Market Orientation: Expedition from Antecedents of Business Performance in Alternative Leather Manufacturing Firms: A Study on Alternative Leather Industry in Bangladesh

Suman Prosad Saha [1]* Shadman Shakib [2]

1. School of Business, Independent University, Bangladesh, 16 Aftabuddin Road, Dhaka 1229
2. Independent Researcher, Bashundhara residential area, Dhaka 1229

Abstract

Market Orientation (MO), being charismatic in nature, has been considered as a high priority area for research. The antecedents of MO, either act as drivers or impediments, have got huge importance in making the organization more market oriented. This research aims to investigate the link among market orientation and its antecedence, product and business performance of Leather Industry in Bangladesh. This study is primarily centered on empirically investigating three issues: influence of market orientation in product and business performance for a Bangladeshi company, whether or not the antecedents could contribute in making Bangladeshi organization more market oriented and influence of the factors (Antecedents) in the artificial leather manufacturing firm Performance. Data was collected via structured questionnaire and SPSS software was used to analyze the data collected and results suggested that there is a significant link between antecedents of market orientation, market orientation itself, product performance and the manufacturing firm's performance. This paper provides owner and top managers with a more understandable guide to specific market oriented activities. The results could facilitate leaders of Bangladeshi organizations in designing and implementing of corporate-wide change initiatives, geared at making their organizations more market orientated leading to improved organizational effectiveness and sustained competitive advantage.

Keywords: Market orientation, Antecedents of business performance, Alternative leather industry, Bangladesh

1. Introduction

At present all most all the companies, irrespective of developed or developing countries, consider market orientation as a pivotal point in their decision making process. It is a business culture that (1) places the highest priority on the profitable creation and maintenance of superior value for customers while considering the interest of other stakeholders; and (2) provides norms for behaviors regarding the organizational generation of, dissemination of, and responsiveness to market information (Deshpande', 1993) (Kohli, et al., 1990) (Narver, et al., 1990,1998). Moreover, (Hunt & Morgan, 1995) state that a market-oriented culture produces a sustainable competitive advantage and, thus, superior long run organizational performance. In line with this reasoning researchers extensively have pursued an understanding of the link between market orientation and performance (Homburg, et al., 2000). Despite some discordant findings, these studies have demonstrated that, depending upon environmental conditions and firm factors, market orientation is related positively to new product performance (Baker & Sinkula, 1999), (Pelham & Wilson, 1996) (Slater & Narver, 1994)and organizational performance(Jaworski & Kohli, 1993) (Naver & Slater, 1990) (Pelham, 1999). Not surprisingly, the interest in these relationships has remained ostensibly steadfast for its strategic importance.

However, antecedents of market orientation has huge role for product and business performance indirectly. Those antecedents are: top management emphasis and risk taking ability, organizational reward system, and interdepartmental connectedness. As customer needs and expectations continually evolve over time, delivering consistently high quality products and services requires ongoing tracking and responsiveness of the company and antecedents of market orientation play a very vital role to cope up in every market situation.

Why are some organizations more market oriented than others? Remarkably, this fundamental issue has not been addressed in any empirical study. Several propositions pertaining to the antecedents of a market orientation have recently been advanced by (Kohli & Jaworski, 1990). However, as they point out, theses propositions need empirical validation. Furthermore, although a market orientation is posited to lead to greater customer satisfaction and organizational commitment of employees, these relationships also have not been subjected to empirical testing. In an encouraging step, (Narver & Slater, 1990) report empirical support for the oftenassumed or implied relationship between a market orientation and performance. However, arguments have been advanced in the literature suggesting that a market orientation may have a strong or a weak effect on business performance.

To determine how critical product development is for a market oriented firm to achieve superior performance, our study investigates the structural linkages among market orientation and its antecedents, new product performance, and organizational performance.

2. Background of the study

Several studies have been conducted on the antecedents of market orientation, market orientation to performance relationship, but there exists a mixed finding. Some of the studies that reported a positive and significant relationship between the two constructs includes (Slater & Narver, 2000); (Shoham & Rose, 2001); (Pelham, et al., 2001) (Agarwal , et al., 2003); (Wei & Morgan, 2004) reported a negative association between market orientation and business performance; whereas, the study of (Mokhter, et al., 2014); (Oztoran, et al., 2014) found a mixed findings between Market orientation – performance relationships. Therefore, market orientation to performance relationship studies is inconclusive. Hence, this research attempts to extend the antecedents of MO, to the product and business performance relationship. However, when it is matter of question whether market orientation and its antecedents has relationship with business performance or not again product performance which is compulsory part for business success or failure can't be easily ignored.

3. Objectives of the Study

The broad objective of this study is to evaluate the antecedents of market oriented its practices and to examine the relationship between market orientation and new product or company performance.

The study has the following specific objectives in terms of interned company:

- To measure the extent of market orientation;
- To examine the relationship between market orientation and new product or company performance;
- To measure the impact of market orientation on product or company performance;
- The relationship between product performance and company performance; and
- To ascertain the influence of antecedence factors on market orientation.

4. Literature Review

The concept of market orientation (MO) came into pragmatic scholarly research two decades back. This can be traced from the conference organized by the marketing science institute (MSI) in Massachusetts in 1987, under the topic "developing a marketing orientation" convened with a main purpose to articulate the need for a strong, scholarly research to better define, measure, and model the construct (Deshpande, et al., 1999). The key outcomes of the conference indicated: a need for measurement of the level of a firm's MO; a need for understanding whether there is an optimal level of MO given the firm's strategic context; and a need for thinking of MO as a basis of, rather than a substitute for innovation in a business firm (Deshpande, et al., 1998) (Kirca, et al., 2005).

Market orientation research has been published since early 1990s when (Kohli & Jaworski, 1990, 1993) and (Narver, et al., 1990) offered two views on the concept of market orientation antecedents and consequences. Market orientation is a central tenet of marketing (Morgan & Strong, 1997). (Kohli & Jaworski, 1990, 1993)Published seminal work that provided the early conceptual framework, organizational antecedents and expected organizational consequences of a market orientation and led to the development of early scales (Narver & Slater, 1990) (Kohli, et al., 1993).

Antecedents to a market orientation refer to organizational factors that enhance or impede the implementation of the MO concept (Deshpande, et al., 1998). In a study conducted by (Jaworski & Kohli, 1993)on several US firms, corroborating with the literature on the subject area, provide an explicit list of three main antecedents to MO: senior management emphasis and risk taking factors; interdepartmental connectedness (formal and informal interactions and relationships among an organization's departments); and organizational reward systems (organization wide characteristics relating to structure). Thus for a proper implementation of MO in business firms, senior managers must be convinced of its value and communicate this commitment to junior employees, and develop positive attitudes towards change (Desponded, et al., 1998). (Kirca, et al., 2005)in their meta-analysis of the eight antecedents of Jaworski and Kohli, sum them up to form the three most important antecedents commonly used in modern literature on MO which has been given in above discussion. These equally harmonies naturally with those earlier espoused by (Deshpande, et al., 1998). Thus conclusions about antecedents of MO provide critical levers for implementing and or increasing MO within a firm.

