Organizational Antecedents to Market Orientation: An Empirical investigation in Bahraini' Banks

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Abstract
Market orientation has been of interest to many researchers in marketing academia for the last two decades. Attempts have been made to conceptualize and measure this construct in many industries, organizations of all sizes and countries in different stages of economic development. The main concern of this research is to examine the organizational antecedents to market orientation in Bahraini banks and the effect of market orientation on business and on customer relationship performance. The findings reveal significant relationships between many attitudinal and organizational variables and the adoption of market orientation in the banks under investigation. In addition, market orientation has been linked to the banks' business and customer relationship performance. Many marketing implications are presented along with some suggestions to banks to be market oriented organizations.

Keywords: Market orientation, organizational antecedents, customer relationship performance

1. Introduction

Although the marketing concept and its importance as a philosophy of doing business has been the emphasis of many marketing scholars as a central part of the marketing discipline, it was not until recently that researchers have started to discuss the implementation of this concept and how it is related to business and customer relationship performance supported with some empirical evidences.

A steady stream of research in the marketing literature has been focused on renewed management interest in developing a customer-focused business (Shapiro, 1998). The main concern of such efforts was how can firms become a market-oriented business.

Therefore, researchers are trying to provide the needed conceptualization and operationalization of the market orientation construct as well as the effect of this concept on business performance (e.g., Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Narver and Slater, 1990; Slater and Narver 1994).

A noticeable interest has been focused on the effect of some attitudinal and organizational variables that drive the market orientation in modern organizations. Organizational antecedents to market orientation include top management emphasis (Flohr Nielsen et al., 2001and Jaworski and Kohli, 1993) top management risk aversion

(Jaworski and Kohli, 1993), interdepartmental connectedness (Pulendran et al., 2000; and Shoham & Rose, 2001) and interdepartmental conflict (Pulendran et al., 2000), organization systems such as centralization, departmentalization, formalization(Jaworski & Kohli, 1993), vertical and horizontal communication and organization integration (Harris, 2001) and human resources processes such as recruitment, empowerment and market based rewards (e.g., Ruekert , 1992).

In addition, market orientation was linked to new concepts such as organizational capabilities (Day, 1994), organizational learning (Sinkula, 1994), resource based view (Srivastava et al. ,2001) , innovation (e.g., Han, Kim and Srivastava, 1998) and relationship marketing (Abratt and Russell , 1999; Barnes and Howlett ,1998 ; El Sahn and Taha, 2004;Brady , 2004 and Ryals and Knox ,2001).

While a positive market orientation-performance linkage has been reported in the literature, a deeper insight is needed for closer examination of the nature of the market orientation-business performance relationship and, in particular, how other factors may moderate this relationship (Doyle et al, 1992; Jaworski and Kohli, 1993; Slater and Narvar, 1994). The implementation of a market oriented approach has its effect on the ability of the firm to meet and exceed its customers' expectations.

Despite the significance of the market orientation to firms of all nature, sizes and in all countries, a review of the literature reveals that the majority of studies have been concentrated on large organizations producing manufacturing products in well developed-countries. Most of the studies on market orientation have been conducted in the USA and other advanced countries.

Studies on market orientation and its relationship to business performance in developing countries are very few particularly in the services context. This is in spite of the fact that the dynamics of several markets in developing countries are quite different than those in developed countries (Bhuian, 1997).

Therefore, this research is concerned with measuring the degree of market orientation adoption, the effect of some attitudinal and organizational factors on the market orientation and its effect on business and customer relationship performance in the banking industry in Bahrain. The paper will start with a review of the related literature, followed by methodology and data collection, results and finally a discussion and conclusion.

2. Market orientation's antecedents and consequences: a literature review

A review of the related literature reveals that the contemporary market orientation literature can be divided into four themes:

1- The conceptualization and the philosophical foundation of market orientation (e.g., Kohli and Jaworski, 1990; Ruekert, 1992; Day, 1994; Narver and Slater, 1994; Webster, 1994).

