Market Orientation and Business Performance: Evidence from Libya

Dr. Sabri G. M. Elkrghli*

Abstract

Purpose - This paper focuses on exploring the extent to which organisations in Libya adopt the concept of market orientation under economic reforms. The study examines the influences of type of business; ownership type, on market orientation adoption and hence, business performance.

Methodology - Questionnaire survey was used to collect data. 400 questionnaires were circulated only 276 returned with 233 considered valid for data analysis stage. Narver and Slater's construct (1990) was adopted to measure market orientation and business performance measured subjectively by high level executives' perception to their businesses' performances against their counterparts in the Libyan market.

Findings - The results revealed that there is growing level of market orientation embracing in Libya especially in the private sector, which is judged to be best performance. The study exposed positive association between market orientation and business performance, thereby underpinning previous findings internationally documented in the US, UK, Europe and transitional economies literature.

* University of Benghazi - Faculty of Economics - Department of Marketing
Lecturer in the Department of Marketing - Director of Quality Assurance Bureau
00218/ 917059995 - 00218/ 925795945 - Sabri.elkrghli@benghazi.edu.ly
mmresearcheruk@yahoo.com

Implications – Originality / Value - The value of the paper is that it comes as a response to scholars who have called for investigating market orientation practices in different cultural contexts. Hence, it fills the gap in the literature. Also, foreign businesses who have the desire to do business in Libya might consult such research. Finally, the study ends up with research implications; limitations and future research.

Key Words: Market Orientation, Business Performance, Libya

Introduction

Libya is one of the North African countries and has been undergoing massive economic reforms since more than two decades. These reforms have taken many forms. Privatization of public sector companies, allowing the private sector to participate in various economic activities, allowing international companies and their products to enter the Libyan market, reducing customs' tariffs on imports are major steps taken in this respect.

The lifting of the embargo imposed on Libya was another major reason that significantly changes the nature of the Libyan business environment. These changes have posed challenges and threats to the public businesses as the official reports show that those businesses are unprofitable, in the recent years, and have been included in the privatization programme undertaken by the state. At the same time, new emergent ventures have been noticed to be growing and making great success.

Based on that, this paper looks at market orientation application in Libya as a critical factor for business success in the new business environment characterised by the appearance of new local and foreign ventures and growing competition.

Research problem

Market orientation is one of the key themes that have been hotly debated among marketing scholars for more than two decades. A great number of articles have been written on this topic in developed economics e.g., US (Kohli and Jaworski, 1990; Narver and Slater, 1990), Canada (Deng and Dart, 1994), the UK (Greenley, 1995), and Netherlands (Langerak et al, 1996), Spain, (Jimenez and Navarros, 2007). However, in developing countries less attention has been paid to this theme: India (Singh, 2003), Thailand (Sittimalakorn, 2004), Turkey (Demirbag et al, 2006). As a result, the current paper focuses mainly on discovering to what extent businesses in Libya have adopted the market orientation concept as a consequence to economic reforms and whether that adoption associated with higher business performance.

Research objectives

The current paper seeks to achieve the following objectives:

1. To determine to what extent businesses in Libya have adopted the market orientation concept.
2. To find out whether market orientation embracing differs according to ownership and nature of business.
3. To detect whether there is a link between market orientation application and business performance in the Libyan context.

Research hypotheses

To achieve the research objectives the following hypotheses have been formulated:

H1. Business performance depends on ownership type and nature of business.

H1A Business performance is more likely in the private manufacturing sector.

H1B Business performance is more likely in the private service sector.

H1C Business performance is more likely in the public manufacturing sector.

H1D Business performance is more likely in the public service sector.

H2. There is a positive relationship between overall market orientation and business performance.

H2A There is a positive link between customer orientation and business performance.

H2B There is a positive link between competitor orientation and business performance.

H2C There is a positive link between inter-functional co-operation and business performance.

Literature Review

The extensive survey of the market orientation literature explained that around 87%[1] of the previous studies have proved the existence of positive influence of market orientation on corporate performance. Narver and

[1] The author reviewed market orientation literature from 1989 to 2009 and presented only a summary due to word limit.

Slater (1990), for example, investigated the relationship between market orientation and business performance by using sample of commodity and non-commodity industries and the findings were that market-oriented companies are more successful. Also, the findings of Kohli and Jaworski (1993) concluded that market orientation has positive effect on business performance. In addition, this phenomenon also reflects Kotler's (1988) statement that market orientation is likely to cause greater customer satisfaction, repeat business and subsequently more profitability.

In recent work carried out by Hooley et al. (2003); Gopalakrishna and Subramanian (2004); Demirbag et al (2006); Martin-Consuegra and Esteban (2007); Subhash et al (2008), and Olavarrieta and Friedmann (2008) the findings showed that market orientation has strong positive impact on business performance.

Despite a great deal of effort that closely focused on the conceptualisation of the market orientation construct in the literature (e.g. Narver and Slater, 1990; Kohli and Jaworski, 1990; Ruekert, 1992; Deng and Dart, 1994, Matsuno, 2005), no agreement has been reached among scholars on the conceptualisation of this term.

Analysing the literature shows that Narver and Slater's construct (1990), and Kohli and Jaworski's construct (1990) are the widely used constructs. No significant advancement has been added by new attempts to develop a market orientation construct.

In defining the conceptual domain of market orientation, Narver and Slater (1990) reviewed the literature, concluding that a market orientation construct consists of the following three behavioral components: customer orientation, which involves understanding target buyers now and over time in order to create superior value for customers;

understanding the economic and political constraints in the channel; competitor orientation which involves acquiring information on existing and potential competitors, and understanding the short term strengths and weaknesses and long term capabilities of both the key current and potential competitors; and inter-functional coordination, which is the coordinated utilisation of company resources in creating superior value for target customers.

Narver and Slater (1990: 21) were very clear about the definition of the market orientation as organisational culture when they stated 'Market orientation is 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'.

Kohli and Jaworski (1990) reviewed the literature and conducted 62 interviews with both marketing and non-marketing managers in industrial, consumer and service industries, with organisations ranging in size from four employees to tens of thousands. Ten business academics at two large US universities were interviewed. Based on that, Kohli and Jaworski (1990: 6) proposed this definition: 'Market orientation is the organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation-wide responsiveness to it'.

Ruekert (1992) developed a measure of market orientation that is similar to that of Kohli and Jaworski (1990) and Narver and Slater (1990). Ruekert (1992) cites Shapiro (1988) who argues that the market driven organisation possesses three critical characteristics: information on all important buying influences permeates every corporate function; strategic

and tactical decisions are made inter-functionally and inter-divisionally; divisions and functions make well-coordinated decisions and execute them with a sense of commitment. He further argues that work by Shapiro (1988), Kohli and Jaworski (1990) and Narver and Slater (1990) shares common characteristics: a market orientation results in actions by individuals toward the markets they serve; such actions are guided by information obtained by the market place; such actions cut across functional and organisational boundaries within the division. Ruekert (1992: 228) then defines a market orientation as: 'The degree to which the business unit obtains and uses information from customers; develops a strategy which will meet customer needs; and implements that strategy by being responsive to customers' needs and wants'.

From this discussion, it is evident that all three conceptualisations of market orientation are concerned with behaviors. The respective measures are fairly similar in that they focus on obtaining and disseminating information on customers (and competitors) in order to attain a competitive advantage. It is interesting to note that while the respective measures include a focus on the customer, only those by Kohli and Jaworski (1990) and Narver and Slater (1990) acknowledge the importance of a competitor orientation.