Artificial leather industry is very dynamic as continuous new product development requires here to stay in market and market orientation is a best solution to keep forwarding in competitive industry. Antecedents of market orientation help to implement the core MO appropriately. For business performance, it is very vital to follow MO by improving product performance. In here we determine the product performance & organizational performance in terms of market orientation which again influenced by few antecedents. Continuous research and development can be solution regarding this problem but unfortunately small companies for whom rapid and innovative development is impossible and eventually they fail to compete in market.

4.1 Market Orientation

A marketing orientated approach means a business reacts to what customers want and it is the most common orientation used in contemporary marketing. The decisions taken are based around information about customers' needs and wants, rather than what the business thinks is right for the customer. Most successful businesses take a market orientated approach. Most markets are moving towards a more market-orientated approach because customers have become more knowledgeable and require more variety and better quality. (Narver & Slater, 1990) reinforce (Kohli, et al., 1990) conceptualization by defining market orientation as “the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and thus continuous superior performance for the business”. According to (Slater & Narver, 1995; Slater & Narver, 1996), market orientation provides strong norms for learning from customers and competitors. In general market orientation is concerned with the processes and activities associated with creating and satisfying customers by continually assessing their needs and wants (Uncle, 2000). In artificial leather industry market orientation approach is suited the most due to ever changing customer demand.

4.2 Antecedents to a Market Orientation

A market orientation will not develop by itself. Literature identified several antecedents’ factors to market orientation. It include top management emphasis(Felton, 1959), (Webster, 1988), (Kohil & Jaworski, 1990); top management risk taking (Despande & Webster, 1989); (Kholi & Jaworski, 1990,1993) interdepartmental connectedness (Blake & Mouton, 1964); (Lawrence & Lorsch, 1967); (Despande & Zeltman, 1982) (Kohli & Jaworski, 1990); and Reward system (Brown & Widing, 1994) (Kohli & Jaworski, 1990,1993) (Webster, 1988).

4.3 The relationship between market orientation with product & business performance

(Hunt & Morgan, 1995) state that a market-oriented culture produces a sustainable competitive advantage and remarkable organizational performance and researchers also believes the link between market orientation and performance (Homburg & Pflesser, 2000). However, depending on the few factors market orientation has also a positive relation with product development performance and business performance (Baker & Sinkula, 1999); (Pelham & Wilson, 1996); (Slater & Narver, 1994); (Jaworski & Kohli, 1993) (Narver & Slater, 1990) (Pelham, 1999). Business performance is measured by business efficiency: it can be improved either by increasing the output for the same input or by decreasing the input required to produce a given output. Product and business performance depends on maximum selling of particular product. However, market orientation is the first step for offering new product and increase sales. But it should be understood that through which exercises a market-oriented culture is transformed into superior value for customers (Han, et al., 1998). NPD as one of the core factor that converts a market-oriented culture into superior organizational performance (Slater, et al., 1994). NPD has focused three reasons. First, NPD has emerged as one of the critical strategic concerns for firms, as is evidenced by reports of returns on new products accounting for 50 percent or more of corporate revenues (Han, et al., 1998). Second, previous research has indicated that NPD activities and outcomes are influenced strongly by the firm’s capability to generate, to disseminate, and to use market information (Griffin, et al., 1992). The philosophy is that a market-oriented culture and the associated information processing behaviors reduce many risks associated with NPD. Third, prior research reveals that market orientation is related positively to new product performance (Pelham & Wilson, 1996); (Slater & Narver, 1994).

However, the relationship between organization performance and market orientation is very clear because market orientation creates a path to product success and product success makes a better business performance. Again, market orientation enhance technical support or innovation of business which also responsible for positive performance. But sometimes it's not clearly identified that which NPD process is responsible for better business performance.

4.4 The relationship between Market orientation and Top Management

The first set of antecedents included in this study pertains to top management in an organization and its deals with two things (1) emphasis & (2) risk. Several authors suggest that top managers play a critical role in shaping an organization's value and orientation (Felton, 1959); (Hambrick, et al., 1984); (Webster, 1998). The central theme in these writings is that unless an organization gets clear signals from top managers about the importance of being responsive to customer need, the organization isn't likely to be market oriented(Levitt & Theodore, 1969); (Webster, 1988). Market orientation is achievable only if the board of directors and chief managers realize the need to develop positive attitude towards market orientation. Continuous reinforcement by senior management is required if individuals within the organizations are to be encouraged to generate/implement market orientation (Levitt & Theodore, 1969).

However, Willingness to take risks will encourage and facilitate organization wide commitment to innovation and responsiveness (Kohli & Jaworski, 1990). Responsiveness to changing market needs often calls for the introduction of new products and services to match the evolving customer needs and expectations. But new products, services, and programs often run a high risk of failure and tend to be more salient that established products.(Kohli & Jaworski, 1990)thinks if top managers show a willingness to take risks and accept failures as being natural, junior managers are more likely to prepare and introduce offerings in response to market needs. By contrast, if top managements are not willing to take risk eventually the opposite thing will happen.

Moreover, the role of senior management is critical in shaping organizational values to promote and reinforce behaviors necessary to serve the current and future needs of customers, better than their key competitors. Besides top management reinforcement, their commitment of continuous communication of specific guidelines to be market-oriented was considered mandatory to encourage organizational employees, in order to create, disseminate and effectively respond to market intelligence. Risk seeking posture of top management proved to provide a great deal of support in their commitment to innovation and responsiveness. However, their risk aversion could lead to organization-wide derailment of the process of market orientation.

4.5 The relationship between Market orientation and interdepartmental connectedness

A market orientation is posited to be affected by interdepartmental connectedness, which refers the degree of formal and informal direct contact among employees across departments. Connectedness between departments facilitates interaction and the exchange of information, as well as the actual utilization of the information (Ruekert & Walker, 1987); (Despande & Zeltman, 1982). Therefore, it can be expected that the greater the extent to which individuals across departments are directly connected (or networked), the more they are likely to exchange market intelligence and respond to it in a concerted fashion(Kohli & Jaworski, 1990). Interdepartmental connectedness fosters interdependency within the company and encourages employees to act in a concerted manner in the processes of knowledge generation and knowledge utilization (Kohli & Jaworski, 1993).Interdepartmental connectedness enhanced the development of market intelligence and sharing across the entire organizational departments (Kohil & Jaworski, 1990).

