MARKETING OF UNIVERSITIES OF TECHNOLOGY: EXAMINING THE RELATIONSHIPS BETWEEN MARKET ORIENTATION ELEMENTS, BARRIERS AND UNIVERSITY PERFORMANCE

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DECLARATION

I, Bakae Aubrey Mokoena, declare that the contents of this thesis (Marketing of Universities of Technology: examining the relationships between market orientation elements, barriers and university performance) represents my own unaided work, except the quotations and citations, which have been duly acknowledged, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Vaal University of Technology.

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ABSTRACT

The marketing concept is posited as the philosophical foundation of the marketing disciplines and market orientation invariably refer to the operationalisation of the marketing concept into a management orientation. Engaging in marketing activities may be important but market orientation is a vital ingredient in determining an institutional success, despite inherent barriers towards its successful implementation. A higher education institution (HEI) can be market oriented only if it understand its market.

This study was conducted with the main objective of seeking to establish Universities of Technology (UoTs) implementation levels of market orientation, possible barriers to market orientation and their influence on university performance. A non-probability sampling method (convenience sampling) was used in the study. The sampling frame for the study included full-time employed academics in all six UoTs in South Africa. Pre-testing and a pilot study preceded the main survey and reliabilities were measured using the Cronbach alpha coefficients. Out of 1250 questionnaires sent to participating institutions, a total of 528 responses were received and this resulted in a return rate of 42.24% for the main study. The statistical analysis of the collected data included exploratory factor analysis, descriptive statistical analysis, correlation analysis, confirmatory factor analysis and structural equation modelling to test the posited hypotheses.

The findings of the study supported the predetermined theoretical and the empirical objectives as well as the hypotheses of the study. The findings further indicated that the market orientation of UOTs in South Africa was determined by seven fundamental factors within the institutions being market intelligence generation, interfunctional coordination, customer orientation, market intelligence dissemination, intelligence response design, intelligence response implementation and interdepartmental dynamics.

Furthermore, three key barriers to market orientation were identified, namely internal, external and organisational environmental factors. In addition, the study also found a significant impact of market orientation on university performance as consistent with previous market orientation studies undertaken in other contexts.

Recommendations emanating from the study will address various concerns on effective incorporation of the market orientation paradigm. Commitment and communication from top management to all units to support market orientation is critical. The support of those making strategic decisions is needed to garner the necessary support of other employees in UoTs, especially top and senior management buy-in and support. Marketing information generation should be a starting point when developing or adapting marketing strategies. HEIs should realise that marketing information dissemination is an effective way to reach prospective students and to create credible and persuasive communication channels. The development of a marketing strategy should also involve the inter-functional coordination and interdepartmental dynamics that enables HEIs to meet students' needs and enhance service delivery to all its stakeholders. Key aspects that need to be prioritised includes: establishment of structures for marketing coordination, marketing efforts to be driven by teams to bring about synergy and cross fertilisation of ideas across departments and marshalling of resources in order to improve performance of all business units. Managers in different HEIs can also enhances performance of their instituions by implementing these key recommendations.

This study will significantly contribute to the critical challenge facing HEIs, being to create the combination of the culture and the climate that maximises organisational learning, resources and capabilities to create superior university performance that is prescribed by the Department of Higher Education and Training (DoHET). Other HEIs could learn from this study and utilise the research to diagnose and remedy barriers within their operational spheres.

Keywords: HEIs, UoTs, market orientation, barriers, university performance

GLOSSARY OF TERMS

AGFI	Adjusted goodness-of-fit index
AMA	American Marketing Association
AMOS	Analysis of moment structure
AVE	Average variance extracted
BA	Barriers to market orientation
CR	Critical ratios
BTS	Bartlett's test of sphericity
CATE	Colleges of advanced technical education
CFI	Comparative fit index
CFA	Confirmatory factor analysis
CPUT	Cape Peninsula University of Technology
CR	Composite reliability
CTP	Committee of Tecknikon Principals
CUT	Central University of Technology
DCT	Dynamic capabilities theory
DoE	Department of Education
DUT	Durban University of Technology
EFA	Exploratory factor analysis
FA	Factor analysis
GATS	General agreement on trade in service
GFI	Goodness-of-fit index
HE	Higher education
HEIs	Higher education institutions
HOD	Head of department
ICT	Information and communication technology
IFI	Increment fit Index

IMO	Internal market orientation
KMO	Kaiser-Meyer-Olkin
MASA	Marketing Association of South Africa
MTM	Market type mechanism
MO	Market orientation
MUT	Mangosuthu University of Technology
NCHE	National Commission on Higher Education
NFI	Normed fit index
NPHE	National plan for higher education
NPM	New public management
PIs	Performance indicators
PQM	Programme qualification mix
QA	Quality assurance
RAT	Resource-advantage theory
RMSEA	Root square mean square error approximation
SEM	Structural equation modelling
SLT	Social learning theory
SPSS	Statistical package for social sciences
SV	Shared variance
TLI	Tucker-Lewis index
TUT	Tshwane University of Technology
TVET	Technical vocational education and training
UoTs	Universities of technology
UP	University performance
VUT	Vaal University of Technology

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CHAPTER 1

INTRODUCTION AND PROBLEM DEFINITION

1.1 INTRODUCTION

Expansion, diversification, increased competition and greater choice have been described in literature as "the overarching forces" that have driven educational institutions to embrace the marketing idea (Maringe 2005:569). However, marketing in higher education (HE) has only recently begun to have an overt presence, at least in the developed world, after a protracted concealment under more traditional communications structures and functions (Maringe 2004:54). For example, the public relations office, the external relations office, the international students' office, students' affairs department, publicity and publications office have traditionally been claimed to be the bases for university marketing.

Whilst the concept of market orientation (MO) has emerged from conventional marketing (Mercer 1998:2), the concept has evolved over time, with the most enduring theme being the centrality and sovereignty of the customer in the decisions of educational institutions (Naude & Ivy 1999:12). Kotler (2003:13) affirms that the key to achieving the organisational goals depends on determining the needs and wants of target markets and by delivering the desired customer satisfaction more effectively and efficiently than competitors deliver. A further stance cited within the definition necessitates institutions being socially responsible, embracing the notion of conducting business with long term interests of the consumers in an unambiguous manner (Batty 2000:23). Essentially, the societal concept appeals to higher education institutions (HEIs) to be ethical and to embrace a social responsibility consciousness that rejects the idea of driving products and services at any cost. Market orientation strategy thus relates to the development of an institution's appropriate marketing mix (Mazzarol & Souter 1999:291). The authors stressed that market orientation calls for:

- a configuration of the elements of the marketing mix so as to suit the needs of the market into which an institution is operating

- a coordination of the overall marketing efforts of an institution across the range of markets it engages

- a provision of the links between the external marketing effort and an institution's functional elements, leading to the importance of an institution's internal marketing strategy.

In congruence to the above holistic plea, the internal marketing concept has been developed largely within the context of marketing and more specifically service marketing where it has been acknowledged implicitly that an elevated level of customer satisfaction depends profoundly on personnel who interact with customers (Bateson 1991:4). Within the internal market orientation paradigm, an institution's marketing strategy is aimed, therefore, at creating enthusiasm, consistent behaviour and respect for the external marketing strategy (Flipo 1985:8). For HEIs, the link between external and internal marketing strategies is important as it operates within a service rather than a goods sector with educational institutions largely dependent on the quality and performance of staff for its services (Gronroos 1990:138). This mode of marketing suggests that marketing tools and concepts can be employed internally with employees because satisfied employees usually lead to satisfied customers. Hence, internal market orientation takes the marketing concept and applies it internally, that is, treating with equal importance the needs of internal and external markets.

1.2   THEORETICAL PERSPECTIVE

Whilst market orientation has been a subject for many organisations, various theories underlie that its existence and prominence within contemporary marketing has been reported in the literature. As early in the 1990s, Slater and Narver (1995: 63) underscored the importance of fine-grained research that examines individual and group market-driven learning processes, thus drawing from Bandura's social learning theory (Bandura 1969:213) that explores the market orientation concept. Bandura's (1977:17) social learning theory proposes two avenues of individual learning. First, the theory proposes that people learn from consequences of their behaviour in the marketplace and they are likely to increase or decrease the frequency of their behaviours that have a positive or negative outcome. Secondly, people may engage in vicarious learning by observing others before engaging in a particular behaviour because doing so enables them to avoid needless and costly errors (Bandura 1977: 19; Manz & Sims 1981:110).

Within the domain of market orientation, universities are also subjected to competitive advantages and accompanying threats. Hence, the resource based theory (RBT) may also come into interplay among universities, taking into account the presence of private, public education institutions, advantaged and disadvantaged institutions especially with the private higher education domain in South Africa. Using the RBT, Hunt and Morgan (1995:14) demonstrate that market-oriented institutions can achieve a position of competitive advantage and long-run performance and sustainability. Kuosmanen and Kuosmanen (2009:235) affirm that, "Sustainability is nowadays generally accepted as one of the key success factors in the long term business strategy of the firm". Against this backdrop, the adoption of the RBT as the theoretical foundation for the development of the market-oriented sustainability framework (Hunt & Morgan 1995:12) may also be useful in addressing market orientation, barriers and performance among UoTs with a South African context.

Of recent, however, theorists have made a number of inroads in understanding market orientation, which has been collectively labelled dynamic capabilities theory (DCT); emphasising that marketplaces are dynamic, rather than simple in terms of heterogeneity with regard to institutions' resource endowments (Morgan, Vorhies & Mason 2009:910). The DCT theory, which explores the capabilities by which an institution's resources are acquired and deployed in ways that match the firm's market environment that explains inter-institution performance variances (Eisenhardt & Martin 2000:1108; Makadok 2001:388) may also be worthy of further investigation within HEIs.

These three theories are discussed in detail in Chapter 3 under Section 3.2 and will form the basis of this study. Building on this theoretical perspective, a further elucidation of models developed over time is also outlined in various sections of this study. Several models have been suggested in an attempt to try to raise the profile and efficiency of those working as institutional marketers. Curran (2001:223-251), for example, has suggested five key strategies, which university departments could utilise to support a growing market-orientated institution. The author argued for support of senior management, the creation of structures to serve a marketing function, developing an in-house marketing training programme, hiring marketing trained staff and developing a system of rewarding good marketing practices.

HEIs are under growing pressure as they are exposed to various demands from different stakeholders. During the past decades, HEIs have been paying increasing attention to the understanding, adoption and implementation of market orientation. In addition, the increased emphasis on efficiency and effectiveness evaluation of HEIs outputs, places UoTs in the spotlight with respect to its performance. A general trend has been an increasing focus on increased business performance, higher employee morale due to clarity of focus and vision as well as customer satisfaction and retention (Bingley & Maillard-Salin 2012:4). What is important for implementation is that the results of such activities influence organisation behaviour, support organisations objectives and positively contribute to organisational success (Meldrum 1996:39).

A basic tenant of the marketing discipline holds that HEIs that adopts a market orientation will exhibit better performance (Caruana, Ramaseshan & Ewing 1988:5). A performance-oriented based HEI is critical in meeting national current and future initiatives as set out in the National Plan of Higher Education (NPHE) (2001). It, therefore, becomes imperative that UoTs rethink their policy framework and strategy to become market-oriented.

So far, there has been an implicit assumption that market orientation is appropriate in establishments of HEIs. Operationalisation of market orientation typifies the institutions' desire to succeed through delivering of superior service especially to satisfy the customers' needs. Despite, marketing principles being well established, HEIs that are attempting to implement the processes of market orientation often find their progress impeded by a variety of barriers. Most empirical studies undertaken on the relationship of market orientation and performance identify several barriers that impede its implementation (Harris & Piercy 1999:113). Notable to mention in this regard are myths, misconceptions, and internal, organisational, cultural and external barriers. An attempt to rule out generating differences, misconceptions and conflicts leading to resistance towards the adoption of the marketing concept was pursued in this study.

Within the HE scenario, a new public higher education landscape was established in South Africa in 1994. It consists of 23 public institutions: 11 traditional universities, six universities of technologies, and eight comprehensive institutions. Amongst others, the new landscape incorporates an institutional nomenclature, notably the

terms university of technology (UoT) and comprehensive institution with UoTs being essentially career-focused.

Hence, with UoTs still in transitional stages in South Africa, there is a need for such institutions to plan, compete and proactively meet the multifaceted educational needs of the country and its stakeholders. Like other countries, HEIs in South Africa are faced with a dilemma where a significantly enormous sector is characterised by fierce competition for market share. This is further exacerbated by the challenge as set out in the NPHE (2001) to increase the participation rate in higher education from 15 percent to 20 percent within ten years. This compels South African HEIs to find innovative ways to increase their competitive advantage as the HE sector undergoes an essential transformation.

1.3 PROBLEM STATEMENT

Internationally, HE marketing is still in its infancy in many parts of the world (Maringe 2005:564). Three reasons can be cited in support of this statement. First, is the formidable obstacle of internal resistance to marketisation in HE. Secondly, the failure of HE to identify itself with a specific product, epitomised in the ongoing battles between competing positions on whether HE should primarily be about research or teaching, and whether students are consumers or products. Thirdly, the failure of HE to domesticate the marketing idea and turn it into a homegrown philosophy by utilising marketing ideas based on borrowed wisdom from the business sector. Within a Southern African context, Maringe and Foskett (2002:47) concluded, "the universities of the region are at different stages of marketisation and their levels of marketing sophistication and understanding, which closely resembles those in the business sector, vary from institution to institution". Research evidence also suggests that current HE marketing lacks an appropriate contextualisation. It is poorly organised and coordinated, largely responsive and not strategic and its application lacks formal operational guidelines (Maringe 2005:572).

Within the South African HE sector, no conspicuous marketing approaches seem to exist. Such apparent lack in market orientation may be due to the diversity in the vast HE sector with previously historically black institutions limited in financial resources and generally inferior facilities compared to the prestigious historically white universities, which were better funded under the previous government dispensation (Ivy 2001:280). The author further accentuates that the South African

HEIs do not use common market orientation activities to convey their image. This apparent lack of inconsistency in image portrayal could account for some of the decline in student numbers at some HEIs. With new types of HEIs created in South Africa; on one end of the continuum, comprehensive universities, and the other end, stand-alone UoTs; students are now faced with a broader selection of HEIs, all competing with one another. UoTs *inter-alia* are left with the modest option, to embrace the marketing idea.

1.4 OBJECTIVES OF THE STUDY

1.4.1 Primary objectives

The study seeks to establish UoTs implementation of market orientation strategies and identify possible barriers to market orientation and their influence on university performance.

1.4.2 Theoretical objectives

The theoretical objectives of this study are:

- to conduct a literature synthesis on the nature, role and transition of HEIs within the South African context

- to review theories on market orientation

- to conduct a literature review on the emergence of the marketing and market orientation concepts

- to conduct a literature analysis of external and internal market orientation models within the ambit of HEIs

- to examine the barriers inherent to HEIs (internationally) in developing market orientation strategies

- to examine the impact of market orientation and its associated barriers on university performance.

1.4.3 Empirical objectives

The empirical objectives of this study are:

- to develop a generic taxonomy of the elements of market orientation within the UoT framework

- to establish academics perceptions on the implementation of market orientation, its barriers and performance among UoTs

- to develop a generic taxonomy of barriers in market orientation within the UoT framework

- to ascertain the impact of market orientation and its associated barriers on university performance.

Based on the theories underlying market orientation and a review of the literature, the following conceptual framework (Figure 1.1) was elucidated in order to examine the relationships among the variables used in the study (market orientation, barriers in the implementation of market orientation and university performance):

Figure 1.1:   Conceptual framework and the proposed relationship among the constructs
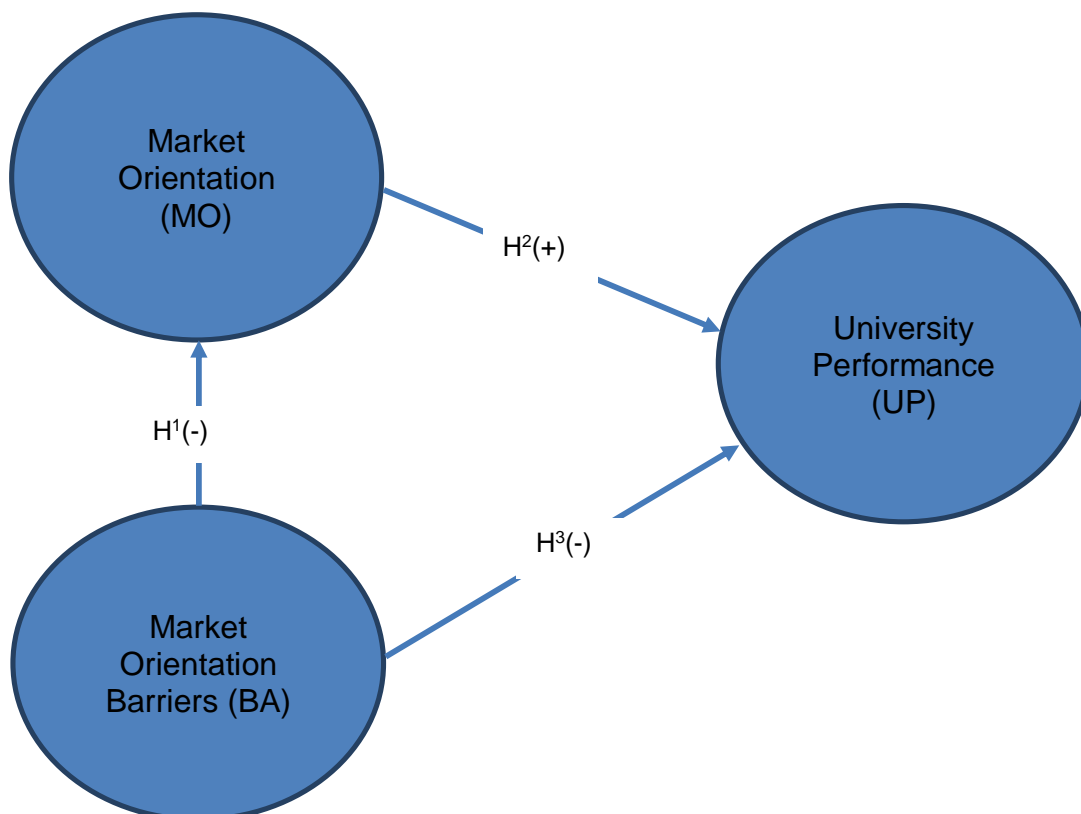
Proposed hypotheses:

H$_1$: The barriers to market orientation will have a negative influence on market orientation of UoTs

H$_2$: Market orientation will have a positive influence on the performance of UoTs

H$_3$: The barriers to market orientation will have a negative influence on the performance of UoTs

1.5 RESEARCH METHODOLOGY

The following research methods will be undertaken:

1.5.1 Literature review

A review of secondary literature on the nature, role and transition of HEIs within the South African context was conducted. The literature study was also extended to marketing, market orientation, barriers to market orientation and university performance within the context of HEIs. This included a review of books, journals, newspaper articles, HE documents, government publications and the Internet to establish a theoretical background for the study.

1.5.2 The empirical study

The following steps were followed in the empirical design:

1.5.2.1 The target population

The study was conducted amongst only five of the six UoTs in South Africa who gave permission for the studies to be conducted. The target population for this study was restricted to academics who were employed for more than three years and who were *au fait* with the functioning of their institutions.

1.5.2.2 The sampling technique and sample size

The study used a non-probability, convenient sampling technique. Non-probability sampling was chosen since the characteristics of this method have particular appeal to financial and time restraints with respect to respondents (Malhotra 2010:367). A convenience sampling was adopted for the study based on the respondents. In

addition, there are no statically formulas for prior calculation of the size of a non-probability study. Therefore, use was made of the historical approach method and a total of 350 respondents were deemed adequate on studies on marketing orientation (Bakewell & Gibson-Sweet 1998:103-107; Mazzarol 1998:163-175; Ivy 2001:276-282; Rindfleish 2003:147-159).

1.5.2.3 Research design and measuring instrument

A quantitative research design, namely the survey method was be used in data collection via a structured questionnaire. A questionnaire was chosen as a measuring instrument as it simple to administer and reduces the variability in the results that may be caused by differences in other types of interviews (Malhotra & Birks 2010:225). A structured questionnaire further facilitates coding, analysis and interpretation of data. The questionnaire comprise four sections, namely biographical data, market orientation, barriers to market orientation and university performance

1.6 STATISTICAL ANALYSIS

Initially the data was analysed using descriptive statistics. Inferential statistics were employed to establish relationships between variables. In addition, correlations and multivariate analysis (exploratory factor analysis) were used to establish possible barriers in the implementation of marketing orientation strategies. Correlations analysis was used to examine the relationship among the constructs used in the study. Data analysis was undertaken using the Statistical Package for Social Sciences (SPSS) version 22.0 for Windows.

In addition, confirmatory factor analysis (CFA) was used to examine the goodness-of-fit of the data using the analysis of moment structure (AMOS: 22:0) Further, structure equation modelling (SEM) was performed to develop the measurement model and path analysis to test the relationship between market orientation, barriers and university performance.

1.7 BENEFITS OF THE STUDY

The findings of this study may provide useful insights with regard to marketing orientation strategies, which UoTs can utilise in their institutional marketing plans in order to enhance their respective service delivery competences to all its

stakeholders (students, businesses, alumni, local government, financial and professional advisors, suppliers and the broader community). In addition, possible barriers in the implementation of marketing orientation strategies were unearthed in order for UoTs to find innovative ways to address such barriers. Findings from this study can further be used to do comparisons studies to HEIs who are market-oriented versus those who are not in terms of performance. Lastly, other researchers could use the findings of the study as a basis for further and future research on the implementation of market orientation within traditional and comprehensive universities in South Africa.

1.8 CHAPTER CLASSIFICATION

Chapter 2: Higher education transformation within a South African context. This chapter provides insights into nature, development and transformation of the HE landscape within a South African context with specific reference to UoTs. A framework of predetermined performance indicators relating to UoTs performance is also discussed.

Chapter 3: **Market orientation.** The primary focus of this chapter is on the marketing and market orientation concepts. The implementation of both internal and external market orientation practices and models is also discussed in this chapter.

Chapter 4: Barriers to market orientation. This chapter provides an overview of the barriers that hinder the implementation of the marketing concept and focus on the determination of these market orientation impediments.

Chapter 5: **Research design and methodology**: The methodology employed is described and concentrates on the empirical design procedure.

Chapter 6: **Empirical findings**: This chapter provides a detail analysis and interpretation of the empirical study. The research findings are discussed by analysing the results from the empirical phase of the study. The statistical results are provided, interpreted and discussed.

Chapter 7: **Recommendations and conclusion**: A summary of the pertinent findings of the research is presented. Recommendations are expounded upon and finally, limitations and avenues for research are highlighted.

1.9 CONCLUSION

The chapter has presented the introduction and background to the study. The introductory chapter provided the rationale for pursuing the study and the theoretical perspectives as well as the problem statement were outlined. The research objectives and the proposed hypotheses were also addressed. The research methodology covered a literature review, the empirical study, the target population, the sampling technique and sample size, the research design and the measuring instrument. Furthermore, the statistical analysis employed for data sets, benefits of the study and classification of the chapters for the entire study design were briefly highlighted.

The next chapter addresess higher education thansformation within a South African context as well as university performance in relation to the Department of Higher Education and Training mandate.

CHAPTER 2

HIGHER EDUCATION TRANSFORMATION
WITHIN A SOUTH AFRICAN CONTEXT

2.1   INTRODUCTION

The preceding chapter introduced the subject of market orientation and its associated impediments in HEIs. The rationale behind the decisions pursuing this topic was presented and was based on the empirical observations made by other researchers. An outline of the approach adopted in the structuring of the thesis was provided.

The South African higher education has a very interesting landscape given the many changes that took place after its first democratic elections in 1994. The South African history and current practices provide interesting perspectives and background to the complexities, reasoning and forces behind policy development and implementation. Hence, this chapter is organised in three sections. The first section reviews and assesses education transformation in South Africa. It also outlines the government efforts to address and reconcile institutional levels of transformation through key shifts in policies and practice through the years. The key feature of this section is the reform of institutional processes in all the sectors of education.

The second part of the discussion deepens the debate on UoTs by explicitly discussing the historical background. It locates UoTs in the HE fraternity in relation to the nature of transformation of UoTs, the demands of UoTs, responses to HE reforms and its empirical impact on the economic, political, social and culture spheres of past apartheid society.

The third section highlights university performance as fundamental to the HE transformation. The discussion is premised upon the perspective of explaining superior university performance in terms of pre-determined objectives and its related performance indicators.. Furthermore, the chapter brings further inputs that attempt to illuminate some aspects of the debate about UoTs.

2.2 TRANSFORMATION OF HE IN SOUTH AFRICA

The process of transforming HE in South Africa has evolved since 1994 and significant progress was made with regard to policy implementation and changes in relevant statutes. The growth of HE in South Africa is a clear indication of the importance that has been placed on HE. The specific focus of this discussion is on evaluation of selected educational policies that have been published on transformation of HE in South Africa. These documents provide the scope for the transformation and the foregoing section briefly outlines them.

2.2.1 Educational policies

The primary aim of educational policies is to ensure that the HE sector is planned, governed and funded as a single national coordinated system and to enhance transformation of the education fraternity. A brief summary of these educational policies is provided in Sections 2.2.1.1 to 2.2.1.4.

2.2.1.1 National Commission on Higher Education (NCHE 1996)

The commission's formidable task was to provide the government with policies to restructure the HE sector fundamentally. Although the NCHE had 16 specific terms of reference, these could be summarised into four core areas (Reddy 1997:10), namely:

- What constitutes HE?

- Immediate and long-term national goals for South African HE

- Types of institution that will comprise the system

- Advisory and administrative structures required by the Ministry of Education.

Achievements of NCHE include (NCHE 1996:6-9) amongst others:

- Development of a working vision for the HE system

- Defining the area of its operation in what constitutes HE

- Conceptualising a framework for transforming the HE system

- From its inception, worked through a consultative mode by involving all HE stakeholders

- Among the key activities in compiling its report were site visits to the provinces and study trips to overseas countries

- Its three central pillars are, increased participation by a diverse range of constituencies, increased cooperation and partnerships and greater responsiveness to social and economic needs.

Furthermore, the NCHE aimed to produce a policy report through its consultative and interactive mode of operation, to engage in consensus building between different stakeholders and constituencies, thereby laying the groundwork for a sound cooperative relationship between them (Reddy 1997:12).

Reddy (2004:34) further recognises the NCHE as reflecting a detailed and extensive study of HE and as a useful introduction to the key issues and debates surrounding HE in the democratic period.

2.2.1.2   Education White Paper of 1997 (Program for the transformation of HE)

Following on the NCHE report, the government's White Paper (1997:7) provided a new framework for the country and emphasised the need for transforming the HE sector in order to respond to new realities and opportunities. The White Paper reiterates the NCHE report and the Green Paper, emphasising the importance of the three central pillars on which the detailed policies of the education White Paper Act are based:

- Increased and broadened participation

- Responsiveness to societal needs

- Partnership and cooperation in governance of HE system (Cloete & Bunting 2000:71; Reddy 2004:38).

Furthermore, the White Paper described goals and explained how these goals are supposed to contribute towards government steering goals (Hay & Monnapula-Mapesela 2009:14).

2.2.1.3   Higher Education Act (1997)

Following on the recommendations of the White Paper on HE, the Higher Education Act sets out five basic principles aimed at transforming the HE environment.

- Size and shape of the system addresses the increased access to HE to all and produces graduates with skills and competencies to adequately meet the increasing human resource needs of the country.

- Equity – by emphasising the continued reflection of national demographics amongst students and staff in redressing past inequalities that were prevalent in the higher education system.

- Diversity – by ensuring diversity through mission and programme differentiations.

- Inter-institutional cooperation – by building new institutional forms, new institutional identities and joint utilisation of human and physical resources within regions.

- Research – by building a high level of research capacity to address the research and knowledge needs of the country (Republic of South Africa 1997; Reddy 2004:38).

2.2.1.4 The National Plan for higher education in South Africa (NPHE 2001)

The primary purpose of the NPHE is to ensure that:

- the HE system achieves the transformation objectives set out in the White paper (1997) and is responsive to societal interests and needs

- that there is coherence with regard to the provision of HE at the national level

- resources are used efficiently and effectively and there is accountability for the expenditure of public funds

- the quality of academic programmes, including teaching and research across the system.

Furthermore, according to Naidoo (2002:31), the NPHE outlines five goals and strategic objectives that relate to:

- Access

- Equity

- Diversity

- Research

- Reorganisation of past structures.

These goals and strategic objectives, which are further broken down into specific outcomes to be pursued are illustrated in Table 2.1:

Table 2.1:   Goals, strategic objectives and outcome plans of NPHE (2001)

Goals	Strategic objectives	Outcome plans
1. To provide a full spectrum of advanced educational opportunities for all	• To produce graduates with skills and competencies to cater for the human resources needs of the country.	**Outcome 1:** Increased participation rate **Outcome 2:** Increased graduate outputs **Outcome 3:** Broadened social base of students **Outcome 4:** Increased recruitment of students from the Southern African Development Community (SADC) **Outcome 5:** Changed enrolments by fields of study **Outcome 6:** Enhanced cognitive skills of graduates
2. To promote equity of access and fair chance for success to all who are seeking to realise their potential through HE	• To ensure that students and staff profiles are truly reflecting the demographic realities of society. • To ensure that race and gender profiles of graduates reflect the profiles of student enrolments	**Outcome 7:** Increased Equity in access and success **Outcome 8:** Improved Staff Equity

Goals	Strategic objectives	Outcome plans
3. To diversify the system of the mix of institutional missions and programmes that will be required to meet national and regional needs in social, cultural and economic development	• To ensure diversity in the organisational form and institutional landscape through mission and programme differentiation.	**Outcome 9:** Diversity through mission and programme differentiation **Outcome 10:** Regulation of Distance education Programmes **Outcome 11:** Establishment of a single dedicated distance education institution **Outcome 12:** Regulation of HE
4. To secure and advance high level research capacity, which can ensure continuation and sustained application of research activities to technological improvement and social development	• To sustain current research strengths and to promote research required to meet national development needs and thus enable the country to become competitive in a global context	**Outcome 13:** Research concentration and funding linked to outputs. **Outcome 14:** Increased graduate enrolments and outputs at the masters and Ddoctoral levels
5. To build new institutional and organisational forms and new institutional identities and cultures as integral components of a single coordinated national HE system	• To promote and foster collaboration between institutions at regional level. • To restructure the institutional landscape of HE	**Outcome 15:** Programme and infrastructural collaboration **Outcome 16:** New institutional and organisational forms

Adapted from Reddy (2004:67)

The government's national policy goals addressed under this section form an integral part of a renewed emphasis on socio-economic development in South

Africa. The next section addresses the development of policy and legislative components that were critical in rolling out the transformation process.

2.2.2 Development of policy and legislative framework in South African HEI

Government national policy goals, addressed in Section 2.2, form part of a renewed emphasis on socio-economic development in the country. Education authorities have grappled with the legacy of a racially and culturally divided and differentiated system by establishing a new policy and legal framework for education to all. According to Pretorius (2010:318), the contextual factors that need to be noted include demography, language, access and success to education, adult literacy, infrastructure and health issues. In this regard, a significant number of analysts mentioned below are in agreement in categorising the principal periods of HE policy change into four phases, namely the symbolic phase, the framework development phase, the implementation phase and lastly, the consolidation phase.

2.2.2.1 The symbolic policy-making phase

The period 1990-1994 marked the first phase, which was associated with symbolic policy making characterised by the following:

- Establishment of symbolic statements of intent for change in HE by democratic movement and society. The race for policy position implies that the pressure for accelerated change may have led to policy pronouncement without implications being fully comprehended (Jansen 2001:41).

- New policy propositions were forged, although silenced by the consensus-building dictates of the day (Kraak 2001:86).

- Signs of the primary intentions of a new direction in policy making surfaced. (Cloete, Maassen, Moja, Perold & Gibbon 2002:449).

- Predominant attention was focused on the role of the state in HE transformation and the policy debates were characterised by participation of mass movements and civil society (Badat 2003:13).

2.2.2.2   Framework development phase

The period 1994-1998 belongs to the second period of policymaking, and is highlighted by the following pertinent issues:

- A race ensued to establish an overarching legal and policy canopy still linked to policies of a symbolic nature, *inter alia* substance began to be added to the policies (Jansen 2001:43).

- Competing discourses were apparently settled within the context of White Paper and the Higher Education Act. Furthermore, the popular democratic position was endorsed (Kraak 2001:89).

- "Implementation vacuum" on the legislative and policy framework surfaced, possibly due to political reluctance to make necessary choice decisions (Cloete *et al.* 2002:454).

- Overall framework for HE transformation was elaborated in greater detail. Strategies and structures in pursuing policy goals were identified (Badat 2003:13).

2.2.2.3   Implementation phase

The third period took off the ground in 1999 and due attention turned to policy implementation in which the following were noteworthy:

- There was a significant shift in the mode of governance of HE transformation in the form of stronger state steering. This was accomplished in relation to patterns in the development of the legal and policy content (Jansen 2001:51).

- Apparent policy doubt, retraction and reversal surfaced due to discursive tension and political difficulties (Kraak 2001:86,111).

- The focus was narrowed down to efficiency, labour market responsiveness and economic development goals, which moved to the fore while equity and redress became secondary (Fataar 2003:31).

- Development of a more targeted interaction between government, HEIs and society (Cloete *et al.* 2002:477).

- An attempt by the ministry in transcending the apartheid legacy in HE by creating a national, integrated and coordinated yet differentiated system (Badat 2003:13).

2.2.2.4   Consolidation phase

The fourth phase occupies the period beyond 2003 and is characterised by the following notable issues:

- A new funding framework was introduced to distribute state funding to the public institutions. The phasing-in period for this initiative ended in 2007 and the impact of the change has begun to be felt.

- Through a process of mergers and re-designations, South Africa's 36 HEIs (21 traditional universities and 15 technikons) were trimmed down to 23 institutions comprising 11 traditional universities (some of which were merged with others), six comprehensive universities (arising out of mergers between a traditional university and a technikon) and six universities of technology (formed from 11 merged and unmerged institutions). The public HEIs during this period have undergone extensive restructuring.

- Private HEIs were subjected to new regulations for the registrations of private higher education institutions (Department of Education 2002), which came into effect on 1 April 2003.

Further critical issues and challenges were unearthed, which related to the context of HE transformation as well as the principles and goals of South African HE transformation. These critical issues and challenges are summarised in Table 2.2.

Table 2.2:   South African HE: past, present and future

Focus	Critical issues and challenges ahead
Legal and policy context	- Ensuring sensitive processes of monitoring and evaluation provide early warning of unanticipated policy consequences, identify policy gaps, and so serve to condition interrelated policy element - Re-examining core governance concepts and system-level governance dynamics to support outcomes achieved through an appropriate mix of centrally-driven measures, as well as 'softer' steerage mechanisms, incentives and opportunities for participative self-regulation by the HE sector

Focus	Critical issues and challenges ahead
Institutional landscape	• Evaluating the progress and impact of institutional restructuring, including with respect to: institutional cultures; cost-effectiveness; outcomes in terms of equity, effectiveness and efficiency; academic provision appropriate to institutional types; quality and responsiveness of core business; change management issues and unintended consequences
Equity	• Sustaining and consolidating made towards student equity in enrolments, opportunities and outcomes, while addressing significant weak points (e.g. overall efficiency, SET enrolments, postgraduate enrolments) • Transforming institutional and academic cultures as a means to achieving staff equity
Teaching and learning	• Finalising a new academic policy and resolving the NQF review • Ensuring teaching and learning support policy goals such as student equity in through put ands success rates • Formulating guides for good teaching and learning practice
Research	• Locating HE centrally in on-going processes of research policy development and implementation • Exploring fully the impact of new funding drivers on HE research and the sustainability of the system • Finding sustainable ways of reproducing the capacities and traditions of HE research, while simultaneously transforming its equity profile • Effectively sustaining or developing research cultures in HEIs with demonstrable research capacity or potential
Community engagement	• Finalising a policy framework, which will facilitate community engagement on the part of HEIs • Utilising the knowledge and skills of those HEIs with experience in community engagements as core function, to build the capacity of others • Stretching the traditional boundaries of the academy to support meaningful community engagement

Focus	Critical issues and challenges ahead
Quality assurance	• Effecting strategic and operational links between planning, funding and Quality Assurance(QA) in the HE system • Determining quality standards in a system in flux(e.g. new academic policy awaited, institutions still merging, emergence of UOTs and comprehensive universities) • Guarding QA against 'checklist compliance' • Sustaining a proper balance between equity and quality • Engaging academics and students in the QA process • Institutionalising quality management and continuous improvement in HEIs
Responsiveness	• Identifying mechanisms for constructive collaboration between HE and public and private sectors • Monitoring and addressing at institutional level the extent to which an HEI makes its economic, social, cultural and intellectual contribution to South African society • Guarding against reduction of HE responsiveness in all its dimensions to 'market responsiveness'
Governance	• Developing appropriate models of governance at institutional level (including in the process of merger) • Re-examining system-level governance dynamics, in particular the interrelationship of the principles of public accountability, institutional autonomy and academic freedom
Financing	• Monitoring closely the adequacy of public funding for HE • Monitoring closely and critically the impacts of the new funding framework, in particular its effects on: institutional redress, institutional autonomy, institutional behaviours, enrolment patterns • Expanding funding through the NSFAS to deal with access and success for poor students

Focus	Critical issues and challenges ahead
Internationalisation	• Discussing the need for and possibly developing national policy on internationalisation of HE • Developing national policy on the application of the General Agreement on Trade in Service (GATS) to HE • Collecting well-defined and accurate information about student and staff mobility in relation to South African HE (incoming and outgoing) • Developing institutional-level internationalisation policies linked to core functions

Source: CHE (2004:237-238)

In the assessment of institutional levels of transformation, it is critical to reflect on the extent to which HEIs have succeeded to address the imperatives of greater efficiency and effectiveness. However, the current situation is one of considerable fluidity, continuities or discontinuities and on-going contestations between different social forces. These social forces have competing goals, priorities, strategies and policies (Badat 2007:24). The next section will outline the process of configuration of HE public institutions.

2.2.3 The configuration of public institutions

One of the processes set off by the restructuring of HE, was the repositioning of HEIs within the HE system. South Africa began restructuring its HE system in 2003 to widen access to tertiary education and reset the priorities of the old apartheid-based system (Sedgwick 2004:2). The reconfiguration of the public institutions was undertaken in order to transform the HE system. Although these institutions are distributed unevenly across the country, they broadly follow the distribution of economic activity and are tasked with coordinating the provision of programmes in line with local needs (Wiese 2008:61).

Smaller universities and technikons were incorporated into larger institutions to form a new type of institution called comprehensive universities (Sedgwick 2004:2). The comprehensive universities, of which there are now six, offer a combination of academic and vocational diplomas and degrees, while the six UoTs focus on vocationally-oriented education. The 11 traditional universities offer theoretically-

oriented university degrees. Subsidised by the state, the South Africa's public universities are governed in terms of the Higher Education Act. They remain autonomous, however, reporting to their own councils rather than to the government.

2.3 UOTS IN THE CONTEXT OF THE SOUTH AFRICAN HE LANDSCAPE

Based on the synthesis of the literature studies, the discussion of UoTs context within HEIs, is presented according to three themes. First, to provide a bird's eye view of the UoTs historical background, secondly, to outline the demand of UoTs within the framework of HE sector and lastly, to demonstrate the importance of performance issues of UoTs in their quest to fulfil their academic mandate.

2.3.1 Historical background of UoTs

History, by its very nature, does more than tell us about the past, it also assists us to comprehend why the present is as it is. The development of railways and the discovery of diamonds and gold in the latter part of the 19th century resulted in the demand for artisans and skilled workers to service these industries and services. Consequently, this led to the establishment of technical and vocational schools and colleges. School education was largely the preserve of the churches and missionary societies and the status quo remained until the rise of apartheid in 1948.

Technikons have their origins in the 1923 HE Act, which led to the establishment of technical colleges. The idea of a technikon was based with the intention of complementing universities rather than competing with them (Naidoo 2002:29-30). As a result, due to a growing shortage of skilled and high-level personnel to meet the needs of commerce and industry in the country and follow trends in the rest of the world, the Advanced Technical Education Act (Act 40 of 1967) created the six Colleges of Advanced Technical Education (CATE) out of technical colleges. This new type of institution was located in the HE sector (Behr 1984:128). The six CATEs created in 1967 offered tertiary education that focused on the application of knowledge rather than acquisition of knowledge (Pittendrigh 1988:3). These institutions existed mainly to cater for industries such as Iscor in Pretoria and Vanderbijlpark, Sasol in Sasolburg, and mining and manufacturing on the Witwatersrand and prepared graduates for this fast growing industrial base.

However, this venture was not sufficient to cope with the growing demand of graduates with high-level skills and sound academic foundations needed to direct and manage critical areas of a growing economy.

As a result, and subsequently, the Advanced Technical Education Amendment Act (Act 43 of 1979) redesigned the "college for advanced technical education to technikon" (Pittendrigh 1988:193). The name technikon was unique and unknown in South Africa (a term invented by National Party politicians), the closest being a technikon as used in Israel, and not recognised anywhere in the world as a university. According to the Department of National Education, National Education Policy Branch (1998:22), a technikon is defined as a higher education institution whose main task is provision of education and training in order to supply the labour market with middle- and high-level personnel who possess particular skills, technological and practical knowledge that ensures that they practice their occupations effectively and productively.

By early 1990, 15 technikons already had been established nationally (Cooper 1994:70). Technikons initially offered a three-year post high school National Diploma parallel to the first three years of a university and later introduced a National Higher Diploma on fourth-year level. In 1993, through the Technikons Act (25 of 1993), the government granted technikons degree-awarding status in a move that can be considered radical. Technikons were allowed to offer a Bachelor of Technology degree (which replaced the National Higher Diploma) equivalent to the university honours degree, as well as master's and doctoral degrees in technology. Although the technikons had in effect become technical universities by virtue of this change, they still retained the name technikons (Cooper 1994:70).

In 1997, the Committee of Technikon Principals (CTP), a statutory body that coordinated the activities of technikons and advised the minister on matters affecting the technikon sector, began debating the name change. It was generally felt at that time that the nomenclature technikon did not adequately represent or identify a HEI. There was also a strong move to align the technikon sector with developments in the rest of the world, where similar institutions had adopted more descriptive nomenclatures. Initially, there was a lack of unanimity within CTP on this issue and this resulted in a delay.

In 2000, the matter resurfaced when the Council on Higher Education conducted a 'shape and size' exercise, which looked at a new configuration of the HE landscape. The CTP task team developed a substantial document advocating for a name change and spelt out the philosophy for a UoT. Finally at a CTP workshop in February 2001, the CTP overwhelmingly accepted the recommendations and agreed to submit the document, along with a request to the Minister of Education to consider a name change from technikon to university of technology (Ministry of Education 2001:52).

Amid initial resistance within the Department of Education and certain quarters in the traditional sector, the minister announced in October 2003 that technikons would be known henceforth as universities of technology. The re-designation formed part of the reconfiguration of the HE landscape and charted a way forward for the merger of universities with universities and universities with technikons.

Once technikons became degree-awarding institutions, it was incumbent that the name be changed to that of UoT. This came into being as part of the major reconfiguration of the HE landscape, which took place from 2004 onwards. By being re-designated UoTs, the former 15 technikons benefitted in the following manner:

- ensuring that UoTs diplomas and degrees received recognition and credibility particularly in the international arena

- assisted UoTs to recruit and retain desired quality teaching and research staff both locally and internationally

- university status gained improved funding in respect of research grants and postgraduate programmes

- UoTs would have a stronger appeal as an institution of first choice for local students and as a destination for international students

- to be in a better position to respond to the increasing quantum of knowledge needed for progress and offer higher levels of learning through technically infused programmes both on undergraduate and postgraduate levels

- finally, this move once and for all settled the problem of identity, profile and recognition previously experienced by technikons internationally and with professional associations, organisations and students (CHE 2010).

In January 2004, Technikons Pretoria, northwest and northern Gauteng merged to become Tshwane University of Technology; Vaal Triangle Technikon became Vaal University of Technology, Technikon Free State became Central University of Technology. In January 2005, Cape Peninsula University of Technology came into existence through the merger of Cape Technikon and Peninsula Technikon. Technikons ML Sultan and Natal had already engaged in a voluntary merger in April 2002 and became the Durban Institute of Technology, hence cause it to be out of line with the rest of the sector.

In 2006, the Durban Institute of Technology changed its name again to Durban University of Technology and began to operate as a UoT in line with the rest of the sector in 2008. Mangosuthu Technikon, which had been earmarked earlier to merge with Durban Institute of Technology remained unmerged and changed its name to Mangosuthu University of Technology.

2.3.2   Demand for UoTs

There has been tremendous demand for HE provision in South Africa. The challenge as set out in the 2001 NPHE was to increase the participation rate in HE from 15 percent to 20 percent within ten years. When achieved, these additional students would then have a severe impact on our current system. The government responded positively to this need by the establishment and growing of the number of public institutions across the country, as alluded to in Section 2.2.3. But beyond the needs of growing HE population, there are even more fundamental forces at work that will almost certainly affect the scope and focus of HE in South Africa (Du Pre 2009:4). The author further identified the following key requirements to address the increasing demands as UoTs move further into the age of knowledge economy as follows:

- Diversity, quality and relevance of higher education qualifications to ensure provision of transferable skills and competencies

- Require more sophisticated education and training to sustain the competitiveness of the workforce

- The need for on-going education to the existing workforce, such as lifelong learning

- Majority of people viewing education as a means to prosperity and social mobility

- One's level of education being seen as a primary determinant of one's economic well-being

- Additional criteria are set by employers as the market place is flooded with people with irrelevant qualifications to the market place.

In recent years, UoTs have attracted attention because of a critical shortage of skills. The marketability of these graduates in business and industry has resulted in a shift away from traditional universities to UoTs. The sector has experienced rapid growth in student numbers and applied research in recent years. In 1999 (the then technikons), first time enrolments surpassed that of universities in South Africa for the first time. The following are reflective of the demand of UoTs in the past 15 years, among other:

- the student numbers had almost doubled

- 75 percent of all student are black

- HE has been re structured

- new funding and quality assurance systems have been put in place

- UoTs have become more receptive to the needs of the people of South Africa

- In a 1999 HSRC, survey 55 percent of grade 12 learners indicated they would rather attend UoTs upon completion of school compared to 35 percent for universities (De Souza 2002:239; Badat 2007:10).

Demand for UoTs is increasing and currently outstrips the available spaces supplied. Based on empirical data provided, only 20.7 percent of all students who applied to UoTs were placed in 2010 (SARUA 2012:78).

Over and above all these developments, there is a need for the HE system to function optimally. Some initiatives to address this challenge include the establishment of two new universities, increased funding opportunities and the availability of student support services on campuses. Among others, the need to be market-oriented becomes pertinent so that the relevance of HE is appreciated. These enabling conditions require achieving an appropriate balance between institutional autonomy, academic freedom and public accountability.

HEIs are required to submit annual three-year-rolling plans indicating the strategies, targets and time frames in response to NPHE. In this regard, the next section outlines university performance as part of the knowledge society and its knowledge economy within the context of being market-oriented.

2.4   UNIVERSITY PERFORMANCE

The association of market orientation and organisation performance has been the focal point of several studies that confirmed a positive relationship between the constructs (Narver & Slater 1989:114-116; Kohli & Jaworski 1990:108-110; 1992:98-100; Slater & Narver 1992:110-115; Avlonitis & Gounaris1997:396-397). A basic tenant of the marketing discipline holds that institutions that adopt a marketing orientation will exhibit better performance (Caruana, Ramaseshan & Ewing 1988:5). The importance of market orientation to public organisations and universities stems from the fact that there is an underlying assumption among academics and marketing practitioners that it has a direct link with performance (McGee & Spiro 1988:42; Webster 1988:36; 1992:15; Voon 2008:217).

Kotler (1972:50), has long argued that market orientation is relevant not only to profit-making organisations but also to non-profit organisations. A performance-oriented based HEIs sector is critical in meeting national current and future development needs. In order to provide the expected results, it becomes imperative that UoTs should fundamentally rethink their policy framework and strategy. Performance measurement becomes problematic when it comes to non-profit entities such as public institutions because an appropriate output measure is often not clear. Reliance often is placed on measures that are relatively easy to calculate. To circumvent this deficiency, the performance of all HEIs is monitored on an annual basis by the DoHET in accordance with the minister's published input and output targets, based on predetermined objectives.

2.4.1   Performance Management

A performance-oriented based HEIs sector is critical in meeting national current and future development needs. In order to provide the expected results, it becomes imperative that UoTs should fundamentally rethink their policy framework and strategy. As the focus of UoTs differs from other universities and only came into existence in 2004, it was possible to monitor and assess the specific mandate of

this sector through specific, nominated performance indicators (PIs). For this purpose, the UoT sector developed evidence-based PIs to enable the sector to monitor its development process as well as its performance relative to the national HE landscape. The evidence-based PIs as illustrated in Tables 2.3 to 2.7 were aligned to a pre-determined framework of characteristics, attributes and criteria to achieve the following purposes:

- Measuring the progress in terms of the national transformation agenda within HE sector, effectiveness, sustainability and/or equity, and

- Measure outcomes of changes in the system towards improvements (Van Staden 2010:170).

The PIs were derived from the policy-driven goals for the system as stipulated in the NPHE, 2001. In order for UoTs to serve their mandate, UoTs task team have identified the following five characteristics:

- technology-based programmes with attributes such as technological competence and undergraduate career-oriented education

- research and innovation through technology and technique in strategic areas

- entrepreneurial and innovative ethos

- national and international impact and recognition

- sustainability in engagement and practice (Van Staden 2010:170-171).

These characteristics are in congruent with Etzioni's (1972:8) fundamental theoretical approach advocating that organisations be evaluated based on the objectives it sets itself. In addition to these identified characteristics, attributes and criteria for UoTs have been researched and described in preparation of and for the development of performance indicators portrayed in Tables 2.3 to 2.7. UoTs have successfully developed a framework of characteristics, attributes and criteria through which its unique contributions and developmental nature are specified and clarified (Van Staden 2010:195).

2.4.1.1   Technology-focused programmes

The job market has changed in such a way that new skills will become necessary. This situation is brought about by the changes, which universities will have to make

and practice can no longer be based simply on experience (Elton 2003:108). In many countries, universities are grappling on how to transform themselves, to cope with the challenges and opportunities posed by technology (Breen, Lindsay, Jenkins & Smith 2001:95). These changes require coordination, planning and resourcing at an institutional level (Coaldrade & Stadman 1999:7). South African HEIs need to be aware of being market-orientated, which directly influences their capability to become competitive and superior in their organisational performance. The present study assumes that as part of the process of customer focus, institutions need to focus on technology-based programmes, as UOTs ability to offer technology-focused programmes is a potential source of competitive advantage.

Technology remains a means through which needs offerings of programmes can be enhanced considerably if planned and implemented properly (Wiese 2008:54). It has been viewed as offering institutions the ability to adopt generic positioning strategies (Mazzarol 1998:166). The PIs identified for this category are generic to all universities but do inform the shape and nature of the university type. Table 2.3 portrays the complete set of PIs as developed by the UoTs task team.

Table 2.3:   Performance indicators for technology-focused programmes

Attributes	Criteria	Performance indicators
Undergraduate (UG) career programmes	• Technology driven programme qualification mix (PQM) • Professional bodies' approval	1. Percentage headcount/fulltime equivalent enrolments (FTE) distribution per major fields of study. 2. Percentage of undergraduate qualifications approved /accredited by professional bodies (where applicable). 3. Percentage of programmes where activity advisory boards/committees are involved. 4. Percentage of new undergraduate and postgraduate programmes introduced per year. 5. Percentage of qualifications revised per year. 6. Percentage of students employed (including self-employment) in their field of study within one year after graduation. 7. Percentage of employer satisfaction. 8. Percentage of undergraduate qualifications that contain learning in the workplace. 9. Ratio of FTE students to FTE instructional/research staff. 10. Percentage of staff development innovations to embed innovative teaching approaches

Attributes	Criteria	Performance indicators
Technological competence	• Utilising technology within the teaching methodology, including Information Technology(IT) – integration and e-learning • Leading-edge technology • Staff abreast with technology/technological advances	11. Percentage of full-time instructional/research staff affiliated to professional bodies/associations. 12. Percentage of instructional/research staff with at least 3 years' recent industry experience 13. Ratio of FTE students to computer work stations on campuses and in residences. 14. Percentage of curriculum requiring Information and Communication Technology (ICT)/technological competency from learners. 15. Actual expenditure on technology per FTE student in support of teaching and learning. 16. Percentage of expenditure on CPD and skills training with regard to technological advances, per permanent instructional/ research staff headcount.

Source: CHE (2010:177-179)

2.4.1.2   Research and innovation

Findings suggest that there is a need to create a culture in the public sector, which supports and values research (Brown & Sharp 2003:449). The impact of research in UoTs and in policy formulation appears to depend greatly on academics valuing research and innovation and on their ability to critique and apply the identified activities. Marketing in a research context refers to anticipating and identifying the needs of the users (practitioners and policy makers), meeting those needs through participative research activities, effectively disseminating research findings through word of mouth and recommendations of successful user-opinion-leaders (Brown & Sharp 2003:461).

The paramount characteristics of the nature of UoTs research and innovation are through technology and technique in strategic areas. Seemingly, research in this sub-sector of UoTs straddles three issues (Lategan 2008; SATN 2008), namely:

- application of knowledge to address problems of all sectors in society

- training of high level technologists

- the inclusion of inter-, trans- and multi-disciplinary focus in research. The nominated attributes of UoTs relating to research and innovation are not unique to UoTs and, therefore, could be extended to accommodate other universities as well. The complete set of performance indicators for research and innovation is portrayed in Table 2.4.

Table 2.4: **Performance indicators for research and innovation in and through technology and technique in strategic areas**

Attributes	Criteria	Performances indicators
Research and innovation (R&I) expertise	- R&I staff with doctorates - Nationally rated researchers and innovators	1. Number of international collaborations (staff exchanges, research projects, fellowships, joint professorships, cross-instructional projects, research chairs, National Research Funding (NRF)-rated personnel).
Technology transfer	- Internationally recognised R&I leaders - Recent regular R & I outputs - International exchange - Research chairs - Inter- and trans-disciplinary R&I projects. - New inventions - Partnerships - Specialisation in application	2. Number of national collaborations (research projects, fellowships, joint professorships, cross-institutional projects, research chairs). 3. Ratio of total research output to permanent instructional/research staff and full-time permanent staff with a doctorate. 4. Percentage of research income over total income. 5. Ratio of external funding attracted for R&I projects to total research funding.

Attributes	Criteria	Performances indicators
Postgraduate studies	• Master's and doctoral (M & D) students in relevant R&I projects	6. Percentage of full-time staff with a minimum of a master's qualifications. 7. Number of prototypes, patents, processes, artistic outputs and products registered as IP (part of the innovation output). 8. Number of completed and sustainable community problem solving research projects. 9. Percentage increase of inter-/trans-disciplinary R&I projects. 10. Percentage of postgraduate headcount enrolments per total headcount per race and gender. 11. Percentage of postgraduate qualifications awarded. 12. Percentage of postgraduate students participating in contract research.

