeem, 2009; Qu and Ennew, 2009). Unlike the developed economies, efforts made to study market orientation in developing economies have produced inconsistent results (Appiah-Adu, 1998; Savitt, 2001;Zebal, 2003;Osuagwu, 2006; Malik and Naeem, 2009;Qu and Ennew, 2009). The literatures reveal that the inconsistency of the findings of the association between market orientation and performance in the developing economies has usually been country specific (Osuagwu, 2006); and also firm and industry specific (Zabel, 2003; Jansen et al. 2005; Gibson and Birkinshaw 2004; Shoham et al. 2005; and Hafer and Gresham, 2008). Thus, in order to fill these gaps, a conceptual framework of all six perspectives of market orientation was proposed for listed companies, which is a larger market context than any of the previous studies. From, the synthesis model, a theoretical framework of market orientation was developed, which included the antecedents of market orientation, the components of market orientation and the consequences or outcomes of market orientation (Chapter 3; Figure 3.1). In order to address the problems identified for this research, the following research questions were outlined for consideration:

Question One: What internal factors (antecedents) of market orientation actually influence the business performance of companies in the Stock Market? Question Two: What external factors (antecedents) of market orientation affect the business performance of the companies in the Ghana Stock Exchange Market? Question Three: To what extent does the level of market orientation of the companies in the Stock Market in Ghana impact on the economic and non-economic performance of these businesses?

This study, like previous market orientation studies should contribute to the current debate on market orientation and business performance linkage, especially in the developing countries. It should be a work that can be replicated in other economies, both developed and developing. This is because, unlike previous studies, this study is not only limited to companies of particular industry or sectors of the economy. The study covers companies in the Stock Market, which belong to different sectors and industries thereby given a better representation of firms than previous studies. Since Stock Markets have certain unique conventional characteristics, the results of this study should be generalizable. The rest of the article deals with the relevant literature, data and methodology used in this study, results of the study and the conclusions drawn from the study.

## LITERATURE REVIEW

The marketing concept is a management philosophy guiding an organization's overall activities. It affects the collective efforts of the organization, not just its marketing activities (Dibb et al., 1991). The marketing concept is characterized by a business belief that the customer is always the focal point of the business. It is suggested that market orientation exist when a business philosophy or concept is implemented (Kohli and Jaworski, 1990;Narver and Slater, 1990; Deng and Dart,1994).Both McCarthy and Perreault, (1993) and Kohli and Jaworski (1990)used the term market orientation to refer to the implementation of the marketing concept. Thus, Kohli and Jaworski (1990) defined market orientation as ‘the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across the departments, and organization-wide responsiveness to market intelligence. Similarly, Narver and Slater (1990) defined market orientation as the organizational culture that most effectively and efficiently creates the necessary behavior for the creation of superior value for buyers and, thus, continuous superior performance for the business. According to Narver and Slater (1990), market orientation involves three behavioral components - customer orientation, competitor orientation, and inter-functional coordination - and two decision criteria including, long-term focus and profitability.

The literatures identify market orientation as a central theme of modern marketing science, which basically originates from the marketing concept or a business orientation of a firm (Barksdale and Darden 1971; McNamara 1972; Kotler 1977). Thus, market orientation, can be described as an ideal or a policy statement, which defines the understanding and, and organization's ability to meet customers' needs as the key to competitive advantage. Therefore, the level of market orientation of an organization might be dependent on the extent of implementation of the marketing concept (Pitt et al., 1996).Discussing the differences in philosophical stance of the two concepts, Cadogan and Diamantopoulos (1999) postulated that the two definitions overlap considerably and can be integrated into a broader aggregate definition. Consistent with previous studies, this study, views market oriented companies as those whose actions are consistent with the two dominant conceptualizations of market orientation developed by Kohli and Jaworski (1990) and Narver and Slater (1990).

The recognition, adoption and implementation of the marketing concept, should definitely lead to attainment of market orientation and, subsequently help management of the listed companies to design and implement business practices and processes, as well as allocating resources in a manner the help them to be customer-focused. This should aim at making the companies become more oriented towards the market which would result into improved organizational effectiveness and sustained competitive advantage. Management of these companies must appreciate that adoption of the marketing concept is the necessary step to becoming market oriented. However, adoption of the marketing concept alone is not enough; it must be implemented because this is a sufficient condition for market orientation. It should thus be appropriate for organizations to adopt a model that present an alternative market orientation model which ensures that market orientation is not only looked at by its antecedents, components and consequences, but also that, those antecedents specifically affect the components of market orientation, and consequently determine the business performance of the firms.

It needs to be emphasized that, market orientation, which is the implementation of the marketing concept, has been perceived differently by different authors to study the subject. Authors have adopted six different perspectives in market orientation studies including, organizational decision making perspective (Shapiro, 1988); Market intelligence perspective (Kohli and Jaworski, 1990); Culturally based behavioural perspective (Narver and Slater, 1990); The strategic focus perspective (Ruekert, 1992); The customer orientation perspective (Deshponde et al., 1993); System-based perspective(Becker and Homburg, 1999). These differences in perspective of market orientation are discussed fully in the main work (Chapter 2; Section 2.5).

