Market orientation of teachers and researchers in higher education institutions: a new approach

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Abstract

While the market orientation strategy has been widely studied in commercial sector, its use in other type of organizations such as Higher Education Institutions is still unsatisfactory. The main objective of this paper is related the concept of individual market orientation (IMO) and adapt the I-Markor scale to measure the IMO of Teachers and Researchers in Higher Education Institutions. This paper, based on an extensive literature review on Market Orientation and IMO, conceptualizes the market orientation strategy, taking into account higher education peculiarities and discusses the principle dimensions of the IMO concept in Higher Education Institutions.

Keywords: Market Orientation; Individual Market Orientation; I-Markor Scale; Higher Education.

1. Introduction

In particular, in Europe there have been profound changes in how education is delivered in Higher Education Institutions (HEI), according to Bologna, allowing students to move freely between European HEI. Also, the tendencies for decreasing of student’s population and the growing budgetary constraints, made the environment of these institutions highly turbulent. In this context, the educational market has undergone changes and competition among institutions of higher education worldwide was established (Kirp, 2003; Maringe & Gibbs, 2009; Bugandwa-
The changing context of higher education and its confrontation with market forces are exerting intense pressures (internal and external pressures) on the management of these institutions (Rip, 2002; Kirp, 2003; Todorovic, McNaughton & Guild, 2005; Maringe & Gibbs, 2009; Bugandwa-Mungu-Akonkwa, 2009). The employees of the organisation contribute to various information about the market that can create competitive advantages. Thus, the understanding of how employees define and see the behaviour of market orientation is a key success to promote a market orientation (Schlosser & McNaughton, 2007, 2009).

In particular, the literature on market orientation currently offers little understanding of market-oriented perspectives and behaviours of individuals within service organisations. An impediment to empirical research was the lack of a scale to measure the market orientation of individuals. Hence, Schlosser and McNaughton (2009) developed the scale I-Markor to measure how employees acquire, share and respond to market information. This scale fits the definitions of Kohli and Jaworski (1990a, 1990b, 1993) of organisational orientation to the market to reflect the characteristics of individual employees. Thus, the market orientation of individuals reflects the attitudes and behaviours of employees while gaining, sharing, and responding to the market.

The main contribution of this article, through an extensive literature review, is to develop the concept of individual market orientation (IMO) to adapt the I-Markor scale to the HEI environment, to identify market oriented teachers and researchers in HEI.

This paper conceptualizes the market orientation strategy, taking into account higher education peculiarities and discusses the principle dimensions of the Individual Market Orientation concept in Public Higher Education Institutions.

2. Literature Review

2.1. The context of higher education

With the globalization of markets, there is virtually no sector where competition has not grown significantly (Campbell-Hunt, 2000), also including higher education. Higher education has been the focus of significant growth in recent decades, requiring changes in their culture, governance, and administration (Rip, 2002; Todorovic, McNaughton & Guild, 2005). In this context, the educational market has undergone changes and competition among institutions of higher education worldwide was established (Kirp, 2003; Maringe & Gibbs, 2009; Bugandwa-Mungu-Akonkwa, 2009).

The changing context of higher education and its confrontation with market forces are exerting intense pressures (internal and external pressures) on the management of these institutions, as summarized in Fig. 1 (Bugandwa-Mungu-Akonkwa, 2009).

![Fig. 1. Environmental Pressures and Higher Education Management](Source: Adapted from Bugandwa-Mungu-Akonkwa (2009))
Universities are supposed to become more market oriented to face successfully their changing environment (Braun & Merrien, 1999; Davies, 2001; Jonghe & Vloeberghs, 2001; Haug, 2001), but this does not always happen in the optimal way (Jonghe & Vloeberghs, 2001).

2.2. Market orientation

Over the years there has been a dynamic evolution from the marketing concept to the market orientation (Rodrigues, 2004).

Thus, over time, there have been several approaches to the market orientation, such as the approach of Narver and Slater (1990), and Kohli and Jaworski (1990a, 1990b, 1993).