Source: CHE (2010:183-184)

2.4.1.3   Entrepreneurship and innovative ethos

One stream of research reveals the linkages between market orientation, innovation performance and organisational performance (Atuahene-Gima 1996:275-293; Gatignon & Xuered 1997:77-90; Lukas & Ferrel 2000:239-347). The authors further provide empirical evidence concerning the market orientation-organisational innovativeness-performance chain through their substantial contributions to the advancement on the understanding of the variables that makes possible the market orientation-performance relationship. Maydeu-Olivares and Lado (2003:295-297) argue for the moderating role of innovation degree and innovation performance on the market orientation-organisational performance relationships.

Marketing and entrepreneurship appear to be related and research findings indicate that a correlation exists between the two constructs (Murray 1981:96; Morris & Paul 1987:252). The marketing function tends to act in an entrepreneurial and innovative

manner when faced with a competitive environment (Miles & Arnold 1991:63). An entrepreneurial and innovative ethos can be supported by the creation of an enabling environment, commercial ventures and student entrepreneurship. The complete set of suggested performance indicators for entrepreneurship and innovation ethos is displayed in Table 2.5.

Table 2.5:   Key performance indicators for entrepreneurial and innovative ethos

Attributes	Criteria	Performance indicators
Enabling environment	• Support and control structures • Seed funding/diversified funding base • Enhanced developmental periphery • Registered patents and artefacts • Established business ventures, partnerships, contracts • SMME support 3rd stream income	1. Number of established business ventures (partnerships, joint ventures and contacts). 2. Number of SMMEs, incubators and technology stations established 3. Number of registered PI outputs turned into commercial, (business) ventures divided by the total number of PI outputs (products, prototypes, processes, patents, artefacts and designs).
Student entrepreneurship	• Programmes with entrepreneurship content and projects	4. Number of SMMEs supported (count incidences rather than volume). 5. Percentage of third stream income, related to commercial ventures, as part of overall income. 6. Percentage of UG qualifications with entrepreneurship as an exit level outcome to the total number of UG qualifications.

Source: CHE (2010:186-187)

2.4.1.4 National and international impact and recognition

An examination of the literature relating to services marketing highlights the quality of reputation (impact and recognition) as being important to the development of competitive advantage (Mazzaroll 1998:165). Aaker (1989:96) discovered that managers of service organisations ranked a reputation for quality (impact) as a significant source of competitive advantage. In marketing education, the success of the institution is linked to impact, image and recognition.

UoTs play a prominent role in widening access by facilitating alternative routes of access through foundation provision and recognition of prior learning (RPL) initiatives. Although the PIs are targeted for measuring the attributes that are unique to UoTs, their generic nature makes it possible to extend their use and apply them as benchmarks to all other universities as well. The complete sets of PIs relevant to this category are illustrated in Table 2.6.

Table 2.6: Key performance indicators for national and international impact and recognition

Attributes	Criteria	Performances indicators
National impact (service to the industry community society)	• Widening access to HE (alternative routes of access) • Throughput • Nationally prioritised skills and developments • Job creators	1. Percentage of South African learners, with SC/NSC/FET qualifications and enrolled are UoTs as first time entering students. 2. Percentage of undergraduate headcount enrolments in foundation or transition provision 3. Percentage of females and percentage by race of student headcount per major field of study, namely SET, business & management, education and humanities.

Attributes	Criteria	Performances indicators
International recognition and exposure	• International collaboration (SADC and other international)	4. Percentage of undergraduate students admitted on the basis of RPL. 5. Percentage of first time entering undergraduate students who graduate in minimum time plus 1 year 6. Percentage annual growth in student headcount in national priority areas. 7. Percentage growth in graduated in national priority areas (SET) 8. Number of jobs created through SMMEs. 9. Percentage of SADC and other international students 10. Number of international collaborations (staff and student exchanges, research projects, fellowships, joint professorships, cross-institutional projects, research chairs, keynote addresses, presentations, post-doctorates, NRF A or B -rated personnel

Source: CHE (2010:190-191)

2.4.1.5   Sustainability in engagement and practice

Partnerships with the community and industry emphasise the importance of understanding the market. In order to establish a niche market, HEIs would need to consider forming partnerships, collaborations and engage with business and industry (Newby 2003:35). HEIs must constantly search for new methods of collaborations with partners in the economy if they want to stay competitive (Valiulis 2003:453). HEIs are being encouraged to collaborate and form partnerships to focus increasingly on the global markets. The engagement of UoTs on a national level is demonstrated through collaborations and services rendered to the industry, corporates, government, communities and society in general. The complete set of

suggested PIs to measure UoTs engagement with the post-school sector is listed in Table 2.7.

Table 2.7: Key performance indicators for sustainability in engagement and practice

Attributes	Criteria	Performances indicators
Government business and industry engagement	• Regional collaboration and embedment	1. Number of regional, national and SADC collaborative partnerships. 2. Ratio of income from credit-bearing short courses offered as direct consequence of government, business and industry engagement to total income generated by short courses.
Community involvement (social responsibility) School and post-school engagement Sustainability	• Mutually beneficial partnerships for sustainable development • Technology and knowledge transfer • Financially sustainable	3. Ration of projects (including community and service learning) to TVET staff. 4. Number of learners from school participating in co-curricular (vacation/weekend schools) activities. 5. Number of capacity-building/ upgrading programmes offered to TVET colleges' staff and other teaching professionals. 6. Participation rate of TVET learners. 7. Total direct (operational) cost per FTE student. 8. Total income (subsidy/block grants plus tuition fees) per TVET student. 9. Ratio of third stream income to number of engagements. 10. Third stream income as a proportion of total income.

Source: CHE (2010:194)

Partnerships and engagements are necessities to function in the knowledge society. Apparently most of the attributes proposed herein for the UoTs, can be recommended further for use by other universities as well due to their generic nature. This exercise is critical and worthwhile because the performance indicators are used as bases to determine the level of government funding each institution will receive for a minimum of a five-year cycle. Approaches to transformation in HE must be embedded within these five characteristics of UoTs. Any view or approach that ignores these characteristics cannot be regarded as fundamental to HE transformation.

2.4.2 Performance measurement and reporting

Performance measurement compares actual performance with what has been planned and provides feedback so that future planning could be much more accurate. It is therefore, critical that performance measures be derived from strategy and be developed to support the objectives of the institution. In this regard, the researcher suggests that McNair, Lynch and Cross (1990:30) model of performance measurement system for manufacturing organisation be adapted for HEIs. The approach is also advocated by Grady (1991:50) and Naidoo (2002:112-113) for implementation in HEIs contexts. The adapted model applicable in HEIs is shown in Figure 2.1.

Figure 2.1: Framework of performance measurement
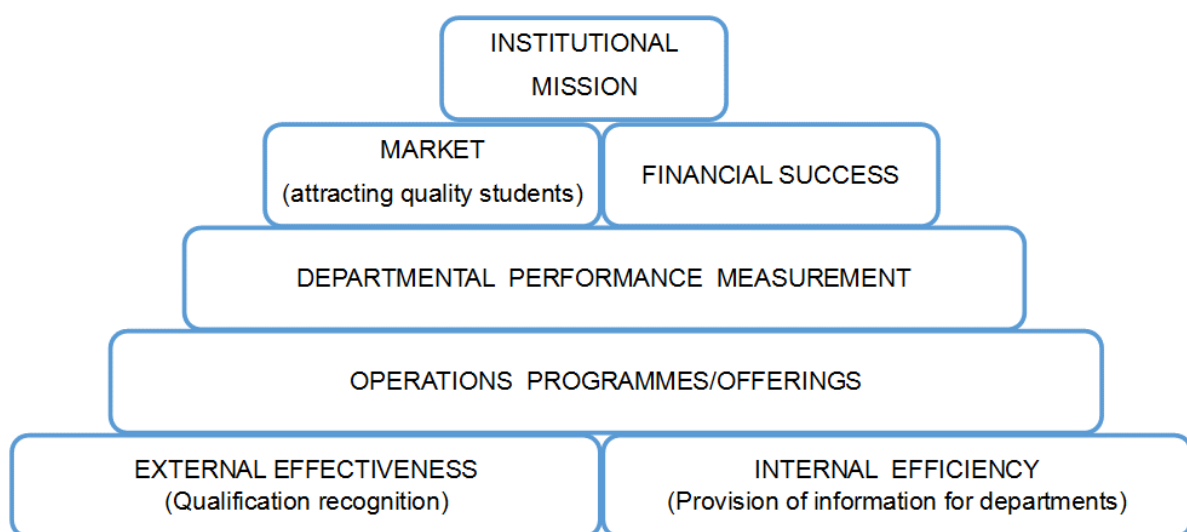
Source: Adapted from Naidoo (2002:112)

A major benefit of the model, is its ability to illustrate a pyramid involving the top-down translation of objectives starting from the institution's mission to its immediate goals pertaining to each faculty/department of the institution. The model also recommends that at each level, there should be comparison, adjustment and evaluation. The feedback emanating from performance measures can then ensure that the vision from the highest level of management is converted sufficiently into strategies and objectives. Furthermore, an important contribution of performance measures is that they create an atmosphere for organisational improvement. Consequently, employees are better able to deal with strategies and objectives, feedback for planning is enhanced and the whole institution becomes more focused and market-oriented.

Although public HEIs in South Africa enjoy considerable statutory autonomy, they are required to provide an account to the Government through the Minister of Education according to accepted practice (RSA :2007) . In addition, HEIs in South Africa are obliged to submit annual reports on their performance while meeting the expectations of a range of stakeholders in an ever increasingly turbulent market (challenging environment). The Regulations for Annual Reporting by HEIs published in 2007 under the Higher Education Act, 2007, shall comply with the King 111 Report on Governance in respect of the framework for reporting.

This framework for the annual performance report for individual institutions includes the following:

- Institutional Improvement Plans that ensure SMART principles (specific, measurables, achievable, relevant and time-based).

- Strategies to deal with accomplishment of predetermined objectives.

- Linking programmes performance (like quality promotion) with budget.

- Strategic objectives and annual targets as per strategic plan for the year.

- Changes to performance indicators during the year in respect of unrealistic targets and misalignment between the targets as a result of deviation from planned targets.

- Significant achievements during the year under review including annual cumulative output percentage.

These latest developments within the HE sector have encouraged university management to realise the potential of market forces logic in becoming an integral part of the academic world (Hayrimen-Alestalo & Peltola 2006:277). Universities are facing an extremely complex market environment that is fostering the deployment of business tools to be applied to the management of HE sector. Adopting a market philosophy is no more an option but a necessary element of the sustenance and future development of HEIs.

Due to major transformation and reconstruction challenges imposed upon HEIs by decreasing public funds, increasing availability and capacity of IT, increasing and widening participation, HEIs are forced to focus on restructuring and repositioning themselves in order to be locally relevant and globally competitive. These challenges alter the HE sector to respond appropriately, although academia are by nature conservative, hidebound and new ideas gain acceptance slowly. In the past, universities determined what the students want but recently the students are more vocal and able to indicate their dissatisfaction with the provision of the HE sector. This is an opportune time for HEIs, especially UoTs, to reflect on why they exist and are locally relevant and globally competitive.

To enable HEIs to adapt to the changing education landscape and become more competitive, they need knowledge about their markets. HEIs with a thorough knowledge of their strengths, weaknesses, opportunities and threats in their markets are better equipped to make sound decisions and develop more reflective strategies to ensure customer satisfaction. Considering important changes taking place within the sector, a strong willingness of HEIs to adopt a marketing perspective should be encouraged.

HEIs should take advantage and fully embrace market orientation as they could be presented with significant opportunities to improve their activities and increase their performance. Notable benefits that could follow the implementation of the marketing concept include the potential increase in the enrolment figures and retention of the current student cohort.

2.5 CONCLUSION

However, with the changing global landscape of HE, which includes both globalisation and regionalisation, HE in South Africa is faced with a transformation

challenge. These challenges, includes funding, access, the percentage of academic staff with doctoral degrees, and output (which includes student graduation rates and research publications).

The transformation of the HE landscape has been the underlying subject of discussion in this chapter. This resulted in a number of policies and legislations governing HE being introduced. One of the more significant elements of the restructuring of South African HE, during the past decade, was the change in the designation of those institutions known as technikons to UoTs.

In the period immediately following the 1994 elections, there was an extensive participatory drive to formulate new policies that explicitly broke with the apartheid past. HE in South Africa has sought to follow a process of transformation similar to that of the country post-1994, with the aim of ensuring equality, equity and the redress of limitations of the past. Notable have been the university mergers and the government's attempts to ensure fair distribution in access, academic and support staff, and output by universities. The government continues to play a prominent role in promoting the existence of HEIs in a bid to make them accessible and cost effective. The measurement and evaluation of university performance in terms of predetermined objectives achieved could assist and facilitate the planning direction of HEIs.

The next two chapters focus on aspects of market orientation that are relevant to organisations with specific reference to the implementation of market orientation and its associated barriers in higher education. Globalisation, competing internationally and the libertarian view of the rights of individuals in society create the pressure for UoTs to gravitate towards market orientation.

CHAPTER 3

MARKETING AND MARKET ORIENTATION

3.1   INTRODUCTION

The preceding chapter reviewed and assessed the process of education transformation in South Africa with specific reference to HEIs. The government policies and their progress to address related issues of institutional reformation were outlined.This provided a base to extend the debate on UoTs. Lastly, the currently accepted understanding of marketing by academics and practitioners was reviewed.

In order to understand market orientation and its related issues clearly, the chapter begins with a discussion of the marketing philosophy.The three basic theories that underlie the existence of market orientation within contemporary marketing studies are then reviewed. A critical review of marketing orientation history to reveal some important guidelines then follows. The chapter then proceeds to describe the roots of the concepts of market orientation with a comprehensive review of different perspectives of market orientation. The subsequent sections describe the internal market orientation, articulate the synthesis model and describe the different implementations and strategies of a market orientation philosophy within organisations. The review of this literature lays the foundation of this research. Finally, a review on the measurement issue and criteria for assessment of market orientation is provided.

3.2   MARKETING PHILOSOPHY

The aim of this section is to provide an insight into the existing literature on the market orientation. The marketing philosophy literature is divided into two areas as follows, the first focuses on the theoretical evolution and development of the marketing concept and the second examines the short history of market orientation literature and definitions thereof. Theories and definitions set the boundaries of the field of marketing and assist towards asking important research questions.

3.2.1   The marketing concept

The marketing concept was developed originally for business organisation. For many years, the importance of the marketing concept has been supported and emphasised in marketing studies (Drucker 1954:42; McKitterick 1957:14). There has been a dramatic increase in the volume of published material regarding the marketing concept as evidenced by the ensuing discussion in this section. In this study, it is proposed that UoTs can learn from the business sector about improving their service delivery by applying marketing principles and concepts. The generic nature of marketing has relevance to a range of themes within the education fraternity (Kotler & Fox 1995:11). Thus, the marketing philosophy could be extended to HEIs.

Most education institutions recognise that they need to market themselves in a climate of competition. Substantial literature on the transfer of the practices and concepts of marketing from other sectors to HEIs has been developed (Kotler & Fox 1985:4; Mazzarol & Hosie 1996:37-50; Nguyen & Le Blanc 2001:303-311; Gibbs 2002: 325-338; Kotler & Armstrong 2003:4). Business sector marketing theories have continued to be used to underpin research by authors of papers on education marketing (Ivy 2001:276-282; Maringe & Foskett 2002:35-51; Kotler 2003:4; Hemsley-Brown & Oplatka 2006:316-338). Liu and Dubinster (2000:1316) argue that in order for HEIs to legitimise themselves, the institutions need to satisfy market demands for educational services.

Table 3.1 provides an illustration of the evolution of the marketing concept theory. An analysis of distinctive meanings of the marketing concept reveals common viewpoints as follows: emphasising the accomplishment of organisational goals, providing value for customers and creating inter-functional harmony within the organisation. In addition, the marketing concept has been expanded to embrace all the concerns with regard to customers and competitors within environments where organisations operate.

Table 3.1:   Theoretical evolution of the marketing concept

Studies	Marketing concept definitions
Cravens & Woodruff (1986)	Believing that marketing is an appropriate path to manage a business
McGee & Spiro (1988)	A philosophy of management expressing that a firm has to attempt to fulfil the consumer's needs by matched group of activities that also let the firm to attain its goals.
Abratt & Sacks (1989)	An integrated attempt stressed on preparing the satisfaction of customers in order to achieving organisation's profit in long-term.
Kohli & Jaworski (1990)	The philosophy of business policy statement or an aim conducting all activities related organisation move to having knowledge effectively and also fulfilling the needs of customers.
Walker, Orville, Boyd & Larreche (1992)	The planning and coordination of all company activities around the primary goal of satisfying customer needs in the most effective means to attain and sustain a competitive advantage and achieve company objectives overtime.
Barry & Evans (1992)	A philosophy of consumer-orientation for a firm, institution, or person.
Innis & La Londe (1994)	Satisfying the needs of customers through merged marketing, in turn satisfying the customer along with achieving the profit.
Kimery & Rinehart (1998)	A philosophy of business that keeps beneficial customer satisfaction as the objective of all functioning areas of a business entity and the initial means of obtaining the success of firm in the long-run.
Schiffman & Kanuk (2000)	Is based on the premise that a marketer should make what it can sell, instead of trying to sell what it has made.
Boone & Kurtz (2004)	A company-wide customer orientation with the goal of attaining the success in long run.
Kotler & Keller (2006)	Holds that the key to obtaining the goals of an organisation is marketing, which can be more effective than revivals in producing, delivering, and communicating superior customer worth to its selected target market.

Studies	Marketing concept definitions
Wilson (2007)	The entire of the organisation must be compelled by an aim of satisfying and serving customers in a way which makes capable the objectives of organisation in both area either finance or strategy to be attained.
Kotler, Roberto & Lee (2008)	The philosophy of marketing management that obtaining the objectives of organisation based on knowing the wants and requirements of target markets and delivering the desired satisfactions better than rivals do.

Source: Gheysari, Rasli, Roghanian and Norhalim (2012:544)

The theories and concepts of any discipline usually are stated in a specific terminology, which was developed for that particular discipline. Concepts are indeed the fundamental units that are used by both academics and practitioners involved in marketing, to communicate, study and solve marketing problems (Fennell 1982:98). These concepts are of vital importance to those involved in marketing because they form the basis for communication and transfer of knowledge in a consistent manner. The understanding and communication problems associated with marketing are exacerbated further by the disagreement among academician and practitioner groups (Rayburn, Cooke & Abercrombie 1992:353). Individuals do not agree as to the definitions nor do they use terms consistently. Since 1948, American Association of Marketing (AMA) has been responsible for the official definition of marketing used in textbooks by marketing professionals and taught in universities worldwide. Marketing has been defined and redefined four times in the official history of AMA. These four marketing definitions are outlined below.

The first official definition of marketing, defined the concept as "the performance of business activities that direct the flow of goods and services from producers to consumers" (Cooke, Rayburn & Abercrombie 1992:10). In the light of contemporary marketing practice, the definition concentrated on marketing efforts and thoughts on distribution and product offerings. Although with little consideration on pricing and promotion, the definition was sufficiently robust to handle the uses of marketing theory for goods and services (Darroch, Miles, Jardine & Cooke 2004:31).

In 1985, AMA released a revised definition of marketing as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives". The definition represented the incremental development of "goods, services and ideas" and incorporated the 4Ps marketing mix (product, price, place and promotion) whilst providing a broadened product base that encapsulates the marketing of ideas by institutions (Dann 2008:226). It also acknowledged the fact that marketing was customer-focused rather than customer-dominated, thus supporting Bagozzi's (1975:82) exchange theory concept. This theory states that marketing relied on the transference of value from consumer to organisation and *vice versa* such as the exchange had to meet both the needs of the individuals and satisfy organisational benefits.

In 2004, AMA released another definition of marketing as "an organisational function and asset of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders". This represented a radical shift of implementing the value concept influenced by the rise of services-dominant logic, reality for customer relationship marketing and the growing adoption of the Internet and e-marketing (Dann 2008:226). The latest definition by AMA in 2007 viewed marketing as "the activity, conducted by organisations and individuals that operate through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large" (Dann 2008:226). Table 3.2 illustrates how these definitions of marketing have changed over time.

Table 3.2: Definition of marketing and how it has changed over time

American Marketing Association's definition	Focus of definition
Marketing is the performance of business activities that direct the flow of goods, and services from producers to consumers (1935).	1. The managerial function of coordinating demand and supply. 2. Production of goods and services. 3. Marketing is a business activity.

American Marketing Association's definition	Focus of definition
Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives (1985).	1. Marketing as a managerial function. 2. Purpose of marketing is objective satisfying exchanges. 3. Marketing is both an individual and organisational function.
Marketing is an organisational function and a set of processes for creating, communicating and for managing customer relationships in ways that benefit the organisation and its stakeholders (2004)	1. Marketing is once again an organisational function, not an individual function. 2. Marketing's purpose is to create value. 3. The importance of managing relationships with all stakeholders.
Marketing is the activity, conducted by organisations and individuals that operate through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large (2007)	1. Retrieving the exchange concept. 2. From "relationship management for benefit" back to "value for society, business and consumer". 3. Concerned with long-term impacts, environmental sustainability and social justice issues.

Source: Adapted Darroch, Miles, Jardine & Cooke (2004:31).

Although market philosophy has long been emphasised (Drucker 1954:42), there are still refinements being made and proposed. These refinements are either directly or indirectly suited to specific industries (Voon 2008:217) and will continue to do so as our environment changes and our knowledge improve. Kotler, Adam, Denzie and Armstrong (2007:7) define marketing as the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society. This definition best reflects marketing in today's environment explicitly in providing superior value to all stakeholders. From the foregoing discussions, it can be deducted that the marketing concept is central to the operations of an organisation and should permeate all activities. The need for marketing is even greater in HE because the core product is intangible and service quality and customer orientation are highlighted as crucial

elements. The degree to which the marketing concept has been implemented is referred to as the level of market orientation. This has resulted in market orientation becoming synonymous with the implementation of the marketing concept (Penceliah 2004:25). After an overview of the marketing concept, an analysis of the market orientation literature is discussed in the next section.

3.2.2 An overview of marketing perspectives

The objective of this section is to structure and provide the various strands of thinking and attempt to encapsulate the various perspectives on marketing. Understanding how marketing has been practiced over the years within different contexts, has been considered by the researcher as important in establishing the nature of the responses to contingency and institutional forces in the HE environment. However, there has been conspicuous resistance to the acceptance of marketing as a management tool across the HE sector.

The review of the different perceptions of the concept and role of marketing within the different contexts assists to rule out generating differences, misconceptions and conflicts leading to market orientation adoption and application as espoused in this chapter. This review of the currently accepted understanding of marketing by academics and practitioners is undertaken to outline the intellectual and the pragmatic sides of marketing (Cohen 2006:21-38), which is congruent to Webster's (1992) view of marketing management as the body of knowledge, theory and practice.

3.2.2.1 Marketing as a system of self-reinforcing axioms

Some of the propositions, which were raised to the status of axioms and regarded as a "profession of faith", formed the basis for successive elaboration up to recent times (Troilo 2006:2). One such proposition is the notion that adopting the marketing concept is necessary for the company's success. By this, marketing scholars (Levitt 1969:244; Webster 1988:37) endorsed and maintained that adopting marketing philosophy improved a company's market and financial performance.

Two corollaries were derived subsequently from this preceding axiom as illustrated in Figure 3.1. The first being that adopting the marketing concept is valid for any external environment the organisation faces. In other words, marketing experts

agreed that the marketing concept is useful regardless of its structure, the intensity of competition and the type of competitors. Proceeding along this path, the marketing concept is necessarily a context-independent management philosophy prescribing some specific criteria for determining the extent of profitability of the management philosophy.

The second corollary is that adopting the marketing concept is valid for any organisational environment. This theoretical approach confirmed that the marketing concept is independent from the context and endorsed the incontestable vehicle for company profitability and success.

Figure 3.1: **The marketing concept theory as a system of self-reinforcing axioms**
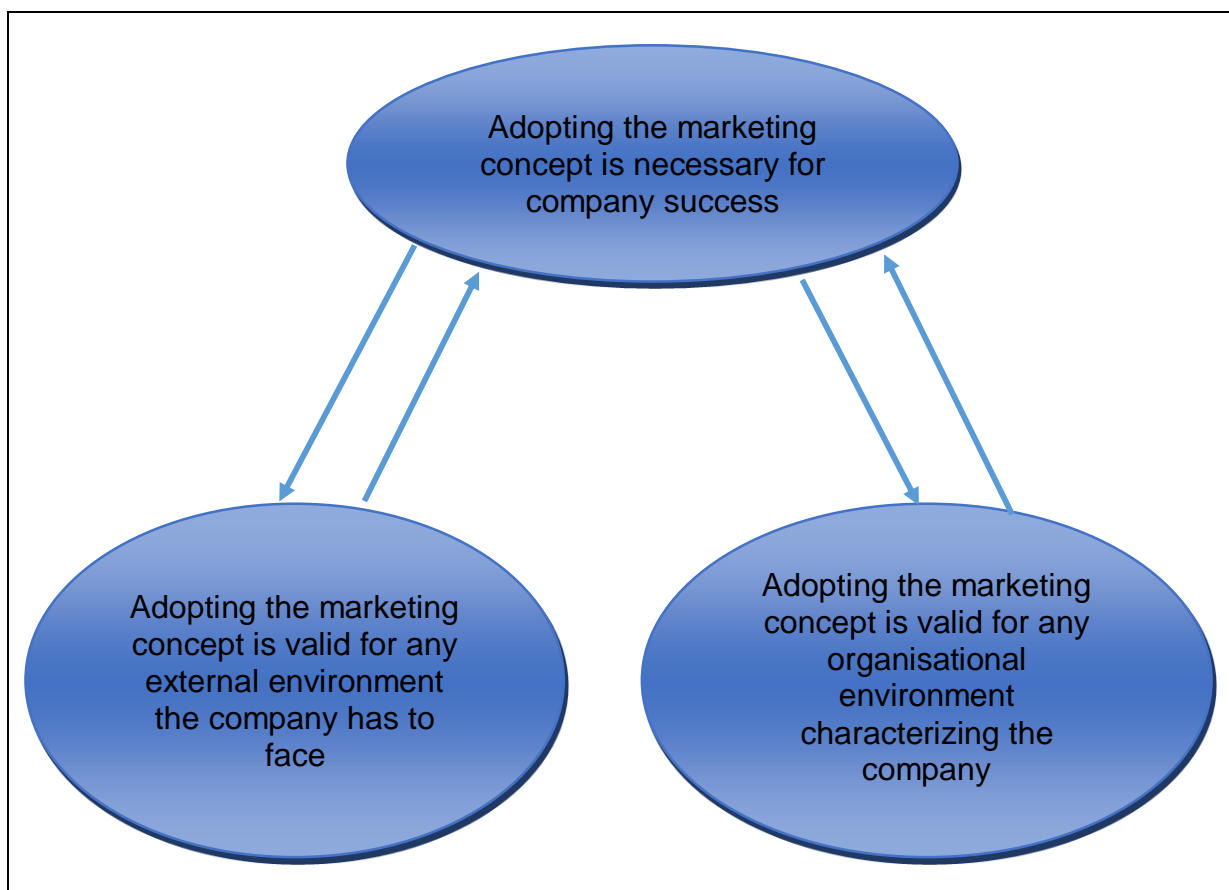
Source: Troilo (2006:3)

3.2.2.2   Marketing as a social and economic process

A social definition for marketing refers to marketing's role in society. Kotler (2000:8), defined marketing as "a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products

and services of value with others". This view has the following three important components: firstly, the basic idea that marketing is an exchange process, secondly, that marketing is fulfilling the customer's wants and needs, and finally, that the exchange process is efficient and profitable on both sides. Marketing then becomes a manifestation of the free market, profit-oriented economy and a catalyst for innovation and progress (Cohen 2006:22).

3.2.2.3 Marketing as a philosophy

Lamb, Hair and McDaniel (1992:4) define marketing in line with the argument advanced that marketing should be regarded as a conception, such as the concept of a practice and not simply as a practice. Albaum (1992:3) states that marketing has two sides to it:

- a philosophy, an attitude, a perspective or a management orientation stressing the importance of customer satisfaction

- a set of activities used to implement this philosophy.

Furthermore, Enright (1999:6) contends that the field of marketing has its own conventional wisdom and provides the requisite resource for increased effectiveness and ultimate commercial success.

3.2.2.4 Marketing as an academic discipline

HEIs are in the knowledge business and store their knowledge through libraries, disseminate through teaching, and produce knowledge through research (Hunt 1992:301). The early signs of marketing as an area of academic study could be traced back to as early as the 1900s in American universities and were the product of two influences:

- The need for educated professionals and corporate managers. This was due to the rise of large corporations following the rapid process of industrialisation and mergers of the late 1800s and early 1900s (Hunt 1992:302)

- The strong involvement of the midwestern universities with the farm sector created a concern for the agricultural markets and the processes by which products were brought to the market and how the prices were determined (Webster 1992:2).

The abovementioned approaches tended to be descriptive rather than normative, leading to the development of a conceptual framework for marketing discipline (Cohen 2006:26). The task of explaining the abovementioned phenomena forms an integral part of the academic responsibility of HEIs.

3.2.2.5 Marketing as a management discipline

It is remarkable to note that early approaches to marketing study lacked the managerial orientation. The managerial focus of marketing gradually evolved in the 1950's and the 1960's and several textbooks using the management perspectives were published at this time. Webster (1992:21) posits, "managerial approach brought relevance and realism to the study of marketing, with an emphasis on problem solving, planning, implementation and control in a marketplace". There was a definite change of emphasis from viewing marketing functions only as a social or economic process to being viewed as business activities and support this notion. Departing from the conventional sales management approach, marketing management became a widely accepted business function. The fulfilment of customer's needs also turned out to be the essence of marketing management and the mission of the entire organisation (Cohen 2006:26).

This view that the satisfaction of customer's needs and goals is the essence of marketing as a management discipline has remained throughout decades (Kotler 2000:8). This view is resonated by the AMAs definition of marketing management as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisation goals" (Dann 2008:226).

3.2.2.6 Marketing as entrepreneurship and innovation

Marketing's organisational role as identifier of opportunities for change, and as an agent for change, has been expressed in a variety of contexts over the years by both top managers and marketing academics (Day 1992:327). The author believed that the functional role of marketing on strategy rests in "matters of business definitions and positions, choice of alternative growth paths, management of channel partners and relationships and cooperative strategies for serving markets".

Kerin (1992:332) posits that the "functional role of marketing in strategic management deals with the entrepreneurial work of the organisation and organisational renewal and growth and, in short, innovation". From this definition, innovation and entrepreneurship are seen as central issues in strategic marketing planning. Kohli and Jaworski's (1990:1-15) studies also cover the concepts of innovation, entrepreneurship and growth and put the blame for the lack of competitiveness in many firms on their oversight.

3.2.2.7   Marketing as an interface with the environment

It is important at this instance, to refer to Varadarajan's (1992:340) view that "marketing is a boundary-spanning organisational function through its constant and continuous interface with the external environment at large and customers, competitors and channel members in particular, to develop certain unique competencies within the organisation". A changing environment defines the problems studied, and the phenomena studied are real-world problems. Marketing thus acts as the organisation's interface with the environment. With reference to this notion, Varadarajan (1992:341) summarises the strategic imperatives of the 90s as follows:

- marketing skills at large

- market knowledge

- customer orientation

- customer services

- customer relationship management

- brand name and image

Furthermore, the abovementioned imperatives were found recurring within big and small organisations and thus viewed as essential for survival and prosperity in an intensely competitive market environment (Cohen 2006:33).

3.2.2.8   Marketing as a professional discipline

Marketing practitioners and academics alike have long been yearning for marketing to be recognised as a profession (Cohen 2006:34). To support this notion, Westting (1977:29), Myers (1979:301) and Peters (1980:4) called on the imperative to view

marketing as a professional discipline as opposed to viewing marketing as an academic discipline only. The authors encouraged the marketing educators to see themselves as professional educators in the same light as their counterparts in medical, legal and engineering fraternities.

As summed up by Hunt (1992:306), "marketing is a professional discipline and the debate is about the division of university disciplines between academic disciplines (such as physics and psychology) and professional disciplines (like law and engineering)". Academic disciplines on one hand conduct basic research that contributes to knowledge, while the professional disciplines on the other hand borrow knowledge from academic disciplines and apply it for the benefit of their practitioners and/or their clients. The conclusion is that, since marketing's knowledge is drawn by the marketing academics from the academic disciplines such as economics and psychology for the benefit of the marketing practitioners, it is a professional discipline.

The initial premise, on which marketing is a professional discipline, was based, is true so far. In South Africa, marketing has achieved the status of profession through the efforts of the Marketing Association of South Africa (MASA), thus bringing marketers closer to the recognition given to established professions such as chartered accountants or surveyors.

3.2.2.9   Marketing as a relationship

Academics as well as practitioners have formulated various definitions to explain this notion where marketing is regarded as a relationship. According to Grönroos (1997:337), the concept relationship marketing was introduced first by Berry in 1983 to describe the strengthening of bonds between a company and its customers in a services marketing context. These structural bonds are developed by supplying invaluable services not currently available from existing and or other suppliers. Relationship marketing, therefore, reflects a paradigm shift from an acquisition/transaction emphasis to a retention/relationship emphasis (Zeithmal & Bitner 2003:157).

Parvatiyar and Sheth (2000:7) make a distinction between relationship marketing and marketing relationship. The authors describe the former as a specific approach and subset or focus of marketing, while the latter includes adversarial relationships,

rivalry relationships, affiliation relationships and dependant as well as independent relationships. Most of the external relationships institutions need to manage are not straightforward exchanges or transactional relationships as they involve the initiation of alliances and partnerships in support of shared goals (Fosket 2002:246). However, once established, these relationships need to be managed proactively and are a key continuous task for most educational managers. Palmer (2001:115) substantiates this argument by distinguishing between transactional marketing and relational marketing as indicated on Table 3.3.

Table 3.3: **Comparison of the components of transactional versus relational exchange**

Traditional transaction-oriented marketing	Relational marketing
• Focus on a single sale	• Focus on customer retention
• Short-term orientation	• Long-term orientation
• Sales to anonymous buyers	• Tracking of identifiable buyers
• Salesperson is the main interface	• Multiple levels of relationships
• Limited customer commitment	• High customer commitment
• Quality is the responsibility of production	• Quality is the responsibility

Source: Palmer (2001:115)

From the foregoing, it can be summarized that marketing as a relationship covers the total concerted effort by an organisation to associate with customers in order to assess and fulfil their needs and develop a lasting relationship with them. Penceliah (2004:61) asserts that the institution's success in the market place is no longer determined by the ability of the customer, but by the institution to create a loyal relationship. Therefore, market orientation and relationship marketing are interrelated because both concentrate on satisfying customer's needs.

3.2.2.10 Marketing as a service

Palmer (2001:3) defines services as "the production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange satisfies an identified need". It is recognised that the characteristics of services identified as intangibility, inseparability, variability,

perishability and the inability to own a service, present distinctive challenges for marketers compared with products. This suggests that these unique characteristics of services demand a special strategy for services. The service marketing mix strategies for HE are discussed in Chapter 3, Section 3.6.3.

The 4Ps marketing mix (product, process, pricing and promotion) has been widely used as a model for product marketing. The marketing mix is the combination of marketing activities that an organisation engages in to meet the needs of their target market best. To discern the differences between services and physical products, Booms and Bitner (1959:10) suggested the extension of the 4Ps framework to include three additional variables, namely people, physical evidence and processes as marketing mix factors for service marketing. The additional 3Ps has gained widespread acceptance in the services marketing literature and together represent the service and provide the evidence that makes service tangible. Vargo and Lusch (2004:7) identify the following ten foundational premises (FPs or axioms) as components of a service-dominant logic of marketing:

- Service is the fundamental basis for exchange

- Indirect exchange masks the fundamental basis of exchange

- Goods are distribution mechanisms for service provision

- Operant resources are the fundamental source of competitive advantage

- All economies are service economies

- The customer is always a co-creator of value

- The enterprise cannot deliver value, but only offer value propositions

- A service-centred view is inherently customer-oriented and relational

- All social and economic actors are resource integrators

- Value is always uniquely and phenomenological determined by the beneficiary.

The challenge marketing academics and practitioners face is to understand the nature of this context and translate this understanding into practice and research. Of particular importance is the increasing emphasis on services (Brodie 2001:1).

3.2.2.11 The multiple view of marketing in HEIs

It should also be noted that HE and its institutions exist at the intersection of state, market and civil society, each with its specific, varied and different expectations and demands. The idea that marketing is simply about selling is challenged by a number of ideas that relate strongly to educational management and includes the marketing triad model and a recognition that marketing has goals other than recruiting students (Foskett 2002:244). The model captures the notion of these multiple aims and demonstrates how, under different situations, market efforts may be applied.

Marketing as selling is a basic survivalist notion and relatively unnecessary in an institution providing high standards of education and does not only have student recruitment as its only or even its major aim. Most of the efforts need to be directed to the quality of educational provision, relationship and responsiveness to stakeholders as suggested by the marketing triad model depicted in Figure 3.2.

Figure 3.2: The marketing triad model
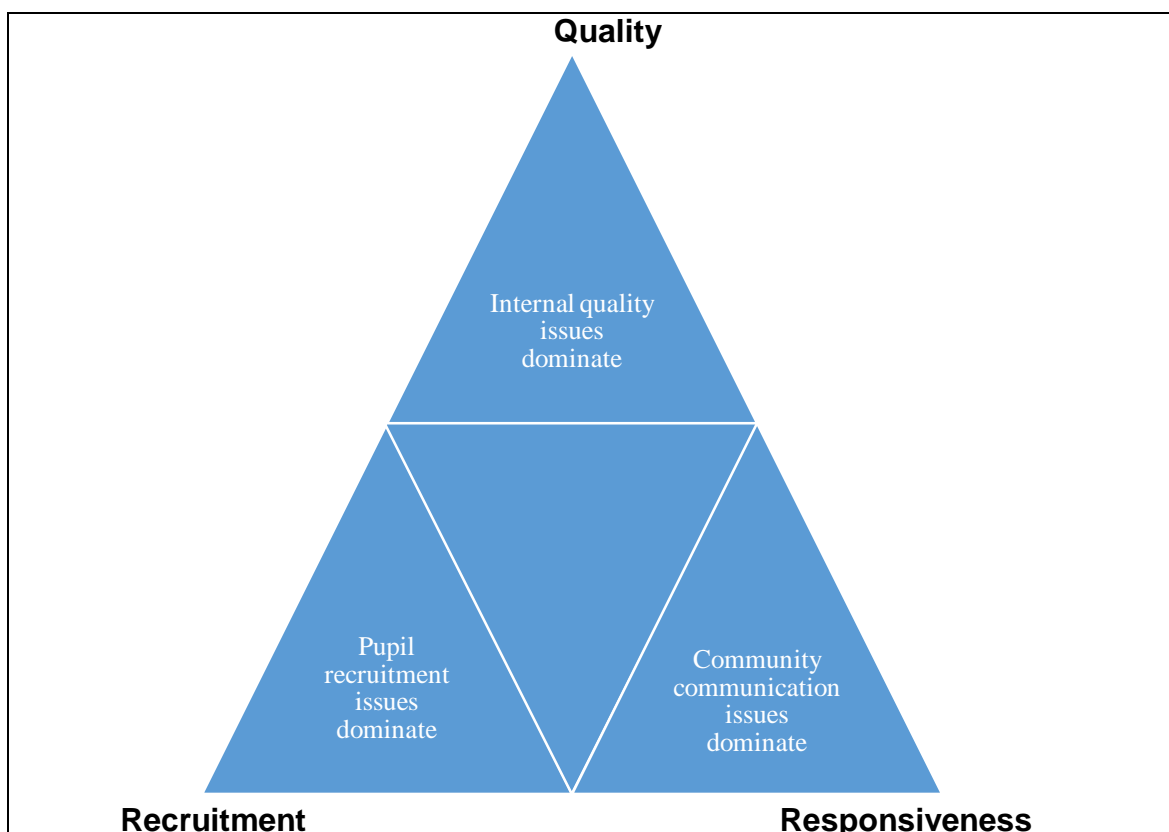
Source: Foskett (2002:246)

The model suggests that marketing is all about meeting the organisational needs for survival and success, which in turn revolves around meeting the needs and

wants of a broad society. With a growing engagement with the world beyond the universities gates, HEIs have to rise to the challenges of providing quality education and training in managing their external relations.

With strong evidence of the benefit accruing to organisations that adopt a market orientation, it is important for academics to understand and embrace the marketing concept. Academics are typical employees because of the tasks they perform and their profession.

What people believe about market orientation has a major impact on how creative they become and how they will encourage others to express their support or commitment towards market orientation. The following section discusses the underlying theories of market orientation.

3.3 THEORIES OF MARKET ORIENTATION

Whilst market orientation has been a subject for many organisations, various theories underlie that its existence and prominence within contemporary marketing has been reported in the literature. These three theories discussed in this section, will form the basis of the study.

3.3.1 The social learning theory

Many theories have been advanced over the years to explain why people behave as they do. Bandura (1969:213) has provided a strong theoretical beginning through a social learning theory, which examines individual and group market driven learning processes. The theory is devoted to a social analysis perspective on how patterns of behaviour are acquired and how their expression is continually regulated by the interplay of self-generated and other sources of influences (Bandura 1971:14).

Bandura (1977a:19) proposes two avenues of individual learning. First, the self-efficacy theory proposes that people learn from consequences of their behaviour in the marketplace and that they are likely to increase or decrease their frequency of their behaviours that has a positive or negative outcome (Bandura 1977b:191). Thus, people must have a robust sense of efficacy to sustain the perseverant effort needed to succeed. Secondly, people may engage in vicarious or observational learning by observing others before engaging in a particular behaviour because

doing so enables them to avoid needless and costly errors (Bandura & Rosenthal 1966:99). The focus is on learning by observation and modelling the behaviours, attitudes and emotional reaction of others (Manz & Sims 1981:110).

According to Bandura (1994:80), the self-efficacy theory implies that people's beliefs in their efficacy are developed by four main sources of influence. This includes mastery experiences, seeing people similar to oneself manage task demands successfully, social persuasion that one has capabilities to succeed in given activities, and inferences from somatic and emotional states indicative of personal strengths and vulnerabilities. This suggests that the nature and scope of perceived self-efficacy undergoes change throughout the course of a lifespan.

The component processes underlying observational learning or modelling process as suggested by Bandura (1977a:22) are as follows:

- Attention, which includes modelled events and observer characteristics (implying that anything other than the model that catches attention is eliminated)

- retention of newly learned behaviour involving symbolic coding, symbolic rehearsed and motor rehearsed (without which learning of the behaviour would not be established)

- motor reproduction, which includes self-observation of reproduction and accuracy of feedback (practice of the behaviour by repeatedly doing it is critical for improvement)

- motivation, including external vicarious and self-reinforcement (rewarded by demonstrating the behaviour properly and punished by displaying it inappropriately).

Figure 3.3 illustrates the theorisation of market orientation diffusion as a social learning phenomenon.

Figure 3.3: **Conceptual framework of MO diffusion as social learning to transfer IMO across organisational levels**
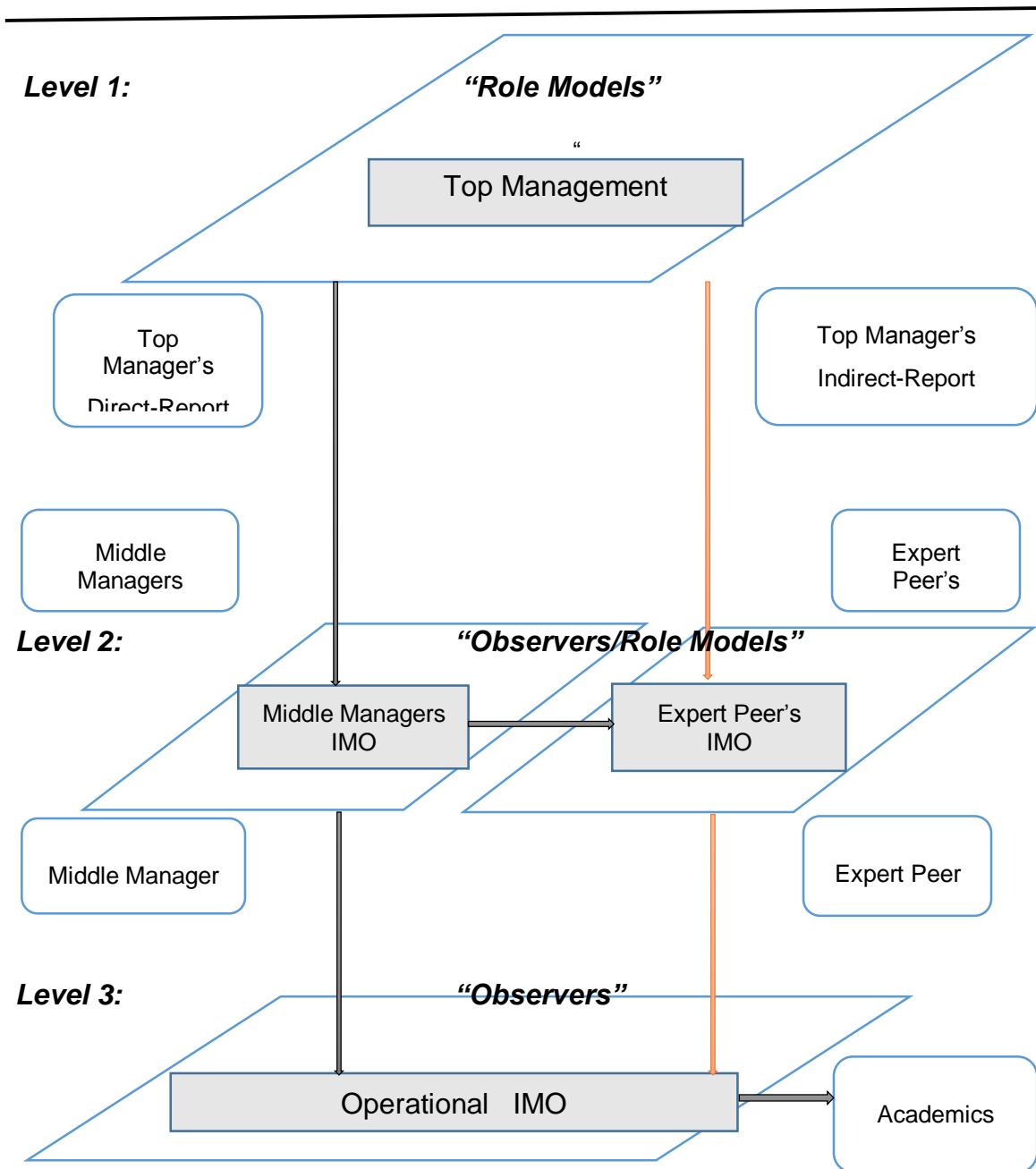
Adapted: Lam, Kraus & Ahearne (2010:64)

Notes: The bold arrow on the left represents the formal, proximal learning route. The brown arrow on the right reflects the informal, distal learning route of MO (market orientation) diffusion from top management..IMO (internal market orientation).

Top management internal market orientation (as Level 3 role model) indirectly influences academics (Level 1 observers) through two different types of envoys being middle managers (executive deans and HODs) and professors as expert

peers (Level 2 observers and role models to Level 1 observers). Invariably, from top–down, HEIs top management who are highly market-oriented use their positional power to create evaluations and reward systems in order to exert influences on their immediate followers (Jaworski & Kohli 1993:61). As a result, followers develop internal market orientation behaviour because of directly experienced consequences.

IMO behaviour displayed by managers is thought to foster employee identification with the organisations. The market sensing, communication and responding capabilities implied by the internal market orientation represent the facilitation of information transfers between frontline employees (academics who are also a very important source of market research intelligence) and managers (Ballantyne 2006:1242). Consequently, IMO is expected to have a positive impact on the responsiveness dimension of market orientation (Lings & Greenley 2009:46). Furthermore the adoption of IMO within the organisation results in employees being better informed and motivated to carry out the strategic responses of the firm to its market (Rafiq & Ahmed 1993:230). Social learning theory is based on the idea that we learn from our interactions with others in a social context (Smith & Berge 2009:1).

New concepts of social learning are being formed as new trends in HEIs programs emerge. Analysing how people learn and merge information, for example, information with distance learning and blended learning contexts can be a challenge as well as an opportunity for academics to explore in their quest to offset barriers to market orientation. In fact, instructional designers, educators and researchers are already discovering and forming new patterns of innovative learning and learning tools that have not been tapped in real-life education environments.

3.3.2   The resource based theory (RBT)

The resource-based view and the resultant RBT provide an important framework for explaining and predicting the basis of an organisation's competitive advantage and performance (Vorhies & Morgan 2005:90; Kozlenkova, Samaha & Palmatier 2014:1). Wernerfelt's (1984:171-180) seminal work is widely considered the first major contribution to the resource-based view while other researcher's (Lippman & Runnelt 1982:418; Barney 1986:1513) efforts helped advance the RBT. Two

fundamental assumptions underlying the theory are the resource heterogeneity assumption and the resource immobility assumption.

The resource heterogeneity assumption implies that some organisations are more skilled in accomplishing certain activities because they possess unique resources (Peteraf and Barney 2003:314). The resource immobility assumptions, on the other hand, allow the benefits from heterogeneous resources to persist over time (Barney & Hesterly 2012:94). Therefore, the organisation must be organised to exploit the full competitive potential of its resources. An organisation achieves a sustained competitive advantage when it is creating more economic value than the marginal organisations in its environment; then its competitors are unable to duplicate the benefits of its strategy (Barney & Clarke 2007:52)

The organising framework for the strategy formulation process to facilitate RBT is a five-stage procedure suggested by Grant (2001:115) and is outlined in Figure 3.4.

Figure 3.4: A resource-based approach to strategy analysis: A practical framework

Select a strategy which best exploits the firm's resources and capabilities relative to external opportunities.	**Strategy**
3. Appraise the rent-generating potential of resources and capabilities in terms of: (a) their potential for sustainable competitive advantage, and (b) the appropriability of their returns.	**Competitive advantage**
2. Identify the firm's capabilities: what can the firm do more effectively than its rivals? Identify the resources inputs to each capability, and the complexity of each capability	**Capabilities**
1. Identify and classify the firm's resources. Appraise strengths and weaknesses relative to competitors. Identify opportunities for better utilization of resources	**Resources**

5. Identify resource gaps which need to be filled

Invest in replenishing, augmenting and upgrading the firm's resource bas

Source: Grant (2001:15)

The following is notable from Grant's (2001:15) model

- Stage 1: Analysis of the organisations resource base involves looking for opportunities to economise on the use of resources and search for opportunities to use the existing assets more intensely and in a more profitable employ (SWOT analysis)

- Stage 2: Identifying and appraising the firms' capabilities, which involves assessment of the capabilities relative to those of competitors while maintaining objectivity. Failure is often due to strategies that extend the firms activities beyond the scope of its capabilities.

- Stage 3: Analysing the profit-carrying potential of firms' resources and capabilities by focusing on important determinants of the sustainability (like durability and appropriability) of competitive advantage

- Stage 4: Selection or formulation of an appropriate strategy. This could be accomplished by designing a strategy around the most critically important resources and capabilities

- Stage 5: Extending and upgrading the firm's pool of resources and capabilities.

The market-based resource perspective suggests that while market research focuses on intangible complimentary resources implicit on sustainable competitive advantage, the organisation's performance increasingly seems tied to intangible resources (Kozlenkova *et al.* 2014:3). The greatest benefit accrues when externally focused market based resources are complemented by internal resources such as to exploit outside capabilities, there has to be a match with inside-out capabilities (Day 1994:44).

The justification for making the resources and capabilities of an institution the foundation for its long-term market orientation rests upon two premises. Firstly, internal resources and capabilities provide the basic direction for an organisation's strategy and secondly, resources and capabilities are the enablers and are primary sources of profit for the organisation (Burney & Clarke 2007:52).

The strong proliferation of RBT research in marketing over the past decade seems unlikely to slow down in the near future. To this end, Kozlenkova *et al.* (2014:18), provide conclusive review of RBT for relevant terms, assumptions and a synthesis of empirical studies for the marketing literature. Within the domain of market orientation, universities are also subjected to competitive advantages and accompanying threats. The RBT demonstrates that market-oriented HEIs can achieve a position of competitive advantage and long-run performance and sustainability.

3.3.3   The dynamic capabilities theory (DCT)

Dynamic capabilities approach is part of the overarching resource-based view and examines the management of those capabilities based on the heterogeneity of firm resources (Ma & Todorovic 2011:2). While RBT considers the competitive

advantage gained based on the heterogeneity of firm resources as alluded to in Section 3.2.1, DCT approach examines the emanation of those capabilities seen as the firm processes that use resources to match and even create market changes (Eisenhardt & Martin 2000:1106).

According to Teece, Pisano and Shuen (1997:509), the dynamic capabilities framework analyses the sources and methods of wealth creation and capture by private enterprise firms operating in turbulent markets. Branzel and Vertinsky (2006:76) refer to dynamic capabilities as organisational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve and die. Eisenhardt and Martin (2000:1107) further define dynamic capabilities as the organisation's processes that use resources to match and even create market changes.

