ISSN 2079-7141

UAEU Faculty of Business and Economics

UAEU-FBE-Working Paper Series

Title: **Some Antecedents, Moderators and Outcome of Market Orientation in International Joint Ventures**

Author(s): Mustafa Colak

Department: Business Administration

No. 2012-07

Series Founding and Acting Editor: Prof. Dr. Abdulnasser Hatemi-J

Some Antecedents, Moderators, and Outcome of Market Orientation in International Joint Ventures

Mustafa Colak, PhD
UAE University
Faculty of Business and Economics
Department of Business Administration
PO Box 17555
Al Ain - United Arab Emirates
E-mail: MColak@uaeu.ac.ae

Abstract

Since the seminal works of Kohli & Jaworski (1990) and Narver & Slater (1990), the concept of market orientation (MO) has attracted considerable attention from researchers in the fields of both marketing and strategy. Meta-analytical studies on MO indicate that it is a generic determinant of firm performance. Despite its popularity and importance in unitary (free-standing) organizations, however, MO has not been employed in international joint venture (IJV) contexts.

In this study, I fill this gap by developing a conceptual a model that examines the antecedents, outcome, and moderators of MO in IJVs. Being the very first study in this nature, this study makes important contributions to the literature on both MO and IJVs. In particular, this study contributes to the MO literature by extending the seminal works of Kohli & Jaworski (1990) and Narver & Slater (1990) on MO in unitary organizations to the IJV settings. The study also contributes to the IJV field by suggesting a fresh perspective (the use of the concept of MO) to study the phenomenon of IJV performance, which has been a central issue in IJV literature for about four decades.

Keywords: Market orientation, international joint ventures, IJV autonomy, IJV top management

----

- This research was supported by a summer research grant (2010) from Faculty of Business and Economics, the UAE University.

Introductioin

This study attempts to transfer the concept of market orientation (MO), which has been typically studied in the context of unitary organizations, to international joint venture (IJV) contexts. While the literatures on both MO and IJV are abundant, there is no study, to the best of my knowledge, specifically designed to cross-fertilize these two fields and investigate the applicability of MO to IJVs. In this study, I address this gap by attempting to develop a conceptual model that argues that several 'IJV context specific' factors at inter-partner, organizational (IJV), and environmental levels determine MO in IJVs and that MO affects IJV performance.

Despite the common use of IJVs by multinational companies (MNCs) wishing to expand their operations into international markets, these organizations are complex and difficult-to-manage due to their "dual structure". IJVs are dual-structured organizations because they are "jointly" owned and managed by at least two different partner firms from different nationalities. This dual-structure has been argued since the early days of the field in 1970s to cause high levels of instability, parent dissatisfaction, and failure rates (Das & Teng, 2000).

Given that identifying the determinants of IJV performance has been a central concern in IJV field since 1970s (for comprehensive reviews, see Ren, Gray, & Kim, 2009; Reus & Ritchie, 2004; Reus & Rottig, 2009; and Robson, Leonidou, & Katsikeas, 2002), and given that meta-analytical studies of MO published in USA and other countries revealed that MO is a significant and generic determinant of organizational performance across cultures (see Ellis, 2006 and Kirca, Jayachandran, & Bearden, 2005), studying MO in IJV settings should improve our understanding of the phenomenon of IJV performance.

I organize the rest of the paper in six sections. In the first section, I identify the main theoretical perspectives in the study of MO and provide a brief explanation of the most popular perspectives. In the second section, I explain the theoretical perspective adopted to conceptualize MO in this study. In the third section, I briefly identify the antecedents, outcome, and moderators of MO in unitary (free-standing) organizations. In the fourth section, I explore the main issues in transferring the concept of MO to IJV settings and present a conceptual model identifying the antecedents, moderators, and outcome of MO in IJVs. In the fifth part, I develop some testable propositions out of the conceptual model.

Finally, in the sixth part, I highlight some possible theoretical and practical contributions of this study.

Literature Review

Concept of Market Orientation

In their review of MO literature, Lafferty & Hult (2001: 94-100) identified that MO has been conceptualized in the literature from five different, and somewhat overlapping, perspectives. These perspectives are:

- market intelligence perspective (Kohli & Jaworski, 1990),
- culturally-based behavioral perspective (Narver & Slater, 1990),
- decision-making perspective (Shapiro, 1988),
- strategic perspective (Ruekert, 1992), and
- customer perspective (Deshpande et al., 1993).

Among these five perspectives, the market intelligence and culturally-based behavioral perspectives have dominated the studies on MO (Kirca et. al., 2009). These two perspectives have been labeled by some researchers (e.g., Homburg & Pflesser, 2000; Noble, Sinha, & Kumar, 2002), as, respectively, “behavioral perspective” and “cultural perspective”.

According to the market-intelligence or behavioral perspective (Kohli & Jaworski, 1990; Kohli, Jaworski, Kumar, 1993; Jaworski & Kohli, 1993) MO is the “organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it” (Kohli & Jaworski, 1990, p. 6). In this perspective, MO consists of marketing activities aimed at

- intelligence generation (gathering information on current and future customer needs),
- intelligence dissemination (sharing of information across departments), and
- responsiveness (developing a “shared response” to the market intelligence and customer needs).