4.6 The relationship between Market orientation and organizational Reward system

The last antecedent investigated in this study relates to the measurement and reward system that is in place within an organization. Literature on the subject suggests that measurement/reward systems are instrumental in shaping the behaviors of employees (Anderson & Chamber, 1985); (Jaworski & Berdard, 1988); (Lawler & Rhode, 1976); (Hopwood, 1974). In the present context, (Webter, 1988)argues that the key to developing a market- driven, customer-oriented business lies in how managers are evaluated and rewarded. If managers primarily are evaluated on the basis of short term profitability and sales, they are likely to focus on these criteria and neglect market factors such as customer satisfaction that assure the long term health of an organization which is consistent with the preceding arguments. It can be expected that individuals in organizations that emphasize customer satisfaction and market oriented behavior as bases for administering rewards will more readily generate market intelligence, disseminate it internally, and be responsive to market needs. A basic requirement for the development of a market oriented firm is the creation of market based measures of performance.

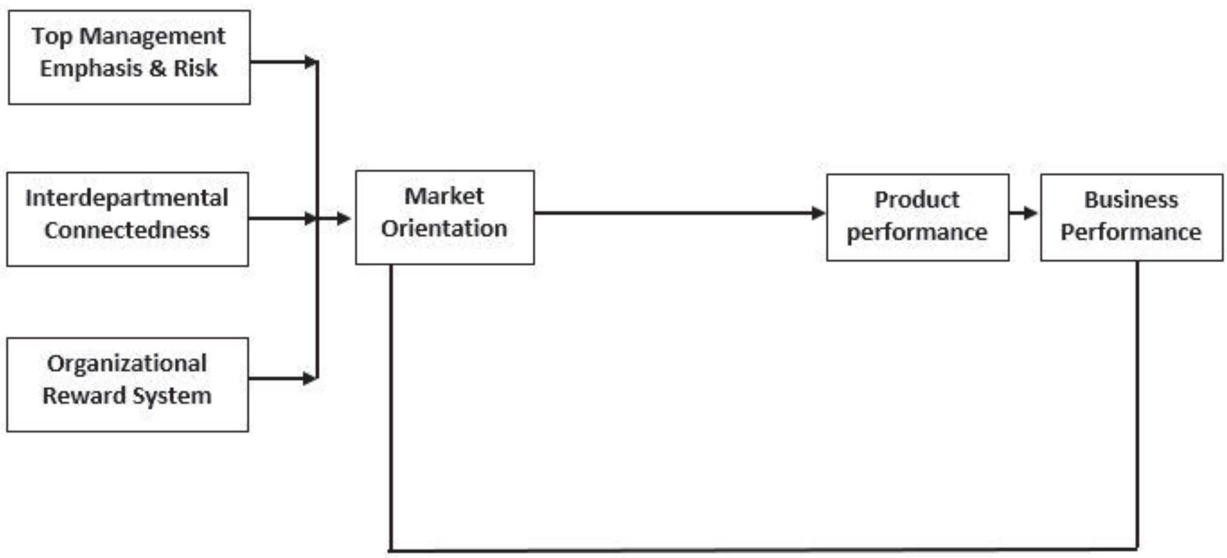
4.7 The Relationship between Product Performance and Organizational Performance

Product performance is important for organizational performance because of the firms confront increased levels of competition, market environments, higher rates of technical obsolescence, and shorter product life cycles (Griffin & Abbie, 1997)and empirical research also tells the importance of new& existing product performance for organizational performance. For example,(Griffin & Abbie, 1997)reports that best practice firms realize 49 percent of their sales from products developed and launched in the last five years and that new product performance accounts for one fourth of the variability in organizational performance. New product performance explains, depending upon the market context, between 30 and 70 percent of organizational profitability variance. However, existing product which is already doing good business in market needed to grab new types of customers without changing anything. Company sometimes follows this for reduction of cost or more profit.

5. Conceptual framework

The conceptual framework in this figure shows relationship among antecedents of market orientation; product and business performance. Market oriented culture is related positively to top management and interdepartmental connectedness, organizational reward system, interdepartmental connectedness, it is also mentioned in here that market orientated firms develop products which can create superior customer value in new product performance and in this way product performance has positive relation with business performance. However, it is posited that as market orientation has effect on marketing activities & new product development and so there might be a relation with market orientation and business performance. Six hypotheses have been mentioned in here those are representation relation among these issues.

Figure 2: Conceptual Framework



6. Research questions and hypotheses

Question 1.	**Is there any relation between Top management emphasis & risk taking and market orientation?**
H_{01}	There is no relationship between top management emphasis & risk taking and market
H_{a1}	There is a relationship between top management emphasis & risk taking and market orientation.
Question 1.	**Is there any relation between interdepartmental connectedness and market orientation?**
H_{02}	There is no relationship between interdepartmental connectedness and market orientation
H_{a2}	There is a relationship between interdepartmental connectedness and market orientation.
Question 3.	**Is there any relation between organizational reward system and market orientation?**
H_{03}	There is no relationship between organizational reward system and market orientation.
H_{a3}	There is a relationship between organizational reward system and market orientation.
Question 4.	**Is there any relation between market orientation and product performance?**
H_{04}	There is no relationship between market orientation and product performance.
H_{a4}	There is a relationship between market orientation and product performance.
Question 5.	**Is there any relation between product performance and business performance?**
H_{05}	There is no relationship between product performance and business performance
H_{a5}	There is a relationship between product performance and business performance.
Question 6.	**Is there any relation between market orientation and business performance?**
H_{06}	There is no relationship between market orientation and business performance.
H_{a6}	There is a relationship between market orientation and business performance.

7. Research Methodology

The study is based on artificial leather industry and its practices regarding market orientation. Due to time constraints, only the company which is located in Dhaka was chosen for study. There are more than 10 small & large artificial leather or rexine manufacturing companies located in Dhaka as in recent years the demand is increasing rapidly.

7.1 The sample

The method of sampling employed in this study was convenience sampling. Target respondents for the study were top/ middle/ lower level managers. The questionnaire was fully anonymous and only designation was there. The reason is, they don't want to reveal their perception with their name; hence this technique worked a lot during survey. About 117 sets of questionnaires were distributed to the company. Out of this, only 109 sets of questionnaires were collected. However, there are merely 96 sets were usable for further analysis. The response rate was considering good which account of 82.05%. However, the survey had conducted in all the departments of several organizations.

Designation	Frequency	Percentage
General manager	2	2.08%
Deputy general Manager	1	1.04%
Asst. General manager	5	5.21%
Manager	11	11.46%
Asst. manager	18	18.75%
Sr. Executive	22	22.92%
Executive	37	38.54%
Total	**96**	**100%**

The table shows the percentage and number of people for each position. The highest number of participants is from executives 38.54% and lowest from deputy general manager 1.04%. again, the second highest is sr. executives 22.92% and others are asst. manager 18.75%, manager 11.46%, asst. general manager 5.21%, general manager 2.08% in our survey.

7.2 The questionnaire & measures

The instrument that was used in this study is a survey questionnaire. The questionnaire takes about 30 minutes for each respondent to complete it. The questionnaire is divided into six parts and 53 questions which comprised of antecedents of market orientation: top management emphasis & risk taking, interdepartmental connectedness & organizational reward system and market orientation itself, product performance, business performance. The measurement that has been used can be categorized into several divisions.

