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The Impact of Values on Attitudes Toward Market Orientation

Olivier Furrer, Christian Lantz, and Amandine Perrinjaquet

Employees' values—openness to change, individualism, concern for others—influence their attitudes about market orientation. For competitive advantage, then, managers might seek individuals with the right “values profile” for market-oriented behaviors.

Report Summary

How easy is it to increase a firm's market orientation? Is market orientation a deeply rooted attribute of a firm, difficult to change, or can it be increased through employee and/or management training programs or other allocations of resources?

Most research to date has measured market orientation through the perceptions of marketing managers, without evaluating whether these values and beliefs were shared throughout the organization. But at root, a firm's market orientation is the cumulative result of the market-oriented behaviors of its individual employees. And employees' behaviors flow from their attitudes, which in turn flow from their values.

In this study, Furrer, Lantz, and Perrinjaquet examine the impact of individual employees' values on their attitudes toward market orientation via a survey of employee values in three Swiss firms. The survey broke down market orientation into three separate components—customer orientation, competitor orientation, and interfunctional coordination—because recent studies have suggested that these compo-

nents might be differently influenced by individual values.

The study found that at the employee level, individual values *do* influence individual attitudes toward market orientation. In addition, individual values were shown to affect the three components of market orientation differently. Conservation values (the extent to which individuals are motivated to preserve the status quo) positively affected competitor orientation and interfunctional coordination. Self-transcendent values (the extent to which individuals are motivated to promote the welfare of others) positively affected customer orientation. Individualistic values negatively affected attitudes toward all three components of market orientation.

These findings suggest that managers may be able to increase their firms' market orientation. First, they can select employees with attitudes favorable to market orientation, based on their individual value profiles. Second, managers can develop trainings to reinforce employees' favorable attitudes toward market orientation. Finally, managers can develop incentive systems to reward employees' market-oriented behaviors. ■

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Introduction

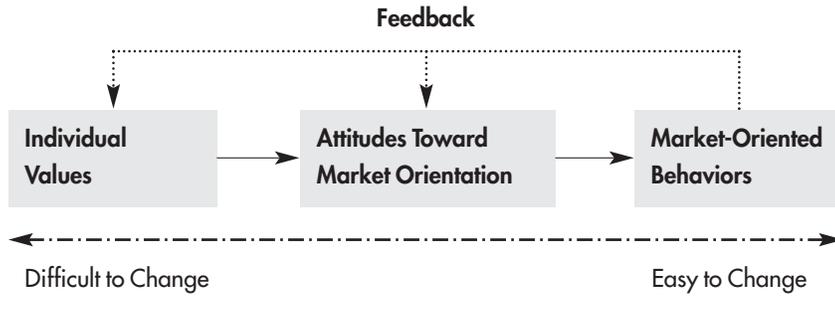
Is market orientation a relatively immutable element of a firm's organizational culture, or is it an organizational choice that can be easily managed? As recently argued by Noble, Sinha, and Kumar (2002), this question has not yet been answered satisfactorily in the literature. The cultural perspective holds that market orientation is an organizational culture that consists of a fundamental set of shared values and beliefs that puts the customer in the center of the firm's thinking about strategy and operations (Deshpandé and Webster 1989; Deshpandé, Farley, and Webster 1993). According to the cultural perspective, market orientation is a deeply rooted attribute of a firm. The alternative view, supported by authors such as Ruekert (1992), holds that a firm's degree of market orientation is largely a matter of choice and resource allocation. This perspective suggests that with the proper resources and focus, a firm can become more market oriented in a relatively rapid response to corporate directives (Noble, Sinha, and Kumar 2002).

An answer to the above question suggests a multitude of implications. If market orientation is a managerial choice, then it can be actively managed (Ruekert 1992) and copied; if it is an organizational culture, then it is more difficult to manage, but on the other hand, it could be a source of competitive advantage that might lead to superior performance (Day and Wensley 1988; Hunt and Morgan 1995). Indeed, according to the resource-based view (e.g., Barney 1986, 1991) and to the resource-advantage theory (Hunt 2000; Hunt and Morgan 1995, 1996), any skill, asset, or culture may be a source of competitive advantage if it produces value for customers and is rare and difficult to imitate or to substitute. Therefore, market orientation may only be a source of competitive advantage if it is deeply embedded in an organization's culture, making it therefore difficult for competitors to imitate.

Deshpandé and Webster (1989, p. 4) define an organizational culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization." This definition emphasizes three different layers of culture, including values, norms, and behaviors in the organization (Homburg and Pflesser 2000). Values are at the heart of the culture and are difficult to modify and imitate; therefore, they can be a source of competitive advantage. On the other hand, behaviors that are more malleable are easier to imitate and therefore cannot be a source of competitive advantage.

This cultural conception of market orientation posits a causal chain leading from shared basic values supporting market orientation, through norms (i.e., shared attitudes) for market orientation that reflect expectations about specific behaviors, to actual market-oriented behaviors themselves (Deshpandé and Webster 1989; Homburg and Pflesser 2000). The managerial perspective only considers market orientation as norms and behaviors. It is only if they are effectively shared by individual employees that values and beliefs lead to norms for market orientation and market-oriented behaviors. It is therefore important to understand the role individual employees' values play. At the individual-employee level, the influence flows from abstract values to mid-range attitudes¹ to specific behaviors (Homer and Kahle 1988) (see Figure 1). Such a framework is well established in consumer research (e.g., Homer and Kahle 1988; Shim and Eastlick 1998). In this framework, values are difficult to change because they are the centrally held core of an individual's belief system and transcend specific situations (Rokeach 1973). Attitudes are not easy to change, but they are easier to change than values because they are less central to an individual's identity and less global in their application (Ajzen and Fishbein 1980). Finally, behaviors are malleable and easy to change. Behaviors furthermore reinforce an individual's values and attitudes (Hartline, Maxham, and McKee 2000;

Figure 1
Market Orientation Causal Chain



Meglino and Ravlin 1998). It is only when this reinforcement (feedback loop) uniformly fails to occur that values and attitudes change.

The objective of this paper is to study the impact of individual employees' values on their attitudes toward market orientation. The study of this impact is important because if it is established, it would support the cultural conception of market orientation. Furthermore, if values, which are difficult to change and imitate, impact attitudes toward market orientation, then market orientation may be a source of competitive advantage leading to superior performance.

The contribution of this study is threefold. First, we depart from the extant literature by taking an individual-employee-level approach. Most of the literature on market orientation treats it as a top-down phenomenon, with marketing executives playing a critical role in establishing cultural norms and overseeing their diffusion in the firm (major exceptions to this view are the papers by Allen, McQuarrie, and Barr 1998; Brown et al. 2002; Kennedy, Lassk, and Goolsby 2002; and Saxe and Weitz 1982, which, however, only focus on the customer-orientation component of market orientation). In this sense, in most of the research to date, market orientation has been measured through the perception of marketing managers, without evaluating whether these values and beliefs were effectively shared throughout the organization. For example, Homburg and Pflesser (2000),

who investigated the causal chain that leads from shared values supporting market orientation, through norms for market orientation, to market-oriented behaviors, only investigated the perceptions of marketing managers without evaluating whether these perceptions of values, norms, and behaviors were effectively shared by their employees. Deshpandé, Farley, and Webster (1993), in their quadrad study of Japanese firms, show that managers' perceptions may be misleading. To avoid such a managerial bias, we therefore measure values and attitudes toward market orientation at the individual-employee level.

Second, to investigate the impact of individual employees' values on their attitudes toward market orientation, we use Schwartz's values system (e.g., Schwartz 1992; Schwartz and Sagiv 1995). The use of a complete system of values contributes to the development of the literature by insuring the generalization of the results. In their study, Homburg and Pflesser (2000), for example, identified eight value dimensions that support market orientation, but these values were ad hoc and not systematically organized, which may raise some concerns about the generalization of their results. Schwartz's value system (Schwartz and Sagiv 1995) systematically classifies values on a continuum of related motivations. Such a universal and systematic typology provides a basis for deriving empirical generalization regarding the relationships between individual values and attitudes toward market orientation.