## DATA AND METHODOLOGY

Quantitative research was used in this article to collect primary data from the companies of the stock market in Ghana. The population of the research comprised all the 37 companies listed in the Ghana Stock Exchange as at January 1, 2011.In order to ensure that all industries were represented, the listed companies were grouped into six identifiable industries according to their business types. Since twenty four out of thirty seven companies accepted to participate in the survey, the 24 companies were used as a sample for the study (representing 64% of the target population). The sample size was appropriate because it was above the sample requirement suggested by Krejcie and Morgan (1970) in their sampling statistics table (p. 607).Three respondents were selected from each company to participate in the survey. This means, seventy two (72) respondents were used for the survey. Data was collected from August 2011 to September 2011 on the 72 officials, where 43 completed questionnaires were returned in usable form, constituting a 59.7% response rate.The three informants comprised of the CEO/MD/General Manager or his representative, the head of marketing and the head of human resources.

In this article, the coefficient of correlation was used to do the preliminary analysis. Correlation only represents a linear relationship between two variables (Sprinthall, 2000; Barrow, 2006;Lind et al., 2008).Correlation analysis was employed in order to examine the presence of multicollinearity, which is so significant in data analysis techniques. Two sets of correlation analysis to test the relationship between antecedents of market orientation and components of market orientation; and also the relationship between components of market orientation and business performance of listed companies in Ghana. The use of correlation analysis in the preliminary study was appropriate because it helped test the presence of multicollinearty; and also enabled the researcher gain insight into the relationships between the dependent and the independent variables. The use of correlation analysis in the preliminary study was appropriate because it helped test the presence of multicollinearty. It also enabled the researcher gain insight into the relationships between the dependent and the independent variables.

Studies have outlined how the correlation coefficient is used to interpret the relationship between variables (Berry and Feldman, 19985; Hair et al., 1998; Field, 2009). These studies suggest that a correlation coefficient of between .00 and .20 shows a weak and negligible relationship between variables. The relationship is said to be weak and low if the correlation is between .02 and .04; while a range of .04 to .07 is considered to be moderate in relationship. The relationship between variables is considered strong and high when the correlation coefficient is between .70 and .90; and a correlation coefficient of between .09 and 1 is considered to have very strong and very high relationship (Hair et al., 1995). This study used the Pearson product-movement correlation to test the relationship between variables, where a one-tailed test of statistical significance was applied. Two different statistical significance levels were used: (1) highly significant (Þ < 0.01) and significant (Þ < 0.05).

The coefficient of correlation is defined as:

$$r_{xy} = \frac{\sum x_i\, y_i 1 - n\bar{x}\bar{y}}{(n-1)s_x s_y} = \frac{n\sum x_i y_i - \sum x_i \sum y_i}{\sqrt{n\sum x_i^2 - (\sum x_i)^2}\sqrt{n\sum y_i^2 - (\sum y_i)^2}}$$

Where $x$ and $y$ are the sample means of $X$ and $Y$, and $s_x$and $s_y$are the sample standard deviations of $X$and $Y$.

## RESULTS

It is suggested in the conceptual framework of market orientation that market orientation of listed companies in Ghana is determined by a set of internal (management and organizational) and external factors. Again market orientation is proposed to influence the economic and non-economic performances of listed companies. In this connection, market orientation is suggested to play both backward and forward integrated roles. While certain factors or antecedents determine market orientation of a firm (backward integration), market orientation in turn determines the business performance or consequences of a firm (forward integration).

### Reliability Analysis

The study adopted both existing and new variables in the quantitative research. It was therefore appropriate to test the reliability of these items to find the internal consistencies, to determine how consistently the scale items reflect the construct that they were measuring (Field, 2009). The purpose of this analysis was to further measure how the variables work together in a set; and at the same time able to independently measure the same construct. Both the old and the new scales developed by this study also passed the coefficient alpha cut-off level of 0.8 (Grayson, 2004), indicating that these scales were reliable for use in Ghana. The internal consistency and reliability of the scale items are shown in Table 1 below.

The findings of Table 1, indicates that the Cronbach alpha values for scales measuring the antecedents of management factors, organizational factors and external factors were all greater than the acceptable cutoff point of 0.8. Similarly, the Cronbach alpha values for scales measuring the four components of market orientation were all above the acceptable cutoff point of 0.8. Finally, Cronbach alpha values for scales measuring the economic and non-economic performance of business were all greater than the acceptable cutoff point of 0.8. This means that both the old and the new variables used in this study were reliable and appropriate for the research.