2- The measurement and operationalization of the construct (e.g., Kohli and Jaworski, 1990; Narever and Slater, 1990; Deshpande et al, 1993; Cadogan et al., 1999; Deng and Dart, 1994).

3- The antecedents and consequences of the market orientation in different contexts and different environmental conditions (e.g., Jaworski and Kohli, 1993; Narver and slater, 1990; Senles et al, 1996; El Sahn, 1998; Fohler Nielsen et al, 2003; Nielsen and Luneborg, 2001).

4- The implementation of and barriers to market orientation (e.g., Harris, 1996 (a and b); Harris and Piercy, 1999, Jaworski and Kohli, 1993; Brady, 2004).

2.1 Conceptualization of Market Orientation

The growth in literature on market orientation which accelerated during the 1990s continues apace in the twenty-first century. However, as a number of authors have noted, to date, little empirical evidence of the effect of market orientation on company as well as customer relationship performance has been presented. That is due to the fact that there is little agreement on the conceptualization of this construct. Many definitions of market orientation have been provided from different perspectives, and therefore its measurement and effects on many variables are not empirically supported.

Before reviewing the different perspectives on market orientation, a distinction must be made between the marketing orientation and market orientation. A number of authors have noted that confusion exists between the market orientation concept and the marketing orientation concept. Some of them see the two concepts as being synonymous, while the others state differences between them. Gray et al., (1998) argued that marketing orientation is a business philosophy while the market orientation is the implementation of that philosophy.

Kohli and Jaworski (1990) state some differences between the two concepts in that unlike marketing orientation, the market orientation suggests that all the various departments in the organization are actively involved in marketing activities, and this will overcome the superiority of the marketing function over the other functions within the organization. Also, the market orientation focuses on the different types of markets, not just the customer market. It means that every manager is dealing with a different market (e.g. the supply market, the labor market, and the stock market).

In addition, the market orientation appreciates the influence of the environment and the importance of the different stakeholders to the company. Gray et al, (1990) classified the studies in this area into two groups: the first is the studies which examine the differences between the different philosophies of doing business, i.e. the production, product, selling and marketing concepts (Avlonitis and Gounaris, 1997).

The second is the studies which focus more on awareness of and responsiveness to environmental influences.

In spite these differences, the marketing orientation and the market orientation are somehow related to each other. Market orientation variables are more closely allied to a marketing orientation philosophy than any other business philosophy (Avlonitis and Gounaris, 1997, Gray et al, 1998). Similarly, Akimova (2000) indicated that the market-oriented companies have reported the highest environmental impact on their marketing activities and the highest performance.

2.2 Antecedents and Consequences of Market Orientation

An extensive search in the literature reveals a huge body of accumulated knowledge in the market orientation antecedents and consequences. The search indicates the interest in examining both Kohli and Jawoski (1990) as well as Narver and Slater (1990) measures of the market orientation construct and the antecedents of such construct and its effect on business performance and other variables.

The literature on market orientation antecedents and consequences cover a wide range of external and internal variables which initiate and/or facilitate the adoption of market orientation within the organizations of different industry structures and sizes. In addition, the effect of market orientation on business performance, customer relationship performance as well as employees' spirit and commitment has been the central focus of many empirical works.

2.2.1 Organizational Antecedents of Market Orientation

For the purpose of our research, the organizational antecedents to market orientation will be reviewed. This will be followed be an examination of the effect of market orientation on business as well as customer relationship performance.

Most of the studies, in this area, have focused on internal factors that facilitate the market orientation in the organization (Avlonitis and Gounaris, 1997). Jaworski and Kohli (1993) defined antecedents to market orientation as the organizational factors that enhance or impede the implementation of the business philosophy represented by the marketing concept.