Deng and Dart (1994) reviewed the literature, concluding that market orientation is comprised of the following sub-constructs: customer orientation; competitor orientation; inter-functional coordination; and profit orientation. They argue that their market orientation scale contributes to the literature in the following ways: (1) it is a four component construct; (2) it is relatively concise; (3) it encompasses a

more comprehensive variable set than previous scales. However, the scale can be criticised on the following grounds:

The inclusion of profit orientation items is the first criticism. There is general agreement in the literature that profit orientation is a consequence of market orientation not part of market orientation (Farrell, 2002). Second, the scale is primarily a derivative of the MKTOR scale, with the addition of several extra items. As such, little theoretical advance was made. The resulting scale is also awkward, and would be time consuming for respondents to complete if part of a study containing several other variables.

Given this, Cadogan and Diamantopoulos (1995) synthesise the two conceptualisations of market orientation, with a view to developing a measure of market orientation that may be useful in an international context. On this point, Cadogan and Diamantopoulos, (1995) state that development of a new measure of market orientation should include exploratory research to obtain preliminary insights into the re-specified construct's domain, and followed by thorough development procedures (Farrell, 2002).

Pelham (1997) developed a measure of market orientation that was derived from Narver and Slater (1990) and Jaworski and Kohli (1993). The scale by Pelham consists of nine items, of which eight were taken from the Narver and Slater measure.

Lado et al., (1998: 34) also attempt to build up an alternative measure of market orientation. They define market orientation as 'the extent to which firms use information about their stakeholders to coordinate and implement strategic actions'.

They state that a market orientation consists of: final customers, distributors, competitors and environment, with what they argue are the two major stages of the market orientation process, (analysis and strategic actions), plus a component that is termed inter-functional coordination.

In general, the scale items focus on behaviors/ activities, which is consistent with the MARKOR and MKTOR constructs.

A similar attempt to develop an alternative measure of market orientation is that by Gray et al., (1998). Clearly they believe that the existing measures have some weaknesses, given the title of their paper, 'Developing a better measure of market orientation'. The aim of their study was to replicate and extend the market orientation research of both Narver and Slater (1990), and Jaworski and Kohli (1993) 'validate what appear to be promising measures and to develop managerially useful and parsimonious scales for measuring market orientation in the New Zealand context'. Their study 'utilised parts of three different instruments', (Narver and Slater 1990; Jaworski and Kohli, 1993; and Deng and Dart 1994) and they produced a five dimensional model of market orientation: customer orientation; competitor orientation; inter-functional coordination; responsiveness; and profit emphasis.

Despite the claims of the authors to have developed a 'better' measure of market orientation, some drawbacks to their study need to be considered. First is the fact that little theoretical advance has been made. The random grouping together of items from alternative scales makes little sense. It would have been more fruitful to clearly define the domain of the market orientation construct, as in the Lado et al., (1998) study. Given that the authors were aiming to come up with a better scale based on empirical methods alone, it is also unclear why the Ruekert construct (1992) was

not considered. The grouping together of the constructs is also problematic. It can be argued that the grouping together of the constructs affects the manner in which the respondent completes the items. According to Perrien (1997) this may produce results that are demand biased. Similarly, the authors did not take into account the problem of order effects in completing the questionnaire.

In essence, order effects may be encountered when respondents become tired of answering similar items from different measures. To overcome this potential problem, researchers alternate the order of the measures in the questionnaire. The inclusion of the four items measuring profit emphasis is also a problem given the argument that profit emphasis is a consequence of market orientation. Kohli and Jaworski (1990: 3) state that 'without exception, interviewees viewed profitability as a consequence of market orientation rather than a part of it'. They further state, 'this finding is consistent with Levitt's (1969: 236) strong objection to viewing profitability as a component of market orientation, which he (Levitt) asserts is like saying that the goal of human life is eating'. Furthermore, Narver and Slater (1990) found a lack of empirical proof to support the suggestion that profitability is a part of market orientation. The scale is also longer than the MKTOR scale and the same length as the MARKOR so no advance has been made.

In a similar study, Deshpande and Farley (1998) empirically examined three measures of market orientation, namely Narver and Slater (1990), Kohli, Jaworski and Kumar, (1993), and Deshpande et al., (1993) note that the measure developed by Deshpande et al., (1993) actually measures customer orientation, and not the broader construct of market orientation. In brief, Deshpande and Farley (1998) asked 82 marketing executives

from 27 companies to complete a questionnaire containing the three aforementioned measures of market orientation and hence, no mention is made of the problem of order effects in filling in the questionnaire. Analysis of the scales revealed that all appear interchangeable and that substantive conclusions reached with each apply generally to the others (Deshpande and Farley, 1998).

Given this, Deshpande and Farley (1998) set out to develop a more rigorous scale, by factor analysing the items of all three scales together. This process resulted in MORTN scale. However, their measure is criticised by Narver and Slater (1998) on the grounds that the conceptualisation is too narrow. In short, the Deshpande and Farley (1998) measure is primarily composed of items that focus on the customer, ignoring what Narver and Slater (1998) call critical behaviors for creating superior value for customers: (1) a business being clear to its value discipline and value proposition; (2) a business leading its targeted customers by discovering and satisfying also their latent needs; (3) a business seeing and managing itself as a service business; (4) a business managing its targeted customers as customers for life.

Recently, Matsuno et al., (2005) have attempted to improve market orientation conceptualisation and measurement by conceptually and empirically comparing three different scales of market orientation, the two scales of Kohli and Jaworski, Narver and Slater and another newly developed extended market orientation scale called (EMO). The scale evolved from a combination of exploratory qualitative interviews (a total of 12 business executives), a review of the market orientation literature and two survey pretests of the scale.

The proposed construct incorporates various antecedents, an extended construct of market orientation (or EMO) as the focal construct, performance consequences of EMO and moderators on the relationships between EMO and the performance consequences.

This comprehensive construct (EMO) incorporates more than just customers and competitors in the domain of organisational intelligence-related activities. It consists of a set of intelligence generation and dissemination activities and responses pertaining to the market participants (e.g., competitors, suppliers and buyers) and influencing factors (e.g., social, cultural, regulatory and macroeconomic factors).

In spite of being a relatively new and more sophisticated construct, this construct could be described as a very broad and comprehensive scale to measure market orientation and there has, as yet, been no agreement on the use of this scale. Therefore, more studies are needed to validate this scale.

Most recently, in the Dibb and Simkin work (2009), the market orientation concept was not too different from previous definitions. Dibb and Simkin work (2009: 6), define the market-oriented organisation as:

'the one that devotes resources to understanding the needs and buying behavior of customers, competitors' activities, and strategies, and of market trends and external forces - now and as they may shape up in the future; inter-functional coordination ensures that the organisation's activities and capabilities are aligned to this marketing intelligence'.

To sum up, there is no agreement among marketing scholars on the conceptualisation of market orientation. Hence, different results emerged as a consequence to implement the market orientation concept. In

addition, different methodological approaches have been adopted which, in turn, produced different outcomes. Finally, the vast majority of previous articles on market orientation found positive association between market orientation and business performance. This, in fact, emphasises the idea that market orientation is a critical universal concept.

Research Methodology

In this paper, data were collected through questionnaire survey directed to high level executives in Libyan companies. Eight different industries in the public and private sectors were targeted. Fifty three businesses out of eighty three responded. A considerable sample of (278) questionnaires were returned, with (233) questionnaires considered valid for analysis.

Market orientation was measured by Narver and Slater's construct developed in (1990). The choice was made based on the reliability and applicability of this scale to developing countries. Business performance was measured subjectively by nine items taken from the literature. Likert scale ranged from 1 strongly disagree to 5 strongly agree was employed.[2]

Data Analysis

For the sake of this research, descriptive analysis such as frequencies and mean scores have been used. In addition, more analytical techniques were used such as analysis of variance, correlations and path analysis as a sort of Structural Equation Modeling.