Third, we take a componentwise approach to market orientation, which enables us to evaluate the differentiated influence of individual value dimensions on each of the components of market orientation (i.e., customer orientation, competitor orientation, and interfunctional coordination; Narver and Slater 1990). Although most of the research to date has used an aggregated approach, recent studies have suggested that the components of market orientation may behave differently (see Day and Nedungadi 1994; Frambach, Prabhu, and Verhallen 2004; Han,

Kim, and Srivastava 1998; Noble, Sinha, and Kumar 2002). A componentwise approach contributes to the literature by lending itself to more precise insights for managers who are interested in developing employee selection and training to enhance their firm's market orientation.

In this paper, we first present a review of the relevant literature and then describe the set of hypotheses underlying the research study. We then describe the method used to collect data for the empirical study and present our results. Finally, we draw a set of conclusions and discuss both the managerial implications of our study and the directions for further research.

Background

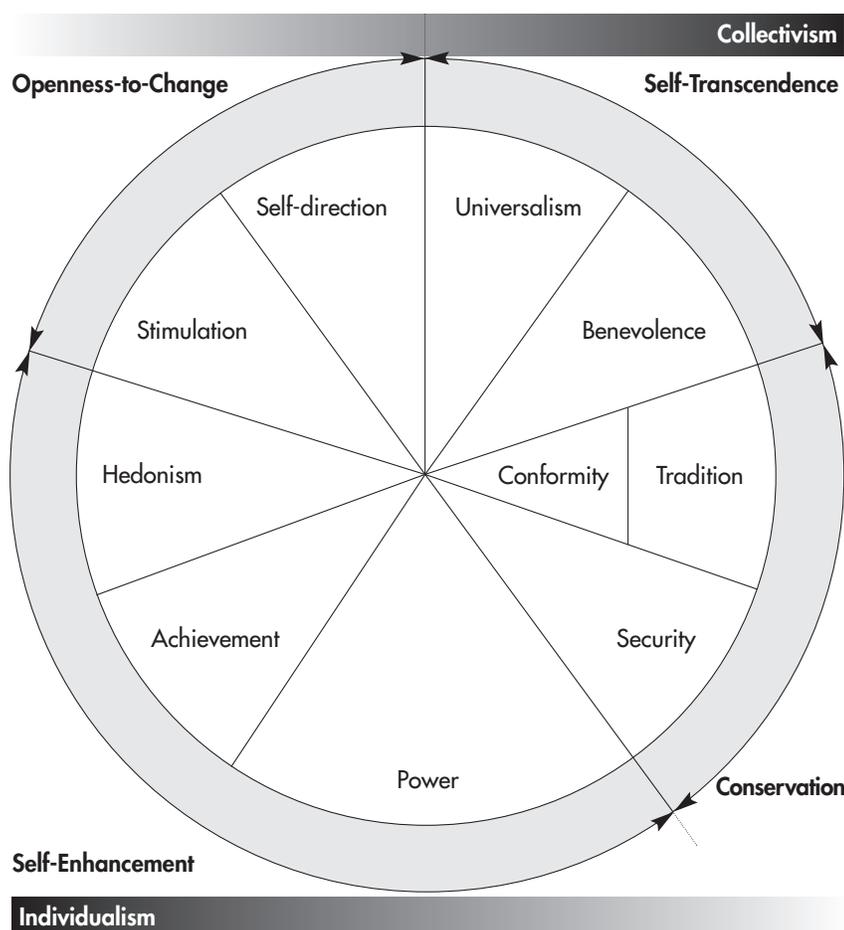
Individual values

Values are concepts or beliefs about desirable end states or behaviors that transcend specific situations, guide selection or evaluation of behaviors, and are ordered by importance in relation to one another to form a system of value priorities (Kluckhohn 1951; Rokeach 1973; Schwartz 1992). These value priorities represent the main goals that relate to all aspects of behavior (Smith and Schwartz 1997).

Probably the most important stream of research on individual values in the past 15 years has been conducted by Schwartz and colleagues (e.g., Schwartz 1992; Schwartz and Bilsky 1987, 1990; Schwartz and Sagiv 1995). Building on and extending Rokeach's (1973) work, Schwartz derived a typology of values. Ten types of values (self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, and universalism; see Schwartz 1992 for a complete description of these 10 value types) have been identified that reflect a continuum of related motivations. This continuum gives rise to a circular structure (see Figure 2) that classifies value types by their degree of compatibility and conflict (Schwartz 1992). For example, achievement and power are situated next to each other. The simultaneous pursuit of these value types is compatible because both involve intrinsic motivation for self-enhancement. Conversely, power is located opposite to universalism and benevolence, as the former emphasizes self-enhancement, whereas the latter favors self-transcendence. Simultaneous pursuit of both groups of values would give rise to psychological and social conflict (Schwartz 1992).

The structure and content of Schwartz's value system has received impressive empirical support in research, with 97 samples from 44 countries totaling more than 25,000 respondents (Schwartz 1992; Schwartz and Sagiv 1995). Schwartz's value dimensions are also widely used in studies in cross-cultural

Figure 2
Structural Relations among the 10 Motivational Types of Values
 (Adapted from Schwartz 1992)



psychology (e.g., Feather 1995), international management (e.g., Egri et al. 2000), and marketing (e.g., Steenkamp, ter Hofstede, and Wedel 1999).

One of the advantages of Schwartz's value system is that the 10 value dimensions can be regrouped to create higher-order continua. By grouping together the values of power, achievement, hedonism, stimulation, and self-direction, we obtain an index of individualism, and by grouping the values of universalism, benevolence, conformity, tradition, and security, we obtain an index of collectivism. These two indices may be combined to create an individualism/collectivism continuum. The 10 value dimensions could also be organized in four value domains that form two basic bipolar dimensions (openness-to-change versus conservation and self-transcendence versus self-enhancement), which more precisely describe the individualism and collectivism dimensions. The openness-to-change/conservation continuum distinguishes between the extent to which individuals are motivated in following their own intellectual and emotional interests in undetermined or nonprescribed ways and the extent to which they are motivated to preserve the status quo and the certainty that it provides in relationships with others (Schwartz 1992).

Openness-to-change, which encompasses the stimulation and self-direction values, is similar to the concept of horizontal individualism (Singelis et al. 1995; Triandis 1995; Triandis and Gelfand 1998) and represents the individualism end of the continuum. Conversely, conservation encompasses security, conformity, and tradition and is similar to the concept of vertical collectivism (Singelis et al. 1995; Triandis 1995; Triandis and Gelfand 1998). The self-enhancement/self-transcendence continuum concerns the extent to which a person is motivated in promoting self-interest, even when those interests bear consequences for others, versus the extent to which one is motivated to promote the welfare of others and of nature (Schwartz 1992). Self-enhancement, which is similar to the concept of vertical indi-

vidualism (Singelis et al. 1995; Triandis 1995; Triandis and Gelfand 1998), consists of the power, achievement, and hedonism values, and thus represents the individualism end of the continuum. Self-transcendence is made up of the benevolence and universalism values and is similar to the concept of horizontal collectivism (Singelis et al. 1995; Triandis 1995; Triandis and Gelfand 1998).

Since the seminal work by Hofstede (1980), the continuum opposing individualistic values to collectivistic ones has received considerable attention and has been the focus of particularly rich theoretical description at the individual level as well as at the cultural level² (e.g., Schwartz 1990; Triandis 1995; Triandis et al. 1985). However, the distinction between the two dimensions of individualism and collectivism (i.e., openness-to-change versus conservation and self-transcendence versus self-enhancement) should provide us with a more detailed understanding of the impact of individual values on attitudes toward market orientation.