Top management emphasis & risk taking is measured by nine items of instruments of (Slater & Narver, 1990) and (Gatignon & Xuereb, 1997). The instruments consist of two major parts: emphasis & risk taking. The five-point likert scale had used to identify the perception of participants which is ranging from 1 (not at all) to 5 (to an extreme extent) (Gray, et al., 1998).

Interdepartmental connectedness is measured by 6 items based on five-point likert scales (ranging from 1 = strongly disagree to 5 = strongly agree). Organizational reward system is measured by 5 items based on five-point likert scale (ranging from 1= strongly disagree to 5= strongly agree).

Furthermore, market orientation is measured by 15 items and also based on five- point likert scale (ranging from 1= strongly disagree to 5= strongly agree) which has three different parts like competitive orientation, customer orientation and finally interfunctional coordination (La ngerak & Henry, 2001).

At the end, Product orientation has 13 items those are based on five- points likert scale (ranging from 1= very poor to 5= excellent). At last, business performance which is most important factor has only 5 questions where five-points likert scale has used 9 (ranging from 1= very poor to 5= excellent) to identify executives thinking regarding own organization. And there are no subdivisions among these components (Naman & Slevin, 1993) and (Slater & Narver, 1994).

7.3 Data collection method

The primary data in this study was collected through interviews with general managers, asst. general managers, marketing managers, operating managers, or managing directors with experiences in market orientation, product and business performance. The data collection was conducted within twenty days period using personal interviews. This study mainly depended on personal interviews because it gave higher response rate compared to other methods.

8. Findings

Data was analyzed using the Statistical Package for Social Sciences (SPSS) version 20. First, the reliability analysis was conducted on the items of the questionnaire using the Alpha model. Second, multiple regression analysis was conducted to examine the relationship between antecedents of market orientation, product and business performance. Thirdly, Pearson's correlation was done for hypothesis testing. And finally Pearson correlation had also used to judge the relation among different variables like top management emphasis & risk taking, interdepartmental connectedness, organizational reward system, market orientation, product performance, business performance.

8.1 Reliability analysis

Reliability analysis is used to measure the overall consistency of the items that are used to define a scale. In social science research a reliability coefficient of 0.6 or higher is considered "acceptable", more than 0.8 is good and more than o.9 is considered excellent (Nunnelly, 1978); (Kline, 2000). Therefore, all constructs met the reliability test.

The following are the reliability analysis for our research:

Aspects of questionnaire	Top Management Emphasis & Risk Taking	Interdepartmental Connectedness	Organizational Reward System	Market Orientation	Product Performance	Business Performance
Cronbach α	.773	.696	.649	.892	.817	.654

The table shown that Cronbach's Alpha for top management emphasis & Risk taking is .773 and according to the condition table it is good, interdepartmental connectedness is .696 which is sufficient then organizational reward system is .649 which is also sufficient, market orientation has highest Cronbach's Alpha value .892 which is good, product performance is .817 which is further good and at the end business performance value is .654 which is sufficient according to table of internal consistency.

8.2 Hypotheses Testing

Pearson Correlation

Hypothesis testing: If P≠0 and α<0.05, then accept alternative hypothesis (Gujarati, 2006).

H_{01}	There is no relationship between top management emphasis & risk taking and market orientation
H_{a1}	There is a relationship between top management emphasis & risk taking and market orientation.

The correlation test represents whether there is a relationship between top management emphasis & risk taking and market orientation if so how strong or weak is it. According to the analysis, Pearson correlation (r) is .734** and α= .000 which is less than 0.05, representing Ha: there is significant association between top management emphasis & risk taking and market orientation. The correlation is positive and strong indeed (Rowntree 1981). The level of statistical significance found between top management emphasis & risk taking and market orientation according to the Pearson's correlation is denoted by two star which represents the level at which the correlation is significant. This means that the correlation is significant at the 0.01 level ($p<0.01$), so the chance of being no Type 1 error is 99 percent.

H_{02}. There is no relationship between interdepartmental connectedness and market orientation.
H_{a2}. There is a relationship between interdepartmental connectedness and market orientation.

According to the analysis, Pearson correlation (r) is .770** and α= .000 which is less than 0.05, representing Ha: there is significant association between interdepartmental connectedness and market orientation. The correlation is positive and strong indeed. The level of statistical significance found between interdepartmental connectedness and market orientation according to the Pearson's correlation is denoted by two star which represents the level at which the correlation is significant. This means that the correlation is significant at the 0.01 level ($p<0.01$), so the chance of being no Type 1 error is 99 percent.

H_{03}. There is no relationship between organizational reward system and market orientation.
H_{a3}. There is a relationship between organizational reward system and market orientation.

The correlation test represents whether there is a relationship between organization reward system and market orientation if so how strong or weak is it. According to the analysis, Pearson correlation (r) is .789** and α= .000 which is less than 0.05, representing Ha: there is significant association between organizational reward system and market orientation. The correlation is positive and strong. The level of statistical significance found between organizational reward system and market orientation according to the Pearson's correlation is denoted by two star which represents the level at which the correlation is significant. This means that the correlation is significant at the 0.01 level ($p<0.01$), so the chance of being no Type 1 error is 99 percent.

H_{04}. There is no relationship between market orientation and product performance.
H_{a4}. There is a relationship between market orientation and product performance.

The correlation test represents whether there is a relationship between product performance and market orientation if so how strong or weak is it. According to the analysis, Pearson correlation (r) is .839** and α= .000 which is less than 0.05, representing Ha: there is significant association between product performance and market orientation. The correlation is positive and very strong indeed. The level of statistical significance found between product performance and market orientation according to the Pearson's correlation is denoted by two star which represents the level at which the correlation is significant. This means that the correlation is significant at the 0.01 level ($p<0.01$), so the chance of being no Type 1 error is 99 percent.

H_{05}.There is no relationship between product performance and business performance.
H_{a5}. There is a relationship between product performance and business performance.

The correlation test represents whether there is a relationship between product performance and business performance if so how strong or weak is it. According to the analysis, Pearson correlation (r) is .818** and α= .000 which is less than 0.05, representing Ha: there is significant association between product performance and business performance. The correlation is positive and very strong indeed. The level of statistical significance found between product performance and business performance according to the Pearson's correlation is denoted by two star which represents the level at which the correlation is significant. This means that the correlation is significant at the 0.01 level ($p<0.01$), so the chance of being no Type 1 error is 99 percent.

H_{06}. There is no relationship between market orientation and business performance.	
H_{a6}. There is a relationship between market orientation and business performance.	