In their leading study, Jaworski and Kohli (1993) found that factors which affect market orientation include: top management emphasis, and reward systems based on customer relationships. Top management's risk aversion didn't appear to affect neither intelligence generation nor dissemination but it affects responsiveness negatively. Both centralization and interdepartmental conflict were negatively related to market orientation. Interdepartmental conflict inhibits both intelligence dissemination and responsiveness. Both formalization and departmentalization were not related to market orientation. Cadogan and Paul (1999) noted that a decentralized structure will facilitate market oriented behaviors.

The study was replicated by a number of researchers in different setting with 'partial support to the findings of Jaworski and Kohli (1993). These studies include El Sahn (1998), Bhuain (1998), Pulendran et al (2000), and shoham and Rose (2001). Two main differences were the positive effect of centralization on market orientation reported by El Sahn (1998) which was attributed to the nature of business public sector companies in Egypt where they tend to centralize most of the important decisions. The second was reported by Bhuain (1998) in that there was a zero effect of market based rewards on market orientation. This was attributed to the fact that the career of any employee in Saudi Arabia is dependent on the employee's ability to win the support of the decider member of the firm.

Pulendran et al (2003) examined the effect of interdepartmental connectedness, interdepartmental conflict, reward system, top management support and marketing planning on market orientation (n=89). All but top management support were found to affect market orientation positively and significantly.

Avlonitis & Gounaris (1997) reported a significant effect of top management attitude toward market orientation and the adoption of market-oriented behaviors among a sample of Greek companies (n=444). They also reported that consumer companies tend to be more market oriented than industrial companies which tend to be selling oriented.

Leadership style was found to affect market orientation in that participative and supportive leadership were positively and significantly related to overall market orientation and to its dimensions. Conversely, instrumental leadership was negatively associated with the level of market orientation (Harris and Ogbonna, 2001a, Horng and Chen, 1998).

A number of studies were conducted to examine the effect of human resources variables on market orientation. Harris & Ogbonna (2001b) indicate that market orientation mediates the relationship between strategic human resources management (HRM) and performance. They argued that strategic HRM can be an antecedent to market orientation since it helps in developing an appropriate organizational culture.

The role of employee development on customer relation on UK retail banks was examined (Papasolomou-Doukakis, 2002). Both employees and bank managers agreed that employee development is related to developing a customer focus and service orientation. The research findings reported that banks used training programs to orient employees and be customer oriented.

A model was presented and tested by Peccei & Rosenthal (2001) in which customer oriented behavior is affected by two sets of antecedents: the level of psychological empowerment behavior and HRM practice. Empowerment was measured using three dimensions: internalization of service excellence, job competence and job autonomy. Participation in service excellence programs, supportive and customer oriented management and supervision were found to affect employees' sense of psychological empowerment which in turn had a positive effect on behavior toward customers.

Fohler Nielson et al (2001) in their study on four Nordic banks focused on "supported empowerment" elements, among other elements, as an antecedent to market orientation. They found that top management emphasis, line-crossing cooperation, market-based rewards and autonomy were positively related to market orientation. Finnish banks were a little more dependent on top management support to become market-oriented and there had a little more interdepartmental conflict than in Denmark and Norway. However there were no significant differences between the four countries. Cooperation, teamwork, and empowerment were more normal in Finnish banks than in Danish and Norwegian banks. Swedish banks most frequently stress cooperation, teamwork, and empowerment and were up-front in their use of the technology of customer-focusing and supported empowerment.

With regard to the effect of size and type of ownership on market orientation, the findings of the studies revealed that there are contradicted results concerning whether these variables can be considered as antecedents to market orientation. Fahy et al, (2000) found that state owned enterprises have the lowest levels of market orientation, while firms with foreign direct investment have a significantly higher market orientation. Also, Deng & Dart (1999) found that market orientation in China was higher in collective and privately owned firms. Kowalock (2011) examined the present level of market orientation in Polish Local Government Units and found that intelligence generation and intelligence dissemination dimensions are positively related to organization size, professional training of managers and revenue in the medium-sized units.

