

Market Orientation in the Public Health Sector of Mutare, Zimbabwe

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ABSTRACT

This study undertook an assessment of market orientation in the Public Health Sector of Mutare, Zimbabwe. This study focused on five health centers in Mutare which are Mutare General Hospital, Sakubva Hospital, Dangamvura Clinic, Chikanga clinic and Mutare Infectious Disease Hospital. A total of 50 questionnaires were sent out and 35 questionnaires were returned. This represented a total return of 70%. The principal finding of the research is that the Public Health Sector in Mutare, Zimbabwe exhibits a degree of market orientation. The research also found out barriers inhibiting development of market orientation which are to do with people and organizational structures. The study found out that marketing as a concept in the Public Health Sector in Mutare is not well understood. Management tends not to understand the importance of marketing in a not for profit organizational setting. Lack of this understanding impact negatively in the development of market orientation in the Public Health Sector in Mutare. It is therefore the contention of this study that both staff and management ought to be trained on the importance of market orientation. There is also a need for management to be trained in the area of entrepreneurship as this would engender a culture that fosters market orientation.

Key words: Market orientation, Public Health sector, Mutare, Public Management.

1.0. Introduction

Drucker (1954) first articulated the concept of market orientation as the core focus of the marketing concept; the pillar upon which modern study of marketing is based. There is considerable agreement that in general, market orientation is a culture, in which all employees are committed to the continuous creation of superior value for customers (Narver and Slater 1990). The development of the market orientation construct is attributable to the work by both Kohli and Jaworski (1990) and Narver and Slater (1990). In defining the conceptual domain of market orientation, Narver and Slater (1990) reviewed the literature, concluding that a market orientation consists of the following three behavioral components:-

Customer orientation –Which involves understanding target buyers now and over time in order to create superior value (satisfaction) for customers; understanding the economic and political constraint in the channel.

Competitor Orientation –This involves acquiring information on existing and potential competitors, and understanding the short term strength and weaknesses and long term capabilities of both the key current and potential competitors.

Inter functional coordination – The coordination of all functions in the business in utilizing customer and other market information to create superior value for customers. (Narver and Slater, 1990)

Kohli and Jaworski (1990) undertook a literature review and sixty –two field interviews with both marketing and non marketing managers in industrial, consumer and service industries, with organizations ranging in size from four employees to tens of thousands. Ten business academics and two large US universities were also interviewed. Based on such interviews, and a review of the literature, Kohli and Jaworski (1990) proposed a formal definition of market orientation in an attempt to achieve definitional precision and theoretical integration, which is as follows:

“Market orientation 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”. There are three components to this definition- intelligence generation, intelligence dissemination and responsiveness.

Ruekert (1992) developed a measure of market orientation similar to that by Kohli and Jaworski (1990) and Narver and Slater (1990). Ruekert cites Shapiro (1988) who argues that the market driven organizations possesses three critical characteristics: Information on all important buying influences permeates every corporate functions: strategic and tactical decisions are made inter functionally and inter divisionally; Divisions and functions make well –coordinated decisions and execute them with a sense of commitment. Ruekert further argues that the work by Shapiro (1988), Kohli and Jaworski (1990) and Narver and Slater (1990) shares common characteristics. A market orientation results in actions by individuals toward the market; such actions are guided by information obtained from the market place; such actions cut across functional and organizational boundaries within the division.

Calls for market orientation in the Not-for-profit sectors was firstly attributed to the calls by the patriarchs in the study of market orientation such Narver and Slater, (1990) and Jaworski and Kohli (1990). Wood, Bhuian and Kiecker (2000) further reinforced this view by indicating that it is patriarchs of market orientation who recommended that the development of the market orientation construct can achieve pinnacle levels if applied in the not- for- profit organizations.

Aside from this, calls for the development of market orientation construct in the not for profit sectors is also attributable to the development of the New Public Management theory. The New Public Management theory is a dynamic approach adopted by governments the world

over to restructure their bureaucracies supposedly in order to better provide services to citizenry. The theory advocates for fewer public resources, more technological reliance, fewer government expenditure and more private involvement, all leading to performance targets that can better service those utilizing the services- the clients/customers. (Hoque and Moll, 2001). The New Public Management philosophy also known as the Alternative Service Delivery (ADS) is therefore a novel form of public administration advocating market oriented policies in order to enhance cost efficiency and obtain clear performance.

Therefore just as the Public Sector was mimicking private sector management practices in order to survive under new realities and challenges, there was therefore need for market orientation in the public sector.