Table 1 Coefficient Alpha and Descriptive Statistics

| Scale Items | No of Items | Alpha |
|---|---|---|
| Top management emphasis | 4 | 0.87 |
| Management risk aversion | 5 | 0.87 |
| Management training | 4 | 0.87 |
| Management leadership style | 5 | 0.86 |
| Organizational capabilities | 5 | 0.87 |
| Organizational culture | 4 | 0.87 |
| Organizational politics | 5 | 0.87 |
| Centralization | 4 | 0.87 |
| Formalization | 4 | 0.87 |
| Market turbulence | 5 | 0.87 |
| Competitive intensity | 5 | 0.87 |
| Technological turbulence | 5 | 0.87 |
| General state of the economy | 5 | 0.87 |
| Internal marketing | 5 | 0.86 |
| Intelligence generation | 4 | 0.87 |
| Intelligence dissemination | 4 | 0.87 |
| Intelligence responsiveness | 5 | 0.86 |
| Profitability | 4 | 0.86 |
| Return On Investment | 4 | 0.86 |
| Sales Growth | 4 | 0.86 |
| Employees' Commitment | 5 | 0.86 |
| Espirit de Corps | 5 | 0.86 |
| Customer Satisfaction | 4 | 0.87 |
| Customer Retention | 4 | 0.87 |
| N = 43 | | |

*This table shows the Coefficient alpha of the antecedents and components of market orientation, as well as the performance measures of market orientation of listed companies in Ghana. The table is showing the reliability of scales used in the research to confirm the justification of their use in measuring market orientation and business performance in Ghana.*

## Correlation Analysis

This study conducted two sets of correlation analysis to test the antecedents of market orientation; and components of market orientation influencing economic and non-economic performance of listed companies. Table 0.02 illustrates the correlation between antecedents of internal and external market orientation and the components of market orientation.

From the table 2, top management emphasis was found to have significant correlated with internal marketing ($r = 0.23$; Þ <.075), intelligence generation ($r = 0.14$ Þ <0.178) and intelligence dissemination ($r = 0.20$; Þ <0.099) of the listed companies in Ghana. However, top management emphasis showed significantly positive correlation with intelligence responsiveness ($r =.44$; Þ <0.002). This suggested that management emphasis placed by top management on market-oriented, least encourage market orientation of the listed companies in Ghana.

Table 2: Correlation Matrix for Internal and External Factors of Market Orientation with Components of Market Orientation (Internal Marketing, Intelligence Generation, Intelligence Dissemination, Intelligence Responsiveness)

| VARIABLE | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Internal Marketing (1) | - | 0.42** | 0.45** | 0.55** | 0.23 | -0.32 | 0.49** | 0.57** | 0.46** | 0.59** | 0.49** | -0.43** | 0.16 | -0.15 | 0.51** | 0.52** | 0.40** |
| Intelligence generation (2) | | | 0.48** | 0.51** | 0.14 | 0.1 | 0.08 | 0.47** | 0.48** | 0.48** | 0.39 | 0.49** | -0.21 | 0.11 | 0.42** | 0.42** | 0.17 |
| Intelligence dissemination (3) | | | | 0.51** | 0.2 | 0.33* | 0.08 | 0.12 | -0.15 | 0.36** | 0.19 | 0.39** | -0.13 | 0.17 | 0.36** | 0.38 | 0.3 |
| Intelligence responsiveness (4) | | | | | 0.44** | -0.13 | -0.19 | 0.21 | 0.51** | 0.52** | 0.48** | 0.51** | 0.21 | 0.18 | 0.14 | 0.12 | 0.45** |
| Top management emphasis (5) | | | | | | -0.33* | 0.39* | 0.49** | 0.33* | 0.23 | 0.23 | 0.31 | 0.26 | 0.39** | 0.29* | 0.40** | 0.40** |
| Management risk aversion (6) | | | | | | | 0.31* | 0.39** | 0.48** | 0.45** | -0.18 | 0.26* | 0.28* | 0.33* | 0.39** | -0.32* | 0.29* |
| Management training (7) | | | | | | | | -0.46** | 0.36** | -0.46** | 0.42** | 0.42** | 0.44** | 0.38** | 0.43** | 0.38** | 0.45** |
| Management leadership style (8) | | | | | | | | | 0.36** | 0.49** | 0.36** | 0.44* | 0.54** | 0.47** | 0.39** | 0.59** | 0.37** |
| Organizational capabilities (9) | | | | | | | | | | 0.42** | -0.40** | -0.36** | 0.32* | -0.35** | 0.33* | 0.29* | -0.33** |
| Organizational culture (10) | | | | | | | | | | | 0.40** | 0.38** | 0.46** | 0.35** | -0.29* | 0.38** | 0.45** |
| Organizational politics (11) | | | | | | | | | | | | 0.55** | 0.26* | 0.61** | 0.41** | 0.29* | 0.42** |
| Centralization (12) | | | | | | | | | | | | | -41** | -26* | 0.37** | -0.40** | 0.15 |
| Formalization (13) | | | | | | | | | | | | | | -0.16 | -0.44** | -0.39** | 0.35** |
| Market turbulence (14) | | | | | | | | | | | | | | | 0.49** | 0.49** | 0.35** |
| competitive intensity (15) | | | | | | | | | | | | | | | | 0.59** | 0.34* |
| Technological turbulence (16) | | | | | | | | | | | | | | | | | 0.36** |
| State of the economy (17) | | | | | | | | | | | | | | | | | - |