The correlation test represents whether there is a relationship between market orientation and market orientation if so how strong or weak is it. According to the analysis, Pearson correlation (r) is .835** and α= .000 which is less than 0.05, representing Ha: there is significant association between market orientation and business performance. The correlation is positive and very strong indeed (Rowntree 1981). The level of statistical significance found betweenmarket orientation and business performance according to the Pearson's correlation is denoted by two star which represents the level at which the correlation is significant. This means that the correlation is significant at the 0.01 level ($p<0.01$), so the chance of being no Type 1 error is 99 percent.

In statistics, the correlation coefficient r measures the strength and direction of a linear relationship between two variables on a scatterplot. The value of r is always between +1 and –1. According to Rowntree (1981), correlation r is closest to:

Exactly –1. A perfect downhill (negative) linear relationship

–0.70. A strong downhill (negative) linear relationship

–0.50. A moderate downhill (negative) relationship

–0.30. A weak downhill (negative) linear relationship

0. No linear relationship

+0.30. A weak uphill (positive) linear relationship

+0.50. A moderate uphill (positive) relationship

+0.70. A strong uphill (positive) linear relationship

Exactly +1. A perfect uphill (positive) linear relationship

In this study, it is found that, for all correlations, the r value is greater than +0.70 which indicates the existence of a strong uphill (positive) relationship. All the figures (See Appendix) are nearly a perfect uphill straight line.

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868[a]	.753	.739	.25539

a. Predictors: (Constant), Product Performance, Top Management Emphasis & Risk Taking, Interdepartmental Connectedness, Organizational Reward system, Market Orientation

Regression analysis is used to find out which independent variable individually and collectively provide a meaningful contribution towards the explanation of the dependent variable. Reject HØ, $P \leq 0.05$.

Regression analysis provides the value of R and R2. The R value is .868[a,] which represents the simple correlation. The R2 value is .753 which indicates how much of the dependent variable, "Business Performance", can be explained by the independent variable, Antecedent of market orientation, market orientation, product performance. In this case, 75.3% explains that there is relation between business performance and antecedents of market orientation, market orientation, product performance.

9. Limitations and Direction for Further Research

There are several other important factors may influence on market orientation such as environmental factors and suppliers which are not considered in this study. Also our sample size is relatively small and it is based on organization only that's why result may not represent the whole scenario of Bangladesh.

It is more appropriate, if the evaluation of market orientation would have come from both company and customer point of view. We leave this for future investigation. The role of market based reward system and effect of antecedents were still not clear in promoting the market orientation and calls for deeper insights through additional research in to the linkage involved.

10. Conclusion

The purpose of this study was to identify the influence of antecedence of market orientation on market orientation which could promote or impede the development of product and business performance in artificial leather industry in Bangladesh. The results indicated that the greater the top management emphasis & risk taking ability, the higher is the overall market orientation of the organization. It is also found here that market orientation to product and business performance maintain a positive relation, whereas, product and business performance has same type of relation. Moreover, the reliability of each variable of the study was satisfactory and it had also found significant relationship in hypothesis testing in all variables. In the light of the results of study, it is concluded that antecedents of market orientation, market orientation for product, business performance is necessary which has replicated completely in this study for artificial leather industry.

The analysis has shown that business performance is mainly related to the product performance, market orientation, and its antecedents. And those things have statistically significant positive effect on the "Business Performance". However, for successful market orientation has few antecedents– top management emphasis & risk taking, interdepartmental connectedness, organizational reward system affect market orientation with strong statistical point in the other hand all significantly affect the level of a business performance.

References

1. Agarwal , Dev & Erramalli, 2003. Market orientation and performance in service firms: role of innovation. *Journal of service marketing,* Volume 17(1), pp. 68-82.
2. Anderson & Chamber, 1985. A Reward/Measurement model of Organizational Buying Behavior. *Journal of Marketing,* 49(Spring), pp. 7-23.
3. Baker & Sinkula, 1999. The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance. *Journal of Academy of marketing science,* Volume 26, pp. 112-117.
4. Baker & Sinkula, 1999. Learning Orientation, Market Orientation, and Innovation: Integrating and Extending Models of Organizational Performance. *Journal of Marketing,* Volume 3, pp. 295-308.
5. Baker & Sinkula, 1999. The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance. *Journal of the Academy of Marketing Science,* Volume 27, pp. 411-427.
6. Biggadike, 1979. Corporate Diversification: Entry, Strategy, and Performance. Cambridge. *MA: Harvard University Press.,* pp. 456-470.
7. Blake & Mouton, 1964. *The Managerial Grid.* Houston: Gulf Publishing Company.
8. Brown & Widing, 1994. The Influence of Market Orientation. *Journal of Academy of Market Research.*
9. Deshpande', 1993. Corporate Culture, Customer-orientation and Innovativeness in Japanese firms: A Quadrad Analysis. *Journal of Marketing,* 57(January), pp. 23-27.
10. Despande & Webster, 1989. Organisational Culture and Marketing: Defining the Re-search Agenda. *Journal of Marketing,* 53, (January), pp. 3-15.
11. Despande & Zeltman, 1982. Factors Affecting the use of Market Research Information: A path Analysis. *Journal of Marketing Research,* 19(February), pp. 14-31.
12. Felton, 1959. Making the Marketing Concept Work. *Harvard Business Review,* 37(July-Augest), pp. 55-65.
13. Gatignon & Xuereb, 1997. Strategic Orientation of the Firm and New Product Performance. *Journal of Marketing Research,* Volume 34(1), pp. 77-90.
14. Gray, Matheson & Matear, 1998. Developing a Better Measure of Market Orientation. *European Journal of Marketing,* Volume 32(9), pp. 884-903.
15. Griffin & Abbie, 1997. PDMA Research on New Product Development Practices: Updating Trends and Benchmarking Best Practices. *Journal of Product Innovation Management,* Volume 25(6), pp. 245-287.