According to cultural perspective (Narver & Slater, 1990; Slater & Narver, 1994), MO 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" (Narver & Slater, 1990, p. 21). In this perspective, MO consists of the following three elements whose deepest manifestations exist at the cultural level where over time, stories, reinforcements of behaviors, and the creation of organizational processes produce a basic assumption among employees that customers are important (Hurley & Hult, 1998, p. 43).

- customer orientation,
- competitor orientation, and
- inter-functional coordination.

While customer orientation refers to the firm's sufficient understanding of its target buyers to be able to create superior value for them continuously (Narver & Slater, 1990, p. 21), which "puts the customer's interest first" (Deshpande, Farley & Webster (1993, p. 27), competitor orientation reflects an understanding of the strengths, weaknesses, capabilities and strategies of competitors and responding to their moves (Narver & Slater 1990; Balakrishnan 1996). Inter-functional coordination, on the other hand, is the coordination among different organizational departments to create superior value for customers (Narver & Slater 1990). Organization-wide coordination among departments not only enhances communication, collaboration, and cohesiveness among different units in the organization but also coordinates the use of organizational resources to effectively respond to competitors and serve customers (Narver & Slater 1990; Noble, Sinha, & Kumar 2002). Therefore, inter-functional coordination is closely related the other two components of MO; namely, customer and competitor orientations.

Both market intelligence perspective and behavioral perspective capture similar dimensions of MO. Customer and competitor orientation in the behavioral perspective, for example, refer to those activities in the market intelligence perspective that are aimed at gathering information about customer needs and sharing that information across the departments. Interfunctional coordination, on the other hand, include those activities in the market intelligence perspective that must be collectively carried out by organizational departments to develop a shared response in order to create superior value and superior performance for, respectively, buyers and organization. In the same vein, both perspectives view MO as a learning process. Kohli & Jaworski (1990), for example, suggest that MO is a learning process in which organizations learn from all aspects of their environment (e.g., customers, competitors, etc.) and take both short and long-term organizational goals into consideration (Grewal & Patriya Tansuhaj, 2001). Similarly, according to Slater and Narver (1995), MO captures organizational learning from the environment, and organizations derive benefits from this learning (Slater & Narver, 1995).

MO Perspective Adopted in This Study

In this study, I adopt the culturally-based behavioral perspective of MO (Narver & Slater, 1990), which views MO as a *business culture*, rather than a set of specific activities (intelligence perspective), that commits the organization to the creation of superior value for customer.

There are two main reasons behind my selection of this perspective as the theoretical basis for my study. The first reason is that "if a market orientation were simply a set of activities completely disassociated from the underlying belief system of an organization, then whatever an organization's culture, a market orientation could easily be implanted by the organization at any time. But such is not what one observes" (Narver & Slater, 1998, p. 235).

The second reason is that the operationalization of the concept of MO in the market intelligence perspective (Kohli & Jaworski, 1990) is problematic because of its narrow definition of the concept of MO, which views it in terms of intelligence gathering and disseminating activities, which may be less well-linked with performance (Ellis, 2006; Oczkowski & Farrell, 1998). So, the Narver and Slater operationalization of MO has tended to be the most preferred research measure (Gray & Hooley 2002; Morgan & Strong 1998; Gray et al. 1998).

Regarding the earlier mentioned other three perspectives on MO (i.e., decision-making perspective, strategic perspective, and customer perspective), I do not adopt these perspectives in my study because the validity of the measurement scales of these perspectives has not been well-established due to their limited acceptance and use in the literature (Kirca et al., 2009).

Antecedents, Outcomes, and Moderators of MO in Unitary Organizations

In behavioral perspective, antecedents of MO can be grouped under three broad categories (Jaworski & Kohli, 1993; Kirca, Jayachandran, & Bearden, 2005):

i) top management factors,
ii) interdepartmental factors, and
iii) organizational systems.

Top management factors, which refer to top management emphasis on, and commitment to, MO, significantly influence the level of MO in an organization because top managers shape the values and orientation of an organization (Webster 1988; Day, 1994; Jaworski & Kohli, 1993; Narver & Slater, 1990; Slater & Narver, 1995).

Inter-departmental factors include inter-departmental conflict and inter-departmental connectedness. Inter-department conflict refers to the tensions among organizational departments. Tension among departments may arise because each department may have goals that go against those of other departments. Because such tensions make it difficult for the organization to develop coordinated responses to market needs, inter-departmental conflict negatively affects MO in an organization (Jaworski & Kohli, 1993). Inter-departmental connectedness, on the other hand, denotes the extent to which employees in different departments are connected with each other through formal and informal contacts. Because employees' well-connectedness increases information sharing and utilization, inter-departmental connectedness positively affect MO in an organization (Kennedy, Goolsby, & Arnould 2003; Narver & Slater 1990).

