Extending the use of market orientation: transforming a charity into a business

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Abstract

Charities play a crucial role within society but are facing growing competition. Adopting a market orientation assists for-profit organisations to improve performance and can potentially also assist charities. This paper examines the under-researched topic of how market orientation can be appropriately introduced into a charity, and the resultant effect upon performance. A charity that introduced market orientation is examined using a discourse transformation framework. Thematic analysis of in-depth interviews of employees identifies how management changed the organisation through use of a three-phase process of new managerialism, professionalism and embedding. Few if any papers have previously examined how management of a charity can successfully implement a market orientation. The paper thus expands our knowledge regarding implementation of market orientation, utilises a discourse transformation framework for examination of market orientation, and provides charity managers with worthwhile information regarding how market orientation can improve performance - for the benefit of society.

Keywords

transforming, orientation, into, market, charity, extending, business

Disciplines

Business | Social and Behavioral Sciences

Publication Details

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Highlights

- Implementation of market orientation within charities occurs via a three-phase process

- A discourse transformation framework is useful in examining market orientation implementation

- Charities can improve performance via introducing market orientation

- Managers need to be cautious when transforming a charity into a business due to the underlying values of existing employees

Abstract

Charities play a crucial role within society but are facing growing competition. Adopting a market orientation assists for-profit organisations to improve performance and can potentially also assist charities. This paper examines the under-researched topic of how market orientation can be appropriately introduced into a charity, and the resultant effect upon performance. A charity that introduced market orientation is examined using a discourse transformation framework. Thematic analysis of in-depth interviews of employees identifies how management changed the organisation through use of a three-phase process of new managerialism, professionalism and embedding. Few if any papers have previously examined how management of a charity can successfully implement a market orientation. The paper

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1. Introduction

Charities play a vital role in society but are facing increased competition, partly due to an increase in the number of causes being promoted, and the desire of many existing organisations to grow and offer an increasing range of assistance to clients (Murray and Carter, 2005). A limited pool of resources (Philanthropy Australia, n.d.) and economic conditions impact on the public's ability to donate. There is also a government trend towards 'neoliberalism' (Aronson and Smith, 2010) in various countries including the United States of America, United Kingdom and Australia resulting in access to government funding becoming increasingly based on competitive tendering. As well as these competitive issues, society is placing increasing pressure on charities to simply improve performance (Polonsky and Grau, 2011).

To address this environment, charities need to become more businesslike in an effort to survive (Jones, 2010; Polonsky, 2003; Polonsky and Grau, 2008) and look for new and improved methods of service delivery (Jaskyte, 2004). Adopting a market orientation assists for-profit organisations to improve performance and can potentially also assist charities. The key challenge for charity organisations is to change their practice without compromising their underlying ethos. Whilst adoption of effective business practices is essential, these practices may clash with the philosophy and culture of charity organisations and potentially alienate significant stakeholders. Researchers have examined numerous aspects of market orientation

in recent decades, particularly within the for-profit context, but little if any attention has been paid to the manner in which market orientation can be successfully introduced into organisations. Beverland and Lindgreen (2007, p. 430) suggested that 'only one study has examined the implementation of a market orientation' and to date, no such research examining the process of change has been conducted in the nonprofit sector. Beverland and Lindgreen (2007, pp. 431-432) also considered that a focus on the process of change 'would advance our knowledge substantially as it would identify practical implications for marketing managers'. As pointed out by Durst and Newell (2001, p. 443), 'relatively little is known about the reinvention strategies of nonprofit organizations'. As a result, we currently possess little knowledge to assist managers of nonprofit organisations to confidently introduce market orientation successfully. Despite being a neglected research area in regards to market orientation, marketing is relevant to nonprofit organisations (Drucker, 1990; Kotler and Andreasen, 1996) and given the key role that such organisations play in society (Pope, Isely, and Asamoa-Tutu, 2009), should be the focus of further research. This study thus aims to address these issues and increase our understanding regarding how a charity can successfully introduce a market orientation to improve performance and also responds to the call from Tadajewski and Hewer (2011, p. 451) 'that there needs to be a concerted effort in understanding how practitioners engage in marketing activities'.

In this paper, we thus examine the manner in which a market orientation has been implemented within a charity and the resultant effect upon performance. The key focus is on identifying the changes that occurred within the organisation and how these changes were successfully embedded by management. Thus, the three key research questions addressed are: Firstly, what are the processes for effectively introducing a market-oriented discourse in a charity organisation? Second, what are the characteristics of the transformed organisation? Third, what is the resultant effect upon performance?