16. Griffin, Hauser & Abbie, 1992. Patterns of Communication among Marketing, Engineering, and Manufacturing: A Comparison between Two New Product Teams. *Management Science,* Volume 38(3), pp. 360-373.
17. Hambrick, Mason & Donald, C., 1984. Upper Achelons: The Organization as a reflection of its Top Managers. *Academy of Management Review,* Volume 9(2), pp. 193-206.
18. Han, Jim, Kim\ & Rajendra, 1998. Market Orientation and Organizational Performance: Is Innovation a Missing Link?. *Journal of Marketing,* Volume 12-27, p. 59.
19. Han, et al., 1998. Market Orientation and Organizational Performance: Is Innovation a Missing Link?. *Journal of Marketing,* Volume 62, pp. 30-45.
20. Homburg, Pflesser & Christian, 2000. A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes. *Journal of Marketing Research,* Volume 37, pp. 449-462.
21. Hopwood, 1974. *Accounting & Human Behavior.* London: Hay market Publishing Limited.
22. Hunt & Morgan, 1995. The Comparative Advantage Theory of Competition. *Journal of Marketing,* Volume 59(2), pp. 1-15.
23. Hunt & Morgan, 1995. The Comparative Advantage Theory of Competition. *Journal of Marketing,* Volume 33(5).
24. Jaworski & Berdard, 1988. Toward a Theory of Marketing Control: Environmnetal Context, control type and consequence. *Journal of Marketing,* 52(July), pp. 23-39.
25. Jaworski & Kohli, 1993. Market Orientation: ANtecedence and Consequence. *Journal of Marketing,* Volume 50(1), pp. 74-98.
26. Kirca, Jayachandran & Bearden, 2005. Market orientation: a meta-analytic review and assessment of its antecedents and impact on performance. *Journal of Marketing,* Volume 69, pp. 24-41.
27. Kline, Paul. Handbook of psychological testing. Routledge, 2013
28. Kohil & Jaworski, 1990. Market-orientation: The Construct Research Propositions, and Managerial Implications. *Journal of Marketing,* Volume 54, pp. 01-18.
29. Kohli & Jaworski, 1990, 1993. A measure of market orientation. Journal of Marketing Research. *Journal of Marketing Research,* Volume 30(4), pp. 467-477.
30. Kohli & Jaworski, 1990. A measure of market orientation. Journal of Marketing Research. *Journal of Marketing research,* 58(April), pp. 222-228.
31. Kohli & Jaworski, 1990. Market orientation: the construct, research propositions and managerial implications. *Journal of Marketing,* Volume 54, pp. 1-18.
32. Kohli & Jaworski, 1993. Market orientation: antecedents and Consequences. *Journal of Marketing,* Volume 57, pp. 53-70.
33. Kohli, Jaworski & Berdard, 1990. The Market Orientation: The construct, Research Proposition and Managerial Implecation. *Journal of Marketing,* 54(April), pp. 1-18.
34. Kohli, Jaworski, Bernard & Ajay, 1990. Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing,* Volume 54(2), pp. 1-18.
35. Korler, n.d. *Marketing Management.* s.l.:Upper Saddle.
36. Langerak & Henry, 2001. The impact of Market Orientation on product advantage, Launch Proficiency, New product performance and organizational performance. *Journal of Marketing,* Volume 5, pp. 81-82.
37. Lawler & Rhode, 1976. *Information and Control in Organizations.* Pacific Palisades, CA: Goodyear Publishing Company.
38. Lawrence & Lorsch, 1967. Differenciation and Integration in complex Organisations. *Administrative Science Quarterly,* 12(June), pp. 1-47.
39. Levitt & Theodore, 1969. *The Marketing Model.* New York: McGraw- Hill.
40. Maidique & Zirger, 1984. A Study of Success and Failure in Product Innovation: The Case of the U.S. Electronics Industry. *IEEE Transactions on Engineering Management,* Volume 31(4), pp. 192-203.
41. Naman & Slevin, 1993. *Psychometric Theory.* New York: McGraw-Hill.
42. Narver & Slater, 1990. Additional Thoughts on the Measurement of Market Orientation. *Journal of Marketing,* Volume 10(2).
43. Narver & Slater, 1990. The Effect of a market orientation on business profitability. *Journal of Marketing,* Volume 54(4), pp. 20-35.
44. Narver, Slater, John & Standly, 1990,1998. Customer-Led and Market-Oriented: Let's Not Confuse the Two. *Strategic Management Journal,* Volume 19(10), pp. 1001-1006.
45. Nunnally, J., 1978. Psychometric methods.
46. Oztoran, Ozsomer & Pieters, 2014. The role of market orientation in advertising spending during economic collapse: The case of Turkey. *Journal of Marketing Research,* Volume 51, pp. 139-152.

47. Pelham, 1999. Influence of Environment, Strategy, and Market Orientation on Performance in Small Manufacturing Firms. *Journal of Business Research,* Volume 45(1), pp. 33-46.
48. Pelham & Wilson, 1996. A Longitudinal Study of the Impact of Market Structure, Firm Structure, Strategy, and Market Orientation Culture on Dimensions of Small Firm Performance. *Journal of the Academy of Marketing Science,* Volume 24(1), pp. 27-43.
49. Pelham, Wilson & A.M., 2001. A longitudinal study on the impact of market structure, firm structure, strategy, and market orientation culture on dimensions of small – firm performance. *Journal of the Academy of marketing Science,* Volume 24(1), pp. 27-43.
50. Rowntree, D., 1981. Developing courses for students. McGraw-Hill.
51. Ruekert & Robert, 1992. Developing a Market Orientation: An Organizational Strategy Perspective. *International Journal of Research in Marketing,* Volume 9(3), pp. 225-245.
52. Ruekert & Walker, 1987. The Organization of Marketing Activities: A Contingency Theory of Structure and Performance. *Journal of Marketing,* Volume 49(1), pp. 13-25.
53. Slater & Narver, 1994. Does Competitive Environment Moderate the Market Orientation–Performance. *Journal of Marketing,* Volume 58(1), pp. 46-55.
54. Slater & Narver, 1994. Does Competitive Environment Moderate the Market Orientation–Performance. *Journal of Marketing,* Volume 53(3), pp. 1-9.
55. Slater & Narver, 1994. Market Orientation,Customer Value, and Superior Performance. *Business Horizons,* Volume 28(1), pp. 12-29.
56. Slater & Narver, 1996. Competitive Strategy in the Market-focused Business. *Marketing: Critical Perspectives on Business and Management,* Volume 3, pp. 538-557.
57. Slater, Narver, Standly & John, 1994. Market Orientation, Customer Value, and Superior Performance. *Business Horizons,* Volume 37(2), pp. 22-28.
58. Sten & Reve, 1980. Distribution channel in political economy: A framework for competitive economy. *Journal of Marketing,* Volume 44(2), pp. 52-64.
59. Uncle, 2000. Market Orientation. *Australian Journal of Management,* 25(September), pp. 1-9.
60. Webster, 1988. Rediscovering the Marketing Concept. 31(May/June), pp. 29-39.
61. Wei & Morgan, 2004. Supportiveness of organizational climate, market orientation, and new product performance in Chinese firms. *The Journal of Product Innovation Management,* Volume 21, pp. 375-388.

