

ANALYSIS OF THE DEGREE AND THE STRUCTURE OF THE USE OF MARKET-ORIENTED ACTIVITIES IN ADULT EDUCATION INSTITUTIONS WITH A DIFFERENT NUMBER OF ENROLLED STUDENTS

Zoran Mihanović

University of Split, Faculty of Economics
Matice hrvatske 31, 21000 Split, Croatia
zoran.mihanovic@efst.hr

Josip Arnerić and Mario Pepur

University of Split, Faculty of Economics
Matice hrvatske 31, 21000 Split, Croatia
jarneric@efst.hr; mpepur@efst.hr

Abstract

In this paper, public and/or nonprofit institutions of adult education in Croatia have been analyzed. The issue of the degree and the structure of the use of market-oriented activities in the mentioned institutions has been raised as the main subject matter of this research. The degree and the relationship will be studied and differences in the use of market-oriented activities in institutions with small and large number of enrolled students will be established. Verification of research objectives is based on measuring two constructs by a specially designed questionnaire. The relationship implied by research objectives will be empirically analyzed and partially confirmed on a random sample of Croatian institutions of adult education. The most important limitation of the research is related to the summarized self-reporting of marketing behavior by the analyzed institutions, which should be addressed by future studies. However, it is expected that the results of this study imply the existence of a relationship between different institutions of adult education with a different number of students and market activities which the mentioned institutions develop within the specific context of adult education 'industry'. Special considerations should therefore be applied to the universal applicability of the obtained results in other fields of education

Key words: *adult education, market-oriented activities, students, faculties, Croatia*

1. INTRODUCTION

A new approach to career development for individuals and corporations will be focused at learning as an action-directed lifelong process where global partners work together on the production of positive and payable future for all (Fulmer and Gibbs, 1998). Therefore, there is a need for continuous education throughout life, from youth up to old age, in an attempt to foresee the knowledge needed in the future. Institutions of adult education in Croatia lack the scientific thought and empirical studies on the

implementation of marketing within themselves. In the last decades, market oriented activities have been advocated as a pivotal factor in securing and maintaining market leadership in for-profit firms (Cravens, Greenley, Piercy and Slater, 1998). In the non-profit context as well as in education, market oriented activities work as an organizational strategy when pressures and environmental changes appear (Balabanis, Stables and Philips, 1997). Furthermore, there have been several studies which highlight the positive impact of market oriented activities on organizational performance in both these sectors, but there have been only few attempts to develop and test models relevant for the educational context (see Siu and Wilson, 1998, Caruana, Ramaseshan and Ewing, 1998, Mihanović, 2006). To begin with, this paper reviews the theoretical background and proposes an integrated research framework to better understand, operationalize and measure market oriented activities as a dynamic capability concept. This is followed by a discussion of the methodology used, the main features of the sample, and an analysis of the results.

2. THEORETICAL FRAMEWORK

The term lifelong learning may be used in two different ways: as a synonym of adult education, or as a system consisting of related elements (formal education – primary, secondary and higher education, and nonformal and formal education) which is based on the principle of temporal prolonging of organised learning (from childhood and youth to entire life). Its introduction provides detachment from dominant institutional approach to education because it is not related to a particular life period, particular level of education or a specific purpose. This text will consider adult education as an important part of lifelong education. Adult education implies the education of persons older than 15, who are outside of regular educational system in order to acquire and promote knowledge, skills and abilities (Narodne novine, 2007). Adult education in Croatia has a long history, since it was founded by Albert Bazala in 1907. Subsequently, it was followed by the development and the process of adjusting educational system to tradition and political system, as well as the European teaching and educational standards. (Erceg and Bolić, 1995). There is a twofold benefit in the marketing of educational institutions (Pavičić, 2003): (1) systematic implementation of marketing precipitates functioning of the mentioned institutions and a more quality realisation of their mission and objectives; (2) by improving the realisation of mission and objectives, marketing implementation in educational institutions has a positive effect on solving social problems, namely, it contributes to better functioning of society as a whole.

Literature on marketing presents a large body of research on the concept of market orientation based mostly on the studies of for profit firms. It has to be pointed out that in spite of the initial consideration of applications in sectors guided by economic results, there is an increasing number of studies centred on contexts where the expected benefits are not of monetary or commercial nature. In this respect, obviously there are some analyses concerning market orientation in nonprofit organisations (Wood, Bhuian and Kiecker, 2000; Vazquez, Alvarez and Santos, 2002; Cervera, Molla and Sanchez, 2001).