Descriptive Analysis

The ideal analysis was to focus on the key three variables: ownership type; nature of business; and business age. However, due to the sample

2 Due to word limit, the research instrument was removed and can be provided based on request.

was incomparable, the focus was made on only two variables: ownership type and nature of business.

Table 1: Ownership Type by Age of Business and Nature of Business

Nature of Business	Ownership Type	Age of Business		Total
		5-9 Years	10 Years and More	
Manufacturing	Private	8	6	14
	Public/ Is Being Privatised[3]	0	6	6
	Privatised	0	5	5
	Total	8	17	25
Services	Private	9	2	11
	Public/ Is Being Privatised	1	16	17
	Privatised	0	0	0
	Total	10	18	28
	Total responses	18	35	53

Table above shows that there is no companies in the privatised service sector. Hence, it is rational to exclude the privatised sector. Also, there is no companies under 9 years age. Therefore, the variable age could not be used

Business Performance

In terms of measuring business performance, the subjective assessment was used. The scale reliability values of business performance construct reached a high level of (0.95). This value greatly exceeded the satisfactory, widely-accepted cut-off value of (0.70). This indicated the

[3] Under privatisation process conducted by the state.

performance scale yielded a satisfactory reliability with the data collected in Libya since strong correlation was detected among the nine items[4].

Table 2: Business Performance, Financial and Market Performance

Scale	Coefficient	Business Performance	Financial Performance	Market Performance
Business Performance	Pearson Correlation	1.00	0.92**	0.98**
	Sig. (2-tailed)		0.00	0.00
	N	233	229	228
Financial performance	Pearson Correlation	0.92**	1.00	0.82**
	Sig. (2-tailed)	0.00		0.00
	N	229	229	224
Market performance	Pearson Correlation	0.98**	0.82**	1.00
	Sig. (2-tailed)	0.00	0.00	
	N	228	224	228

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

Table above shows strong positive correlations among the three scales: business performance, financial performance and market performance, implying that using one of these scales would be sufficient to measure business performance[5].

Regarding business performance and ownership type, the study targeted four types of business ownership, this section is dedicated to identifying whether there is a difference between these types of ownership. The mean

[4] Due to word limit the reliability analysis process was excluded and can be provided based on request.
[5] Nine items were divided to two scales: 3 items measure financial performance and 6 items measure market performance and the total 9 items measure business performance.

and standard deviation of scores on the business performance scale for the three major ownership types is given in the table below.

Table 3: Business Performance and Ownership Type

Ownership Type	Mean	SD	N
Private	3.83	0.43	91
Public/ Is Being Privatised	2.96	0.99	122
Privatised	2.14	0.73	20
Total	3.23	0.96	233

The privately owned companies were judged the most successful (3.83)[6], while privatised businesses were the least successful (2.14). Public and under privatisation companies were judged better than the privatised ones with an average score of performance equal to (2.96).

Analysis of variance with performance as the dependent variable and ownership as the single independent factor showed that there was a significant difference in mean performance scores between ownership types { $F(2,230) = 50.96$, $p < 0.01$}.

Table 4: ANOVA Performance Relative to Competitors

	Sum of Squares	DF	Mean Square	F	Sig.
Between Groups	65.10	2	32.55	50.96	0.00
Within Groups	146.91	230	0.64		
Total	212.00	232			

6 The criteria in this research is that if the average score was three out of five based on Likert scale then a company can be considered successful. In this case, (3.83 out of 5) points are equals to (77%) which means that the private companies are successful.

The above table explains big differences among the different types of ownership as P value was less than 0.01, and the difference can also be noted through Post Hoc Tests below.

Table 5: Multiple Comparisons (Post Hoc Tests)

(I) Ownership Type	(J) Ownership Type	Mean Difference (I-J)	Std. Error	Sig.
Private	Public/Is being privatised	0.86692*	0.110	0.00
	Privatised	1.68727*	0.197	0.00
Public/Is being privatised	Private	-0.86692*	0.110	0.00
	Privatized	0.82036*	0.193	0.00
Privatised	Private	-1.68727*	0.197	0.00
	Public/Is being privatised	-0.82036*	0.193	0.00

*The mean difference is significant at the 0.05 level.

Post Hoc Bonferroni multiple comparison tests table explains that all three ownership types were significantly different from each other at the 5% significant level which means that the performance of the three ownership types of businesses is significantly different.

The three variables business performance, ownership type and business nature can be presented in the same table. This part of the analysis explains how business performance is different based on the two pillars: ownership type and nature of business.

Table 6: Business Performance, Business Nature and Ownership Type

Ownership Type	Business Nature	Mean	SD	N
Private	Manufacturing	3.96	0.35	50
	Services	3.67	0.47	41
Public/ Is Being Privatised	Manufacturing	1.91	0.62	30
	Services	3.30	0.85	92

Table above shows that the private sector performs much better than the public sector both in: the services sector (3.67 against 3.30) and the manufacturing sector (3.96 against 1.91). To clarify, a two-way analysis of variance with performance as dependent variable and both nature of business and ownership as independent factors was carried out. As discussed earlier, it was not possible to include privatised companies in the analysis so that both factors are two levels.

Table 7: Two Way ANOVA: Performance Relative to Competitors

Source	Type III Sum of Squares	DF	Mean Square	F	Sig.
Corrected Model	84.76	3	28.25	64.66	0.00
Intercept	1859.73	1	1859.73	4255.99	0.00
Ownership Type (A1_2)	65.65	1	65.65	150.23	0.00
Nature of Business (A1_3)	13.68	1	13.68	31.31	0.00
A1_2 * A1_3	31.82	1	31.82	72.82	0.00
Error	91.33	209	0.44		
Total	2537.48	213			
Corrected Total	176.09	212			

R Squared = 0.48 (Adjusted R Squared = 0.47)

The two-way analysis of variance shows that there was a significant main effect of ownership on business performance as P value was less than 0.01, {F (1,209) = 150.231, p< 0.01} and a significant main effect of business nature on business performance as P value was

less than 0.01, {F (1,209) = 31.036, p< 0.01}. However there was also a significant interaction effect as P value was less than 0.01, {F (1,209) = 72.817, p< 0.01}.

Market Orientation

The reliability analysis of market orientation construct (15 items) was conducted. The internal consistency reliability (Cronbach's alpha) reached a high level of (0.93). This value exceeded the cut-off value of (0.70). This indicated the scale yielded a satisfactory reliability with the data collected in the Libyan context. In addition, the internal consistency and correlations among the construct's statements are highly positively correlated, indicating strong consistency among them[7]. Ownership and business nature have an impact on market orientation embracing as explained below.

Table 8: Market Orientation, Ownership Type and Nature of Business

Ownership Type	Nature of Business	Mean	SD	N
Private	Manufacturing	3.86	0.40	50
	Services	3.15	0.34	41
	Total	3.54	0.51	91
Public/Is being privatised	Manufacturing	2.23	0.24	30
	Services	2.62	0.28	92
	Total	2.53	0.32	122
Total	Manufacturing	3.25	0.87	80
	Services	2.79	0.39	133
	Total	2.96	0.65	213

[7] Due to word limit the reliability analysis process was excluded and can be provided based on request.

From the table above it is clear that the private sector, both manufacturing (3.86) and service (3.15), enjoy higher degree of market orientation, while the public sector is characterised by a weak market orientation degree for both industrial (2.23) and service (2.62) sector.

To identify whether there is a difference among these dimensions, a two-way analysis of variance with was used.