The research thus aims to contribute in various ways. This is amongst the first known research to actually examine the process of implementing market orientation in charities. The research thus has potential to 'transform the intellectual and practical landscape' (Tadajewski and Hewer, 2011, p. 452) in relation to the successful introduction of market orientation into charities and addresses the shortage of practitioner perspectives (Cornelissen and Lock 2005, p. 166). It also provides further support for the improved performance that results from implementing a market orientation within the nonprofit setting.

2. The Marketing Concept and Market Orientation: A Key to Improved Performance

Market orientation developed its origins from the marketing concept which is defined by Kotler and Armstrong (2012, p. 34) as the management 'philosophy that holds that achieving organisational goals depends upon knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors'. Seminal research regarding market orientation was conducted by Narver and Slater (1990) as well as Kohli and Jaworski (1990). Narver and Slater (1990) hypothesised that market orientation 'is a one dimension construct consisting of three behavioural components and two decision criteria – customer orientation, competitor orientation, interfunctional coordination, a long-term focus, and a profit objective' (Narver and Slater 1990, pp. 21-22). Kohli and Jaworski (1990) developed their definition of market orientation based on market intelligence requiring three components, namely - intelligence generation, intelligence dissemination and responsiveness. Later, Jaworski and Kohli (1993) developed a model whereby top management characteristics, interdepartmental dynamics and organisational systems were believed to

affect the level of market orientation, and that market orientation subsequently affected the organisation's employees and business performance.

A meta-analysis of available market orientation research conducted by Lafferty and Hult (2001) concluded that four key 'synthesis dimensions' of market orientation exist: emphasis on customer, importance of information, interfunctional coordination and taking action. There is extensive research indicating that a market orientation assists commercial organisations to improve performance in terms of profitability and growth (for example, Cano, Carillat, and Jaramillo, 2004; Kohli and Jaworski 1990; Narver and Slater 1990; Shoham, Rose, and Kropp, 2005), hence market orientation being regarded as a key goal for organisations. This research has typically been conducted in the for-profit arena.

3. Market Orientation and Nonprofit Organisations

Application of marketing to the nonprofit arena was originally postulated from the late 1960's in pioneering articles by Kotler and Levy (1969), Kotler and Zaltman (1971) and Shapiro (1973) and there is extensive research suggesting that marketing is relevant for nonprofit organisations (for example, Kara, Spillan, and DeShields, 2004; Wood, Bhuian, and Kiecker, 2000). Whilst Gainer and Padanyi (2002) consider there is sometimes suspicion about using business practices in nonprofit organisations as they may divert the organisation away from its traditional mission and values - a clash of goals - they subsequently conducted research that they consider provides empirical evidence that the market orientation versus performance linkage 'can be extended to the nonprofit sector' (Gainer and Padanyi, 2005, p. 860). Market orientation is a 'relatively new concept in the nonprofit and voluntary sector' (Shoham, Ruvio, Vigoda-Gadot, and Schwabsky, 2006, pp. 453-454) and whilst it is now

accepted that it is relevant and can assist nonprofit organisations, there is however a need for managers to be aware that if not properly implemented, such practices may suppress the aims of the organisation (Shaw and Allen 2009).

The validity of the market orientation models developed originally in large for-profit organisations have been questioned by Sargeant, Liao and Foreman (Liao, Foreman, and Sargeant, 2001; Sargeant, Foreman, and Liao, 2002) who offered a societal orientation model, but which has close parallels with components of market orientation proposed by Narver and Slater (1990) and Kohli and Jaworski (1990). Within the societal orientation model of Sargeant, Liao and Foreman, 'customer' has been renamed 'stakeholder' and a new component referred to as 'collaboration' has been added to reflect the manner in which competitors within the nonprofit sector may potentially work together for mutual benefit of the organisations and service recipient clients. Similarly, Gonzalez, Vijande and Casielles (2002) modified the Kohli and Jaworski (1990) model of market orientation by dividing customers into donors and beneficiaries, and Duque-Zuluaga and Schneider (2008) offered a model in which they divided Narver and Slater's (1990) 'customer' into three subsets – beneficiary/recipient, donor, volunteer/employee and added a new component referred to as 'collaborative orientation'. It should be noted that these models of market orientation developed for the nonprofit arena are indeed based upon the seminal for-profit models of Narver and Slater (1990) as well as Kohli and Jaworski (1990).

In summary, the increased competition faced by charities can in theory be addressed by the introduction of a market orientation. This topic is however under-researched (Modi and Mishra, 2010) and the process by which a charity can successfully transform has received minimal academic attention to date. This research thus aims to examine the manner in which a charity has been able to successfully introduce market orientation and achieve improved performance.

