Internal Stakeholder Views Of A Market Orientation Strategy: Implications For Implementation

WHAT IS THIS RESEARCH ABOUT?

A successful market-oriented strategy requires the input of multiple stakeholders both internal and external to the organization. It fosters an awareness of the external market, which requires response at appropriate levels and functions of the firm. A market orientation also involves the transfer of knowledge through interpersonal co-ordination and interaction.

Market orientation literature currently focuses upon external stakeholders as the content or target of a market orientation strategy. This is problematic for understanding the successful implementation of a market orientation strategy because internal stakeholders provide the link between strategy-makers and external stakeholder targets.

Anchored in market orientation, dynamic capabilities, and stakeholder research, this study answers: how do internal stakeholders in a market orientation process impede or encourage the achievement of market-oriented objectives by a market-oriented company? Furthermore, how do employee stakeholders perceive the market orientation process used to get and respond to information?

WHAT DID THE RESEARCHERS DO?

Francine Schlosser and Rod McNaughton from the University of Windsor and University of Waterloo, respectively, examined employee attitudes and behaviours regarding a formal market orientation program. The researchers first identified an organization using market-oriented tactics, and then researched employee perspectives highlighting the factors that facilitated or impeded the implementation of this strategy.

The researchers ensured this study was anchored in market orientation, dynamic capabilities and stakeholder research. Then, a market-oriented strategy was profiled through interviews with 12 executive strategy setters and 10 distributors. Building upon this base, the results of focus groups were reported. Focus groups included 30 management and non-management employees with responsibility for implementing the market-oriented strategy of the same organization. These employees belonged to a large market-oriented financial services organization that recently introduced a market-oriented agency call program. The data were analyzed to identify significant issues and stakeholder conceptions of program value. The researchers reviewed verbal and non-verbal communication patterns in the focus group.

WHAT DID THE RESEARCHERS FIND?

The researchers found the following:

- A successful market orientation strategy must provide value to all stakeholders. If both external distributors and internal employee stakeholders do not see value in the program, they may not be willing to participate which puts the process in jeopardy.
• Executive strategy-makers expected employees to adopt behaviours that reflect an understanding of the larger organizational context. However, these focus groups also identified a need for executives to develop and implement their strategy with a similar understanding of more specific issues.

• Successful program implementation relied upon employees who were actively engaged in the program, making calls, asking probing questions, relaying the information and helping to solve issues.

• Issues of role conflict and competing demands on employee time reinforce a need to align separate strategies, such as market-oriented programs, with role descriptions and accountabilities already in place.

• Continued cooperation between strategy-makers and strategy-implementers must be translated into clear directions with feedback and support. There must be effective two-way communication between executive decision makers and employee stakeholders in regards to program design and outcomes.

• There is great importance in customizing the programs and processes to fit with the varying interests of different internal stakeholders.

HOW CAN YOU USE THIS RESEARCH?

Business strategists may find this research particularly useful as it provides firms with a stronger understanding of the dynamic processes required for a market orientation. It describes that strategy-makers must clearly define how strategy and behaviours fit into each stakeholder’s objectives. It highlights that in order to dedicate enough time to make the program successful, stakeholders must have a clear idea of its value and its fit within their core job duties.

CITATION


KEYWORDS

Market Orientation, Internal Stakeholder, Stakeholder, Employee Attitudes, Strategy, Services Marketing

WHAT YOU NEED TO KNOW

A market-oriented strategy introduces tactics that involve employees at all levels of the company. This will stimulate a vibrant market orientation—but only when the interests of both internal stakeholder partners and external stakeholder targets are realized.