Finally, organizational systems refer to two structural variables (centralization and formalization) and two employee-related variables or systems (market-oriented training and market-based reward systems) (Jaworski & Kohli 1993). Regarding the two structural variables: Centralization refers to the extent to which decision-making authority is delegated to lower levels in an organization and is negatively related to MO because it makes it more difficult for organization to disseminate and utilize the market information (Matsuno, Mentzer, & Ozsomer 2002). Formalization, on the other hand, is the extent to which roles, procedures, and authority are defined. Formalization is also negatively related to MO because it is an obstacle to effective use of market intelligence (Jaworski & Kohli 1993). Regarding the two-employee related systems: Both market-oriented training and market-based reward systems are positively related to MO because they enhance and motivate, respectively, employees' sensitivity and behaviors to customer needs (Ruekert, 1992).

Kohli, Jaworski, & Kumar (1993) developed the so-called MARKOR scale and examined the individual effects of the above-mentioned antecedents on the earlier-mentioned three components of MO because the same antecedent might have different effects on different components (p. 54). Since MARKOR scale focused on the behaviors and systems of generating and disseminating information, the conceptualization and operationalization of MO doesn't capture the cultural aspects of MO. Therefore, Narver & Slater (1990) developed the so-called MKTOR scale to measure MO construct. Unlike the MARKOR scale, which was criticized for not representing its conceptual model, MKTOR scale has been argued to be theoretically better established, thus, the most preferred research measure (Gray & Hooley 2002; Morgan & Strong 1998; Gray et al. 1998).

In a meta-analysis study, Kirca, Jayachandran, & Bearden (2005) presented a conceptual framework, which summarizes the antecedents, moderators, and consequences of MO. Their work was consistent with Jaworski & Kohli's (1993) work. Kirca and his colleagues' study empirically established that the level of MO in an organization positively affects organizational performance and that MO's impact on the performance is moderated by environmental factors (i.e., market turbulence). The authors further argued that the level of MO is affected by various organizational factors (i.e., centralization, formalization), inter-departmental factors (i.e., inter-departmental conflict), and top management factors (i.e., top management emphasis).

Numerous studies found a positive association between MO and learning orientation (Slater & Narver, 1995) and firm performance (Narver & Slater, 1990; Kohli & Jaworski, 1990; Jaworski & Kohli, 1993; Deshpande & Farley 1998). Ellis' (2006) and Kirca et.al.'s (2005) meta analytic studies of MO published in USA and other countries revealed that MO is a significant and generic determinant of organizational performance across cultures.

Taken together, previous studies largely suggest that MO is positively related to various consequences that can be viewed under four categories: i) organizational performance, including financial performance (Dawes 2000; Kumar 2002; Rodriguez et. al. 2004; Kirca et.al. 2005) and sales and market share (Jaworski & Kohli 1993; Kirca et.al. 2005), ii) customer consequences, including customer satisfaction and customer retention (Doyle, 1995), iii) employee consequences, including organizational commitment and team spirit (Kohli & Jaworski 1990; Jaworski & Kohli 1993; Shoham & Rose 2001; Kirca et. al., 2005), and iv) innovation consequences.

In particular, MO has been argued i) to generate superior organizational performance by providing the firm with market-sensing and customer-linking capabilities (Day 1994; Hult & Ketchen 2001), ii) to enhance customer consequences by increasing customer loyalty, customer satisfaction, and customer perceived quality (customers' perceptions of the quality) of firm's products and services (Jaworski & Kohli, 1993, 1996); namely, by helping firm create and maintain superior customer value (Brady & Cronin, 2001), iii) to be positively related to innovativeness and new product performance because of its focus on meeting customer needs and greater information use (Atuahene-Gima, 1996; Han, Kim, & Srivastava 1998), and iv) to generate a number of employee consequences (e.g., job satisfaction, employee commitment, reduced role conflict) by instilling a sense of pride and camaraderie among employees (Kohli & Jaworski, 1990; Siguaw, Brown, & Widing, 1994).

Various variables have been argued to affect the strength and nature of the relationship between MO and organizational performance. Among these moderator variables are market turbulence, technological turbulence, competitive intensity, market growth, and buyer power (Jaworski & Kohli 1993; Slater & Narver, 1994; Greenley, 1995).

Jaworski & Kohli (1993) defined market turbulence as the extent to which the composition and preferences of firm's customers change over time, competitive intensity as the behavior, resources and ability of competitors to differentiate, and technological turbulence as the extent to which technology in an industry is in a state of flux. While some studies found no or little effect of the moderators (Wrenn, 1997; Slater & Narver (1994) and Jaworski & Kohli (1993), some other studies found significant relationships between moderators and organizational performance (Greenley, 1995; Kumar et al., 1998).

Transferring The Concept of MO to IJV Settings

Because the concept of MO has been typically developed for, and applied to, unitary (free standing) organizations and because an IJV exhibit several characteristics that differentiate it from a unitary organization, the study of MO in IJVsettings requires that IJV-context specific characteristics be taken into account.