Market-driving organisations have, in addition, distinctive superior market sensing, customer linking and channel bonding capacities (Day 1994:41). Capabilities and organisational processes are intertwined closely because it is the capability that enables the activities in a business process to be carried out. Capabilities therefore, are deeply embedded within the fabric of the institutions as illustrated by Figure 3.5, which sums up the sources of competitive advantage and superior performance:

Figure 3.5: Sources of competitive advantage and superior performance
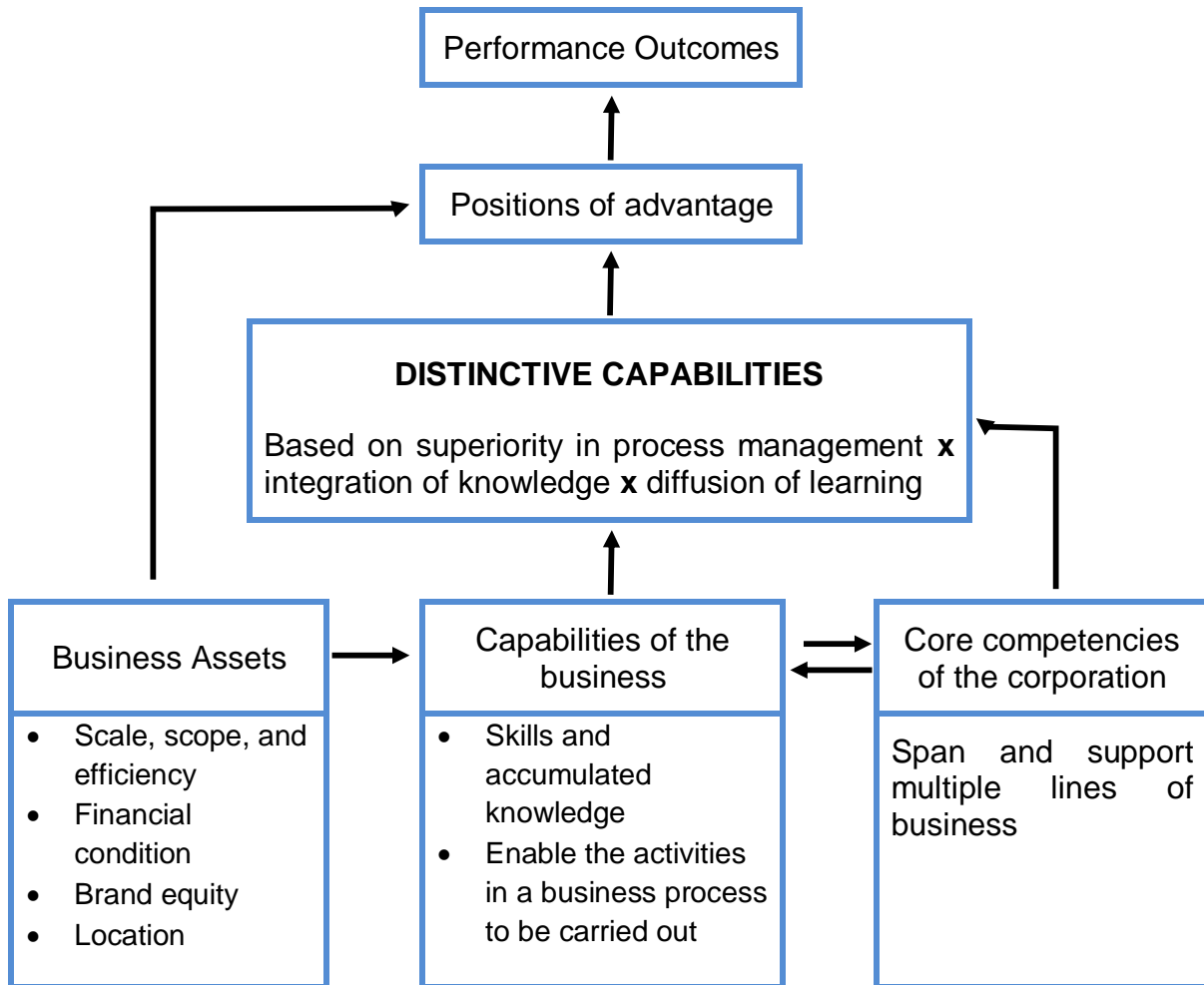
Source: Day 1994:40

The following is notable from Figure 3.5:

- Market orientation is positively associated with superior performance through an external focus on customer orientation and internal focus on operational excellence

- Market orientation represents superior skills in understanding and satisfying customers. The strategic importance of capabilities lies in their tangible contributions to sustainable competitive advantage and superior performance

- The most defensible test of distinctiveness of a capability is whether it makes a disproportionate contribution to the provision of superior customer value. Distinctive capabilities function like success factors

- Includes focused commitment of resources, assignment of dedicated people, continued efforts to learn supported by dramatic goals for improvements

- Support a market position that is valuable and difficult to match. Durability of capabilities–based advantages stems from their scarcity, their relative immobility and the difficulty that competitors face in understanding and imitating them

- Market-driven organisations have superior market-sensing, customer-linking and channel-bonding capabilities.

DCT emphasises that market places are dynamic (Morgan, Vorhies & Mason 2009:910**)** and explores the capabilities by which organisations resources are acquired and deployed in ways that match the organisations market environment. Essentially market orientation describes a culture that helps to nurture dynamic capabilities, which enables an organisation to react to changing external environment (Ma & Todorovic 2011:4). Invariably, HEIs need to explore the capabilities by which an institution's resources are acquired and deployed in ways that match the institution's market environment that explains inter-institution performance variances (Eisenhardt & Martin 2000;1108 Makadok 2001:388). Branzel and Vertinsky (2006:102) link dynamic capabilities to life cycles of ages that provide greater understanding of the timing and extent of expected returns. In addition, Menguc and Auh (2009:63) advocate for the dynamic capability-generating capacity of market orientation on university performance.

3.4   ANALYSIS OF MARKET ORIENTATION

In line with the aim of the study, the researcher deems it appropriate to look in greater depth at the knowledge of market orientation as applied to the context of HEIs. The study of market orientation in the field of education is important because universities face competitive situations for which they are not prepared. This includes globalisation, new technologies and the recognition that education is a source of competition among countries (Rivera-Camino & Ayala 2010:2). These challenges require new strategies and present internal and external pressures for universities. In spite of these demands, the literature review shows that HEIs still do not have valid models available that help HEIs to be more competitive in the education, training and knowledge sector.

Three chronological periods of the market orientation literature dated from the late 1950s to the early 1990s were developed and are discussed by Liu (1996:77-91).

Zebal (2003:25) later added the fourth period and these four chronological periods dating from the late 1990's are summarised in Table 3.4:

Table 3.4: A short history of the market orientation literature

Phase/time line and representative studies	Fundamentals ideas and propositions
Phase one (late 1950s to early 1960s) **Introduction** Togesen 1956; Borsh 1957; Kitterick 1957; Smith 1958; Allen 1959; Felton 1959; Keith 1960; Levitt 1960; 1962; King 1963; Lear 1963.	• Focus on the meaning, implications and implementation of the marketing concept. • Production orientation dominated business thoughts. • Business concerned itself primarily with production, manufacturing, and efficiency issues.
Phase two (late 1960s to early 1980s) **Barriers and revision** Saunders 1965; Levitt 1969; Ames 1970; Kaldor 1971; Shapiro 1977; Stampf 1978.	• Barriers in the adoption of the marketing concept. • The application of the marketing concept started to spread beyond conventional consumer packaged –goods industries to other industries, such as retailing and non-profit organisations in general. • Issues on consumerism and social marketing concept introduced. • New concept of marketing proposed resulting in a proliferation of imitative products at the expense of technological breakthrough.
Phase three (late 1980s to early 1990s) **Conception and operationalisation** Lorsch 1986; Fullerton 1988; Narver & Slater 1990; Kohli & Jaworski 1990.	• Corporate orientation and culture. • The historical evolution of the marketing concept. • Establishment of the marketing concept as the optimal management philosophy. • Operationalisation of market orientation constructs through all 5 perspectives. • Emergence of relationship marketing where the focus is on long-term relationship benefitting both customers and organisation.

Phase/time line and representative studies	Fundamentals ideas and propositions
Phase four (late 1990s to date) **Establishment and replication** Ruekert 1992; Day 1994; Kotler & Keller 2006; Wilson, 2007.	• The relationship of market orientation with its antecedents, consequences and the moderating effects related to performance. • Integration and internationalisation of Market orientation construct. • The effect of market orientation on organisational performance and its degree in business units. • Strategic orientation and attributes of the market driven organisation • Examination of the relationship between customer orientation and business performance. • There is speculation that the era called social/mobile marketing where organisations are connected to customers has been reached.

Source: Zebal (2003:25)

Table 3.5 provides what are arguably the most influential definitions since 1988. A similarity among the definitions is that all have an external focus on the customer as the primary focal point. The major differences lie in the organisational components that are emphasised in the definitions. Shapiro (1988:120) emphasises the decision-making processes, Kohli and Jaworski (1990:6) the information-processing activities, Narver and Slater (1990:21) the business culture as a set of behavioural components, Ruekert (1992:228) the organisational strategy process, Deshpande *et al.* (1993:27) the business culture as a set of beliefs and Day (1994b:41) emphasises organisational capabilities.

Table 3.5:   Definitions of market orientation

Studies	Definition
Shapiro (1988)	A company is market-oriented if "information on all important buying influences permeates every corporate function", 'strategic and tactical decisions are made inter-functionally and inter-divisionally and "divisions and functions make well -coordinated decisions and execute them with a sense of commitment".
Kohli and Jaworski (1990)	"Market orientation is the organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation wide responsiveness to it".
Narver and Slater (1990)	Market orientation is defined as the "business culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for customers". Market orientation "consists of three behavioural components- customer orientation, competitor orientation, and inter-functional co-ordination –and two decision criteria-long-term focus and profitability".
Ruekert (1992)	The level of market orientation in a business unit is "the degree to which the business unit (1) obtains and uses information from customers; (2) develops a strategy, which will meet customer needs; and (3) implements that strategy by being responsive to customer needs and wants".
Deshpande Farley and Webster (1993)	Customer orientation is "the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise".
Day (1994b)	"Market orientation represents superior skills in understanding and satisfying customers".

Source: Van Raaij & Stoelhorst (2008:1268)

Deshpande *et al.* (1993:27) prefer to use the term customer orientation instead of market orientation. The authors refer to the same concept as they regard "customer and market orientations as being synonymous". From the ensuing discussion, it is apparent that there are many definitions and meanings of the term market orientation. The resultant conceptualisation of market orientation by these authors

appears to have gained wide acceptance from academics and practitioners (Gray *et al.* 1998:885).

Kohli and Jaworski (1990:6) conceptualise market orientation as the implementation of the marketing concept and define market orientation as "the organisation-wide generation of market intelligence pertaining to current and anticipated future customer needs, dissemination of the intelligence across departments and organisation-wide responsiveness to it". Intelligence generation refers to monitoring and assimilating information pertaining to the external environment, customers and competitors, while intelligence dissemination relates to the communication process to distribute the generated information among relevant departments within the organisation (Van Vuuren & Worgotter 2013:123). The responsiveness to the information component represents the actions that have to be taken (Diamantopoulos & Hart 1993:96) and is divided into two types of activities: response design (such as using market information to develop plans) and response implementation (such as plan execution) (Harris & Ogbonna 1999:179).

Narver and Slater (1990:20) also conducted a major review of the conceptual literature and an empirical study, which led them to define market orientation as the "the organisation culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and, thus, continuous superior performance for the business". As such, the authors concluded that market orientation should be considered as an organisational culture comprising three behavioural components, namely i) an orientation towards customers, ii) a focus on competitors, and iii) coordination between functions (Blankson, Motwani & Levenburg 2006:575; Van Vuuren & Worgotter 2013:123). Diamantopolous and Hart (1993:96) argue that customer and competitor orientation components can be equated to "information generated" while "information dissemination" and "inter-functional coordination" also represent the same.

From the definitions, two conceptions of market orientation can be identified, namely cultural and behavioural perspectives. In support of this conception of market orientation, Lado and Maydeu-Olivares (2001:135) cited four different theoretical conceptions of market orientation by outlining their respective components as illustrated in Table 3.6. These components will be briefly discussed in Section 3.4.

Table 3.6:   Alternative conceptions of market orientation

Studies	Components of market orientation
Kohli and Jaworski (1990)	• Generation of market intelligence • Dissemination of market intelligence • Entire organisation's capacity to respond
Narver and Slater(1990)	• Customer-oriented • Competitor-oriented • Inter-functional co-ordination
Deng and Dart(1994)	• Customer-oriented • Competitor-oriented • Inter-functional co-ordination • Profit-oriented
Lamin (1996) and Lado, Maydeu-Olivares and Rivera(1998)	Information gathering and analysis on: • Final customers • Distributors • Competitors • Environment Inter-functional co-ordination strategic actions on: • Final customers • Distributors • Competitors • Environment.

Source: Lado and Maydeu-Olivares (2001:135)

It is interesting to note that there has been some differentiation in the literature on the use of terms market orientation and marketing orientation. It could be inferred from the discussions that the term market orientation" is preferred over marketing orientation as it emphasises an organisation-wide application as stated by Kohli & Jaworski (1990:6) and Narver and Slater (1990:21). This corporate-wide philosophy is manifested into measurable outward orientation towards markets (Ellis 2004:631). Marketing orientation on the other hand is specific to the activities and

functions carried out by the marketing department or unit (Troilo 2006:10). This relates to actual execution of the marketing function by the marketing department or division within an organisation. Implementation of the marketing concept is being widely accepted in concordance with the work of these authors by non-profit organisations, ranging from government departments, educational institutions, charitable organisations and public hospitals (Perreault & McCarthy 1999:41). The position is justified in view of the HEIs wide involvement in this study.

In addition, based on the current marketing literature, it can be concluded that market orientation can be applicable to HEIs and be regarded as the degree to which HEIs generate, communicate and act on information about their stakeholders needs and preferences (Penceliah 2004:27). Therefore, it is not the purpose of this study to argue or to make a distinction between the two concepts, but rather to indicate how adherence to these concepts can enable HEIs to survive and grow (Voon 2006:598). Therefore, the term market orientation will be used throughout the study to indicate an orientation towards the market and or marketing orientation. For the purpose of this study, market orientation will be defined as the extent to which HEIs use information about their stakeholders to coordinate and implement strategic actions. The position is justified in view of the academics involvement in this study and market orientation is utilised more often as the implementation of the marketing concept (Allen 2011:2).

3.5   CONTEMPORARY MARKET ORIENTATION PERSPECTIVES

The marketing concept has long been acknowledged as the cornerstone of the marketing discipline. Since then, many studies have been conducted in this and consequently new perspectives of viewing market orientation emerged within the marketing literature.

In this context, Lafferty and Hult (2001:92) advanced the following five different perspectives to market orientation, namely decision-making perspective, market intelligence perspective, culturally based perspective, strategic focus and customer orientation perspectives. The identified perspectives visualise market orientation as the implementation of the marketing concept. In order to provide a clear understanding of market orientation, an exposition to each perspective is outlined in the following section.

3.5.1   The decision-making perspectives

Shapiro (1988:120) identifies the decision-making perspective as "It's far more than the cliché getting close to the customer the term market oriented represents a set of processes touching all aspects of the company". Shapiro (1988) is considered the promoter of this decision-making perspective. Lafferty and Hult (2001:96) proposed the following three key points as critical in contributing towards making a company market-driven, namely:

First, information on all-important buying influences to permeate every corporate function; secondly, strategic and tactical decisions made inter-functionally and interdivisional and thirdly, divisions and functions make co-ordinated decisions and execute them with a sense of commitment.

Zebal (2003:36-37) highlights the following notable arguments in Shapiro's decision-making perspectives:

- A market-driven company tries to understand the market, customers, decision-makers and the trade intermediaries as well

- Information that is generated should permeate and be disseminated into every corporate function

- A market-driven or customer-oriented organisation should possess the ability to make strategic and tactical decisions inter-functionally and inter-divisionally in spite of potentially conflicting objectives that mirror differences in modes of operation

- In order for companies to make wise decisions, functions and divisions must recognise their opinions and differences with due respect and also be willing to exercise an open decision-making process

- Emphasis must be placed on well-coordinated decisions among the different functions and divisions of an organisation and those decisions must be executed with a sense of commitment

- Recognition and understanding of the strengths and weaknesses of competitors is of key importance.

The aforementioned conceptualisation requires a strong commitment by management and information must be shared between functional and divisional personnel.

3.5.2 The market intelligence perspective

The market intelligence perspective is articulated by Kohli and Jaworski (1990:6) as "market orientation is the organisation wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation wide responsiveness to it". According to Lafferty and Hult (2001:97), this formal definition hinges on three key components, intelligence generation, intelligence dissemination and responsiveness.

Furthermore, the firm's ability to become market-oriented would be largely dependent on the effectiveness of communication and dissemination of market intelligence among functional areas. Hence, the focus is on markets, customers and the forces influencing them, such as market intelligence.

Zebal (2003:36-37) advances the following notable arguments from this perspective:

- Effective market intelligence goes beyond customers' current needs and includes future anticipated needs

- Intelligence generation is not the exclusive responsibility of the marketing department, it also relies on both formal and informal mechanisms such as market research and customer surveys

- Most importantly, market intelligence should also include monitoring competitors' actions and their effects on customer preferences

- The collected information should be disseminated effectively and efficiently in all parts of the organisation

- Responsiveness should take the form of selecting target markets, designing and offering products and services that cater for their immediate and future needs

- All departments of the company need to be well coordinated in order to elicit the requisite responsiveness to the market trends.

3.5.3 Culturally based behavioural perspective

Narver and Slater (1990:21) explore the culturally based behavioural perspective as "market orientation is the organisational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and thus, continues superior performance for the business". According to the authors this perspective comprises three components, namely customer orientation, competitor orientation and inter-functionally coordination and incorporates the two decision criteria being long-term focus and profitability. Further studies were undertaken (Slater & Narver 1992:125; Narver, Slater & Tietje 1998:241-255) to develop a greater understanding of these components and revealed the following key critical behaviours exhibited by a market-oriented culture espoused by Narver *et al.* (1998:241):

- clarity on the organisation's value discipline and proposition

- being leaders towards the customers

- being service-oriented

- managing in terms of key customers and employees for life.

The overriding inference reveals that the conceptualisation encompasses a behavioural perspective (Lafferty & Hult 2001:99). The emphasis is on inherent advantages in corporation within the various departments or units in the organisation. In the absence of inter-functional coordination, there is an urgent need to cultivate this behaviour perspective.

3.5.4 The strategic focus perspective

The strategic focus perspective is conceptualised by Ruekert (1992:228) as "the level of market orientation in a business unit is the degree to which the business unit obtains and uses information from customers, develops a strategy, which will meet customers' needs, and implements that strategy by being responsive to customer needs and wants". This perspective was developed by Ruekert (1992) who followed Walker and Ruekert's (1987:1-19) earlier work on marketing's role in the implementation of business strategies and can also be regarded as an extension of the definitions of Kohli and Jaworski (1990:6) and Narver and Slater (1990:21) as it builds on those definitions (Lafferty & Hult 2001:99). This notion regards the

customer as the most critical aspect of the external environment and advocates for a thorough investigation of their needs and wants. The strategic focus perspectives concentrate on three basic issues, namely generating customer information, developing strategy for customers and implementing the strategy. The following is notable according to Zebal (2003:38-39):

- The approach suggests that managers should collect and interpret information from the external environment in order to set goals and objectives

- The next dimension of the perspective is the development of a plan of action or a customer-focused strategy

- Finally the customer-oriented strategy is implemented and executed by the organisation to respond according to the customers' needs and wants

In addition, the perspective focuses on identifying market orientation in each unit of an organisation rather than the whole organisation.

3.5.5 Customer orientation perspective

Deshpande *et al.* (1993:27) describe the customer orientation perspective as "the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, and employees, in order to develop a long-term profitable enterprise".

Lafferty and Hult (2001:99-100) point out the following critical points from this perspective:

- Market orientation is synonymous with customer orientation as evidenced by the authors' usage of Kotler's (1991) definition of marketing "as the set of all present customers of an organisation"

- Exclusion of a focus on competitors as competitor orientation is viewed almost antithetical to a customer orientation

- Incorporated the contributions of Narver and Slater (1990:20-29) and Kohli and Jaworski (1990:7-8; 1993:55) by including inter-functional coordination as a component of market orientation

- Customer orientation is viewed as being part of the overall corporate culture whose value reinforces and perpetuates this focus

- The proponents maintain that the set of values and beliefs that consistently reinforce customer focus should be considered as paramount.

Each perspective proved to be a critical conduit for study and further development of the market orientation concept. These five perspectives are summarised in Table 3.7 in terms of representative studies contributing to the conceptualisation of market orientation.

Table 3.7: **Summary of the Market Orientation Studies**

Perspective and year	Representative studies
Decision-making process (1988)	Shapiro (1988) Glazer (1991) Glazer & Weiss (1993)
Market intelligence (1990)	Kohli & Jaworski (1990) Hooley,Lynch & Shepherd (1990) Kohli *et al* (1993) Jaworski & Kohli (1993) Hart & Diamantopoulos (1993) Cadogan & Diamantopoulos (1995) Jaworski & Kohli (1996) Maltz & Kohli (1996) Selnes, Jaworski & Kohli (1996) Avlonitis & Gounaries (1997) Cadogan, Diamantopoulos & Siguaw (1998)
Culturally based behaviours (1990)	Narver & Slater (1990) Slater & Narver (1992) Slater & Narver (1994) Siguaw, Brown & Widing (1994) Siguaw & Diamantopoulos (1995) Cadogan & Diamantopoulos (1995) Narver & Slater (1998) Narver *et al.* (1998)

Perspective and year	Representative studies
	Han, Kim & Srivastava (1998)
Strategic marketing focus (1992)	Ruekert (1992)
	Webster (1992)
	Day (1994)
	Day & Nedungadi (1994)
	Catignon & Xuereb (1997)
	Morgan & Strong (1998)
	Moorman (1998)
Customer orientation (1993)	Deshpande *et al.* (1993)
	Siguaw *et al.* (1994)
	Deshpande & Farley (1998a)
	Deshpande & Farley (1998b)

Source: Sheppard (2011:35)

Siu and Wilson (1998:295) recognised the following four general areas of agreement from these perspectives:

- The emphasis is on customers

- The importance of shared knowledge (information) is acknowledged

- The focus is on inter-functional coordination of marketing activities and relationships

- Those organisations should be responsive to market activities by taking the appropriate action.

To consolidate the argument, Lafferty and Hult (2001:100) propose a synthesised market orientation framework (which is presented in Figure 3.6) integrating these five conceptualisations of market orientation.

Figure 3.6   Synthesised framework for market orientation perspectives

	Deshpande et al. (1993)	*Narver & Slater (1990)*	*Kohli & Jaworski (1990)*	*Shapiro (1988)*	*Ruckert (1992)*

Customer Orientation →	Customer Orientation	Intelligence Generation	Permeate Corp. Information	Customer Information
	Competitor Orientation	Intelligence dissemination	Strategy & Tactical Decisions	Develop Strategy for Customers
	Interfunctional Coordination	Responsiveness	Execute Decisions	Implement Strategy

Synthesis dimensions of market orientatio

Emphasis Customer	Importance Information Interfunctiona	Interfunctional Coordination	Taking Action

Source: Lafferty and Hult (2001:100)

With specific reference to the synthesis dimension, Homburg and Pflesser (2000:450) contend that the following processes are critical:

- First, inter-functional communication, which is vital to disseminate market information throughout the organisation

- Secondly, departmental integration (both in decision-making and implementation) that aims at aligning goals and activities of various organisational departments

- Thirdly, assessment of market performance, to check for any deviation from planned objectives.

These processes enable an organisation to create superior customer value by transforming market information into consistent market behaviours. The researcher is of the opinion that it might be worthwhile focusing on the synthesis of market orientation instead of dealing with a particular perspective that may produce irrelevant or inappropriate pictures of market orientation.

At the heart of all these five perspectives, is the concern of what constitutes the basis for a new dimension of marketing orientation (Troilo 2006:9). The contemporary perspectives outlined in this section, provided a clear understanding of market orientation and a direction towards the development of a synthesis model of market orientation. The resultant synthesis model of market orientation will form the subject of the next section.

3.6   SYNTHESIS MODEL OF MARKET ORIENTATION

All HEIs market to some extent but very few are market-oriented. The proposed synthesis model of market orientation by Zebal (2003:43) is illustrated in Figure 3.7. The proposed model comprises two key components, being initial issues and vital issues. The adoption of the marketing concept as a business philosophy or organisational culture and its implementation issues are labelled vital issues. This stems from the fact that although an organisation may choose to adopt the marketing concept, it cannot be market-oriented until it effectively implements the marketing concept. The adoption of the marketing concept and its associated implementation issues are the primary concern of an organisation hence they are referred to as initial issues.

The required conditions and components of market orientation and the organisations success factors or outcomes are referred to as vital issues because the required conditions determine the degree of market orientation of an organisation and that degree of market orientation determines the level of success. The implementation of the marketing concept necessitates that certain conditions are met before an organisation becomes market-oriented, and that leads to better business success or performance.

At the beginning of this model is the marketing concept, which embodies a company philosophy or organisational culture. The second step of the model is the implementation issue followed by the conditions that are required in order to implement the marketing concept. The prerequisite conditions are linked then to market orientation, which is finally linked to organisational consequences or outcomes forming the last stage of the model.

According to Wasmer and Bruner II (2000:95), the implementation of the marketing concept in HE has become increasingly important over the past several years.

Figure 3.7   Synthesis model of market orientation
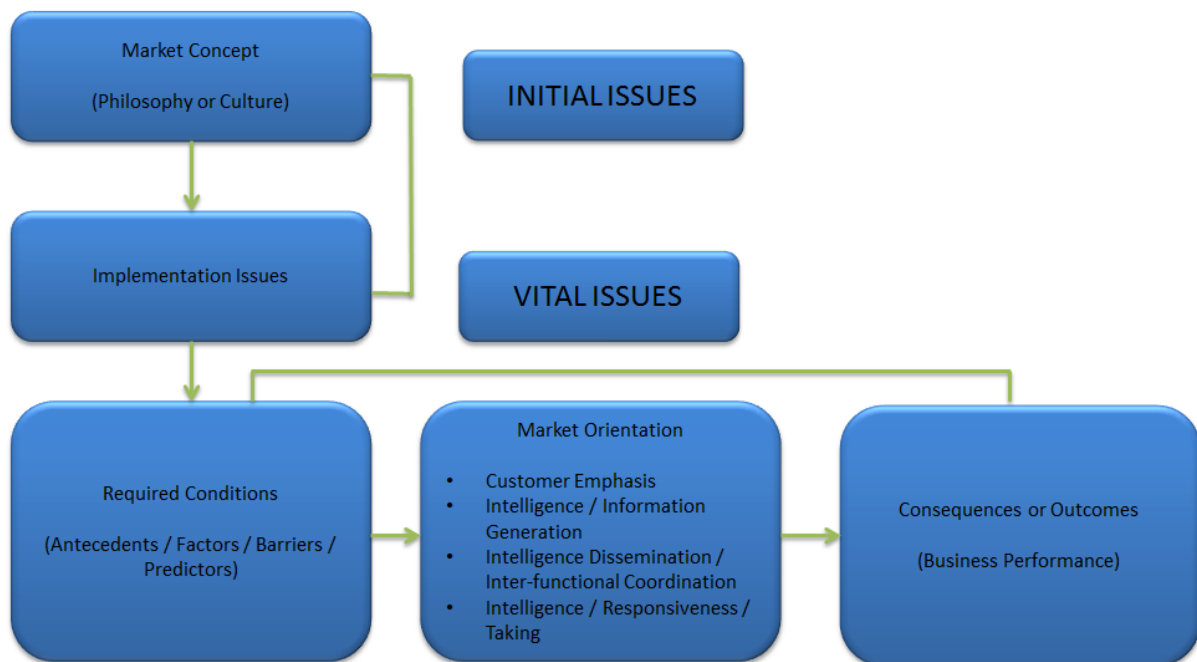
Source: Zebal (2003:43)

3.6.1   The marketing concept

At the beginning of this model, is the marketing concept. There were agreements regarding the marketing concept among the different perspectives outlined in Section 3.3. In addition, Kotler (2003:20) and Perreault and McCarthy (2002:34) agree that the marketing concept embodies four principles, namely customer orientation, integration and coordination of activities, maximising long-term success and social responsibility:

- First, customer orientation encompasses all activities that are aimed at satisfying consumer needs, demands and preferences

- The second principle suggests that marketing activities of HEIs should be closely co-ordinated with each other and other functional areas such as finance and administration

- Thirdly, HEIs, although relying on government funding, must prove how their work is of benefit to society. In addition, HEIs can be measured in terms of the measures alluded to in Section 2.6

- Lastly, HEIs should recognise that they exist primarily for the purpose of providing a service to students, industries and businesses.

Furthermore, after an extensive deliberation in Section 3.2, it suffices to conclude that viewing the marketing concept as a company philosophy or corporate culture in the model is appropriate.

3.6.2   Implementation issues

The second step of the model consists of the implementation issues. For this discussion, implementation is taken to refer to the actions performed because of policy decisions (Meldrum 1996:29). This implies that successful implementation involves a process of decision-making coupled with actions that accurately reflect these decisions. Another concern about the implementation of the marketing concept as a management discipline is the ability of the organisation to put into practice the policies devised for this purpose. What is important for implementation is that the results of such activities influence organisational behaviour, support organisational behaviour objectives and positively contribute to organisational success.

Adoption and implementation of the marketing concept has major implications as identified by the following studies:

- Success of an organisation depends, above all, on the customers and what they are willing to pay (Churchill & Peter 1998:13)

- Organisations must be aware of what the market wants, preferably well before provision of services such as customer-satisfying process (Mowen 1995:4; Strydom, Jooste & Cant 2000:17)

- Consumer wants must be continually monitored and measured so that the organisation keeps ahead of its competitors (Wiese 2008:76), and

- Top management must achieve the integration of all the components of the marketing strategy in a single unified market-oriented approach (Kotler & Armstrong 2003:20).

The implementation approaches and strategies within the context of HEIs will be outlined in Section 3.6.

3.6.3   Required conditions

The model indicates that the implementation of the market orientation requires certain conditions to be fulfilled by the organisation. An organisation should be in a position where it can clearly identify which conditions must be fulfilled or considered and be given priority over others. According to Tomaskova (2008:9-14) some of the conditions may foster market orientation whilst others may hamper its implementation. One of the questions that remain unanswered is what enhances the implementation of market orientation. To answer this one has to draw upon general marketing theory for a sense of antecedents, consequences and possible moderating factors of market orientation.

The review of the literature indicates that Jaworski and Kohli's (1993:55) model was the first model that examined the antecedents, moderating factors and consequences of market orientation. The author's contribution hereby is acknowledged for its contribution and major theoretical and practical implications. The subsequent discussion in this section pertaining to marketing in respect of antecedents and moderating variables, will put academics and marketing administrators in a good stead to operate optimally within the area of market orientation. Fortunately, much of the literature has concentrated on these factors as evidenced by the discussions relating to these factors.

These issues are discussed throughout this chapter and in addition, reference is made to actions performed as consequences of the implementation of the marketing concept such as market orientation policy decisions.These antecedents, consequences and moderating variables are expected not to be different within HE setting and are illustrated in Figure 3.8.

Figure 3.8:   Conceptual framework for Meta-analysis

Source: Kirca, Jayachandran & Bearden (2005:24)

3.6.3.1   Antecedents to market orientation

Within market orientation research, Kohli and Jaworski (1990:7-8;1993:55), advance the reason behind the studies to attempts in answering a fundamental question why are some organisations more market-oriented than others. The fate of market orientation is tied closely to its antecedents or determinants. Based on the support in studies on the relationship between market orientation and its antecedents, HEIs need to be examined to identify those factors which influence market orientation of HEIs. Consistent with Jaworski and Kohli's (1993:55) model, Kirca *et al.* (2005:25) submit that executives need to address the following key issues as antecedents towards developing market orientation: top-level management factors, interdepartmental factors and organisational systems.

- **Top level management factors**

Top-level management includes the emphasis of the managers towards market orientation and the level of risk aversion concerned with new product or services

(Flavian & Lozano 2006:49). The crucial role of top management in fostering market orientation is well recognised in research studies (Ranjbarian, Koboli & Rajuee 2012:6). Top management shapes the values and orientation of an organisation and act as the interface between the organisations and the environment (Kuanda & Buatsi 2005:58).

As such, top management emphasis on market orientation has a positive impact on the level of the organisation's market orientation (Kirca *et al.* 2005:25). Managers who views marketing as undesirable are less likely to embrace the marketing concept. Zebal (2003:62) asserts that individuals working on organisation will be motivated to collect, disseminate and respond to market intelligence as long as there is an on-going reinforcement from top management. Siu and Wilson (1998:19) argue that the decisive market-oriented leadership is the most urgent need in the context of HEIs.

The main feature of market orientation is to identify the changing needs of customers and respond to them (Ghani & Mahmood 2011:1825) This often result in introduction of new products or services, which is often associated with high chances of failure. If top management is risk averse and intolerant of failures, subordinates are likely to be less responsive to changes in the market (Flavian & Lozano 2006:449). The understanding and the commitment of marketing operatives to market orientation within HEIs is vital.

- **Interdepartmental factors**

Interdepartmental factors or dynamics represent the structure of existing relations between the functional areas and levels of an organisation through conflict and cohesion at the heart of the organisation (Flavian & Lozano 2006:449). Interdepartmental conflict or tension between departments arises out of divergent goals and inhibits concerted responses to market trends (Kirca *et al.* 2005:25) and diminishes market orientation (Pulendran, Speed & Widing II 2000:480). It discourages interdependency within an organisation where employees frequently interact, exchange market information, and respond (Ghani & Mahmood 2011:1825). Within HEIs setting, divergence of interests does exist between different stakeholders (students, lecturers, parents, etc.). The resultant conflict or tension that may arise is an inhibitor of market orientation.

Interdepartmental connectedness has been identified by Ranjborian *et al.* (2012:7) identified as significant and positively related to market intelligence dissemination and responsiveness. Interdepartmental connectedness or the extent of formal and informal contacts across various departments enhances market orientation by leading to greater sharing and use of information (Kennedy, Goolsby & Arnould 2003). The connectedness referred to is essentially the bringing together of marketers and academics to design, develop and implement offerings that will appropriately be responsive to students and industry needs and wants. Furthermore, the connectedness fosters interdependency within an institution and encourages the easy and quick flow of intelligence among departments (Ghani & Mahmood 2011:1825).

- **Organisational systems**

Organisational systems reflect the influence that the organisational structure has on the way that information about the market is used. These include the level of formalisation and centralisation, as well as the level of incentives and training (Flavian & Lozano 2006:450).

Formalisation refers to the definition of roles, procedures and authority through rules and is related inversely to market orientation by inhibiting the development of effective responses to change in the market place. It also refers to the setting and strict follow-up of formal rules and regulations within an organisation. However, formalising procedures may assist in the initiation stages of market orientation as both management and employees rely on established effective engagement protocols and existing modes of adoption regarding new initiatives (Gibson 2006:18). The setting of strict protocols to enforce meetings of academics and their advisory committee members to discuss customer needs and complaints at regular intervals will definitely enhances the development of market orientation within HEIs.

Centralisation relates to a limited delegation of decision-making authority in an organisation and thus consequently inhibits an organisation's information dissemination and utilisation (Matsuno, Mentzer & Ozsomer 2002:30). It represents a situation in which the powers of all sorts of decision-making are consolidated at a central point in the organisation. Market-based reward systems reflects the value emphasis that an organisation counters to the reduction of long term objectives e.g. customer's satisfaction can be reflected in its reward system, use market-oriented

behaviours as metrics to reward employees, thus motivating employee actions that enhance market orientation (Kirca *et al.* 2005:25).

Webster (1988:38) asserts that the level of market orientation of an organisation depends on the evaluation of the reward systems of its employees. If employees are evaluated and compensated based on customer satisfaction and services, the employees are more likely to generate market information and respond to customer needs in a co-ordinated manner. Thus, the more HEIs relies on market-based factors for evaluating and rewarding employees, the higher will be its level of market orientation.

Market oriented training will augment employees' sensitivity to customer needs and support a positive relationship to customer needs (Kirca *et al.* 2005:25). The value or emphasis that HEIs confers to the realisation of long-term objectives can be reflected through market-oriented training that the university provides for its staff.

Flavian and Lozano (2006:459) conclude their studies on organisational antecedents of market orientation in the public university systems by suggesting that the market orientation adopted by the academics in HEIs is influenced by the emphasis placed on market-oriented activities by the institutions. Wasmer & Bruner II (2000:94), further highlight the following amongst other as antecedents of market orientation in HE; institutional size, institutional funding and institutional innovativeness for the purpose of adjusting the phrasing for the educational context.

3.6.4 Moderating influences on the effectiveness of market orientation

In relation to market orientation and outcome or consequences relationship, market orientation activities can be seen as providing the organisation with a basis of competitive advantage. The premise is that it is imperative to note that the relationship between this positional advantage and organisation is not a given as performance is not guaranteed. The strength or degree of the relationship will be moderated by a number of key components in the organisational environment (Cadogan, Diamantopoulos & Siguaw 2002:619). Explicating the mediators of the market orientation and performance relationship, illustrated in Figure 3.3 has raised an interest in related studies (Qu & Ennew 2005:15). Empirical findings by Noble, Sinha and Kumar (2002:82-84) support the contention that although the

consequences of market orientation are undeniably important, the moderating variables have a crucial role to play.

In this regard, Kirca *et al.* (2005:35) cite the following as the most important moderators of the link between an organisation's market orientation and performance market turbulence; technological turbulence and competitive intensity, which are illustrated in Figure 3.3. Specifically the overall impact of these previously investigated substantive moderators on the market orientation and performance relationship within HEIs warrants consideration. Market or environment turbulence intensifies the impact that market orientations have on performance as mentioned in Chapter 2. Essentially, the focus is on listening and responding to customer needs (Kirca *et al.* 2005:36). Responsiveness becomes more critical when the institution is facing an evolving mix of customers and increasingly aggressive competitors. Consequently, the market intelligence search and the response to it would reduce the risk associated with market challenge in HEIs.

The empirical studies (Kohli & Jaworski 1990:1-15; Greenley 1995b:1-13; Shohan & Rose 2002:5-25) predict that technological turbulence is likely to weaken the relationship between market orientation and organisational performance as well as diminishing its impact on organisational performance. When technology is changing rapidly, research and development driven innovation becomes more important to an organisations performance than does outcome focused innovation resulting from market orientation (Grewal & Tansuhaj 2001:72). As a result, the higher the level of technological turbulence, the lower the level of HEIs market orientation.

Competitive intensity is the degree of competition that an organisation faces and has been purported to moderate the influence of market orientation on organisation performance (Grewal & Tansuhaj 2001:71). When academic marketing operatives perceive a higher level of competition, market oriented activities are likely to be deployed in order to respond to the increasing competition (Asaad *et al.* 2008:6).

Given the argument for moderating influence, the discussions equally reflect the complexity of the inactive relationship between these different variables. Each institution needs to consider these external factors and their root causes for long term viability. HEIs should capture this opportunity to leverage their processes, technologies or market positions and expand their offerings in line with the demand for such. In this regard, Slater and Narver (1994b:26) state that despite the short

term moderating variables affecting the market, the state of being market orientation remains cost effective. The discussions on those factors that negatively impact on market orientation will further be pursued in Chapter 4.

3.6.5 Components of market orientation

At the centre of the vital issues are market orientation and its components. First, market orientation is viewed as an organisational culture consisting of three components customer orientation, namely competitor orientation and inter-functional co-ordination as outlined in Section 3.4. Secondly, market orientation is seen as a set of behaviours representing the implementation of the marketing concept and comprises market intelligence generation, market intelligence dissemination and responsiveness as it alluded to in Section 3.4. As the study is geared towards the impact of the implementation of market-oriented activities, the ensuing discussion will embrace both components of the cultural and behavioural perspectives illustrated in Figure 3.4.

3.6.5.1 Market intelligence generation

This is the starting point of a market-oriented university and in its narrowest sense involves obtaining market information from customers about their needs (O' Connell 2001:5). Market orientation not only includes information on customers' needs but also encompasses data pertaining to the factors, which influences those needs (Diomantopoulos & Hart 1993:95). Market intelligence generation is a broader concept than customer's verbalised needs and preferences and includes:

- gathering and analysing information regarding customer's current and future needs,

- monitoring and analysing exogenous factors (such as competition, government, technology and other environmental forces) and

- gathering and monitoring of market intelligence through formal and informal means (Kohli & Jaworski 1990:5; Zebal 2003:54-55).

Drysdale (1999:28-29) further mentions that the market intelligence includes amongst others:

- systematic methods of organising and retrieving current market information

- intelligence network to collect and share information with everyone within the institution

- systematic research approach to gather new market information, and

- process of analysing information for decision-making purposes.

Importantly to note, is that intelligence generation is not the exclusive responsibility of a marketing department only. Unless market intelligence is communicated throughout the organisation, it becomes of little use in decision-making, hence the next component.

3.6.5.2   Market intelligence dissemination

The intelligence generated from the previous phase needs to be disseminated throughout the HEIs, both hierarchically and horizontally. For an institution to adapt to market needs, market intelligence must be communicated, disseminated and perhaps even sold to relevant departments and individuals in the institution. (Harris & Ogbonna 1999:179) This process entails two distinct aspects, namely:

- sharing existing and anticipated information throughout the organisation, and

- ensuring effective use of disseminated information, which is a two-way process comprising of lateral and horizontal communication (Kohli & Jaworski 1990:5-6).

Effective dissemination of market intelligence is important because it provides a shared basis for concerted actions by different departments and achieved via cross-functional teamwork, flatter hierarchies and employee empowerment (O' Connel 2001:5). A flexible structure in an organisation could increase the flow of the information and push the decision-making to places where changes are made (Alhakimi & Bahuran 2009:45).

3.6.5.3   Responsiveness to market intelligence

An organisation can generate intelligence and disseminate it internally, but unless it responds to market needs, very little is accomplished (Kohli & Jaworski 1990:6). Responsiveness is another behavioural element of market orientation, which refers to the action taken in response to intelligence that is generated and disseminated such as taking action based on the intelligence (Zebal 2003:53).

This also refers to the ability of the organisation to respond to generated and disseminated market information and is divided into two types of activity viz. response design (such as using market intelligence to develop plans) and plan execution (Harris & Ogbonna 1999:179). Responsiveness further involves developing, designing, implementing and altering offerings in response to customer's current and future needs (Zebal 2003:53). Responsiveness also requires the application of marketing tools and techniques to elicit favourable market response (O' Connor 2001:6). Responding to changes taking place in HEIs will have an effect on generating further information.

3.6.5.4   Customer orientation

Customer emphasis is at the centre of the five different perspectives mentioned in Section 3. The essential feature of these behavioural characteristics is the demonstration of understanding and commitment to outcomes that enhance value to the clients. This refers to the understanding of the target customers' needs in order to be able to create continuously superior value for them (Alen 2011:29). According to Zebal (2003:53-54) customer orientation involves three strategies, namely understanding and commitment to the customer, creating superior value for the customers, and encouraging customers comments and complaints. The essential feature of this behavioural characteristic is the demonstration of understanding and commitment to outcomes that enhance value to the clients (Narver & Slater 1990:21-22).

The espoused as well as the latent needs and wants of customers need to be well understood and fulfilled. This is necessary, as customers have become increasingly sensitive to service quality (Liou & Chen 2006:940). In this regard, Voon (2008:219) posits that it is imperative for organisations to attend to the desired level of service quality and satisfaction of customers.

High performing organisations are always close to customers by knowing what their customers want, what the market offers and responding with a service or product that meets the needs of the target customers better than that of their competitors (Lings & Greenley 2009:44).

3.6.5.5   Competitor orientation

This behavioural component includes market intelligence generation, market intelligence dissemination and responsiveness to market intelligence regarding competitor's action (Voon 2008:220). All organisations should not ignore the need to compete and must try to understand and master competition. Similarly, with customer orientation, this aspect consists of all those activities, which are involved in acquiring information about buyers and competitors in the target market and dissemination of this information throughout the organisation (Ghani & Mahmood 2011:1823). Competitor orientation refers to the understanding of the strengths, weaknesses, capabilities and strategies of the current and potential competitors and the ability to analyse the competitor's actions and respond to them (Narver & Slater 1990:21-22). This means that a seller understands the short-term strengths, weaknesses, long-term capabilities and strategies of both the key current and the key potential competitors. Like customer analysis, the analysis of both principal current and potential competitors must include the entire set of technologies capable of satisfying the current and expected needs of the seller's target buyers (Zebal 2003:54).

3.6.5.6   Inter-functional coordination

This behavioural component refers to the coordinated utilisation of company resources in creating superior value for target customers (Narver & Slater 1990:22). That effort is the proper focus of the entire business and not merely of a single department in it. Achieving effective inter-functional coordination requires, among other things, an alignment of the functional area's incentives and the creation of inter-functional dependency so that each area perceives its own advantage in cooperating closely with the others. This means that the information gathered (about customers and competitors alike) should be disseminated throughout the organisation *inter alia* beyond the marketing department. It allows an open communication and exchange between the organisational units that are concerned with the customer and competitor orientation (Alen 2011:31).

The key indicator of this characteristic is the total commitment of all members to a marketing philosophy (Drysdale 1991:28). In developing effective inter-functional coordination, the marketing unit or any other advocate department must be extremely sensitive and responsive to the perceptions and needs of all other

departments in business. Typical behaviour includes all departments and teams sharing market information, integrating strategies and willing to share resources in order to offer superior value to students and other stakeholders. Hence, the mechanism enables the necessary strategic orientation to work jointly.

3.6.5.7 Long- term orientation

In the context of HE, the forward looking and futuristic orientation of serving the target market is even crucial as there is always a societal obligation to produce good, dynamic and competent graduates (Voon 2008:220). This relates to generating and earning revenues sufficient to cover long-term expenses and/or satisfy all key constituencies. The literature suggests that a market orientation has primarily a long-term focus both in relation to profits and in implementing the three behavioural components of market orientation. Behaviours associated with this aspect include long-term customer satisfaction and relationship (Deng & Dart 1994:73).

The components outlined in this section are largely controllable by senior executives and marketing operations and thereby allow a purposeful implementation of market orientation. Within the HE setting that is globally competitive, market orientation approaches will serve as a sound strategy for universities to adopt and attract high quality students and academic staff (Asaad *et al.* 2008:7). By combining these components within the HE setting, an organisation should put the customers (students, employers and other relevant stakeholders) interests first and understand them in order to create value and meet their current and future needs.

3.6.5.8 An integrated model of market orientation components

In order to allow for cumulative knowledge development, Alhakimi and Baharun (2009:47) devised a framework illustrated in Figure 3.9, integrating the components of market orientation. The model is an integration of the two conceptualisations of market orientation mentioned in Section 3.4.4, namely cultural activities and behavioural perspectives. In this context, market orientation components are regarded as means, which enable managers to focus on activities, which ultimately influence the direction of an organisation and performance improvement (Tomaskova 2008:14).

Figure 3.9:   An integrated model for market orientation components.
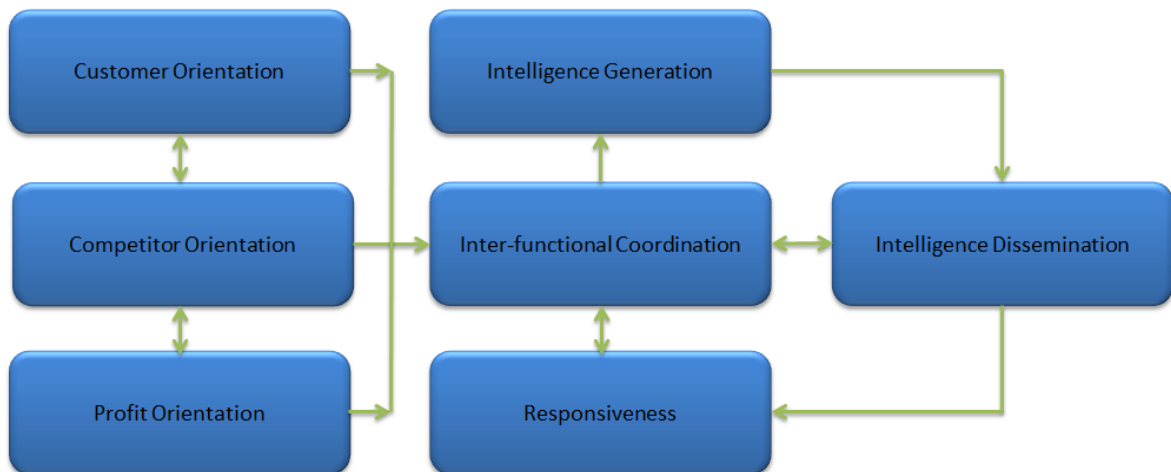
Source: Alhakimi and Baharun (2009:048)

Accordingly this framework used the concepts of market orientation jointly (behavioural activities and cultural perspectives) thus supporting the proposals by Gotteland, Haon and Gauthier (2007:53-54) and Carr and Lopez (2007:113) advocating for a synthesis of market orientation components. Furthermore, this model is based on existing market orientation scales toward building customer values as suggested in Section 3.4.

3.6.6   Consequences or outcomes

In the last stage of the model, market orientation is linked to organisations success. Given the major and rapid changes in South African HEIs as outlined in Chapter 2, it is imperative to identify and monitor the consequences of market orientation. It is important that consequences of the many changes in the operating environment for South African HEIs be identified and monitored clearly. Once identified, the need to carry out research about the consequences and follow the proposals made by current researchers becomes a reality.

Prior studies have proven that a higher degree of market orientation, which results from implementing the marketing concept, is associated with more favourable outcomes (Kohli & Jaworski 1993:55; Im & Workman 2004:128; Kirca *et al.* 2005:25; Ghani & Mahmood 2011:1185). The consequences or outcomes of market orientation identified by these authors include organisational performance,

customer consequences and employee consequences. These consequences are illustrated in Figure 3.3 and are expected not to be different in HE setting.

Organisational performance has been investigated extensively as an important consequence of market orientation and the overall performance achieved by universities has been discussed in Section 2.4. With reference to academics, as Flavian and Lozano (2006:459) point out, market orientation can have a positive impact on teaching, research and universities extension activities being dissemination of knowledge and culture. Market orientation, therefore, provides an organisation with market-sensing and customer-linking capabilities that leads to superior organisational performance.

Customer consequences include perceived quality of products and services that an organisation provides customer loyalty and customer satisfaction regarding the organisations offering (Kirca *et al.* 2005:25). Students' satisfaction, which is an outcome of having paid special attention to the student and industry as well, is related positively to market orientation (Assad *et al.* 2008:6). Therefore, market orientation proposes to enhance customer-perceived quality of the HEIs offerings by assisting in creation of and maintenance of superior customer value.

In the case of employee consequences, Kirca *et al.* (2005:27) contend that market orientation outcomes include organisational commitment (such as willingness to sacrifice for the organisation), employee team spirit, customer orientation (such as the motivation of employees to satisfy customer needs) and job satisfaction.

Given the institutional-wide nature of market orientation, it is plausible that motivated employees will be more likely to undertake positive behaviours and respond to the interest of the organisation (Lings & Greenley 2009:43). Market orientation can reduce role conflict, which Siguaw *et al.* (1994:107) define as the incompatibility of communicated expectations that hamper employee's role performance. This gives support to the importance of opting for market orientation and ensuring that HEIs promote participation.

It is noteworthy to state that the consequences of market orientation need to be monitored. Examples include changes in the composition of the student body that can be monitored using a number of descriptors (Tonks & Farr 1995:32). With respect to consequences, results obtained allow one to state that market orientation

affects HEIs performance. In addition, Assad *et al.* (2008:6) argue that the universities relative ability to attract non-governmental funds is attributed because of market orientation.

The synthesis model explains the implementation issues of the marketing concept, emphasis on certain conditions in becoming market oriented and also indicates the linkage of market orientation to organisational success. The identification of all these variables is critical because market orientation does not develop by itself but once it is developed, it leads to better organisational performance. The lessons learned from this section will put academics and marketing administrators within HEIs in a comfortable and good stead to implement market orientation.

For HEIs to succeed, they must make efforts to become an employee-oriented institution. This can be achieved through internal marketing conditions, which is addressed in the following section. The level of achievement of internal marketing orientation execution will determine the success or failure of HEIs in adopting a market orientation perspective.

3.7 INTERNAL MARKET ORIENTATION

Barry as quoted by Gounaris (2001:435) asserts that everything known about the external application of marketing has a counterpart application internally. Thus, a promising direction for advancing further our understanding regarding facilitating market orientation is the notion of internal market orientation. Through internal market orientation adoption, internal marketing strategies become more effective and thus strengthen HEIs competitive position in the external market.

Market orientation theory to date, mostly uses an external focus when, in fact, it could also consider the internal marketing processes within the firm. In this regard, Gray (2000:1) proposes internal marketing acting as a catalyst for an external market orientation theory and visualises it as a process. Fisher, Robert and Elliot (1997:54) visualise internal market orientation as a process, which is facilitated internally where employees in different departments and functions see other employees as their customers. Internal market orientation is identified as the extent to which an organisation is committed to creating value for its employees through the effective management of relationships among employees and management (Carlos & Rodriques 2012:692).

3.7.1 Conceptualisation of internal marketing

Internal marketing has been defined variedly in the marketing and organisational behaviour studies (Bansal, Mendelson & Sharma 2001:63). In an educational context, the importance of staff buy-ins is considered critical to complement the external marketing strategies employed in most institutional contexts (Akojee & McGrath 2008:139). This implies that the importance of ensuring that staff is adequately motivated to undertake the tasks, which in part hinges on creating a conducive working environment, is paramount. Attention to internal marketing enables employees to be convinced about their role in marketing (Hartley 1999:310). The notion of internal market orientation, therefore, ensures that attention is paid to the role that employees play in the organisation.

Internal marketing is grounded in improving the response strategy of the organisation and consequently its ability to satisfy employees consistently. Carlos and Rodriques (2012:692) define internal marketing as the extent to which an organisation is committed to create value for its employees through the effective management of relationships among employees and the management. As the front-line of the service delivery components, employees represent the critical component at the coalface of the delivery of services.

According to Ahmed and Rafiq (1995:33), the concept of internal marketing was developed in the 1980s drive for quality in the services environment through the examination and control of the service delivery mechanisms. The main reason advanced for this drive was that superior service delivery required motivated and customer-conscious employees. Internal marketing is a prerequisite to market orientation and is considered to operate by facilitating the adoption of marketing plans and strategies of the organisation. Internal marketing is grounded in the basic premise that by increasing the quality of service transactions with the internal customers, the organisations can subsequently influence the quality of transactions with external customers (Frost & Kumar 2000:358).

The definition adopted for the purposes of this study is the one proposed by Grönroos (1985:41;1991:85) in which "[holds] that an organisation's internal market of employees can be influenced most effectively and hence motivated to customer consciousness, market orientation and sales mindedness by applying a market-like approach and by applying marketing-like activities internally". This suggests that the

internal marketing of employees is best motivated for service-mindedness and customer-oriented behaviour by an active market-like approach where marketing-like activities are used internally. The definition is congruent with Dubin's (1978:134-135) prescription that the definition of internal marketing should determine the boundary limited by the employment of marketing-like techniques in the internal contexts and classification, which are essential preliminaries to analysts.

Drawing from the market orientation paradigm as outlined in Section 3.3, especially from Kohli and Jaworski's (1990:1-15) studies, internal market orientation consist of three pillars, namely generation of relevant internal-market intelligence, disseminating this intelligence between employees and supervisors and responding to this intelligence with appropriate internal marketing strategies (Gounaris 2006:436). These pillars are in fact managerial activities, which comprise behavioural dimensions of internal market orientation (Lings & Greenley 2005:296). The elements are illustrated in Figure 3.10.