Market orientation and attitudes toward market orientation

As mentioned earlier, market orientation has been conceptualized as organizational behavior (Jaworski and Kohli 1993; Kohli and Jaworski 1990; Ruekert 1992) as well as organizational culture (Deshpandé, Farley, and Webster 1993; Homburg and Pflesser 2000; Narver and Slater 1990; Slater and Narver 1994). The behavioral conception of market orientation focuses on the collection of market intelligence, the diffusion of this intelligence inside the organization, and the firm's action upon this intelligence (Kohli and Jaworski 1990). An assumption behind this conception is that a firm's degree of market orientation is largely a matter of choice and resource allocation (Ruekert 1992). The cultural conception of market orientation, on the contrary, is concerned with the philosophy that puts customers at the center of attention of all of the organization's members and considers market orientation as a set of organizationwide, shared values and beliefs (Day 1994; Deshpandé,

Farley, and Webster 1993; Deshpandé and Webster 1989). One consequence of this cultural conception is that changing a firm's level of market orientation is difficult and requires time and effort.

On the basis of their cultural definition, Narver and Slater (1990) have identified three behavioral components of market orientation—customer orientation, competitor orientation, and interfunctional coordination—each of which is engaged in intelligence generation, dissemination, and responsiveness to collected information (Kohli and Jaworski 1990). Customer orientation and competitor orientation include all of the activities involved in acquiring information about the customers and competitors in the target market. Interfunctional coordination is the firm's coordinated efforts to create superior value for the customers based on customers and competitor information. Typically, interfunctional coordination involves more than the marketing department. Customer orientation allows firms to identify customers' needs and to develop products that better meet these needs. However, not only should firms try to perceive and meet customers' needs, but they should also do this faster than their rivals (Dickson 1992). Therefore, in addition to being customer-oriented, firms also have to understand who their competitors are, what their strengths and vulnerabilities are, and how they should choose to compete (Narver and Slater 1990). This is especially important as the intensity of competition increases due to excess production capacity or greater globalization (Armstrong and Collopy 1996; Dickson 1992). Interfunctional coordination assures the participation of the firm's employees from different departments in the creation of value for customers (Porter 1985). Interfunctional coordination is an important facet of market orientation because it facilitates the transmission of experience and favors organizational learning (Sinkula 1994; Slater and Narver 1995).

Although there is strong theoretical support for the distinction among these three components

of market orientation, the primary emphasis has been on the combined (versus individual) effects of the components in actual practice. As noticed by Han, Kim, and Srivastava (1998), the rationale can be ascribed to the supposition that all three components contribute equally in constituting the construct. Nevertheless, Narver and Slater (1990, pp. 33–4) admit this contention's restrictiveness, when they note that “future studies should examine the effect of the proportions of the components within a given magnitude of market orientation.” Also, by citing literature that promotes customer orientation as a number-one priority, they further note the possibility of having the customer-orientation component play a relatively greater role in market-orientation dynamics. Day and Nedungadi (1994) found that only 15.5% of firms take a balanced stance on being “market driven,” which makes the soundness of the uniform role of the components somewhat dubious. Furthermore, recent empirical studies have found a differentiated effect of the three components on organizational innovativeness (Han, Kim, and Srivastava 1998) and on performance (Noble, Sinha, and Kumar 2002). Frambach, Prabhu, and Verhallen (2004) also found that firms' likelihood of emphasizing customer orientation or competitor orientation depends on their business strategy. It is therefore important to distinguish between the three components of market orientation.

In the cultural perspective, it is not just the marketing department that is responsible for market orientation; it is critical that employees in a variety of departments be cognizant of customer needs (i.e., aware of market intelligence) and be responsive to those needs (Day 1994; Grönroos 2000; Harris 1999; Kohli and Jaworski 1990). Market orientation must penetrate deep into the organization, beyond marketing-related personnel; even workers removed from direct contact with external customers need to understand their indirect impact on these customers (Allen, McQuarrie, and Barr 1998; Kennedy, Lassk, and Goolsby 2002). Gummesson (1991) coins the term

“part-time marketer” to stress the crucial role of each individual employee in implementing market orientation in a firm’s culture. It is therefore critical to study market-orientation culture at the individual-employee level, i.e., at the level of individual attitude.

An attitude is a set of beliefs about a specific object or idea that directs behavior toward this object or idea (Ajzen and Fishbein 1980). It can also be defined as a predisposition to behave in a certain way (Ajzen and Fishbein 1980). A favorable attitude toward market orientation is therefore a predisposition to engage in market-oriented behaviors. When attitudes are shared at the group level, they become norms (Hartline, Maxham, and McKee 2000; Jaworski 1988; Kelley 1992). Thus, attitudes toward market orientation at the individual level are related to norms for market orientation (Deshpandé and Webster 1989; Homburg and Pflesser 2000) at the group level. At the individual level, Allen, McQuarrie, and Barr (1998) and Kennedy, Laskk, and Goolsby (2002) have recently and independently developed scales to measure attitudes toward customer orientation or customer focus. To the best of our knowledge, however, the other two components of market orientation, competitor orientation and interfunctional coordination, have not yet been operationalized at the individual level.

Model and Hypotheses

Values, which are more abstract than attitudes, serve as prototypes from which attitudes are created (Homer and Kahle 1988). Therefore, within a given context (e.g., market orientation), the influence should theoretically flow from abstract values to specific attitudes. To the best of our knowledge, the only study to have investigated the impact of values on attitudes toward (or norms for) market orientation is one conducted by Homburg and Pflesser (2000). Using content analysis and field interviews followed by a quantitative survey of managers, they identified eight value dimensions supporting

market orientation: success, innovativeness and flexibility, openness of internal communication, quality and competence, speed, interfunctional cooperation, responsibility of the employees, and appreciation of the employees. Some of these values, such as success, innovativeness and flexibility, quality and competence, speed, responsibility of the employees, and appreciation of the employees are individualistic values, while openness of internal communication and interfunctional cooperation are collectivistic values. However, the researchers did not report the impact of the individual-value dimensions or the impact of the components of market orientation.

In a recent conceptual paper, Nakata and Sivakumar (2001) investigated the impact of Hofstede’s (1980) value dimensions on the adoption of marketing concept and market orientation. Using Kohli and Jaworski’s (1990) conceptualization of market orientation, they proposed that individualism is positively related to market intelligence generation and negatively related to market intelligence dissemination and utilization. However, these propositions at the group or culture level should be carefully examined before being accepted at the individual level, because relationships between prevailing cultural values and other attributes may differ from the relationships between parallel individual-level values and parallel attributes of individuals (Hui, Yee, and Eastman 1995; Smith and Schwartz 1997). To assume that a finding obtained at one level of analysis will hold true at the other is to commit the ecological fallacy (Hofstede 1980). We therefore need to further develop our hypotheses at the individual and market-orientation component levels.

Customer orientation

Customer orientation is the understanding of one’s target buyers sufficient to be able to create superior value for them continuously (Narver and Slater 1990). Individualists have independent selves, primarily organized and made meaningful by reference to their own internal repertoire of thoughts, feelings, and actions,

rather than by reference to the thoughts, feelings, and actions of others (Aaker and Maheswaran 1997; Markus and Kitayama 1991). Because customer orientation implies a reference to customers, employees with individualistic values are less likely to develop attitudes favorable to customer orientation than are employees with more collectivistic values. Moreover, customer orientation requires a continuous positive disposition toward meeting customers' exigencies, and therefore a high degree of concern for these customers (Saxe and Weitz 1982). Furthermore, Aaker and Maheswaran (1997) argue that attitudes toward building relationships and maintaining connections tend to be more favorable in people with collectivistic values. Employees with interdependent selves (i.e., with collectivistic values) are usually more attentive and sensitive to others (e.g., customers) (Markus and Kitayama 1991) and more empathic (Furrer, Liu, and Sudharshan 2000) than those who have independent selves and who possess more individualistic values. Therefore, we can hypothesize the following relationship:

H1a: Employees' individualistic values have a negative impact on their attitudes toward customer orientation.³

Because customer orientation is likely to require employees who understand customers' needs and who seek to satisfy these needs, we think that self-transcendence values, such as benevolence, should have a stronger positive impact on customer orientation than the dimension consisting of conservation and openness-to-change. Brown et al. (2002) recently found that agreeability (defined as general warmth of feelings toward others) was positively related to the customer orientation of service employees. They argue that employees high in agreeability may naturally feel an empathy with their customers and possess a desire to solve customers' problems through the service they provide. Agreeability and empathy toward others are values pertaining to the self-transcendence dimension of collectivism (Markus

and Kitayama 1991). Therefore, we hypothesize the following relationship:

H1b: The self-enhancement/self-transcendence value dimension will have a stronger negative impact on employees' attitudes toward customer orientation than the openness-to-change/conservation value dimension.