Appendix
Top management Emphasis and Risk Taking

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.773	.775	9

Interdepartmental Connectedness

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.696	.694	6

European Journal of Business and Management
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.8, No.15, 2016

Organizational Reward system

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.649	.661	5

Market Orientation

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.892	.892	15

Product Performance

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.817	.815	13

Business performance

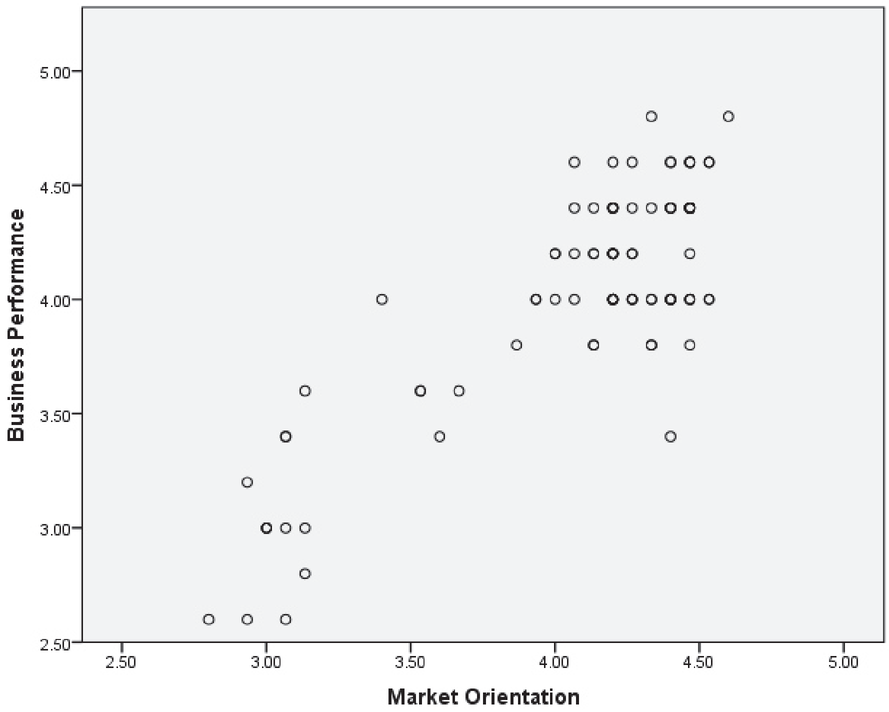
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.654	.656	5

Correlations

		Market Orientation	Business Performance
Market Orientation	Pearson Correlation	1	.835**
	Sig. (2-tailed)		.000
	N	96	96
Business Performance	Pearson Correlation	.835**	1
	Sig. (2-tailed)	.000	
	N	96	96

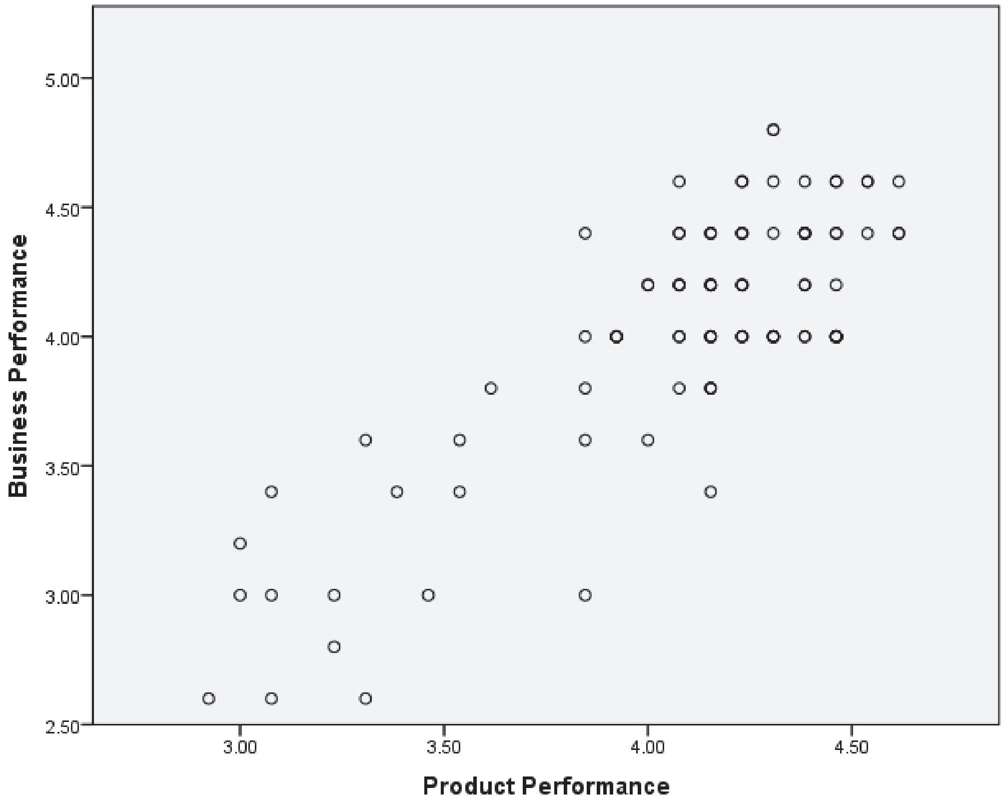
**. Correlation is significant at the 0.01 level (2-tailed).



Correlations

		Business Performance	Product Performance
Business Performance	Pearson Correlation	1	.818**
	Sig. (2-tailed)		.000
	N	96	96
Product Performance	Pearson Correlation	.818**	1
	Sig. (2-tailed)	.000	
	N	96	96

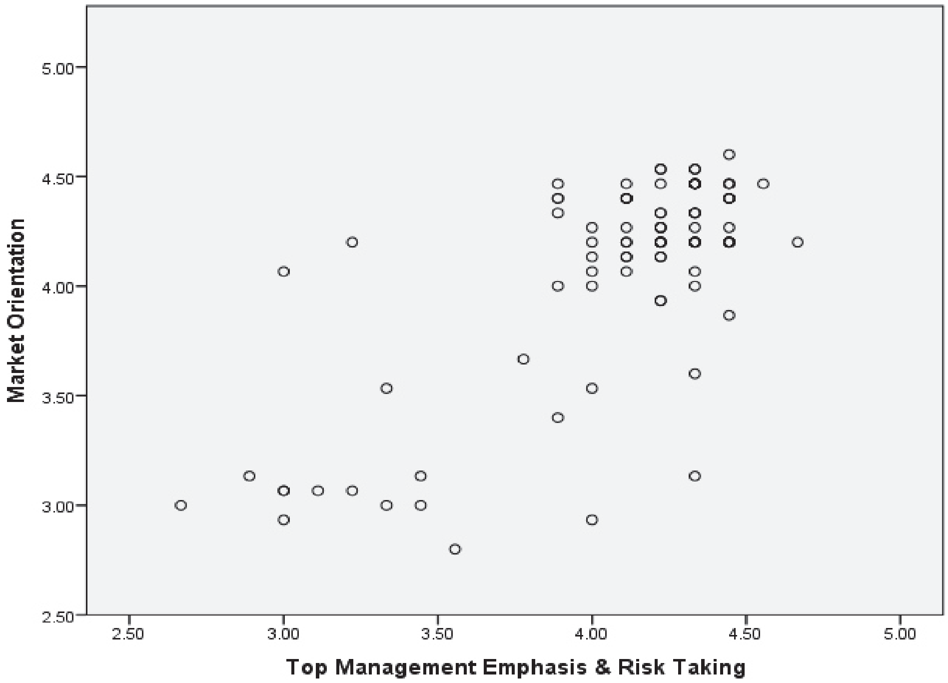
**. Correlation is significant at the 0.01 level (2-tailed).