Figure 3.10: A proposed conceptualisation of internal marketing orientation
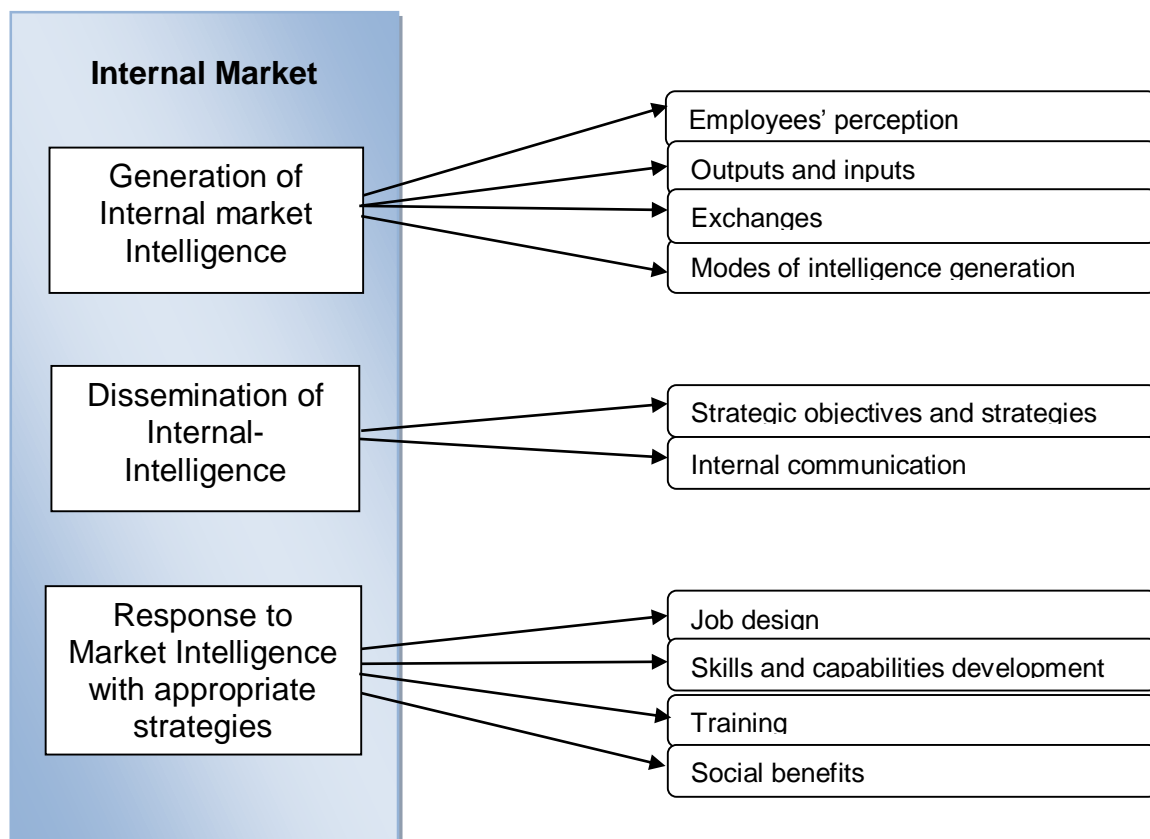
Adapted: Gounaris (2006:436)

3.7.1.1   Generation of relevant internal-market intelligence

Intelligence generation within internal market s concentrates on identification of the following:

Employees' perception of their inputs to their jobs, employees' perception of their outputs and employees' perceptions of the equity of this exchange (Lings & Greenley 2005:296).

The need for managers to generate intelligence about the things of value that are exchanged in internal marketing is well recognised in the literature (Ewing & Cariana 1999:17). Modes of intelligence generated include formal written information, formal face-to-face information and informal face-to-face information generated.

3.7.1.2   Dissemination of relevant internal market intelligence

Disseminating of relevant market intelligence relates to two-fold communication, namely:

First, it is about communicating new marketing strategies and organisational strategic objectives to employees and secondly, communication to build an understanding of the employee needs between organisation managers (Gounaris 2006:436). The outcome of this exercise consequently leads to the ability to disseminate information, which is particularly important to internal market orientation context.

3.7.1.3   Responding to the relevant market intelligence with appropriate strategies

Finally, responsiveness to this intelligence pertains to designing the jobs that meet the needs of the employees and consequently develop skills and capabilities that employees job descriptions require (Gounaris 2006:436). This is a dimension of internal market orientation that involves responsiveness about the preferences of individual employees. Huseman and Hatfield (1990:100) contend that the less tangible social benefits like status and a sense of accomplishment are more important than tangible benefits.

An internal market orientation crosses marketing and human resources management function and, therefore, managerial activities are thus operationalised

as an internal market orientation (Gray 2000:3). It is the behaviour of the mentioned elements displayed by employees that will lead to improved performance. The elements are further outlined in section 3.4.4 and are regarded as cornerstones to Chapter 6.

Having delineated the domain of internal marketing, the next paragraphs will address the implementation of internal marketing orientation through a multi-level implementation model.

3.7.2　　A multi-level implementation model of internal marketing

Ahmed and Rafiq (1995:35) proposed a multi-level model of internal marketing to address the issues of implementation. Specifically the model employs an internal marketing mix (comprising of six elements), internal marketing research, internal segmentation and positioning, and is operationalised through three strategic levels, namely direction, path and action as illustrated by Figure 3.11. The relevancy of these elements within the context of HEIs will be addressed under Section 3.3.3.

The model is characterised by the use of marketing-like techniques internally, and includes a multi-level arrangement of internal marketing tools and techniques to generate commitment and superior implementation, and that the model is embedded within a strategic framework thus reflecting on how strategy can be implemented.

Figure 3.11: Multi-level model of internal marketing
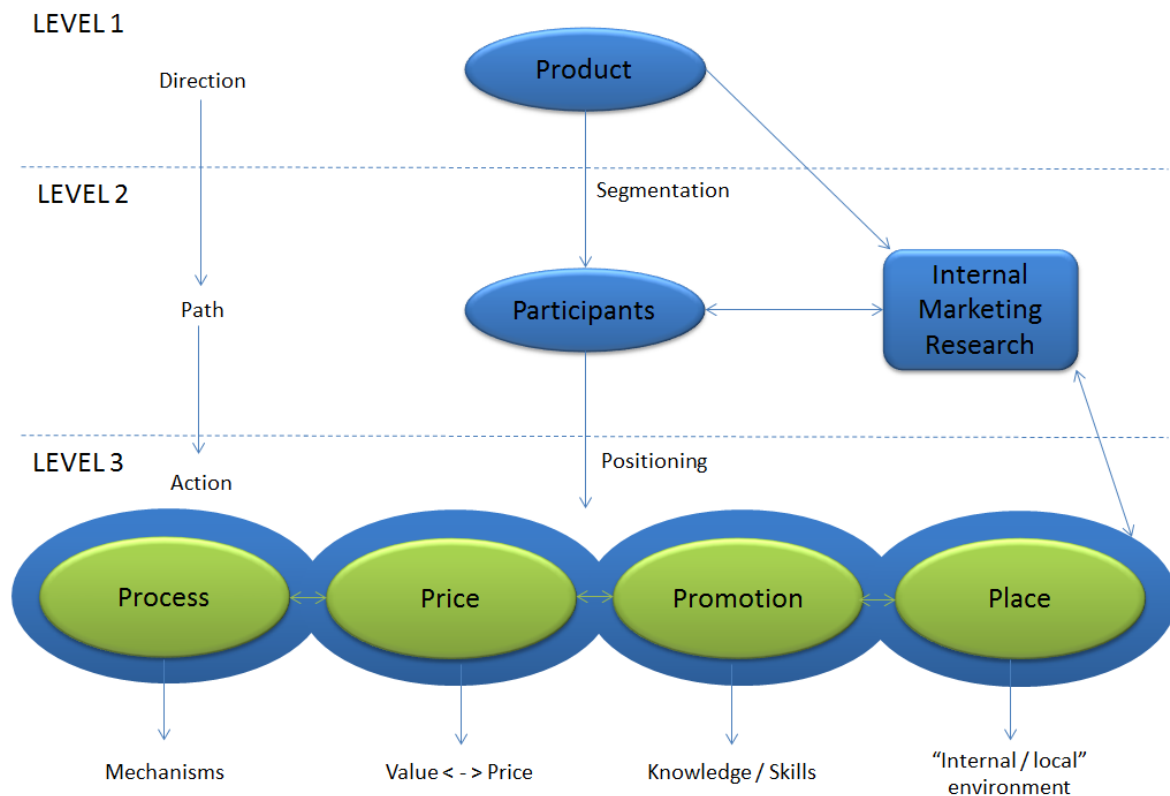
Source: Ahmed and Rafiq (1995:36)

3.7.2.1   Strategic level 1: direction phase

The strategic level refers to the definition of the direction of the institutional efforts. In the internal context, it is the product, which sets the direction.

- **Product**

This requires an evaluation of external opportunities and an understanding of institutional capabilities. The product element, which could be viewed as the change required (e.g. effecting change in attitude and behaviours of employees) is evident at this level and sets the agenda accordingly (Musika 2002:53). Therefore, as a condition, the product must incorporate aspects arising from the needs and requirements of employees (Wiese 2008:90). This is a prerequisite for efficient and effective implementation to occur.

- **Marketing research**

Internal marketing research assists to link external marketing research efforts to deliver realistic opportunities in line with current and future competencies and

capabilities. This activity precedes translation of visions and missions of change into reality. Both internal and external market research opportunities are critical at this juncture (Ahmed & Rafiq 2003:1177). In addition, the top management must be convinced that adoption of such a change would assist in increasing competitiveness, improve performances and in turn, job security for everyone. The information available can then be fed into the process of specifying the product (Sharma, Binsardi, Green & Ekwulugo 2012:25). Once a direction has been set by specifying the product, it leads to the next level of decision being the path phase outlined in the next paragraphs.

3.7.2.2 Strategic level 2 path phase

The path level includes the participants and look at ways of segmenting them into groups with similar needs (Hawkins & Mothersbough 2009:37). Furthermore, it requires specification of the route from the numerous alternatives possibilities to achieve the change or mission, which the organisation will follow.

- **Internal segmentation**

Here specific attention is paid to deciding who the participants are in the process of change and implementation. The model's operationalisation at this stage requires that internal marketing research be conducted to identify the needs of the internal markets. The next step would then be grouping these individuals based on their need requirements and other characteristics like demographics. The process of segmentation of employees is key in this juncture, and necessary to guarantee absolute confidentiality in order to garner valid responses (Lings 2004:416). Once internal segmentation has been completed, it is possible to implement the action phase discussed in the next section.

3.7.2.3 Strategic level 3 action phase

This final strategic level refers to actions, which require translation of a particular option into specific courses of action (Gounaris 2006:501). After participant segmentation has been completed, the next level would be ideally to start the process of positioning and targeting the identified segments by means of the remaining elements of the internal mix, namely process, price, promotion and place (all occurring at stage 3).

- **Internal positioning**

In the internal context, positioning aims at separating those associations, which are to be built on and emphasised and those, which are to be removed and eradicated. Internal positioning requires the creation of tactical package of actions (for example, changing employees' perceptions), to overcome identified barriers as well as to fulfil employee needs (Musika 2002:67). Internal positioning is segment-specific and involves the leverage of the marketing mix components in order to attain pre-specified goals. Effective positioning, therefore, requires careful management of the remaining elements of the internal mix (Hooley, Saunders & Piercy 2004:57).

- **Process**

The process element defines the nature and manner of involvement in order to deliver on requisite duties and goals. The process element takes care of designing an appropriate delivery format and includes issue like organisational structure, power, leadership, reward systems, etc. (Lamb *et al.* 2010:568). It further defines the context and mechanisms through which other internal marketing mix components are structured.

- **Price**

In the context of market orientation, price refers to the sacrificial cost of buying in of employees to the institutional offerings. This element could be operationalised in an internal context by viewing it as a balance between utility/value (that can be gained from these changes) against cost to both the employee and the organisation (Wiese 2008:115-116). This view is preferred since it directs attention, not only to what is required for change to take place but also to the value, which can be derived from these changes (Palmer 2005:48).

- **Promotion**

Operationalisation of promotion in the internal context can take the form of careful examining of how the range of promotional devices can be employed to increase knowledge, skills and awareness of strategic change issues (Nicolescu 2009:36; 41). Promotion activities can be used to aid the "buying into the programme" process by employees (Lamb *et al.* 2010:570). It also includes activities that communicate the idea or concept and persuade the target market to purchase.

- **Place**

The place element in the internal context relate to settings within which transactions/exchanges takes place between the organisation and its employees. This could take the form of empowering employees through structural and responsibility adjustments (Nicolescu 2009:41). Generally, the aim of the place element is to attempt to devise an internal environment and atmosphere, which are conducive to achievement of particular goals through attempting to change and fine-tune organisational culture (Strydom *et al.* 2000:466). Place includes business activities that makes the sold concept available to the targeted internal customer.

Lastly, Lings and Greenley (2009:50) conclude their study on the impact of external and internal market orientation on firm performance with the following recommendations:

- Develop a better understanding of the wants and needs of employees

- Need to enhance their listening skills

- Learn to generate information around needs and wants of employees

- Facilitate the dissemination of information generated throughout the organisation

- Encourage debate regarding the most appropriate response to employees' wants and needs

- Balance employees needs and wants with the organisational objectives.

In summary, the following features are exhibited by an internal marketing oriented organisation:

- creating an enabling culture (Jaworski & Kohli 1993:56; Rafiq & Ahmed 2000:453) and supportive culture (Jacob 1994:24; Musika 2002:43)

- practising participant hiring (Noe, Hollenbeck, Gerhart & Wright 2000:164)

- ensuring equitable recognition and reward (Lynch, 2000:817)

- demonstrating fairness during hard time (Musika 2002:43)

- a learning organisation (Quester & Kelley, 1992:218), and

- a good organisation structure that promotes learning and total quality management (Quester & Kelley 1992:218; Musika 2002:43).

The most effective way of a proper implementation of internal marketing is the blending of aforementioned marketing tools to produce the intended response from the internal target market (Kotler & Armstrong 2001:67).

In an education context, the importance of ensuring that staff are adequately motivated to undertake the task, in part, hinges on creating appropriate working conditions (Akojee & McGrath 2008:140). Internal market orientation ensures that the promises made by the student recruitment function of HEIs to the external markets are achieved. This approach requires involvement of all employees having a clear understanding of both the HEIs marketing strategy and its promises to prospective clients or customers.

Gray (2000:1) asserts that internal marketing act as a catalyst for an external market. The next section highlights the suggested approaches and strategies to implement market orientation externally.

3.8   MAIN IMPLEMENTATION APPROACHES OF MARKET ORIENTATION

As mentioned in Section 3.4.2, this section is devoted to the discussion of implementation approaches of market orientation. The South African HE is fragmented with many stakeholders in the different sectors such as business, industry and communities. Various transformational changes in the past like NPHE (2001) as well as future challenges require market players to revisit their current market positions and adapt their offerings to the evolving environment. Van Vuuren and Worgotter (2013:116) allude to the dynamics in HEIs, the growth potential and the regulatory challenges that makes HE an ideal sector for studying the market driving and market driven ability of organisations as outlined in this section.

3.8.1   Market driven versus market driving behaviour approaches

Ottesen and Gronhaug (2003:180) refer to an assumption in the marketing studies that the market is given and that success depends on adequate understanding of and responsiveness to changes in the market place. This exemplifies a market driven approach, which lacks a constant innovation to compete in a dynamic market

(Jarrat 2007:28). A market driven approach refers to an organisations reaction to expressed customers' needs (Van Vuuren & Worgotter 2013:116). In contrast, market-driving approach contends that the environment can be influenced and changed by transaction and that the firm can benefit (Jaworski, Kohli & Sahay 2000:45). The authors further observed that market-driving approach is a unique set of abilities required to influence the market or the behaviour of stakeholders to enhance the business part of the organisation.

Jaworski *et al.* (2000:45) make the following distinction between market-driven and market driving behaviours: A market-driven approach relates to an orientation that is based on understanding and reacting to the preferences and behaviours of key stakeholders within a marketing structure while driving markets entails considering influencing the structure of the market and/or behaviour of the key market players in a direction that enhances the competitive position of the organisation. An organisation is deemed to be market-driven when it bases its actions on understanding and reacting to the preferences and behaviours of players within a given market structure. On the other hand, an organisation is deemed to be market-driving when it seeks to influence the structure of the market and/or behaviours of the market/players in a direction that enhances the competitive position of the organisation.

3.8.1.1 Market driven approach

As expressed by Foley and Fahy (2004:220), the market-driven firm has the capability in the marketing sense to be aware of changes in its market, and to forecast accurately responses to marketing actions. A market-driven firm, therefore, attempts to learn, understand and respond to the preferences or behaviours of the stakeholders under a given structure (Jaworski *et al.* 2000:45). The organisation should perform superiorly compared to competitors as the customer value is the heart of this approach, *inter alia* reactive and aimed at adapting to market evolution (Gotteland *et al.* 2007:53).

Day (1998:120) stipulates the following conditions for change in the development of a market-driven organisation:

- pay utmost attention to competitive performance, which is key;
- perform at least equal to or preferably superior than competitors

- all market-driven activities should strongly be collaborated.

Carrillat, Jaramillo and Locander (2004:10) together with Harris and Cai (2002:185) identify three factors that create a market driven organisation being:

- altering the existing conditions through unique business practices;

- shaping the market structure and;

- leading stakeholders in offering completely new propositions.

Furthermore, Jarratt (2007:28) pointed out that the approach lacks a constant innovation to compete in dynamic and volatile environment; therefore, it needs to be complemented by the market driving approach discussed hereafter.

3.8.1.2   Market driving approach

Market driving approach focuses on changing of the market structure and market behaviours such as proactive orientation and a desire to guide market evolution (Gotteland *et al.* 2007:53). In terms of driving the market structure, Jaworski *et al.* (2000:48-50) allude to the following three basic approaches:

- First, the deconstruction approach, which refers to industry value chain reengineering through reduction of market players.

- Secondly, the constructionist approach relating to the addition of market players into the industry value chain.

- Thirdly, the functional modification approach, which can either be merging or unmerging of a firm or groups of firm in order to have more potential in business.

In shaping the market behaviour Jaworski *et al.* (2000:51) suggest either shaping the market behaviour directly (by building into or removing constraints of stakeholders) or indirectly (through creation of new preferences and or reversing current preferences of stakeholders in the market).

Elements of market driving approach frequently outlined in the market orientation are market sensing, influencing customer preferences and alliance formation (synergy). Harris and Cai (2000:185) argue that market sensing in the form of generating and using information to alter markets is considered as a crucial aspect of market driving. Jaworski *et al.* (2000:51) mention that influencing customers'

behaviour is an essential part of the market driving behaviour. Kate, Singh and Perlmutter (2000:226) allude to the use of strategic alliance as indicative of the specific number of alliances and the duration of alliances in the areas of research and development and marketing. Jobber (1995:9) takes the argument further by suggesting that a deeper understanding of the implementation of market orientation can be gained by contrasting in detail a market driven and an internally oriented organisation as portrayed in Table 3.8. Similarly, Morgan and Strong (1998:1066) suggest that market oriented organisations differ from internally oriented organisations, which maintains an ad-hoc, reactive, constrained and diffused stand toward business environment.

Table 3.8:   Differences between market driven and internally oriented organisations

Market driven organisations	Internally oriented organisations
Customer concern is key throughout business	Convenience is priority
Know customer choice criteria and match with marketing mix	Assume price and product performance as key to sales
Segment by customer differences	By product
Invest in market research and track market changes	Rely on anecdotes and reserved wisdom
Welcome change	Contend with status quo
Try to understand competition	Neglect competition
Marketing spend regarded as an investment	Viewed as a luxury
Innovation reinforced	Not rewarded
Search for latent markets	Status quo favoured
Be Fast	Why rush?
Strive for competition	Happy to be me

Source: Jobber (1995:10)

Although, there are differences between the market-driven approach and the market-driving approach, Gansuwan and Siribunluechai (2011:12) recommend that

each approach be regarded as separate and different. The authors summarises the interplay between the approaches as follows: as substitutes of each other, as complementary, as consecutive behaviours and as two extremes positions on a continuum. To this effect, Connor (1995:1157) cautions organisations to be strategic and select among a spectrum of orientations available.

According to Schinddehutte, Morris and Kocak (2008:17) organisations have to alternate between market driving such as responding to customers or market needs and improving existing offerings and to be market driven at a stage when organisations restart the innovation process to maintain their competitive advantage. This view is further supported by other researchers who insist that a market-driven approach is necessary for a market driving approach (Jaworski *et al.* 2000:47; Harris & Cai 2002:84). Therefore, HEIs can be both, *inter alia* they can drive markets and be market driven at the same time.

3.8.2 The service marketing mix approaches of HEIs

There seems to have been only a fragmented application of marketing principles in the HE sector, because most institutions have lacked strategies to translate marketing orientation into their functional management. The concept of marketing mix elements has been developed over time from the traditional four elements of product, price, promotion and place to include a fifth element "people" (Gray 1991:30). Later on, McColl, Callaghan and Palmer (1998:4) added physical evidence and process to constitute what is known today as the seven elements of the marketing mix (Maringe 2008:132). In this regard, Ewers and Austen (2004:1), suggest the use of 7Ps of service marketing to ensure that management cultivate a market orientation approach in their management style. The premise is that an explicit market orientation will inform the strategic vision and operational planning thereby shaping the marketing orientation culture in HEIs concerned. Table 3.9 provides the definitions of the marketing mix applicable to both profit and non-profit organisations.

Table 3.9:   The marketing mix definitions

Product	The goods or services being offered to the market
Place	The location and accessibility of the goods or services
Price	The resources needed by customers to obtain the goods or services
Promotion	The activities communicating the benefits of the goods or services
People	Those involved in selling and performing the service and the interaction of customers
Process	The operational system by which delivery is organised
Physical evidence	The environment in which service is delivered and the goals, which enables the services provided

Source: Gray (1991:31)

3.8.2.1   The service product approach

According to Maringe (2008:146) this element refers to the nature of the product obtained from the universities in terms of the appropriateness of subject combinations and the potential for accessing employment that comes with doing the right degree with respect to the nature of the curriculum (particularly subject combinations and how the degree meets future employment needs). Etzel, Walker and Stanton (2004:208) define a product as a set of basic attributes assembled in an identifiable form. Naude and Ivy (1999:127) further contend that a broader definition of a product is needed to incorporate the fact that customers are not really buying a set of attributes, but rather benefits that satisfy their needs. Students do not buy degrees but they are buying the benefits that the degree can provide in terms of employment, status and life.

3.8.2.2   The service price approach

This is the only strategy able to influence the revenue of the institution directly and is associated with the funding strategy (Enache 2011:28). Here universities need to realise that price is not just a question of how much it will cost the student to do a degree programme, but also includes the hidden costs in terms of transport, accommodation, and opportunity costs to be considered by students in their choice

of a university in order to obtain good grades (Maringe 2008:146). The entry requirements, the direct and indirect costs of enrolling into a particular university also form part of the issues to be addressed through the pricing strategies.

3.8.2.3 The service promotion approach

The promotional strategy addresses two main segments being students and public opinion and is responsible for the brand and reputation of the institution (Enache 2011:29). The promotional strategy is focused on finding efficient ways for the institution to reach its recipient out of a myriad of important channels. In addition, the promotional strategy is influenced by the image of the institution. Promotional policy concentrates in HE around marketing communication and dissemination of information mainly in the contexts of choices made by potential students (Nicolescu 2009:41). The reputation of the university and how prominently it is projected in the media plays a critical role in this regard and various media should be employed to promote the image and reputation.

3.8.2.4 The service placement approach

The placement strategy has a twofold purpose being, first trying to find the most effective methods to deliver the knowledge to the students and secondly, trying to develop ways to efficiently place the student on the labour market (Gray 1991:31). Enache (2011:26) further alludes to the availability and quality of institutional infrastructure including the attractiveness of the campus as contributing to the placement strategy employed by institutions. According to Nicolescu (2009:37), this also refers to ways through which the institution makes the product/service available to consumers.

3.8.2.5 The service people approach

In HEI context, the people include all human actors being all those who can be classified as an organisation's personnel and customers (Wiese 2008:11). The educational services being an inseparable and variable product, is connected strongly with the people involved in delivering it*, inter alia* both the administrative staff and the teaching staff (Maringe 2008:147). The teaching staff offer public visibility and are definitely a key component of the entire marketing mix, while the administrative staff plays a major role during enrolment phase when it has to deal

with potential student's requests. According to Enache (2011:27), the people strategy is the most important add-on from services marketing and touches on quality, maturity, experience and reputation of university staff.

3.8.2.6   The service process approach

The process strategy is the only process that transforms a candidate into a student and thus plays a major role in the enrolment process (Enache 2011:29). Maringe (2008:146) considers the strategy to include the general organisation of the degree programme including its structure, such as the structure of the degree programmes and how these programmes are generally organised. This might include formal work experience component as a preparation for future employment and as a mechanism for strengthening the theoretical aspects of the learning experience. It is best viewed as an element of service that ensures that the customers experience an organisation's offering (Wiese 2008:115).

3.8.2.7   The physical evidence approach

The physical evidence plays a prominent role as proof of the product in the making because of the intangibility of the educational product such as proof in the enrolment phase and proof of the knowledge acquired by the graduate, which is the diploma (Maringe 2008:146). Its importance is highlighted by, for example, students going to a HEI with far more expectations about the quality of their accommodation and learning environment and as a result, the onus is on the institution to pay more attention and create a more conducive learning environment.

The physical evidence according to Enache (2011:28) includes a peaceful and conducive university learning environment and the support it should provide for learning and safety. The strategy also relates to the environment in which the service is delivered, and the tangibles that helps to communicate and perform the service. Due to simultaneous production and consumption of most services, the physical facility such as the services cape can play an important role in the service experience.

It must be borne in mind that these 7 Ps as outlined are not discrete entities and, therefore, require a careful blending to give a competitive edge to the institutions. Customer service lies at the heart of modern service industries including HEIs, and

customers are likely to be loyal to organisations that serve them well. Associated with customer service are a number of processes as discussed in making market orientation effective in HEIs.

If the services marketing mix approaches are operationalised as suggested above, then HEIs will survive and grow. This suggests that HEIs should try to blend all these elements into their marketing strategies in order to remain competitive in the market place. Adhering to these approaches will also provide these institutions with insight into their customers (students) decision-making processes when they select institutions.

3.8.3 Marketisation of HE

Whitty and Power (2000:93) allude to recent education reform in many countries including South Africa, which has sought to dismantle centralised educational bureaucracies and create systems that emphasise parental/student choice and competition between schools, as leading to an increasing marketisation and creating quasi-markets in educational services. With a growing engagement with the world beyond the universities gates, higher education institutions have had to rise to the challenges of managing their external relations. This brought these institutions into areas that have been terra incognita for most managers in education.

Foskett (2002:241) identifies the following three broad pressures towards external engagement as a direct result of the processes of globalization, namely:

- the desire to prepare young people to engage with global economy and technology has forced institutions to engage with that external environment

- to compete internationally, the government has sought to raise the quality and quantity of output of education, which led to establishment of quasi-market systems for components of their education systems

- the libertarian view of the rights of individuals in society has promoted stronger ties between institutions and their environments.

The survival of HEIs in the market place depends on completion and efficiency rather than meeting social needs. The HEIs are converted generally as service providers in the market place from their original role of creating social knowledge.

Recent years, according to Teixeira and Dill (2011:7) have seen the strengthening of a discourse that emphasises the advantage of privatisation over public sector and the HE arena has not been an exception to that end. Michael (1997:26) alludes to two opposing views under which HEIs provide their services as consumerism and professorialism. Consumerism is a business concept that regards customers as kings whilst professorialism relates to an academic ideology where academics regard themselves as kings.

3.8.3.1 Origin of marketisation

It is a term which forms part of new public management (NPM) and can be understood as the use of markets or market type mechanisms (MTM), with the explicit or implicit aim of improving public sector activities (Hughes 2003:8). Marketisation in education refers to the adoption of free market practices in running schools such as adoption of market practices (Kwong 2000:89). According to Johnston (2008:8), the premise of marketisation of HE is that markets are more efficient, more responsive to consumer demands and thus allow institutions and public activities to better adapt to changing environments.

Increasing costs of running HEIs and funding educational programmes coupled with decreasing government subsidies to support such costs have made marketisation of HEIs a common phenomenon throughout the world (Susanti 2011:209). Other common factors alluded to in the literature on the subject of pushing HEIs towards marketisation (Levidow 2001:1-2; Jongbloed 2003:110-117; Witty & Power 2000:93-107) are:

- the spread of market discourse and the use of the economic market as a model for political and administrative relationships

- the massification of HE

- the increasing number of private providers of HE and research

- the rise of a global market for education and research

- the rising costs of expanded tertiary education systems

- the changing balance of private and public funding

- pressure for management efficiency in the face of widened access and reduced resources

- the increasing regulatory and policy pressures.

Therefore, marketisation is a global phenomenon and a direct result of a developing perspective on the nature, purpose and role of education within the society. Furthermore, a combination of market accountability, political accountability and social accountability all serve to push HEIs in the direction of external relations management. In this regard, Levidow (2001:13-14) prescribes the following strategies and counter-strategies for HEIs that hope to be competitive in the HE sector.

3.8.3.2 Strategies

The following have been identified as strategies to promote marketisation within HEIs:

- Regarding efficiency and effectiveness as progress

- Commodification in the sense that prospective students are viewed as customers/markets to justify commodifying educational services through individualised learning, which will promote and naturalise life-long re-skilling for a turbulent labour market

- Globalisation. This entails realisation that marketisation intensifies the competitive pressures from which HEIs needed protection as neoliberal internationalism is promoted globally.

3.8.3.3 Counter-strategies

Counter-strategies serve as a defensive approach to counter opposed plans to marketisation agenda and includes the following:

- Demonstrating links among neoliberal forms involving funding priorities, performance indicators, new technology, curriculum changes etc.

- Linking resistance across constituencies and places through an international network against anti-marketisation struggles and strengthen solidarity efforts

- De-reifying ICT to enhance critical debate among students and teachers such as social relations

- Developing alternatives that would enhance critical citizenship, cultural enrichment and social enjoyment through learning.

It is imperative to realise that in the above-mentioned strategies and counter strategies, academic freedom can be encouraged and linked with public debate over a potential and desirable future.

3.8.3.4   Implications or consequences of marketisation

The literature is replete with the following implications or direct consequences of marketisation (Dill 2003:136-137; Steier 2003:158-180; Teixeira, Amoral & Roso 2003:181-203).

- Relations with governments confronted with increased output steering, lump-sum funding and attempts to strengthen relations between HEI and their environments

- Relations with other multiple stakeholders

- Increased competition as a result of contract research for third parties

- Quality control

- International markets

- International co-operation

- Focus on external scrutiny of their performance and achievements

- Shift in their culture and their management organisation

- Shift from comprehensive values to market values

- The rise of new managerialism

- Decentralisation and accountability.

Marketisation produces a range of management implications as aforementioned for HEIs. Proponents of marketisation claim that it makes HEIs more responsive to the needs of the students and employers alike and in addition, generates efficiencies that can enhance the institutions goals (Bertelsen 1998:130).

The HEIs need to balance the student's needs and preferences with maintaining the institutions academic reputation within the NPHE (2001) as discussed in Chapter 2.

Although differing in extent, all universities are engaged in marketing by offering education as a product, persuading student candidates and their families, and charging them a price. Whatever the degree of marketisation, HEIs need to engage in the processes of marketing to some extent.

3.9 OTHER IMPLEMENTATION APPROACHES

A summary of other approaches, as suggested by Van Raaij (2001:35-41) and Van Raaij and Stoelhorst (2008:1273-1800) will be provided in this section in Table 3.10. This summary on classification of these approaches indicates the viewpoints, recommendations and basis for supporting the empirical findings. The approaches are outlined from the perspective of a practitioner who wants to intervene for improved market orientation. The approaches, in the view of the researcher, will also be relevant within HEIs, especially to managers assumed to have no specific knowledge of implementation of the marketing concept.

Table 3.10: Classification of other implementation approaches

Studies	Viewpoint	Recommendations	Basis of support
Kohli and Jaworski (1990)	Market orientation as activities	- Instil senior management commitment - Improve interdepartmental connectedness and reduce interdepartmental conflict - Redesign organisation wide systems	Data from about 500 managers showing correlation between market orientation and five implementation factors
Lichtenthal and Wilson(1992)	Market orientation as behavioural norms	- Diagnose current organisational value system - Develop list of desired behaviours - Develop top-down programs to change norms and /or create new norms	Conceptual paper

Studies	Viewpoint	Recommendations	Basis of support
Ruekert (1992)	Market orientation as activities	• Diagnose current behaviours, systems, individual outcomes and business performance • Adapt systems for recruitment and selection • Adapt systems for training • Adapt systems for rewards and compensation.	Data from 400 managers from one firm show correlations between market orientation and recruiting, training and reward systems.
Day (1990) (1994) (1999)	Market orientation as a capability	• Diagnose current market sensing, customer linking and channel bonding capabilities • Anticipate future needs for capabilities • Redesign business processes • Signal management commitment • Use information technology creatively • Stretch improvement targets and monitor progress continuously	Largely conceptual; case descriptions illustrates the process of becoming market driven

Studies	Viewpoint	Recommendations	Basis of support
Narver and Slater (1990)	Market orientation as culture	• Use a priori education to gain • Commitment to the continuous creation of superior customer value • Use experiential learning to create an understanding of how to implement this norm	Conceptual paper
Homburg (1999)	Market- oriented management as organisational systems	• Reduce number of hierarchical levels, appoint key account managers and fill key management positions with employees having a marketing background • Increase inter-functional integration • Empower customer contact employees and involve customers in process redesign • Collect and disseminate market information and store it in accessible information system • Set market-based objectives, engage in environmental scanning, and involve customers in decision-making • Measure and analyse performance on the basis of market data	Data from 234 Small Business Units show correlations between market oriented systems and performance, 50 interviews with managers confirm many of the implementation issues

Studies	Viewpoint	Recommendations	Basis of support
		• Recruit people with a customer orientation, use training to disseminate market information, use customer satisfaction for performance assessment and rewards and use marketing skills as the basis for career development	
Harris (1996)	Market orientation as culture	• Recognise and confront negative organisational behaviours (such as conflictual, formalised and political behaviours) • Identify and foster positive organisational behaviours (such as communication) • Use a participative or a supportive leadership style to implement market orientation and avoid an instrumental leadership style • Use recruitment and training to establish the appropriate leadership styles	Three in depth case studies and data from 170 store managers offer support for the behavioural implementation factors. Data from 323 firms offer support for the choice of leadership style.
Kennedy *et al.* (2003)	Market orientation as culture	• Ensure an unbroken circuit of passionate, sincere, unified, and committed leadership from top levels to local managers "walking the walk" of customer orientation	Two in depth-case studies show differences between a progressing and a struggling organisation

Studies	Viewpoint	Recommendations	Basis of support
		• Use customer requirements and performance feedback to instil a culture of interdepartmental connectedness • Collect, disseminate and use data from external and internal customers so that a customer orientation becomes self-reinforcing.	
Gebhardt, Carpenter and Sherry (2006)	Market orientation as culture	• Once a threat to the organisation is recognised, a group of empowered managers needs to create a coalition to plot the change process • A complete transformation of the organisation must be planned, the larger organisation must be mobilised and a cultural shift created through a process of value and norm development reconnecting organisation members with customers and removal of dissenters and hiring of believers. • Formal changes such as alignment of rewards and indoctrination and training should follow informal ones	Ethnographic studies at seven firms reveal a four-stage process of cultural transformation.

Studies	Viewpoint	Recommendations	Basis of support
		• Cultural screening of new hires, culture maintenance rituals and on-going market connections should be used to sustain the new orientation of the organisation	

Source: Van Raaij and Stoelhorst (2008:1274-1276)

In addition, from a managerial perspective, Van Raaij and Stoelhorst (2008:1283) developed an integrative framework depicted in Figure 3.12 as a conceptual tool to structure and synthesise the different approaches already mentioned. The authors borrowed from the fields of organisational strategic management and marketing to derive the integrative framework. This integrative framework is further supported by studies conducted by Hult, Ketchen and Slater (2005:1173-1181). The framework is consistent with the implicit consensus in the market orientation literature concerning market intelligence generation and using that information to create customer value.

Figure 3.12: An integrative perspective on market orientation
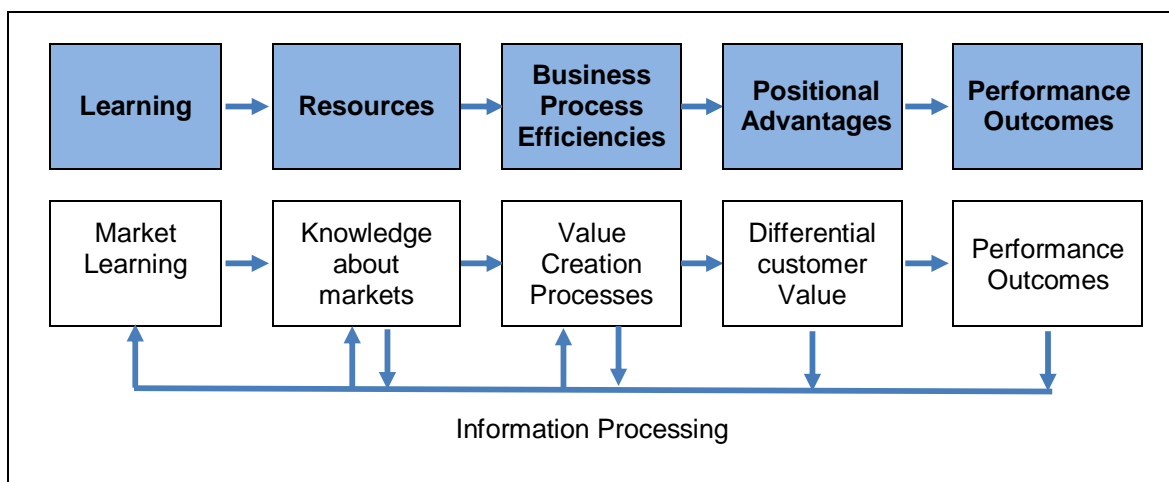
Source: Van Raaij and Stoelhorst (2008:1283)

With regard to Figure 3.12, within the HE context the first tasks involve information processing, which is followed by market learning (market research). Marketing

learning is undertaken to unearth pre-requisite conditions toward attainment of the implementation of the marketing concept. Value creation processes involve analysing the needs of current and potential customers in order to design the service/product that will satisfy the needs. Differential customer value refers to a distinctive advantage one competitor may have over another because of superior skills or resources. Lastly, performance outcomes or measures need to be constructed to support the academic involvement initiatives of HEIs, such as throughputs rate and research output rates.

It would not be conceivable to conclude this chapter on market orientation without referring to the measurement issue, which is critical in this regard. The following section will discuss this important component of the market orientation paradigm.

3.10   MARKET ORIENTATION MEASUREMENT

In a context marked by a growing awareness of the role of HEIs in an ever-increasing competitive knowledge-driven global economy, performance evaluation is at the forefront in HEIs. Furthermore, having introduced the notion of market orientation within HEIs, market orientation measurement is the next issue as indicated in Figure 3.3. In this section, the researcher seeks to provide HEIs and their management with methods that can assess the degree or level of market orientation as presented in the study and consequently improve the practice in their respective institutions. Measurement in this regard, concerns all core activities of HEIs (as alluded to in Chapter 2) that will continue to raise critical challenges in terms of approaches, methods, actors and indicators involved. This section lays a foundation for Chapter 5 in which the measurement approach will be discussed.

The importance of market orientation has generated keen interest in its measurement and, likewise, HEIs are required, like business firms, to monitor and adapt to the continuous changes taking place in political, social, economic and technological environment (Caruana *et al.* 1988:55). The absence of a single unified conceptualisation of market orientation as alluded to in Section 3.2.2, may be one of the reasons for the limited use of market orientation by HEIs (Gounaris 2006:35). This resulted in a variety of definitions for market orientation and gave rise to a multitude of scales in measuring the constructs (Van Raaij & Stoelhorst 2008:1270). However, the research instruments by Narver and Slater (1990:24) termed MKTOR,

and Kohli and Jaworski (1990:15) called MARKOR have been considered the most widely-used research instruments for measuring market orientation constructs.

In this regard, Darroch *et al* (2004:33-34) proposed the following classification of studies undertaken on the market orientation construct. The first group comprises studies that revisited scale properties in an attempt to develop a parsimonious market orientation scale: for example Siguaw and Diamantopoulus (1995:77-88) who revisited the MKTOR scale to test for uni-dimensionality at both a one-factor and three-factor level and then presented their four-dimensional market orientation scale. Deshpande (1998:3-15) developed and tested a scale synthesising the earlier MKTOR, MARKOR and Deshpande (1993:23-27) introduced DFW scales in this regard.

The second group of market orientation studies can be regarded as studies that have applied the MKTOR or MARKOR scales to different contexts. The examples include government departments and moderating effects on the marketing constructs (Jaworski & Kohli 1993:53-70; Slater & Narver 1994:46-55; Gray, Greenley, Matear & Matheson 1999:864-903). The third group consists of researchers who sought to demonstrate a relationship between a market orientation and a range of antecedents and consequences and include the following as examples:

- market orientation and firm performance by Ruekert (1992:225-245)

- market orientation and innovation by Baker and Sinkula (1999:411-427)

- market orientation and a number of strategic orientations by Morgan and Strong (1998:1051-1073)

- market orientation and competitive advantage by Akimova (2000:1128-1148)

- The effect of a supplier's market orientation on a distributor's market orientation by Siguaw, Simpson and Baker (1998:99-111)

- market orientation and a learning orientation by Slater and Narver (1995:63-74).

Gounaris and Avlonitis (2001:355), assert that most studies measure market orientation by applying conditions developed by MKTOR, MARKOR or a variation of these scales as mentioned. Underlying MARKOR's 20 items are three components: intelligence generation, intelligence dissemination and

responsiveness. The third component is composed of two sets of activities: response design and response implementation (Jaworski & Kohli 1993:54). An organisations market orientation score is the simple average of the scores of the three components.

On the other hand, MKTOR scale is a 15-item scale with all points specified in this measure. Market orientation is conceptualised as a one-dimensional construct, with three components, namely customer orientation, competitor orientation and inter-functional coordination (Narver & Slater 1990:24). Similarly, the market orientation score is an unweighted sum of the three components.

Gounaris and Avlonitis (2001:356) conclude that both measures can be used appropriately to measure the extent of market orientation practice of an organisation as a behavioural view that has been validated for face, discriminant and concurrent validity. The concern of these authors is that although both scales were developed to measure differences between firms, the scales, however, do not offer much help to assist in setting up benchmarks and prioritising actions when applied. To circumvent this limitation, both Gotteland *et al* (2007:54), and Carr and Lopez (2007:113) advocate for the synthesis of the existing approaches to measurement of market orientation. This approach is adopted for this study and is outlined in Chapter 5.

The authors felt that additional research should be undertaken to test the integrative framework of the scales that are foremost to the study of market orientation to allow for cumulative knowledge development. Many researchers have dealt with the measurement of market orientation and Tomaskova (2009:140) argues that these methods are limited compared to other applications and components. The components, which were outlined in Section 3.4.4, are critical as they form the cornerstone of the empirical components of this study in Chapter 6.

By evaluating their current status and knowing their positioning, HEIs can take advantage of these measures, improve specific components and gain advantages in certain directions (Camelia & Marius 2013:1748). Consequently, this will encourage a wider acceptance and application of market orientation throughout the HE sector. Measurement of market orientation will lead to an assessment of HEIs concrete market-oriented actions and not just their philosophy towards market orientation. Finally, management assessments of an institution's market orientation

might be the only possible indicator of the implementation levels regarding the specific institution's market orientation practice.

3.11 CONCLUSION

Marketing and market orientation concepts revolve around the organisations that know how to best satisfy their customer needs and wants. The marketing philosophy was then expanded to embrace all the concerns with regard to customers, competitors, and other stakeholders within the HEI environment. In laying down the foundation for the chapter, the researcher elaborated on the literature review of the three theories, namely the social learning theory, the resource based and the dynamic capabilities theories relevant to HEIs. Market orientation has been portrayed in three ways, namely implementation of the marketing concept, a culture consisting of behavioural elements and strictly as a culture.

The variances in perspectives to market orientation come about largely because of the issues surrounding the marketing concept and its implementation. As such, an exposition was done to provide a synthesis of the components of market orientation. Specifically, there is emphasis on an integrated market orientation construct in an effort to create greater value for the consumer while accomplishing the objectives of the organisation. Sheppard (2011:39) concludes that the market orientation construct is clearly not an easy one to delineate. In order to adopt effective implementation of internal marketing or achieve successful internal marketing, integrated internal marketing mix is important. To remain successful, HEIs should continue with internal marketing research. This will ensure that HEIs obtain the internal market intelligence in respect of the professional and social needs of employees. The emphasis was also placed on the need that every individual in an organisation should view colleagues as internal customers.

The section on the implementation explicitly followed a managerial view of market orientation. The reason forwarded is that one of the objectives of this study is to ask and provide HEIs with what they need and utilise to improve their market orientation. There is consensus that organisations should apply a holistic view to different approaches and mindsets to achieve organisation performance and competitive advantage. Last to be mentioned in this chapter, is the measurement issue of market orientation. Various measurement methods include the knowledge and components of MARKOR and MKTOR scales.

CHAPTER 4

BARRIERS TO MARKET ORIENTATION

4.1   INTRODUCTION

The preceding chapter set the scene and demonstrated that market orientation can improve services. Reference was made to what constitutes a market-oriented institution. However, the much individualised service and the complexity and scope of HEIs as discussed in Chapter 2, can impede the successful implementation of a marketing concept.

There is evidence to show that executives encounter a wide range of barriers in developing and sustaining market orientation in their organisations (Harris & Piercy 1999:113). Key research areas that are relevant to the study of market orientation include examining the conditions required for implementing the marketing concept as well as the impediments thereof. Thus, the aim of this chapter is to identify the possible barriers that hinder the implementation of the marketing concept and will focus on the determination of market orientation impediments.

The objective of the chapter is not to attempt to develop a list of barriers or typology of obstacles, but rather to identify and review the principal factors that appear to inhibit or discourage market orientation. These barriers are explored through a review of published articles and analysis. The first section will review the myths and realities surrounding market orientation as possible barriers towards implementation of market orientation.

Four sets or categories of barriers faced by organisations are presented in the subsequent sections. These relate to internal environmental barriers, organisational environment barriers, cultural barriers and external environmental barriers. In each instance, the studies, diagnosis and treatment of each barrier are explored. Existing research into the barriers and processes of market orientation are examined and critically appraised in terms of diagnosis and treatment thereof.

4.2   THE MYTHS AND REALITIES OF MARKET ORIENTATION

The objective in this section is to identify the misconceptions surrounding market orientation as a possible barrier to marketing adoption and use within HE. False assumptions can also be seen as implementation barriers to market orientation. One of the potential explanations for the lack of success in achieving market-orientation in HEIs is the assertion held by many that the cost and expenses borne are the critical barriers. This misguided contention views market orientation as too expensive or inappropriate in the present economic climate because of resource shortages. Harris and Piercy (1997:35-37) allude to the following specific misconceptions with respect to the costs associated with development of market orientation:

- Management time and effort. Dedicating vast amount of additional management time and effort to sustain a market focus throughout the organisation

- Training and development. Spending more scarce financial resources on training and development in an effort to implement a more responsive customer focused outlook throughout the organisation.

- Information and intelligence. Constructing new and expensive systems for gathering and dissemination of market intelligence.

- Planning. Developing more complex and time consuming plans and strategies centred on customer and market needs.

- Reward and incentives. Adapting more generous incentives and rewards systems to reinforce actions and behaviours, which improve market performance.

- Internal communication and internal marketing. Designing and implementing extra-ordinary new kinds of activities to promote market orientation for support of organisations vision, mission and objectives.

- Recruitment and induction. Implementing more complex and induction and recruitment procedures to encourage new employees to understand and appreciate customer values.

Kippenberger (1998:15) takes the argument further by providing a summary of these compelling arguments as follows:

- high costs associated to responding to customer complaints (maintenance and repairs)

- unnecessary expenses incurred by providing product or service attributes that are no longer valued by customers (redundant)

- under-pricing due to misconceptions about what customers value, above the necessary advertising and sales costs to replace lost customers

- lost market opportunities caused by the lack of a secure customer base.

In support, Harris and Piercy (1997:38) provide a summary in Table 4.1, as a basis to guide managers in evaluating the relevance and validity of these myths.

Table 4.1: **Summary of the differences between non-market and market-oriented management**

Activities and Resources	Non-Market-Oriented	Market-Oriented	Extra Cost Required
Training and development	Train in procedure etiquette	Training in customer services	Minimal
Information systems	Disseminating data on costs and revenues	Disseminating information about customers and markets	Minimal
Reward systems	Reward linked to sales	Reward linked to customer satisfaction	None
Formal planning	Planning around products	Planning around customers	None
Communication systems	Data on new procedures	Communication of customer needs	None
Recruitment and induction	Select solely on formal qualifications	Select on customer service capabilities	None
Management time	Geared towards sales	Geared towards customers	None

Source: Harris and Piercy (1997:38)

Cohen (2006:14) mentions widespread ignorance or a deliberate attitude ignoring what marketing is. In support to this statement, Yoke (1990:320) and Phing and

Ming (1997:273) agrees on the following three most critical mistakes made by professional service organisations as:

- defining and limiting marketing to advertising and sales as well as getting new clients

- misinterpreting or refusing to consider the organisation's implications of marketing

- neglecting to link individual marketing efforts into the organisations reward systems.

The truth is, that despite years of exhortation of market orientation, real market orientation is still comparatively low especially in HEIs and, therefore, continual refinement of the marketing concept is desirable. Guidance about managing and implementing market orientation in the face of barriers is more difficult to find. Simple lists of market orientation and prerequisites are not an adequate solution to the problem.

Management, especially in HEIs, need clear and systematic guidance similar to the one provided by Table 4.2, if they are to effectively implement market orientation. This involves offering specific directions in respect of diagnosis and treatment of management myths.

Table 4.2:   Diagnosis and suggested treatment to management myths

Studies	Barriers	Diagnosis	Treatment
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993); Narver & Slater (1990); Harris (1996) Slater & Narver (1994); Harris (1996); Harris & Piercy (1997); Kippenberger (1998).	Management time required myth	Customer focus development throughout an organisation requires a vast amount of management time and energy	Redirection of energy and effort away from internal preoccupations onto customers and the market

Studies	Barriers	Diagnosis	Treatment
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993); Narver & Slater (1990) Slater & Narver (1994); Harris (1996); Harris & Piercy (1997); Kippenberger (1998)	Training and development expenses and costs myth	To change every employees values and attitudes to support a market orientation require costly training and development	Organisation should invest in current courses and programmes that are readily adaptable and realigned to concentrate on "those skills and capabilities, which enhance company responsiveness and market focus".
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993); Narver & Slater (1990); Slater & Narver (1994); Harris (1996); Harris & Piercy (1997);	Information and intelligence expenses and costs myth	Gathering and dissemination of critical customer and market information is expensive	Collecting and dispersing of readily available information (like customer complaints and service levels) costs little more and re-focus attention to what matters most.
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993);Narver & Slater (1990); Slater & Narver (1994); Harris (1996); Harris & Piercy (1997) Kippenberger (1998)	Research and strategy costs myth	More expensive and time consuming process than planning and budgeting based around products	Direct time and resources to what matters such as researching customer needs, monitoring the market place and developing marker strategies.
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993); Narver & Slater (1990); Slater & Narver (1994); Harris (1996); Harris & Piercy (1997); Kippenberger (1998)	Rewards and incentives myth	Devotion of much time and effort in offering incentives and rewards to customer focused actions and behaviours	Ensure that rewards and incentives are directed at improving market place performance (like service quality and higher levels of customer satisfaction) rather than some internal yardstick.

Studies	Barriers	Diagnosis	Treatment
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993); Narver & Slater (1990); Slater & Narver (1994); Harris (1996); Harris & Piercy (1997); Kippenberger (1998)	Communication expenses myth	Requirements of an organisation-wide understanding of customer and market needs and sustaining a continuing market orientation is costly	Internal communication activities in place to redirect attention and emphasis towards markets, customers and customer service.
Kohli & Jaworski (1990); Ruekert (1992); Jaworski & Kohli (1993); Narver & Slater (1990); Slater & Narver (1994); Harris (1996); Harris & Piercy (1997); Kippenberger (1998)	Recruitment and induction time and costs myth	Time and new costs associated with processes to inculcate an understanding by new employees of customer value and a positive attitude toward customers	Redirecting attention toward an emphasis on the need for service and customer satisfaction

Source: Own compilation

It is the development of market orientation and its associated improvements in the efficiency and effectiveness of exchanges that is critical to the success of HEIs (Qu & Ennew 2005:63).There has been little empirical research published on this subject of the myths and realities towards market orientation.

The problem for practitioners and management attempting to achieve market orientation benefits are the implementation barriers they encounter when applying market orientation. In this regard, Tomaskova (2009:535) analyses barriers to market orientation applications, which were previously mentioned in other research studies (Harris 1996:222; Trueman 2004:6), and categorised these into internal, organisational, cultural and external barriers. The different categories of market orientation barriers will be discussed in subsequent sections of the chapter.

4.3 INTERNAL BARRIERS OF MARKET ORIENTATION APPLICATION

The previous section has identified the ignorance and misconceptions regarding marketing as possible barriers to implementation of market orientation. It is relevant at this point to have an enquiry and an in-depth understanding of the internal barriers.

This section will focus on the barriers of market orientation and specifically identify the principal types of impediments operating within organisations. The aim of this section is to develop, identify and review the principal internal factors that discourage the implementation of the marketing concept.

The internal environment of market orientation is influenced by the following elements: top management; inter-functional coordination and employees (Tomaskova 2009:535) as portrayed in Figure 4.1.

Figure 4.1: Elements of market orientation internal barriers

Source Tomaskova (2009:535)

4.3.1   Top management

The critical role of top management in fostering a market orientation is well recognised in the literature. Many barriers could be noticed with top management as depicted in Figure 4.2.

The personality of top management is possibly the first barrier that was suggested by the pioneers of market orientation, Kohli and Jaworski (1990) and Narver and Slater (1990). The second barrier is associated with top management knowledge, skills, experience and commitment. Management style has an impact on all functions of the organisation and is another barrier. To be risk-aversive is to be reactive and acts negatively towards market orientation, which suggests that there is a tendency not to tolerate failure while a certain degree of risk or chance of failure exists in implementing market orientation. Personal fear may be a hindrance on how innovative and creative an organisation may be (Tomaskova 2009:536).

Another group of barriers is connected to mission, goals and strategy. This category includes short-term horizon, lack of planning and absence of monitoring accomplishment of goals.

Figure 4.2:   Top Management connected barriers

Source: Tomaskova (2009:536)

In addition, Harris and Watkins (1998:225) identified the following barriers as the most significant obstacles to developing a market focus: ignorance of market orientation, contentment with the status quo, perceived inappropriateness, a short-term perspective and an unclear view of customer's needs, wants and demands.

- Ignorance of market orientation. This arises as a consequence of the vast majority of managers who are unable to differentiate between the practice of marketing on one hand, and a focus on market trends and needs, on the other hand. The finding of a pronounced degree of ignorance is partially explained by the educational background of the manager. The continuance of low levels of understanding appears likely in managers who had no form of formal business or management training and no intention to train in future.

- Perceived inappropriateness. Most managers hold a view that market-oriented activities have potentially negative performance consequences. Harris and Watkins (1998:223) state that a number of managers expressed the view that in

many ways marketing was insignificant to their trade and that an over-concentration on the market would merely distract attention from other more important issues (such as personalised service and other operational activities)

- Contentment with the status quo, which is linked to risk-aversion and thus significantly impedes the probability of change. Overall, contentment with the status quo is underpinned by fear of radical change, which in turn will lead to improved market orientation practices.

