Using The I-MARKOR Scale To Identify Market-Oriented Individuals In The Financial Services Sector

WHAT IS THIS RESEARCH ABOUT?

Extant studies of the market orientation of service firms rarely consider the contribution of individual employees to the realization of this orientation. Existing scales that measure market orientations reveal the perceptions of a key informant about the dominant orientation within the firm. These scales do not measure the willingness of employees to act in a market-oriented way. This paper aims to report the development of a multi-dimensional scale of individual market-oriented behavior.

Firms, in order to develop a market orientation strategy, must convince employees to “buy into” the concept. If organizations are unable to build awareness, ability and motivation to act in market-oriented ways, they may face employee resistance and eventual failure of market-oriented initiatives. Employees throughout the company contribute varied information about the market that can create competitive advantage. Therefore, understanding how employees define and view market-oriented behaviors is a key to successfully fostering a market orientation.

Managers need a way of assessing and measuring employee market-oriented behaviors. Noting that current scales which measure market orientation, like the widely-used MARKOR, only reveal the perception of a single key informant on the state of market-oriented characteristics within an organization, Francine Schlosser and Rod McNaughton say the competitive advantage of service organizations relies upon strong, customer-oriented services provided by individuals throughout the organization.

WHAT DID THE RESEARCHERS DO?

Francine Schlosser and Rod B. McNaughton from the university of Windsor and University of Waterloo, respectively, set out to identify the market-oriented behaviors of individuals employed in service-based organizations and develop and test the psychometric properties of a scale of individual market-oriented behaviors.

The first step was a scale development process. This included identification of items from focus groups with employees of a major Canadian financial services firm and the market orientation literature. A pretest with marketing practitioners and academics helped to purify and reduce the number of items. A sample of North American financial services employees responded to the items in a web-based questionnaire.

The scale provides a method to assess differences between individuals within an organization, enabling empirical research on differences between departments, roles, training and other characteristics that may influence the extent to which an individual performs market-oriented behaviors.

WHAT DID THE RESEARCHERS FIND?
Confirmatory factor analysis of the responses confirmed the presence of a single latent construct with three dimensions: information acquisition, information sharing and strategic response, measured by 20 items.

Putting the basis of testing for market-orientation on a more individual level, the I-MARKOR scale provides a measure, which employees can understand and identify with its content. It measures how employees acquire, share and respond to market information. The indicators of these dimensions measure good work practices, such as networking and communicating. The items include examples that are worded in a way that is useful across jobs and over time. Essentially, scale items constitute “best practices”, but the exact methods of each task’s execution would vary among respondents. The items that represent market-oriented behaviors translate to many jobs and can be implemented in different ways by different people. Additionally, these represent ways to integrate and reconfigure the important resource of external market information. Therefore, the I-MARKOR instrument can be used to measure dynamic capabilities.

The more frequently an employee interacts with distributors or customers, and the higher the learning agility of the employee, the more likely the employee is to actively acquire and share information, and to assist in the development of a strategic response. An organization may foster employee market orientation in different and unrelated ways: by hiring strong learners or by increasing interaction between customers and employees. The confirmation of relationships between individual market orientation and individual level antecedents underscores the difference between organizational and individual market orientation and the value-added of this measure.

**HOW CAN YOU USE THIS RESEARCH?**

Managers can use the scale to implement a scorecard-based approach to performance management. Based upon measurable and trainable behaviors, the I-MARKOR can be used by managers as part of this personal scorecard to identify high performers, role models, and training needs. The scale’s strong correlation with learning orientation may help to identify and develop high-potential employees; those with the ability to move through and up the service organization without losing touch with the market. The I-MARKOR can be used to identify and reward a market orientation emerging through individual efforts. Alternatively, the scale can be used to build a market orientation by identifying gaps and training needs.

This scale may also help to identify service workers for whom the increased customer contact coupled with a strong individual market orientation creates internal benefits such as job satisfaction and commitment.

Additionally, the use of such individual market oriented actions can be used to solicit information to address and defuse channel conflict, potentially a significant issue in the rapidly restructuring financial services industry due to its uneven distribution of power between agents and service providers.
CITATION


KEYWORDS

Market orientation, Financial services, North America

WHAT YOU NEED TO KNOW

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