Competitor orientation

Competitor orientation means that a firm understands the short-term strengths and weaknesses and long-term capabilities and strategies of both the key current and potential competitors (Day and Wensley 1988; Narver and Slater 1990). The essence of this understanding is in direct comparison with target competitors (Day and Nedungadi 1994; Day and Wensley 1988). As previously mentioned in our discussion of customer orientation, individualists, who have independent selves, rely primarily on their own internal repertoire of thoughts, feelings, and actions to organize and find meaning in their experiences rather than referring to the thoughts, feelings, and actions of others (Markus and Kitayama 1991). Therefore, employees with individualistic values are less likely to develop attitudes that are favorable to competitor orientation than are employees with more collectivistic values. The most significant element of the interdependent self is the self-in-relation-to-others element (Markus and Kitayama 1991). Therefore, people with collectivistic values have a need to know and to understand their social environment, particularly others (such as competitors) in direct interaction with them, and thus their attitudes toward competitor orientation are likely to be more positive than the attitudes of people with individualistic values. Therefore, we hypothesize that:

H2a: Employees' individualistic values have a negative impact on their attitudes toward competitor orientation.

To preserve the status quo (Markus and Kitayama 1991), collectivist employees with

conservation values are more likely to favor behaviors that seek to identify and respond to competitors' actions, and thus to be more competitor-oriented, than are collectivist employees with self-transcendence values, who have a more open attitude toward competitors. Furthermore, power and achievement values in individualists are likely to counterbalance the effect of their collectivistic counterparts—i.e., universalism and benevolence—on attitudes toward competitor orientation. Therefore, we can hypothesize that:

H2b: The openness-to-change/conservation value dimension will have a stronger negative impact on attitudes toward competitor orientation than the self-enhancement/self-transcendence value dimension.

Interfunctional coordination

Interfunctional coordination is the coordinated utilization of a firm's resources in creating superior value for target customers (Narver and Slater 1990). Interfunctional coordination is motivated by the desire to achieve the firm's broad common objectives as well as its specific marketing objectives (Ruekert and Walker 1987). However, the goals of different functional areas and their personnel are rarely consonant (Anderson 1982). Thus, interfunctional coordination is driven by common objectives, but it is also a source of conflict due to differences in individual goals. Employees with collectivistic values tend to promote in-group harmony (e.g., Aaker and Maheswaran 1997; Markus and Kitayama 1991; Triandis et al. 1985). Therefore, when a firm is considered as the in-group, collectivistic employees are likely to develop favorable attitudes toward interfunctional coordination. Conversely, when the functional department (i.e., marketing or R&D department) is considered as the in-group, collectivistic employees are less likely to develop favorable attitudes toward interfunctional coordination. Previous studies have shown that interaction and interdependency do, however, coincide with collectivistic values (Chatman and Barsade 1995; Markus and Kitayama 1991)

and collectivistic values with intensive information sharing (Moorman 1995; Wagner 1995). Employees with collectivistic values are also more inclined to work toward solving conflicts; when there is a discrepancy between their personal goals and the goals of their in-group, they tend to feel that the group goals should have priority over their personal goals (Schwartz 1990; Triandis et al. 1988). In this sense, employees with collectivistic values are more likely to develop favorable attitudes toward interfunctional coordination than are people with individualistic values. Therefore:

H3a: Employees' individualistic values have a negative impact on their attitudes toward interfunctional coordination.

Collectivistic employees who favor conservation values are strongly motivated to preserve harmony and stability in the group (security value) and restrain themselves from any action, inclinations, or impulses that are likely to upset or harm others or violate social expectations or norms (conformity value). These employees are likely to develop strong attitudes favorable to interfunctional coordination. Collectivistic employees who favor benevolence values are concerned with the welfare of others, and they may also develop favorable attitudes toward interfunctional coordination, but the impact of benevolence may be offset by the impact of the power value on the individualistic side of the self-enhancement/self-transcendence continuum. Employees who value power may indeed develop favorable attitudes toward interfunctional coordination when this coordination is imposed by the hierarchy. Therefore, we hypothesize:

H3b: The openness-to-change/conservation value dimension will have a stronger negative impact on attitudes toward interfunctional coordination than the self-enhancement/self-transcendence value dimension.

Control variables

Functional background and hierarchical

responsibilities as well as age and gender are also likely to influence attitudes toward market orientation. There is a widespread belief in the management literature that functional managers selectively perceive their environment and organizational competencies in ways that are consistent with their activities and responsibilities (e.g., Hambrick and Mason 1984). Jaworski and Kohli (1996) argue that R&D employees may be more enthusiastic about working in companies that are internally focused rather than market oriented. We may therefore expect a systematic functional bias, specifically the tendency of employees in contact with customers to be biased toward a customer orientation. Allen, McQuarrie, and Barr (1998) also report that employees with a marketing background have more affirmative beliefs about the value of customer contact. A market orientation usually emanates from a firm's leadership down through the organization (Kohli and Jaworski 1990; Narver and Slater 1990); top managers should therefore develop more favorable attitudes toward market orientation than should lower-level employees. Jaworski and Kohli (1996) cite the example of a firm that assessed market orientation at three different levels of the corporation and found that top managers were far more favorable in their attitudes toward market orientation than were middle and junior managers. Webster (1991) found that employees from various levels within a firm have significantly different attitudes regarding the firm's marketing culture. Older, more experienced employees are likely to better understand the advantages of market orientation and therefore to have more favorable attitudes toward it. Females tend to be more relational and empathic than males, so female employees should also tend to have more favorable attitudes toward market orientation. If these control variables significantly impact employees' attitudes toward market orientation, it will mean that attitudes toward market orientation are not consistent throughout the organization, which will weaken the overall market orientation of the firm's organizational culture (Webster 1991).

Research Design

Level of analysis

Most research rooted in the cultural perspective of market orientation uses a comparative management approach to culture (Deshpandé and Webster 1989). In such an approach, market orientation is treated as an independent variable endogenous to the firm, consisting of shared beliefs and values (Deshpandé and Webster 1989). Because beliefs and values about market orientation are shared and endogenous to the firm, market orientation can be measured using the perception of marketing managers. These studies, however, failed to evaluate whether these values and beliefs were effectively shared throughout the organization. Such an aggregate approach overlooks differences in belief systems between different functions and different hierarchical levels within the firm (Allen, McQuarrie, and Barr 1998). Moreover, this aggregate approach is being challenged by findings such as those of Kohli, Jaworski, and Kumar (1993), which evince different factor structures for market orientation reported by key informants from marketing versus nonmarketing functions.

In this study, we take an organization cognition perspective on organizational culture (Deshpandé and Webster 1989; Smircich 1983), in which market orientation is something that resides within each individual employee as a function of cognitive and learning processes. In this perspective, organizational culture derives from the subjective values and attitudes that individual employees share in varying degrees (Smircich 1983). The emphasis on values and attitudes yields an approach to studying culture at the individual-employee level.