Fohler Nielsen et al, (2001) indicate that size is considered as an important predictor of market orientation and market related performance. Medium sized firms were less likely to adopt a market orientation than large firms (Liu, 1995), and small Danish banks seemed to have produced acceptable results and had more loyal customers (Dansk Kundeindex, 1999).
Also, similar to the result obtained by Hooley et al, (2000), smaller firms were more market oriented than larger ones. On the other hand, size was not found to affect market orientation in a number of studies (Flohr Nielsen et al. (2001), El Sahn, 1998).

2.2.2 Consequences of Market Orientation

It is argued that market orientation leads to better business performance as well as customer relationship. The justification of this link is that the market oriented firm tends to focus its efforts on promising value through understanding customers needs and preferences, and delivering satisfaction through designing and developing a superior offer to the customer. This will lead to better performance and stronger customer bonds and relationship.

Empirically, and in search of the related literature, it is found that there are contradicted results regarding the effect of market orientation on business performance and other consequences. Generally, market orientation consequences studies can be grouped into three main categories, namely, financial consequences, market and customer relationship consequences and organizational and employees consequences.

With regard to the financial consequences, the reported studies had inconsistent results, partially due to the nature of the measure used and the methodological considerations. Some of the studies used objective measures, while others used subjective measures leading to different effects.

Market Orientation affects business performance in a number of studies using different parameters. There is a positive effect of market orientation on profitability using objective results (Fohler Nielsen et al. 2001; Hult and Ketchen, 2001), and subjective measures (Buhain and Habib, 2000; Jaworski and Kohli,1993; Narver and Slater, 1990; El Sahn, 1998; and Pulendran et al. 2001) , short term profit (chan, et al. 1998), return on capital and growth of revenue (Subramanian and Gopalakrishna,2001), market share (Dolye & Wong, 1996; El Sahn, 1998; Pelham, 1997), and sales growth rate (frith, 1998).

It is argued that market orientation can lead to better profitability, though this is not a direct effect, but rather market orientation can set the needed ground for a better performance and profitability (frith, 1998). The relationship between market orientation, market performance and financial performance can be viewed as a sequential. Market orientation affects performance which in turn can lead to better financial outcomes (Becker & homburg, 1999).

In addition, market orientation has a positive effect on other financial outcomes such as productivity and sales per employee (Chang et al. 1999) success in controlling operational expenses (Subramanian and Gopalakrishna, 2001), marketing/sales effectiveness (Pelham,2000), as well as learning orientation (Liu, et al, 2002).

Conversely, Bhuian (1997) found that market orientation was not related to objective measures of performance; while Harris (2001) reported no direct impact of market orientation on performance measured objectively or subjectively as this relationship was moderated by some environmental conditions. Also, O' Sullivan and Butler (2009) using subjective performance measures showed that market orientation was not found to be directly associated with firm performance in high-value added firms in the Irish economy.

The effect of market orientation on customer-level performance and relationship measures is found in a number of studies. Such measures like customer satisfaction (Cravens and Guilding, 2000; Gray et al, 1998; and Vorhies and Harker, 2000), customer retention (Cravens and Guilding, 2000; Frith, 1998; Pelham, 1998; and Subramanian and

Gopalakrishna, 2001), perceived service quality (Chang et al, 1999; Fohler Nielseṇ et el, 2001), new product success (Pelham, 1997; and Subramanian and Gopalakrishna, 2001). Deshpande et al. (1993) found a positive correlation between the customer's assessments of the supplier-customer orientation.