4. Research Approach

A single case study of a loss-making charity that has sought to introduce market orientation to improve performance was examined. Case study methodology (Creswell, 2003) was utilised as it is recommended when holistic and in-depth investigation is required (Feagin, Orum, and Sjoberg, 1991) and when research and theory are in formative stages (Eisenhardt, 1989; Yin, 1994), as is the case with the implementation of market orientation into charities. No specific guidelines exist regarding how many cases need to be conducted in case study research, but a single case is regarded as offering more in-depth information than multiple case studies for the same amount of resources utilised (Dyer and Wilkins, 1991; Gummesson 2007). Case studies are considered to be a recognised approach to market orientation research (for example, O'Cass, 2001; Warnaby and Finney, 2005). The model and definition of market orientation utilised in this paper is based on the Lafferty and Hult (2001) meta-analysis as it integrates the various perspectives of a number of researchers including the seminal research of Kohli and Jaworski (1990) as well as Narver and Slater (1990), from which nonprofit models have been derived. Given that the change within a charity organisation is examined, a discourse transformation framework has been utilised to guide the study of the transformation of the charity to a market-oriented organisation. The framework utilised is provided by Foucault (1991, pp. 56-57) who suggested that discourse transformation may be detected by four criteria - the 'displacement of discourse boundaries', 'the new position and role' of the speaking subject, the 'new mode of functioning of language', and 'circulation' of the discourse.

The discourse transformation within this case study was examined via thematic analysis of interview transcripts and other data sources. The four synthesis dimensions of market orientation (Lafferty and Hult, 2001) and the four criteria for detecting discourse transformation (Foucault, 1991) provided a framework to guide the overall analysis. Semi-structured in-depth interviews involving open-ended questions were used to examine the 'lived experience' (Covaleski, Dirsmith, Heian, and Sajay, 1998) of employees across all functional areas (horizontal) and from all levels of management (vertical) to assist with data triangulation via gaining a complete 360 degree perspective (Steinman, Deshpande, and Farley, 2000). Interviewees possessed a range of backgrounds, experience and training. Employees based at both head office and various branches were interviewed. Theoretical sampling of interviewees was conducted to build and refine emergent theory (Eisenhardt, 1989; Glaser and Strauss, 1967; Yin, 1984). The theoretical sampling stopped when 'saturation' occurred, thus providing 'a sufficient number of arguments of sufficient quality and sufficient data for those arguments to be well grounded' (Wood and Kroger, 2000, p. 81). Guidelines for conducting interviews suggested by Patton (2002) were followed. Interview protocol questions were based around Lafferty and Hult's (2001) synthesis dimensions of market orientation and Foucault's (1991) four criteria for detecting discourse transformations. To minimise bias, all interviews were conducted by a single interviewer (Lincoln and Guba, 1985).

The in-depth interviews were reinforced by direct observation and various archival material and other relevant artefacts. These included annual reports, employee manuals, organisation brochures and the organization's internet site which contained numerous documents including the strategic plan. This not only provided additional data but assisted with triangulation.

Interviews were digitally recorded and professionally transcribed. Interview transcripts were then compared with the original voice recordings by the researchers then provided to the original respondents to verify accuracy. If appropriate, additional follow-up interviews were conducted to expand or clarify any relevant issues. Eschewing electronic analysis, manual thematic analysis of the transcripts was utilised to provide increased 'immersion' of the researchers in the data (Wood and Kroger, 2000). This analysis was assisted by guidelines offered by Miles and Huberman (1994), Patton (2002) and Creswell (2003) to assist the identification of emergent themes. To quantify the effect of the transformation upon performance, annual revenue data was later analysed for the five-year period prior to commencement of the transformation, plus revenue data progressively built-up during the five years after the transformation.

To ensure research trustworthiness, techniques suggested by Lincoln and Guba (1985) were utilised to assist credibility, transferability, dependability and confirmability. Thus, prolonged engagement and persistent observation by the primary researcher (who was also the interviewer) was utilised at the numerous sites of the case organisation to afford development of a greater understanding than would have been gained via shorter contact with the organisation. Triangulation was utilised to compare and contrast data generated from a range of sources. Peer debriefing with university colleagues assisted clarification of thoughts and ideas. Member-checking was conducted with interview respondents to ensure accuracy of interview transcripts and clarify any issues. Rich, thick description was adopted in writing up the results. Four external auditors (senior academics) conducted dependability and confirmability audits and a reflexive journal with regular entries was developed by the primary researcher to assist clarification of research progress and analysis.