Market orientation can be interpreted as the implementation of marketing concept through organizational behaviors (Kohli and Jaworski, 1990). Others link market orientation with company culture. For example, Liu, Luo, and Shi (2002) suggest that market orientation is an organizational culture focused on customer satisfaction. Gray and Hooley (2002) affirm that market orientation is the implementation of corporate culture or philosophy. Other authors see market orientation as business culture (Narver and Slater, 1990; Hurley and Hult, 1998). Kohli and Jaworski (1990) consider market orientation as an activity of processing market information. Therefore, those who identify the most with this point of view understand market orientation as a form of *behaviour* or conduct more than an attitude, as the concept is more identified with the implementation of marketing concept. In this way, the perspective is identified with *action* and associated with terms such as operational or behavioural strategy. In the behavioural approach, market orientation refers to the generation of market intelligence pertaining to current and future needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it (Kohli and Jaworski, 1990). More precisely, market intelligence refers to all *activities* directed toward developing an understanding of customers' current and future needs and the factors affecting them, dissemination is the *sharing* of this understanding across departments, and responsiveness is the *action* taken in *response* to intelligence that is generated and disseminated (Kohli and Jaworski, 1990). Numerous studies have been carried out within the behavioural perspective, thereby contributing to its development (Atuahene-Gima, 1996 ; Matsuno and Mentzer, 2000; Rose and Shoham, 2002).

This paper considers two stakeholders: students and faculty. Stakeholders include all agents with an interest in the organization's activities, and with the capacity to affect its functioning and performance. In order for the organization to benefit from stakeholder orientation to, there needs to be a way of identifying which stakeholders are relevant to the strategic conduct of the organization's activities. Stakeholder theory has pursued the objective of listing those agents who are in a position to affect an organization's performance (Friedman and Miles, 2002). Thus, stakeholder orientation is considered as an extension of market orientation to include all agents affecting the processes and performance of organizations. In a similar way to the behavioural approach suggested by Kohli and Jaworski (1990), stakeholder orientation is also composed of three sets of behaviours that were mentioned before (Maignan and Ferrell, 2004). The operational importance of market orientation is connected to its known effects on organizational performance. This paper suggests that market orientation activities might be an effective tool for improving results obtained in the adult education context. Marketing can play an important role in joining long-term needs of entire society and satisfying consumer needs with quality presenting what is not wanted in short-term, but what will effect its growth and society growth in long-term, directing those needs in a socially acceptable manner, thus, eventually, fulfilling institution's mission and aims (Mihanović, 2006).

3. METHODOLOGY

Empirical part of the research applied a multivariate data analysis on a representative sample with the use of a questionnaire as the instrument of research. The questionnaire was constructed on the basis of the research by Kohli, Jaworski and Kumar (1993) where they created MARKOR - Measure of Market Orientation with three basic market orientation components – *gathering and dissemination of intelligence and appropriate responsiveness* – whose reliability and validity has been confirmed in the later works of other authors. The questionnaire has been altered and adapted to the non-profit sector, education and Croatian institutions of adult education. Population gathered all institutions of adult education in the Republic of Croatia (180 of them). The sample choice was carried out in accordance with the list and categorization of adult education institutions of the Agency for Adult Education. The questionnaire was answered by 90 institutions which makes 50 % of the population. Managers of institutions of adult education were used as research subjects as they are the instigators of certain behaviour and architects of organizational culture and philosophy and their familiarity with overall situation within the organizations themselves make them the most competent subject for providing certain answers on the organizational activities. This research included two stakeholders (students and faculty) with whom institutions establish or should establish effective relationships. The research was conducted in 2010.

4. RESEARCH FINDINGS

Hierarchical cluster analysis was used to determine which subsets of institutions can be classified by the number of students enrolled. Before clustering procedure all variables were standardized. This procedure has created 2 clusters from the 90 observations supplied using Ward's method with Euclidean distance metric. The clusters are groups of observations with similar characteristics. To form the clusters, the analysis began with each observation in a separate group. It then combined the two observations which were closest together to form a new group. After recomposing the distance between the groups, the two groups then closest together were combined. This process was repeated until one group remained. Ward's method has the tendency to result in clusters of approximately equal size due to its minimization of within-group variation. A dendrogram shows how each of the clusters was formed. A horizontal line connecting two groups shows that the groups were combined at the distance shown on the vertical axis.