- Short-termism. This is a perspective of the management who refute the need for effective decision-making, which is a prerequisite towards a proactive approach and without which a focus on market trends and future needs will flounder.

- Unclear view of the customer. The levels of market orientation of organisations in the literature were severely restricted by an unclear view of customer's needs, wants and demands, which consequently conspire to act as a mindset impeding market orientation. Lastly, coupled to that is marked ignorance of other future and or potential customers resulting in a failure to accommodate for such needs.

Management is probably the most intriguing and difficult barrier to deal with. Many barriers could be detected with top management. Although, top management should be astute and detect barriers, they themselves become a barrier and often difficult to deal with. Some of the reasons as eluded by Bisp (1999:81) may be a result of the following factors:

- the personality characteristics of top management who may focus on personal achievement and conforming strictly to formality,

- top management may be too introvert, non-conformist or autocratic (dominating, one-person operator) or may be highly risk aversive (which affects the responsiveness of the organisation negatively).

Furthermore, top management may influence most spheres in the organisation in ways that match their personal aspirations for power and control.

4.3.2   Inter-functional coordination barriers

Inter-functional coordination has been identified as a barrier to implementation of market orientation by a significant number of authors (Slater & Narver 1995:63; Harris 1996a:32; Lafferty & Hult 2001:92). These barriers could be divided further

into firm culture and information co-ordination barriers (Tomaskova 2009:537) as illustrated in Figure 4.3.

Figure 4.3: Interfunctional coordination connected barriers
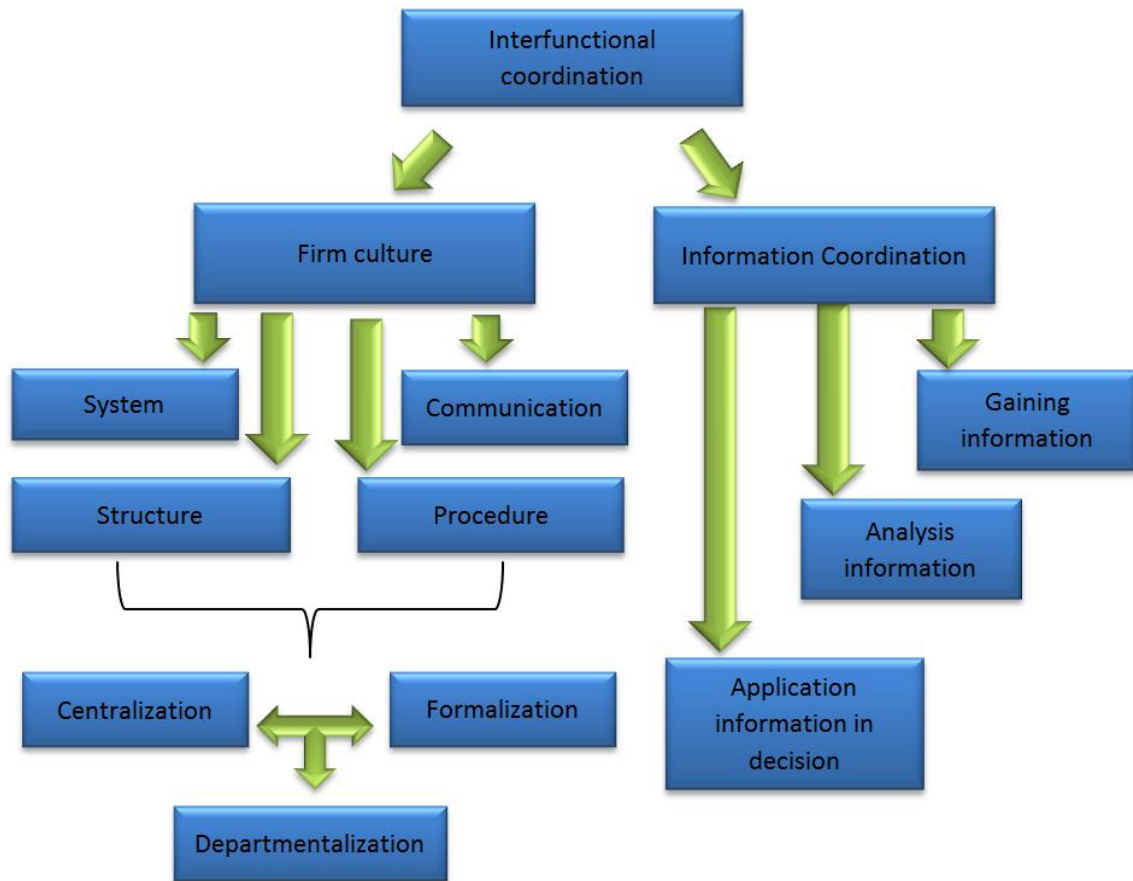
Source: Tomaskova (2009:538)

- Firm or organisational culture is connected to system, structural, communication and procedural barriers. Cultural barriers are further discussed in Section 4.6. Centralisation could have a negative impact on market orientation and is often connected with formalisation, conflict and politically motivated management behaviour (Tomaskova 2009:538). Departmentalisation can lead to information competition within an organisation and result in the destruction of the whole organisation. Interdepartmental conflict is due to the tension among departments, which arises out of incongruity of actual desired responses and may result in reduced inter-functional performance (Aggarwal 2003:89).

- The second barrier of inter-functional coordination is connected with information coordination necessary to gain information, analysis of this information and

application of the results in decision-making processes (Kanovska & Tomaskova 2012:72). Lack of communication and integration also add to the list of barriers.

From the preceding discussions, it is apparent that inter-functional coordination is critical to the harmonisation of all internal functions and processes in an organisation (Kanovska & Tomaskova 2012:72).

4.3.3   Barriers connected to employees

Behaviour of every employee is one of the factors, which impede adoption and implementation of market orientation. In this regard, Tomaskova (2009:538-539) highlights the following barriers connected to employees: personality of employees, knowledge, skills, experiences and reward systems (coupled with recruiting and training of personnel skills). The interaction of these employees connected to mentioned barriers, could result in interdepartmental conflict such as groups of employees with different views and own interests and are illustrated in Figure 4.4. Interdepartmental conflict is due to the tension among departments arising out of incongruity of actual desired responses and may result in reduced inter-functional performance (Aggarwal 2003:89).

Figure 4.4:   Employee connected barriers
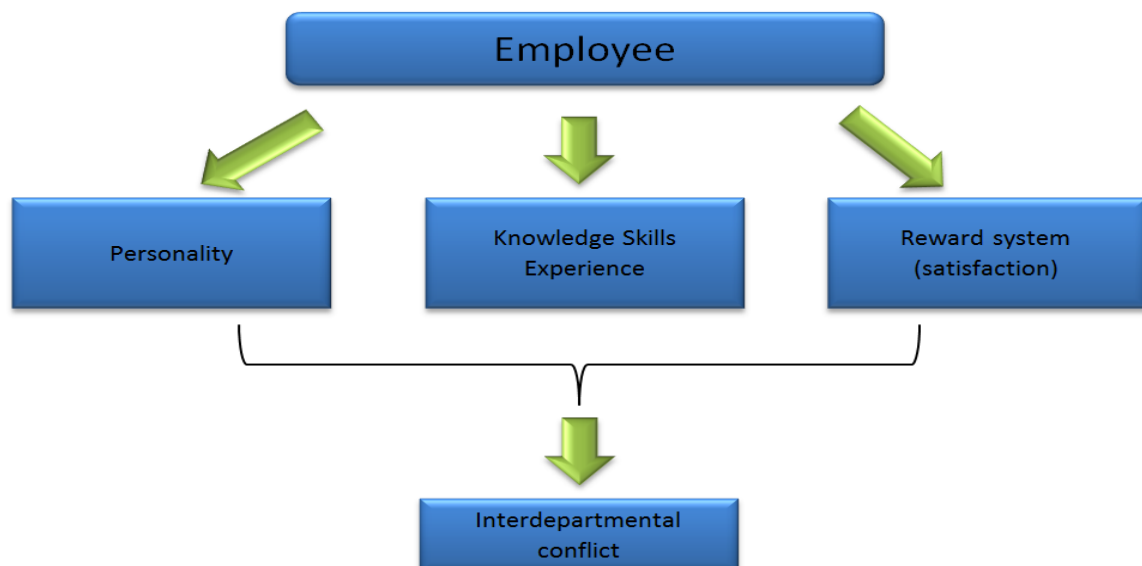
Source: Tomaskova (2009:539)

A pivotal study conducted by Harris (1998:222-224) into the views of employees towards the barriers within their organisation, highlights the following as some of the

inhibiting factors, which have an impact on the individual employee: apathy, instrumentality, limited power, short-termism, task compartmentalisation, ignorance and weak management support.

- Apathy. The findings of the studies by Jaworski and Kohli (1993:53-70), indicate that low levels of motivation, satisfaction and commitment manifested in the form of apathy towards change impede marketing oriented activities. Furthermore, managers appear to be frequently misled by employees who merely feign agreement.

- Instrumentality. A potential cause of apathy towards market orientation development is deeply ingrained instrumental values of employees who see little personal rewards for organisational market orientation. It is interesting to note that instrumentality of employees is not only tied to financial rewards, but includes other less tangible factors of remuneration like improved conditions and development of opportunities.

- Limited power. As with previously discussed barriers, this stems from the inherent characteristics of employment at the bottom of the organisational ladder. The limited power of lower-level employees to implement a comparatively small change also limits the culture of the organisation to one of obedience rather than market responsiveness.

- Short-termism. This emerges as a key impediment to developing market orientation at the employee's level and is exacerbated by the characteristics of the tasks, which are generally either repetitive or specific once-off tasks. Consequently, the employees are then linked to the short-term nature of employment, which is contrary to the long-term perspective required for market orientation.

- Task compartmentalisation. This commonly supported attitude or tendency of employees to define their tasks and protect their domains jealously restricts inter-functional coordination and information dissemination in particular. This myopic focus on narrow tasks and job definitions curtail the ability of employees to focus on the needs of markets.

- Ignorance. While managers and executives are normally adequately versed in the theory and practice of market orientation, employees are ignorant as to the nature and implications of such. The confusion of the employees regarding the

scope and practicality of market orientation is apparent in their understanding. The result is that they are unable to translate vague market-oriented policies into tangible changes in working practices.

- Weak management support or limited communication, coupled with unwillingness to change. Most of the previously identified factors, which, appear to restrict market-oriented activities are clearly connected to this barrier.

Table 4.3 summarises the barriers, which were derived empirically from the studies. The table can also be extended as a management tool for diagnosis and treatment to these internal impediments towards market orientation.

Table 4.3:   Table of diagnosis and treatment of internal barriers

Studies	Barriers	Diagnosis	Treatment
Felton (1959); Levitt 1960); Jaworski & Kohli 1990;1993); Narver & Slater (1990); Slater & Narver (1994b); Harris & Watkins(1998); Pulendran *et al.* (2000);	Top Management	No appreciation to the need to develop marketing state of mind. No efforts in tracking changing markets, share market intelligence with others in the organisation And be responsive to market needs. Top managers' response to innovative programs that do not succeeds. Top managers are risk aversive, intolerant to failure and subsequently subordinates are likely to be less responsive to changes in the market. The resources of management time and budget place the greatest resource restrictions. Financial restrictions preclude the development of a greater orientation towards market trends and demands	Market orientation is attainable only if the executives commit to development of the perspective. Top managers should demonstrate willingness to take risks and accept failures as being natural then junior managers are more likely to prepare and introduce offerings in response to market needs. Avoid risk aversion and clear communication and reduces ambiguity. Possibilities of business training to improve marketing and management skills.

Studies	Barriers	Diagnosis	Treatment
		Commonly held view that market-oriented activities have potentially negative performance consequences. Expression of the view that in many ways marketing was insignificant to their organisation and would merely distract attention from more important issues like operational services.	Focus on market trends and future needs.
		Unclear view of current customers and market ignorance of other potential customers. Considering short-term priorities more important those long-term strategic issues.	The need for effective reactive decision-making. Orientation towards market needs to be founded on an element of proactivity.

Studies	Barriers	Diagnosis	Treatment
Harris(1996); Tay & Tay (2007); Tomaskova (2009); Kanovska & Tomaskova (2012); Slater & Narver (1995); Lafferty & Hult (2001); Kanovska & Tomaskova (2012).	Inter-functional co-ordination	Departmentalisation on the other hand can lead to formation of competition within an organisation resulting in decreasing quantity or quality and destruction of the whole firm. Task compartmentalisation attitude restrict inter-functional coordination and information dissemination in particular. Tasks, which are generally either repetitive or specific one-off tasks, the majority of which require little or no planning allocated to these employees. Weak communication from within/between functions causes slow and inefficient implementation.	Target activities on customers and strive for motivation of all departments and systems to create and offer a superior customer value. Formation of inter-functional dependency for closer cooperation. Involvement in right responsiveness to the perceptions, wishes and needs of every department. Analysing shop-floor working practices to enable coordination and eradicate compartmentalisation. Develop schedules and inter-functional and cross-hierarchy review meetings to monitor progress, maintain momentum and provides support to overcoming inter-functional operational problems.

| Narver & Slater (1990); Jaworski & Kohli (1993); Harris (1998); Trueman (2004); Tomaskova (2009); Komaskova & Tomaskova (2012) | Employees | Low levels of motivation, satisfaction and organisational commitment lead to an overall apathetic attitudes that restricts market orientation initiatives among employees. Employees exhibit behaviours and hold attitudes, which are apathetic towards many organisational strategies and plans. Assumption held by management that employees are committed, satisfied and committed while the opposite holds and thus misled management by merely feigning agreement. Employees become confused as to the scope and practicality of market orientation thus frequently unable to translate vague market oriented policy into tangible changes in working practices. Linked to the short-term nature of employment, which is contrary to the long-term perspective required for market orientation. Unwillingness of employees to engage in formal and informal systems to ensure dissemination of ideas. Limited power of lower level employees to implement a comparatively small change also limits the culture of the organisation to one of obedience rather than market responsiveness. Operationalisation of market oriented strategies and plans viewed as the province of management. | Attempt to improve levels of customer services and refocus the emphasis of the organisation towards focusing on market needs rather than on maximising sales or profits. Identification of changes or issues, which can improve levels of market orientation for example suggestion boxes. Providing clear guidelines relating to market orientation in development of strategies and ensuring feedback and exercising control. Employee empowerment to initiate, formulate and implement changes geared towards market orientation .Educating shop-floor employees about the potential of improving levels of market orientation. Win confidence of non-marketing peers. Education attainment and upward mobility. |

Studies	Barriers	Diagnosis	Treatment
		Limited employee empowerment. Focus on financial rewards, improved conditions and promotion opportunities. Myopic focus purely on their narrow tasks instead of the needs of markets. Tasks allocated to shop floor employees are characterised by being repetitive or once off tasks the majority of which required little or no planning.	
		Employees become confused as to the scope and practicality of market orientation thus frequently unable to translate vague market oriented policy into tangible changes in working practices. Linked to the short-term nature of employment, which is contrary to the long-term perspective required for market orientation. Unwillingness of employees to engage in formal and informal systems to ensure dissemination of ideas. Limited power of lower level employees to implement a comparatively small change also limits the culture of the organisation to one of obedience rather than market responsiveness.	
		Operationalisation of market oriented strategies and plans viewed as the province of management.	

Studies	Barriers	Diagnosis	Treatment
		Limited employee empowerment. Focus on financial rewards, improved conditions and promotion opportunities. Myopic focus purely on their narrow tasks instead of the needs of markets. Tasks allocated to shop floor employees are characterised by being repetitive or once off tasks the majority of which required little or no planning.	

Source: Own compilation

In evaluation of existing studies relating to HEIs, it emerged that management behaviour is mentioned frequently as a key barrier to developing a market-oriented institution (Harris & Piercy 1999:133). This enquiry into the process of market orientation development, found repeated references to the importance of management behaviour in improving levels of market orientation (Harris & Ogbonna 2001:757).

The level of market orientation within HEIs is largely dependent on the commitment and abilities of top management. Lack of commitment on the part of top management discourages individuals in the organisation to track changing markets, market intelligence with others in the organisation and be responsive to market needs. Another factor that relates to top management is its risk posture in the sense that if top managers are risk averse and intolerant of failures, then subordinates are more likely to be less responsive to changes in the market (Aggarwal 2003:89).

Lack of inter-functional dependency, decreases the degree of coordination and consequently, the inappropriate responsiveness to the perceptions, wishes and needs of many departments. This will ultimately result in a negative influence on decision-making processes. Inter-functional coordination is the real barrier in creating a market-oriented culture or behaviour. The real threat lies in integration and coordination of all institutional functions, such as the process of assimilating and operationalising the marketing concept (Zait, Nichofor & Timiras 2012:267).

Lastly, the notion of internal market orientation discussed in Section 3.5, emphasised the importance of ensuring that successful implementation of market orientation hinges on employees. Furthermore, the staff buy-ins view, suggested in Section 3.5, is critical in complementing the external marketing strategies employed in most HEIs.

While considerable advances have been made in identifying and analysing a range of internal barriers to market orientation in this section, it is imperative that theorists and practitioners alike, interested in organisational effectiveness, should review intangible barriers in conjunction with the more tangible creations of an organisation.

At the individual level, top management, inter-functional coordination and employee-related factors need to be coordinated in order to ensure the effectiveness of organisations. The identification of strategies, systems and structures knowledge is pointless without an understanding of the process through which change can be managed, is alluded to in the previous section. The next section will address organisational barriers as essential factors at the infrastructure level.

4.4   ORGANISATIONAL BARRIERS TO MARKET ORIENTATION

The development of insights to the organisational factors that impede the development of market orientation is the objective of this section. Whilst top management and individual employees may contribute to the intrinsic barriers to market orientation as aforementioned, the working environment within which the top management and employees operate, may more often be a deterrent to market orientation.

In order to examine the scope and interrelationship of organisational impediments to market orientation, Harris (2000:599) mentions the following types or categories of organisational barriers: structural impediments, strategic obstacles and systemic barriers. At the infrastructure level, strategies, systems and structures are considered essential factors for the effectiveness of market orientation. A brief review of these barriers is presented in this section.

In addition, Harris and Watkins (1998:223-224) identified another two organisational barriers: lack of competitive differentiation and limited resources.

4.4.1 Structural impediments

The way in which an organisation is structured can have implications for the implementation of market orientation. Lear (1963:54) argues that the efficiency demands of organisational structure can act as an inhibitor of the degree of market orientation that an organisation can achieve. Lear's (1963:54) study is regarded as one of the first to investigate these barriers and is supported by Lichtenthal and Wilson (1992:198). The authors cite two main forms of structural resistance significantly impeding high levels of market orientations as lack of appropriate complementary role relationships and structural distance that impacts on organisation components reaction to efforts to change.

Efficiency demands of an organisational structure can act as restriction on that level of market orientation, which the organisation can achieve. A focus on the market is beneficial to the customer, although the policy itself creates short-term efficiency problems. Therefore, market orientation is better suited to the needs of the customers on one hand, and creates major structural difficulties for the organisation on the other hand. In addition, Jaworski and Kohli (1993:57) refer to certain characteristics of organisational structure such as limited connectedness and high centralisation.

4.4.2 Strategy obstacles

In this regard, Harris (2000:600-601) focused on and reviewed the following studies: Narver and Slater's (1993;1996) concentration on strategic types, Morgan and Strong's (1998:46) focus on strategic dimensions and Pulendran and Speed's (1995:18;1996:40) focus on the process of strategy formulation, and from these studies identified service-focused strategy and cost-focused strategy as potential obstacles to market orientation. The concentration of the company with the lowest level of market orientation on purely cost focus strategy was found to impede market orientation, whereas the cost and customer-oriented balance contributes to their superior ability to recognise and respond to market conditions (Harris & Piercy 2010:627).

There is evidence of strategies and approaches that do not fail because they are weak (Piercy 1998:211). These interventions do not fit well in the existing structure of departments or units, so are neglected, and thus fail through lack of ownership.

The dichotomy between strategy formulation and market orientation that exists in many institutions is also fraught with dangers. This tradition of separation of strategy from implementation processes may itself be a source of many implementation problems. HEIs, therefore, need better ways of integrating strategy and implementation.

4.4.3 Organisational Systems Barriers

Inadequately developed systems may act as a substantial impediment to the development of market orientation (Narver & Slater 1993:19). The organisational systems that can stifle the successful implementation of market orientation are formalisation through rules and procedures, centralisation, market-based reward systems and market-oriented training (Aggarwal 2003:90).

Formalisation and centralisation impedes the process of information utilisation and organisational responsiveness. Hence, the greater the formalisation and centralization, the lower the degree of market orientation within organisations. Measurement and reward systems focusing on sales and short-term profitability consequently impede any market-oriented initiatives that are instrumental in shaping the behaviour of employees. The lesser the reliance of an organisation on market-based factors, the lesser the degree of market orientation and vice versa. Organisations exhibiting the lowest degrees of market orientation are highly departmental, centralised and formal organisations, as alluded to in Section 3.4. Other examples of systems barriers are mentioned by Harris (2000:601) and include limited budgeting and inter-functional co-ordination systems.

4.4.4 Intra-organisational barriers

Based on published conceptual writings and empirical studies, Bisp (1999:81-86) identified the six generic barriers to increased market-oriented activities within organisations by using a software package for designing, categorisation and modelling quantitative data. These categories are management personality characteristics, individually held beliefs, market-oriented activity competences, human resource management, organisational structure and psychological climate. A framework of these six interrelated generic domains is set up and illustrated by Figure 4.5.

Figure 4.5: Domain of intra-organisational barriers inhibiting increased market-oriented activity

Source: Bisp (1999:87)

4.4.4.1   Management personality characteristics

These factors may impede increased market-oriented activity and include executives dedicated to their own advancement coupled with their high need for achievement and levels of formality on one hand and on introverts or non-conformists as well as dominating or autocratic executives on the other hand also impede market orientation (Tomaskova 2009:536).

4.4.4.2   Individually held beliefs

Soderlund (1993:6522) summarises the inhibiting perceptions into the following four groups: The first group perceive market orientation as a threat to stability; likewise, another group perceive market orientation to be inaccessible to their company. A third group subscribes to marketing myopia and a fourth group of inhibiting beliefs are beliefs competing with a market orientation such as a variant of non-marketing ideology, which is woven into many of the three other beliefs.

4.4.4.3   Organisational structure factors

Organisational barriers related to structure can be assessed in three dimensions of complexity, formalisation and centralisation:

- Complexity refers fundamentally to any organisation structure and is how it is configured

- Formalisation. Formalised nature of systems and processes find no support due to the fact that increased formalisation and departmentalisation affect the level of negativity

- Centralised decision-making is also a possible barrier as it inhibits increased intelligence generation and dissemination as well as responsiveness (Jaworski & Kohli 1993:57).

4.4.4.4   Lacking market-oriented activity competences

Competences relate to skills, knowledge and technological knowledge that give a special advantage at specific points of the value chain (Tuominen, Moller & Rajala 1997:1224). The following has been identified as potential barriers in this regard by Bisp (1999:85):

- a weak understanding of the marketing concept (such as market sensing and customer linking in particular) coupled with a lack of knowing how to respond to the market

- lacking skills in market forecasting, thereby inhibiting cross-functionality and information dissemination

- lack of marketing experience as a consequence of the already mentioned promotion and hiring procedures

- wrong or weak analysis of market information, which creates a climate of mistrust

- lack of knowing how to respond to market intelligence, which can lead to decreased motivation to increase other market-oriented activities.

4.4.4.5   Human resource management

In this regard, Bisp (1999:84) refers to the following factors as impediments and detracting from developing a climate of informed decision-making: promotion and hiring procedures that emphasise products and processes, insufficient internal marketing, promotion and hiring procedures, which inhibits the development of marketing skills and understanding prerequisite to intensify market-oriented activities, inadequate recognition of employees' marketing effort, a weak understanding of the value chain and employees that are not informed about marketing plans.

4.4.4.6   Psychological climate

Glick (1985:606) asserts that climate seems to influence and overlap most constructs in organisational studies and refers to a situation and its association to thoughts, feelings and behaviour of an organisations members.Wong, Saunders and Doyle (1989:38-40) and Denison (1996:644) mentions the following situations experienced by employees as impeding market-oriented activity: functions preoccupied with their own problems, lack of commitment (which ushers a climate that is neutral or hostile to market-oriented activities), interdepartmental conflict and tension (which obstructs intelligence dissemination and concerted actions), managers from superior divisions doing everything to protect their situation (in instances where divisions in an organisation are of varying sizes and power) and lastly, a climate of non-commitment and lack of trust (impacting negatively on dissemination and responsiveness) such as barring intensified activity.

Table 4.4 summarises the organisational barriers already referred to and further suggests diagnosis and treatment regarding these barriers accordingly.

Table 4.4:   **Diagnosis and treatment towards organisational barriers**

Studies	Barrier	Diagnosis	Treatment
Lear (1963); Lichtenthal & Wilson (1992);	Organisational Structure	High structural centralisation indicates concentration in decision-making activities. Structural formalisation shows a focus on rules, procedures,	Maintenance of harmonious relations between different functional departments through methods such as cross functional activities and training, a focus on corporate

Studies	Barrier	Diagnosis	Treatment
Jaworski & Kohli (1993); Harris (1996); Harris (1998); Harris (2000); Aggarwal (2003)		norms, etc. for carrying out communications within organisations. Overly formalised structure and reward systems based on short-term profitability and sales work against long-term market orientation and any long run strategic orientation that the organisation may decide to follow. Individuals in organisations where friction prevails are less likely to share information and make concerted efforts to respond to market developments.	objectives, alignment of departmental objectives and a sense of synergy and commitment. Empower employees down the hierarchy to make decisions as opposed to limiting the decision-making role to top management only. Organisations that evaluate and administer rewards based on services levels and customer satisfaction are more likely to encourage the active generation and dissemination of market intelligence and responsiveness to market needs. The extent of structural connectedness, centralisation and formalisation are associated with developing a market focus.
Slater & Narver (1993;1996); Pulendran & Speed (1995;1996); Harris (1996); Morgan & Strong (1998); Harris (2000)	Organisational strategies	Strategy is aggressively centred on product innovation, focused on opportunities in the market and characterised by both low cost and differentiated strategies. Aggressiveness, defensiveness and riskiness dimensions are not significantly related.	A strategy characterised by both low-cost and service-differentiation facilitates improved levels of market orientation.
Wong, Saunders & Doyle (1989)	Organisational systems	Poorly developed systems to the development of marketing, employees who lacks training and education	Internal communication systems designed to aid vertical and horizontal communication contribute to

Studies	Barrier	Diagnosis	Treatment
Morgan & Piercy (1991); Ruekert (1992); Harris (1996); Harris (1998); Harris & Ogbonna (1999); Harris (2000) Aggarwal (2003)		impede the development of market orientation. Rigid and inflexible definition of roles, procedures, and authority managed through rules tends to reduce effective market orientation because it inhibits information utilisation and response time to changes in the external environment.	the flow of market related information. Systems geared towards organisational integration appear to benefit levels of market orientation. Coordination systems operated and controlled by the marketing function enables the function to disseminate and control aspects of operational level marketing and generate market-oriented behaviour. Organisational market orientation is positively related to organisational practices in the recruiting, training and rewarding of personnel. Market oriented change efforts should entail particular attention to system modifications.
Lear (1963); Bisp (1999); Wong et al. (1989); Jaworski & Kohli (1993); Piercy (1998); Piercy and Morgan (1995); Hulland (1995); Denison (1996); Meldrum (1997)	Psychological climate	Marketing people are viewed as arrogant and inflexible and are isolated. Low trust in researcher expertise reduces information use. Neutral or perhaps even hostile climate to people who believes in resources spent on market-oriented activities. Decrease of perceived quality of information for use and thereby dissemination and responsiveness are hampered.	Issue of trust is important especially to response activities because users have to rely on market information.
Felton (1959); Miller &	Management personality	Top management emphasis and management risk	The importance of being market oriented needs to be

Studies	Barrier	Diagnosis	Treatment
Toulouse (1986); Bisp (1999); Jaworski & Kohli (1993); Hulland (1995); Aggarwal (2003).		aversion affects the responsiveness of the organisation negatively and influences most domains in the organisation in ways that corresponds to their personal needs and power. Elements of cross-functionality and information sharing stifled by management bearing such characteristics.	communicated throughout the organisation.
Levitt (1960); Lear (1963); Wong *et al.* (1989); Bisp (1989); Hamel & Prahalad (1991); Leonard-Barton (1992); Soderlund (1993); Liu (1995); Piercy & Morgan (1995); Harris (1996);	Individually held beliefs	The change in business focus to satisfy customers and cross –functional co-ordination resulting in emotional disturbances and customer confusion. More market orientation is at risk of creating a customer-controlled organisation. Product orientation or focus on cost effectiveness inculcated. Distrust in better performance as a result of perceived myopic view of costs to satisfying customers. Challenging the integrity of the organisation in intensifying all for the customer behaviour Assumption that market orientation is concerned with servicing customers to the extent of making the company unprofitable and lose sight of its core business and competence.	Pro-market orientation beliefs passed to other key employees coupled with development of real commitment and systems necessary to increase market-oriented activities. Company's business logic should differ from the customer logic and should be flexible. Promotion of people and ideas that are pro-marketing to encourage the relaxation of organisational structures that would facilitate information flow and communication Interface between people holding the beliefs and those performing the activities for encouragement of intensified activity

Studies	Barrier	Diagnosis	Treatment
Felton (1959); Masiello (1988); Wong *et al.* (1989); Bisp (1999); Chaganti & Sambharya (1987); Day (1994); Biemans & Harmsen (1995)	Market oriented activity competencies	Motivation to increase market-oriented activities disappears. Emergence of mistrust thereby inhibiting cross-functionality and information dissemination.	Building such competencies depend greatly on HRM ability to attract and develop staff with the perquisite knowledge and skills. Hiring people from outside with different understanding and consequently contribute significantly to organisational learning.
Felton (1959); Lear (1963); Ames (1970); Bisp (1999); Gummesson (1991); Lichtenthal & Wilson (1992); Ruekert (1992); Jaworski & Kohli (1993); Harris (1996)	Human resources management	HRM politics affects the development of marketing skills and understanding of the value chain. Inadequate recognition of employee's marketing efforts. People in favour of more market-oriented activities are neither employed nor promoted.	Employment of positive market based factors in evaluating and rewarding managers. Internal marketing that will communicate and reward in a way that makes more market oriented activities more visible throughout the entire organisation.

Source: Own compilation

The extent of market orientation within HEIs is inextricably linked to organisational structure, systems and strategies created to sustain those institutions. Organisational systems, structures and strategies that treat implementation as an afterthought, are counter-productive in that they do little to overcome self-induced barriers to change. These institutions ignore the practical problem of understanding the real capabilities and problems faced as an institution moves into becoming market-oriented.

Most arguments point to the idea that research should focus on increasing market-oriented activities rather than on implementing something which to some degree is

not already there (Bisp 1999:78). Identifying and especially describing barriers to an increase will be a retrospective matter.

Organisational and intra-organisational impediments discussed in this section, play an essential part in reflecting the official culture of an institution. The cultural barriers will be the subject of the next section.

4.5 CULTURAL BARRIERS

A landmark study by Messikomer (1987:15) of how marketing influences corporate culture, discovered that management to executives often espouse the motion of improving more but behave contrary to their assertions. This illogical behaviour is caused by enhanced cultural views similar to what culture theorists refer to as behavioural component.

Organisations, which have developed a dominant and coherent culture, perform more effectively in the market place (Siu & Wilson 1998:302). While considerable advances have been made in identifying and analysing a range of internal barriers to market orientation in this section, it is imperative that theorists and practitioners alike, interested in organisational effectiveness, should review intangible barriers in conjunction with the more tangible creations of an organisation.

The analysis of the barriers in the literature studies discussed so far reveals numerous and interlinked inhibitors to market orientation. Based on Hatch's (1993:657-693) model of organisational culture, Harris (1996:43) points out the following four types of barriers linked to organisational culture: basic assumptions, shared values, organisational artefacts and symbolic influences. Similarly, Harris and Ogbonna (2007:921) conceptualise a market-oriented culture based on these four distinct but related components.

4.5.1 Basic assumptions

According to Harris (1996:44), three key assumptions that emerged as inhibitors to market orientation in this study are assumptions of domain, success and the environment.

First, organisational members hold a particular myopic view of their territory of enquiry and activity and deviations from these domains are viewed as irrational,

intrusive and mostly unfair. This assumption of compartmentalisation obviously has a negative implication towards functional integration and the sharing of information. The second assumption, which acts as a barrier, is the popular view that improved organisational performance (success) can be achieved only through cutting costs and reduction of overheads. Lastly, is the assumption that the organisation is able to respond proactively to the environment. These assumptions are so entrenched in the mentality of employees that the study of customer needs is not even considered.

4.5.2 Shared values

Gansuwan and Siribunluechai (2011:19) define value as what the organisation believes to be important in service quality and customer service. This attitude concerning the world with an 'ought to' implication also creates obstacles to market orientation. The two striking values in this regard are narrow views on teamwork (implicit organisational value of small function and closed teams) and slow decision-making such as timely responses are stifled (Harris, 1996:45).

Often obstacles related to shared values are personality clashes and lack of acknowledged corporate value given to those responsible (Simkin 2002:16).

Overall, these two widely held, shared organisational views act as major obstacles to the furtherance of the organisation's market orientation.

4.5.3 Organisational artefacts or creations

Previous authors like Ruekert (1992:231) and Kohli and Jaworski (1993:56) have contended that the artefacts that may be verbal, behavioural or physical factors can act as considerable restrictions on the development of market orientation. Most studies exhibited three strong artefacts, which acted as major inhibitors, namely reward systems, formalised security-conscious systems and structural barriers (Harris 1996:47) as alluded to in sections 4.5.1 and 4.5.3.

4.5.4 Symbolic influences

Gansuwan and Serubunluechai (2011:13) defined symbols as unwritten rules that guide day-to-day interactions and behavior (including language, areas and humour) such as company hero. In this instance, the attitude and opinion of a dominant

personality or figurehead is associated with the company slogan, exalted as the ideal and held in high esteem (Harris 1996:48).

It should also be noted that impediments to market orientation that were identified by previous studies, had overlooked reflecting on organisational assumptions and symbol components of culture as indicated in Table 4.5.

Table 4.5:   A categorisation of previous studies of the obstacles to market orientation

Studies	Assumptions	Values	Artefacts	Symbols
Felton (1959)	No	Yes	Yes	No
Lear (1963)	No	No	Yes	No
Messikomer (1987)	No	Yes	No	No
Chaganti and Sambhraya (1987)	Implicitly	Yes	No	No
Wong *et al.* (1989)	No	Yes	Yes	No
Gummeson (1991)	Implicitly	Yes	No	No
Kelley (1992)	No	Yes	No	No
Ruekert (1992)	No	No	Yes	No
Kohli and Jaworski (1993)	No	Implicitly	Yes	No

Source: Harris (1996:42)

A better understanding of cultural barriers and their implications for market orientation across the HEIs can be achieved by considering the concepts of culture (Robbins, Judge, Odendaal & Roodt 2011:232). Table 4.6 provides a summary of the studies, barriers, diagnosis and treatment of cultural barriers discussed in this section.

Table 4.6:   Diagnosis and suggested treatment to cultural barriers

Studies	Barriers	Diagnosis	Treatment
Felton (1959); Lear (1963); Wong *et al.* (1989); Kelley (1992); Hatch (1993); Schein (1995) Harris (1996)	Basic Assumptions	First, organisational members hold a particular myopic view of their territory of enquiry and activity and deviations from these domains are viewed as irrational, intrusive and mostly unfair. This assumption of compartmentalisation obviously has a negative implication towards functional integration and the sharing of information. The second assumption, which acts as a barrier, is the popular view that improved organisational performance (success) can be achieved only through cutting costs and reduction of overheads. Lastly the assumption that the organisation is able to respond proactively to the environment. These assumptions are so entrenched in the mentality of employees that the study of customer needs is not even considered	Identify not only factors impeding market orientation but also why these factors restrict market orientation as well as their effects. Dividing these barriers into assumptions, values, artefacts and symbols. Set of basic assumptions should address issues beyond notions of e.g. profitability and be on unquestioned assumptions that organisation is dependent on its environment for its existence and is able to analyse and react to its market in the long route to survival and competitive advantage
Sathe (1983); Chaganti and Sambharya (1987); Gummeson (1991); Kohli and Jaworski (1993).	Shared Values	The closed nature and narrow view of teams is in most instances actively encouraged by the top management of a company. The shared value of the careful decisions and consequently centralisation of authority and power restrict the development of market orientation. Owing to an excessively methodical	Emphasis on teamwork, encourages communication, reduces conflict and aids functional integration. Identify those high-level cerebral values, which are obstacles. Share a widespread belief that innovation, teamwork and people are important and

Studies	Barriers	Diagnosis	Treatment
		decision-making process, timely responses are not possible and innovation is stifled on one hand, and centralisation of authority leads to reduced autonomy and to misuse of power by the head office.	have an outward-looking attitude.
Lear (1963); Schein (1985); Ruekert (1992); Kohli and Jaworski (1990; 1993).	Organisational artefacts	The consequences of this artefact are the myopic emphasis on overhead costs. Through incremental attempts to centralise power, reduce risks, control decision-making and thus influencing profits, organisations have developed numerous systems and procedures that dictate and inhibits any activity, which deviates from company policy.	Should have systems, structures and strategies that minimise conflict and politics. Developing a list of those factors, which encourages marketing development and contrasts those factors that enables with those that impede market orientation. This analysis will provide a starting point for the furtherance of a market orientation. Have systems, structures and strategies that minimise conflict and politics and generate and widely disseminate market information and intelligence.
Kohli and Jaworski (1990); Gummeson (1991); Ruekert (1992)	Symbols	The consequences of dominant personality are such that they act as a major restriction on marketing activity as the figurehead and the organisation are now indistinguishable in the minds of most employees	Keep formality and centralisation low and enable high levels of marketing input to strategy development. Reward and incentives customer service and service quality

Source: Own Compilation

A marketing culture is essential for the effectiveness and efficiency of market orientation at the infrastructure level of HEIs (Siu & Wilson 1998:301). Marketing culture needs to be spread to the whole institution and not become the monopoly of the marketing department. Dominant cultures in organisations can give appropriate meaning to members for sharing values, which will serve as a conduit for guiding behaviours. There are instances where implementation approaches and strategies fail, not because they are weak. The reason is that these interventions do not fit within an organisational culture and, therefore, employees do not support them and make them effective. External barriers are discussed in the next section.

4.6 EXTERNAL BARRIERS

External barriers refer to all variables over which HEIs have, in theory, limited influence of action. These external environmental variables interact in a complex manner that can have an enormous impact on the relationship between market orientation and university performance. Consistent with other researchers, Pleshko and Herens (2000:29) contend that there is a need to embrace a broader perspective on market orientation construct by including exogenous factors that influence customer needs. Consideration of the external factors in determining market orientation and its components is very critical, in that the external environment in which organisations operate is highly complex and volatile. Zebal (2003:97-99) identifies the following external variables as impediments to market orientation: competition, market turbulence, technology and innovativeness, government, economy and customers.

4.6.1 Competition

As a variable in the external market environment, competition as outlined in Chapter 3, acts as a market mechanism, acts as incentive for higher productivity and encourages technological innovation (Strydom *et al.* 2000:51). In cases of high competition, customers have many alternatives to choose from and organisations that are not market-oriented are likely to lose customers. Contrary to the absence of competition such as in monopolistic situations, an organisation might perform well since customers are stuck in those organisations, even if it is not market-oriented. Reflecting on competition barriers, Wood and Bhuian (1993:49) contend that the

lesser the perceived competition, the lesser the tendency to adopt market orientation.

4.6.2 Market turbulence

The three elements of the marketing environment, namely macro, market and micro environments have become open, highly competitive and customer driven (Penceliah 2004:116). HEIs operate within a complex and turbulent marketing environment, which warrants careful monitoring for the institutions to adapt, survive and prosper. According to Zebal (2003:72), this refers to instability and unpredictability, which focus organisations on becoming market-oriented and represent the rate of change in the composition of customers and their preferences. The market turbulence should be regarded as an influential factor in determining the level of market orientation in that it forces organisations operating in more turbulent markets to be market-oriented. Examples of threats that cause instability and market turbulence include:

- major recession that may decrease enrolment and private funding

- population shift from major centres, and

- declining demands for certain programmes.

The character of the institution's marketing environment will determine survival of the institution as well as management of the quality of its programme offerings.

4.6.3 Technology and innovation

HEIs environment is affected by technology and innovation with specific reference to RSA (1997:9) that asserts that national growth and competitiveness is dependent on continuous technological improvement and innovation. Both pace and degree of innovation and changes in technology induce technology and innovation uncertainty. Organisations in high technology markets tend to allocate greater resources to technology and innovation. Emphasis on technological and innovation orientation as a means of competing should reduce market orientation. Hence, technology and innovation should be identified as a barrier (Zebal 2003:73)

Constraints according to Kotler (2000:149) include:

- accelerating pace of technology and innovation change

- unlimited opportunities for technology and innovation

- varying research and development budgets

- increased regulations of technology and innovation.

HEIs that do not keep abreast with technology and innovation will have to relinquish their share of the market in the long run.

4.6.4 Government

Qu and Ennew (2005:85) identified the following as constituting impediments towards implementation of the market concept:

- policy and legislative measures

- excessive government regulations that constraints competition and market entry

- failure to recognise a need for consumer protection, and

- lack of safeguarding product quality and consumer interests.

4.6.5 Economy

Zebal (2003:74) argues that economic conditions of a country have an impact on the spending power and behaviour of the service providers of that country. The strong economy on one hand is characterised by strong demands and, therefore, encourages a minimal amount of market orientation while weak economy on the other hand forces organisations to adopt market orientation because of the stable or decreasing market.

HEIs are affected by economic factors such as inflation, employment levels and the growth rate of the economy. In the same breath, these mentioned economic factors also affect the customers or clients. In difficult economic times, the selection of institutions is viewed with greater intensity.

4.6.6 Customers

The agreed consensus among customer orientation researchers is that an understanding of the barriers to customers and their impact on performance is vital at both a macro and microeconomic levels (Julian & Ahmed 2005:72). An understanding of the barriers related to customers is critical because they assist in

determining why other institutions fail to exploit their full potential. Reflecting on barriers to customer orientation, Zebal (2003:99) advances the following as impediments in this regard:

- inappropriate understanding of the customer, which hampers an organisation in competing with the competitors that properly understand their customers and

- Insufficient understanding of the customer leading to loss of customers to competitors.

Furthermore, a summary of these external barriers as well as suggestions in terms of diagnosis and treatment are portrayed in Table 4.7.

Table 4.7:   Diagnosis and suggested treatment for external barriers

Studies	Barriers	Diagnosis	Treatment
Schwartz (1989); Wood & Bhuian (1993); Wong & Saunders (1996); Simkin & Cheng (1997); Avlontis & Gounaris (1999); Julian & Ahmed (2005); Tomaskova (2008)	Competition	Competitor orientation not seen but the majority of actors as an essential element of market orientation. Seldom is there a need to seek out information about competitor. Losing customers to rivals. Organisation caught up in a web of competitive forces with service quality not only a necessary weapon for securing competitive advantage but also key to survival.	Aware that survival depends in part on the ability of organisations to achieve a competitive differentiation .Intensity of competition should force organisations to seek a high degree of production and promotion adaptation to gain a competitive edge over their rivals. Economies of scale via increased productive capacity enabling organisations to be more competitive in the market. Awareness that competitor orientation reaches higher correlations in relation to the organisation's performance and regular marketing research co-ordinated by the marketing team is needed.

Studies	Barriers	Diagnosis	Treatment
Felton (1959); Levitt (1960); Kotler (1977); Davis (1991); Jaworski & Kohli (1993)	Market Turbulence	Instability and unpredictability of the future of markets	Focus to be placed on listening and responding to customer needs.
Kohli & Jaworski (1990); Sohal (1995); Chaharbaghi & Willis (2000); Grewal & Tansuhaj (2001); Tomaskova (2008)	Technology and innovation	Both the pace and degree of innovation and changes in technology induce technology uncertainties. Emphasis on technology orientation as a means of competing reduce the importance of market orientation.	Focus on mapping of the latest technologies in all fields and their use in the field of activity the given organisation operates in. Be aware that substantial changeability of technologies influence on market orientation. Awareness that the use of new technologies as a necessary element leading to the creation of a learning organisation based on the market orientation application.
Savitt (1999); Qu and Ennew (2005); Sund (2008); Tomaskova (2008)	Government/ State	Belief that the state should play an omnipresent role, activities of the organisation are tightly controlled and competition discouraged. Failure to recognise a need for consumer protection.	Policy makers should pay particular attention to the configuration of existing regulations that negatively affect business. Reassessment of the value of regulations that restrict market entry and competition. Developing new regulations that enhance levels of consumer protection. In general provide greater incentives to move toward a market orientation f a transitional economy to help organisations to become

Studies	Barriers	Diagnosis	Treatment
			more market oriented maintained.

Government policy to attempt to improve the availability of well trained and market oriented managers to domesticate organisations. |
| Kohli & Jaworski (1990); Slater & Narver (1994b); Tomaskova (2008) | General Economy | Supply side of the economy been tightly controlled. Plan oriented economy in which government play a prominent role. | Context of a transitional economy to help organisations to become more market oriented maintained.

Recognise that high changeability of economy is not suitable for market orientation. |
| Narver & Slater (1990); Capon, Farley, Hulbert & Lei (1991); Deng & Dart (1994); Taylor & Baker (1994); Dalgic (1998); Soderlund (1998); Miller & Layton (2007); Tomaskova (2008) | Customer orientation | Poor interaction between the frontline employees and customers. Pathetic interaction between the customers and the provider's physical environment and tangible products. No direct contact between employees and customers in the process of production. | Customer's demands need to be known and understood continuously and systematically. Customer orientation is viewed as a basic prerequisite for the possibility of market orientation at all.

Company's performance is influenced only by customer orientation. Focus on three main aspects viz. attitude and behaviour of frontline employees, tangible aspects and intangible aspects. Existence of formal channels whereby customers may voice their opinions and feelings. |

Source: Own compilation

HEIs operate within an external environment over which it has no control. The variables referred to in this section emphasise the need for the constant scanning and analysis of the dynamic turbulent external marketing environment.

The issue confronting HEIs wanting to develop a market orientation culture or strategies is how to bring this about. Hence, the next section will address the overcoming of hindrances to market orientation.

4.7 CONCLUSION

Based on the literature review, it can be concluded that the conditions that are not conducive and discourage implementation of the marketing concept are barriers to market orientation. Traditional thinking and assumptions act as major inhibitors in the evolution of market orientation. Other conditions have been identified in the literature review include myths, internal barriers, organisational and intra-organisational barriers, cultural impediments as well as external barriers. Within this chapter, an in-depth discussion regarding the concept of barriers to market orientation has been addressed with the inclusion of the description of the role myths and realities play within market orientation and related issues.

A thorough literature review concerning potential organisation barriers was given as well as various views on how these barriers could be addressed. Other suggestions were made on how to develop market orientation to enable an organisation to facilitate conditions that would give rise to a market-oriented climate review.

This chapter also attempts to enhance understanding of the problems arising in the market orientation process and to provide insights for management trying to tackle barriers and bringing about significant changes.

The following chapter will focus on the research methodology employed in the empirical part of the study, with regard to the development of the survey instrument based on the empirical studies outlined in that chapter.

CHAPTER 5
RESEARCH METHODOLOGY

5.1 INTRODUCTION

The preceding chapter provided a literature review on the barriers to market orientation. The various frameworks of the barriers were outlined. A summary of diagnosis and treatment regarding the barriers was also provided. This was preceded by a review of previous studies on the impediments and myths on implementation of market orientation.

The current chapter presents the research procedure used to address the objectives and the research questions of the study. This chapter illustrates the research philosophy used in the study and justifies the selection of the chosen approach. The research design is outlined and the steps and actions taken to ensure validity and reliability are explained. In addition, the procedures used to collect, capture and process the data as well as the techniques implemented to analyse the data are discussed.

The chapter also provides information about pre-testing, pilot testing and ethical considerations. Each of these aspects will be discussed in the sections that follow.

5.2 RESEARCH PHILOSOPHY

Every research process should involve a degree of philosophical retrospection and as this process involves, at every step, making choices, which requires philosophical underpinnings (Cohen 2006:159). All research has a philosophical foundation and assumptions that shape the processes of research and conduct of enquiry within a paradigm.

Kuhn (1996:11) defines a paradigm or worldview as a set of generalisations, beliefs, and values of a community of specialists. Barker (1992:32), asserts that it establishes or define boundaries and give direction for a research study. The paradigm is therefore a way to model possible patterns and relationships and give coherence to research studies (Trafford & Leshem 2012:85).The main research paradigms that dominate the contemporary literature include post-positivism,

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constructivism, participatory and pragmatism (McMillian & Schumacher 2010:4). All four paradigms have common elements, namely ontology, epistemology, axiology, methodology and rhetoric but take different stances on these elements. Ontology and epistemology are identified as the main sets of the paradigm elements that differentiate research paradigms (Saunders, Lewis & Thornhill 2009:119). On the other hand, axiology and methodology are regarded as main basic values that guide the research paradigms (Wahyuni 2012:70).

The paradigms with their elements and implications for practice are summarised in Table 5.1.

Table 5.1:   Elements of Paradigm and implications for practice

Paradigm element	Post positivism	Constructivism	Participatory	Pragmatism
Ontology (What is the nature of reality?)	Singular reality (e.g. researchers reject or fail to reject hypotheses)	Multiple realities (e.g. researchers provide quotes to illustrate different perspectives)	Political reality (e.g. findings are negotiated with participants)	Singular and multiple (e.g. researchers test hypotheses and provide multiple perspectives)
Epistemology (What is the relationship between the researcher and that being researched?)	Distance and impartiality (e.g. researchers objectively collect data on instruments)	Closeness (e.g. researchers visit participants at their sites to collect data)	Collaboration (e.g. researchers actively involve participants as collaborators)	Practically (e.g. researchers collect data by "what works" to address research question)
Axiology (What is the role of values?)	Unbiased (e.g. researcher use to checks to eliminate bias)	Biased (e.g. researchers actively talk about their biases and interpretations)	Negotiated (e.g. researchers negotiate their biases with participants)	Multiple stances (e.g. researchers include both biased and unbiased perspective s)

Paradigm element	Post positivism	Constructivism	Participatory	Pragmatism
Methodology (What is the process of research?)	Deductive (e.g. researchers test and a prior theory)	Inductive (e.g. researchers start with participants views and build "up" to patterns theories and generalisation)	Participatory researchers involve participants in all stages on the research and engage in cyclical reviews of results	Combining (e.g. researchers collect both quantitative and qualitative data and mix them)
Rhetoric (What is the language of research?)	Formal style (e.g. researchers use agreed-on variables)	Informal style (e.g. researchers write in a literacy informal style)	Advocacy and change (e.g. researchers use language that will help bring about change and advocate for participants)	Formal or informal (e.g. researchers may employ both formal and informal styles of writing)

Source: Creswell and Clark (2011:42).

According to Eastman (2011:11), paradigms differ in the nature of reality (ontology), how knowledge is gained, (epistemology), the role values plays in research (axiology), the process of research (methodology) and the language of research (rhetoric). Concisely, the research paradigm guides the researcher by defining the epistemological, ontological and methodological assumptions of the study (Guba & Lincoln 1994:107; Saunders, Lewis & Thornhill 2009:119).

In a quest to know what should be known (epistemology) about market orientation, its associated barriers and university performance, the researcher attempted to achieve closer proximity with the respondents through the use of experienced researchers in the different UoTs. Ontologically, the researcher was guided by the post-positivism research paradigm in an endeavour to find out and understand the respondents' behavior and experiences regarding the constructs under investigation through a fully structured questionnaire. Resultantly, the final product of this study was an interpretation of these constructs by the researcher through the lenses of experiences and perceptions of the respondents.

With regard to the processes that were followed (methodology), the researcher opted for a deductive as opposed to an inductive approach. The reason being that the intention of the research was to test the theory rather than developing and constructing a theory (Trafford & Lesham 2012:97).This study is supported by the quantitative research methodology that is grounded on quantified numeric data subjected to detailed statistical analysis (McMillan & Schumacher 2012:12). Against this backdrop, and in line with the research objectives, the post-positivism research paradigm was adopted to guide this study. The post-positivism paradigm adopts the critical realism and is grounded in the belief that there is no absolute knowledge but that knowledge is constructed and real at the same time(Creswell & Clark 2011:40).

The study therefore, followed the post-positivism paradigm or worldview to understand the relationships between constructs under investigation. The next section will address the research design.

5.3   THE RESEARCH DESIGN

Aaker, Kumar, Leone and Day (2013:73) define a research design or plan as a detailed blueprint used to guide a marketing research study towards its objectives. The research design thus delineates the structure of the investigation in order to attain answers to the research objectives. The appropriate design in this study was chosen against the objectives set for the study.

Kapoor and Kulshrestha (2010:31) and Malhotra (2010:103) identified three major research types, namely exploratory research (which primarily involves qualitative data), causal research and descriptive research (both of which primarily involve quantitative data). These types are generally classified into two research approaches, namely quantitative and qualitative methods. Both approaches are versatile because they are appropriate in virtually any setting and can be adapted for almost any research objective (Bernard 2011:393). Both approaches are illustrated in Table 5.2.

Table 5.2: Comparisons of qualitative and quantitative research approaches

Factors/Characteristics	Qualitative	Quantitative
Research Objectives	Discovery and identification of new ideas thoughts, feelings, preliminary insights on and understanding of ideas and objectives.	Validation of facts, estimates, relationships and predictions.
Type of Research	Normally exploratory designs.	Descriptive and causal designs.
Type of Questions	Open-ended, semi-structured, Unstructured, deep probing.	Mostly structured.
Type of Execution	Relatively short time frames.	Usually significantly longer time frames
Representativeness	Small samples limited to the sampled respondents.	Large samples, normally good representation of target population.
Type of Analyses	Debriefing, subjective, content, Interpretive, semiotic analysis.	Statistical, descriptive, causal predictions.
Researcher Skills	Interpersonal communications, observations, interpretive skills.	Scientific, statistical procedure, Translation skills; and some Subjective.
Generalisation of Results	Very limited only preliminary insights and understanding.	Usually very good; inferences about Facts, estimates of relationships.

Source: Hair *et al.* (2010:53)

For this study, the quantitative approach was deemed appropriate based on other previous studies on market orientation (Zebal 2003; Penceliah 2004; Cohen 2006; Ma &Todorovic 2011). The rationale in choosing quantitative studies lies in the fact that the objectivity and coherence that is necessary to address the issues that

underpin market orientation in HEIs are catered for within the procedure and also in order to test the hypotheses set for the study (Sedmark & Longhurst 2010:81). Furthermore, this method is flexible and permits replication of the research procedure, thus enhancing validity and reliability of the research findings. The researcher was also able to quantify the data and thus, enhanced the accuracy of the research findings.