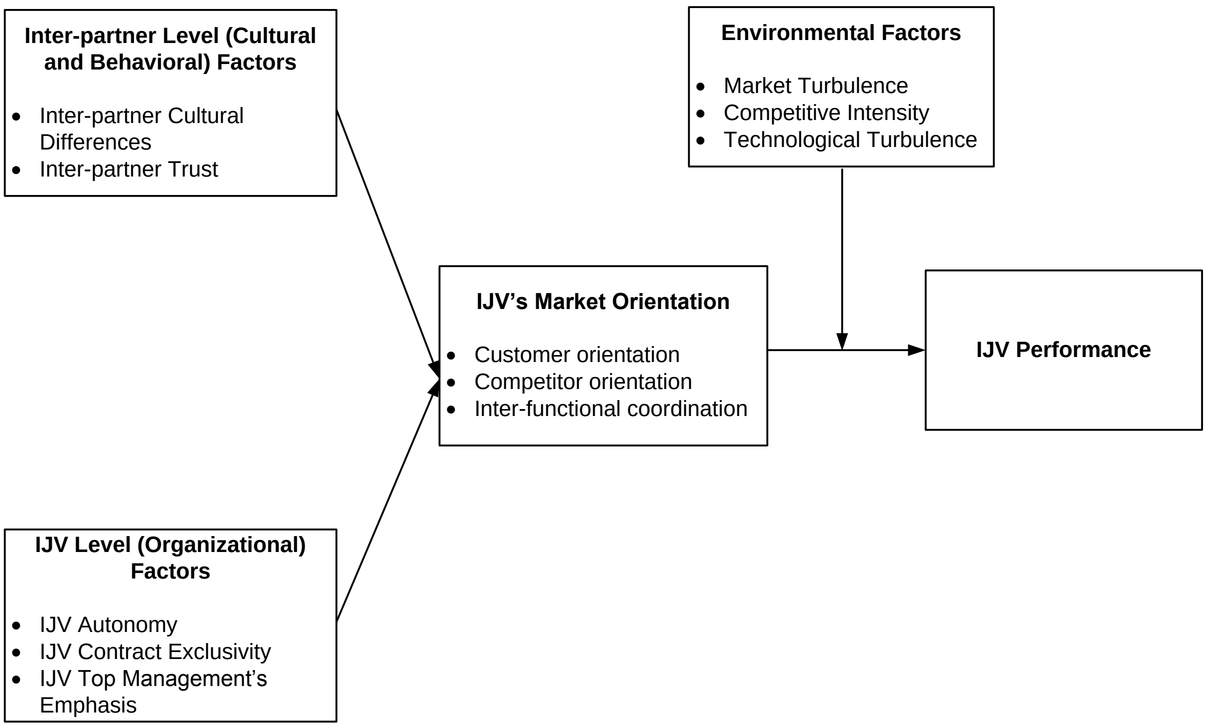
More specifically, at least three points must be taken into account in transferring the central arguments of MO to IJV contexts. First, unlike unitary organizational settings, in which there is only one organizational entity (i.e., the organization itself), in IJV settings, there are at least three organizational entities (i.e., the local partner firm, the foreign partner firm, and the IJV itself). This means that IJVs are subject to various inter-partner cultural and behavioral interactions. A review of the literature reveals that inter-partner cultural differences and inter-partner trust are widely-cited inter-partner behavioral and cultural factors that affect the functioning of IJVs (Ren et. al., 2009; Reus & Ritchie, 2004; Reus & Rottig, 2009, and Robson et. al., 2002).

Second, unlike unitary organizations, IJVs are not “free-standing” entities and that they are not completely independent of their partner firms. Because achieving MO is largely a top managerial philosophy (Slater & Narver, 1995), a certain amount of freedom of decision making and implementation is needed on the part of IJV top managers. This suggests that the issue of IJV autonomy (the extent to which an IJV makes and implements its decisions independently of its partner firms, Glaister, Husan & Buckley, 2005) and IJV contract exclusivity (the extent to which IJV contract limits certain activities of the venture, Luo, 2005) must be considered in the study of MO in IJV settings.

Finally, unlike top managers of unitary organizations, who have the responsibility to be loyal to only one organizational entity (the firm itself), top managers of IJVs have conflicting loyalties (i.e., loyalty to the venture itself, loyalty to the local partner firm, or loyalty to the foreign partner firm) (Johnson, 1999), which may negatively affect the performance of the venture. This suggests that IJV top manager’s attachment to the venture (Luo, 2002) is a relevant factor affecting the level of MO that an IJV could achieve, and must be incorporated in the study of MO in IJVs.

Incorporating the above three points reflecting the nature of IJVs into the MO arguments developed for unitary organizations, which were presented in the previous section, generates the conceptual model of this study depicted in Figure 1.

Figure 2: Antecedents, Moderators, and Consequences of Market Orientation in IJVs (Source: This Study)



As this figure shows, I argue that various 'IJV-context specific' factors at the inter-partner level (i.e., inter-partner cultural differences and inter-partner trust) and organizational or IJV level (i.e., IJV autonomy, IJV contract structure, and IJV management's emphasis) serve as the antecedents of MO in IJVs. I further argue that MO affects IJV performance and that the strength of the impact of MO on IJV performance varies according to the level of several environmental factors.

Developing Propositions

Inter-partner Cultural and Behavioral Factors: The two most widely recognized cultural and behavioral variables have been identified as inter-partner cultural differences and inter-partner trust (Ren et. al., 2009; Reus & Ritchie, 2004; Reus & Rottig, 2009, and Robson et. al., 2002).