2.0 Statement of the Problem

This study aims at assessing the extent to which the Public Health Sector in Mutare is market oriented. It aims to venture into the virgin domain of knowledge with respect to market orientation. In this adventure, the study focused on five health centres in Mutare and these are Mutare General Hospital, Sakubva Hospital, Mutare Infectious Disease Hospital, Chikanga and Dangamvura Clinic.

3.0 LITRATURE

With reference to the Public health Sector, market orientation calls for Public Health Sector organizations to be responsive to their clients and to the environment under which they operate. Applying the concept of market orientation to the Public Health Sector, calls for the institutions to understand and respond to customers needs and wants irrespective of status and background. The assumption, according to Narver and Slater (1990), is that the presence of a market orientation within an organization creates a set of attitudes and a modus operandi which unifies the strategies, systems, efforts and activities of individuals and departments, leading to superior performance in the longer term. An assessment of market orientation in the Public Sector is critical because it provides the necessary norms for responding to the market place. Conversely deficiencies in the market orientation in the mindset of the Public Health Sector staff justify the need to implement staff development programs aimed at creating market oriented behaviors.

From the literature on market orientation, it is noted that Public Health sector organizations that increases their market orientation will improve their market performance. This proclamation has been issued continuously by both marketing academicians and marketing managers for more than 30 years. (Kotler, 1984). Judged by the attention paid to it by practitioners, market orientation is the very heart of modern marketing management and strategy – yet to date no one in Zimbabwe has developed a valid measure of it or assessed its influence on public health sector performance. As a result managers seeking to implement a market orientation have had no specific guidance as to what precisely it is and what its actual effect on performance may be.

From the above discussion it is noted that literature on market orientation in the public sector is still limited. In essence what one can deduce is that Market orientation is a business culture which if inculcated in the Public Health Sector, can most effectively and efficiently creates superior value for customers. This study was therefore propelled to venture into this field, full of potential but yet unraveled.

4.0 RESEARCH METHODOLOGY

4.1 Research design

The research chose the descriptive survey approach because of its appropriateness to the research problem under investigation. The method is essentially simple in design and is a common approach used with more or less sophistication in many areas of human activity. It helps the researcher in focusing upon describing and interpreting what is there, the conditions, the relationships that exist and the roles the Public Health Sector in Mutare play in addressing clients' needs.

4.2 Population

The population for the research consisted of staff at five Public Health Centres in Mutare which are Mutare General Hospital, Sakubva hospital, Dangamvura clinic, Chikanga clinic and Mutare Infectious Diseases Hospital.

4.3 Sample and Sampling Procedure

The sample size for the research was thus set at 35 and it was made up of staff randomly selected from the population. The rationale for limiting the sample to 35 was influenced by time and resources. The selected sample was also manageable.

4.4 Instruments

The study used a questionnaire adapted from Deng and Dart(1994), Jaworski & Kohli, (1993), Narver and Slater (1990).The questionnaire items was designed to measure six constructs of market orientation as propounded by Deng and Dart, (1994), Jaworski & Kohli (1993), Narver and Slater (1990).These constructs are: customer orientation, competition orientation, inter functional coordination, market intelligence generation, market intelligence dissemination and responsiveness to market intelligence.

4.5 Data Analysis

The analysis was based on the SPSS to enable the researcher to make meaningful interpretation of data presented with less difficulty. After the questionnaire administration the questionnaires were coded and the data was input in the SPSS for analysis.

5.0 Discussion

The study found out that poor management presents a great challenge to the Public Health Sector in Mutare. Poor management is an obstacle to market orientation. Drysdale (2000) also intimated that obstacles to market orientation lies on people and organizational structures that prevent market orientation. The attitude and actions of staff in Public Health Sectors in Mutare

is the major influencer in determining levels of market orientation. Indifferent and negative attitudes to marketing at all levels in the health centres studied remain significant barriers. This is often coupled with both a lack of commitment and skills of top management. It is inconceivable that poor and incompetent management can dream of market orientation.

The study also found out that there is lack of an understanding of marketing in the Public Health Sector in Mutare. The majority of respondents in this study did not find the relevance of marketing at a hospital/clinic and somewhat believe that marketing is either selling or advertising. One of the respondents, who surprisingly is in management, did profess ignorance on the relevance of a study on market orientation. What this implies is that market orientation is not well understood in the Public Health Sector in Mutare. The negative attitude towards marketing by Health Sector staff and a large number of the community presumably stems from the belief of marketing as manipulative, offensive and misleading. For Public Health Institutions to engage in such practices is regarded as somewhat demeaning. Words such as marketing, customer, client, selling, and competition more often raise the hackles of the public, patients and Public Health Sector administrators in Mutare.