Of the two types of descriptive studies, cross-sectional and longitudinal studies (Burns & Bush 2010:150), the former was deemed appropriate for this study. This decision stems from the fact that cross-sectional studies measure units from a sample of the population at one point in time and may be based on either small or large samples (Kumar 2014:134). Longitudinal studies, on the other hand, according to Creswell (2014:158), repeatedly measure the same units of a population over a period of time. In addition, sample surveys are described as cross-sectional studies, whereby samples are drawn in such a way as to be representative of some larger population (Malhotra 2010:106).

In this study, descriptive research was used to explain the characteristics of the population in terms of frequencies and percentages (Cooper and Schindler 2011:202) After designing a research plan, it is necessary to decide which respondents to include in the study. The next section focuses on the development of a sampling design procedure in selecting participants for this study.

5.4 THE SAMPLING DESIGN PROCEDURE

The development of a sampling plan is a particularly critical aspect of survey methodology as it provides a foundation for a sound measurement of phenomena from surveys of businesses to universities. Sampling is the process of obtaining information from a subset of the larger group known as the population (McDaniel & Gates 2010:218). Pragmatic marketing research appreciates the notion that a sample, rather than a population census, is a more feasible approach for collecting data when it is not possible to survey an entire population of an unmanageable size (Zikmund & Babin 2010:462; Brynard, Hanekom & Brynard 2014:56).

The sampling design procedure included the following steps: identifying the target or survey population, identifying the sample frame, selecting a sampling method,

determining the sample size and gathering information from the sample elements (Creswell 2014:156).

5.4.1 Identifying the target or survey population

Kumar (2014:229) and Bryman and Bell (2011:182) define a population as the totality of units from which the sample is derived. In the present study, all academics of six UoTs in South Africa made up the study population. The need to narrow down the population to a target or survey population becomes critical in precisely specifying the population in order to avoid surveying a wrong group of people who may be included in the survey. Malhotra (2010:372) describes the target population as a noticeably defined group of entities that have similar characteristics relevant to the studies or of interest to the researcher. The target population clearly specifies who, within the entire group, is relevant to the study. The target population used in this study was academics in the five UoTs that agreed to participate in the study.

After determining the target population of the research, a list or sample frame was identified.

5.4.2 Identifying the sample frame

Bryman and Bell (2011:182) define a sample frame as a listing of all units in the population from which the sample is selected. It includes the different types of sample sources and incorporates the basis on which respondents are selected (Bradley 2010:188). It is also important to note that each unit of analysis is included only once (Kumar 2014:231).

Common examples of sample frames include, but are not limited to, the following: lists of registered voters, customer lists and maps amongst others (Tustin *et al.* 2010:155). For this study, a listing of HEIs is available on the Council of Higher Education website, which provided links to each of the listed HEIs websites from which relevant information was obtained.

5.4.3 Selecting a sampling method

The next step involves deciding how to select some elements of the target population by making use of a sample frame to choose a sampling method. There are two approaches to sampling methods, probability and non-probability sampling

(Malhotra 2010:374). Probability sampling is based on the premise that each member of the population has a definite opportunity to be selected such that sample elements are selected by chance and the chance is known for each element that is selected (Zikmund, Babin, Carr & Griffin 2013:398). In non-probability sampling, sample element selection relies on the discretion of the researcher and, furthermore, the degree of sampling error cannot be determined (Tustin *et al.* 2010:345).

Three different types of non-probability sampling methods can be distinguished, namely judgmental, quota and convenience sampling methods (Bradley 2010:161; Zikmund *et al.* 2013:398). On the other hand, probability-sampling methods are grouped into the following types: simple random sampling, systematic sampling, stratified sampling, cluster sampling and multi stage sampling (Tustin *et al.* 2010:345).

For the purposes of this study, the non-probability convenience sampling method was used since the characteristics of this method have particular appeal to financial and time constraints. When using the non-probability convenient sampling, the sample elements are chosen because it is expected that they can serve the research purpose (Churchill *et al.* 2010:336). The next step, after selecting a sampling method, is determining the relevant sample size.

5.4.4   Determining the relevant sample size

Determining the relevant sample size that is needed in research is complex. The sample size can be determined by both statistical and practical considerations (Leedy & Ormrod 2014:222). Kumar (2014:233) and Gupta (2011:116) posits that the number of subjects in a study is called the sample size, and refers to the elements to be included in a research study It is noteworthy to mention that no single sample size formula is applicable to non-probability samples (Bernard 2011:177).

As this study made use of non-probability sampling, the sample size was determined by using past studies on market orientation (historical approach method). The sample size of 350 was consistent with that used by a number of market orientation researchers (see Section 1.2.2 in Chapter 1) and was deemed adequate. Gupta (2011:118) further argued that the more data collected, the better is the statistical power which is improved by increasing the sample size.

5.4.5   Gathering information from the sample elements

The researcher reached a sample of 1250 academics to allow sufficient room for error, non-return or non-completion of certain items in the questionnaire. The entire process of gathering information from the sample elements is summarized in Figure 5.1.

Figure 5.1:   Sampling process
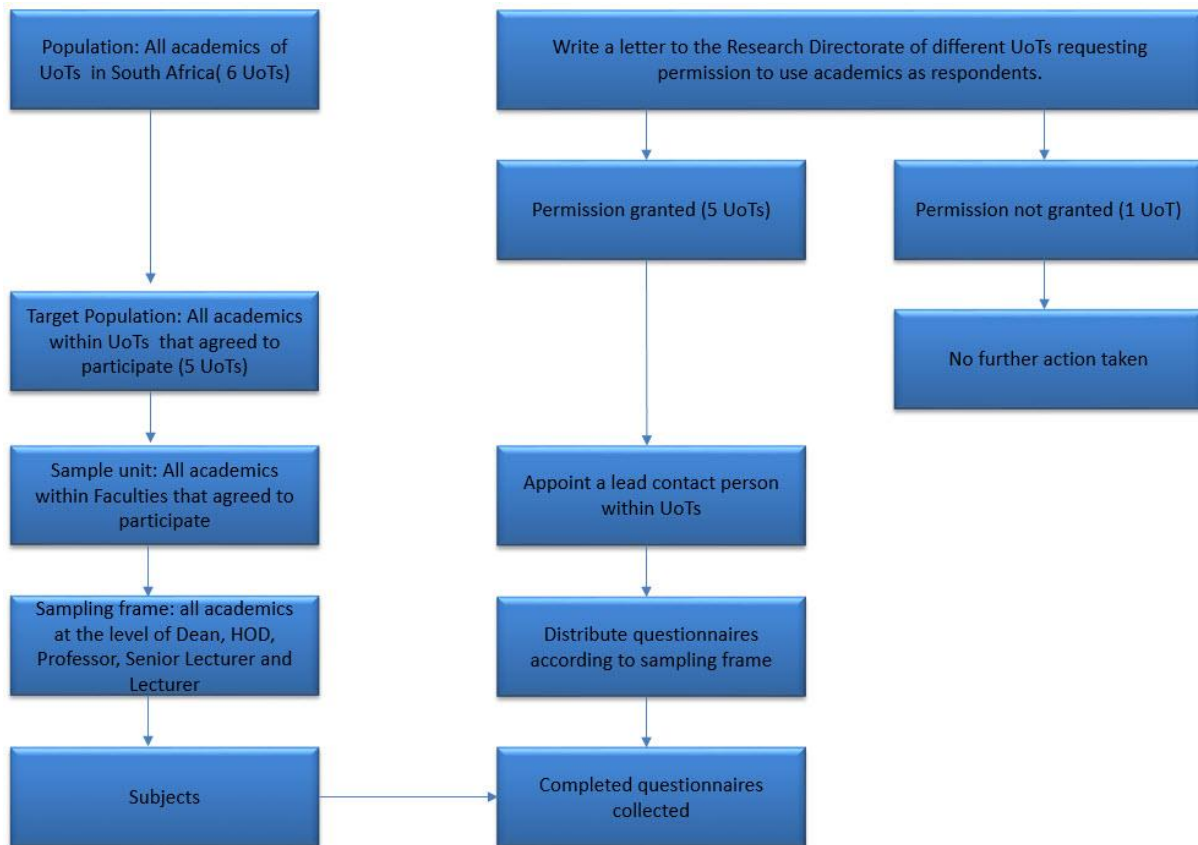
Source: Own compilation

The development of the research instrument will be explained in the following section.

5.5   DEVELOPMENT OF THE RESEARCH INSTRUMENT

The development of the research instrument was done based on several other studies and research instruments as briefly described below. When designing the questionnaire items, various information compiled by authors, was taken into account on the principles of questionnaire and scale construction. The most common errors encountered when developing questions for the study are laid out

in Table 5.3. The second column of this table indicates how these errors and omissions were mitigated in the design of the actual research instrument.

Table 5.3: Sources of errors and omissions in scale construction

Most common errors and omissions	Actual questionnaire design
• No pre-test or piloting is done	• A pilot test of 50 respondents was done
• Ambiguous or vague items: words that are undefined or too vague	• Every effort was made to state the questions in language that was simple and understandable
• Item order effects: Research has indicated that the order or sequence of questions may affect response accuracy and response rates	• Questions were put in a logical sequence, with biographical data first followed by scale questions
• Fictitious constructs: measuring constructs or attitudes that do not exist e.g. asking respondents about matters of which they have no knowledge.	• As the questionnaire was generally asking respondents about their working environment, it is assumed that they would have adequate knowledge thereof.
• Leading questions: questions where the respondents are being led or influenced to give certain response through the wording of questions.	• No leading questions were asked
• Negatively phrased questions or double negatives especially when asking respondents to agree or disagree with such questions	• Some negatively and positively phrased questions were used, as barriers to market orientation were being measured and to avoid respondents merely answering the same way automatically. These were reverse coded during analysis.
• Poor and confusing layout of the questionnaire can lead to non-response or other errors	• Every effort was made to make the instrument as straightforward as possible

Most common errors and omissions	Actual questionnaire design
• Instruments that are too long: research has proven that the length of the questionnaire has a direct and often negative impact on the quality of the response.	• The original questionnaire was quite long but was shortened considerably.
• Sensitive or threatening questions may lead non-response or refusal to participate	• None of the questions asked could be considered sensitive or threatening especially as the respondents remained anonymous
• Mono-operational bias: measuring constructs using only a single item or question: not constructing a scale or index where possible.	• Every construct was measured by at least 3 items. Reliability was high and this indicated that this problem was not significant.

Adapted from Garnett (2005:129)

Survey methods are used to collect various types of information from various sources including market orientation studies. A self-administered survey questionnaire was opted for because it is cost effective, easy to administer, ensures a greater possibility of anonymity and convenience for respondents to complete the questionnaires at their own place and time. It also reduces the potential of observer bias and enhances the reliability of data. In order not to confuse the respondents, the different instruments were divided into sections.

The structured questionnaire comprised four sections, A, B, C and D. Short instructions were given at the beginning of each section. Five-point Likert scales were used in this study to measure market orientation, barriers to market orientation and university performance. Each scale item in Sections B, C and D had five responses ranging from 1= strongly disagree, 2=disagree, 3=neither disagree nor agree /neutral, 4=agree and 5=strongly agree. This type of scale is easy to prepare and to interpret, as well as simple for respondents to answer.

5.5.1 Section A of the questionnaire

Section A is aimed to seek the respondent's biographical information and consists of six questions, A1-A6. These factors were measured using categorical nominal

scales, as the data was needed to establish a detailed profile for the sample. In this section, mainly multiple-choice questions and one dichotomous question with single answers were used. The respondents were requested to indicate their options.

5.5.2   Section B of the questionnaire

This section consisted of forty-seven questions, B1 to B47, divided into six sections. In order to measure the implementation of market orientation within HEIs, an analysis of the literature was done to identify the variables that pertained to market orientation. Recognising that market orientation is part of organisational culture and behaviour within universities, the researcher adapted the measures from previous studies as follows:

- In order to identify the items to be included in the questionnaire regarding behavioural components in this section, questions B1 to B24, were adapted from Zebal (2003:309-311) studies, which in turn were partially based on refined MARKOR scale by Matsuno, Mentzer and Rentz (2000:13-14); Voon (2008:234-235) and Hampton, Wolf, Albinsson and McQuity (2009:101-103). These scales were used to measure the three behavioural constructs of market orientation being intelligence generation, intelligence dissemination and responsiveness.

- The measure of cultural components comprising customer orientation, inter-functional coordination and competitor orientation questions, B25 to B47, was also adapted from the study by Zebal (2003:311-313). Zebal's (2003:311-313) scale was in turn based on the MKTOR scale developed by Narver and Slater (1990:24-25) and further modified for university context by Ma and Todorovic (2011:7).

5.5.3   Section C of the questionnaire

Section C was developed to identify the barriers to implementation of market orientation in HEIs. Scales that were used in this section include the antecedents of market orientation scale by Zebal (2003:311-313). These scales were adapted for a HE context. In this regard, these variables were viewed as constructs and had to be defined operationally before a scale could be developed. The researcher generated a number of items for each construct and several items had to be reverse-scored in order to minimise response set bias. Once these items were generated, they were pretested and later utilised in the pilot study involving 50

academics as discussed in Section 5.6. Some items were refined, reworded or deleted after the results of the pilot study were obtained.

Finally, in order to measure the overall barriers towards implementation of the marketing concept within UoTs, a newly developed scale consisting of 21 items, C1 to C21, was used.

5.5.4 Section D of the questionnaire

The objective in this section was to measure the university performance dimensions and consisted of six questions, D1 to D6. As with the market orientation dimensions, the university performance dimensions were also identified from previous studies on the subject. The researcher adapted the university measures from Todorovic, McNaughton and Guild (2005:119), Webster *et al.* (2006:20), and Ma and Todorovic's (2011:7) studies. These measures are well established and tested within universities. Subsequent to the development of the questionnaire, pretesting and a piloting were conducted prior to the main study.

5.6 PRETESTING AND PILOTING THE QUESTIONNAIRE

Pretesting refers to the testing of the questionnaire on a sample of the respondents to identify and eliminate potential problems. (Malhotra 2010:319). Regardless of the experience and expertise of the designer of the questionnaire, pre-testing must be undertaken to ensure that the questionnaire communicates the information correctly and clearly to the respondent. Pre-testing is an inexpensive insurance that the researcher can buy to assure the success of the questionnaire and consequently the research project (Zikmund & Babin 2013:183).

Initially three marketing professors in three different HEIs reviewed the questionnaire. The qualitative comments received, were mostly regarding wording and length of the questionnaire. Through these inputs, modifications and refinements were made and some questions were added to the questionnaire.

The questionnaire was then pre-tested with a conveniently selected sample of 10 academics in the marketing department of three participating institutions. These individuals were not included in the final sample. The respondents also identified unfamiliar words, abbreviations and instructions. The researcher accordingly effected the suggested changes before commencement of the pilot study.

The next step was for the researcher to conduct a pilot study on the questionnaire. A pilot study was also conducted to ensure that the questionnaire would enable the required data to be collected. This was necessitated by the fact that the current study was new within a HE context. This implied that there was no validated instrument available and, therefore, it was deemed necessary to pilot the questionnaire. A pilot study was conducted using 50 conveniently selected respondents of academics within participating UoTs.

Based on the feedback received from 41 respondents, the researcher was able to factor in a minor revisions to some of the questions. In addition, the different sections in the final questionnaires had acceptable levels of reliabilities. The results of the pilot study are reported in Chapter 6 under Section 6.2.

The final questionnaire (see Appendix C) was then used to collect the data from the sample. The next section will address the ethical consideration and the administration of the questionnaire.

5.7 ETHICAL CONSIDERATION AND ADMINISTRATION OF THE QUESTIONNAIRE

According to Zikmund and Babin (2013:78), ethics refer to a concern with the developments of moral standards by which situations can be judged and it applies to all situations in which there can be actual or potential harm of any kind to an individual or group. Permission to conduct the study was sought formally through the research directorate of each identified UoT (See Appendix A). Once permission was obtained, the questionnaires were couriered to the contact lead persons of the participating institutions. The lead contact person's responsibility was to distribute and collect the completed questionnaires. A cover letter was attached to the questionnaire to highlight the purpose of the study and associated ethical issues (see Appendix B).

Furthermore, the researcher minimised falsification of data and results by paying a fair remuneration to the lead contact person within the institution and to additional fieldworkers. Respondents were encouraged by using the institutions letterhead to evoke a sense of identity and assure the respondents of the opportunity to receive a summary of results, if so desired.

The next section will address the data processing phase of the study.

5.8 DATA PROCESSING

After data had been collected, it had to be processed. This consisted of data preparation and data analysis, which will be discussed briefly in the subsequent sections.

5.8.1 Data preparation

The data preparation process is the first step when analysing data in completed questionnaires (Cooper & Schindler 2011:490). Editing, coding, capturing and cleaning the data were some of the data preparation methods that were used in this study. These four components will be explained briefly hereafter.

5.8.1.1 Editing

Malhotra (2010:461) mentions that the questionnaire is screened with the objective of increasing its accuracy and precision. Zikmund and Babin (2013:369) maintain that editing consists of checking completed questionnaires for omissions, incomplete or otherwise unusable responses, illegibility and obvious inconsistencies. The purpose of editing, therefore, is ensuring completeness, consistency and readability of the data to be transferred to storage and involves the inspection and correction of the questionnaire, if necessary (Iacobucci & Churchill 2010:406).

The researcher's task was to check for errors and omissions in the returned questionnaires. The researcher also conducted central editing by checking again when capturing the data to ensure that the information was correct and complete.

The options of substituting missing data with artificially created average data points were not exercised since this could considerably change the values of correlation (Aaker *et al.* 2013:382). Furthermore, to avoid the decrease in variation of the scores as well as the validity of the information collected, the questionnaires were discarded (Emory & Cooper 1995:450).

5.8.1.2 Coding

Once all the questionnaires were completed and returned, they were edited and the promoter coded the responses. Cooper and Schindler (2011:456) describe coding as an assignment of numerals or other symbols to answers in order to enable the responses to be grouped into a limited number of categories or classes. Codes can be assigned before or after a research study is completed. In this study, pre-coding was adopted as mainly closed-ended questions and scaled questions were used (Zikmund & Babin 2013:363). Pre-coding saves time, money and decreases the chances of coding errors, since data was accessible directly from the questionnaire and grouped into useable classification. The codes are fixed-filled, meaning that the number of records for each respondent is the same and the same data appears in the same column for all respondents (Malhotra 2010:454).

5.8.1.3 Data capturing

Data entry or capturing refers to the task involved in the direct input of coded data into a software package that will ultimately allow the researcher analyst to transform the raw data into useful information (Aaker *et al.* 2013:236). Data was entered directly from the questionnaires with the use of a personal computer and fed into an MS Excel spreadsheet by the faculty administrator. The researcher also checked the final captured data to ensure that no mistakes were made and necessary changes were done, by referring back to the original questionnaires.

5.8.1.4 Data cleaning

In this regard, frequency distribution tests were run to examine missing variables. Churchill *et al.* (2010:412) refer to data cleaning as an error checking process performed after data capturing and most importantly precedes data analysis in order to identify omissions, ambiguities and errors in the responses made during data entry (McDaniel & Gates 2010:140). Data cleaning was done by making use of wild code checks to detect codes that are not defined for a particular variable including extreme cases for responses to a variable that is far from ordinary (Malhotra 2010:461). For example, a 6 used instead of a 5 on the Likert scale, may have been entered on MS Excel.

5.8.2   Statistical analysis

The researcher was assisted in this regard by the promoter. The promoter provided guidance on the applicability of the research design as well as the design and construction of the data collection instrument. The promoter further provided guidance on choosing the appropriate data analysis methods and the use of SPSS and AMOS package software for data analysis purposes. It is important to mention that the selection of data analysis techniques in this study was guided by the techniques used in previous market orientation studies. This section will describe the statistical methods applied on the empirical data set.

5.8.2.1   Descriptive statistics

According to Zikmund and Babin (2013:364), descriptive statistics are defined as techniques that assist in stating the characteristics of sample data and describe the profile of response data collected (Gravetter & Frozano 2012:404). Cooper and Schindler (2011:427) refer to descriptive statistics as a measure of location (mean, median and mode) and dispersion of variability (variance, standard deviation, range and quartile deviation). Measures of central tendency or location describe the centre of the distribution while variability refers to the spread of the scores in a distribution (Malhotra 2010:486).

The main purpose of descriptive statistics in this study was to describe or provide a summation of data that was obtained for a group of individual units of analysis (Farrington 2014:26). In addition, descriptive statistics were used to determine whether the data was normally distributed and further assisted the researcher to describe and compare variables numerically. The study made use of the mean, standard deviation and variance as reported under Section 6.3.3 in Chapter 6.

The arithmetic mean was used to base the calculations on a set of data specifically relevant to the variables of an interval scale (McDaniel & Gates 2010:410). The arithmetic mean for grouped data is utilised in line with Hair *et al.* (2010:415) assertion that the mean as a measure of central tendency is widely used to give meaning to raw data.

Standard deviation is defined by Churchill, Brown and Suter (2010:430) as a square root of the calculated variance on a variable, which measures the distance from the

mean for each score. The standard deviation is closely linked to the mean in that it is a measure that attempts to resolve the average distance of interpretations from the measurement of the mean interpretations (Malhotra 2010:180). It is regarded as the dispersal or spread of responses from their means. A high standard deviation value suggests inconsistency or difference among the variables being measured while a low standard value is supportive of consistency or agreement and implies that the points are close to the mean.

Frequency distributions are used to depict absolute and relative magnitudes, differences, proportions and trends (Zikmund *et al.* 2013:69). The use of frequency distributions facilitated the assessment of gender distribution, age of respondents, the number of years employed, educational qualifications, current position held and the faculty of respondents for Section A of the questionnaire. The use of frequency distribution as applied to this study is reported in Chapter 6 under Sections 6.3.1.

The following section discusses correlation analysis.

5.8.2.2   Correlation analysis

Correlation analysis measures the strength of the linear associations between two variables, which determines the patterns of the associations between the variables (Pallant 2010:129). By definition, correlation analysis involves measuring the closeness of the relationship or joint variation between two variables at a time (Iaccobucci & Churchill 2010:512). Chuck (2010:13) posits that correlations refer to descriptions of the relationships between variables and is the simplest way to understand the association between two metric values (Malhotra 2010:573). Correlation analysis establishes the degree to which changes in one variable are associated with changes in another variables and attempts to estimate the magnitude of the changes (McDaniel & Gates 2010:560; Kumar 2014:13).

The Spearman's correlation procedure was adopted for the study. The main feature of the Spearman correlation coefficient is that a coefficient of -1.0 indicates a perfect, negative relationship and a coefficient of +1.0 shows a perfect, positive relationship (Bryman & Bell 2011:362). In addition, the way data is ranked does not matter (whether data be arranged in an ascending or descending order) (Khamis 2008:157). According to Chuck (2010:16), the only requirement for using the

measure is that the data should be ranked in such a manner that such rank can be assigned to the smallest value or the largest value.

The study used correlations analysis for two purposes: first, to identify the presence of multi-collinearity, which is a condition for using non-parametric technique in data analysis and secondly, it is needed in order to explore the relationships between constructs used in the study (See Section 6.3.6.4.1 in Chapter 6). Multi-collinearity refers to a high degree of correlations among several independent variables (Pallant 2010:183). This occurs when many variables measuring similar phenomena have been incorporated into the model. In addition, the computation of the correlations between factors were also undertaken and reported in Chapter 6 under section 6.3.4. The following section addresses the reliability and validity of the measuring instrument separately.

5.8.2.3 Reliability

The purpose of the research study is to obtain data in which people can have confidence and in order to ensure accuracy, data must be obtained using measurement procedures that are reliable. Reliability of a measurement instrument is the extent to which the instrument yields consistent results when the construct being measured has not changed (Leedy & Ormrod 2014:95). Reliability is described by Iacobucci and Churchill (2010:258) as referring to the similarity of results provided by the independent but comparable measures of the same object or construct,. The main purpose of reliability is to provide consistent results and minimise errors and biases (Hammond & Wellington 2013:150). There are various general forms or classes of reliability estimates and these are summarised in Table 5.4.

Table 5.4:   Forms of reliability and how they are administered

Form of Reliability	Administration
Test-retest reliability	An approach for assessing reliability in which respondents are administered identical sets of scale items at two different sets of scale items at two different times under as nearly equivalent conditions as possible.

Form of Reliability	Administration
Alternative forms reliability	An approach for assessing reliability that requires two equivalent forms of the scale to be constructed and then the same respondents are measured at two different times
Internal consistency reliability	An approach for assessing the internal consistency of the set of items when several items are summated in order to form a total score of the scale: • Split-half reliability; a form of internal consistency reliability in which the items constituting the scale are divided into two halves and the resulting half scores are correlated • Cronbach's alpha a measure of internal consistency reliability that is the average of all possible split-half coefficients resulting from different splitting of the scale items

Source: Malhotra (2004:268)

Construct reliability of the research measures employed in the study, was examined by computation of three different methods, namely Cronbach's alpha reliability test, the composite reliability (CR) test and the average value extracted (AVE) tests.

Cronbach alpha testing was adopted as the measure of internal consistency for the measurement scale and was used with a co-efficient value of 0.7 as a cut-off point in line with the suggestions made by Nunnally (1978:245). An important property of the co-efficient alpha is that its value tends to increase with an increase in the number of scale items (Bryman & Bell 2011:158). A large alpha value indicates a high reliability while scores close to zero indicate that the reliability of the instrument is low (Malhotra 2010:724).

CR coefficient is another measure of internal reliability and is reported in Section 6.3.5.2 of Chapter 6. It provides a robust measure of reliability by taking into account the contribution of each latent factor to each item and each item's error (Starkweather 2012:4). Interpreted the same as Cronbach alpha, the CR measurement threshold is 0.70.

Malhotra (2010:725) defines AVE as the variance in the indicators or observed variables that are explained by the latent construct. A value of 0.40 or higher

indicates a satisfactory measure (Anderson & Gerbing 1988:411). See Section 6.3.5.3 in Chapter 6 for reporting of AVE results.

Validity and reliability are suitable measures for assessing the appropriateness of any measuring instrument (Malhotra 2010:318). Therefore, for this study to be beneficial, it was also necessary to prove the validity of the measuring instrument.

5.8.2.4   Validity

Validity can be defined as the extent to which differences in observed scale scores reflect true differences between objects on the characteristics being measured (McDaniel & Gates 2010:140), rather than systematic or random errors (Hammond & Wellington 2013:150). Validity takes different forms, each of which is important in different situations as illustrated in Table 5.5.

Table 5.5:   Forms of validity

Form of Validity	What is measured	Method
Content Validity	A type of validity sometimes called face validity that consists of a subjective but systematic evaluation of the representatives of the content of a scale for the measuring task at hand.	Judgemental or panel evaluation
Criterion Validity	A type of validity that examines whether the measurement scale performs as expected in relation to other variables selected as meaningful criteria	Correlation
Construct Validity	A type of validity that addresses the question of what construct or characteristic that the scale is measuring. An attempt is made to answer theoretical questions of why a scale works and what deductions can be made concerning the theory underlying the scale .Convergent validity; a measure of construct validity that measures the extent to which the scale correlates positively with other measure of the same construct. • Discriminant validity – a type of construct validity that assess the extent to which a measure does not correlate with other constructs from which it is supposed to differ. • Nomological validity – a type of validity that assess the relationship between theoretical constructs. It seeks to confirm significant correlations between the constructs as predicted by theory	Judgemental: correlation of proposed test width, established one: factor analysis; multitrait multi-method analysis and techniques

Adapted: Malhotra (2004:269)

In this study, the scale was tested for content, construct, convergent and discriminant validity as follows:

- Content validity is a subjective evaluation and relies on subject-expert opinions (Kane 2001:323). It measures the extent to which all relevant aspects of the constructs are adequately covered in the measurement scales (Malhotra 2010:320). Content validity was undertaken through a thorough literature review, pre-testing and piloting the instrument with a conveniently selected sample to enable the refinement of the questionnaire as reported in Sections 6.3.6.1 of Chapter 6.

- As the survey instrument was based on previous studies in the field, it was assumed critical that construct validity should be ascertained. Construct validity attempts to ascertain the inter-relationship between the measurement items and construct being measured (Welman, Kruger & Mitcell 2011:142). There are two requirements that need to be met by a scale in order to conform to construct validity (Malhotra 2010:321). First, is that the measure used correlates with other measures designed to measure the same things (convergent validity), secondly the scale does not correlate with measures from which it is meant to differ (discriminant validity). According to Clark and Watson (1995:316), an average inter-item correlation that falls within the 0.15 and 0.50 range implies construct validity (See Section 6.3.6.3 in Chapter 6).

- Convergent validity assesses the extent of positive associations of the measurement item with other items measuring the same construct (Malhotra 2010:725). Convergent validity was ensured through computation of inter-item correlations reported in Section 6.3.6.2 of Chapter 6. Convergent validity was also ascertained by using correlation coefficients (McDaniel and Gates 2010:256). Correlation analysis is reported in Chapter 6 under Section 6.3.4. In addition, item loadings, AVE and Cronbach values, which are all reported in Table 6.9 of Chapter 6, were also used to establish convergent validity.

- Discriminant validity refers to the existence or absence of associations amongst unrelated constructs within a study (Malhotra 2010:734). Discriminant validity is evidenced by a low correlation between measures that are different from the construct being measured. The survey instrument was tested for discriminant validity by examining the correlations between the factors reported in Section 6.3.6.4.1 of Chapter 6 to ensure that they were not too highly correlated.

Comparison of AVE with the Shared Variance (SV) between constructs was also undertaken whereby discriminant validity is achieved if AVE values exceed SV values. The results are reported in Chapter 6 under Section 6.3.6.4.2.

The following section explains the factor analysis.

5.8.2.5   Factor analysis

Bradley (2010:334) describes factor analysis as a set of procedures that are used to reduce and summarise data.The procedure seeks to identify simple patterns and factors underlying relationships.This is achieved by grouping the variables and reducing them to small set of factors (Hatcher & O'Rourke 2014:50).

The goal of factor analysis such as latent variable measurement models is to establish the number and nature of factors that account for the variation and covariation among a set of indicators (Malhotra 2010:739). Besides its usefulness in establishing the validity of the instrument, factor analysis is also used to summarise the information into smaller sets of variables that retain as much information in the original variables as possible (Toni & Tonchia 2001:50). Factor analysis was used in this study, to revalidate the structure and internal reliability of the instrument used. Bradley (2010:336) expresses similar sentiments by stating that factor analysis is carried out to uncover the underlying dimensions, and to reduce the number of variables to smaller sets of factors.

According to Zhang, Waszink and Wijngaard (2000:746), factor analysis consists of two forms, namely exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), which the researcher deemed appropriate for the study. EFA was used early in the process of scale development and constructs validation whereas CFA was used in the later phases when the underlying structure has been established on prior empirical and theoretical grounds. The process, results and discussions of EFA are presented in Chapter 6 under Section 6.3.2, while CFA results and discussion are also reported in Chapter 6 under Section 6.3.7.

- **Exploratory factor analysis (EFA)**

Before employing the EFA analysis, it is necessary to check whether the captured data is suitable for EFA. Two most commonly used statistical tests for checking the suitability of data for exploratory factor analysis were adopted in this study. These

tests are the Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity (BTS), which are reported in Chapter 6 in Table 6.2. The KMO measure of sampling adequacy is an index for comparing the magnitude of the observed correlation coefficients to the magnitudes of the partial correlations (Malhotra 2010:736). A most commonly used rule is that KMO above 0.6 is deemed desirable (Pallant 2010:183). Similarly, the Bartlett's Test of sphericity is used to test if the variables in the population correlation matrix are uncorrelated and the ideal observed significance level is 0.000 (Ledesma & Valero-Mora 2007:3).

The first stage of factor analysis is EFA, which Malhotra (2010:739), defines as the process of identifying the underlying dimensions or factors that explain the correlations between a set of variables. The main purpose of EFA is to determine how and to what extent the observed variables are linked to their underlying factors. It is for these reasons that this study adopted a factor analysis with principal components analysis (which is an approach that considers the total variance in the data). Varimax rotation was then applied in order to minimise the number of variables that had high loadings on any factor and to improve the degree to which the factors correlated and to make the interpretation easier (Malhotra 2010:746). Tables 6.3, 6.4 and 6.5 in Chapter 6 show the rotated factor matrices for the market orientation, barriers and university performance respectively.

The process of determining the number of factors of market orientation, barriers to market orientation and university performance constructs, was undertaken using eigenvalues, scree plot, and the percentage of variance accounted for methods. Malhotra (2010:642) defines an eigenvalue as the amount of variance associated with the factor. The method of determining the number of factors based on eigenvalues requires that only factors with eigenvalues greater than 1.0 be retained because together they account for most of the variance while those factors with eigenvalues values less than 1.0 are not included in the model (Iacobucci & Churchill 2010:496).

The next step of factor analysis was to determine the number of appropriate factors to extract based on scree plot. The scree test was used to determine the number of clear breaks between the eigenvalues greater than 1.00. Malhotra (2010:643) describes a scree plot as a plot of the eigenvalues against the number of factors in

order of extraction or a point at which the scree begins to have a distinct break. The scree plots are shown in Figures 6.8 and 6.9 in Chapter 6 respectively.

Having identified the number of factors, the next step was to determine the factor loadings in order to elucidate the interpretability of the factors. To determine how strongly correlated a measured variable was with a given factor, a variable was supposed to load with a value of at least 0.5 on a factor (Huck, 2012:493). Bradley (2010:336) posits that a positive loading is indicative of a positive relationship between the variable and the factor, whereas a negative loading confirms a negative relationship.

The final step involved focusing on the significant loadings and naming the factors based on the meanings of common variables that loaded on a specific factor.

The researcher named the factors according to which variables load with each factor following the procedure outlined by Iacobucci and Churchill (2010:581). The analysis proceeded in a confirmatory mode to evaluate and confirm the measurement model through CFA.

- **Confirmatory factor analysis (CFA)**

Once the underlying structure of a set of data has been obtained, CFA was used to determine how well the obtained structure fits the data (Schreiber *et al.* 2010:321). In CFA, the researcher specifies the number of factors and the pattern of indicator-factor loadings in advance (Brown & Moore 2012:3). CFA, therefore, verifies the number of underlying dimensions of the instrument (factors) and the pattern of item-factor relationship (factor loadings).

A measurement model relates to the theory specifying observed variables of constructs, thereby permitting assessment of both convergent and discriminant validity (Malhotra 2010:725). The measurement model specifies the number of factors, how various indicators are related to the factors and the relationships among indicator error (such as a CFA model). It identifies the relationship among latent variables and their indicators (Sharma 1996:13) and is constructed for confirmatory analysis purposes (Byrne 2010:6). The adequacy of the measurement model was assessed by conducting CFA using AMOS version 22.0.

Based on CFA, the adequacy of the measurement model was ascertained through assessing the significance of the item loadings of all constructs. Items reporting loadings below the minimum acceptable threshold of 0.50 were deleted (Chinomona, Dhurup & Chinomona 2013:7).

Model fit is the level to which the hypothesised theoretical model fits the model deduced from the actual empirical data of the study sample (Kim 2009:387). In order to achieve this, it was necessary to assess different model fit indices, which differ in terms of their purpose (Hooper, Coughlan & Mullen 2008:53) as summarised in Table 5.6.

Table 5.6:   Model fit indices

Fit indices	Acceptable Threshold.
Chi-square(CMIN/DF)	Tabled Chi-square smaller or equal to 3
Normed fit index (NFI)	Value Equal to or greater than 0.90
Increment fit index (IFI)	Values greater than 0.90
Tucker-Lewis index (TLI)	Values greater than 0.90
Comparative fit index (CFI)	Values greater than 0.90
Goodness-of-fit index (GFI)	Values greater than 0.90
Adjusted Goodness-of-fit index (AGFI)	Values greater than 0.90
Root mean square error of approximation(RMSEA)	Less than 0.08 with confidence interval.

Source: Fornell and Larcker (1981:46); Baggozi and Yi (2012:15)

- The absolute fit indices indicate how well a hypothesised model matches the empirical data of the study (McDonald & Ho 2002:72). The absolute fit indexes include indices such as goodness-of-fit index (GFI), the adjusted-goodness-of-fit index (AGFI) and the badness of fit indices, such as the chi-square test, the standardised root mean square residuals (SRMSR) and the root square mean square error of approximation (RMSEA) (Malhotra 2010:731). For the RMSEA a value of 0.08 is the recommended upper value (Byrne 2010:77).

- The incremental fit indexes respond to how well the proposed model is performing when assessed against baseline or null models (Miles & Shevlin 2007:870). These indexes include the comparative fit index (CFI) and the Tucker-Lewis index (TLI). The values of both absolute and incremental should be equal to 0.90 or higher to indicate a good fit (Hooper *et al.* 2008:55).

- According to Hair *et al.* (2010:638), the parsimonious fit measures assesses whether model fit has been achieved. However, these measures are not a measure of significance; they are used mainly to choose between models and are perceived as a punishment by introducing more parameters into a model (Blunch 2008:210).

In addition, CFA results provided evidence of the convergent and discriminant validity of theoretical constructs as reported in Chapter 6 under Sections 6.3.6.2 and 6.3.6.4 respectively. Therefore, it is critical, that an acceptable measurement model should be established before estimating and interpreting the structural relationship among latent variables (Bagozzi 2010:211). CFA was employed, in this regard, as a precursor to SEM and specified the structural model.

5.8.2.6   Structural equation modelling (SEM)

SEM has been identified among the most influential and widely statistical methods employed in consumer psychology and related disciplines over the past three decades (Fabrigar, Porter & Norris 2010:221). Malhotra (2010:729) defines SEM as the statistical procedure employed to investigate the complex relationships between measured (observed) and latent (unobserved) variables as well as the relationships between two or more latent variables. It is a statistical method that offers an extension to other multivariate techniques especially that of factor analysis and multiple regressions (Iacobucci 2009:678; Hair *et al.* 2010:19). SEM is described as combination of CFA and multiple regression (confirmatory technique), which can be also used for exploratory purposes (Schreiber *et al.* 2010:324).Therefore, SEM takes a confirmatory approach to the analysis of structural theory bearing on some phenomenon (Byrne 2010:872). It is a technique usually considered for large samples sizes usually over 200 (Kline 2005:111; Barrett 2007:820), which are said to provide statistical power for data analysis in multivariate analysis (Hoe 2008:77).

SEM represents the actual testing of hypothesis about structures underlying responses to individual items on the instrument. It is used to test propositions about item groupings and the constructs. In SEM, hypothesis about specified factors and how factors are arranged in a larger model and how much of an underlying construct the factors can explain, are tested. When a SEM is conducted, the researcher uses a hypothesised model to estimate how a population covariance matrix is compared with the observed covariance matrix (Schreiber *et al.* 2010:334).

SEM models go beyond ordinary regression models to incorporate multiple variables as well (Brown & Moore 2012:3). It is noteworthy to mention that SEM in this study relates to two types of models, namely the structural model and the path model/analysis:

- **The structural model**

The structural model specifies how the various factors are related to either one another such as direct, indirect or no relationship (Reisenger & Mavondo 2007:522). It combines the measurement model and the path model/analysis (MacDonald & Ho 2002:72).

Assessment of the structural model validity refers to evaluation criteria applied based on model fit indexes (Baggozi & Yi 1988:8). The model fit indices summarised in Table were used in assessing the adequacy of the structural model. When a poor model fit is encountered in SEM studies, it is more likely that this will be due to misspecification in the measurement portion of the model than from the structural component (Byrne 2012:3). Therefore, it is recommended that the proposed structural model have the best fit in contrast to competing models that may be considered as alternatives (Skrondal & Rabe-Hesketh 2005:2)

After the adequacy of both the measurement and structural models was established, the path model was conducted.

- **The path model/analysis**

Path modelling portrays the relationships among perceived or measured variables and theoretical constructs (Roche, Duffield & White 2011:1480). This type of model involves the estimation of presumed causal relations among observed variables. Although path model cannot demonstrate causality, relations among observed

variables based on theory are demonstrated (Bryman & Cramer 2005:314). The ultimate goal is the assessment of how well the model is adequate to account for the data set that is the observed through correlations or co-variations. With the use of path analysis, researchers are able to determine which hypothesised model is the best fit for the pattern of correlations found within a data set.

SEM is outlined in Chapter 6 under Section 6.3.8 with the relevant interpretations and discussions. The next section on hypotheses testing concludes the data analysis section.

5.8.2.7   Hypotheses testing

Hypotheses are statements of fact yet to be proven. According to McDaniel and Gates (2010:414), a hypothesis is an assumption or a guess made by a researcher about the characteristics of the population under investigation. Hypotheses within a SEM analysis is tested primarily by goodness-of-fit indices with regard to the hypothesised relationships between the variables in accordance to the suggestions made by Morgan *et al*. (2012:273), who testifies that the goodness-of-fit statistics should be determined first and thereafter the path analysis. Results of the hypothesis testing reported in Chapter 6, Table 6.12 show the supported proposed hypotheses (H1 to H3). Individuals' hypothesis path coefficients of the relationship outcomes are also provided.

5.9   CONCLUSION

The purpose of this chapter was to provide a detailed outline of the research methodology applied in the current study and to justify accordingly and motivate the use of these methodological aspects. An extensive elaboration was provided regarding the research philosophy, design and the methodology that was used to undertake the study.

The questionnaire was administered to the target sample after it had been pretested, piloted and modified accordingly. The same applied to respondent's data that was captured, coded, cleaned and then analysed using relevant statistical programmes such as SPSS and AMOS. The captured data was collected using a self-administered questionnaire that comprised scales drawn from previously

studies to measure the constructs.. The questionnaire also included questions designed to gather biographical information of respondents.

In the next chapter, the data obtained during the research study, is interpreted and analysed. The statistical analysis strategy involved made use of the following statistical methods: EFA, CFA, reliability and validity analysis, descriptive statistics, correlation coefficients and SEM. Finally, the findings were provided to enable the researcher to translate obtained information from the data into meaningful interpretation.

CHAPTER 6
DATA ANALYSIS AND INTERPRETATION

6.1   INTRODUCTION

The previous chapter described the design and research methodology used in the study. The procedure used to collect, capture, process and analyse data was presented. All structural and fundamentally methodological components relevant to the study on hand including the steps taken to ensure validity and reliability were highlighted. The research design and the statistical techniques in analysis of the data were explained.

The purpose of the current chapter is to analyse and discuss the empirical findings of the study. The results and findings in the current chapter are enhanced through tables and figures. The chapter begins by discussing the preliminary data analysis of the pilot studies before describing the characteristics of the research participants. Data obtained on the three primary constructs, namely market orientation dimensions, barriers to implementation of the marketing concept and university performance received focus through exploratory factor analysis process and tested for validity and reliability. The constructs were examined for any significant relationship among the factors through correlation analysis. The subsequent sections focus on confirmatory factor analysis and structural equation modelling for assessing the model fit component. Finally, structural equations modelling results are presented and analysed through path model analysis and hypothesis testing.

6.2   RESULTS OF THE PILOT STUDY

A pilot study was carried out to ensure that the questions on the questionnaire were clear, captured the required information and highlight aspects that might need attention. A limited number of respondents (n=41) were used in the pilot study. Respondents for the pilot study were drawn from the sample population from which the sample was drawn.

The reliability of the questionnaire was then established by computing the Cronbach alpha coefficient for each construct. The five-point scale returned a Cronbach alpha reliability value of 0.943 on the market orientation variables, 0.919 on the barriers

variables and 0.789 for the university performance variables. The resultant data reported in Table 6.1 indicates the existence of correlated scale items and justifies the internal consistency of the scales. The alpha value exceeded the suggested level of 0.70 (Nunnally 1978:245; Maree 2010:216) thus providing satisfactory scale reliability at the pilot stage.

The inter-item correlation analyses also were examined to determine which items might be soliciting identical or very similar concepts. The rule of thumb with the average inter-item correlation is a value above 0.50 (Hair *et al.* 2010:44). Item-to-total correlations that were too low meant that certain items might have been ambiguous or redundant. In this regard, four items from Section B were found to have low item-total correlations of 0.133; 0.249; 0.242 and 0.289 respectively. After careful consideration, these four items were then deleted from the section to mitigate the low inter item correlations.

Reliability improved from 0.943 to 0.945 after the deletion of the four items. The original total of 47 items in Section B was reduced to 43 items, which were finally used in the main survey instrument.

Table 6.1:   Pilot Test Results

Scale	Means	Std. Dev.	Average item-total correlation	Cronbach Alpha Before deletion	Number of items	Number of items deleted	Number of remaining items	Revised Cronbach Alpha
Section B	3.15	0.547	0.589	0.943	47	4	43	0.945
Section C	3.36	0.696	0.568	0.919	21	0	21	0.919
Section D	3.16	0.716	0.550	0.789	6	0	6	0.789

6.3   MAIN SURVEY RESULTS

Out of 1250 questionnaires sent to participating institutions, a total of 528 responses were received and this resulted in a return rate of 42.24 percent. Of these, 21 were unusable, as several items were not answered on the questionnaire. Respondents are more likely to return a questionnaire, if they perceive that the study is important

and warrants their co-operation. Figure 6.1 shows the different stages of data analysis and interpretation adopted for the study.

Figure 6.1:   Stages of data analysis and interpretation

Step 1: Biographical profile of the sample

- Gender
- Age category
- Position held
- Duration of employment
- Educational status
- Faculties

Step 2: Exploratory Factor Analysis (EFA)

- KMO and BTS
- Factor extraction procedure
- Naming and interpretation of factors

Step 3: Descriptive statistics

- Means; and
- Standard deviation

Step 4: Correlation Analysis

- Spearman correlation test
- Effect of the relationships
- Strength of the relationships

Step 5: Statistical Measure of Accuracy

- Reliability analysis
- Validity analysis

Step 6: Assessment Measurement of Model Fit

- CFA model indexes

Step 7: Structural Equation Modelling Analysis

- Model fit indexes
- Path analysis
- Critical ratios

Step 8: Hypotheses Testing

- H1, H2, and H3 discussion

Source: Own Research

6.3.1   Biographical profile of the sample

Questions relating to the profile of the respondents were included to report the biographical results as outlined under Section 5.7.2.1 relating to Section A of the measuring instruments. This section classifies the respondents for the sample into categories measured by, gender, age, position held, completed years at university, highest qualification obtained and faculty. Each of these characteristics is discussed in the following subsections.

6.3.1.1   Gender composition of the sample

The gender distribution of the sample is reflected in Figure 6.2. Of the 507 respondents in the sample, the majority were males (n=287; 57%). Females made up the balance (n=220; 43%) of the sample.

Figure 6.2:   Respondents' gender
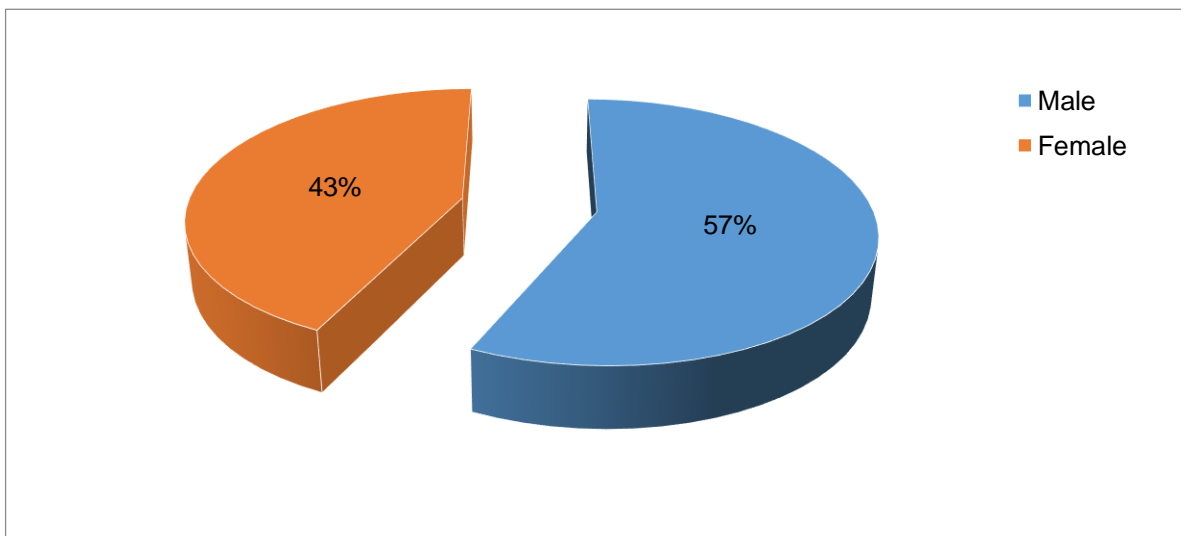
6.3.1.2   Age distribution of the respondents

The respondents were classified into five age groups as illustrated in Figure 6.3. The majority of the respondents (n=172; 34%) were in the age group between 30-39 years, followed by the age group of 40-49 years (n=160; 32%), the age group of 50-59 years(n=81;16%) and the age group of less than 30 years (n=66; 13%) respectively. The remainder of the sample (n=28; 5%) were in the age group of 60 years and older. The fact that retirement age for academics used to be 60 years of age during the former technikon era, could be reason for the decline of academics in the 60 years and above category.

Figure 6.3: **Age distribution of respondents**
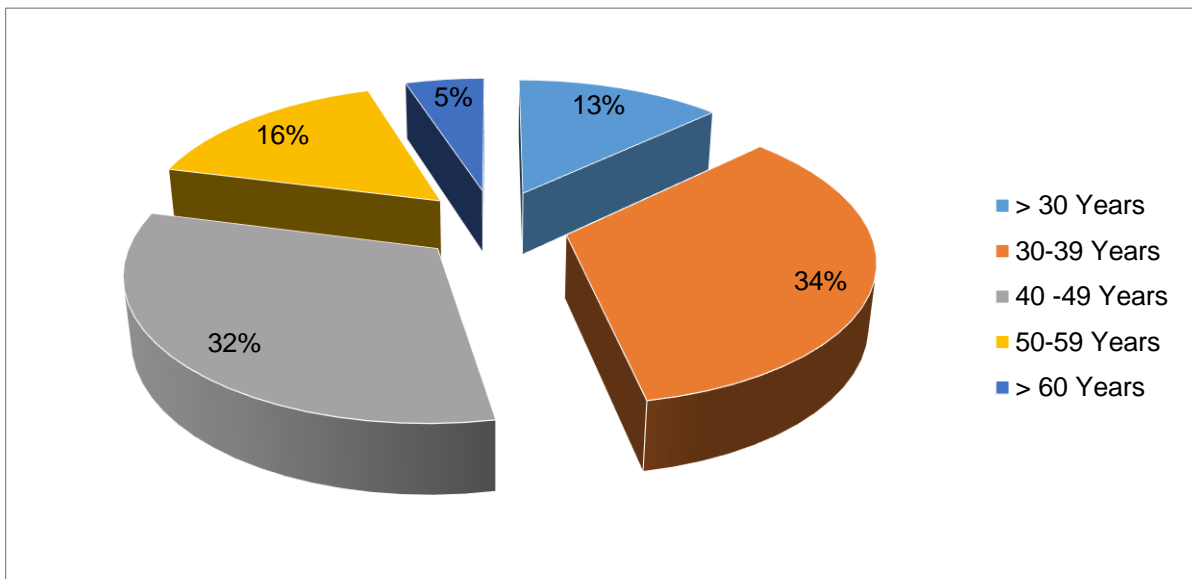
6.3.1.3   Distribution of respondents' per current position

Participants were also asked to indicate their current positions and three possible positions were provided. Figure 6.4 reveals that the majority of respondents were junior lecturers/lecturers (n=246; 49%) followed by senior lecturers/associate professors (n=209; 41%). Only a small number of respondents (n=52; 10%) were in the HOD/Dean/Professor positions.

Figure 6.4: **Position held by the respondents**
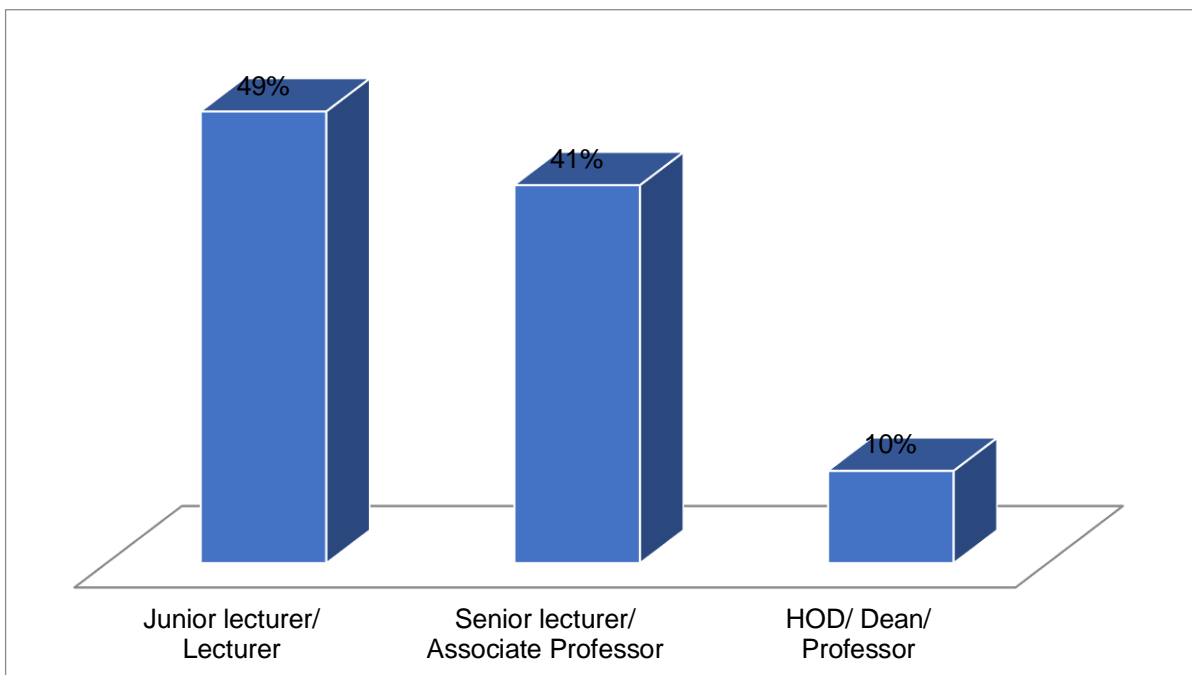
6.3.1.4　　　　Number of years employed

Figure 6.5 indicates the number of years of service furnished by the respondents. Most of the respondents (n=239; 47%) had between 3-6 years of service in HE, followed by those in the 7-10 years of service category (n=120; 25%) and those who had less than 3 years of service (n=73; 14%). The respondents who had more than 10 years of service (n=69; 14%) comprised the smallest part of the sample.