*This table shows the correlation estimates of antecedents of market orientation and components of market orientation for listed companies in Ghana. The antecedents are represented by top management emphasis (5), management risk aversion (6), management training (7), management leadership style (8), organizational capabilities (9) organizational culture (10), organizational politics (11), centralization (12), formalization (13), market turbulence (14), competitive intensity (15), technological turbulence (16) and the state of the economy (17). Similarly, the components of market orientation are represented by internal marketing (1), intelligence generation (2), intelligence dissemination (3) and intelligence responsiveness (4).* N = 43. **. Correlation is significant at the 0.01 level (2-tailed), *. Correlation is significant at the 0.05 level (2-tailed)

Risk aversion was found to be statistically significant and negatively correlated with internal marketing component of market orientation of the listed companies in Ghana. The examination of the correlation between risk aversion and internal marketing was (r = -0.32*; Þ <0.020). The negative significant relationship means that the more risk the companies take, the less emphasis they place on the internal customer. On the other hand, risk aversion had positive correlation with intelligence dissemination; risk aversion and intelligence dissemination was (r = 0.33*; Þ <0.016). This positive correlation indicates that as management takes risk, they improve the inter-departmental coordination. Risk aversion was found to have no significance correlation with intelligence generation and intelligence responsiveness. The relationship between risk aversion and intelligence generation was (r = 0.10; Þ <0.263); and risk aversion and intelligence responsiveness was (r = -0.13; Þ <0.197). These were indication of no correlation. Thus, the results suggest that risk aversion behavior of top management discourages market orientation of listed companies in Ghana.

From the table 2, top management emphasis was found to have significant correlated with internal marketing (r = 0.23; Þ <.075), intelligence generation (r = 0.14 Þ <0.178) and intelligence dissemination (r = 0.20; Þ <0.099) of the listed companies in Ghana. However, top management emphasis showed significantly positive correlation with intelligence responsiveness (r =.44; Þ <0.002). This suggested that management emphasis placed by top management on market-oriented, least encourage market orientation of the listed companies in Ghana.

Risk aversion was found to be statistically significant and negatively correlated with internal marketing component of market orientation of the listed companies in Ghana. The examination of the correlation between risk aversion and internal marketing was (r = -0.32*; Þ <0.020). The negative significant relationship means that the more risk the companies take, the less emphasis they place on the internal customer. On the other hand, risk aversion had positive correlation with intelligence dissemination; risk aversion and intelligence dissemination was (r = 0.33*; Þ <0.016). This positive correlation indicates that as management takes risk, they improve the inter-departmental coordination. Risk aversion was found to have no significance correlation with intelligence generation and intelligence responsiveness. The relationship between risk aversion and intelligence generation was (r = 0.10; Þ <0.263); and risk aversion and intelligence responsiveness was (r = -0.13; Þ <0.197). These were indication of no correlation. Thus, the results suggest that risk aversion behavior of top management discourages market orientation of listed companies in Ghana.

Management training was found to be significant and positively correlated with one of the components of market orientation; but did not have any correlation with three of the components of market orientation. The statistical significant correlation between management training and internal marketing was (r = 0.49**; Þ <0.000). This shows that the higher the degree of management training the higher the level of internal marketing. On the contrary, the statistical significant correlation between management training and the three components were: management training and intelligence generation (r = .08; Þ <0.314), management training and intelligence dissemination (r = 0.08; Þ <0.309), and management training and intelligence responsiveness (r = -0.19; Þ <0.106). These results also indicate that investment in management training would not affect organization's intelligence generation, intelligence dissemination and intelligence responsiveness of the listed companies in Ghana in any meaningful way. Therefore, it could be argued that while management training would be necessary to enhance market orientation through improvement in internal marketing, too much investment in management training might not be needed for market orientation of listed companies.

Management leadership style was found to be significant and positively correlated with internal marketing components of market orientation. The positive and significant correlations between management leadership style and the two market orientation components were: internal marketing (r = 0.57**; Þ <0.000), intelligence generation (r = 0.47**; Þ <0.001). However, no significant correlation was identified between management leadership style and the other two components of market orientation. The relationships were, management leadership style and intelligence dissemination (r = 0.12; Þ <0.219); management leadership style and intelligence responsiveness (r = 0.21; Þ <0.098). The significant correlations between management leadership style and the two components indicate the importance of transformational-transactional leadership style in determining the level of market orientation of the listed companies in Ghana, through enhancement in internal marketing and intelligence generation.

Organizational capabilities of the listed companies were identified to be statistically significant and positively correlated with three components of market orientation; but had no significant correlation with one of the components of market orientation. This statistical significance were: organization capabilities with internal marketing (r = 0.46**; Þ <0.001), intelligence generation (r = 0.48**; Þ <0.001), and intelligence responsiveness (r = 0.51**; Þ <0.000). Nevertheless, the relationship between organizational capabilities and intelligence dissemination was (r = -0.15; Þ <0.162). The correlations suggest that the listed companies in Ghana should invest in areas that can improve the organization's capabilities in order to be market oriented.