As apparent from the dendrogram, the optimal number of clusters is 2, because there is a greater distance in transition from two clusters to one. The first cluster contains 60 institutions of adult education which have fewer than 300 enrolled students, while the second cluster contains 30 institutions of adult education which have over 300 enrolled students.

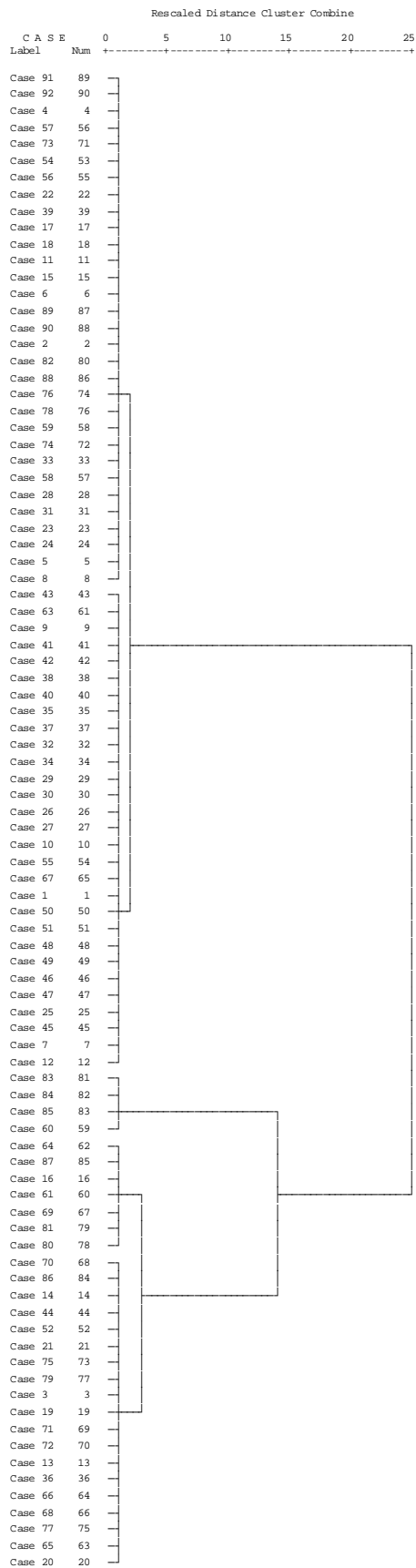


Figure 1: Dendrogram computed according cluster analysis using Ward's method with Euclidean metric.

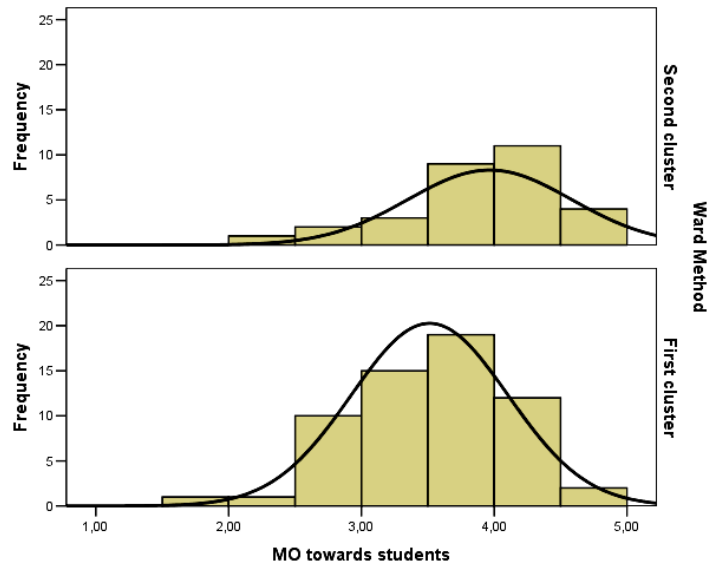


Figure 2: Distributions of market orientation towards students between two clusters.

Figure 2 and Figure 3 indicates a difference in the distribution of market oriented activities (MO) towards students and towards faculties (teaching staff) between two obtained clusters. There is a higher degree of market oriented activities for institutions with more than 300 enrolled students (cluster 2) in relation to institutions with fewer than 300 enrolled students (cluster 1).

