

## **Abstract**

Research has shown that market orientation of a firm positively impacts its performance and is a source of sustainable competitive advantage. Though researchers refer to market orientation as an aspect of organisation culture, few studies have considered studying market orientation as culture. For firms to attain a high level of market orientation, its basic philosophy should pervade all aspects of organisational activity. Members of the organisation should be in consonance with management, for firms to claim that they have attained a high level of market orientation. Therefore, the study of perceptual gaps in market orientation between various hierarchical levels would shed light on whether firms have been able to attain a high level of market orientation.

The present study attempts to establish the impact of perceptual gap between management and the salesforce as an important determinant of the organisation's performance. Though studying culture per se is not the focus, this study takes support from some of the accepted tenets of organisation culture to propose the above gap as an important variable to focus on.

Liberalisation and increased competition in the business setting in India provides a fertile ground to investigate firms that are attempting to achieve a high level of market orientation. Most research on market orientation in the West has focused on industrial marketing firms. This research is also set in the industrial marketing context to facilitate comparisons with the findings elsewhere.

The study was divided into two parts, the micro model- addressing the salesperson level variables, and the macro model- addressing the firm level variables.

The micro model consisted of eight hypotheses. The first three hypotheses propose the antecedents of organisation citizenship behaviours. Specifically, high intrinsic motivation orientation, low perception of organisation politics, and favourable perception of the psychological climate, is hypothesised to lead to high organisation citizenship behaviours of the salesperson. The fourth hypothesis proposes that the higher the organisation citizenship behaviours the higher would be the customer oriented behaviours exhibited by the salespersons.

Hypotheses five, six and seven propose that a high perception of the firm's market orientation, a high degree of competitive intensity and a high degree of market turbulence would increase the salesperson's customer oriented behaviours. Finally, a high level of customer oriented behaviours is proposed as an antecedent to salespersons high performance.

The macro model consisted of five hypotheses. Three of these hypotheses propose a high the aggregate organisation citizenship behaviours, a high aggregate gap in the market orientation, and a high market orientation of the SBU, as antecedents to high SBU performance. The other two hypotheses propose that a high degree of competitive intensity and environment turbulence would lead to a higher market orientation of the firm/SBU.

The data to test the hypothesised relationships was gathered through a field survey using a structured questionnaire. The data was analysed and the hypotheses tested using SPSS 9.0 and structural equation modeling (LISREL 8.3). The results of the micro model indicate that perception of organisational politics and salesperson's intrinsic motivation orientation (challenge) was a significant predictor of organisation citizenship behaviour. Informal mentoring behaviour was a strong predictor of salespersons customer oriented behaviours. Also, salespersons customer oriented behaviours were positively related with their performance.

The test of macro model showed that the perceptual gap in market orientation between the salesperson and the management was a significant predictor of the organisation's performance.

The cluster analysis revealed that salespersons who were not aligned with the management's market orientation systematically differed in their perception of organisation's internal environment when compared to salespersons who were aligned with it.

Some of the major implications of this study include:

Achieving a high market orientation would mean that all employees, and salespersons in particular, understand and are willing to act on the market orientation espoused by the management. Management should show commitment to a market orientation by their consistent actions over a period of time so that these actions could reinforce a salesperson's belief in the management's market orientation.

Firms that can effectively use their salesforce to scan the environment would be better placed to compete effectively. Similarly, managements of organisations could explore how they could get the salespersons involved in the effort to attain a high level of market orientation. Salespersons have a lot of market knowledge and firms could use internal focus groups of salespersons to tap into this knowledge base.

Another finding of this study suggests that salespersons would exhibit behaviours that would satisfy the customers when they perceive that the organisation wants to do so. The findings also suggest that firms should focus on increasing the customer oriented behaviours of the salesperson as they enhance salesperson's performance.

This study also indicates that informal mentoring behaviour goes hand in hand with customer oriented behaviours that are aimed at satisfying the customer. Though there is little that a firm can directly do to promote informal mentoring behaviour on the part of a salesperson, firms *can and should* address some of the antecedents of mentoring behaviour.

The study has shown that a high perception of organisational politics reduces a salesperson's tendency to exhibit informal mentoring behaviours. While organisational politics cannot be eliminated, organisations can mitigate the effects of perception of politics by addressing some of the antecedents that can be controlled by organisational policies and actions, like perception of ambiguity and uncertainty, characteristics of organisational structure like centralisation, hierarchical level, etc.

The results of this study also indicate that need for intrinsic motivation (challenge) was positively associated with informal mentoring behaviour. This could have implications for how a firm recruits its salespersons. Firms would like to hire salespersons who are high on intrinsic motivation, who would be self-starters, and also who be comfortable with ambiguity. Managements should ensure that intrinsic motivation is not reduced or destroyed by extrinsic rewards. The inherent contradiction between extrinsic and intrinsic motivation needs to be addressed by firms that want the salespersons to be both good citizens and perform well on the job. Organisations can avoid the trap of increasing one motivational component at the expense of another by judiciously choosing the criteria on which rewards would be based. A mix of outcome based (target based) and behaviour based compensation systems could help mitigate this problem.