5. The Case Study Organisation

In the following sections, comments obtained from the employee interviews are indicated in *italics*. For confidentiality, the case study organisation will be referred to by the pseudonym 'Camira'. Camira is the 'urban mission and community care arm' (Camira, n.d.) of the Sydney (Australia) operations of a Christian-based church and provides 'care of the aged, provision for the disadvantaged, and the love of Christ expressed in practical ways in the surrounding community' (Camira, 2007, p. 1). Camira assists children, young people, families and the aged with a range of services including community care centres, counselling, disability and carer services, disaster recovery, chaplaincy and aged care. Operating as a traditional charity, Camira was struggling both financially and operationally and conducted a major re-structure in 2006 as it was regarded as unsustainable and perceived as needing to change to survive in the new environment. The incumbent Chief Executive Officer (CEO) did not have a business background, but had a religious background and, as indicated by a service provider – *"I don't think he had a clear grip on what was happening out there in the real world"*. The culture and work practices were also seen as inappropriate. There was little consultation outside head office regarding key business decisions, communication was regarded as poor, and the various divisions worked in silos. Subsequently, the CEO and all six general managers exited the organisation. The situation within Camira was summarised by the comments from a senior manager – *"The organisation was losing lots of money, it wasn't working …* [we needed a new] *look for the organisation and that came about with new people being appointed in the role as directors and the staff that we employ and looking at better practices as well"*.

A new CEO from the business world was recruited to re-invigorate the organisation. A strategic plan was developed which 'assumes the future is dynamic and changeable' and

was 'based on a detailed scan of the internal and external environment' (Camira, 2007, p. 2). Despite the introduction of a more businesslike perspective, Camira has deliberately maintained a strong religious base and aims for all senior management and other key positions to be filled by Christians from Bible-based churches. At the time of the transformation, Camira had 1,400 paid staff and 2,000 volunteers.

6. Results & Discussion

6.1 Transformation

To assess the transformation within Camira, Foucault's (1991, pp. 56-57) four criteria for identifying discourse transformations were utilised, namely, 'displacement of boundaries', 'the new position and role' of employees, the 'new mode of functioning of language' and the 'circulation' of the new discourse.

6.1.1 Displacement of Boundaries : Moving to a Market Orientation

Most respondents accepted the need for change – *"to keep up with the world as it is"* and to relate more closely to the newer generations and younger demographic of donors who were demanding greater value, accountability and transparency – *"to know that their money is being well spent … transparency* [that] *is the same as what you find in the corporate world, they want management rigor, transparency in their accounting"*. Whilst most respondents recognised the need to change, it was emphasised that a charity *"should not forget where it comes from and the key principles of why it exists"*.

Based on the research, there is strong evidence that Camira has developed into a more-market-oriented, businesslike organisation, but with maintenance of a very strong, underlying, church-based religious ethos. The first key dimension of a market orientation is 'emphasis on customer' (Lafferty and Hult, 2001). Customers/clients can be viewed from a 'dual constituency' perspective by charities. Clients are not only the people who receive services, but also private and corporate donors and the government who provide grant funding. Camira is very customer oriented as indicated by comments from respondents that *"without the* [service recipient] *client we don't exist"*. Likewise, as indicated by a fundraiser – *"the* [service recipient] *clients are the reason why we are here, the donor* [clients] *are the people who provide the money to do it"*. It is apparent that Camira, based on their original charity ethos were customer focussed, this emphasis on customer has continued in the new Camira.

The second key dimension of a market orientation is 'importance of information' (Lafferty and Hult, 2001). Camira previously made little use of information. The new CEO indicated that *"we were not very good at that, we are trying to get better process around data collection"* with a service provider stating that Camira is *"looking more into what our statistics are showing and looking at producing services that are more to the need of the* [service recipient] *client than what we actually thought the* [service recipient] *client should have"*. Exit surveys are now also conducted, and in the welfare services section, follow-up surveys measure if the services have *"made a difference in their lives six months down the track"*. There is also greater emphasis on employee information, with employees being surveyed in 2007 for the first time ever.