Organizational culture was found to have significant and positive correlation with all four market orientation components. Organizational culture had significant and positive correlation with internal marketing (r = 0.59**; Þ <0.000), intelligence generation (r = 0.48**; Þ <0.001), intelligence dissemination (r = 0.36**; Þ <0.008) and intelligence responsiveness (r = 0.52**; Þ <0.000). These positive correlations indicate that the cultural behavior of listed companies in Ghana contribute significantly to market orientation of the organizations. Similarly, organizational politics had significant and positive correlation with internal marketing (r = 0.49**; Þ <0.000), intelligence generation (r = 00.39**; Þ <.005) and intelligence responsiveness (r = 0.48**; Þ <0.001). However, organizational politics had no relationship with intelligence dissemination (r = 0.19; Þ <0.118). These positive correlations between organizational politics and the three of four components of market orientation suggest that listed companies in Ghana should manage organizational politics in their firms and prioritize organizational interest ahead of individual self-interest.

Centralization was found to be significant and negatively correlated with two components of market orientation. The correlations between centralization and the two components of market orientation were: centralization and internal marketing (r = -0.43**, Þ <0.002) and centralization and intelligence responsiveness (r = -0.51**; Þ <0.000.). On the contrary, centralization was found to be statistically and positively correlated with the two other components of market orientation. The correlations were: centralization and intelligence generation (r = -0.49**; Þ <0.000), and centralization and intelligence dissemination (r = 0.39**; Þ <0.005). This significant correlation between centralization and components of market orientation is an advice to the listed companies in Ghana to combine effectively centralized with decentralized structures to becoming more market oriented.

Market turbulence had no significant correlation with any of the four components of market orientation. The relationships were: market turbulence and internal marketing (r = -0.15; Þ <0.163), market turbulence and intelligence generation (r = 0.11; Þ <0.245), market turbulence and intelligence dissemination (r = 0.17; Þ <0.132) and market turbulence and intelligence responsiveness (r = 0.18; Þ <0.125). These uncorrelated results suggest that the market of listed companies is quiet stable; therefore their being market-oriented is not determined by the turbulent nature of the market.

While three external factors, including competitive intensity, technological turbulence and general state of the economy were also found to be significantly correlated with components of market orientation, market turbulence was the only external factor that was found to have no significance relationship with market orientation. Competitive intensity was found to be significant and positively correlated to internal marketing (r = 0.52**; Þ <0.000), intelligence generation (r = 0.42**; Þ <0.002), and intelligence dissemination (r = 0.38**; Þ <0.006). There was no significant correlation between competitive intensity and intelligence responsiveness (r = .14; Þ <0.185). The positive correlations indicate competition's positive influence in determining the level of market orientation of the listed companies in Ghana. Technological factors were also found to be statistically and positively significant with three components of market orientation; while it was found to have no correlation with one component. Technological turbulence had significant positive correlation with internal marketing (r = 0.51**; Þ <0.000), intelligence generation (r = 0.42**; Þ <0.002), intelligence dissemination (r = 0.38**; Þ <0.006);but with intelligence responsiveness (r = 0.12; Þ <0.218). The significant positive correlations of three components suggested that listed companies adopt market oriented behavior in a technological-driven business environment than in less technological driven situation.

Furthermore, the general state of the economy of Ghana was identified to significantly and positively correlate with internal marketing (r = 0.40**; Þ <0.004); intelligence dissemination (r = 0.30*; Þ <0.026); and intelligence responsiveness (r = 0.45**; Þ <0.001). Nevertheless, no statistically significant was found with intelligence generation (r = 17; Þ <00.138). The significant positive correlation between the general economy and the three components of market orientation suggest that the market orientation of the listed companies in Ghana is a function of the country's state of the economy. However, formalization was found to have no statistical significance correlation with any of the four components of market orientation. The relationship between formalization and the four components were: internal marketing (r = 0.16; Þ <.151), intelligence generation (r = -.21; Þ <0.087), intelligence dissemination (r = -13; Þ <.201); and intelligence responsiveness (r = 0.24, Þ <0.060). The presence of no correlation between formalization and the four components confirm that formalization structure of the listed companies in Ghana does not promote market orientation behavior; and that the companies should rethink the adoption of an informal structure of organization in order to become more market oriented.

Table 3 shows the correlation between market orientation and the seven variables of business performance, including profitability, return on investment, sales growth, employees' commitment, espirit de corps, customer satisfaction and customer retention. An analysis of the correlation matrix indicated that the market orientation of the listed companies in Ghana was found to be statistically significant to economic and non-economic performance of business.