Sample

We collected data from employees working in three different firms (one service firm and two manufacturing firms) located in the French-speaking part of Switzerland. The choice of collecting data in a single country was made to

Table 1
Sample Description

		Mean	SD	Cronbach's alpha
Independent Variables				
Individualism/Collectivism		-.527	.836	.814
Openness-to-change/Conservation		.051	1.073	.707
Self-enhancement/Self-transcendence		-1.428	1.078	.743
Dependent Variables				
Customer orientation		5.596	.715	.687
Competitor orientation		5.091	.949	.557
Interfunctional coordination		5.181	.915	.578
Control Variables				
Gender	Male	26	43	18
	Female	21	7	9
Age	1 = $x \leq 30$	22	3	8
	2 = $31 \leq x \leq 50$	20	36	15
	3 = $x \geq 51$	5	11	4
Hierarchical Level	Nonsupervisory staff	35	17	8
	First-level supervisor	6	1	7
	Middle management	4	13	10
	Top management	2	19	2
Function	Contact with customer	17	11	16
	No contact with customer	30	39	11

avoid the confounding effect of political-economy factors and cultural values upon individual values and attitudes toward market orientation (Selnes, Jaworski, and Kohli 1996; Steenkamp, ter Hofstede, and Wedel 1999). Because the focus of the research is on values and attitudes toward market orientation *within* firms, questionnaires were addressed to multiple members within each organization rather than to a single informant. Senior managers in potential participating companies were personally contacted and informed of the nature of the study. They, in turn, nominated a sample of their employees that represented a cross-section of hierarchical levels and functions within their organization. We obtained a

sample of 124 usable questionnaires. A sample description is presented in Table 1.

Measures

Because we chose to use existing scales that had been developed and tested in English, a questionnaire was initially developed in English and then translated into French by using a translation-back-translation procedure (Craig and Douglas 2000).

Individual Values. To measure individual values, we used Schwartz's Value Survey (SVS) (Schwartz 1992; Schwartz and Sagiv 1995), which consists of 56 item values measuring the 10 values identified by Schwartz (1992). The

Table 2

Ten Value Types: Goals and the Single Values That Represent Them

Power:	Social status and prestige, control or dominance over people and resources (social power, authority, social recognition, wealth,* preserving my public image*)
Achievement:	Personal success through demonstrating competence according to social standards (successful, ambitious, influential, intelligent, self-respect, capable*)
Hedonism:	Pleasure and sensuous gratification for oneself (pleasure, enjoying life)
Stimulation:	Excitement, novelty, and challenge in life (daring, a varied life, an exciting life)
Self-Direction:	Independent thought and action-choosing, creating, exploring (creativity, freedom, independent, curious, choosing own goals, self-respect)
Universalism:	Understanding, appreciation, tolerance and protection for the welfare of all people and for nature (wisdom, social justice, equality, a world at peace, protecting the environment, unity with nature,* a world of beauty,* broadminded*)
Benevolence:	Preservation and enhancement of the welfare of people with whom one is in frequent personal contact (helpful, honest, loyal, responsible, mature love, forgiving,* true friendship*)
Tradition:	Respect, commitment and acceptance of the customs and ideas that traditional culture or religion provide the self (humble, accepting my portion of life, moderate, respect for tradition,* devout*)
Conformity:	Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms (politeness, obedient, self-discipline, honoring parents and elders)
Security:	Safety, harmony, and stability of society, of relationships, and of self (family security, national security, social order, clean, reciprocation of favors, sense of belonging, healthy)

Adapted from Schwartz and Sagiv (1995)

* Values not used in computing indices for value types

instruction and scoring procedure developed by Schwartz (Schwartz and Sagiv 1995) was employed. In short, the values are presented in two lists—the first 28 phrased as terminal values and the remaining 28 as instrumental values—and each value is followed by a short explanatory phrase. Values from different motivational types are intermixed throughout the instrument. Each value was measured on 9-point Likert-type scales ranging from “opposed to my values” (-1) to “important” (3) to “of supreme importance” (7) as guiding principles

in life. Prior to rating the values on each list, respondents chose and rated their most important and least important value.

The basic value dimensions form a complex, circular structure of interrelated concepts (see Figure 2) (Schwartz 1992) that is not easily represented by factor analytic methods (Shye 1988). Therefore, as suggested by Schwartz (1992), an index of the importance of a value domain was obtained by computing the mean importance for each value type separately and subsequently averaging the importance attributed to the value types within each domain. This procedure ensures equal weighting of all value types in the construction of a particular value dimension. The scores for the individualism/collectivism continuum were computed by subtracting the mean importance score for collectivism from the mean importance score for individualism. The scores for the openness-to-change/conservation and self-enhancement/self-transcendence continua were computed in a similar way. This procedure was proposed by Feather (1995) and subsequently used in marketing by Steenkamp, ter Hofstede, and Wedel (1999).

However, before computing the scores for the value dimensions, we tested the correspondence between the actual and theorized content and structure of the value types by comparing the two-dimensional spatial representation of the intercorrelations among the 56 single values to the theoretical spatial arrangement in Figure 2 using a multidimensional scale algorithm (ALSCAL) equivalent to the one used in Schwartz’s (1992) original study. The analysis provided substantial support for both the content and structure postulates of the theory. Following Feather (1995) and Schwartz and Sagiv (1995), misplaced values—i.e., they were found in other regions than expected—were removed from the indices (see Table 2). As we show in Table 1, the Cronbach’s alpha coefficients of each of the value dimensions are all acceptable, ranging from .707 to .814.

Table 3
Value and Market Orientation Scales Reliability Analysis

Scales	Item-to-Total Correlation	Cronbach's Alpha
Openness-to-change/conservation values		.707
Stimulation	.511	
Self-direction	.450	
Security	-.507	
Conformity	-.482	
Tradition	-.235	
Self-enhancement/self-transcendence values		.743
Hedonism	.258	
Power	.451	
Achievement	.473	
Universalism	-.560	
Benevolence	-.409	
Attitudes toward customer orientation		.687
Customer commitment	.654	
Create customer value	.608	
Understand customer needs	.701	
Customer satisfaction objectives	.615	
Measure customer satisfaction	.573	
After-sales service	.617	
Attitudes toward competitor orientation		.557
Salespeople share competitive information	.520	
Respond rapidly to competitors' actions	.737	
Top managers discuss competitors' strategies	.715	
Target opportunities for competitive advantage	.641	
Attitudes toward interfunctional coordination		.578
Interfunctional customer calls	.663	
Information shared among functions	.601	
Functional integration in strategy	.628	
All functions contribute to customer value	.648	
Share resources with other business units	.513	

Attitudes toward Market Orientation.

Individuals are members of a particular national culture, which affects their attitudes (Steenkamp, ter Hofstede, and Wedel 1999; Triandis 1989). Nakata and Sivakumar (2001) have argued that national culture influences

how the marketing concept is interpreted. For example, in individualistic societies, the marketing concept may be interpreted as understanding and satisfying buyers' desires for novelty, variety, and individual gratification—that is, their transactional requirements. On the other hand, in collectivistic societies, buyers expect sellers to communicate with them frequently and to provide services beyond contract terms—in other words, to understand and satisfy their relational requirements (Nakata and Sivakumar 2001). These differences have an important impact on how attitudes toward marketing orientation should be operationalized. The MKTOR scale (Narver and Slater 1990) has been shown to have a strong cultural reliability (Deshpandé and Farley 1998). Moreover, since Switzerland is an individualistic country (Hofstede 1980), and the United States, where the scale was initially developed, is also individualistic, we therefore felt confident in using a slightly modified version of this scale.