Table 9: ANOVA for Market Orientation, Ownership and Business Nature

Source	Type III Sum of Squares	DF	Mean Square	F	Sig.
Corrected Model	68.21	3	22.74	226.25	0.00
Intercept	1586.77	1	1586.77	15789.82	0.00
Ownership Type (A1_2)	52.25	1	52.25	519.89	0.00
Nature of Business (A1_3)	1.13	1	1.13	11.24	0.001
A1_2 * A1_3	13.92	1	13.92	138.48	0.00
Error	21.00	209	0.10		
Total	1953.79	213			
Corrected Total	89.21	212			

R Squared = 0.77 (Adjusted R Squared = 0.76)

Analysis of variance suggests that the type of ownership of the company, the nature of its business and the interaction between have an influence on the degree of embracing the market orientation concept as all (p) values are < 0.01. There is significant main effect of ownership on market orientation ($F(1,209) = 519.891$, $p < 0.01$) and a significant main effect of business nature on market orientation ($F(1,209) = 11.24$, $p < 0.01$). However there was also a significant interaction effect ($F(1,209) = 138.48$, $p < 0.01$).

Market Orientation-Business Performance Relationship

To identify the degree of correlation between market orientation and business performance, Pearson correlation coefficient was used.

Table 10: Market Orientation and Business Performance

Factors	Coefficient	Performance against competitors	Market orientation
Performance against competitors	Pearson Correlation	1.00	0.58**
	Sig. (2-tailed)		0.00
	N	233	233
Market orientation	Pearson Correlation	0.58**	1.00
	Sig. (2-tailed)	0.00	
	N	233	233

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

Table above shows that there is a significant moderate to strong correlation between market orientation and business performance as $r = 0.58$ and $p < 0.01$. This demonstrated that overall market orientation has a positive influence on business performance.

Table 11: Market Orientation Components and Business Performance

Dimension	Customer Orientation	Competitor Orientation	Inter-functional Cooperation
Performance against competitors	0.62**	0.30**	0.66**
Customer Orientation		0.67**	0.71**
Competitor Orientation			0.51**
N = 233			

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

Table above shows significant positive correlations among the three scales. The table also shows the correlations of the three dimensions with business performance. Again all the correlations are positive and

significant but the correlations between competitor orientation and business performance was considerably lower than the other two dimensions indicating that an orientation towards competitors was not closely related to business performance.

Hypotheses testing

To test research hypotheses, Path Analysis was used as produced the following two models.

Figure 1: Ownership, Business Nature, Market Orientation and Business Performance

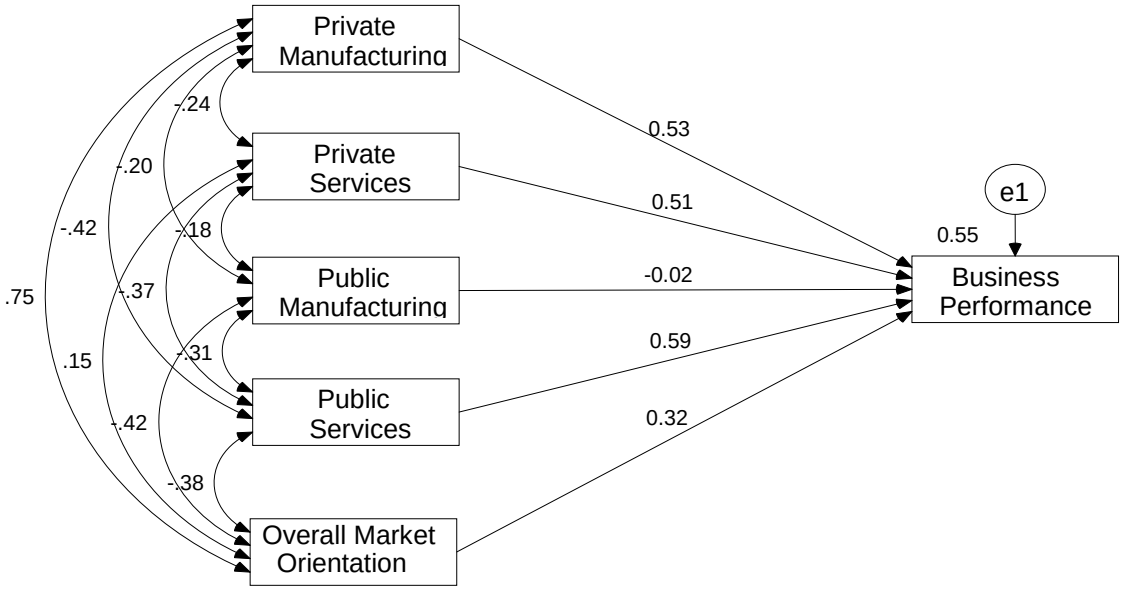


Table 12: Ownership, Business Nature, Market Orientation and Business Performance

Hypothesis	Relationships	link	Standard Regression Coefficients	P-value
H1A	Private manufacture-Performance	Positive	0.53	***
H1B	Private service-Performance	Positive	0.51	***
H1C	Public manufacture-Performance	Negative	-0.02	0.82
H1D	Public service-Performance	Positive	0.59	***
H2	Market orientation-Performance	Positive	0.32	***

*** Standardised path coefficient is statistically significant (p<0.001)

As shown in the figure and the table above, it is clear that a strong positive relationship between private manufacturing and performance is noticed (standard path coefficient = 0.53, $p < 0.01$). Therefore, the hypothesis H1A is supported.

Strong positive relationship between private service and performance is also observed (standard path coefficient = 0.51, $p < 0.01$). Therefore, the hypothesis H1B is supported. However, the hypothesis H1C will not be supported as a negative association between public manufacture and performance is discovered (standard path coefficient = - 0.02, $p > 0.01$).

The hypothesis H1D is supported as a positive relationship between public service and performance is noticed (standard path coefficient = 0.59, $p < 0.01$).

The last hypothesis H2 is supported as a significant positive relationship between overall market orientation and performance (standard path coefficient = 0.32, $p < 0.01$) is observed.

It is observed that the model accounted for (0.55) of the variance in performance. Despite this overall positive effect of market orientation on performance, it has been necessary to identify the individual effects of the three sub-dimensions of market orientation on business performance.

Figure 2: Ownership, Nature of Business, Market Orientation and performance

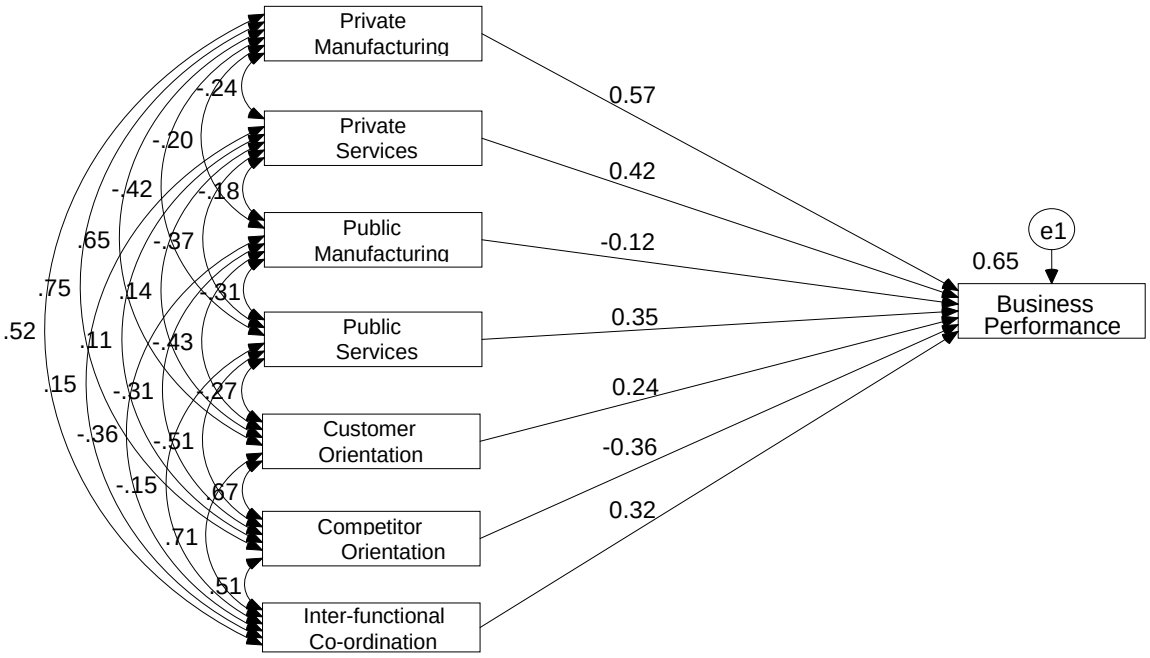


Table 13: Ownership, Business Nature, Market Orientation and Business Performance