From the table 3, internal marketing was found to be statistically significant and positively correlated to profit (r =0.47** Þ <0.001), return on investment (r =0.57** Þ <0.000), sales growth (r =0.63** Þ <0.000) employee commitment (r =.57** Þ <0.000), espirit de corps (r =0.55** Þ <0.000), customer satisfaction (r =0.38** Þ <0.012), and customer satisfaction (r =0.57** Þ <0.000). These significant positive correlation indicate that management concentration on internal customers contribute directly with both the economic and non-economic performance of listed companies in Ghana. Similarly, intelligence generation was found to be statistically and positively significant with all seven business performance indicators, except return on investment. The statistical relationships with intelligence generation were: profitability (r = -0.33* Þ <0.032); sales growth (r = -.35* Þ <0.022); employee commitment (r =0.55** Þ <0.000), spirit de corps (r =0.47** Þ <0.002), customer satisfaction (r =0.36** Þ <0.019); customer retention (r =0.42** Þ <0.005) and return on investment (r =0.22 Þ <0.075). The statistical significance correlation indicate that both economic and non-economic performances of listed companies are functions of internal marketing.  Furthermore, intelligence dissemination was statistically and positively significant with only three non-economic performance indicator; but had no significant relationship with all three economic factors and one non-economic factor of business performance. The statistical relationship of intelligence dissemination with the business factors were: espirit de corps (r =0.37* Þ <0.014), customer satisfaction(r =0.35* Þ <0.022) and customer retention (r =0.32* Þ <0.036). Intelligence generation, was statistically uncorrelated with profitability (r = 0.24 Þ <0.096); return on investment (r =0.24 Þ <0.129); sales growth (r =0.27 Þ <0.078); and employee commitment (r =0.28 Þ <0.078). The correlation results suggests that intelligence dissemination is a function of non-economic performance of listed companies; but not the same for economic performance. Finally, information responsiveness was found to be statistically and positively significant with only two non-economic performances of business; but uncorrelated with all three economic performance and two non-economic performances. The correlation of intelligence responsiveness with the two business performances was: employee commitment (r

=0.54** Þ <0.000) and spirit de corps (r =0.60** Þ <0.000). The others were: profitability (r =0.29 Þ <0.061);return on investment (r =0.28 Þ <0.067);sales growth (r =0.24 Þ <0.065); customer satisfaction (r =0.28 Þ <0.078); and customer retention (r =0.24 Þ <0.075). This statistical correlation results is a 'wakeup call' to managers of listed companies in Ghana to be more responsive to intelligence to enhance non-economic performance of business, as well as encourage economic performance of business.

Table 3. Correlation Matrix for Components of Market Orientation with Consequences of Market Orientation (Profitability, ROI, Sales growth, employees' commitment, espirit de corps, Customer satisfaction, Customer retention)

| VARIABLE | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Profitability (1) | - | 0.72** | 0.61** | 0.64** | 0.39** | 0.79** | 0.55** | 0.47** | 0.33* | 0.19 | 0.29 |
| Return on Investment (2) | | | 0.73** | 0.42** | 0.34 | -0.43** | 0.35** | 0.57** | 0.22 | 0.24 | 0.28 |
| Sales Growth (3) | | | | 0.49** | 0.49** | 0.35** | 0.57** | 0.63** | 0.35** | 0.27 | 0.24 |
| Employees commitment (4) | | | | | 0.54** | 0.48** | 0.41** | 0.57** | 0.55** | 0.18 | 0.54** |
| Espirit de corps (5) | | | | | | 0.54** | 0.55** | 0.55** | 0.47** | 0.37** | 0.60** |
| Customer satisfaction (6) | | | | | | | 0.49** | 0.38** | 0.36** | 0.35** | 0.28 |
| Customer retention (7) | | | | | | | | 0.57** | 0.42** | 0.32* | 0.24 |
| Internal marketing (8) | | | | | | | | | 0.42** | 0.45** | -0.55** |
| Intelligence generation (9) | | | | | | | | | | 0.48** | 0.51** |
| Intelligence dissemination (10) | | | | | | | | | | | 0.51** |
| Intelligence responsiveness (11) | | | | | | | | | | | - |

*This table shows the correlation estimates of market orientation and business performance for listed companies in Ghana. The components of market orientation are represented by internal marketing (8), intelligence generation (9), intelligence dissemination (10), and intelligence responsiveness (11). On the other hand, business performance is represented by profitability (1), ROI (2), sales growth (3), employee commitment (4), spirit de corps (5), customer satisfaction (6) and customer retention (7). ** and * represent significance at 99% and 95% level respectively. N = 43. **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed)*

## CONCLUDING COMMENTS

Despite the importance of market orientation to modern business, the challenge identified in the market orientation literature, was the lack of systematic effort to develop valid measures of market orientation (Kaynak and Kara, 2004);and the inconsistencies in the findings of the market orientation studies in developing countries (Malik and Naeem, 2009; Qu and Ennew, 2009). Thus, in order to fill these gaps, a conceptual framework of all six perspectives of market orientation was proposed, based on three issues of the synthesis model, which involve all the necessary elements to develop a synthesis market orientation model for listed companies in Ghana. The study tested for the first time the applicability of the market orientation framework with listed companies in Ghana.

In order to test the applicability of the conceptual framework of market orientation, quantitative research was adopted. In the quantitative research, hypotheses were tested based on primary data collected from the listed companies in Ghana between August 2011 and September 2011. Similarly, in order to confirm the appropriate use of parametric statistics, statistical assumptions were first tested and correlation analysis conducted. It was found to be supportive for the use of parametric statistics. Further, in order to examine the reliability of the scales used for this study, a reliability analysis was also conducted and the results confirmed that the scales used for the data collection in this study were reliable for use in Ghana.

The survey questionnaires were pre-tested in Ghana and refined before it was declared ready to use for the data collection.