To measure employees' attitudes toward the three components of market orientation, rather than to measure market-oriented behaviors, we modified the MKTOR scale. This modification consisted of minor changes in the wording of the original MKTOR items so that they asked respondents about what they think firms should do rather than what their firm is currently doing. For example, "I believe that firms should measure customer satisfaction systematically and frequently" would replace "We measure customer satisfaction systematically and frequently." The 15 items of the scale were measured on 7-point Likert-type scales ranging from "strongly disagree" (1) to "neutral" (4) to "strongly agree" (7) with statements about what firms should do. For each market-orientation component, the measure was derived by taking the mean value of all of the items listed under the component. As we show in Table 3, the Cronbach's alpha coefficients of each of the market-orientation components range from .557 to .687. The three coefficients have values slightly smaller than the .7 usually desired

Table 4
Factor Analysis with Varimax Rotation

Items under Market Orientation Components	Factor*		
	F1	F2	F3
Customer commitment	.584	.140	.138
Create customer value	.551	.340	.129
Understand customer needs	.656	.156	.031
Customer satisfaction objectives	.768	-.119	.092
Measure customer satisfaction	.421	.050	.374
After-sales service	.655	.054	.207
Salespeople share competitive information	.116	-.035	.643
Respond rapidly to competitors' actions	.132	-.016	.748
Top managers discuss competitors' strategies	.171	.376	.662
Target opportunities for competitive advantage	.096	.364	.445
Interfunctional customer calls	-.097	.650	.179
Information shared among functions	.015	.509	-.037
Functional integration in strategy	.355	.538	.061
All functions contribute to customer value	.112	.683	.254
Share resources with other business units	.239	.432	-.071
Percentage variance explained	25.33	10.28	8.16

*Underlying dimensions identified as three factors by scree test: F1 = customer orientation, F2 = interfunctional coordination, and F3 = competitor orientation.

Note: Numbers in boxes indicate items that load highly for each of the three factors.

(Nunnally 1978), but their values are nevertheless acceptable.

Following Han, Kim, and Srivastava (1998), we performed a factor analysis with varimax rotation (see Table 4). All of the original items loaded reasonably highly on their respective components and low on the other components. These results confirm the unidimensionality of the three components, and furthermore, they add credence to the justification in using a componentwise approach (Han, Kim, and Srivastava 1998). Table 5 provides the correlations between the constructs.

Confirmatory factor analyses for a one-factor structure (the combined market-orientation measure) versus a three-factor structure were

carried out as well. For the one-factor structure, the goodness-of-fit index (GFI) and adjusted goodness-of-fit index (AGFI) were .861 and .815, respectively, which showed an acceptable range of model fit. The χ^2 was 154.30 ($p < .05$), which provided a marginal fit, and χ^2/df was 1.714, which was acceptable. The root mean square residual (RMSR) was as low as .147. For the three-factor structure, GFI = .912, AGFI = .879, $\chi^2 = 97.49$ ($p > .05$), $\chi^2/df = 1.120$, and RMSR .032. From these results, we find that the three-factor measure provides a better fit to the data than the one-factor measure, even though both offer reasonable fit indices.

Control Variables. The control variables were measured in the following way: Gender was

Table 5
Correlation Matrix

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
[1] Customer orientation									
[2] Competitor orientation	.478**								
[3] Interfunctional coordination	.341**	.349**							
[4] Individualism/collectivism	-.163	-.135	-.029						
[5] Resultant openness	-.110	-.059	-.023	.727**					
[6] Resultant self-enhancement	-.209	-.099	.025	.668**	.199*				
[7] Age	.306**	.043	.110	-.119	-.019	-.212*			
[8] Gender	-.141	-.020	.081	-.257**	-.231**	-.198*	-.322**		
[9] Position	.023	-.009	-.001	.226*	.345**	.045	.491**	-.366**	
[10] Function	-.046	-.002	.004	-.040	-.189*	.046	-.038	-.036	-.163

* $p < .05$, ** $p < .01$

codified as (1) if the respondent was a female and (0) if the respondent was a male. Age was codified as (1) for respondents aged 30 or younger, (2) for ages 31 to 50, and (3) for age 51 or older. Hierarchical level was measured on a four-point scale ranging from (1) non-supervisory staff to (4) top management. Respondents with a function involving direct contact with customers were codified as (1), and respondents with a function that did not involve direct contact with customers were codified as (0). A description of these control variables across the three firms of our sample is presented in Table 1.

Procedure and design

Respondents were given a French version of the SVS instrument and of the modified version of the MKTOR scale. They were informed that there were no right or wrong answers and that it was only their opinions that mattered. They were also told that their anonymity would be maintained.

After the data had been collected, interested respondents were sent a summary of the results. To test our hypotheses, we ran six multiple regressions, two for each of the three dependent

variables (customer-orientation values, competitor-orientation values, and interfunctional-coordination values). Independent regression analyses were chosen because of the low correlation between the market-orientation components (Han, Kim, and Srivastava 1998) and because the circular structure of Schwartz's value system makes factor analyses in general and structural equation modeling inappropriate (Shye 1988; Steenkamp, ter Hofstede, and Wedel 1999). For each of the dependent variables, the first regression model (Model A) contains the individualism/collectivism continuum, and the second (Model B) contains the two higher-order motivational continua (openness-to-change and self-enhancement). We have included the four control variables in all of the regression models.

Results

The results of the regressions are presented in Table 6. All of the models have a good fit, with adjusted R -squared ranging from .168 to .372 ($p < .01$). Among the control variables, age has a significant effect in all of the models. Older

Table 6
Regression Models

	Customer Orientation		Competitor Orientation		Interfunctional Coordination	
	Model 1a	Model 1b	Model 2a	Model 2b	Model 3a	Model 3b
Intercept	5.525*** (.268)	5.521*** (.268)	4.910*** (.380)	4.966*** (.396)	3.845*** (.359)	3.857*** (.361)
Individual Values						
Individualism/Collectivism	-.177*** (.060)		-.430*** (.097)		-.205** (.089)	
Openness-to-change/Conservation		-.041 (.048)		-.257*** (.081)		-.141** (.071)
Self-enhancement/Self-transcendence		-.151*** (.049)		-.130* (.074)		-.078 (.068)
Control Variables						
Age (1 = $x \leq 30$, 2 = $31 \leq x \leq 50$, 3 = $x \geq 51$)	.463*** (.088)	.429*** (.090)	.272** (.135)	.305** (.142)	.368*** (.122)	.356*** (.125)
Gender (1 = female, 0 = male)	-.281** (.118)	-.317*** (.119)	-.130 (.165)	-.174 (.173)	.418*** (.155)	.415*** (.157)
Function (1 = no contact with customer, 0 = contact with customer)	-.176* (.100)	-.165 (.101)	-.318** (.149)	-.391** (.155)	.046 (.135)	.041 (.070)
Hierarchical level	-.115** (.048)	-.122** (.049)	.006 (.071)	.001 (.076)	.025 (.067)	.020 (.137)
R^2	.393***	.409***	.247***	.218***	.212***	.214***
R^2_{adj}	.363***	.372***	.210***	.172***	.173***	.168***

Note: Unstandardized coefficients β , standard errors in parentheses.
 $N = 124$, * $p < .1$; ** $p < .05$; *** $p < .01$

employees tend to be more customer-oriented and more favorable to interfunctional coordination. We also found a significant gender effect for the customer-orientation and interfunctional-coordination models: Female employees tend to favor customer orientation less than the male employees do, and they tend to favor interfunctional coordination more. Customer orientation is also significantly and negatively influenced by an employee's hierarchical level; lower-level employees are more customer-oriented than higher-level employees. Competitor orientation is also influenced negatively by an employee's function. These results show a lack of cultural consistency among employees, a lack that is likely to weaken the market orientation of a firm's organizational culture.

Hypothesis 1a stated that employees' individualistic values should have a negative impact on their attitudes toward customer orientation. The coefficient β of Model 1a is significant ($\beta = -.177, p < .01$), supporting Hypothesis 1a. Hypothesis 2a, which stated that employees' individualistic values should have a negative impact on their attitudes toward competitor orientation, is also supported by a significant coefficient β in Model 2a ($\beta = -.430, p < .01$). Hypothesis 3a, which stated that employees' individualistic values would have a negative impact on their attitudes toward interfunctional coordination, is also supported, since the coefficient of the effects of individualistic values in Model 3a is significant ($\beta = -.205, p < .05$).