The study found out that although competitor orientation exists in the mindset of staff in Public Health Institutions in Mutare, staff is further particularly weary of the notion of “competition”. The Public health sector belief is akin to seeing competition among institutions as counterproductive. Competition between Public Health Institutions and Private Health Institutions is more accepted but only for expedience especially when need to drum public support is needed. However the notion of competition between Public Health Institutions is an anathema. There is also a view that government should provide adequate funding and resources for Public Health institutions and that they should not be forced to market or gain sponsorship. Finally the perception by Public Health Sector staff in Mutare is that marketing should not be part of their role and hence resist or comply reluctantly.

The study also found out that the Public Health Sector institutions in Mutare are more akin to perceiving market orientation as too expensive to implement and also at best irrelevant. They regard themselves as too small and don't have the necessary systems, expertise or infrastructure or resource to engage in marketing activities or market training. Centralized and bureaucratic systems associated with the public health sector are less accommodating to dissemination of information and organizational responsiveness to market intelligence. Departmentalization, unclear marketing aims and objectives, lack of marketing skills, reward systems based on cost cutting and short term survival, an unclear view of the customer and perceived lack of competitive differentiation inhibit market orientation

The study noted that the Public Health Sector in Mutare is highly fortified such that getting information about its operations is near to being impossible. Information is highly centralized. A simple complaint against operations of a Public Health institution is normally greeted with a rebuttal from the Minister of Health and Child Welfare. What is worrisome is that the said rebuttal is made even before investigations are undertaken. Criticism is an anathema in the Public Health Sector in general yet under normal circumstance in can go a long way in making

an organization to know about what its clients expect and improve where improvement is needed. There is more of professional unity rather than upholding of professional ethics which calls for more for customer orientation. This lack of political will inhibit the growth and development of market orientation.

It is the contention of this study that the positive results of market orientation could have been attributed to the age of the respondents. Most of the respondents were above forty for example 12 out of 35 of the respondents are above forty and eight are in their twenties. Those above forty are now settled mainly developed a customer focus in the past when conditions in the Public Health Sector were favorable while those in the twenties are mainly recruits from the National Youth Service whose grueling training and political orientation makes them to give pro customers response yet in reality they are not customer oriented.

Although this study found out that market orientation exists in the Public Health Sector of Mutare, the presence of negative trends against market orientation is worrisome since though at limited level may inhibit performance. This study like previous studies by Kohli and Jaworski (1990) stresses that market orientation comprises a continuum and an organization having the highest degree of market orientation is associated with the highest performance.

6.0 Summary

The study found out that the Public Health Sector in Mutare is to a large extent market oriented. However of interest to note is the fact that no item considered in this study attained a maximum possible market orientation score. The question that arises: Is the Public Health Sector in Zimbabwe in equilibrium in terms of market orientation or is it continuing to increase its market orientation? The basic laws of economics seem to apply here: For every business at some point, the incremental cost to increase its market orientation will exceed its incremental benefit.

7.0 Conclusion

The study confirmed the existence of market orientation in the Public Health Sector in Mutare. Market oriented organizations tend to have higher performance than non market oriented organizations. The Public Health Sector in Mutare is to a large extent market oriented. This study like previous studies stress that market orientation comprises a continuum. There is however challenges that stands in the way of market orientation. The theory of market orientation and also the implications of this study suggest that market orientation is relevant in every market environment. It is important to note that market orientation is not the only determinant of high performance. There is need for further future research on market orientation in the Public Sector domain.

8.0 Recommendations

It is recommended that management and staff of the Public Health Sector in Mutare be trained on the importance of market orientation and its attendant benefits. Training can go a long way according to the findings of this study in bringing management closer to being market oriented.

The Public Health Sector in Mutare must place special attention on market orientation and resource allocation must be committed to the overall professional education opportunities of organization members, including memberships and participation in professional seminars, workshops, conferences, and other development programs. Organizational entrepreneurship which is not nourished and hence lacking in the Public Health Sector in Mutare must also be supported by actively encouraging new product idea generation, implementation of new methods and techniques in the delivery of health-care services. A focus on unique and novel approaches to achieving patient satisfaction and the proactive search for, and development of, new markets also are recommended. Once again, the key to success is achieving an organization-wide market orientation.

There is also need for the Public Health Sector in Mutare to seriously consider beefing institutions with resources since this will go a long way in engendering a culture of market orientation.

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