The findings of the study suggested that all four management factors, including top management emphasis, management risk aversion, management training and management leadership style had a statistical significant relationship with the level of internal marketing. On the basis of this it can be stated that top management factors is a function of market orientation of listed companies. The results also indicate that all five organizational factors, except formalization, had statistical significant correlation with components of market orientation. With four of the five organizational factors correlating in one way or the other with all four components of marketing orientation, it can be concluded that organizational factors have causal relationship with market orientation of listed companies. The findings further suggest that three of the four external antecedents, including competitive intensity, technological turbulence and the state of the economy had statistical significant relationship with the components of market orientation. Only market turbulence factor was found to have no significant relationship with any of the external factors. Thus, the results indicate a functional relationship between external antecedents and market orientation. The findings revealed that all seven performances of business had statistical significant relationship with the market orientation components. The statistical significant relationship suggests that market orientation influence the economic as well as non-economic performance of listed companies in Ghana. In general, the results imply that the overall business performance of listed companies in Ghana is a function of market orientation.

The study is not without limitations. Firstly, the study adopted the informant method in the data collection. This method was chosen because it was expected that it could help address the research problem; also it has been used in previous market orientation studies. This method involved the use of senior executives of the companies as respondents for the study. Looking at the busy schedules of these senior executives, they could give "wrong" responses without realizing it. Secondly, the study did not use customers as respondents for measuring customer satisfaction; which should be the best option.The companies were rather used because of lack of accurate customer data, which made it extremely difficult to locate and reach customers who are spread over the country. As the study used executives of the companies instead of the customers to measure customer satisfaction, perhaps the result might not truly reflect the views of customers. Also, variables to test return on investment (ROI) and profitability was more likely to receive incorrect response from managers who might be tempted to hide information relating to such issues for various reasons.

Future studies may consider using other methods rather than the informant method. This should ensure that responses come from a wide range of people from different levels of management of the companies. This will go a long way to ensuring that responses reflect not only the views of management, but those of the whole organization. As the study uses executives of the companies instead of the customers to measure customer satisfaction it might affect the true reflection of the reality. Thus, future studies can consider finding a way of using customers as respondents to measure customer satisfaction. Since additional factors, including professional marketing education, entrepreneurship, professionalism, company size and capital structure were not considered in the conceptual framework, because of time and the objective of the study, future studies, could consider these in addition to the ones in the framework of this study.

## REFERENCES

Alhakimi, W. and Baharun, R. (2009) A Synthesis Model of Market Orientation Constructs Toward Building Customer Value: A Theoretical Perspective, *African Journal of Marketing Management* Vol. 1(2) pp.043- 049

Appiah-Adu K (1998). Market Orientation and performance: Empirical tests in a transition economy. *Journal of Strategic Marketing*, *6*, 25-45.

Barksdale, H. and Darden, B. (1971) "Marketer' Attitude Toward the Marketing Concept, *Journal of Marketing,* 35, 29 - 36

Barrow, A. (2006) *Statistics for Economics, Accounting and Business Studies,* 4th edition New York, Pearson Education Limited
Becker, J., and Homburg, C. (1999). Market-oriented management: A system-based perspective. *Journal of Market Focused Management*, 4(1), 17-41.

Berry, W. D., and Feldman, S. (1985). *Multiple Regression in Practice.* Sage University Paper Series on Quantitative Applications in the Social Sciences, series no. 07-050). Newbury Park, CA: Sage.

Bytyqi, F, Zeqiri, N. and Hasani, V. (2010) Internal Perspectives of Market Orientation: Case of Central Public Organizations in Kosovo, Research Journal of International Studies – Issue 17

Cadogan, J.W., Diamantopoulos, A. and Pahud de Mortanges, C. (1999), "A measure of export market orientation: scale development and cross-cultural validation", *Journal of International Business Studies*, Vol. 30 No. 4, pp. 689-707.

Carr, J.C. and Lopez, T.B. (2007). Examining market orientation as both culture and conduct: modeling the relationship between market orientation and employee responses. *Journal of Marketing Theory and Practice; 15*, (2) 113-123.

Deng, S. and Dart, J. (1994).Measuring market orientation: a multi-factor, multi-item approach.*Journal of Marketing Management,* 10: 725-742.

Deshpande´, 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, pp. 23-7.

Dibb, S., Simkin, L., Pride, W. M., Ferrell, O. C. (1991): '*Marketing; concepts and strategies',*

Farrell, M.A and Oczkowski E (1997). An analysis of the MKTOR and MARKOR measures of Market Orientation: An Australian Perspective, *Marketing Bulleting,* 8 (3), 30 – 40.

Field, A. (2009) Discovering Statistics Using SPSS (3ed.), SAGE Publication, NY

Gainer, B. and Padanyi, P. (2005)," The relationship between market-oriented activities and market-oriented culture: implications for the development of market orientation in nonprofit service organisations", *Journal of Business Research*, Vol. 58, pp. 854- 862.