Hypothesis 1b stated that the self-enhancement/self-transcendence value dimension should have a stronger negative impact on employees' attitudes toward customer orientation than the openness-to-change/conservation value dimension. In Model 1b, only the coefficient β for the self-enhancement/self-transcendence dimension is significant ($\beta = -.151, p < .01$), supporting Hypothesis 1b. Hypothesis 2b stated that the openness-to-change/conservation value dimension would have a stronger negative impact on employees' attitudes toward competitor orientation than would the self-enhancement/self-transcendence value dimension. In Model 2b, only the coefficient β for the openness-to-change/conservation value dimension is significant ($\beta = -.257, p < .01$), supporting Hypothesis 2b. Hypothesis 3b stated that the openness-to-change/conservation value dimension would have a stronger negative impact on employees' attitudes toward interfunctional coordination than would the self-enhancement/self-transcendence value dimension. The coefficient β in Model 3b for the openness-to-change/conservation dimension is the only one significant ($\beta = -.141, p < .05$); therefore Hypothesis 3b is also supported. In summary, the results of the study support our hypotheses that employees with more collectivistic values tend to have more favorable attitudes toward market orientation (customer-orientation, competitor-orientation, and interfunctional-coordination values). Collectivist employees who possess more self-transcendence values tend to have more favorable attitudes toward customer orientation. Collectivist employees who are more conservative tend to have more favorable attitudes toward competitor orientation and interfunctional coordination. An important result of the study is to show empirically that while the individualism/collectivism dimension has the same effect on all three components of market orientation, the openness-to-change/conservation and self-enhancement/self-transcendence dimensions have distinct effects on employees' attitudes toward the market-orientation components.

Discussion

The main objective of this study was to examine if market orientation is a relatively immutable element of a firm's organizational culture or if it is an organizational choice that can easily be managed. By identifying the impact of individual employees' values on their attitudes toward market orientation, we have shown that market orientation is a deeply rooted attribute of a firm. Because of these deep roots, the level of a firm's market orientation is difficult to change, but it is also difficult for its competitors to imitate. Therefore, market orientation has the potential to be one source of a sustainable competitive advantage that can lead to superior performance. However, because attitudes toward market orientation are also influenced by several demographic and organizational variables, such as employees' gender, age, function, and hierarchical level, firms may suffer from a lack of cultural consistency, which is likely to weaken the relationship between a market-oriented culture and performance. Our research has implications for research and managerial practice alike. We first discuss these two areas, and then we discuss future avenues for research.

Research implications

Until now, most empirical research within the culturally oriented perspective on market orientation has taken a contingency management approach (Deshpandé and Webster 1989), by asking managers about their perceptions concerning their firm's market orientation. In this study, we have taken an organization cognition perspective (Allen, McQuarrie, and Barr 1998; Deshpandé and Webster 1989; Smircich 1983), in which market orientation is something that resides within each individual employee as a function of cognitive and learning processes. This perspective turned out to provide a fruitful means for identifying the differences as well as similarities among individual employees' values and attitudes and for the challenging task of studying the diffusion of market orientation throughout the firm (Maltz

and Kohli 1996; Menon and Varadarajan 1992; Moorman 1995).

In addition, previous research on market orientation only used ad hoc values (e.g., Homburg and Pflesser 2000). In this study, we have used Schwartz's value system (Schwartz 1992), which classifies values along a continuum of related motivations. Because Schwartz's typology is systematic, it allows us to identify values that support market orientation as well as those that oppose market orientation. The use of such a systematic typology of values that have been shown to be nearly universal (Schwartz and Sagiv 1995) also provides a basis for empirical generalizations.

Finally, by using a componentwise approach (Day and Nedungadi 1994; Frambach, Prabhu, and Verhallen 2004; Han, Kim, and Srivastava 1998; Noble, Sinha, and Kumar 2002), our study shows the importance of distinguishing among the three components of market orientation, which are customer orientation, competitor orientation, and interfunctional coordination. The results of our study have shown that individual values affect the three components differently, and that therefore an aggregated approach that ignores the subtleties of the multidimensionality of market orientation might lead to incomplete or misleading conclusions.

Managerial implications

Prior research has indicated that a market-oriented culture increases a firm's performance (e.g., Jaworski and Kohli 1993; Narver and Slater 1990). Therefore, firms with employees who possess values and attitudes that do not support market orientation may find themselves in a position of competitive disadvantage relative to other firms with more market-oriented employees. The results of our study show that at the employee level, individual values influence individual attitudes toward market orientation. These attitudes then influence market-oriented behaviors (Ruekert 1992). In this framework, presented in Figure 1,

values are difficult to change because they are central to an individual's belief system and transcend specific situations (Rokeach 1973).

Attitudes are easier to change because they are less central to an individual's identity and less global in their application (Ajzen and Fishbein 1980). Finally, behaviors are malleable and relatively easy to change. Behaviors, furthermore, reinforce an individual's values and attitudes through a feedback effect (Day 2003; Hartline, Maxham, and McKee 2000; Meglino and Ravlin 1998). It is only when values, attitudes, and behaviors are aligned among a majority of employees that a firm will fully benefit from a market-oriented culture because, over the long term, employees cannot maintain behaviors that are inconsistent with their values and attitudes.

Thus, a manager wanting to enhance his or her firm's market orientation can act in three ways that each reinforce one another. First, they can select employees who possess attitudes favorable to market orientation, based on their individual value profiles. Since it is difficult to change an individual's values, it is therefore easier to hire employees who have value profiles that are consistent with the firm's desired culture. Second, to reinforce employees' favorable attitudes toward market orientation, managers can develop market-orientation trainings to sensitize employees to market orientation and its impact on the firm performance. To be effective, these courses should aim at changing employees' attitudes toward market orientation, rather than their behaviors. Efforts to directly change employees' values are unlikely to succeed; instead, change happens by altering behavior models and by helping employees to understand how new behaviors may lead to better performance (i.e., by changing attitudes). Third, managers should develop incentive systems to reward employees' market-oriented behaviors. Eventually, these changes will be absorbed into employees' value systems and attitudes.

Market orientation is composed of three components: customer orientation, competitor orientation, and interfunctional coordination.

Because employees' attitudes toward these three components are influenced by different values, firms need to have an assortment of employees with different values: employees with conservation values, to promote competitor orientation and interfunctional coordination; and employees with self-transcendent values, to increase customer orientation. This raises the question of how to find the proper balance of values among employees. The answer to this question is, however, likely to depend on several factors, such as the firm's strategy and its industry environment, and therefore it will be idiosyncratic to each firm. We can, however, say that if managers do diagnose a lack of customer orientation in their firm, then they should hire employees with self-transcendent value profiles to strengthen this customer orientation. Furthermore, if they diagnose a lack of competitor orientation or interfunctional coordination, then they should hire employees who have conservation values.

Limitations and directions for further research

As with any study, this study has several limitations, which present opportunities for further research. We have limited the scope of our study to the relationship between values and attitudes, but the complete causal chain should include behaviors (Homer and Kahle 1988). A study by Allen, McQuarrie, and Barr (1998) investigated the impact of attitudes toward customer orientation on behaviors, but the study of the relationship between attitudes and market-oriented behaviors should be extended to the other components of market orientation. Furthermore, this relationship between attitudes and behaviors is likely to be moderated by several factors, including a firm's organizational culture (Deshpandé, Farley, and Webster 1993) and managerial actions (i.e., power and control) (Harris 1999; Jaworski and Kohli 1996). The relationship between market orientation and performance is particularly important and

should also be integrated into the causal chain (Homburg and Pflesser 2000). Further research is necessary to develop a more complete individual-level model of market orientation.

Our model may also be extended through a longitudinal approach. Two important characteristics of the value-attitude-behavior causal chain are that (1) values are difficult to change (Rokeach 1973), attitudes are easier to change than values (Ajzen and Fishbein 1980), and behaviors are malleable and easiest to change; and (2) behaviors reinforce individuals' values and attitudes through a feedback loop (Meglino and Ravlin 1998). Longitudinal studies would increase our knowledge of the impact of these two characteristics.