Hypothesis	Relationships	link	Standard Regression Coefficients	P-value
H1A	Private manufacture-Performance	Positive	0.57	***
H1B	Private service-Performance	Positive	0.42	***
H1C	Public manufacture-Performance	Negative	-0.12	0.044
H1D	Public service-Performance	Positive	0.35	***
H2A	Customer orientation-Performance	Positive	0.24	***
H2B	Competitor orientation-Performance	Negative	-0.36	***
H2C	Inter-functional Co-ordination-Performance	Positive	0.32	***

*** Standardised path coefficient is statistically significant (p<0.001)

As shown in the figure and the table above, it is clear that type of ownership, nature of business and market orientation still have an effect on business performance even after the inclusion of the three market orientations dimensions.

It can be observed that a strong positive relationship between private manufacturing and performance is detected (standard path coefficient = 0.57, $p < 0.01$). Therefore, the hypothesis H1A is supported.

A strong positive relationship between private service and performance is also observed (standard path coefficient = 0.42, $p < 0.01$). Therefore, the hypothesis H1B is supported. However, the hypothesis H1C will not be

supported as a negative association between public manufacture and performance is detected (standard path coefficient = - 0.12, p >0.01).

Hypothesis H1D is supported as a positive relationship between public service and performance is noticed (standard path coefficient = 0.35, p < 0.01).

A significant positive relationship between customer orientation and performance is noticed (standard path coefficient = 0.24, p < 0.01). Therefore, the hypothesis H2A is supported.

However, and contrary to expectations, a moderate but significant negative link between competitor orientation and performance is spotted (standardised path coefficient = - 0.36, p < 0.01). Therefore, hypothesis H2B is not supported. The last hypothesis H2C is supported as a significant position relationship between inter-functional co-ordination and performance is observed (standard path coefficient = 0.32, p < 0.01).

It should be noted that the inclusion of the three sub-components in this model has caused a change in the expected effects of the variables of the model and is also further clarified more in the variance in the performance variable. That means when the three separate market orientations were added, an additional (0.10) of variance in performance was accounted for.

This is a moderate effect and is statistically significant. Overall, the model accounted for (0.65) of the variance in business performance.

Based on the analysis process shown above, the acceptance and rejection of the hypotheses of this research can be summarised as follows.

Table 14: Modelling and Hypotheses Testing

Hypotheses	Supported/ Not Supported
Business performance is more likely in the private manufacturing sector	Supported
Business performance is more likely in the private service sector	Supported
Business performance is more likely in the public service sector	Supported
Business performance is more likely in the public manufacturing sector	Not Supported
There is a positive link between overall market orientation and business performance	Supported
There is a positive link between customer orientation and business performance	Supported
There is a positive link between competitor orientation and business performance	Not Supported
There is a positive link between inter-functional coordination and business performance	Supported

From table above, it can be clearly noted that the two variables: ownership type and nature of business have an effect on business performance. Also, market orientation and its components has an effect on business performance as well.

Discussion

The outcomes of this research have provided some interesting findings. For example, the privately owned businesses in manufacturing and services sectors were seen perform much better than other ownership types. There is also a growth in embracing the market orientation concept during the transition process. This result is in line with previous research

conducted in transitional economies (e.g. Soehadi, 2001; Singh, 2003; Recela et al., 2007; Demirbag et al., 2006; Wong and Ellis, 2007; Subhash et al., 2008). In addition, considerable variation in the degree of adoption the concept among the respondent businesses is noted. At a time when there is growth in embracing the market orientation concept in the private sector, weak orientation towards the market has been noted in the public sector, the privatised sector and those being privatised.

The orientations towards customers and internal coordination are the most important components of the market orientation. This finding is in line with Deshpande's (1993) finding in Japan. Also, the finding is in line with the finding of Sin et al., (2000) in Hong Kong; Noble et al., (2002) and Ge and Ding (2005) in China. However, the finding is inconsistent with Voss and Voss (2000) who found a negative relationship between customer orientation and performance in US non-profit businesses. This implies that customer orientation is an important element for business performance in the Libyan market. Inter-functional coordination was also detected to be positively connected to performance. Inter-functional coordination is critical element for business success. This result is in line with McDermott et al., (1993) finding who found a positive effect of inter-functional coordination on performance in the US hospitality sector. Also, the finding is consistent with the Voss and Voss (2000) finding in non-profit US businesses.

Regarding competitive orientation, very low attention was paid to this component. The relationship between competitor orientation and performance was negative. This constituent is currently irrelevant to performance as the number of competitors in this cross-sectional study not enough to detect the positive effect of this factor. This result

contradicts the results of Kumar and Subramanian (2000) and Dawes (2000) who asserted that competitor orientation appears to be the stronger positive effect component on performance. This result is also contradicts the findings of Day and Wensley (1988), and Narver and Slater (1990) who proposed that a balanced mix of customer; competitor orientation and inter-functional co-ordination is required for maintenance of a competitive advantage in the marketplace. The result is noticed to be consistent with only two previous studies found in the surveyed literature conducted by Grewal and Tansuhaj, (2001), and Noble et al, (2002).

This result might be interpreted as follows. Firstly, in the Libyan market, state-owned businesses are still the dominant businesses. Secondly, the growing level of competition in a small number of sectors such as food industries is not enough to show the effect of the competitor orientation in this study. Hence, competition cannot be considered an important drive to performance under current Libyan market circumstances. In the coming years with the entry of more new international companies this element is expected to have strong positive relationship with performance. Also, this element is expected to have positive strong effect on performance in case new studies focused on the competitive Libyan food industry sector.

In addition to that, a positive correlation between market orientation and performance is detected in Libya. This means that market orientation still has an influence on business performance in the transition economies such as Libya. This result is consistent with previous studies conducted in different contexts and detected positive influence of market orientation on performance (e.g. Narver and Slater, 1990; Hooley et al., 1990; Kohli and Jaworski, 1993; Deshpande and Farley, 1998; Oczkowski and Farrell, 1998; Harris, 2001; Vazquez et al., 2002; Oliver et al., 2003; Olavarrieta

and Friedman, 2008; Subhash et al., 2008). The result is also consistent with Hooley and Lynch, (1985) who found the more successful companies, called the high-fliers, shared some common characteristics, the first of which was a genuine market orientation. Also, this result is consistent with Fritz study (1996) in Germany. His study realised that there are certain factors contributing positively to business performance. Market orientation was the more important critical factor for corporate success along with production orientation, cost orientation and employee orientation. However, this finding conflicts some other authors' findings. However, the finding contradicts the finding of Caruana et al., (1998) who did not observe any association between market orientation and performance in the Australian public sector. Also, the result conflicts with the result of Esslemont and Lewis (1991) in New Zealand; Greenley (1995) in the UK; Caruana et al., (1999) in South Africa, and Hynes and Mollenkopf (2006) in the Canadian, British and Australian contexts.