Based on several studies that examined the relationship between competitive advantage and market orientation (Aaker, 1988; Anderson, 1982; Day, 1984; Kotler, 1977; Levitt, 1960; Ohmae, 1982; Porter, 1980, 1985), Narver and Slater (1990) conclude that market orientation consists of three behavioural components: customer orientation, competition orientation, and inter functional coordination, and two decision criteria: long-term focus and profitability. For the authors, customer orientation and competition orientation include all activities involved in acquiring information about buyers and competitors in the target market and its dissemination throughout the company. Inter functional coordination, the third behavioural component, is based on information about customers and competitors and includes the coordinated efforts of the entire company to create value for customers. In short, the three behavioural components of market orientation activities include the acquisition and dissemination of market information and coordination of efforts to create value for customers.

For Kohli and Jaworski (1990a, 1990b), the concept of “market orientation” refers to the implementation of the marketing concept, since an organisation that develops market-oriented actions does this in consistency with the concept of marketing, in which the fundamental pillars of marketing - customer focus, coordinated marketing and profit - are present.

For Kohli and Jaworski (1990a, 1990b), the company's market orientation is based on three dimensions: information generation, dissemination of information and response to the market because: there are one or more departments of the company to develop actions that allow it to know the current and future customer needs and the factors that affect them; there is the sharing of information by departments; and the various departments develop activities to meet customer needs.

In a market-oriented company, all departments and not just the marketers are involved in responding to market trends.

According to Kohli and Jaworski (1993), the consequences of market orientation effect performance, employees and clients in the organisation.

To the authors, market orientation is a unifying element of efforts and projects of individuals and departments, leading to a higher performance. Thus, the greater the degree of orientation to the company's market the greater the performance. Associated with this is the fact that employees feel they are making a good contribution, and feel a commitment to the organisation and satisfaction with what they do (esprit de corps). Thus the authors argue that market orientation results in psychological and social benefits for employees. For the authors the greater the degree of market orientation, the greater the esprit de corps, greater job satisfaction and increased employee commitment to the organisation. For customers, market orientation increases their satisfaction because it allows the organisation to better respond to the needs and preferences of customers, which leads to repeat purchases. Therefore the greater the degree of market orientation, the greater customer satisfaction and more repeat times of these purchases.

However, the focus of this literature, in terms of the unity of theory and empirical observation, is the organisation as a whole, and not the individual within the organisation (e.g., Narver & Slater, 1990; Kohli & Jaworski, 1993; Han et al., 1998; Farrell, 2000). The focus on the company ignores the underlying routines carried out by individuals who develop and shape the direction (Nelson & Winter, 1982).

2.3. Individual market orientation in higher education institutions
The employees of the organisation contribute to various information about the market that can create competitive advantages. Thus, the understanding of how employees define and see the behaviour of market orientation is a key success to promote a market orientation (Schlosser & McNaughton, 2009).

The people in an organisation contribute to the level of organisation of market orientation through actions such as: fostering internal and external relationships (Helfert et al., 2002), with models of behaviour and social influence (Fulk, 1993; Wood & Bandura, 1989), and communicating tacit knowledge (Darroch & McNaughton, 2003). Although often assessed at an organisational level, a market oriented culture is supported by the attitudes and actions of the organization’s employees (Schlosser & McNaughton, 2007).

However, in previous studies that individual contribution to the market orientation of a company is measured incorrectly and, for the service sector, it is fundamental to understanding and meeting the long-term needs of customers through customer and employee interaction (Schlosser & McNaughton, 2009). The Kohli and Jaworski’s or Narver and Slater’s models of market orientation have been tested in empirical studies on higher education (e.g., Caruana et al., 1998a, 1998b; Flavian & Lozano, 2006; Webster et al., 2006; Bugandwa-Mungu-Akonkwa, 2009), but not at the individual level.

In summary, the literature on market orientation currently offers little understanding of market-oriented perspectives and behaviours of individuals within service organisations (Schlosser & McNaughton, 2009). An impediment to empirical research is the lack of a scale to measure the market orientation of individuals. Hence, the authors developed the scale I-Markor. The I-Markor scale measures how employees acquire, share and respond to market information.

This scale fits the definitions of Kohli and Jaworski (1990a, 1990b) of organisational orientation to the market to reflect the characteristics of individual employees. Thus, the market orientation of individuals reflects the attitudes and behaviours of employees while gaining, share, and responding to the market.

Previous research indicates that attitudes and behaviours of the individual employee relate to the market orientation of an organisation (e.g., Celuch et al., 2000; Harris & Ogbonna, 2001; Langerak, 2001a, 2001b). While individual actions and attitudes help shape and develop a total orientation to the market, organisations must clearly understand the influence of individual factors and interpersonal factors.