Another limitation of our study is the single-country character of our sample. National culture affects employees' attitudes and behavior (Triandis 1989). Steenkamp, ter Hofstede, and Wedel (1999) have recently shown the importance of the interaction effect of microindividual and macrocultural antecedents. The individualism/collectivism dimension is one of the most salient cultural dimensions that differentiate people from different countries (Hofstede 1980; Triandis 1995); therefore, it would be interesting to test the robustness of our findings in different countries. ■

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Appendix: Questionnaire

Part 1

Instructions for Part 1: This part consists of 2 sections comprised of Values List A and Values List B.

When responding to each of these sections, please ask yourself: "What values are important to ME as guiding principles in MY life, and what values are less important to me?" There are two lists of values on the following pages. These values are associated with different cultures. In the parentheses following each value is an explanation that may help you to understand its meaning.

You are asked to rate how important each value is for you *as a guiding principle in your life*. Use the rating scale below:

- 0 — means the value is not at all important; it is not relevant as a guiding principle for you.
- 3 — means the value is important.
- 6 — means the value is very important.

The rating scale above might not apply to values that are of extreme importance to you, or to values that are completely opposed to your own. In that case, you may use the numbers -1 or 7, as explained below. Ordinarily, there are no more than two such values.

- 1 — is for rating any values opposed to the principles that guide you.
- 7 — is for rating a value of supreme importance as a guiding principle in your life; ordinarily there are no more than two such values.

In the space before each value, write the number (-1, 0, 1, 2, 3, 4, 5, 6, 7) that indicates the importance of that value for you. Try to distinguish as much as possible between the values by using all the numbers. You will, of course, need to use numbers more than once.

Please begin by reading values 1 to 30 on Values List A, choose the one value that is most important to you, and rate its importance. Next, choose the value that is most opposed to your values and rate it -1. If there is no such value, choose the value least important to you and rate it 0 or 1, according to its importance. Then, rate the rest of the values (to 30).

Values List A

As a guiding principle in my life, this value is:

Opposed to my values	Not important			Important			Very important	Of supreme importance
-1	0	1	2	3	4	5	6	7

1. _____ Equality (equal opportunity for all)
2. _____ Inner harmony (at peace with myself)
3. _____ Social power (control over others, dominance)
4. _____ Pleasure (gratification of desires)
5. _____ Freedom (freedom of action and thought)
6. _____ A spiritual life (emphasis on spiritual, not material matters)
7. _____ Sense of belonging (feeling that others care about me)
8. _____ Social order (stability of society)
9. _____ An exciting life (stimulating experiences)
10. _____ Meaning in life (a purpose in life)
11. _____ Politeness (courtesy, good manners)
12. _____ Wealth (material possessions, money)
13. _____ National security (protection of my nation from my enemies)
14. _____ Self-respect (belief in one's own worth)
15. _____ Reciprocation of favors (avoidance of indebtedness)
16. _____ Creativity (uniqueness, imagination)
17. _____ A world at peace (free of war and conflict)
18. _____ Respect for tradition (preservation of time-honored customs)
19. _____ Mature love (deep emotional and spiritual intimacy)

20. _____ Self-discipline (self-restraint, resistance to temptation)
21. _____ Detachment (detachment from worldly concerns)
22. _____ Family security (safety for loved ones)
23. _____ Social recognition (respect, approval by others)
24. _____ Unity with nature (fitting into nature)
25. _____ A varied life (life filled with challenge, novelty and change)
26. _____ Wisdom (a mature understanding of life)
27. _____ Authority (the right to lead or command)
28. _____ True friendship (close, supportive friends)
29. _____ A world of beauty (beauty of nature and the arts)
30. _____ Social justice (correcting injustice, care for the weak)

Now rate how important each of the following values (31 to 56) is for you as a *guiding principle in your life*. These values are phrased as ways of acting that may be more or less important for you. Once again, try to distinguish as much as possible between the values by using all the numbers.

Before you begin, read values 31 to 56 on Values List B, choose the one that is most important to you and rate its importance. Next, choose the value that is most opposed to your values, or—if there is no such value—choose the value least important to you, and rate it -1, 0, or 1, according to its importance. Then, rate the rest of the values.

Values List B

As a guiding principle in my life, this value is:

Opposed to my values	Not important				Important			Very important	Of supreme importance
-1	0	1	2	3	4	5	6	7	

31. _____ Independent (self-reliant, self-sufficient)
32. _____ Moderate (avoiding extremes of feeling and action)
33. _____ Loyal (faithful to my friends, group)
34. _____ Ambitious (hard working, aspiring)
35. _____ Broad-minded (tolerant of different ideas and beliefs)
36. _____ Humble (modest, self-effacing)
37. _____ Daring (seeking adventure, risk)
38. _____ Protecting the environment (preserving nature)
39. _____ Influential (having an impact on people and events)
40. _____ Honoring of parents and elders (showing respect)
41. _____ Choosing own goals (selecting own purposes)
42. _____ Healthy (not being sick physically or mentally)
43. _____ Capable (competent, effective, efficient)
44. _____ Accepting my portion in life (submitting to life's circumstances)
45. _____ Honest (genuine, sincere)
46. _____ Preserving my public image (preserving my "face")
47. _____ Obedience (dutiful, meeting obligations)
48. _____ Intelligent (logical, thinking)
49. _____ Helpful (working for the welfare of others)
50. _____ Enjoying life (enjoying food, sex, leisure, etc.)
51. _____ Devout (holding to religious faith and belief)
52. _____ Responsible (dependable, reliable)
53. _____ Curious (interested in everything, exploring)
54. _____ Forgiving (willing to pardon others)
55. _____ Successful (achieving goals)
56. _____ Clean (neat, tidy)

Part 2

Instructions: In this section, we would like to know your mind on the importance of the market orientation for a firm. In answering, please use the following response scale and place the most appropriate number to the left of each statement. In the space before each item, write the number (1, 2, 3, 4, 5, 6, 7) that indicates the degree to which you agree or disagree with the proposition.

Strongly disagree	Neutral					Strongly agree
1	2	3	4	5	6	7

I believe that:

- _____ Salespeople should regularly share information within the business concerning competitors' strategies.
- _____ The business objectives of a firm should be driven primarily by customer satisfaction.
- _____ Firms should rapidly respond to competitive actions that threaten them.
- _____ Firms should constantly monitor their level of commitment and orientation to serving customers' needs.
- _____ Top managers from every function of a firm should regularly visit current and prospective customers.
- _____ Firms should freely communicate information about their successful and unsuccessful customer experiences across all business functions.
- _____ A firm strategy for competitive advantage should be based on the understanding of customers' needs.
- _____ All of the business functions of a firm (e.g., marketing/sales, manufacturing, R&D, finance/accounting, etc.) should be integrated in serving the needs of the target markets.
- _____ The business strategies of a firm should be driven by its beliefs about how it can create greater value for customers.
- _____ Firms should measure customer satisfaction systematically and frequently.
- _____ Firms should give close attention to after-sales service.
- _____ Top management should regularly discuss competitors' strengths and strategies.
- _____ All of the managers of a firm should understand how everyone in their business can contribute to creating customer value.
- _____ Firms should target customers where they have an opportunity for competitive advantage.
- _____ Firms should share resources with other business units.

Notes

1. Research on group control has shown that when values are shared by group members, attitudes at the individual level become norms at the group level through socialization processes and social control (Hartline, Maxham, and McKee 2000; Jaworski 1988; Kelley 1992).
2. Triandis et al. (1985) proposed the terms "idiocentrism" and "allocentrism" to describe individualism and collec-

tivism as an individual-level variable. However, these terms have not been adopted widely, with most studies using the labels "individualists" and "collectivists" instead (Smith and Schwartz 1997); that is why we also use these terms at the individual level.

3. Although for the sake of exposition, we present the hypotheses in terms of one construct, individualistic values should be considered as a continuum ranging from highly collectivistic values to highly individualistic values.

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