Finally, the degree of market orientation adoption in the manufacturing sector is much higher than that in the service sector, which means that nature of business has an effect on the adoption of market orientation concept. This result conflicts with previous research found stronger link between market orientation and business performance of services businesses (e.g. Kotler and Levy, 1969; Lado et al., 1998; Gray and Hooley's, 2002; Cynthia R.C. et al., 2004).

Research Implication

In the light of the paper's results, the main implications can be explained as follows:

Theoretical Implications

This paper provides some vital theoretical implications. It was initially assumed in the extant literature that the consequences of market orientation may vary under different national circumstances. Therefore, this study examines market orientation and business performance applications from the viewpoint of non-Western practitioners.

Previous research also shows that the majority of Western studies have confirmed the positive relationships either directly or indirectly. However, some scholars have argued that it is not always true to find the strong relationship in all contexts. Despite this, this study is in line with the findings mostly found in Western countries and shows that market orientation can be applied effectively in a culturally different country such as Libya. Based on the evidence from most studies in the past and from the results of this research, it can be concluded that market orientation is universal concept in the business world.

Prior research on market orientation has been on the combined effects of the market orientation components (e.g. Han et al., 1998). Treating the concept of market orientation as an aggregate construct of equal importance for each component can be confusing. This study found that there are different associations between market orientation components and business performance in Libya as the study detected unbalanced weights of the three components. Customer orientation and inter-functional coordination were found to be positively associated with

business performance. Contrary to expectations, competitor orientation is found to have negative link with business performance.

Last, but not least, the Libyan market is still a raw research environment and since the market is still lacking this kind of studies, it is anticipated that this research will significantly contribute to opening the door and stimulating many future studies.

Managerial implications

In addition to theoretical implications, some important managerial implications can be suggested. Businesses' owners, decision makers, policy makers, the Libyan Authorities and international businesses are all might benefit from these implications.

The study advises the Libyan Authorities, public companies' decision makers and privatised companies' decision makers to follow the successful management and marketing practices embraced by the private sector and increase the awareness of management and marketing skills. The study also recommends establishing a close relationship with leading business institutions to develop training programmes.

The study clearly supports that market orientation has a positive effect on business performance. Thus, it is worthwhile for businesses to continue and increase their efforts in embracing a higher degree of market orientation.

With growing the number of international companies in Libya, the study recommends the Libyan Authorities and decision makers to consult and recruit experts in market orientation and customer orientation fields, and

that requires building customer database updated regularly focused on current and latent customers' needs.

Regarding inter-functional co-ordination, managers must be willing to listen to input from all members of the organisation and all functions must work together as a team to serve their customers needs.

In terms of the competitive pressure, competitor orientation has a negative association with business performance. This factor is expected to be more important with opening the Libyan borders more to international competition over the coming years. Also, this factor might be very important if the study confined to a particular sector characterised by high competition as it is the case in food industry. Therefore, managers have to be aware of the level of competition in their sector as that will help them in formulating and adopting the appropriate strategy and taking the necessary actions.

In addition, the focus should be placed on opportunities in private manufacturing and services sector and also opportunities in public services sector. Focusing on the public manufacturing sector will not be a source of success. This has many implications for new ventures. Foremost is the fact that working in the private manufacturing and service sectors will be productive and profitable; while the focus of the public sector should be on the service sector rather than manufacturing.

Effective marketing strategies with regard to pricing, promotion, advertising, focusing on the characteristics and the functionality of the products, creating customer value and delivering goods to customers are noticed to be important in Libya especially with the opening of the Libyan borders more to foreign competition over the coming years.

Finally, entering any new international market can be tricky and the Libyan market is not an exception. Therefore, international businesses who are interested in doing business in Libya should build a good relationship with local consultant agencies in Libya.

Limitations

As is the case in academic research, the current paper has some limitations. First, the study mixes data from different manufacturing and services businesses. Hence, the study does not explain the independent effect of each type of business (banking, insurance, etc) on market orientation adoption and business performance. Second, market orientation was measured in the research based on Narver and Slater's construct (1990). Therefore, the results may differ if another market orientation scale was used. Third, the distribution of responses across the categories of these three key pillars (ownership type, nature of business and business age) was not consistent. Finally, the current study managed to obtain data from high level executives (SBUs, managers, etc). Junior managers and bottom line employees could not be consulted.

Future Research

The limitations mentioned above might open the door for new area of investigations.

1. Despite the importance of employees and customers views', it has been difficult to target employees and customers. Therefore, future research might seek employees and customers' perceptions to measure market orientation and business performance.

2. For the purpose of obtaining a more accurate image about market orientation and business performance, future research should perhaps focus on certain industries such as food industry

characterised by intense competition or banking sector characterised by low level of competition.

3. The current study adopted Narver and Slater's construct to measure market orientation. Future studies could consider other market orientation scales and compare the results with the findings of the current research.

4. Future research could focus on other business orientations: production orientation, sales orientation, quality orientation, entrepreneurial orientation and their impact on business performance.

5. The vast majority of existing literature focused mainly on high organisational levels (e.g., firm and strategic business unit). However, given that market orientation places a special emphasis on the dissemination of and responsiveness to market intelligence throughout the whole organisation, it would be of interest to compare employees' perceptions at different organisational levels (top, middle and low levels) to understand better the market orientation theory.

6. It has been difficult to include business size. Future research might consider this factor to test its expected effect on market orientation adoption in small, medium and large-sized businesses.

7. Finally, the component competitor orientation was found to be negatively connected with business performance. An intriguing future research would be to test the effect of this component in two different sectors one characterised by high level of competition and another one with less competition.

Bibliography

Appiah-Adu, K. and Singh, S. (1998), "Market Orientation and Performance: An Empirical Study of British SMEs", *Journal of Entrepreneurship,* Vol. **17,** pp. 27-47.

Avlonitis, G. J. and Gounaris, S. P. (1997), "Marketing Orientation and Company Performance: Industrial vs. Consumer Goods Companies", *Industrial Marketing Management,* Vol. **26,** pp. 385-402.

Cadogan, J. W. and Diamantopoulos, A. (1995), "Narver and Slater, Kohli and Jaworski and the Market Orientation Construct: Integration and Internationalization", *Journal of Strategic Marketing*, Vol. **3**, pp. 41-60.

Cadogan, J. W., Sundqvist, S. (2002), "Market-oriented Behavior Comparing Service with Product Exporters", *European Journal of Marketing*, Vol. **36**, No. (9/10), pp. 1076-1102.

Caruana, A., Ramaseshan, B. and Ewing, M. T. (1998), "The Market Orientation-performance Link: Some Evidence from the Public Sector and Universities", *Journal of Non-profit and Public Sector Marketing,* Vol. **6,** pp. 63–82.

Caruana, A., Ramaseshan, B. and Ewing, M. T. (1999), "Market Orientation and Performance in the Australian Public Sector: The Role of Organizational Commitment", *Journal of Global Marketing*, Vol. **12,** pp. 59-79.

Chan, H. J. and Ellis, P. (1998), "Market Orientation and Business Performance: Some Evidence from Hong Kong", *International Marketing Review,* Vol. **15,** pp. 119-139.

Chang, T. and Chen, S. (1998), "Market Orientation, Service Quality and Business Profitability: A Conceptual Model and Empirical Evidence", *the Journal of Services Marketing*, Vol. **12**, pp. 246-264.