Another consequence of market orientation is found in the literature related to employees and organizational commitment. It is noted that market oriented firm is characterized by satisfied, committed, and loyal employees. Rurkert (1992) found a positive effect of market orientation on job satisfaction, trust in leadership and organizational commitment. Also Jaworski and Kohli (1993) reported a positive effect on spirit de corps and organizational commitment. The same results ere confirmed by El Sahn (1998), Horng and Chen (1998), and Shoham and Rose (2001), and Castro et al, (2005). In the public sector, market orientation was affecting organizational commitment (Caruana el al. 1997), while Mavondo (1999a), emphasized this effect on human resources management practices. Market orientation was linked to customer satisfaction as well as perceived service quality (Castro et al, 2005).

2.2.3 Discussion on the Antecedents and Consequences of Market Orientation

From our previous review of the literature related to the antecedents and consequences of market orientation, it can be concluded that although a large number of variables is suggested to influence the market orientation, little consensus exist as to their influence on market orientation. The studies reviewed report different and inconsistent findings regarding the variables which can affect market orientation as well as these variables which are considered as consequences to such construct.

Also, this stream of accumulated knowledge found in the literature does not suggest the variables that affect most market orientation, and answer, at the same time, the vital question "what makes a firm market oriented".

Some comments are worth mentioning regarding the studies reviewed earlier:

1- The explanation of the large number of variables and their controversial findings can be attributed to the contexts in which these studies have been conducted. This means that different set of antecedents can be obtained in different industries and in different countries.

2- With regard to the internal variables effect, it can be noticed that coordinating mechanism affects market orientation positively in all studies reported and may moderate the effect of other antecedents (recruitment, training, and rewards). On the other hand, the studies revealed contradicted findings regarding the effect of centralization, formalization, and departmentalization on market orientation.

4-Industry effect is reported in many studies and especially when comparing antecedents in services and manufacturing firms. The later are more market oriented than services firms.

5- With respect to the interaction effects reported in some studies, it is noted that studies examining more than one set of variables provide a deeper analysis as it reveals the effect of environmental, organizational and strategic variables on market orientation.

6- In general, the inconsistencies in research findings regarding the antecedents and consequences of market orientation reflect the confusion between marketing orientation and market orientation, the use of different constructs of the phenomenon, diverse research methodological, measures and sample frames, and the lack of consensus on measuring performance.

Based on the above, it is worth studying the effect of organizational variables on market orientation as well as the relationship between the market orientation and business as well as customer relationship performance in the banking industry as one of the important services industries in Bahrain.

3. Research hypotheses

From the above discussion, and based on the extensive search of the literature on the organizational factors affecting the degree of market orientation in an organization, the following are the hypotheses of the study to be tested:

H1: The greater the top management support, the more likely the bank will be a market oriented.

H2: The higher the degree of connectedness, the more likely the bank will be a market oriented.

H3: the higher the cross-functional coordination in the bank, the more likely it will be a market oriented.

H4: The greater the market based reward system in the bank, the more likely the bank will be market oriented.

H5: The greater the empowerment given to the front-line employees in the bank, the more likely the bank will be market oriented.

H6: The larger the bank, the more likely it will be market oriented.

H7: The greater the market orientation is in the bank, the better the business performance of the bank.

H8: The greater the market orientation is in the bank, the better the customer relationship performance.

H9: The greater the market orientation is in the bank, the higher the organizational commitment

H10: The greater the market orientation is in the bank, the higher the team spirit.

4. Research Population and Sampling

Many decisions concerning the definition of the research population as well as the other sampling decisions were made to facilitate the data collection process.

The research population includes "top management executives in commercial banks in Bahrain. The sampling frame is the list of all commercial banks in Kingdom of Bahrain, and it is obtained from the Website of Central bank of Bahrain. The number of the commercial banks in Bahrain at the time of the study is 25 banks. The sampling unit is the bank itself, while the sampling element constitutes three types of informants, mainly the marketing manager, and two of the top managers at the same level. The justification for this selection was clear; it is important to explore the executives' point of views regarding the factors which affect the adoption of market orientation in their banks.