IJV literature suggests that both types of cultural differences are the source of most of the problems in IJV settings (e.g., Meschi, 1997) and deeply affect all aspects of collaboration (e.g., Lane & Beamish, 1990). Specifically, inter-partner cultural differences have been found to cause many difficulties, including misunderstandings, mistrust, and conflict (e.g., Buckley & Casson, 1996; Fey & Beamish, 2000; Hanvanich et. al. 2003). Inter-partner cultural differences have these negative effects because such differences bring communication problems, ii) creates obstacles to the establishment of inter-partner understanding, and iii) makes it difficult for partners and the IJV to understand market mechanisms and identify market opportunities (Simonin, 1991).

Trust has been viewed in inter-firm collaborations as the "cornerstone of the partnership" (Spekman, 1988: 79). Large body of research on trust in inter-firm relationships suggests many positive effects of inter-partner trust for IJVs. Specifically, trust has been found to affect governance structures, reduce the perception of risk, and lower transaction costs by enabling partners to avoid costly negotiations and contracts (Davis et al., 2000; Dyer & Chu, 2000; Nooteboom et al., 1997; Zaheer et al., 1998), and increase business unit performance by allowing for a more complete interaction of the partner firms' resources (Barney & Hansen, 1994; Davis et al., 2000).

In sum, IJV literature suggests that inter-partner cultural differences and inter-partner trust affect many important aspects of IJVs. Given that MO requires certain level of harmony among different parts of the organization (to develop 'shared responses") and given that inter-partner cultural differences create obstacles to creating such a harmony, inter-partner differences should be negatively related to IJV MO. By the same logic, inter-partner trust should be positively related to IJV MO by enhancing inter-partner communication (information dissemination) and information utilization, which in turn should enable the IJV to develop shared responses. Thus:

Proposition 1: Inter-partner cultural differences will be negatively related to MO of IJV.
Proposition 2: Inter-partner trust will be positively related to MO of IJV.

IJV Level Factors

IJV Autonomy: IJV autonomy is the extent to which an IJV makes and implements its decisions independently of its partner firms, Glaister, Husan & Buckley, 2003, 2005). In general, an IJV with high level of autonomy is the one that has the freedom to formulate business policies, apply them, and conduct business transactions independently of its parent companies. An IJV with low level of autonomy, on the other hand, is the one that lacks the freedom to formulate and apply its business policies because its parents are deeply involved in their daily activities and decisions (Newburry & Zeira, 1999: 264).

IJV literature points to many positive consequences of autonomy (Navorro et. al., 2003; Newburry et. al., 2003), including efficient decisions and better performance, lessen potential fights, confusion, and political intrigue (especially as the number of parent firms increase), and enable IJV managers to better assess their environments, which leads to the formulation of more effective strategies (See Newburry & Zeira, 1999). Given MO requires assessment of the environment and given that autonomy enables the venture to better make such assessments, autonomy should generate high level of MO. Thus:

Proposition 3: IJV autonomy will be positively related to MO of IJV.

IJV Contract Exclusivity: Following Bucklin & Sengupta (1993) and Luo (2005), contract exclusivity can be defined as the degree to which the IJV contract limits IJV's activities. Limitations may include restrictions on IJV's ability to participate in particular geographic markets without the consent of its partners (i.e., territorial exclusivity, Anderson & Weitz 1992) and/or to participate in agreements, including alliances, with other firms that may, or may not be, competitors of its partners (i.e., competitive exclusivity, Bucklin & Sengupta, 1993). The presence of such limitations should limit IJV's ability to respond to customer needs; and thus, develop a MO culture. Thus:

Proposition 4: IJV contract exclusivity will be negatively related to MO of IJV.

IJV Top Management Emphasis: MO literature points out that top management emphasis significantly influences the level of MO in an organization because top managers shape the values and orientation of an organization (Webster 1988; Day, 1994; Jaworski & Kohli, 1993; Narver & Slater, 1990; Slater & Narver, 1995).

In IJV settings, top management emphasis is particularly important for IJV MO because in such settings, unlike top managers of unitary organizations, who have the responsibility to be loyal to only one organizational entity (the firm itself), top managers of IJVs have conflicting loyalties (i.e., loyalty to the venture itself, loyalty to the local partner firm, or loyalty to the foreign partner firm) (Johnson, 1999), which may negatively affect all aspects of the venture, including its performance. This suggests that IJV top manager's attachment and emphasis to the venture (Luo, 2002) is a relevant factor affecting the level of MO that an IJV could achieve, and must be incorporated in the study of MO in IJVs. The effect of top management emphasis on MO in IJVs should be the same as that in unitary organizations. After all, in both settings, top managers shape all aspects of the organizations. Thus:

Proposition 5: IJV's top management emphasis will be positively related to MO of IJV.

IJV MO and IJV Performance: Past research on MO argued (and empirically established) that MO generates superior organizational performance by providing the firm with market-sensing and customer-linking capabilities (Day 1994; Hult & Ketchen 2001). As indicated earlier, MO has been found to be positively related to various organizational level consequences, including financial performance (Dawes 2000; Kumar 2002; Rodriguez et. al. 2004; Kirca et.al. 2005) and sales and market share (Jaworski & Kohli 1993; Kirca et.al. 2005). Thus:

Proposition 6: MO of IJV will be positively related to IJV performance.