Gibson, C.B and Birkinshaw, J (2004) The Antecedents, Consequences, and Marketing Role of Organisational Ambidexterity, *Academy of Management Journal*, 47 (2), 209 – 226

Hafer, J. and Gresham, G.G., (2008). Organizational Climate Antecedents to the Market Orientation of Cross-Functional New Product Development Teams.*Journal of Behavioral and Applied Management.9* (2), 184.

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

Jansen JJP, Van Den Bosch, FAJ, VolberdaHW (2005). Managing potential and realized absorptive capacity: How do organizational antecedents matter? Acad. Manage. J., 48(6): 999-1015.

Jansen, J., Frans, J. P., Van den Bosch, A. J., and Volberda, H. W. (2005). Exploratory innovation, exploitative innovation, and ambidexterity: the impact of environmental and organizational antecedents. *Schmalenbach Business Review, 57*, 351-63.

Kaynak E., Kara, A. (2004), "Market orientation and organizational performance: A comparison of industrial versus consumer companies in mainland China using market orientation scale (MARKOR)", *Journal of Small Business Management,* Vol.43, No.2, 105-118.

Kohli, A.K, and Jaworski, B.J, (1990). Market orientation: The construct, research propositions and managerial implications. *Journal of Marketing, 54*, 1–18.

Kotler, P. and Armstrong, G. (2010) *Principles of Marketing*, New Jersey, Pearson Education

Kotler, Philip (1977), "From Sales Obsession to Marketing Effectiveness*", Harvard Business Review*, 55 (November-December).

Krejcie, R.V and Morgan, D.W (1970) Determining Sample Size for Research Activities, *Educational and Psychological Measurement*, 30, 607-610.

Lind, M. I., Persbo, F. and Johansson, F. (2008).Pool desiccation and developmental thresholds in the common frog, *Ranatemporaria*. Proc. R. Soc. Lond. B 275:1073–1080.

Malik, M. and Naeem, E. B. (2009) Identification of Drivers and Obstacles of Market Orientation among Diversified Industries of Pakistan, *A Research Journal of South Asian Studies Vol. 24, No.2, July-December 2009, pp. 322-33*

Mavondo, F., and Farrell, M. (2000). Measuring market orientation: are their differences between business markets and consumer markets? *Australian Journal of Management, 25*, 223-244.

McCarthy, E. J, and Perreault, Jr., W.D (1993).*Basic Marketing*, Homewood, Ill.: Richard D. Irwin, Inc.

McNamara, C.P. (1972) The Present Status of Marketing Concept, Journal of Marketing, 36 (1) 50-57.

Narver, J., and Slater, S. (1990). The effect of a market orientation on business profitability.*Journal of Marketing, 54*(4), 20-36.

Oczkowski, E., and Farrell, M.A. (1998).An Examination of the Form of Market Orientation in Australian Companies.*Australasian Marketing Journal*, 6, 3-12.

Osuagwu, L. (2006). Market orientation in Nigerian companies.*Marketing Intelligence and Planning*, *24*(6), 608-631.

Pitt, L., Prinsloo, M., and Berthon, J. (2007). Market orientation and mode of focus: A study of South African Firms. *Management Dynamics*, *16*(1), 20-33.

Qu, R., Ennew, C. T. (2009) Developing a Market Orientation in a Transitional Economy: The Role of Government Regulation and Ownership Structure. *Journal of Public Policy and Marketing*, Vol. 24, Issue 1.

Ruekert, R.W. (1992), "Developing a market orientation: an organizational strategy perspective", *International Journal of Research in Marketing*, Vol. 9, pp. 225-245.

Savitt, R. (2001), "Understanding marketing development in the Czech Republic", European Journal of Marketing, Vol. 35 Nos 11/12, pp. 1386-97.

Shapiro, B.P. (1988), "What the hell is market oriented?", *Harvard Business Review*, Vol. 66 (6), 119-25.

Shoham, A., Rose, G. M., and Kropp, F. (2005). Market orientation and performance: a meta-analysis. *Marketing Intelligence & Planning*, *23*(5), 435-454.

Sprinthall, R.C. (2000) *Basic Statistical Analysis*, Allyn and Bacon, Boston

Turner, D. and Crowford, M., (1994), Managing current and future competitive performance; the role of competence", in G. Hamel and A. Heene (eds.), *Competence-based Competition*, 241-264.

Zebal, M. A. (2003) *A Synthesis Model of Market Orientation for Developing Country – A Case of Bangladesh,* PHD Thesis, Victoria University, Melbourne, Australia

## BIOGRAPHY

Solomon A. Keelson is a Lecturer at the Takoradi Polytechnic in Ghana. He is also a facilitator at Accra Instuitute of Technology and University of Cape Coast Distance Learning. He is a professional Marketer, Researcher, Consultant and Educationist. He is an expert in marketing management, strategic management, international business, rural and community development and stakeholder analysis. The author currently holds a Dip in Education, B.A, Economics, Post Diploma, Marketing (CIM) and MBA, Marketing. He is a final yoear PhD candidates of Malaysia Open University (OUM)

Solomon A. Keelson, Takoradi Polytechnic, School of Business, Marketing Department, P.O. Box 256, Takoradi – Ghana, Tel: 233-208-150023, email: solkiilson@yahoo.com