5. Data Collection

A cross-sectional field survey was used in data collection. The personal interview technique was employed to collect the data. A telephone call was made; first to have an appointment with a key person in the bank. This key person (usually the marketing manager) suggested the other informants, i.e. two of the top managers in the bank. A total of 75 questionnaires were distributed to the bank managers, some bank managers didn't complete the questionnaires. A total of 48 usable questionnaires were used in data analysis, representing 64% response rate, which is considered satisfactory in this kind of research as well as industry.

6. Measures

In designing the questionnaire, the researchers relied mainly on the scale used by Jaworski and Kohli,(1993) to measure the antecedents of market orientation and organizational commitment as well as business performance and Fohler Nielson et.al (2002) in developing the customer relationship performance measures. The questionnaire used a five- point likert-type scale to measure the variables of the study, ranging from "strongly agree" to "strongly disagree".

Performance measures are based on five-point scale ranging from "worse than competitors" to "better than competitors" and include seven items on customer relationship performance as well as business performance. These measures are keeping existing customers, focusing on profitable customer groups, sale of new products, and securing quality in customer service. Subjective measures related to business performance are increasing market share and increasing profit. Using perceptual measures are acceptable in such studies because objective measures are not welcomed by the respondents. In the meanwhile, using three respondents from the same organization moderate the one-informant problem.

The questionnaire was then pre-tested on a limited scale. Ten mangers were asked to complete the questionnaire and indicate any ambiguity and other difficulty they experienced in responding to the items included in the questions, as well as offer any suggestions they deemed appropriate. Based on the feedback received from the managers, some items were eliminated, others were modified, and additional items were developed.

7. Data analysis, findings, and conclusions

Before analysing the data, a Cronbach alpha test was performed on scale variables and all the variables' coefficients were above .70 which is considered satisfactory.

Since the main objective of the study is to examine the relationship between the study variables, i.e. the organizational factors that affect the market orientation adoption among Bahraini banks, this section is devoted to testing the research hypotheses of whether there is direct relationship between market orientation adoption and some of the organizational factors within the banks. In addition, the relationship between market orientation and business as well as customer relationship performance is illustrated. Table 1 shows the correlation matrix between market orientation and some of the organizational antecedents.

Because the dependent variables were all measured by the use of Likert-scales and the number of observations was only 48, the formal hypotheses testing was carried out using the Pearson correlation coefficients (table 1). In addition, stepwise regression analysis was also run between the dependent variable and each of the independent variables of the study. The correlation coefficients have showed a significant relationship between all the research variables and the market orientation adoption. The latter is significantly and positively related to performance measures, either in terms of business or customer relationship performance.

Table 1: Correlation matrix between Market Orientation and Organizational variables

Correlations		Orient	Top Support	Cross	Conn	Empower	Rewards	Size
Orient	Pearson Corr	1						
	Sig. (2-tailed)							
Top support	Pearson Corr	0.567**	1					
	Sig. (2-tailed)	0.000						
Cross	Pearson Corr	0.557**	0.251	1				
	Sig. (2-tailed)	0.000	0.089					
Conn	Pearson Corr	0.439**	0.109	0.296*	1			
	Sig. (2-tailed)	0.001	0.458	0.044				
Empower	Pearson Corr	0.350*	0.348*	0.211	0.270	1		
	Sig. (2-tailed)	0.015	0.015	0.154	0.063			
Rewards	Pearson Corr	0.552**	0.563**	0.500**	0.005	0.339*	1	
	Sig. (2-tailed)	0.000	0.000	0.000	0.973	0.018		
Size	Pearson Corr	-0.09	0.028	0.253	0.039	-0.105	0.138	1
	Sig. (2-tailed)	0.505	0.848	0.086	0.793	0.477	0.350	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

From table 1, it can be noticed that there is a significant relationship between top management support and market orientation in that top management gives the needed signals to its employees to respond to the needs of their customers.