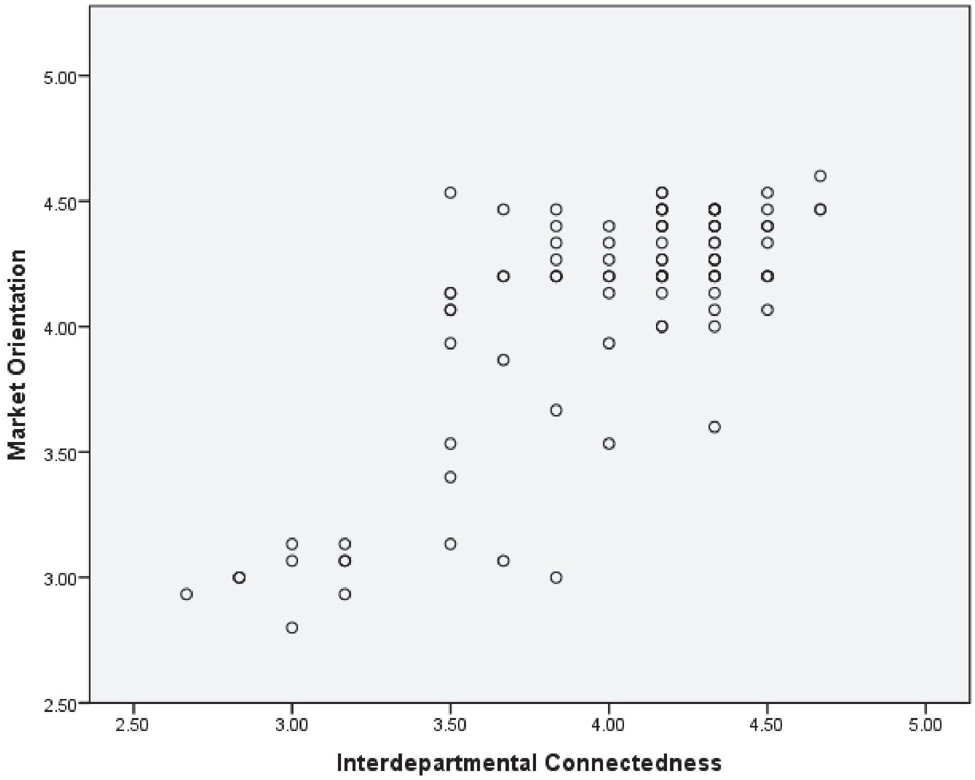


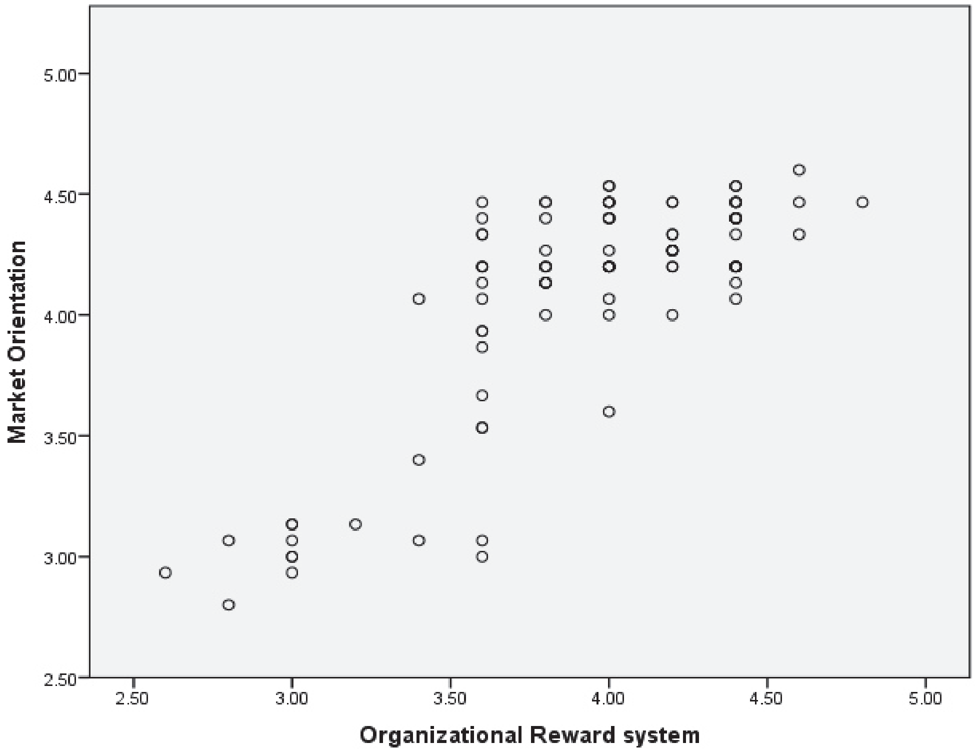
Correlations

		Top Management Emphasis & Risk Taking	Interdepartmental Connectedness	Organizational Reward system	Market Orientation
Top Management Emphasis & Risk Taking	Pearson Correlation	1	.683**	.692**	.734**
	Sig. (2-tailed)		.000	.000	.000
	N	96	96	96	96
Interdepartmental Connectedness	Pearson Correlation	.683**	1	.757**	.770**
	Sig. (2-tailed)	.000		.000	.000
	N	96	96	96	96
Organizational Reward system	Pearson Correlation	.692**	.757**	1	.789**
	Sig. (2-tailed)	.000	.000		.000
	N	96	96	96	96
Market Orientation	Pearson Correlation	.734**	.770**	.789**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	96	96	96	96

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


Market Orientation
Top Management Emphasis & Risk Taking
5.00
4.50
4.00
3.50
3.00
2.50
2.50
3.00
3.50
4.00
4.50
5.00


Market Orientation
Interdepartmental Connectedness
5.00
4.50
4.00
3.50
3.00
2.50
2.50
3.00
3.50
4.00
4.50
5.00


5.00
4.50
4.00
3.50
3.00
2.50
Market Orientation
2.50
3.00
3.50
4.00
4.50
5.00
Organizational Reward system

Regression

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.896	5	3.579	54.875	.000[b]
	Residual	5.870	90	.065		
	Total	23.766	95			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), Product Performance, Top Management Emphasis & Risk Taking, Interdepartmental Connectedness, Organizational Reward system, Market Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.215	.288		-.747	.457
	Top Management Emphasis & Risk Taking	-.051	.096	-.043	-.526	.600
	Interdepartmental Connectedness	.113	.099	.104	1.146	.255
	Organizational Reward system	.104	.101	.097	1.028	.307
	Market Orientation	.404	.130	.384	3.123	.002
	Product Performance	.473	.118	.389	3.995	.000

a. Dependent Variable: Business Performance