IJV MO, IJV Performance, and Moderating Variables: Market turbulence, competitive intensity, and technological turbulence are the most commonly studies factors that are thought to moderate the MO-Performance relationship. Market turbulence is the rate of change in the composition of firm's customers and their preferences (Jaworski & Kohli, 1993). Jaworski & Kohli (1993) argued that firms in turbulent environments will be more market oriented to respond to the frequently changing customer preferences. This argument was supported in a number of studies (Davis et.al., 1991; Pulendran, 2000).

Competitive intensity is the behavior, resources and ability of competitors to differentiate its products and services from those of its rival firms (Jaworski & Kohli, 1993). In highly competitive environments, firms will feel greater need to evaluate their rival's strategies and offerings in order to differentiate their own products and services (Wood & Bhuian, 1993).

Technological turbulence refers to how frequently technology in an industry (Jaworski & Kohli, 1993). Jaworski & Kohli (1993) argued that MO in industries characterized by rapidly changing technology may not be as important as it is in technologically stable industries. In other words, MO is likely to be more strongly related to business performance in low rather than highly turbulent industries.

These discussions lead the following propositions:

Proposition 7: Market turbulence will positively moderate the MO-IJV performance relationship.

Proposition 8: Competitive intensity will positively moderate the MO-IJV performance relationship.

Proposition 9: Technological turbulence will negatively moderate the MO-IJV performance relationship.

Contributions of The Study

Some possible contributions of this study are as follows. For managers of the IJVs and those of partner firms, this study may suggest that performance of IJVs depends on the level of MO achieved by the venture and that MO is affected by some inter-partner level variables (i.e., cultural differences, inter-partner trust) and IJV-level variables (i.e., IJV autonomy, IJV contract exclusivity, IJV top management emphasis). For this reason, partner firms of IJVs should encourage IJV top managers to make the venture to be responsive to the changes in its environment. Partner firms may achieve this by exhibiting high levels of trust and commitment towards the IJV, by granting high levels of autonomy to the IJV managers, and by carefully designing the IJV contract.

For researchers, this study may offer new, but fruitful, research avenues that have not been explored previously. Because this study cross-fertilizes the literature on MO with that on IJVs, it contributes to both fields. More specifically, this study contributes to MO literature by transferring its arguments to a new research territory (IJVs), which has been silent about the concept of MO. In this vein, this study extends Kohli & Jaworski (1990) and Narver & Slater’s (1990) seminal works on the determinants, moderators, and outcome of MO in unitary organizations to the IJV settings. The study also contributes to the IJV field by suggesting a fresh perspective (the use of the concept of MO) to study the phenomenon of IJV performance, which has been a central issue in IJV literature for about four decades.

References

Anderson, E., & Weitz, B. (1992). The use of pledges to build and sustain commitment in distribution channels, Journal of Marketing Research, 29(1): 18-34.

Atuahene-Gima, K. (1996). Market Orientation and Innovation. Journal of Business Research, 35(2): 93-103.

Barney, J.B., & Hansen, M.H. (1994). Trustworthiness as a source of competitive advantage. Strategic Management Journal, 15, 175-190.

Brady, M.K. & Cronin, J. J. Jr. (2001). 'Some New Thoughts on Conceptualising Perceived Service Quality: A Hierarchical Approach,' Journal Of Marketing Research, July, Vol. 65, 3, 34-50.

Bucklin, L.P., & Sengupta, S. (1993). Organizing Successful Co-Marketing Alliances, Journal of Marketing, 57 (April): 32-46.

Das, T.K., & Teng, B.-S. (2001). Trust, control, and risk in strategic alliances: An integrated framework, Organization Studies, 22 (2): 251-283.

Davis, D., Morris, M., & Allen, J. (1991). “Perceived Environmental Turbulence and Its Effect on Selected Entrepreneurship, Marketing, and Organizational Characteristics in Industrial Firms”, Journal of the Academy of Marketing Science, Vol. 19, No. 1, pp. 43-51.

Davis, J.H., Schoorman, F.D., Mayer, R.C., & Tan, H.H. (2000). The trusted general manager and business unit performance: Empirical evidence of a competitive advantage, Strategic Management Journal, 21, 563-576.

Dawes, J. (2000). Market Orientation and company profitability: Further evidence incorporating longitudinal data. Australian Journal of Management, 25 (2), 173-200.

Day, George S. (1994), "The Capabilities of Market-Driven Organizations," Journal of Marketing, 58 (October), 37-52.

Deshpande, R., Farley, J.U., & Webster, F. (1993). Corporate culture, customer orientation, and innovativeness in Japanese firms: a quadrad analysis’, Journal of Marketing, 57, January: 23-37.

Doyle, P. (1995). Marketing in the new millennium. European Journal of Marketing, 29 (13) 23-42.

Dyer, J.H., & Chu, W. (2000). The determinants of trust in supplier-automaker relationships in the U.S., Japan, and Korea. Journal of International Business Studies, 31, 259-285.

Elis, P. D. (2006). Market Orientation and Firm Performance, Journal of Management Studies, 43(5): 1089-1107.

Fey, C.F., & Beamish, P.W. (2000). Joint venture conflict: The case of Russian international joint ventures, International Business Review, 9, 139-162.