With regard to organizational dynamics, the findings showed a significant relationship between cross-functional coordination, connectedness and market orientation. The justification is clear, in that the coordination between the functional areas within the organization will lead to serving the customers better and responding to the customers' requirements. This in turn will facilitate the communication across these departments. Also, centralization is significantly related to market orientation.

In the same vein, designing a market oriented reward system and empowering employees especially the front line will provide the needed support to respond to the customers' requests and solve their problems.

On the other hand, organizational size is not related to market orientation. This finding is supported by a number of studies in that there is no significant difference between small or large banks in adopting a market orientation. Small banks can be market oriented as large banks in responding to their customers' needs and desires.

Stepwise regression was performed to examine the factors that most affect the market orientation and explain the variation in the dependent variable. Table 2 indicates that the variables top management support, cross- functional coordination, connectedness and size were positively related to market orientation, and the R square is 0.628 indicating that these attributes explain 63% of the variation in market orientation and a multiple R of 0.79, and according to Schwab (2005), a multiple R higher than 0.6 indicates a high relationship between the examined variables.

Table 2: Stepwise regression analysis- factors affecting the adoption market orientation

Mode	R	R square	Adjusted R square	Std. Error of the estimate	F	Sig.
1	.572a	.327	.312	.43677	21.854	.000a
2	.714 b	.510	.487	.37698	22.873	.000b
3	.766c	.587	.558	.34993	20.384	.000c
4	.792d	.628	.592	033621	17.707	.000d

Table 3: Beta Coefficients of regression analysis, factors affecting the adoption of market orientation.

Model	Unstandardized coefficients		Standardized coefficients		
	B	Std. Error	Beta	T	Sig,
1					
constant	1.807	.403		4.485	.000
Top support	.455	.097	.572	4.675	.000
2					
constant	.415	.489		.849	.401
Top support	.367	.087	.461	4.226	.000
Cross	.486	.120	.442	4.051	.000
3					
(constant)	-.084	.487		-.172	.864
Top support	.362	.081	.455	4.491	.000
Cross	.393	.116	.357	3.384	.000
Conn	.229	.081	.291	2.840	.002
					.007
4					
(constant)	.096	0475		.201	.841
Top support	.348	.078	.438	4.483	.000
Cross	.461	.116	.419	3.972	.000
Conn	.218	.078	.227	2.809	.008
Size	-.126	.059	-.209	-2.141	.038

Dependent variable: market orientation

Table 4: Correlation Matrix between Market Orientation and Organizational Commitment, Team spirit and bonds

Correlations

		Orient	Comit	Team spirit	bonds
orient	Pearson Correlation	1			
	Sig. (2-tailed)				
Comit	Pearson Correlation	0.643**	1		
	Sig. (2-tailed)	.0000			
Team spirit	Pearson Correlation	0.375**	0.643**	1	
	Sig. (2-tailed)	0.008	0.000		
bonds	Pearson Correlation	0.510**	0.463**	0.443**	1
	Sig. (2-tailed)	0.000	0.000	0.001	

** Correlation is significant at the 0.01 level (2-tailed).

With regard to the consequences of market orientation, table 4 & 5 show significant relationship between market orientation and organizational commitment, team spirit, business performance and customer relationship performance. All the coefficients showed high significant relationship at .01 and .05 level.

Market orientation has a positive relation with both organizational commitment, team spirit and bonds between employees and their organizations in that the employees will show high level of commitment toward the organization and keep strong bonds with both their company as well as customers. On the other hand, employees will work in a team in order to satisfy their customers and achieve their organizational goals.

Market orientation has an effect on customer relationship performance in building strong relationship with the bank's customers, keeping profitable customers and introducing successful new products. This is indicated in the high significant relationship with all the variables constitute this construct

In the same direction, market orientation affects the business performance in terms of profit and market share. Being a market oriented bank, this will allow the company to achieve its targeted profit as well as increasing its market share.