Cynthia, R. C., Francois, A. C. and Fernando, J. (2004), "A Meta-analysis of the Relationship between Market Orientation and Business Performance: Evidence from Five Continents", *International Journal of Research in Marketing,* Vol. **21,** pp. 179-200.

Dawes, J. (1999), "The Relationship between Subjective and Objective Company Performance Measures in Market Orientation Research: Further Empirical Evidence", *Marketing Bulletin,* Vol. **10,** pp. 65-75.

Dawes, J. (2000), "Market Orientation and Company Profitability: Further Evidence Incorporating Longitudinal Data", *Australian Journal of Management,* Vol. **25**, No. 2**,** pp. 173-199.

Day, G. S. (1994),"The Capabilities of Market Driven Organisation", *Journal of Marketing,* Vol. **59,** pp. 37-50.

Day, G. S. and Wensley, R. (1988), "Assessing Advantage: A Framework for Diagnosing Competitive Superiority", *Journal of Marketing,* Vol. **52**, No. 2, April, pp 1-20.

Demirbag, M., Tatoglu, E., Tekinkus, M. and Zaim, S. (2006), "An Analysis of the Relationship between TQM Implementation and Organizational Performance: Evidence from Turkish SMEs", *Journal of Manufacturing Technology Management,* Vol. **17,** pp. 829-847.

Deng, S. and Dart, J. (1994), "Measuring Market Orientation: A Multi-Factor, Multi-Item Approach", *Journal of Marketing Management,* Vol. **10,** pp. 725-742.

Deshpande, R. and Farley, J. (1998), "The Market Orientation Construct: Correlations, Culture, and Comprehensiveness", *Journal of Market-Focused Management,* Vol. **2,** pp. 237-39.

Deshpande, R. and Webster, F. (1989), "Organizational Culture and Marketing: Defining the Research Agenda", *Journal of Marketing,* Vol. **53,** pp. 3-15.

Deshpande, R., Farley, J. and Webster, F. (1993), "Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis", *Journal of Marketing,* Vol. **57,** pp. 23-27.

Deshpande, R. and Farley, J. U. (1999), "Executive Insights: Corporate Culture and Market Orientation: Comparing Indian and Japanese Firms", *Journal of International Marketing,* Vol. **7,** pp. 111-127.

Diamantopoulos, A. and Hart, S. (1993), "Linking Market Orientation and Company Performance: Preliminary Evidence on Kohli and Jaworski's Framework", *Journal of Strategic Marketing,* Vol. **1,** pp. 93-121.

Dibb, S. and Simkin, L. (2009), *Marketing Essentials,* Singapore: Cengage Learning EMEA.

Farley, R. (1971), *Planning for Development in Libya: the Exceptional Economy in the Developing World,* New York: Praeger Publishers Inc.

Farrell, M. (2002), "A Critique of the Development of Alternative Measures of Market Orientation", *Marketing Bulletin,* Vol. **13,** pp. 1-14.

Farrell, M. A. (2000), "Developing A Market-oriented Learning Organisation", *Australian Journal of Management,* Vol. **25,** pp. 201-222.

Farrelly, F., and Quester, P. (2003), "The Effects of Market Orientation on Trust and Commitment: The case of the Sponsorship Business-to-Business Relationship", *European Journal of Marketing,* Vol. **37,** pp. 530-553.

Fritz, W. (1996), "Market Orientation and Corporate Success: Findings from Germany", *European Journal of Marketing,* Vol. **30,** pp. 59–74.

Gabel, T. G. (1995), "Market Orientation: Theoretical and Methodological Concerns", In: Proceedings of the American

Marketing Association Summer Educator's Conference, (Eds.), Stern, B.B. and Zinkhan, G.M., Chicago: *American Marketing Association***,** pp. 368-375.

Gray, B., Matear, S., Boshoff, C., and Matheson, P. (1998), "Developing a Better Measure of Market Orientation", *European Journal of Marketing,* Vol. **32,** pp. 884-903.

Gray, B. J. and Hooley, G. J. (2002), "Market Orientation and Service Firm Performance-a Research Agenda", European *Journal of Marketing,* Vol. **36,** pp. 980-988.

Greenley, G. E. (1995), "Forms of Market Orientation in UK Companies", *Journal of Management Studies,* Vol. **32,** pp. 45-66.

Greenley, G. E. (1996), "Market Orientation and Company Performance: Empirical evidence", *British Journal of Management,* 40**,** 33-46

Harris, L. C. and Ogbonna, E. (2001), "Leadership Style and Market Orientation: An Empirical Study", *European Journal of Marketing,* Vol. **35,** pp. 744-64.

Harris, L. C. (2001), "Market Orientation and Performance: Objective and Subjective Empirical Evidence from UK Companies", the *Journal of Management Studies,* Vol. **38,** pp. 17-43.

Harris, L. C. and Ogbonna, E. (2001), "Strategic Human Resource Management, Market Orientation and Organizational Performance", *Journal of Business Research,* Vol. **51,** pp. 157-166.

Harris, L. C. (2002), "Developing Market Orientation: An Exploration of Differences in Management Approaches", *Journal of Marketing Management,* Vol. **18,** pp. 603-632.

Harris, L. C. (2002), "Measuring Market Orientation: Exploring a Market Oriented Approach", *Journal of Market-Focused Management,* Vol. **5,** pp. 239- 270.

Hooley, G., Cox, T., Fahy, J., Shipley, D., Beracs, J., Fonfara, K., (2000), "Market Orientation in the Transition Economies of Central

Europe: Test of the Narver and Slater Market Orientation Scales", *Journal of Business Research*, Vol. **50,** pp. 273-285.

Hooley, G., Fahy, J., G., G. and Beracs, J. (2003), "Market Orientation in the Service Sector of the Transition Economies of Central Europe", *European Journal of Marketing*, Vol. **37,** pp. 86-107.

Hooley, G. and Lynch, J. (1985), "Marketing Lessons from the UK's High Flying Firms", *Journal of Marketing Management*, Vol. **1,** pp. 63-74.

Hooley, G. J. (1993), "Market-led Quality Management", *Journal of Marketing Management Vol.* **9,** pp. 315-35.

Hynes, N. and Mollenkopf, D. A. (2006), "Strategic Orientation and Performance in Dedicated Biotechnology Firms", *International Journal of Technology Marketing*, Vol. **1**, No. 3, pp. 243-264.

Jaworski, B. and Kohli, A. (1990), "Market Orientation: The Construct, Research Propositions, and Managerial Implications", *Journal of Marketing*, Vol. **54,** pp. 1-18.

Jaworski, B. and Kohli, A. (1993), "Market Orientation: Antecedents and Consequences", *Journal of Marketing*, Vol. **57,** pp. 53-70.

Jaworski, B. and Kohli, A. (1996), "Market Orientation: Review, Refinement, and Roadmap", *Journal of Focused Management*, Vol. **1,** pp. 119–135.

Jaworski, B., Kohli, A. and SAHAY, A. (2000), "Market-Driven versus Driving Markets", *Journal of the Academy of Marketing Science*, Vol. **28,** pp. 45-55.

Jimenez-Jimenez, D. and Cegarr-Navarros, J. G. (2007), "The Performance Effect of Organizational Learning and Market Orientation", *Industrial Marketing Management*, Vol. **36**, pp. 694-708.

Kohli, A., Jaworski, B., and Kumar, A. (1993) "MARKOR: A Measure of Market Orientation", *Journal of Marketing Research,* Vol. **30,** pp. 467-477.

Kohli, A. and Jaworski, B. (1993), "Market Orientation: Antecedents and Consequences", *Journal of Marketing,* Vol. **57,** pp. 53-70.