Glaister, K. W., Husan, R., & Buckley, P. J. 2005. International joint ventures: an examination of the core dimensions. Journal of General Management, 30 (4), 43-72.

Glaister, K.W., Husan, R. & Buckley, P.J. (2003). Decision-making Autonomy in UK International Equity Joint Ventures, British Journal of Management, 14(4): 305-322.

Gray, B. J. & Hooley, G. J. (2002). Market Orientation and Service Firm Performance - A Research Agenda, European Journal of Marketing, 36, 9/10, p.980-988.

Gray, B., Matear, S., Boshoff, C. & Matheson, P. (1998). Developing a Better Measure of Market Orientation, European Journal of Marketing, 32, 9/10,p.884-903.

Greenley, G.E. (1995). Market Orientation and Company Performance: Empirical Evidence From UK Companies, British Journal of Management, 6(1): 1-13.

Han, Jin K., Namwoon Kim, & Rajendra K. Srivastava (1998). "Market Orientation and Organizational Performance: Is Innovation a Missing Link?" Journal of Marketing, 62 (October), 30-45.

Hanvanich, S., Miller, S.R., Richards, M., & Cavusgil, T.S. (2003). An event study of the effects of partner and location cultural differences in joint ventures, International Business Review, 12(1): 1-16.

Homburg, C., & Pflesser, C. (2000). A multiple-layer model of market-oriented organizational culture: Measurement issues and performance outcomes. Journal of Marketing Research, 37(4), 449- 462.

Hult, G.T.M. & Ketchen, D. J. Jr (2001). Does market orientation matter?: a test of the relationship between positional advantage and performance", Strategic Management Journal, 22(9): 899-906.

Hult, G.T.M., Ketchen DJ Jr., & Slater, S.F. (2005). Market orientation and performance: an Integration of disparate approaches, Strategic Management Journal, 26(12): 1173–1181.

Hurley, R.F., Hult, T.G. (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination," Journal of Marketing, 62 (July), 42-54.

Jaworski, B.J. & Kohli, A.K. (1996). Market orientation: review, refinement, and roadmap, Journal of Market-Focused Management, 1: 119-135.

Jaworski, B.J., & Kohli, A.K. (1993). Market Orientation: Antecedents and Consequences, Journal of Marketing, 57 (July), 53-70.

Johnson, J.P. (1999). Multiple commitment and conflicting loyalties in international joint venture management teams, The International Journal of Organizational Analysis, 7(1): 54-71.

Kennedy, K.N., Goolsby, J.R., & Arnould, E.J. (2003). Implementing a Customer Orientation: Extension of Theory and Application, Journal of Marketing 67 (4): 67-87.

Kirca, A.H., Cavusgil, T.S., & Hult, T.M. (2009). The effects of national culture on market orientation: conceptual framework and research propositions, International Business Review, 18: 111-118.

Kirca, A.H., Jayachandran, S., & Bearden, W.O. (2005). Market Orientation: A Meta-Analytic Review and Assessment of Its Antecedents and Impact on Performance, Journal of Marketing, 69 (April 2005): 24-41

Kohli, A.K., & Jaworski, B.J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications," Journal of Marketing, 54 (April), 1-18.

Kohli, A.K., Jaworski, B.J., Kumar, A. (1993). MARKOR: A Measure of Market Orientation, Journal of Marketing Research, 30 (November), 467-77.

Kumar K (2002). Market Orientation, organizational competencies and performance: An empirical investigation of a Path-Analytic Model. Journal of American Academy of Business, 1 (2), 371-376.

Kumar, K., Subramanian, R. & Yauger, C. (1998). Examining the Market Orientation-Performance Relationship: A Context-Specific Study, Journal of Management, 24(2): 201-234.

Kwaku, A-A. (1998). Market orientation and performance: empirical tests in a transition economy, Journal of Strategic Marketing, 6: 25-45.

Lafferty, B.A., & Hult, G.T.M. (2001). A synthesis of contemporary market orientation perspectives, European Journal of Marketing, 35(1/2): 92-109.

Lane, H.W., & Beamish, P.W. (1990). Cross-cultural cooperative behavior in joint ventures in LDCs, Management International Review, 30(Special Issue): 87-102.

Li, J., Xin, K., & Pillutla, M. (2002). Multi-cultural leadership teams and organizational identification in international joint ventures, International Journal of Human Resource Management, 13(2): 320-337.

Luo, Y. (2001). Antecedents and Consequences of Personal Attachment in Cross-cultural Cooperative Ventures, Administrative Science Quarterly, 46(2): 177-201.

Luo, Y. (2002). Stimulating exchange in international joint ventures: An attachment-based view, Journal of International Business Studies, 33(1):169-182.

Luo, Y. (2005). Transactional characteristics, institutional environment and joint venture contracts, Journal of International Business Studies, 36(2): 209-230.

Matsuno, K., Mentzer, J.T., & Ozsomer, A. (2002),The effects of entrepreneurial proclivity and market orientation on business performance, Journal of Marketing, 66(3): 18-32.

Meschi, P.-X. (1997). Longevity and cultural differences of international joint ventures: Toward time-based cultural management, Human Relations, 50: 211-228.