Figure 6.5:　Distribution of respondents completed years at university
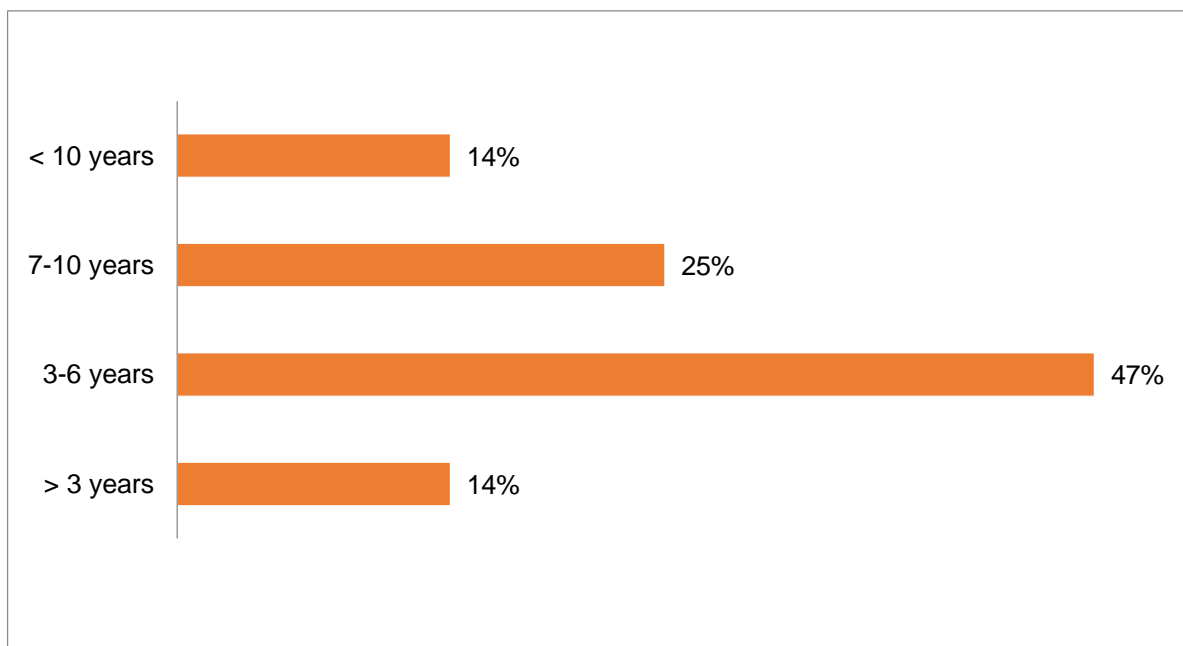
6.3.1.5　　　　Educational background

The distribution of the respondents' level of education achieved is shown in Figure 6.6. In terms of formal education levels, the majority of the respondents sampled, were in possession of a BTech/Hons qualification (n=197; 39%), followed by those who are in possession of a master's degree (n=194; 38%) and those who have attained a doctorate (n=72; 14 %).The minority are in possession of a diploma or a degree (n=44; 9%). These disparities in terms of respondents qualification could be attributed to the history of technikons (renamed UoTs) in which the minimum educational requirement for appointment in an academic position was a BTech/Hons qualification.Those in possession of a diploma or degree (junior lecturers) are being developed and have probably registered for further qualification.

Figure 6.6: Highest qualification
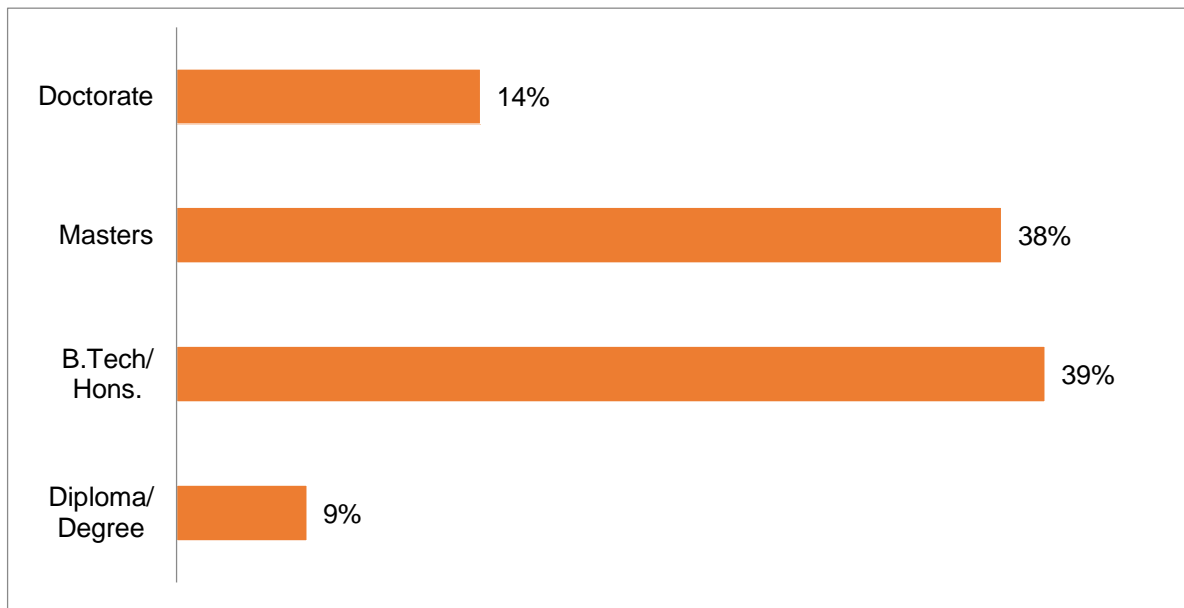
6.3.1.6 Faculties of the respondents

Figure 6.7 indicates the faculties in which the respondents are based within their respective institutions. The majority of the respondents (n=188; 37%) were in the Faculty of Management Sciences, with the second highest total of respondents in the Faculty of Engineering (n=110; 22%), followed by the Faculty of Humanities (n=99; 20%) and the Faculty of Applied Sciences (n=73; 14%) respectively. The remainder of the sample were from "other faculties" (n=37; 7%).

Figure 6.7: Faculties of respondents
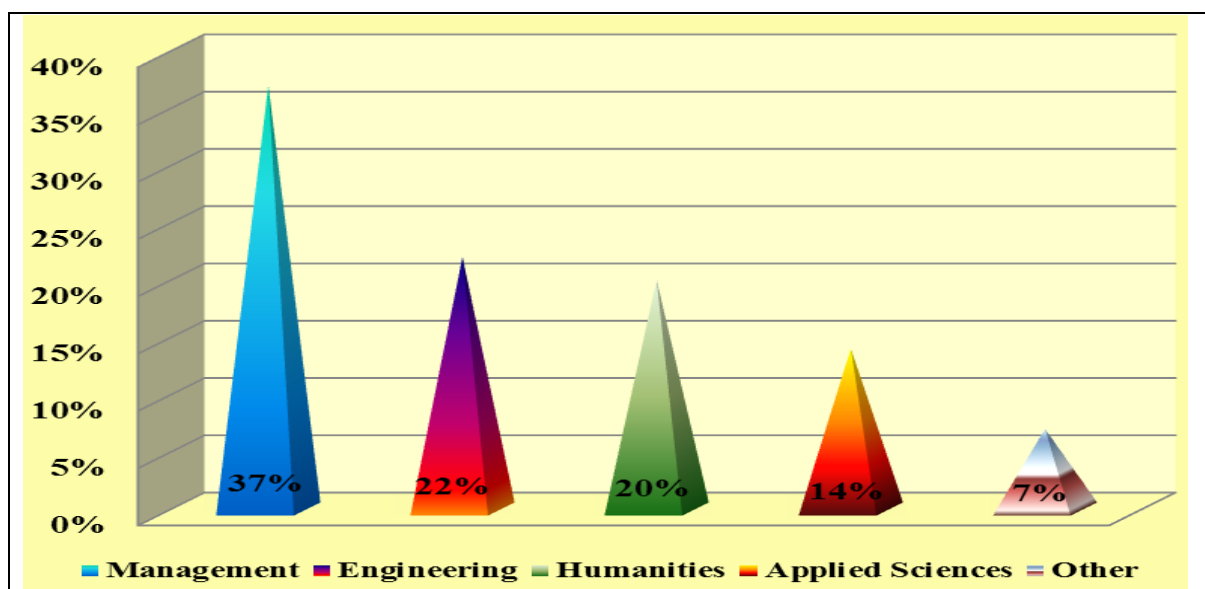
The following section describes the EFA conducted on the scaled responses in the questionnaire for Sections B, C and D. A discussion of factor analysis procedure, methods of extraction, factor structure as well as naming and interpretation of factors are provided.

6.3.2　　Exploratory Factor Analysis (EFA)

In order to ascertain that the data captured was suitable for EFA, the Kaiser-Meyer Olkin (KMO) test and the Bartlett's test of sphericity were conducted. Satisfactory results were computed for both these tests and the results are illustrated in Table 6.2. The Kaiser-Meyer Olkin test yielded sampling adequacy of 0.955 for market orientation elements, 0.862 for barriers to market orientation and 0.856 for university performance scales respectively. All these KMO indicators were above 0.6 implying that the data for this study is considered "marvellous" for other FA procedures by Kaiser (1974:35).

Similarly, the Bartlett's test of sphericity results for the different scales, revealed significant chi-squares of 12537.054 (df=630) for market orientation scale; 3451.400 (df=91) for barriers scale and 1955.496 (df=15) for university performance scale respectively. All these values were at significant level of p=0.000;<0.05 affirming that FA is suitable for the data set.

Table 6.2:　The KMO measure and the Bartlett Test Results

CONSTRUCTS	KMO MEASURE	BARTLETT'S TEST		
		Approximate Chi-Square	Degrees of freedom	Significance level
Market Orientation	0.955	12537.054	630	0.000
Barriers to Market Orientation	0.862	3451.400	91	0.000
University Performance	0.856	1955.496	15	0.000

In the foregoing sections, the EFA procedure was undertaken on the market orientation scale, barriers to market orientation and university performance scales respectively.

6.3.2.1 Market orientation scale

Default measures were employed in the factor extraction procedure as explained in the next sub-section.

6.3.2.1.1 Factor Extraction Procedure

In line with the procedure undertaken by Bradley (2010:334-335), the default measure was to use factor loadings greater than or equal to 0.50, with an eigenvalue (equal to or greater than 1). In addition, the percentage of variance explained and the scree plot criterion guided the extraction of factors. Seven items were dropped from the factor analysis after they loaded insignificantly (<0.50) on factors. The factor extraction procedure yielded a seven-factor structure. Table 6.3 shows the results of the rotated factor solution of the market orientation scale.

Table 6.3: Seven factor rotation structure

Description	Factor						
	1	2	3	4	5	6	7
Collection of information about the social and economic situation	**.615**	.140	.231	.335	.299	-.055	.024
Collection information about other disciplines and departments	**.630**	.153	.229	.390	.231	.006	-.040
Profile changes demanded by the labour market	**.577**	.137	.155	.394	.225	.123	.092
Review course development efforts in line with industry	**.627**	.139	.152	.233	.126	.217	.269
Student satisfaction disseminated at all levels	**.611**	.175	.175	.209	.002	.227	.246
Coordination of academics activities	**.693**	.163	.212	.031	.033	.278	.197
Dissemination of industry satisfaction with our graduates at all levels	**.680**	.096	.107	.038	.155	.200	.253
Survey of our industry	**.673**	.081	.166	.116	.209	.193	.248
Inter-functional meetings to analyse important market information	**.570**	.218	.135	.150	.336	.154	.246

Description	Factor						
	1	2	3	4	5	6	7
Integration of business processes and departments	**.529**	.321	.197	.112	.362	.174	.108
The various departments informed about peer departments of other universities	**.570**	.232	.198	.103	.361	.154	.212
Prioritising meeting with students	.135	**.609**	.308	.076	.216	.153	.081
Dedication of departments in serving the needs of students	.140	**.765**	.215	.109	.158	.142	.055
Student learning experience contribution	.175	**.819**	.195	.173	.088	.164	.110
Sharing of resources by departments	.185	**.826**	.112	.158	.061	.164	.108
Talking to other department members	.176	**.791**	.123	.209	.061	.164	.166
Programmes response to existing demands	.256	.272	**.599**	.142	.289	.275	.169
Research helps to solve problems in society	.267	.206	**.639**	.223	.298	.217	.142
Research covers societal and business demand	.329	.147	**.638**	.212	.307	.162	.179
Monitoring and assessing commitment to serving students' needs	.230	.168	**.656**	.264	.198	.236	.171
Strategies driven by the goal of enhancing students learning experience	.166	.195	**.653**	.033	-.012	.025	.034
Competitive advantages based on understanding of students needs	.100	.306	**.513**	.199	-.044	.256	.264
Collection of information about other disciplines and departments off	.270	.239	.182	**.675**	.075	.151	.079
We collect information about training and research carried out in private universities	.158	.237	.134	**.662**	-.050	.207	.124
Academics spends time discussing students' future needs	.148	.158	.096	**.737**	.193	.140	.190

Description	Factor						
	1	2	3	4	5	6	7
Held meetings with those who hire our students	.160	.046	.152	**.677**	.276	.128	.052
Flexibility in adapting or changing course material	.291	.188	.057	.248	**.632**	.261	.144
Held meetings to discuss the most relevant research issues	.349	.122	.220	.136	**.708**	.108	.247
Adapting teaching and research work to the needs of business and industry.	.312	.129	.215	.163	**.711**	.070	.252
Rapid distribution of information	.223	.223	.305	.135	.042	**.658**	-.024
Relevant marketing information distribution to all	.207	.173	.234	.190	.106	**.720**	.090
Review of the changes in the higher education	.246	.278	.101	.200	.138	**.660**	.141
Students complaints are addressed	.246	.210	.067	.212	.392	**.561**	.104
Prevailing atmosphere	.337	.183	.217	.159	.200	.098	**.731**
Working relationship in various departments	.349	.146	.126	.181	.219	.069	**.788**
Major market information spreading	.359	.169	.204	.112	.226	.086	**.731**
Eigen value	15.829	2.406	1.525	1.312	1.195	1.074	1.012
Total variance explained	44.053	6.683	4.235	3.645	3.319	2.985	2.811
Cumulative variance explained	44.053	50.735	54.971	58.615	61.935	64.919	67.731

Furthermore, the shape of the scree plot was examined to identify the point where the line levels off as the "graphs elbow" (Huck 2012:490). According to the scree plotted for the study, the line seems to level off after seven factors. This further attests the adequacy of the seven-factor solution for the market orientation construct in the study.

Figure 6.8: Scree plot of eigenvalues for seven factors.
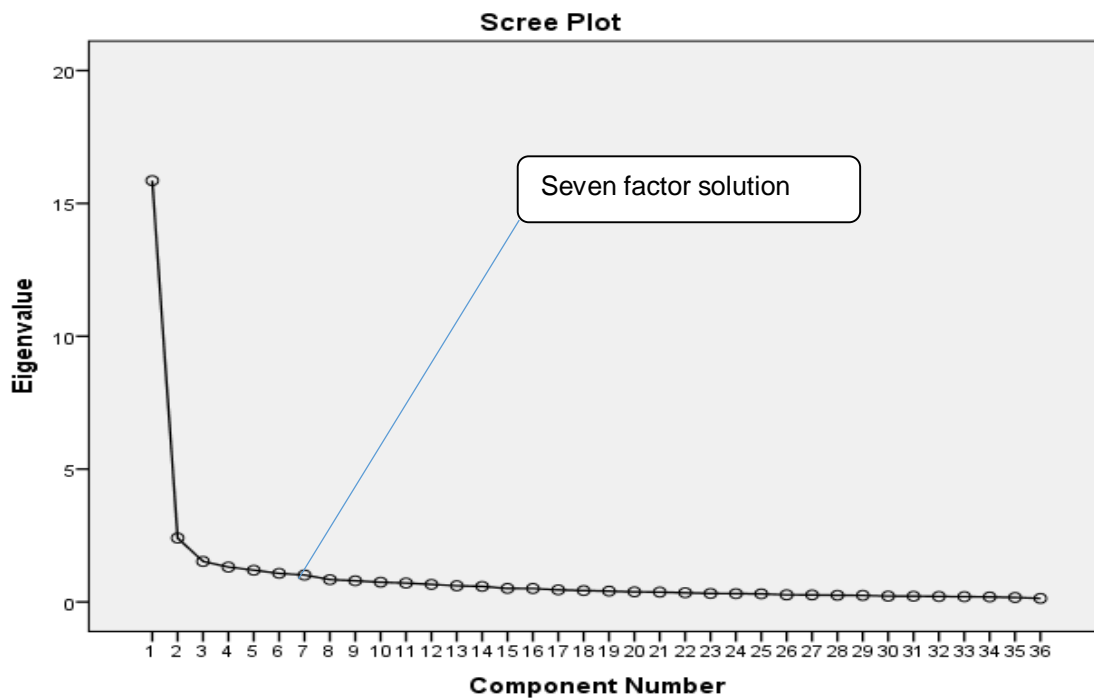
In total, the seven factors accounted for approximately 68 percent of the variance, which is considered acceptable (Malhotra 2010:643). The next section presents the naming and interpretation of each factor relating to the market orientation construct.

- **The naming and interpretation of factors**

The first factor, **market intelligence generation**, (eigenvalue=15.829), explained 44.053 percent of the total variance. This factor consists of 11 items that relate to organisational activities generating market information across departments and individuals within the universities.

Although market orientation is a set of beliefs that puts customer's interest first, it also raises the awareness of the need to obtain information about competitors in order to gain competitive edge in the turbulent, competitive environment (Hemsley-Brown & Oplatka 2010:209). The starting point of a market-oriented university is market intelligence philosophy that encompasses all the informal as well as formal means of generating market intelligence about students, competitors, industry and business needs and preferences (Penceliah 2004:186). This includes monitoring current and prospective students, marketing activities implemented by other institutions, employing organisations and detecting fundamental shifts in HE environments (Assad *et al.* 2008:4).

Market oriented organisations have a good understanding of the competitors, both current and potential to serve the same markets. In the context of UoTs, the forward looking and futuristic orientation of serving the target market, is crucial because of the inherent social obligation to produce dynamic and competent graduates. The government has linked enrolment statistics to funding and consequently increased competition for students among HEIs. This prompted UoTs management to become competitive and assertive to risk factors concerning priority in gaining competitive advantage (Alhakimi & Baharun 2010:50).

Market intelligence generation has also been reported as a focal point wich has the propensity to generate market information which becomes a source of competitor orientation and customer orientation (Carr and Lopez 2007:13). Consequently, market intelligence generation becomes the source of ideas in implementation of the marketing concept.

The second factor, **inter-functional coordination**, (eigenvalue=2.406), explained 6.683 percent of the total variance and comprised five items. Inter-functional coordination means the capability of an organisation to achieve the cooperation of the different units in market intelligence generation (Rivero-Camino & Ayola 2010:5). This can be achieved through integration and coordination of the HEIs resources (Hemsley-Brown & Oplatka 2010:211). Furthermore, all behaviour variables (intelligence generation, intelligence associated to dissemination and responsiveness) confirmed inter-functional coordination (Alhakimi and Baharun 2010:50). This coordination implies a good communication between different departments with a view of developing a good working relationship among departments/human resources and finance departments. According to Akonkwa (2013:75), inter-functional coordination covers all activities (that includes market intelligence generation, processing, control and dissemination of market intelligence) aiming at ensuring coherence among different functions/departments. It also encourages the existence of a good inter-personal atmosphere, where resources are shared. Through this approach, it would then be possible to be more innovative and implement improvement for future students based on anticipated needs. In addition, Siu and Wilson (1998:301) argues that effective inter-functional coordination provide the focus for the consideration of teamwork i.e coalitions of interest and information processing. Market orientation stresses inter-functional coordination because coordination and teamwork among different functional units

and employees is necessary for efficient and effective business administration in HEIs (Voon 2008:220).

The third factor, **customer orientation,** (eigenvalue=1.525), explained 4.235 percent of the total variance. Five items loaded on to this factor. A difficulty arising from the existing specificities of higher education marketing, is the blurred identity of the customers. Despite this unresolved debate of wheteher or not students should be considered customers, Rivera-Camino and Ayala (2010:4) maintains that customer orientation should be considered an important component of market orientation.

At the simplest level, universities can regard students as their customers and the ones who enter into relationships with HEIs (Naude & Ivy 1999:127). Lindsay and Rodgers (1998:167) define customers as the ones who receive the benefit of the product or service and they are the ones who put their hands in their pockets to pay for it. Both of these conditions can apply to the student as well as the employing organisation. Therefore, the employing organisation can also be perceived as the universities customer. Consequently, both the students and the employing organisations are the principal customers of HEIs (Asaad *et al.* 2008:3). However, the role of other stakeholders, such as society, donors and government, should not be disregarded due to the influential role they play towards student's wants and preferences.

An institution of HE performs a service to its constituents and, therefore, must create a harmonious effort to fulfil the needs of its customers and retain them. Since market orientation is the operationalisation and implementation of the marketing concept, it is imperative that the fundamental premise of satisfying the needs and wants of the students be inherent in any basic conceptualisation of university marketing initiative (Lafferty & Hult 2001:101). This is necessary, as students have become increasingly sensitive to service quality (Liou & Chen 2006:928).

The fourth factor, **market intelligence dissemination,** (eigenvalue=1.312), explained 3.645 percent of the total variance, and consists of four variables relating to communication. The intelligence generated through market intelligence generation, needs to be disseminated throughout the university both hierarchically and horizontally. Part of the organisations ability to adapt to market needs is how effectively it communicates and disseminates market intelligence among the

functional areas (Lafferty & Hult 2001:97). While information is readily available, most HEIs find it difficult to disseminate market intelligence that will assist them to develop a quality image, which is a prerequisite to achieve sustainable competitive advantage in international education (Caruana *et al.* 1988:5).

Bansal *et al.* (2001:69), cite the following critical reasons affirming the existence of intelligence dissemination:

- Ensures that employees are better able to make important decisions when armed with information affecting those decisions

- represents a powerful feedback mechanism to help organisational members realise how their activities are affecting key performance indicators

- enhances frontline employees' ability to provide other organisational members and customers with useful information and better service, and

- builds trust by functioning in a transparent manner through openly sharing with members' information on their strategy, financial performance and expenditure.

HEIs, therefore, must adapt to market needs through communicating and dissemination of market intelligence amongst functional areas (Gray, Osborne & Mathear 2000:432).

The fifth factor**, intelligence response design**, (eigenvalue=1.195), explained 3.319 percent of the total variance. Three items intended to measure responsiveness loaded satisfactorily onto this factor. Subsequent to the information dissemination stage, the participation of different departments in taking concerned action as a response to the market needs is achievable. Response design is one of the aspects relating to a successful response to the information generated about the market (Lings & Greenly 2005:299). This involves the planning of programmes based on the needs of students, community, business and industry because of generated and disseminated market intelligence (Penceliah 2004:200).

This philosophy is clearly applicable to universities that continually seek to provide superior value (relative to competitor) for stakeholders and seeks to accomplish university goals. Hammond *et al.* (2006:73) distinguish between different interested parties by categorising them into different groups such as primary (students) secondary (donors and industry) and tertiary (other, like parents and alumni).

Narver and Slater (1990:10) described a market-oriented organisation as one that is committed, systematically and entirely, to the continuous creation of superior value to customers and stakeholders such as market specific. Thus, in order to know whether the responsive actions that have been taken have a positive or negative effect on the customers, continuous monitoring of the target customers reactions seems necessary (Asaad *et al.* 2008:4). Response design takes the form of selecting targets markets, designing services that cater to current and anticipated needs and promoting the services in a way that elicits favourable customer response (Zebal & Goodwin 2012:345).

The sixth factor, **intelligence response implementation,** (eigenvalue=1.074), explained 2.985 percentage of the total variance. This factor consists of four items measuring overall response implementation of UoTs towards business, industry and community needs. Response implementation involves the application of programmes geared towards the student or industry as a result of response design (Penceliah 2004:223). Responding to changes taking place in HE, will in turn, have an effect on generating further information.

A core business of any HEI is its development of the curricula, which remains a greatest challenge to universities. Universities, therefore, need to design and align their marketing to reflect their core purpose in developing curriculum (Maringe 2005:572).The model of market orientation includes students' complaints and comments in order to put more weight on timeous responsiveness. Student's complaints and comments should be encouraged as they assist an organisation to evaluate itself and perform well. An ideal and holistic approach would be to develop responses to the internal environment as well as the external market. Finally, responsiveness addresses the execution of a plan of action or market focused strategy (Zebal & Goodwin 2012:345). It means implementing and altering products and services in response to customers current and future needs (Zebal 2003:57).

The seventh factor, **interdepartmental dynamics** (eigenvalue=1.012), explained 2.811 percent of the total variance. The factor comprised three items that are manifestations of cohesion between staff members and subsequently have a positive effect on market orientation behaviours. Caruana *et al.* (1998:57) affirm the importance of interdepartmental dynamics since market orientation being an organization-wide prescription; require the whole institution being coordinated in

order to satisfy customers' needs. In addition Kohli and Jaworski (1990:3), posit that all departments need to be responsive and this should take the form of selecting the appropriate markets (Lafferty & Hult 2001:98).

Interdepartmental dynamics is closely linked to the intensity of market orientation within an institution. This is understood to entail the existence of affinity and understanding among departmental members (Flavian & Lozano 2006:456). Consequently, the capability of HEIs to achieve the cooperation of the different units in market value generation has a positive effect on market orientation behaviours. Therefore, it is reasonable to support that an interdepartmental orientation should be incorporated as a component of market orientation within HE sector. Trueman (2004:8) argues that the existence of cohesion makes the generation of market information and its dissemination within the organisation possible and facilitates the development of a rapid response to this information.

From the discussion pursued in this section, it can be concluded that market oriented activities represents a continuous and cyclical process.

6.3.2.1   Barriers to market orientation scale

As barriers to market orientation was a new scale, the variables needed to be assessed separately in order to achieve a clearer and simpler factor structure solution.

- **Factor extraction procedure**

Item reduction was undertaken by examining low item correlations, multiple loadings and unstable variables. The factor analysis procedure resulted in the extraction of a three-factor structure with a total variance contribution of 63.798 percent as shown in Table 6.4. The items that achieved a loading of 0.50 or more were retained. In this regard, fourteen items loaded satisfactorily and were retained, with five of those loading on Factor 1, five on Factor 2 and the last four items on Factor 3.

Table 6.4:   The three factor rotated structure of the barriers construct

Description	Factor 1	Factor 2	Factor 3
Top management's reluctance	**.786**	.120	.207
Formal market education and training	**.803**	.155	.102
Organisational support systems	**.765**	.234	.160
Formalisation	**.776**	.202	.148
Lack of innovativeness and creativity	**.834**	.004	.189
Reward systems	.248	**.635**	.096
Quality and incompetence	.371	**.633**	.058
Competition within HEIs	-.054	**.728**	.274
Market turbulence	-.006	**.778**	.308
Top management risk aversion	.218	**.626**	.156
Corporate culture	.128	.312	**.727**
Interdepartmental conflicts	.084	.367	**.740**
Organisational political behaviour	.227	.143	**.809**
Information coordination	.421	.072	**.698**
Eigen value	**5.635**	**2.085**	**1.212**
Total variance explained	**40.248**	**14.896**	**8.654**
Cumulative variance explained	**40.248**	**55.144**	**63.798**

A scree plot extracted from the data set identified three clear breaks between the eigenvalues as shown in Figure 6.9. In addition, the scree plot indicates a flattening of the scree after the third factor.

Figure 6.9:   Scree plot: Barriers

The naming and interpretation of factors are discussed in the following section.

- **Naming and interpretation of factors**

Factor one, labelled, **internal environmental barriers,** (eigenvalue=5.635) comprised five variables and accounted for 40.248 percent of the total variance explained. The items that loaded satisfactorily on to this factor relate mainly and incorporate specific barriers that are connected to the internal environment of UoTs. The internal UoTs environment is dependent on a number of inter-related factors that affects the success of its operation. Internal environment barriers are closely connected to top management, inter-functional coordination and employees (Tomaskova 2009:539). Among these are the top management structure, which includes style of approach, personality and perception of market orientation. Top management approaches and its deficiencies are one of the often-mentioned barriers of market orientation (Tomaskova & Kopkova 2010:814). Top management is the spirit of the institution and their weak sides are the weak sides of the institutions and vice-versa (Zait *et al.* 2012:267).

Lack of innovativeness and creativity refers to top management behaviour that restricts creativity. Manifestation of these conditions can be a destabilising factor in

the process of assimilation and operationalisation of the concept of marketing within an institutions practice. Weak organisational support is linked to a negative perception of market orientation by top management (Harris 1998:370). This behaviour results in reluctance to the adoption of innovative practices aimed at improving the organisation's ability to remain competitive within uncertain and turbulent market environment. The group of barriers associated with top management behaviour is frequently mentioned as a key barrier to developing internal market orientation (Harris & Ogbonna 2001:750).

Factor two, consists of five items loading onto it. It was labelled **external environment barriers** (eigenvalue=2.085) and accounted for 14.896 percent of the total variance explained. Innovators in HEIs have persistent problems in linking effectively technological and market possibilities to provide excellent customer service. One of the most common causes of this failure of implementing marketing concept entails the external environment barriers. This includes risky decisions, activities, unpredictable complex, and fast changing external environment (Tomaskova 2009:538) .Top management attitude toward competition and market turbulence is regarded as an impediment towards market orientation. Risk aversion and risk avoidance by top management is recognised as a barrier to the adoption of market orientation (Kumar *et al.* 2011:19).

Hill and Wright (2001:436) posit that elements that constitute the external environment barriers are difficult to eliminate by the organisation itself. HEIs have been exposed to competition as a means of enhancing its performance and the level of competition of HEIs can deter operations and hence become a barrier (Curran 2000:6). This relate to the institutions responsiveness towards competition and customers commitment in providing superior services. The development and offerings of programmes offered at UoTs, especially in terms of NPHE, should be pitched against what will drive the South African economy.

Factor three was labelled **organisational environmental barriers,** (eigenvalue=1.212) accounted for 8,654 percent of the total variance explained. It comprised four latent barriers mainly caused by the stakeholders at the organisational level and encompassed structural, strategic and systems impediments loading satisfactorily onto it.

Failure of market orientation is conditioned largely by the stage of development of the institution and the behaviour of corporate culture carriers, these being employees. Institutional culture is seen as an organisational variable, which wields a potential blow upon the hidden forces within an organisation, affecting behaviour and performance of individuals (Kwaku & Satyendra 1999:152). While market orientation itself is universally consistent, how the process is managed must be congruent with the institutions current culture. Therefore, institutional culture is a precursor of effective market orientation as measured by market performance and financial performance (Kotler & Armstrong 2011:43).

Linked to culture are other organisational characteristic such as political behaviour, lack of communication and deficient integration, interdepartmental conflict and non-adherence to policies and procedures, which also contributes to the impediments of market orientation (Harris 2000:608; Harris & Ogbonna 2001:159).

6.3.2.2   University performance scale

Section D of the questionnaire was designed to investigate the academics perceptions regarding the performance of their institutions. The respondents' overall perception of their institutions commitment to certain university performance practices was measured. The factor extraction procedure is outlined in the next section.

- **Factor extraction procedure**

The criterion for the factor extraction procedure for the university performance scale was determined by eigenvalues, percentage of variances explained and the scree plot. All six items intended to measure university performance loaded satisfactorily onto this factor, as the scale was uni-dimensional. The factor analysis results shown in Table 6.5 indicate that only one factor was extracted and, therefore, no rotation of factors were performed. The university performance items tapped on the extent to which the university accomplished its objectives in industries, community and business.

Table 6.5:   Uni-dimensional factor structure of university performance construct

Description	Factor 1
Recognition by industry and society in our teaching	.829
Our university is highly regarded by industry	.870
Conduct research in partnership with non-academic professionals	.800
A spin-off, of a number of ventures	.866
Graduate students employability	.843
Emphasis placed on research	.731
Eigen value	**4.079**
Total variance explained	**67.982**
Common variance explained	**67.982**

The eigenvalue extraction process illustrated that only one factor was appropriate to capture all the dimensions of university performance.

- **Naming and interpretation of factors**

University performance, (eigenvalue=4.079), accounted for 67.982 percent of the total variance explained. An important theme in contemporary marketing theory is the potential for market orientation to influence organisational performance positively. The logic in this assertion is that market orientation facilitates the collection and use of market information and focuses on co-ordination of resources to deliver superior customer services.

Since this study focuses on market orientation in HEIs, similar studies revealed the following notable findings.

- Zebal and Goodwin (2012:352) concur with Wood and Bhuian (1993:28) that the greater the implementation of market orientation by non-profit organisations like HEIs, the greater both their quality and quantity performance levels will be.

- In support, Hammond, Webster and Harmon (2006:82) also found that the relationship between overall market orientations was correlated positively with business school performance.

- Hampton *et al.* (2009:98) and Ma and Todorovic (2011:10) studies were also significant in promoting greater understanding of the positive association between market orientation and university performance.

6.3.3 Descriptive Statistics

The analysis proceeded to determine the level of respondents' agreement or disagreement for each construct. The basic descriptive statistics comprising the means, standard deviations and variances of the predetermined constructs and factors as well as for the entire sample are shown in Table 6.6

Table 6.6:   Descriptive Statistics Results

Research Constructs	Means	Standard Deviations	Variance
Market Orientation	**3.56**	**0.882**	**0.781**
MO1	3.52	0.798	.636
MO2	3.52	0.904	.817
MO3	3.60	0.864	.746
MO4	3.61	0.831	.691
MO5	3.74	0.945	.893
MO6	3.50	0.817	.669
MO7	3.46	1.000	1.016
Barriers to Market Orientation	**3.46**	**0.878**	**0.776**
BA1	3.43	0.960	0.922
BA2	3.41	0.802	0.644
BA3	3.5	0.873	0.761

Research Constructs	Means	Standard Deviations	Variance
University Performance	**3.55**	**1.058**	**1.120**
UP1	3.64	1.006	1.012
UP2	3.58	1.013	1.026
UP3	3.43	1.067	1.139
UP4	3.41	1.037	1.076
UP5	3.45	1.101	1.213
UP6	3.78	1.121	1.257

Table 6.8 indicates that all the mean scores returned for the constructs of market orientation, barriers to market orientation and university performance were all above the score of three on the Likert scale. The recorded means were 3.56, 3.46 and 3.55 respectively. This suggests that academics recognise the significance of these constructs within their institutions.

The recorded means for market orientation factors ranges between 3.46 and 3.74, suggesting that respondents agree that these factors were the main underlying dimensions of market orientation within their institutions. The mean values also imply that academics hold similar views that these dimensions are also key elements in the UoTs marketing strategies. In addition, the standard deviations are also very similar across the factors relative to the means.

The recorded means for university performance items, which ranged between 3.41 and 3.78, suggests that respondents perceive that these factors contribute primarily to university performance. Notable specific issues that include research, flexibility and innovativeness are important to UoTs, since they contribute significantly to university performance.

In terms of barriers to market orientation factors, the mean scores obtained were 3.43, 3.41 and 3.50 respectively. This is an indication that respondents acknowledged the existence of these barriers within their institutions to be somewhat prevalent. These findings also imply that respondents perceive that these dimensions in respect of barriers to market orientation were present to some degree

within the UoTs. The standard deviations are also very similar across the factors relative to the mean and the least amount of variance in responses occurred on the barriers variables. Variance, as with the standard deviations, decreases with every respondent that gives the same answer to a particular question. This suggests that there is a narrow spread in the data and implies an agreement on these items.

Overall, relatively low standard deviations for all the measured variables is indicative of a relatively homogenous sample and the means for this data set, therefore, gives a reliable indication of the responses. This further indicates that the results of the study in this instance are trustworthy. The next section reports and discusses inter-factor correlation analysis of the constructs under investigation.

6.3.4   Correlation analysis

Although correlations analysis may be undertaken to explore possible relationships between two constructs as illustrated in Table 6.7, there may be some relationship between factors, which warrants factor explanation. The researcher deemed it appropriate to undertake an analysis of the correlation between the factors as outlined in Section 5.8.2.2 of Chapter 5.

In this study, the Spearman correlation test was applied. The test was subjected to a two-tailed test of significance of two different levels: highly significant ($p<0.01$) and significant ($p<0.05$). The results of the correlation analysis are shown in Table 6.9. Cohen's d-measure of effect sizes was used to measure the importance of an effect. The size of the effect as suggested by Steyn (2000:2) is outlined as follows: r=0.10-0.29 (small effect), r=0.30-0.49 (medium effect) and r equal to or greater than 0.50 (large effect). The strength of the relationship between the factors, was also established as suggested by Choudhury (2009:4) from 0.0 to 0.1(very weak or no relationship); 0.1 to 0.3 (weak relationship); 0.3 to 0.5 (moderate relationship) and 0.5 to 1.0 (strong relationship).

The correlation among the seven factors of market orientation was significant, ranging from r= 0.353 to r=0.688 at $p<0.01$ level of significance, indicating the existence of a positive linear inter-factor association. Correlations between factors MO1 and MO5 show the highest inter-factor correlations with a value of r=0.688. This could possibly indicate that market intelligence generation and response design contribute to an overall implementation of market orientation. Cohen's d-

statistics showed effect sizes, ranging from medium to large effects, among the dimensions, further affirming the relationship among the constructs.

Similarly, the correlations of the three factors of barriers to market orientation were also significant with correlations of r=0.364, r=0.448 and r=0.523 respectively at p<0.01 level of significance, indicating a positive linear inter-factor association between the factors of the barriers of market orientation. The correlations were of medium and large effects among the factors. These results also support relationship among the barriers to market orientation.

Table 6.7:   Correlation Matrix for factors

	MO1	MO2	MO3	MO4	M05	MO6	MO7	BA1	BA2	BA3	UP
MO1	1.000										
MO2	.488**	1.000									
MO3	.636**	.560**	1.000								
MO4	.571**	.460**	.542**	1.000							
MO5	.688**	.353**	.503**	.458**	1.000						
MO6	.597**	.557**	.610**	.536**	.475**	1.000					
MO7	.650**	.391**	.513**	.420**	.587**	.413**	1.000				
BA1	-.438**	-.106*	-.221**	-.232**	-.416**	-.122**	-.330**	1.000			
BA2	-.197**	-.339**	-.316**	-.239**	-.107*	-.381**	-.163**	.364**	1.000		
BA3	-.386**	-.297**	-.321**	-.268**	-.323**	-.298**	-.233**	.448**	.523**	1.000	
UP	.528**	.550**	.577**	.450**	.423**	.593**	.459**	-.247**	-.473**	-.373**	1.000

Note: ** Correlation is highly significant at the 0.01 level (2 tailed) * Correlation is significant at the 0.05 level (2 tailed). MO= Market Orientation: BA= Barriers to Market Orientation. UP= University Performance

Market orientation dimensions were also found to have negative correlation values with p values<0.05 and negative relationship of p <0.01 with barriers to market orientation. This is possibly consistent with the view that market orientation and barriers are opposite ends of a continuum and are not complementary to each other.

A further analysis of the correlation matrix, indicated a significant positive relationship between university performance and market orientations factors ranging between r= .423 and r=.577 (all with p-values <0.01). The fact that all seven factors of market orientation were either moderately or strongly, correlated with university performance signifies that overall market orientation is significantly correlated to university performance. The degree to which market orientation is operationalised influences university performance.

Conversely, when there are constraints towards adoption of market orientation, university performance will diminish. In order to establish the relationship between the barriers and university performance, the three factors of the barriers to market orientation were correlated with university performance. The findings revealed negative correlations with barriers to market orientation factors with correlation coefficients of r=-.247, r=-.373 and r= -.473 (all significant at p<0.01).

The above analysis confirmed correlations between market orientations, barriers to market orientation and university performance components. The examination of the correlation matrices discussed, suggested that multicollinearity was not a problem in this study since none of the correlations co-efficients were >0.90 (Pallant 2010:183). Furthermore, the statistical assumptions tested in this section confirmed the use of non-parametric techniques for data analysis in this study.

After establishing the correlations between the factors through correlation analysis, assessment of the model fit was carried out to validate the research model with regards to model fit. The next section discusses reliability analysis.

6.3.5 Reliability analysis

The statistical measures of accuracy tests shown in Table 6.8, specifies the different measures that were used to assess the reliability and validity of the constructs under investigation.

Table 6.8: Accuracy Analysis Statistics

Research Constructs	Cronbach's Alpha Test		CR	AVE	Factor Loading	Highest SV
	Item-total	Alpha value				
Market Orientation	**-**	**0.900**	**0.896**	**0.552**	**-**	**0.429**
MO1	0.830	0.926			0.648	
MO2	0.644	0.904			0.783	
MO3	0.756	0.840			0.703	
MO4	0.654	0.803			0.692	
MO5	0.715	0.859			0.810	
MO6	0.703	0.817			0.722	
MO7	0.671	0.910			0.821	
Barriers	**-**	**0.728**	**0.746**	**0.499**	**-**	**0.198**
BA1	0.507	0.886			0.586	
BA2	0.555	0.769			0.772	
BA3	0.601	0.826			0.746	
University Performance	**-**	**0.904**	**0.898**	**0.595**	**-**	**0.429**
UP1	0.741	0.886			0.729	
UP2	0.796	0.878			0.779	
UP3	0.703	0.891			0.717	
UP4	0.796	0.878			0.844	
UP5	0.764	0.882			0.838	
UP6	0.628	0.903			0.712	

Construct reliability of the research measures was examined by computation of three different methods, namely Cronbach's alpha reliability test, the composite reliability (CR) test and the average value extracted (AVE) tests.

6.3.5.1 Cronbach's co-efficient alpha test

The Cronbach's coefficient alpha was used to assess the internal consistency of each construct employed in the study. The closer the co-efficient is to 1.00, the greater is the internal consistency of the items in the scale (Malhotra 2010:724). All alpha values exceeded the recommended threshold of 0.7 (ranged from 0.728 to 0.904) suggesting that all the items in the scale tap into the same underlying constructs (Hair *et al.* 2010:44). In addition, the item-to-total correlation value lies between 0.507 and 0.830, which is above the cut-off point of 0.5 as recommended by Anderson and Gerbing (1988:411). The higher inter-item correlations reveal convergence among the measured items.

6.3.5.2 Composite reliability (CR)

CR coefficient is another measure of internal reliability. Interpreted as Cronbach alpha, CR measure threshold for modest is 0.70 (Starkweather 2012:4). The CR estimates reported in Table 6.8 were calculated using the formula whereby CR is calculated as the squares of the summation of the factor loadings divided by the sum of the square of the summation of the factor loadings and the summation of error variances (Bewick, Cheek & Ball 2004:131). CR is calculated with the use of the following formula:

$$CR\eta = \frac{(\Sigma \lambda yi)^2}{[(\Sigma \lambda yi)^2 + (\Sigma \varepsilon i)]}$$

Where;

$CR\eta$ = composite reliability

$\Sigma \lambda yi$ = summation of factor loadings

$\Sigma \varepsilon i$ = summation of error variances

λ = Completely standardised factor loadings

ε = error variance

ρ = error variance standardised factor loadings

The CR index was then used to evaluate the internal reliability of each construct. The results yielded CR indexes between 0.746 and 0.898. The exhibited CR level exceeded the estimated criteria of greater than 0.70, which is recommended as adequate for internal consistency of the constructs (Nunnally 1978:247;Chin 1988:320), thus finding support for the scales satisfactory composite reliability.

6.3.5.3   Average variance extracted (AVE)

According to Bewick *et al.* (2004:131) , AVE is calculated as the summation of the squared factor loadings divided by the sum of the summation of the squared factor loadings and summation of error variances illustrated as follows:

$$AVE = V\eta \frac{\Sigma \lambda yi^2}{[(\Sigma \lambda yi)^2 + (\Sigma \varepsilon i)]}$$

Where;

$V\eta$= composite reliability

$\Sigma \lambda co$= summation of factor loadings

$\Sigma \varepsilon s$= summation of error variances

λ = Completely standardised factor loadings

ε = error variance

ρ = error variance standardised factor loadings

The AVE estimates as shown in Table 6.8 reflected that the overall amount of variance in the indicators was accounted for by the latent construct because they exceeded the threshold of 0.4 (Fraering & Minor 2006:249). AVE values indicated indexes between 0.499 and 0.595 and were accepted.

The results of the scale reliability tests suggest that the instruments utilised in the study to measure the constructs are all reliable and provide evidence of internal consistency.

6.3.6   Validity analysis

To examine the validity of the latent constructs and corresponding measurements, four rules of thumb or principles were used in this section, namely content validity, convergent validity, construct validity and discriminant validity.

6.3.6.1   Content validity

The scales were scrutinised by a panel of academics during the pretesting and piloting stages and accordingly adapted to the UoTs context. The scale items in the final questionnaire adequately covered the domain of the constructs and the content validity of the questionnaire was addressed.The questionnaire was kept short so as to avoid respondents' boredom which could result in unanswered questions.

6.3.6.2   Convergent validity

For the study, convergent validity was ascertained by reference to item loadings, AVE and Cronbach values. Item loadings for each corresponding research construct were above the recommended value of 0.5 (Aldalaigan & Buttle 2002:369). As shown in Table 6.8, the item loadings ranged between 0.586 and 0.844 and all correlations are significant at $p<0.05$ level. The results indicate an acceptable individual item convergent validity as more than 50 percent of each item's variance was shared with its respective construct. In addition, the AVE should be greater or equal to 0.5 and the Cronbach alpha for each construct should be greater than or equal to 0.70, (Sin, Tse, Heung & Yim 2005:569). These results imply that all items converged well on the construct they were supposed to measure and hence confirmed the existence of convergent validity.

6.3.6.3   Construct validity

In order to assess construct validity, CFA was conducted for each of the three constructs. An inspection of the modification indexes suggested that a number of adjustments had to be effected. After the removal of the offending items, CFA was again conducted and the improved goodness-of-fit indexes confirmed the existence of construct validity. All the AVE estimates in Table 6.6 and Table 6.7 are higher than the threshold of 0.50 and indicate validity for the various construct measures.

6.3.6.4   Discriminant validity

To assess the discriminant validity of the research instrument, the study employed three different methods, namely the correlation matrix, AVE and SV.

- **Correlation matrix between constructs**

An analysis of the correlations between the constructs was undertaken in this section. The correlations test statistics was used to describe the existence of a relationship among the constructs as well as the direction and strength of the association (Wen, Prybutok & Xu 2011:29). Non-parametric correlations were computed in order to examine the relationship between market orientation, barriers and university performance. As shown in Table 6.9 the inter-correlation co-efficient among latent constructs were less than 1.0, which is congruent to Nunnally (1978:246) and Bryman and Bell (2011:164) recommendations and thus provides evidence of the existence of discriminant validity. A significant and positive correlation was revealed with the MO and the UP association (r=0.655; p=0.000<0.01). Significantly negative correlations of r=-0.455; p=<0.01were established between BA and UP and between BA and MO, thus confirming the negative impact of barriers to both market orientation and university performance constructs.

Table 6.9:   Correlation matrix for latent constructs

Research Constructs	MO	BA	UP	AVE	SV
Market Orientation (MO)	1			0.552	0.429
Barriers to Market Orientation(BA)	-0.445**	1		0.499	0.198
University Performance(UP)	0.655**	-0.455**	1	0.595	0.429

Note: **Correlation is significant at the 0.01 level (2 tailed)

- **Average variance extracted (AVE) and shared variances (SV)**

Good discriminant validity requires that the AVE values should be larger than the SV values as suggested by Nunnally (1978:246). Table 6.7 shows that all the AVE values (0.552, 0.499 and 0.595) are above the SV values (0.429, 0.198 and 0.429) respectively for all the research constructs, thereby confirming the existence of discriminant validity. It can be inferred from the preceding discussions, that the recommended guidelines for content, convergent, construct and discriminant validity were met in the study. In order to determine the level of the respondents'

agreements and disagreements for each factor, the descriptive statistics were computed in the next section.

6.3.7 Assessment measurement of the model fit (CFA)

The main data analysis was conducted following a two-step approach suggested by Anderson and Gerbing (1988:412) as mentioned in Section 5.7.2.3 of Chapter 5. First, by validating the measurement model through goodness-of-fit measures as outlined in this section, and secondly, fitting the data through a structural model in the next section. The former is accomplished through CFA analysis while the latter is accomplished through path analysis with latent variables (Fornell & Larcker 1981:48).

CFA was performed prior to testing the hypotheses in order to confirm accuracy of the multiple-item constructs. In addition, CFA was conducted to validate the research model with regard to model fit. CFA was used in this study because all of the latent constructs and corresponding measurements are derived from previous research and their reliability and validity were proven acceptable. For the purposes of the study, the researcher selected the general model-fit measurements and their acceptable threshold levels as reported in Table 6.10, to ascertain the goodness-of-fit of the research model. These fit indices are commonly used in research (Schreiber *et al.* 2010:127).

Table 6.10: CFA model fit indices

Fit Indices	Acceptable Threshold.	Study Test Results	Decision
Chi-square(CMIN/DF)	Tabled Chi-square smaller or equal to 3	2.715	Accepted
Normed fit index (NFI)	Value Equal to or greater than 0.90	0.957	Accepted
Increment fit index (IFI)	Values greater than 0.90	0.972	Accepted
Tucker-Lewis index (TLI)	Values greater than 0.90	0.960	Accepted
Comparative fit index (CFI)	Values greater than 0.90	0.972	Accepted

Fit Indices	Acceptable Threshold.	Study Test Results	Decision
Goodness-of-fit index (GFI)	Values greater than 0.90	0.945	Accepted
Adjusted Goodness-of-fit index (AGFI)	Values greater than 0.90	0.911	Accepted
Root mean square error of approximation(RMSEA)	Less than 0.08	0.058	Accepted

Acceptable model fit for the CFA model was confirmed by the structural chi-square of 228.080 with 84 degrees of freedom at a p value <0.05. However, there is a likelihood that a significant chi-square can be an indication of a poor model fit (Bagozzi & Yi 1998:74). Hair *et al.* (2010:666) indicate that the chi-square statistic tends to be notoriously susceptible to the effects of large samples, which is precisely why other goodness-of-fit indices were developed. In addition, the accepted model fit was further affirmed by chi-square value (CMIN/DF) of 2.715 (which had to be between 1 and 3), NFI, IFI, TLI, CFI, GFI, AGFI, which were 0.957, 0.972, 0.960, 0.972, 0.945, 0.911 respectively and RMSEA of 0.058. These indices were all greater than the benchmark value of 0.90 except RMSEA value, which had to be equal to or less than 0.08 to indicate the model with good fit.

Since acceptable CFA measurement model fit was obtained, the study proceeded to the next stage of conducting the structural equation model (SEM) fit in the next section.

6.3.8   Structural equation modeling analysis (SEM)

The structural model was tested using the model fit analysis, the structural model path analysis and the critical ratios to confirm the proposed relationship already affirmed through CFA in Table 6.10.

6.3.8.1   SEM model fit analysis

The text output results for the structural equation modelling analysis for the model fit is reported in Table 6.11.The structural model chi-square was 218.529 with 82 degrees of freedom significant at p=0.000<0.01 and the RMSEA value was 0.057. The other goodness-of-fit measures that supported the adequacy of the model were the chi-square value (CMIN/DF) of 2.665, NFI, IFI, TLI, CFI, GFI, AGFI which were

0.958, 0.974, 0.961, 0.973, 0.948 and 0.914 respectively. There was an improvement from the CFA model fit. The parameter estimates of the SEM model indicated the direct effects of one construct on the other for the constructs under investigation. These results provide support for the proposed research hypotheses listed in Chapter 1.

Table 6.11:   SEM model fit indexes

FIT INDEXES	Acceptable Threshold	Study Test Results	Decision
Chi-square(CMIN/DF)	Tabled Chi-square smaller or equal to 3	2.665	Accepted
Normed fit index (NFI)	Value Equal to or greater than 0.90	0.958	Accepted
Increment fit index (IFI)	Values greater than 0.90	0.974	Accepted
Tucker-Lewis index (TLI)	Values greater than 0.90	0.961	Accepted
Comparative fit index (CFI)	Values greater than 0.90	0.973	Accepted
Goodness-of-fit index (GFI)	Values greater than 0.90	0.948	Accepted
Adjusted Goodness-of-fit index (AGFI)	Values greater than 0.90	0.914	Accepted
Root mean square error of approximation(RMSEA)	Less than 0.08	0.057	Accepted

6.3.8.2   The structural model path analysis

The structural model path analysis involves the estimation of presumed causal relations among observed variables (Garson 2008:2). In SEM, relationships between variables are referred to as path coefficients and are depicted by single-headed arrows. The path diagram for the model structure is reflected in Figure 6.10 and indicates a significant relationship for all the constructs. The results obtained affirmed the adequacy of the model in this regard.

Figure 6.10: SEM path model structure
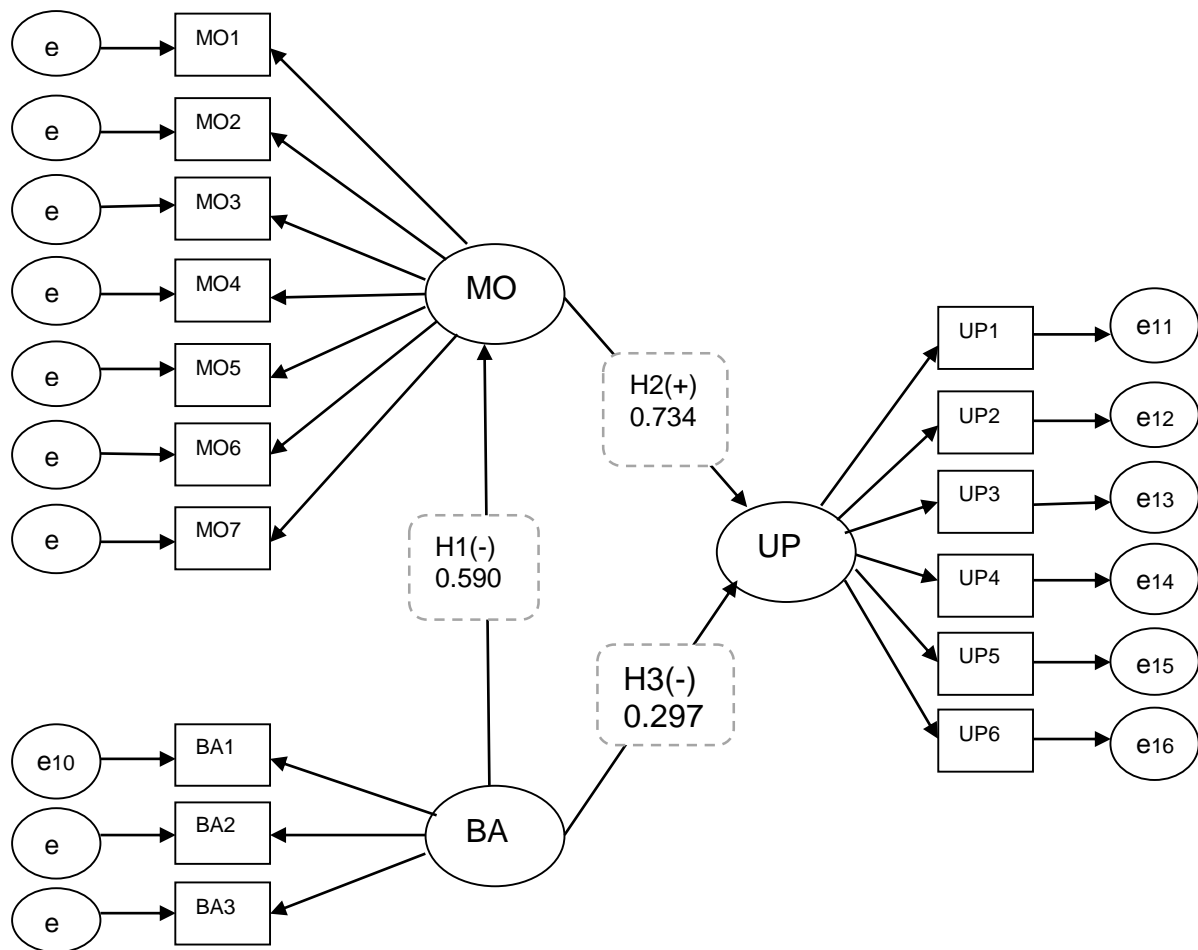
Note: Research structure model fits:
MO=Market orientation; BA=Barriers to market orientation; UP=University performance

The standard path analysis coefficients are expected to be at least 0.2 and preferably greater than 0.3 (Chin 1998: 13) to be considered meaningful. The structural model path analyses are reported in Table 6.15. The highest path coefficient is MO →UP, which is 0.734 showing statistical significance supporting the notion that universities that are market-oriented perform better (Caruana *et al.* 1998:60).This is followed by BA→MO which is -0.590 indicating that there is a siginificant negative relationship between barriers to market orientation and market orientation elements. The lowest path coefficient is BA→UP, which is -0.237, highlighting that impediments hinder and consequently lower university performance.