Table 5: Correlation matrix of market orientation consequences

Correlations

		orient	Keeping customer	profitable customer	new products	quality	mark share	profit
Orient	Pearson Correlation	1						
keep customers	Pearson Correlation	0.496**	1					
	Sig. (2-tailed)	0.000						
profitable customers	Pearson Correlation	0.416**	0.501**	1				
	Sig. (2-tailed)	0.003	0.000					
New products	Pearson Correlation	0.346*	0.607**	0.577**	1			
	Sig. (2-tailed)	0.017	0.000	0.000				
Quality	Pearson Correlation	0.471**	0.359*	0.306*	0.449**	1		
	Sig. (2-tailed)	0.001	0.012	0.035	0.002			
market share	Pearson Correlation	0.373**	0.585**	0.579**	0.545**	0.361*	1	
	Sig. (2-tailed)	0.009	0.000	0.000	0.000	0.012		
Profit	Pearson Correlation	0.385**	0.546**	0.545**	0.488**	0.389**	0.953**	1
	Sig. (2-tailed)	0.008	0.000	0.000	0.001	0.006	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

From our research findings and discussion, it can be said that the findings support all the hypotheses formulated except for the relationship between size and market orientation. The findings show a significant relationship between market orientation and top management support, cross-functional coordination, connectedness, empowerment and rewards. On the other hand, there is a significant relationship between market orientation and business and customer relationship performance as well as organization commitment and team spirit.

Marketing implications and suggestions for future research

The main concern of our study is to examine the effect of some of the organizational antecedents on market orientation and the latter effect on employees, business as well as customer relationship performance. Our objective is to implement the market orientation construct in a different context in the hope that our findings will contribute to the body of knowledge in this important area, and provide the practitioners in the industry under investigation with some guidance to how their organizations become market led. Therefore our study concentrates on one of the leading service industry, i.e. the banking industry in one of the most developing countries in the Gulf area, i.e. Bahrain.

The findings of this study lead to a number of implications for both academics and practitioners. At the academic level, the findings support the current literature that organizational antecedents do affect the market orientation in services companies. The starting point and the most important drivers of market orientation is top management support which gives the needed signals to the different layers to be responsive to the market needs in many areas such as marketing research, developing new products, designing marketing strategies that reflect such needs. Organizational variables such as cross-functional coordination, connectedness, and market oriented rewards will facilitate the implementation of the market orientation within the organization in providing value to the target markets. Empowerment was found to support the market orientation, and this supports Fohler Nielson et.al (2002) findings in Nordic banks.

A further contribution of this study is the consequences of market orientation in that the study's findings revealed that market orientation affects the companies' performance in terms of employees, business, and customer relationship performance. The banks being market oriented, will lead to better employees performance, commitments, and high spirit. This in turn will lead to better performance in terms of the economic indicators such as profit and market share and the customer relationship indicators. The effect of market orientation on the ability to keep current customers, having a strong relation with the profitable customers, the ability to innovate and introduce new products, and the quality of customer service is highly significant. Although there is an increasing body of research into the economic indicators, more research is needed to examine the relationship between market driven companies and their ability to maintain their customer relationships and to provide better value to their target customers.
Bank managers should take the needed steps to build a market driven organization. Based on the findings of the study and other related studies in the literature, banks can improve their orientations, strategies and practices towards more market and customer centred decisions which improve the relationship with customers and other stakeholders. The study's findings can give the mangers the clues to how to enhance this kind of relationship through a number of moves starting with creating a service and marketing culture within the organization, supported by redesigning the systems applied such as marketing information system, rewards system, internal communication system, and encouraging the cross functional teams, empowering employees, facilitating the flow of related information across department and employees.

There is more need for studies to investigate the effect of the organizational variables on the adoption and implementation of market orientation especially in organizations of different sizes, nature and in different countries.

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