Morgan, R. E. & Strong, C. A. (1998). Market Orientation and Dimensions of Strategic Orientation, European Journal of Marketing, 32, 11/12, p.1051-1073.

Narver, J.C., & Slater, S.F. (1990). The effect of a market orientation on business profitability, Journal of Marketing, 54(4): 20-35.

Narver, J.C., & Slater, S.F. (1998). Additional thoughts on the measurement of market orientation: a comment on Deshpandé and Farley", Journal of Market-Focused Management, 2 (3): 233-236.

Navarro, L. M.A., & Zornoza, C.C. (2003). The effect of group composition and autonomy on the performance of joint ventures (JVs): An analysis based on Spanish export JVs, International Business Review, 12, 1, 17-39.

Newburry, W. & Zeira, Y. (1999). Autonomy and effectiveness of equity international joint ventures (EIJV's): An analysis based on EIJV's in Hungary and Britain, Journal of Management Studies, 36(2): 263-285.

Newburry, W., Zeira, Y., & Yeheskel, O. (2003). Autonomy and effectiveness of equity international joint ventures in China, International Business Review, 12(4): 395-419.

Noble, Charles H., Rajiv K. Sinha, and Ajith Kumar (2002), "Market Orientation and Alternative Strategic Orientations: A Longitudinal Assessment of Performance Implications," Journal of Marketing, 66 (October).

Nooteboom, B., Berger, H., & Noorderhaven, N.G. (1997). Effects of trust and governance on relational risk. Academy of Management Journal, 49, 308-338.

Oczkowski, E. & Farrell, M.A. (1998). Discriminating between measurement scales using nonnested tests and two-stage least squares estimators: the case of market orientation, International Journal of Research in Marketing, 15: 349-66.

Pulendran, S., Speed, R. and Widing II, R.E. (2000). The antecedents and consequences of market orientation in Australia, Australian Journal of Management, 25(2): 119-144.

Rajdeep Grewal, R., & Tansuhaj, P. (2001). Building Organizational Capabilities for Managing Economic Crisis: The Role of Market Orientation and Strategic Flexibility, The Journal of Marketing, Vol. 65, No. 2 (Apr., 2001), pp. 67-80.

Ren, H., Gray, B., & Kim, K. (2009). Performance of International Joint Ventures: What Factors Really Make a Difference and How? Journal of Management, 35:805-832.

Reus, T.H. & Rottig, D. (2009). Meta-analyses of international joint venture performance determinants. Management International Review, 49(5), 607-640.

Reus, T.H., & Ritchie, W.J. III. (2004). Interpartner, parent, and environmental factors influencing the operation of international joint ventures: 15 years of research, Management International Review; 44(4): 369-395.

Robson, M.J., Leonidou, L.C., & Katsikeas, C.S. (2002). Factors influencing international joint venture performance: Theoretical perspectives, assessment, and future directions, Management International Review, 42(4): 385-419.

Rodriguez Cano C, Carrillat FA & Jaramillo F (2004). A meta-analysis of the relationship between Market Orientation and business performance: Evidence from five continents. International Journal of Research in Marketing, 21 (2), 179-200.

Ruekert, R.W. (1992). Developing a Marketing Orientation: An Organizational Strategy Perspective." International Journal of Research in Marketing, 9: 225-245.

Shapiro, B. (1988). What the hell is `market-oriented'? Harvard Business Review, 66 (November - December): 119-125.

Shoham A & Rose GM (2001). Market Orientation: A replication, Cross National Comparison, and Extension. Journal of Global Marketing, 14 (4), 5-25.

Siguaw JA; Brown G & Widing R (1994). The influence of the market orientation of the firm on sales force behaviour and attitudes. Journal of Marketing Research, 31, 106-116.

Simonin, B.L. (1991). Transfer of knowledge in international strategic alliances: A structural approach. Unpublished Dissertation, University of Michigan, Ann Arbor, Michigan.

Slater S & Narver J (1994). Does competitive environment moderate the market orientation performance relationship? Journal of Marketing, 58(1): 46-55.

Slater, S. & Narver, J. (1995). Market orientation and the learning organization', Journal of Marketing, 59(3): 63-74.

Spekman, R.E. (1988). Strategic supplier selection: Understanding long-term buyer relationships. Business Horizons, 31: 75-81.

Webster, F.E. (1992). The Changing Role of Marketing in the Corporation, Journal of marketing, 56: 1-17.

Webster, F.E. (1988), "Rediscovering the Marketing Concept," Business Horizons, (May-June), 29-39.

Wood, W.R. and Bhuian, S.N. (1993). Market orientation and nonprofit organizations: performance associations and research propositions", Journal of Nonprofit & Public Sector Marketing, 1(1): 7-32.

Wrenn, B.W. (1997). The Market Orientation Construct: Measurement and Scaling Issues, Journal of Marketing Theory and Practice, 5(3): 31-54.

Zaheer, A., McEvily, B., & Perrone, V. (1998). Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. Organization Science, 9, 2, 141-159.

Zhou, K.Z., Li, J.J., Zhou, N., & Su, C. (2008). Market orientation, job satisfaction, product quality, and firm performance: Evidence from China, Strategic Management Journal, 29(9): 985–1000.