6.3.8.3 The critical ratios

The researcher also used standardised t-tests reported in Table 6.12 to test the individual path coefficient in line with the commonly used practice. The higher the standardised coefficient value, the greater the effect the independent variables have on dependent variables. The critical ratio values, which represent the t-value must be higher than 1.96 to be significant. In this model, all the variables meet this requirement because they are all greater than 1.96. The greatest critical ratio value is for MO→UP, which is 10.247, followed by BA→MO, which is -9.405. The lowest critical ratio is between BA→UP and is -5.061.

Table 6.12: Results of SEM analysis

Path	Hypothesis	Path coefficient estimate	CR	P	Decision
BA →MO	H1(-)	-0.590	-9.405	***	Supported
MO → UP	H2(+)	0.734	10.247	***	Supported
BA →UP	H3(-)	-0.297	-5.061	***	Supported

Note 1*** p- value < 0.01; 2. Using a significance level of 0.05 critical ratios (t-value) that exceed 1.96 would be called significant.

These results affirmed the adequacy of the model and affirm that the three hypotheses were supported. The model fit statistics show that the proposed conceptual model converged well. The next section outlines hypotheses testing results.

6.3.9 Hypotheses testing results

This section provides results of the preliminary formulated hypotheses developed out of the research hypotheses and objectives as specified in Chapter 1. Specifically, the first hypothesis postulated was that of the relationship between market orientation and barriers associated to it. Consistent with **Hypothesis one (H1),** results computed ($β$= -.0590; t=-9.405) indicate that there is a strong negative relationship between barriers to market orientation and elements of market orientation. The path shows that there is a significant association between the two constructs. The model converged with a proper solution and provided an estimate of the relationship between the constructs. The fit of the model is deemed adequate

and thus the hypothesis is supported. It could further be inferred from the results on Table 6.12 that the finding of a negative correlation between barriers and market orientation is intuitively correct and validates the hypothesis. Therefore, barriers to market orientation are associated with low degrees of implementation of the marketing concept. This supports the existence of barriers to market orientation identified by previous studies (Harris 2000:598; Slater 2001:231; Garver & Gagnon 2002:39; Koprlova 2008:67). Kotler *et al.* (2008:73) further provide a practical insight into the barriers regarding the development of market orientation.

Hypothesis 2 postulated a positive relationship between market orientation and university performance. The standard coefficients ($\beta = 0.734$; t=10.247) provided an affirmative response to the Zebal and Goodwin (2012:352) assertion that improved university performance is a consequence of higher levels of market orientation. **H2** is therefore supported. In addition, Carr and Lopez (2007:113) together with Alhakimi and Baharun (2010:50) have provided theoretical and empirical support to the view that higher levels of market orientation lead to higher levels of university performance. Any university that has achieved a greater focus on students, other stakeholders and competitors, should accordingly achieve higher levels of performance (Hammond *et al.* 2006:74). RBT demonstrated that market oriented HEIs sustain competitive advantage and performance more than its competitors (Barney & Herstely 2012:94). Deshpande and Farley (2003:128) and Yeni and Herington (2009:4) further affirm that market orientation provides a unifying focus for the efforts and projects of individuals and departments within HEIs in order to create superior value for customers, thus leading to superior performance.

Likewise, as can be seen from Table 6.12 and Figure 6.10, the results provide evidence to support the third hypothesis. **Hypothesis 3 (H3)** postulates a negative influence of barriers to market orientation on university performance. Based on the standard coefficients of BA→UP (β =-0.297; t=-5.061) and SEM indexes found, the researcher is justified to attest to the validity of H3. The outcome of this study, therefore, reinforces the negative association between the barriers to market orientation and university performance as found in previous studies (Hill & Wright 2001:436; Zebal 2003:43; Cohen 2006:3-4; Keller 2008:32). Therefore, H3 is supported.

6.4 CONCLUSION

This chapter analysed and presented a report on the results from the empirical study. Phase one provided a brief discussion of the results of the pilot study, which involved the modification of the research instrument. The pilot study was essential to ensure that the questionnaire measures the relevant variables. Phase 2 then covered the presentation of the findings of the main study. In this regard, a sequence of steps was followed to present the results pertaining to the main study results.

The reliability and validity of the measuring instrument were found to be sufficient and acceptable. Data analysis was undertaken on the data set through EFA, CFA, descriptive statistics, correlation analysis and SEM was performed to assess the adequacy and the overall fit of the measurement model. The relationship between the constructs was established through SEM. Hypothesis testing concluded the chapter and all three hypotheses were accepted as postulated. In addition, the findings from the research model constituting this thesis indicated that the data set converged well with the conceptualised model.

The following chapter (Chapter 7) will provide the main conclusion, recommendations and implications of the study. The chapter seeks to establish whether the formulated research questions, objectives of the study and hypotheses posited were achieved satisfactorily.

CHAPTER 7

OVERVIEW, LIMITATIONS, RECOMMENDATIONS
AND CONCLUSION

7.1   INTRODUCTION

This chapter is the concluding chapter of the study. In addition, the study found significant relationships between the constructs under investigation. The chapter is intended to achieve five aims. First, it seeks to evaluate the objectives of the study. Secondly, it seeks to highlight the contributions of the study and recommendations that may be adopted and implemented in order to ensure that institutional performance is enhanced in line with the findings emanating from the study. Thirdly, the chapter acknowledges the limitations of the current study. It is vital to complete this section as it enables the reader to become conscious of the shortcomings of the study and thereby adding to the credibility of the findings. Fourthly, the chapter suggests directions for possible future studies. The findings lead to developing recommendations for practitioners and suggestions for further research directions for the academic. Finally, the chapter concludes with an overall conclusion in which the contribution of the study to both theory and practice is emphasised.

7.2   OVERVIEW OF THE FINDINGS

The marketing concept was at the heart of Kotler and Levy's (1969:15) successful argument for the broadening of the scope of marketing to make non-business organisations such as churches, universities and cities market-oriented. All these different organisations have products of some sort, consumers of those products or services and various marketing tools that can be applied (Hammond *et al.* 2006:71). The study was primarily concerned with assessing the impact of barriers to market orientation and components of market orientation on overall market orientation as well as the impact of market orientation and its associated barriers on university performance for UoTs in South Africa. The study took the understanding of market orientation to another level by proposing and examining a comprehensive model that integrated the components of market orientation, barriers to market orientation and university performance. The applicability of the integrated or

synthesised model in a South African setting confirms the potential of using this framework for other HEIs.

Understanding market orientation is a prerequisite for delivery of superior university performance given that the components of market orientation are implicit performance standards (Porter 1985:103). The specific barriers to market orientation were also unearthed and interpreted, and the impact of these barriers on university performance was also established. The importance of market orientation for UoTs not only depends on how well they understand the determinants but also on how effectively they manipulate the barriers that impede market orientation. The primary, theoretical and empirical objectives are revisited in the following section in order to illustrate their attainment within the framework of the study.

7.3 THE EVALUATION OF THE OBJECTIVES OF THE STUDY

All research objectives had to be addressed based on the generated data from the study to ensure that the intended purposes of the study are achieved as discussed in the section.

7.3.1 Primary objective

The study seeks to establish UoTs implementation of market orientation strategies and possible barriers to market orientation in order to improve their performance and gain a competitive advantage in the HE arena. Each of the objectives as identified in Chapter 1 is stated, after which the research results are summarised.

7.3.2 Theoretical objectives

The theoretical objectives as set out in the beginning of the study are reviewed and outlined.

The first theoretical objective focused on conducting a literature synthesis on the nature, role and transformation of HEIs within the South African context. An extensive literature review was undertaken in Chapter 2 of the study, to review and assess education transformation in South Africa. The literature source included textbooks, research journals and published governmental reports. In addition, a

historical background of UoTs was located in HE fraternity in relation to their nature role and impact of UoTs in Sections 2.2 and 2.3.

The second theoretical objective focused on reviewing theories on market orientation. This objective was achieved in Chapter 3 of the study under Section 3.3**.** The social learning theory (which examines individual and group market driven learning processes), the resource-based theory (demonstrating that market-oriented HEIs can achieve a position of competitive advantage and long-run performance and sustainability) and dynamic capabilities theories (emphasising that market-places are dynamic and explores the capabilities by which organisations resources are acquired and deployed in ways that match the organisations market environment) were used to ground the study.

The third theoretical objective focused on conducting a literature review on the emergence of the marketing and market orientation concepts. In greater depth, the knowledge of marketing and market orientation as applied in the context of HEIs was pursued under Sections 3.2 and 3.4 of Chapter 3. Reference was also made of contemporary market orientation models in Section 3.5. The theoretical evolution of the marketing concept was illustrated in Table 3.1 as well as an overview of marketing perpectives was provided in Section 3.2.2. In addition,a short history of market orientation studies was illustrated in Table 3.4.

The fourth theoretical objective focused on conducting a literature analysis of external and internal market orientation models within the ambits of HEIs. This objective was realised in Chapter 3 under Sections 3.6 through synthesis model and Section 3.7 through a multi-level model of internal marketing. In addition the internal marketing process was described within the confines of the model and the different perspectives of external market orientation philosophy was articulated with specific reference to the integrated model in the mentioned sections. Figures 3.7 specifically relate to the integrated and synthesis model of market orientation while Figure 3.11 portrays the multi-model of internal marketing orientation. It is interesting to note that both models regard market intelligence as the starting point of the implementation of the marketing concept and thus, suggest their replicability.

The fifth theoretical objective focused on examination of the barriers inherent to HEIs in developing market orientation strategies. The objective was achieved in various sections (4.3;4.4;4.5 and 4.6) of Chapter 4, which was dedicated to

identify and review principal factors that appear to discourage market orientation.The diffent sections examines the barriers inherent to HEIs in developing market orientation strategies, while Section 4.2 provided a comprehensive description of the myths and realities of barriers to market orientation. Overcoming these barriers to market orientation is vital for university success and competitive institutional success. Discussion on overcoming the barriers and providing management with some insights regarding barriers in terms of diagnosis and treatment (with specific reference to the implementation of market orientation) was pursued in different sections mentioned.

The sixth theoretical objective focused on examining the impact of market orientation and its associated barriers on university performance. The synthesis model as discussed extensively in Chapter 3 under Section 3.6 and illustrated by Figure 3.7 is considered a significant contribution in providing the requisite results on the impact of barriers and market orientation constructs on university performance.

7.3.3 Empirical objectives

The empirical objectives formulated in the beginning of the study, likewise, are presented in this section.

To develop a generic taxonomy of the elements of market orientation within the UoTs framework. This objective was achieved in Chapter 6, Section 6.3.2 where exploratory factor analysis was performed on the market orientation construct. Furthermore, the KMO and BTS tests results reported in Table 6.2 justified the performance of the factor extraction procedure (Section 6.3.2.1.1), which yielded the seven dimensions that measure the level of market orientation within UoTs as shown in Table 6.3. Section 6.3.2.1.2 provides the naming and interpretations of the seven extracted factors. Reliability and validity of the measurement instrument was ascertained in Sections 6.3.5 and 6.3.6 respectively.

To establish academics perception on the implementation of market orientation, its barriers and performance among UoTs. The academics perception on the implementation of market orientation and its associated barriers on performance are demonstrated through the descriptive analysis undertaken in

Sections 6.3.3 and the means, standard deviations and variances are shown in Table 6.6.

To develop a generic taxonomy of the barriers in market orientation within the UoTs framework. This objective was achieved empirically in Section 6.3.2. of Chapter 6. The KMO and BTS test results reported in Table 6.2 justified the performance of the factor extraction procedure outlined in Section 6.3.2.2.1. Section 6.3.2.2.2 detailed the naming and interpretation of the factors extracted for the barriers to implementation of the marketing concept. In addition, an inter-factor correlation analysis was performed in Section 6.3.4 to elucidate the relationship among the three factors extracted, namely external, internal and organisational environmental barriers to market orientation.

To ascertain the impact of market orientation and its associated barriers on university performance. The impact of barriers to market orientation and its associated barriers on dimensions of university performance was achieved in Section 6.3.7 where the conceptual model was assessed for goodness-of-fit. Figure 6.10 illustrates the conceptual path model structure while Sections 6.3.8 and 6.3.9 presents the results of the structural equation modelling while and the hypotheses testing respectively. Furthermore, Table 6.8 shows the statistical indicators of the impact for the data set. In addition, CFA was employed to assess the model fit in Section 6.3.7. SEM hypotheses testing results shown in Table 6.12 also testified regarding the impact of market orientation and its associated barriers on university performance.

7.3.4 Evaluation of hypotheses testing

The hypotheses that were postulated in Chapter 1 were tested using SEM and the outcomes are depicted in Tables 7.1.

Table 7.1:   SEM hypotheses testing results

Paths	P-values	Path coefficients	Standardised Estimates	t-values (CR)	Hypotheses Results
BA→MO	***	-0.590	.063	-9.405	H1:Supported p<0.01
MO→UP	***	0.734	.072	10.247	H2:Supported p<0.01
BA→UP	***	-0.297	.059	-5.061	H3:Supported p<0.01

The results reported in Table 7.1 indicate that there is a positive, significant association between market orientation with university performance and a negative, significant relationship between barriers to market orientation and market orientation and university performance respectively. The next section addresses the contributions of this study for both academics and practitioners.

7.4   CONTRIBUTIONS OF THE STUDY

The current research is the first to study the relationship between components of market orientation, barriers to market orientation and university performance within UoTs in South Africa. These findings provide fruitful implications for both practitioners and academics. On the academic side, this study makes a significant advancement in the marketing theory by systematically examining the influence of market orientation and its associated barriers on university performance. From a theory point of view, a contribution is made to the existing literature on the relationship of market orientation, barriers to market orientation and university performance, particularly in the context of developing UoTs.

The study has contributed to ascertaining which elements of market orientation are prevalent in UoTs. An examination of potential barriers to implementation of the marketing concept was undertaken to give insight into where the potential problem area lies in HEIs. Other HEIs could learn from this study and utilise the research to diagnose and remedy barriers within their operational domain. The study identified the conditions that foster or discourage market orientation and the contribution these factors have on university performance. Diagnosing these barriers highlights a number of effectiveness issues for which a series of treatments have been indicated.

From the practitioners' perspective, a synthesised market-oriented university performance model is presented and an insight on how to identify, diagnose and overcome these barriers to market orientation is outlined. The study outlined the synthesis model of market orientation (Figure 3.5) in Chapter 3 under Section 3.4 and suggested that the framework could serve as a model for others. First, the model recommends the required steps that should be implemented in order for an organisation to become more market oriented. Secondly, the model shows a linkage between barriers, market orientation and superior university performance. This could be used to motivate the HEIs that have not yet accepted the marketing concept as their organisation's philosophy. The findings add to a body of knowledge and offer guidance to HEIs who seeks to incorporate market orientation in their marketing strategies.

Furthermore, on a broader perspective, the study reaffirmed the assertion that superior university performance is influenced by the degree of market orientation inherent in HEIs. HEIs that are market oriented performs better than those that are not practicing the marketing concept. The study showed that there is a relationship between marketing and superior university performance in those selected HEIs. The empirical findings of the study provide evidence and lent support regarding the usefulness of adopting and incorporating market orientation into the strategic approaches of an institution.

The current study adds to researcher's efforts to understand the relationship between market orientation, barriers and university performance. The study contributes a new direction in the research on market orientation by opening up a debate on the importance of market orientation practices in the development and improvement of university performance despite inherent barriers in UoTs. It is also interesting to note that the measures/scales applied, fit in the study very well to the UoTs context judging by the statistical measures of accuracy test identified in Table 6.6 of Chapter 6.

This study like most studies has certain limitations, which may present several future research opportunities as outlined in the next section.

7.5   LIMITATIONS AND FUTURE RESEARCH OPPORTUNITIES

Although this study has provided relevant and interesting insights into understanding the implementation of market orientation and its associated barriers to UoTs, it is critical to recognise the limitations associated with this study.

Due to the nature of non-probability convenience sampling, the results may not be generalised of the broader South African HEIs academic population. Data collection was conducted in UoTs and thus issues surrounding the generalisability of the findings beyond this specific category or setting must be considered. Therefore, the findings cannot be generalised to other forms of HEIs in the country. Comparisons could be drawn between different faculties within specific institutions to determine whether there are any significant relationships between their individual performances, market orientation and the existence of barriers to implementation of the marketing concept. Future studies could include a comparison between different HEIs to determine how academics perceive the relationship between the constructs.

The study had a retrospective focus, as the sample population was academics and thereby limited. The use of academics alone to measure the relationships among the constructs could have affected the validity of the responses. Academics might not been fully aware of some or all market orientation practices and might have given inaccurate responses. To enhance external validity, future research efforts should obtain representative samples, which also include non-academics from more institutions like comprehensive and traditional universities.

A single cross sectional research design was used in the study, which consequently lacked the depth of a longitudinal study. A longitudinal study is recommended, as it would provide valuable information concerning any changes in the factors that determine the academic perceptions towards market orientation. South African HEIs should engage in longitudinal studies to establish the causal relationships among the variables.

Another limitation concerns the use of a single method of data collection. All the data in the study was collected quantitatively, which led to the common method bias inherent to quantitative methods. Preliminary indications are that a qualitative and quantitative design is best suited to the peculiarities of the barriers to market orientation. It will be worthwhile to utilise both qualitative and quantitative paradigms

to supplement each other. A qualitative design may be helpful in making follow-ups to the responses provided in the quantitative design. Consequently, the quantitative responses are validated by these follow-ups. It is clear that at least the first phase of research should be qualitative in order to define the domain of enquiry more clearly. Future studies can try to focus on triangulation methods to avoid this biasness.

Given the value and applicability of the social learning theory, resource based theory and dynamic capabilities theory to marketing, there is a need for more studies exploring market orientation framework from these theories perspectives within the HE domain. An attempt should be made to explain how HEIs can generate greater university performance from implementing market orientation from these theories perspectives because not all HEIs can generate and sustain competitive advantage by implementation of market orientation. While there are problems in generalising the findings to different categories of HEIs, the theoretical frameworks of what underpins the barriers can be used as a basis against which new cases can be analysed. This could provide insights into the scope of different barriers allowing more informed choices about priorities in managing them. In addition, the measuring instrument could be tested and utilised as a diagnostic tool in other non-profit oriented organisations other than HEIs to determine whether it can be standardised for all organisations.

It is important to note that the aforementioned limitations do not necessarily negate the contributions of this study but open up further avenues for future research. Rather than to lessen the impact of the findings, the limitations discussed in this study, clearly establish boundaries and serve to identify future avenues for research. Hence, the following section will address the recommendations emanating from the study.

7.6 RECOMMENDATIONS

It is the purpose of this section to present recommendations to address various concerns and issues for effective incorporation of the market orientation paradigm. The recommendations are based on the discussions contained in the literature review and findings of the study.

- Commitment and communication from top management to all units to support marketing orientation is critical. The support of those making strategic decisions is needed to garner the necessary support of other employees in UoTs, especially top and senior management buy-in and support. To this end, managers and marketers are encouraged to continuously acquire skills, knowledge, experience and other capabilities that will enable them to build up and attain higher levels of market orientation.

- HEIs need to undertake an honest analysis of their internal, organisational and external environment to understand the need for change. There is a need to emphasise the importance of customer orientation and superior performance to all employees within the institutions. Prioritising the focus of market strategy and communicating the details to those employees who are mostly affected by the new strategy is key and can be achieved by, for example, organising and conducting institutional workshops and seminars where market information and knowledge are generated and disseminated or shared.

- Encouragement of out-of-the-box thinking and risk taking in developing solutions and allowing for trial-and-error should also be encouraged to implement market orientation initiatives. Priority should be given to operationalising the objectives and measures in formal organisational systems e.g. university reward systems to be tied up to market orientation performance, faculties and departments can be developed and encouraged to be market-oriented to enhance their output centred performance approach.

- Top management as well as academics need to optimise the effectiveness of their market orientation strategies. An iterative feedback mechanism needs to be designed in order to evaluate the success of the strategy. A market-oriented paradigm should pervade the entire institution through recognition of a market philosophy as part of the institutions strategic planning. This could be achieved by deliberate articulation of organisational commitment to the principles of market orientation.

- Managing performance is about ensuring that employees can achieve their best and play their part in meeting institutional goals and objectives that are consistent with values and culture. In this regard, UoTs like other HEIs are required to develop PDOs as a recent requirement from DoHET as detailed in Chapter 2 under Section 2.4. The reporting of the targets and objectives in the

annual report should always be in line with the targets and objectives as set out in the mentioned section. Therefore, management of UoTs need to encourage their units to adopt more thoroughly the behaviours and actions common to higher levels of market orientation and thus achieving performance excellence. There is a need to see if market orientation elements are included as part of their PDOs in line with the mission and vision of the UoTs.

- Using a case study analysis is one way in which the intricacies of this puzzle can begin to be unravelled. The mix of top-down/bottom-up approaching strategies for achieving a market orientation is effective in avoiding implementation failure and difficulties and actually facilitating for achievement of a market orientation to a greater degree in a short space of time. This can be viewed as a combination of concrete actions given the under-researched nature of the barriers to market orientation within universities.

- Marketing information generation is a good starting point when developing or adapting marketing strategies. Higher Education Data Analyzer (HEDA) as a Management Information System (MIS) tool should be used as the gateway to HEIs information resources to access all levels of information. HEIs should ensure that their communication processes are effective and reflect the position of the institutions. In this regard, information sources are critical. HEIs should realise that information dissemination is an effective way to reach prospectives students and to create credible and persuasive communication channels. Open days, websites, word-of-mouth and university publications could be some of the information sources used to recruit and communicate to students. In addition, Institutions also need to keep in contact with their alumni as they also provide a useful source of information. The educational focus should be on the metamorphosis students will undergo during their course of study i.e the student walk which refers to a journey which each student is supposed to complete. This caring attitude should begin with a thorough "freshman orientation" in helping students to make the transition from high school to universities and ultimately succeeds at the institution of choice.

- The development of a marketing strategy should also involve the inter-functional coordination and interdepartmental dynamics that enables HEIs to meet stakeholders needs and provide vital value and performance. The cooperation between marketing and other operations is key and should be encouraged and

strengthened in order to give market orientation a more conspicuous approach. Key aspects that need to be prioritised includes: establishment of structures for coordination, market efforts to be driven by teams to bring about synergy and cross fertilisation of ideas and marshalling of resources. Resources and marketing competencies should provide the necessary basis and tools to deliver teaching and learning and institutions need to ensure that their quality of teaching compares favourably with that being offered by competitors. Quality will obviously satisfy government requirements and thus attract more funding.

- The responsiveness of market oriented HEIs in comparison with their product oriented counterpart should be most evident in the curriculum design and implementation. Based on the various elements constituting effective curricula, the design and implementation of curricula demands the movement of various competencies and resources in a team approach. New programs should be designed to accommodate breakthroughs rather than just absorbing innovations such as introducing computers into irrelevant existing programmes. HEIs must ensure that their programmes and services have a career focus and are market related for both the national and international job market. Recurriculation of current program quality mix (PQM) may be necessary to make the courses more career-focused with increased liason with the respective industries. Building relationships and links with industries on aspects such as the content and appropriateness of courses will positively enhance the image of the institution as well as increasing the probability of students' job prospects.

UoTs need to increase their planning capacity and become more proactive in anticipating changes in developing the capacity to respond appropriately to industry, community and business demand. To this end, the marketing orientation paradigm is the answer.

7.7 CONCLUSION

Marketing principles and marketing ideas can be applied to the higher education sector, but not in the same way as in a profit-making organisation. In general terms, it could be stated that many marketing concepts are applicable to the higher education sector. The market orientation philosophy clearly is applicable to HEIs whose culture is committed, systematically and entirely, to the continuous creation

and provision of superior value for its stakeholders. The implementation concerns, with all of its inherent complexity, will continue to transcend many areas of HEIs.

The study identified the specific barriers to market orientation, the market orientation dimensions and examined the impact of market orientation and its associated barriers on university performance of UoTs in South Africa. The study illustrated how different elements of market orientation specific to the marketing approach that emphasises on satisfying consumers are used in higher education. The barriers identified in the study (being envirommental factors) should not divert attention from fundamental issues identified. The study has succeeded in affirming that market orientation positively and significantly influences university performance. Most of the factors delineated in this study are largely controllable by senior executives and marketing operatives, and thereby allow a purposeful implementation of market orientation.

Through a market orientation philosophy, HEIs are cushioned from the dynamic, highly competitive, hostile and turbulent external environment. Market orientation, therefore, will continue to serve as a sound strategy for universities and help the institutions to improve their programme and offerings effectiveness and develop high quality programmes in their quest to attract high quality students and academic staff. Practitioners will undoubtedly benefit from the guidance offered in this study that prescribes treatment to impediments towards adoption and implementation of market orientation. Future studies could expand the constructs that were used in this study, to understand the relationship between the constructs better.

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APPENDIX A
REQUEST FOR PERMISSION TO CONDUCT
ACADEMIC RESEARCH

VAAL UNIVERSITY OF TECHNOLOGY
FACULTY OF MANAGEMENT SCIENCES

Permission is hereby requested to conduct research at your institution. Details of the researcher, supervisor and research project are as follows:

Researcher/Student: B. Mokoena (0742168046)
Supervisor/Promoter: Prof M. Dhurup (0836314720)
Title of Research: Marketing of Universities of Technology: examining the relationships between market orientation elements, barriers and university performance

I declare that all the information gathered from your institution will be used solely for research purposes and that the anonymity of all is guaranteed.

Kindly advise me on the necessary documentation and procedures to follow in assisting me to conduct the survey in your institution.

Thanking you in advance.

Regards

Bakae Aubrey Mokoena

APPENDIX B

COVER LETTER FOR QUESTIONNAIRE

Enquiries: **Aubrey Mokoena**

Telephone: **(Cell) 074 216 8046 Or (Work) 016 950 6899**

E-mail: aubrey@vut.ac.za

Dear Colleague,

I have identified you as a participant in this survey due to your involvement in academic activities of Universities of Technology (UoTs) in South Africa. Your participation will be appreciated, and every response will add value to the study.

The survey is divided into sections dealing with different aspects of the Implementation levels and barriers of Market Orientation. Every section is preceded by instructions. Please follow the instructions as closely as possible. There are no right or wrong answers as the questionnaires are intended to seek information.

Please answer all questions. If any question/item is left blank, it will unfortunately render your completed questionnaire unusable. Completing the questionnaire should not take longer than 20 minutes.

Your answers will be treated as strictly confidential. You need not reveal your identity. The information obtained will be used solely for research purposes, and is subject to the ethical rules of research at VUT.

The completed questionnaire will be fetched from you as agreed with the relevant Research Assistant/ Field worker on or before 20 September 2013. If you have any query, you are welcome to contact me at 074 216 8046 or aubrey@vut.ac.z**a**

Thank you for your participation.

Aubrey Mokoena

INFORMED CONSENT

Researcher: Aubrey Mokoena

I, the respondent of this questionnaire, hereby declare that I volunteered to participate in the survey being conducted by the researcher mentioned above. The title of the research project is : Marketing of Universities of Technology : examining the relationships between market orientation elements, barriers and university performance. I am aware that my contribution to this survey is extremely important, as it will ensure the success of the study.

Confidentiality

I understand that the information provided in this survey may be used for research purposes, including publication in research journals. All individual information will be coded and at no time will my personal identity be revealed/disclosed. My results will be viewed only by those responsible for the preparation and delivery of feedback and for research.

Voluntary participation

The nature and purpose of this survey has been explained to me. I understand that participation in this survey is voluntary and refusal to participate will not involve any penalty or loss of benefits that I would otherwise have been entitled to. I understand that I may withdraw from participation at any point in this survey without being penalised.

Termination of participation

My participation in this survey may be terminated without my consent if the researcher believes that any portion of this survey will put me under undue risk. My participation may also be terminated if I do not adhere to the survey protocol.

Benefit of participation

The benefit of participating in this study is that I will be contributing to an improved understanding of factors that influence the implementation of Market Orientation in the core business of UoTs in South Africa. I also note that I may be entitled to feedback of the results obtained.

Persons to contact with questions

I understand the researcher in this survey is Aubrey Mokoena and that I may contact him if I have any additional questions (cell: 074 216 8046).

Consent to participate

I certify that I have read all of the above and where necessary, have received satisfactory answers to any question that I had. I further agree that for purposes of keeping my identity confidential, I do not have to initial or affix my signature to this questionnaire.

Contact Details of Promoter

Prof. M Dhurup Tel. 0160 950 6866 Cell 083 631 4720 E Mail manilald@vut.ac.za

APPENDIX C

QUESTIONNAIRE

Market Orientation of Universities of Technology

For the purpose of this study Market Orientation is described as the organization wide generation of market intelligence through decision support systems, marketing research efforts, marketing information systems, dissemination of the information across the institution and organization-wide responsiveness to the changes taking place in the market

SECTION A- DEMOGRAPHIC PROFILE

In this section information about you is sought. Please place a cross (x) in the block applicable to you.

A1	Gender	Male	Female

A2	Age	Under 30 years	30-39 years	40-49 years	50-59 years	60 years and over

A3	Type of position held in the university	
	Junoir Lecturer/Lecturer	1
	Senior Lecturer/Associate Professor	2
	HOD/Dean/Professor	3

A4	Number of completed years at the university	Under 3 years	Between 3-6 years	Between 7-10 years	More than 10 years

A5	Highest qualification	Diploma/ Degree	B-Tech/ Honours	Masters	Doctorate

A6	Faculty/Unit	Management/ Economic Sciences	Engineering	Humanities	Applied Science	Other specify

SECTION B – MARKET ORIENTATION

In this section, information about market orientation of Universities of Technology is sought. Below are a number of descriptors of market orientation. Please indicate the extent to which you disagree or agree with the statements by placing a cross(x) in the appropriate block 1= (Strongly disagree); 2= (Disagree), 3= (Neutral/Neither Disagree nor Agree), 4= (Agree) and 5= (Strongly agree).

At my university:

B1	Information about the social and economic situation to improve the planning of teaching and research is regularly collected	Strongly disagree	1	2	3	4	5	Strongly agree
B2	Generally, staff members are well-informed about professional profile changes demanded by the labour market	Strongly disagree	1	2	3	4	5	Strongly agree
B3	Information is collected about what other disciplines and departments offer in their specialist areas	Strongly disagree	1	2	3	4	5	Strongly agree
B4	Academic staff spends time discussing students' future needs	Strongly disagree	1	2	3	4	5	Strongly agree
B5	Meetings are held at least once a year with those who hire students to find out what courses or services students need in the future	Strongly disagree	1	2	3	4	5	Strongly agree
B6	Academic staff spend time discussing industries' future needs with other staff	Strongly disagree	1	2	3	4	5	Strongly agree
B7	Course development efforts are periodically reviewed to ensure that they are in line with industry or those who hire the graduates	Strongly disagree	1	2	3	4	5	Strongly agree

At my university:

B8	Activities of academics are well coordinated	Strongly disagree	1	2	3	4	5	Strongly agree
B9	Data on industry satisfaction with the graduates are disseminated at all levels of the university on a regular basis	Strongly disagree	1	2	3	4	5	Strongly agree
B10	A survey of industry is undertaken at least once a year to assess the quality of courses and services	Strongly disagree	1	2	3	4	5	Strongly agree
B11	When something happens that affects the area of work, all the members of the university are informed timeously	Strongly disagree	1	2	3	4	5	Strongly agree
B12	There is a rapid distribution of information on important issues	Strongly disagree	1	2	3	4	5	Strongly agree
B13	Relevant marketing information is quickly distributed to all members of staff	Strongly disagree	1	2	3	4	5	Strongly agree

At my university:

B14	Effects of changes in the higher education environment on students is periodically reviewed	Strongly disagree	1	2	3	4	5	Strongly agree
B15	Student's complaints are addressed timeously	Strongly disagree	1	2	3	4	5	Strongly agree
B16	Flexibility and prompt response exist when it is necessary to adapt or change course material	Strongly disagree	1	2	3	4	5	Strongly agree
B17	Frequent meetings are held to discuss the most relevant research issues	Strongly disagree	1	2	3	4	5	Strongly agree
B18	Everything possible is done to adapt teaching and research work to the needs of business and industry.	Strongly disagree	1	2	3	4	5	Strongly agree
B19	Academic programmes respond to existing industry demands	Strongly disagree	1	2	3	4	5	Strongly agree
B20	Research is focused to solve problems in society	Strongly disagree	1	2	3	4	5	Strongly agree
B21	Research covers societal and business demands	Strongly disagree	1	2	3	4	5	Strongly agree

At my university:

B22	Commitment to serving students' needs is closely monitored and assessed	Strongly disagree	1	2	3	4	5	Strongly agree
B23	Strategies are driven by the goal of enhancing students learning experience	Strongly disagree	1	2	3	4	5	Strongly agree
B24	Competitive advantage is based on the understanding of student's needs	Strongly disagree	1	2	3	4	5	Strongly agree
B25	Objectives are driven by student interest	Strongly disagree	1	2	3	4	5	Strongly agree
B26	Student satisfaction is systematically and frequently measured	Strongly disagree	1	2	3	4	5	Strongly agree

At my university:

B27	Meeting with students is a high priority	Strongly disagree	1	2	3	4	5	Strongly agree
B28	All departments are highly dedicated to serving the needs of students	Strongly disagree	1	2	3	4	5	Strongly agree
B29	The entire university contributes to student learning experience	Strongly disagree	1	2	3	4	5	Strongly agree
B30	Various departments share the resources of the university	Strongly disagree	1	2	3	4	5	Strongly agree
B31	It is easy to talk to other department members, regardless of their level or position	Strongly disagree	1	2	3	4	5	Strongly agree
B32	In general, there is good communication between different departments	Strongly disagree	1	2	3	4	5	Strongly agree
B33	There is a good interpersonal atmosphere	Strongly disagree	1	2	3	4	5	Strongly agree
B34	There is a good working relationship in the various departments	Strongly disagree	1	2	3	4	5	Strongly agree

B35	Major market information is always spread all over the university's functional areas	Strongly disagree	1	2	3	4	5	Strongly agree
B36	Actions are implemented so that each person feels individually committed to customer satisfaction	Strongly disagree	1	2	3	4	5	Strongly agree
B37	Inter-functional meetings are periodically organized to analyse important market information	Strongly disagree	1	2	3	4	5	Strongly agree
B38	All the institutions processes and departments are integrated in serving the needs of our markets	Strongly disagree	1	2	3	4	5	Strongly agree

At my university:

B39	Various departments stay informed about the actions of peer departments of other universities	Strongly disagree	1	2	3	4	5	Strongly agree
B40	Administration regularly discusses the strengths and weaknesses compared to other universities	Strongly disagree	1	2	3	4	5	Strongly agree
B41	Students are the primary emphasis when opportunities arises or are developed for competitive advantage	Strongly disagree	1	2	3	4	5	Strongly agree
B42	Systems are in place to precisely monitor changes in the legal, social, economic and technological environments	Strongly disagree	1	2	3	4	5	Strongly agree
B43	Sensitive and risk factors that may impact on the institution are identified	Strongly disagree	1	2	3	4	5	Strongly agree

SECTION C- BARRIERS TO IMPLEMENTATION OF MARKET ORIENTATION AT MY UNIVERSITY

In this section, information about barriers to implementation of market orientation at your university is sought. Barriers are described as any factor, problem or circumstance that may inhibit the institution from using/implementing market orientation within their premises. Please indicate the extent to which you disagree or agree with the following factors which relate to the barriers to market orientation within a higher education sector. Please place a cross (X) in the appropriate block. 1=(Strongly Disagree), 2=(Disagree), 3=(Neutral/Neither Disagree nor Agree), 4=(Agree),and 5=(Strongly Agree.)

C1	Competition from other institutions of higher learning	Strongly disagree	1	2	3	4	5	Strongly agree
C2	Market turbulence	Strongly disagree	1	2	3	4	5	Strongly agree
C3	Technological changes in the higher education environment	Strongly disagree	1	2	3	4	5	Strongly agree
C4	Corporate culture of the university	Strongly disagree	1	2	3	4	5	Strongly agree
C5	Interdepartmental conflicts within the university	Strongly disagree	1	2	3	4	5	Strongly agree
C6	Organisational political behaviour	Strongly disagree	1	2	3	4	5	Strongly agree
C7	Breakdown of information dissemination within the university	Strongly disagree	1	2	3	4	5	Strongly agree
C8	Non-adherence to policies and procedures of the university	Strongly disagree	1	2	3	4	5	Strongly agree

C9	Risk aversion by top management of the university	Strongly disagree	1	2	3	4	5	Strongly agree
C10	Lack of interdepartmental connectedness within the university	Strongly disagree	1	2	3	4	5	Strongly agree
C11	Centralisation of decision making	Strongly disagree	1	2	3	4	5	Strongly agree
C12	Inconsistent reward systems within the university	Strongly disagree	1	2	3	4	5	Strongly agree
C13	Top management's reluctance to drive market orientation	Strongly disagree	1	2	3	4	5	Strongly agree
C14	Lack of innovativeness and creativity within the university	Strongly disagree	1	2	3	4	5	Strongly agree
C15	Inadequate quality management and incompetence	Strongly disagree	1	2	3	4	5	Strongly agree
C16	Control of resources of the university	Strongly disagree	1	2	3	4	5	Strongly agree
C17	Inadequate customer service orientation	Strongly disagree	1	2	3	4	5	Strongly agree
C18	Weak organisational support systems	Strongly disagree	1	2	3	4	5	Strongly agree
C19	Formalisation of rigid rules and procedures	Strongly disagree	1	2	3	4	5	Strongly agree
C20	Lack of formal market education and training	Strongly disagree	1	2	3	4	5	Strongly agree
C21	General economy of the country	Strongly disagree	1	2	3	4	5	Strongly agree

SECTION D UNIVERSITY PERFORMANCE

In this section, information about market orientation and your university performance is sought. Below are a number of statements which relates to market orientation and university performance. Please indicate the extent to which you disagree or agree with the statements by placing a cross(X) in the appropriate block. 1=(Strongly Disagree),2=(Disagree),3=(Neutral/Neither Disagree nor Agree)4=(Agree) and 5=(Strongly Agree).

DI	We are recognised by industry/society for our flexibility and innovativeness in our teaching	Strongly disagree	1	2	3	4	5	Strongly agree
D2	Our university is highly regarded by industry	Strongly disagree	1	2	3	4	5	Strongly agree
D3	Many of our staff members conduct research in partnership with non-academic professionals	Strongly disagree	1	2	3	4	5	Strongly agree
D4	We have a spin-of, of a number of ventures	Strongly disagree	1	2	3	4	5	Strongly agree
D5	Our graduate students often secure a high number of industry positions	Strongly disagree	1	2	3	4	5	Strongly agree
D6	Our university places a lot of emphasis on research	Strongly disagree	1	2	3	4	5	Strongly agree

Thank you for time and your cooperation. Your views are much appreciated

APPENDIX D

CONFIRMATORY FACTOR ANALYSIS OUTPUT

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	52	228.080	84	.000	2.715
Saturated model	153	.000	0		
Independence model	17	5745.739	136	.000	43.857

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.037	.945	.911	.584
Saturated model	.000	1.000		
Independence model	.397	.225	.129	.200

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.957	.938	.972	.960	.972
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.713	.679	.690
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	181.425	135.316	235.179
Saturated model	.000	.000	.000
Independence model	5609.739	5365.033	5860.774

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.550	.359	.267	.465
Saturated model	.000	.000	.000	.000
Independence model	11.355	11.086	10.603	11.583

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.058	.049	.069	.017

Model	RMSEA	LO 90	HI 90	PCLOSE
Independence model	.286	.279	.292	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	390.425	394.556	627.222	683.222
Saturated model	306.000	317.287	952.962	1105.962
Independence model	5779.739	5780.993	5851.624	5868.624

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.772	.680	.878	.780
Saturated model	.605	.605	.605	.627
Independence model	11.422	10.939	11.919	11.425

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	220	241
Independence model	15	16

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

		Estimate	S.E.	C.R.	P	Label
MO7 <--- MO		1.000				
MO6 <--- MO		1.061	.073	14.517	***	
MO5 <--- MO		1.035	.070	14.681	***	
MO4 <--- MO		.933	.071	13.050	***	
MO3 <--- MO		1.137	.078	14.663	***	
MO2 <--- MO		1.074	.079	13.623	***	
MO1 <--- MO		.990	.056	17.741	***	
BA4 <--- BA		1.000				
BA3 <--- BA		.867	.069	12.520	***	
BA2 <--- BA		.973	.064	15.298	***	
BA1 <--- BA		.677	.067	10.026	***	
D6 <--- D		1.000				
D5 <--- D		1.164	.064	18.085	***	
D4 <--- D		1.088	.060	18.031	***	
D3 <--- D		.948	.062	15.219	***	
D2 <--- D		.998	.059	16.939	***	
D1 <--- D		.947	.060	15.757	***	

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
MO7 <--- MO	.649
MO6 <--- MO	.786
MO5 <--- MO	.703
MO4 <--- MO	.692
MO3 <--- MO	.810
MO2 <--- MO	.722
MO1 <--- MO	.821
BA4 <--- BA	.746
BA3 <--- BA	.746
BA2 <--- BA	.772
BA1 <--- BA	.586
D6 <--- D	.712
D5 <--- D	.837
D4 <--- D	.844
D3 <--- D	.717
D2 <--- D	.779
D1 <--- D	.729

Covariances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
MO <--> D	.399	.041	9.715	***	
MO <--> BA	.242	.028	8.564	***	
BA <--> D	.356	.036	10.035	***	
e16 <--> e17	.204	.026	7.777	***	
e9 <--> e11	.355	.031	11.473	***	
e7 <--> e9	-.156	.016	-9.925	***	
e3 <--> e11	.194	.021	9.201	***	
e11 <--> e12	.185	.024	7.570	***	
e14 <--> e15	.162	.025	6.409	***	
e3 <--> e12	.151	.025	6.137	***	
e1 <--> e7	.136	.020	6.868	***	
e1 <--> e9	-.152	.024	-6.418	***	
e7 <--> e13	-.046	.013	-3.679	***	
e11 <--> e17	.079	.016	4.892	***	
e13 <--> e17	-.043	.018	-2.335	.020	
e10 <--> e11	.108	.020	5.551	***	
e3 <--> e10	.093	.019	4.946	***	
e1 <--> e3	.102	.023	4.402	***	
e3 <--> e7	.064	.015	4.383	***	
e8 <--> e12	-.075	.021	-3.597	***	
e3 <--> e17	.057	.016	3.470	***	
e7 <--> e10	.042	.012	3.371	***	

Correlations: (Group number 1 - Default model)

	Estimate
MO <--> D	.817
MO <--> BA	.596
BA <--> D	.677
e16 <--> e17	.490
e9 <--> e11	.554
e7 <--> e9	-.426
e3 <--> e11	.360
e11 <--> e12	.285
e14 <--> e15	.379
e3 <--> e12	.285
e1 <--> e7	.383
e1 <--> e9	-.250
e7 <--> e13	-.169
e11 <--> e17	.146
e13 <--> e17	-.110
e10 <--> e11	.235
e3 <--> e10	.247
e1 <--> e3	.200
e3 <--> e7	.209
e8 <--> e12	-.203
e3 <--> e17	.130
e7 <--> e10	.160

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
MO	.376	.050	7.550	***	
BA	.436	.044	9.908	***	
D	.635	.070	9.040	***	
e1	.590	.040	14.656	***	
e2	.244	.018	13.271	***	
e3	.438	.030	14.431	***	
e4	.362	.025	14.555	***	
e5	.258	.020	13.037	***	
e6	.382	.027	14.201	***	
e7	.214	.016	12.978	***	
e8	.216	.025	8.561	***	
e9	.623	.042	14.770	***	
e10	.322	.029	11.112	***	
e11	.660	.041	15.939	***	
e12	.642	.045	14.371	***	
e13	.348	.030	11.758	***	
e14	.322	.026	12.341	***	
e15	.566	.040	14.214	***	
e16	.391	.029	13.349	***	
e17	.443	.034	13.029	***	

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
D1	.563
D2	.618
D3	.502
D4	.700
D5	.712
D6	.497
BA1	.233
BA2	.562
BA3	.345
BA4	.669
MO1	.633
MO2	.532
MO3	.653
MO4	.475
MO5	.479
MO6	.634
MO7	.389

APPENDIX E

STRUCTURAL EQUATION MODELLING OUTPUT

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	54	218.529	82	.000	2.665
Saturated model	153	.000	0		
Independence model	17	5745.739	136	.000	42.248

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.036	.948	.914	.572
Saturated model	.000	1.000		
Independence model	.397	.225	.129	.200

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.958	.939	.974	.961	.973
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.721	.687	.698
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	172.792	127.578	225.663
Saturated model	.000	.000	.000
Independence model	5609.739	5365.033	5860.774

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.535	.341	.252	.446
Saturated model	.000	.000	.000	.000
Independence model	11.355	11.086	10.603	11.583

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.057	.051	.067	.037
Independence model	.286	.279	.292	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	380.792	384.850	613.360	668.360
Saturated model	306.000	317.287	952.962	1105.962
Independence model	5779.739	5780.993	5851.624	5868.624

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.753	.663	.857	.761
Saturated model	.605	.605	.605	.627
Independence model	11.422	10.939	11.919	11.425

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	229	250
Independence model	15	16

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
MO	<---	BA	-.590	.063	-9.405	***	
D	<---	MO	.734	.072	10.247	***	
D	<---	BA	-.297	.059	-5.061	***	
MO7	<---	MO	1.000				
MO6	<---	MO	.923	.060	15.505	***	
MO5	<---	MO	1.020	.068	15.106	***	
MO4	<---	MO	.846	.060	14.116	***	
MO3	<---	MO	1.022	.064	16.069	***	
MO2	<---	MO	.924	.065	14.149	***	
MO1	<---	MO	.978	.049	19.762	***	
BA4	<---	BA	1.000				
BA3	<---	BA	1.202	.098	12.221	***	
BA2	<---	BA	1.039	.064	16.239	***	
BA1	<---	BA	.737	.069	10.652	***	
D1	<---	D	1.000				
D2	<---	D	1.062	.042	25.092	***	
D3	<---	D	1.008	.065	15.627	***	
D4	<---	D	1.158	.062	18.776	***	
D5	<---	D	1.224	.065	18.724	***	
D6	<---	D	1.085	.068	15.862	***	

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
BA	<---	MO	.629
D	<---	MO	.575
D	<---	BA	.339
MO7	<---	MO	.679
MO6	<---	MO	.774
MO5	<---	MO	.744
MO4	<---	MO	.696
MO3	<---	MO	.809
MO2	<---	MO	.699
MO1	<---	MO	.846
BA4	<---	BA	.782
BA3	<---	BA	.810
BA2	<---	BA	.760
BA1	<---	BA	.510
D1	<---	D	.740
D2	<---	D	.787
D3	<---	D	.709
D4	<---	D	.838
D5	<---	D	.837
D6	<---	D	.713

Covariances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
e12 <--> e13	.213	.026	8.329	***	
e7 <--> e9	-.111	.015	-7.347	***	
e9 <--> e11	.284	.029	9.698	***	
e3 <--> e11	.150	.020	7.414	***	
e11 <--> e17	.175	.024	7.270	***	
e14 <--> e15	.159	.025	6.281	***	
e3 <--> e17	.146	.025	5.883	***	
e6 <--> e20	.063	.017	3.737	***	
e2 <--> e11	-.060	.015	-3.948	***	
e1 <--> e7	.097	.018	5.258	***	
e1 <--> e9	-.100	.023	-4.410	***	
e11 <--> e12	.074	.016	4.665	***	
e3 <--> e12	.065	.017	3.820	***	
e7 <--> e16	-.049	.013	-3.844	***	
e3 <--> e10	.078	.018	4.262	***	
e10 <--> e11	.109	.020	5.582	***	
e9 <--> e18	-.183	.037	-4.928	***	
e8 <--> e17	-.069	.021	-3.311	***	

Correlations: (Group number 1 - Default model)

			Estimate
e12	<-->	e13	.501
e7	<-->	e9	-.352
e9	<-->	e11	.485
e3	<-->	e11	.305
e11	<-->	e17	.279
e14	<-->	e15	.375
e3	<-->	e17	.291
e6	<-->	e20	.234
e2	<-->	e11	-.148
e1	<-->	e7	.311
e1	<-->	e9	-.182
e11	<-->	e12	.139
e3	<-->	e12	.151
e7	<-->	e16	-.192
e3	<-->	e10	.221
e10	<-->	e11	.249
e9	<-->	e18	-.360
e8	<-->	e17	-.172

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
e18	.467	.056	8.293	***	
e19	.240	.029	8.296	***	
e20	.174	.023	7.677	***	
e1	.547	.038	14.262	***	
e2	.267	.020	13.647	***	
e3	.393	.028	14.105	***	
e4	.356	.025	14.507	***	
e5	.257	.020	13.032	***	
e6	.417	.029	14.390	***	
e7	.177	.015	11.794	***	
e8	.252	.023	10.759	***	
e9	.558	.041	13.460	***	
e10	.314	.027	11.568	***	
e11	.615	.040	15.563	***	
e12	.464	.033	13.910	***	
e13	.389	.029	13.306	***	
e14	.565	.040	14.105	***	
e15	.318	.026	12.163	***	
e16	.359	.030	12.093	***	
e17	.639	.045	14.257	***	

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
MO	.000
BA	.396
D	.689
D6	.508
D5	.701
D4	.703
D3	.502
D2	.619
D1	.547
BA1	.260
BA2	.577
BA3	.364
BA4	.612
MO1	.716
MO2	.489
MO3	.655
MO4	.484
MO5	.553
MO6	.598
MO7	.460

Matrices (Group number 1 - Default model)

Total Effects (Group number 1 - Default model)

	MO	BA	D
BA	.581	.000	.000
D	.863	.402	.000
D6	.937	.436	1.085
D5	1.057	.492	1.224
D4	1.000	.466	1.158
D3	.870	.405	1.008
D2	.917	.427	1.062
D1	.863	.402	1.000
BA1	.428	.737	.000
BA2	.603	1.039	.000
BA3	.698	1.202	.000
BA4	.581	1.000	.000
MO1	.978	.000	.000
MO2	.924	.000	.000
MO3	1.022	.000	.000
MO4	.846	.000	.000
MO5	1.020	.000	.000
MO6	.923	.000	.000
MO7	1.000	.000	.000

Standardized Total Effects (Group number 1 - Default model)

	MO	BA	D
BA	.629	.000	.000
D	.788	.339	.000
D6	.562	.241	.713
D5	.659	.283	.837
D4	.660	.284	.838
D3	.558	.240	.709
D2	.620	.266	.787
D1	.583	.250	.740
BA1	.321	.510	.000
BA2	.478	.760	.000
BA3	.510	.810	.000
BA4	.492	.782	.000
MO1	.846	.000	.000
MO2	.699	.000	.000
MO3	.809	.000	.000
MO4	.696	.000	.000
MO5	.744	.000	.000
MO6	.774	.000	.000
MO7	.679	.000	.000

Direct Effects (Group number 1 - Default model)

	MO	BA	D
BA	.581	.000	.000
D	.630	.402	.000
D6	.000	.000	1.085
D5	.000	.000	1.224
D4	.000	.000	1.158
D3	.000	.000	1.008
D2	.000	.000	1.062
D1	.000	.000	1.000
BA1	.000	.737	.000
BA2	.000	1.039	.000
BA3	.000	1.202	.000
BA4	.000	1.000	.000
MO1	.978	.000	.000
MO2	.924	.000	.000
MO3	1.022	.000	.000
MO4	.846	.000	.000
MO5	1.020	.000	.000
MO6	.923	.000	.000
MO7	1.000	.000	.000

Standardized Direct Effects (Group number 1 - Default model)

	MO	BA	D
BA	.629	.000	.000
D	.575	.339	.000
D6	.000	.000	.713
D5	.000	.000	.837
D4	.000	.000	.838
D3	.000	.000	.709
D2	.000	.000	.787
D1	.000	.000	.740
BA1	.000	.510	.000
BA2	.000	.760	.000
BA3	.000	.810	.000
BA4	.000	.782	.000
MO1	.846	.000	.000
MO2	.699	.000	.000
MO3	.809	.000	.000
MO4	.696	.000	.000
MO5	.744	.000	.000
MO6	.774	.000	.000
MO7	.679	.000	.000

Indirect Effects (Group number 1 - Default model)

	MO	BA	D
BA	.000	.000	.000
D	.233	.000	.000
D6	.937	.436	.000
D5	1.057	.492	.000
D4	1.000	.466	.000
D3	.870	.405	.000
D2	.917	.427	.000
D1	.863	.402	.000
BA1	.428	.000	.000
BA2	.603	.000	.000
BA3	.698	.000	.000
BA4	.581	.000	.000
MO1	.000	.000	.000
MO2	.000	.000	.000
MO3	.000	.000	.000
MO4	.000	.000	.000
MO5	.000	.000	.000
MO6	.000	.000	.000
MO7	.000	.000	.000

Standardized Indirect Effects (Group number 1 - Default model)

	MO	BA	D
BA	.000	.000	.000
D	.213	.000	.000
D6	.562	.241	.000
D5	.659	.283	.000
D4	.660	.284	.000
D3	.558	.240	.000
D2	.620	.266	.000
D1	.583	.250	.000
BA1	.321	.000	.000
BA2	.478	.000	.000
BA3	.510	.000	.000
BA4	.492	.000	.000
MO1	.000	.000	.000
MO2	.000	.000	.000
MO3	.000	.000	.000
MO4	.000	.000	.000
MO5	.000	.000	.000
MO6	.000	.000	.000
MO7	.000	.000	.000

- Construct reliability of the construct (0.763) is satisfactory, and variance extracted (0.408) is only slightly less than desired (Hair *et al.*, 1995). Thus this is the first research that has formulated a sense of consumption community construct of customers of the financial services industry evidencing construct validity