Lado, N., Olivares, A. and Rivera, J. (1998), "Measuring Market Orientation in Several Populations", *European Journal of Marketing,* Vol. **32,** pp. 23-39.

Langerak, F., Nijssen, E., Droogenbroeck, S. and Delissen, J. (1996), "Exploratory Results on the Influence of Market Orientation on the Competitive Advantage of Small and Medium-sized High Tech Firms in the Netherlands", *The American Marketing Association Conference,* USA.

Langerak, F. (2003), "An Appraisal of Research on the Predictive Power of Market Orientation", *European Management Journal,* Vol. **21,** pp. 447-464.

Narver, J. and Slater, F. (1990), "The Effect of a Market Orientation on Business Profitability", *Journal of Marketing,* Vol. **54**, pp. 20-35.

Narver, J. and Slater, F. (1998), "Additional Thoughts on Measurement of Marketing Orientation", *Journal of Market Focused Management,* Vol. **2,** pp. 241-246.

Narver, J. and Slater, F. and Maclachlan, D. (2000), "Total Market Orientation, Business Performance and Innovation", *Working Paper.*

Narver, J. and Slater, F. (1993), "Market orientation and customer service: The implications for business performance", *European Advances in Consumer Research,* Vol. **1,** pp. 317-321.

Narver, J. and Slater, F. (1991), "Becoming More Market Oriented: an Exploratory Study of the Programmatic and Market-Back Approaches", *Working Paper,* Cambridge, Marketing Science Institute.

Narver, J. and Slater, F. (1988), "Market Orientation: Construct Measurement and Analysis of Effects on Performance", *Marketing Science Institute Conference*, Boston.

NARVER, J. and Slater, F. (1994), "Does Competitive Environment Moderate the Market Orientation-performance Relationship", *Journal of Marketing,* Vol. **58,** pp. 46-55.

NARVER, J. Slater, F. (1995), "Market Orientation and the Learning Organisation", *Journal of Marketing,* Vol. **59,** pp. 63-74.

Oscar Gonza Lez-Benito and Javier Gonza Lez-Benito (2005), "Cultural Vs. Operational Market Orientation and Objective vs. Subjective Performance: Perspective of Production and Operations", *Industrial Marketing Management*, Vol. **34**, pp. 797-829.

Pelham, A. (1994), "Market Orientation and Performance: the Moderating Effects of Product and Customer Differentiation", *Journal of Business and Industrial Marketing,* Vol. **12,** pp. 276-296.

Pelham, A. (1997), "Mediating Influences on the Relationship between Market Orientation and Profitability in Small Industrial Firms", *Journal of Marketing: Theory and Practice***,** pp. 55-76.

Pelham, A. (1999), "Influence of Environment, Strategy, and Market Orientation on Performance in Small Manufacturing Firms", *Journal of Business Research,* Vol. **45,** pp. 33-46.

Pelham, A. (2000), "Market Orientation and Other Potential Influences on Performance in Small and Medium-sized Manufacturing Firms", *Journal of Small Business Management,* Vol. **38,** pp. 48–67.

Pitt, L., Caruana, A., and Berthon, R. (1996), "Market Orientation and Business Performance: Some European Evidence", *International Marketing Review,* Vol. **13,** pp. 5-18.

Ruekert, R. (1992), "Developing a Market Orientation: An Organisational Strategy Perspective", *International Journal of Research in Marketing,* Vol. **9,** pp. 225-245.

Singh, S. (2003), "Effects of Transition Economy on the Market Orientation-Business Performance Link: The Empirical Evidence from Indian Industrial Firms", *Journal of Global Marketing*, Vol. **16,** pp. 73-96.

Slater, F. and Narver, J. (1993), "Market Orientation and Customer Service: The Implications for Business Performance", *European Advances in Consumer Research,* Vol. **1,** pp. 317-321.

Slater, F. and Narver, J. (1994), "Does Competitive Environment Moderate the Market Orientation-Performance relationship", *Journal of Marketing,* Vol. **58,** pp. 46-55.

Slater, F. and Narver, J. (1993), "Market Orientation, Customer Value, and Superior Performance", *Business Horizons,* Vol. **37,** pp. 22-27.

Slater, F. and Narver, J. (1995), "Market Orientation and the Learning Organization", *Journal of Marketing,* Vol. **59,** pp. 63-74.

Slater, F. and Narver, J. (1998), "Additional Thoughts on the Measurement of Market Orientation: A Comment on Deshpande and Farley", *Journal of Market Focused Management,* Vol. **2,** pp. 233-236.

Slater, F. and Narver, J. (2000), "The Positive Effect of A Market Orientation on Business Profitability: A Balanced Replication", *Journal of Business Research,* Vol. **48,** pp. 69-73.

Voss, G. and Voss, Z. (2000), "Strategic Orientation and Firm Performance in an Artistic Environment", *Journal of Marketing,* Vol. **64,** pp. 67-83.

ملخص الدراسة

د. صبري جبران محمد الكرغلي*

تهدف هذه الورقة البحثية الحالية إلى القيام بدراسة استكشافية للتعرف إلى أي مدى تقوم المنظمات الليبية بتبني تطبيق مفهوم التوجه نحو السوق كاستجابة للتغيرات في بيئة الأعمال التي تمر بها الدول الليبية منذ منتصف الثمانينيات ، الدراسة أيضا تهدف إلى استكشاف تأثير كل من متغيري نوع النشاط و نوع الملكية على تبني تطبيق مفهوم التوجه نحو السوق و أداء الشركات الليبية.

فيما يتعلق بمنهجية البحث تم توزيع عدد 400 استمارة استبانة تم استرجاع 276 استمارة ثبت صلاحية 233 استمارة فقط للتحليل الإحصائي ، كما تم تبني مقياس التوجه نحو السوق المصمم من قبل كل من (Narver and Slater, 1990)، في حين تم قياس الأداء من خلال مقياس مكون من 9 عبارات تقيس الأداء تم اشتقاقها من أدبيات التسويق.

أما فيما يتعلق بنتائج الدراسة فقد تم التوصل إلى أن هناك نمواً في مستوى التبني لمفهوم التوجه نحو السوق خصوصا في القطاع الخاص ذي الأداء الأعلى. كذلك أثبتت النتائج وجود علاقة ارتباط بين تبني تطبيق مفهوم التوجه نحو السوق و الأداء لتدعم الدراسة بنتائجها نتائج دراسات أخرى سابقة أجريت بالولايات المتحدة و بريطانيا و بعض الاقتصاديات المتحولة في العالم.

إن الدراسة الحالية تعد إحدى الدراسات الهامة كونها تأتي استجابة للنداءات التي أطلقها علماء التسويق لأجل معرفة درجة تبني تطبيق مفهوم التوجه نحو السوق و تأثيره على الأداء المؤسسي بدول مختلفة من العالم، و من ثم فان الدراسة تساهم في ملء الفراغ في أدب التسويق في هذا الشأن ، أيضا تفيد نتائج هذه الدراسة الشركات الأجنبية التي ترغب في الدخول للسوق الليبي للاستفادة من مضامينها.

أخيرا تختتم الورقة بالتطرق لمضامين البحث من الناحيتين النظرية و العملية و القيود البحثية بالدراسة ثم الأبحاث المستقبلية الممكنة.

الكلمات الدالة: التوجه نحو السوق ، أداء الشركات ، ليبيا

* جامعة بنغازي - كلية الاقتصاد / قسم التسويق - بنغازي / ليبيا
محاضر بقسم التسويق -مدير مكتب ضمان الجودة و تقييم الأداء بالجامعة
00218/ 917059995 - 00218/ 925795945 Sabri.elkrghli@benghazi.edu.ly - mmresearcheruk@yahoo.com