Langerak (2003) concluded that the nature of the link between market orientation and organisational performance is not yet adequately explained. This suggests that other considerations may shape the success of a strategy of market orientation.

Schlosser’s and McNaughton (2009) research described and tested how and why individual employees can perform routines market orientation underpinning the guidance supporting the market orientation of the organisation.

Most studies that take into account the individual in creating a customer orientation are only tested with employees in sales and marketing (e.g., Pettijohn & Pettijohn, 2002). It will be important in this type of study to consider various types of employees throughout the organisation to test a market orientation - not a marketing orientation.

The Individual Market Orientation scale that assesses the individual level was developed by Schlosser and McNaughton in 2009 (Table 2), from the work of Kohli et al. (1993) and consists of 20 items, ordered in three dimensions of market orientation, at the individual level: (1) Generation of information, which includes eight items; (2) Dissemination of information, organized into seven items; (3) Response to market information, organized into five items. The three-factor I-Markor solution was similar to the conceptualized three factor Markor solution at the organisational level (Kohli et al., 1993).

3. Methodology

The original list of scale items was reviewed to understand what terms or expressions don’t fit in HEI context, for future content validation.

The proposal adaptation was validity by 8 responses, 80% of 10 academic experts contacted (published market orientation researchers and also teachers and researchers in HEI), as recommended by Hardesty and Bearden (2004). These researchers were solicited via email for their advice on content validity of the 10 terms/expressions. To the
experts were sent a proposal adaptation of these terms and asked to provide open-ended feedback on the appropriateness’s of that proposal. Feedback from the researchers was used to decide what terms we can use. Expert’s comments or recommendations (Table 1) weren’t divergent and helped us to achieve final adaption of I-Markor (Table 2).

Table 1. Content Validation.

<table>
<thead>
<tr>
<th>Corporate context</th>
<th>HEI context</th>
<th>Results: Comments/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributors</td>
<td>Students and Academic Professionals</td>
<td>Sometimes Students is considered as the right adaptation, other times we have to use Colleagues</td>
</tr>
<tr>
<td>Products</td>
<td>Services</td>
<td>Right adaptation</td>
</tr>
<tr>
<td>Customers</td>
<td>Employers</td>
<td>Students was considered the right adaptation</td>
</tr>
<tr>
<td>Business environment</td>
<td>University environment</td>
<td>Right adaptation</td>
</tr>
<tr>
<td>Industry (e.g. competition, technology, regulation)</td>
<td>Activity sector (e.g. competition, technology, regulation)</td>
<td>Maintain Industry – HEI Industry</td>
</tr>
<tr>
<td>Customers’ purchases (e.g. distributors)</td>
<td>Students’ and Academic Professionals’ decisions/options</td>
<td>Student’s choices was considered the right adaptation</td>
</tr>
<tr>
<td>Coworkers</td>
<td>Colleagues</td>
<td>Right adaptation</td>
</tr>
<tr>
<td>Company decision-makers</td>
<td>University decision-makers</td>
<td>Organisation decision-makers was considered the right adaptation, because in HEI industry we don’t have only Universities</td>
</tr>
<tr>
<td>Marketing department</td>
<td>Organic or academic units</td>
<td>Maintain Marketing department (or equivalent)</td>
</tr>
<tr>
<td>Customer/adviser relationship team</td>
<td>Society/adviser relationship team</td>
<td>My pairs (colleagues) was considered the right adaptation</td>
</tr>
</tbody>
</table>

4. I-Markor scale adaptation for higher education institutions

In Table 2 we adapted the I-Markor to the higher education institutions environment, to identify market oriented teachers and researchers.
Table 2. I-MARKOR Adapted to HEI Environment.