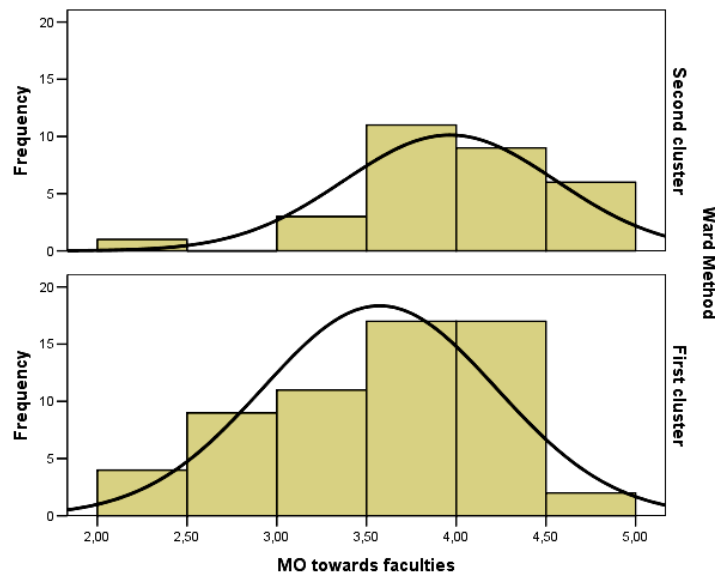


Figure 3: Distributions of market orientation towards faculties between two clusters.

This difference was evident for both groups of stakeholders and it is also evident from the Table 1.

Table 1: Differences testing in means between clusters within two stakeholders: students and faculty

Variables	Clusters		ANOVA results of differences testing	
	Mean value for cluster 1	Mean value for cluster 2	F-ratio	p-value
Students - MO	3,51	3,97	11,407	0.001
Faculties - MO	3,57	3,96	7,685	0.007

MO – market oriented activities

Source: authors

To test the differences in means between clusters the F-test from ANOVA has been used (Table 1). Namely, differences between clusters, in the degree of market oriented activities, have been tested for students and faculty. Since the p-values of the F-ratios are less than 0.05 for both stakeholders, the conclusion is that there is a statistically significant difference between the means of the clusters (Table 1).

For the purpose of deeper analysis, the differences between clusters have also been tested towards three basic market orientation activities (*gathering* and *dissemination* of intelligence and appropriate *responsiveness*) within two stakeholders, which have been shown to be statistically significant in all three components (Table 2). Institutions that have enrolled a higher number of students (over 300, cluster 2) collect information from their stakeholders, distribute information and react to information collected to a greater extent than institutions with fewer than 300 enrolled students (cluster 1).

Table 2: Differences testing in means between clusters towards three basic market orientation activities within two stakeholders: students and faculty

Stakeholders/market orientation components		Clusters		ANOVA results of differences testing	
		Mean value for cluster 1	Mean value for cluster 2	F-ratio	p-value
Students	Gathering	3,29	3,88	9,602	0,003
	Dissemination	3,50	3,96	7,538	0,007
	Responsiveness	3,76	4,06	5,893	0,017
Faculty	Gathering	3,43	3,88	6,200	0,015
	Dissemination	3,55	4,02	6,930	0,010
	Responsiveness	3,75	3,99	3,745	0,056

Source: authors

5. SUMMARY

From the presented research it can be concluded there is a higher degree of market oriented activities for institutions with more enrolled students in relation to institutions with fewer enrolled students and there is a statistically significant difference between the means of two mentioned institutions. Also, institutions that

have enrolled a higher number of students (over 300, cluster 2) collect information from their stakeholders (students and faculty), distribute information and react to information collected to a greater extent than institutions with fewer than 300 enrolled students (cluster 1). These results are especially important since students and faculties are very important stakeholder of the institutions of adult education. Therefore, institutions with fewer than 300 enrolled students must recognize the significance of market orientated activities towards the students and the faculties. Research results show the dimensions comprising market orientated activities, which can help management of domestic institutions of adult education in establishing weaknesses in areas of realizing market orientated activities and enabling them to implement necessary corrective actions. Furthermore, market orientation contributes directly and indirectly to the success of this institutions itself in the realization of its mission and the improvement of its performance which has been confirmed in the research within profit and non-profit sector. This paper suggests that market orientation activities might be an effective tool for improving results obtained in the adult education context. In Croatian cultural and scientific environment this main conclusion of the research might be very useful.

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