<table>
<thead>
<tr>
<th>Information acquisition</th>
<th>I-MARKOR for Teachers &amp; Researchers in HEI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I ask distributors to assess the quality of our products and services</td>
<td>1. I ask students to assess the quality of our services</td>
</tr>
<tr>
<td>2. I interact with agencies to find out what services students and organizations will need in the future</td>
<td>2. I interact with agencies to find out what services students and organizations will need in the future</td>
</tr>
<tr>
<td>3. In my communication with distributors, I periodically review the likely effect of changes in our business environment (e.g., company mergers and acquisitions) on customers</td>
<td>3. In my communication with colleagues, I periodically review the likely effect of changes in our education environment on students</td>
</tr>
<tr>
<td>4. I take responsibility to detect fundamental shifts in our industry (e.g., competition, technology, regulation) in my communication with distributors</td>
<td>4. I take responsibility to detect fundamental shifts in our industry (e.g., competition, technology, regulation) in my communication with colleagues</td>
</tr>
<tr>
<td>5. I talk to or survey those who can influence our customers’ purchases (e.g., distributors)</td>
<td>5. I talk to or survey those who can influence our students’ choices</td>
</tr>
<tr>
<td>6. I review our product development efforts with distributors to ensure that they are in line with what customers want</td>
<td>6. I review our service development efforts with colleagues to ensure that they are in line with what students want</td>
</tr>
<tr>
<td>7. I participate in informal “hall talk” that concerns our competitors’ tactics or strategies</td>
<td>7. I participate in informal “hall talk” that concerns our competitors’ tactics or strategies</td>
</tr>
<tr>
<td>8. I collect industry information through informal means (e.g., lunch with industry friends, talks with trade partners)</td>
<td>8. I collect industry information through informal means (e.g., lunch with industry friends, talks with trade partners)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information dissemination</th>
<th>I-MARKOR for Teachers &amp; Researchers in HEI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I participate in interdepartmental meetings to discuss market trends and developments</td>
<td>1. I participate in interdepartmental meetings to discuss market trends and developments</td>
</tr>
<tr>
<td>2. I let appropriate departments know when I find out that something important has happened to a major distributor or market</td>
<td>2. I let appropriate departments know when I find out that something important has happened in the market</td>
</tr>
<tr>
<td>3. I coordinate my activities with the activities of coworkers or departments in this organization</td>
<td>3. I coordinate my activities with the activities of colleagues or departments in this organization</td>
</tr>
<tr>
<td>4. I pass on information that could help company decision-makers to review changes taking place in our business environment</td>
<td>4. I pass on information that could help organisation decision-makers to review changes taking place in our environment</td>
</tr>
<tr>
<td>5. I communicate market developments to departments other than marketing</td>
<td>5. I communicate market developments to departments other than marketing (or equivalent)</td>
</tr>
<tr>
<td>6. I communicate with our marketing department concerning market developments</td>
<td>6. I communicate with our marketing department (or equivalent - e.g. organic units) concerning market developments</td>
</tr>
<tr>
<td>7. I try to circulate documents (e.g., e-mails, reports, newsletters) that provide information on my distributor contacts and their customers to appropriate departments</td>
<td>7. I try to circulate documents (e.g., e-mails, reports, newsletters) that provide information on students to appropriate departments</td>
</tr>
</tbody>
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<tr>
<th>Co-ordination of strategic response</th>
<th>Co-ordination of strategic response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I try to bring a customer with a problem together with a product or person that helps the customer to solve that problem</td>
<td>1. I try to bring a student with a problem together with a service or person that helps the student to solve that problem</td>
</tr>
<tr>
<td>2. I try to help distributors achieve their goals</td>
<td>2. I try to help students achieve their goals</td>
</tr>
<tr>
<td>3. I respond quickly if a distributor has any problems with our offerings</td>
<td>3. I respond quickly if a student has any problems with our offerings</td>
</tr>
<tr>
<td>4. I take action when I find out that customers are unhappy with the quality of our service</td>
<td>4. I take action when I find out that students are unhappy with the quality of our service</td>
</tr>
<tr>
<td>5. I jointly develop solutions for customers with members of our customer/adviser relationship team</td>
<td>5. I jointly develop solutions for students with my colleagues</td>
</tr>
</tbody>
</table>
5. Final considerations

This paper conceptualizes the market orientation strategy, taking into account higher education peculiarities and discusses the principle dimensions of the individual market orientation concept in Higher Education Institutions.

We believe that the work presents some theoretical limitations, and in particular the proposed scale adaptation may be corroborated by empirical support in order to get item purification.

In future research it is intended to understand the relationship between entrepreneurial orientation, market orientation and performance of teachers and researchers from Higher Education Institutions, and contribute to present new avenues for improving the performance of teachers and researchers from higher education institutions.

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