The third key dimension of a market orientation is 'interfunctional coordination' (Lafferty and Hult, 2001). Camira operates across multi-sites. This can result in tension between head-office and individual sites (Grossman and Kasturi Rangan, 2001) as was

indeed the case within Camira. The previous discourse within Camira was characterised by a *"silo mentality"* where *"it was actually frowned upon to actually talk to people from other divisions and you had to go to someone's general manager to get permission to go and talk"*. Steps were introduced to improve communication. A 'leadership forum' across divisions that included senior managers and team leaders was formed. The introduction of strategic planning days enabled all employees to become involved in the new direction. A key improvement is the increase in communication and the empowerment of employees whereby *"the ground level workers are having more of a say"*. An organisation-wide monthly newsletter was introduced containing *"a lot of the decisions that have been made and explanations for it by the executive team"*. A regional manager considered that *"probably the biggest and most significant change is the establishment of professional practice teams"*. These teams are comprised of employees in similar service functions at different sites and are charged with organisational discussion of service delivery processes and thus *" reduce the impact of a structure creating silos"*.

The fourth key dimension of a market orientation is 'taking action' (Lafferty and Hult, 2001) and as indicated above, there have been numerous improvements to the manner in which Camira operates and takes action. Driven by the new CEO, the 'leadership forum' and direct involvement of employees, particularly via strategic planning days, has enabled a more dynamic organisation to develop.

The move to a more market-oriented discourse by Camira has resulted in a major change in service delivery methods. The two key areas of change to services have firstly been streamlining of delivery to ensure viability, and secondly to offer a more holistic approach. Camira *"changed staffing models in order to make it more efficient"*. Increased recruitment of managers from outside the sector also enabled fresh eyes to view existing services. Adopting a more holistic approach to service delivery has been aimed *"to meet people's*

needs rather than just the band-aid type approach". This is most relevant in the emergency relief area where Camira is *"moving from the welfare model to the sustainable living model"* to treat the underlying cause rather than simply treat the symptoms. Significantly, this key change in operation has resulted in employees considering they have moved away from being perceived as a charity, to an organisation that assists service recipient clients to get back on their own feet via the new holistic service delivery approach. This has also required a more trained and professional organisation – *"we're expecting more of our staff, we're expecting greater emphasis on training and people having the skills to do the job rather than coming from volunteers"*.

There was also a re-focus of revenue streams. A traditional charity discourse is characterised by reliance on donations for revenue. Camira have developed new sources of revenue. Capability and expertise to tender for government grants has been improved. Donations are of less importance but still vital. Traditional direct marketing practices from the for-profit arena have been introduced to improve the fund-raising processes. Utilising a database of 14,000 previous donor clients, based upon guidance from consultants, regular appeal letters are sent out bi-monthly and now typically contain *"good news"* stories regarding service recipient client assistance. As indicated by a fundraiser- *"we ask for money, give them a story and tell them why we need the money"*. This use of improved communication quality to donors is based upon the aim to increase donor loyalty (Sargeant 2001a). Data-base segmentation has also been introduced for more effective donor targeting. Likewise, the concept of customer life-time value, which should be at the centre of relationship building with key donors (Sargeant, 2001b) has been introduced to identify the most attractive donors.

6.1.2 The New Position and Role of Employees

To achieve the new discourse, it has been identified that Camira firstly needed to introduce 'new managerialism' and subsequently 'professionalism'. This provided the capabilities to subsequently 'embed' the new organisational discourse. New managerialism has a 'concern for efficiency, cost-effectiveness and competition' (Gewirtz and Ball, 2000, p. 256), something previously distinctly missing from Camira, but necessary in the emerging climate. Nonprofit organisations are expected to operate efficiently and show this (Cairns, Harris, Hutchinson, and Tricker, 2005; Fine, Thayer, and Coghlan, 2000), with pressure for improved performance coming internally from managers due to the need to provide efficient services and compete for funds, and from external stakeholders including donors and government funders (Wing, 2004). Human resources are a key within many nonprofit organisations (Tschirhart and Wise, 2007) and to be effective, leaders require 'awareness of and sensitivity to changing situations and organizational constraints' (Schmid, 2006, p. 179). The new CEO was strongly aware of the potential affect of the new mode of operation upon employees and took steps to ensure employees were engaged in the changing work environment. This occurred throughout all levels of the organisation. The top-level management revamp resulted in a *"major cultural shift in the workplace"*. There was *"a huge investment by the organisation as a whole in terms of leadership training and support, seeing our leaders as driving change and driving good practice"*. For example, one senior manager was funded to attend a nonprofit management course at Harvard University. Similarly, not just at management level, but throughout the organisation, employee skills were identified as a key development area and a development program commenced in 2007 in partnership with selected universities. This enabled existing employees within Camira the opportunity to gain increased professional skills that complemented the new discourse within the organisation.

As with many organisational changes, introduction of performance management systems to measure employee efficiency can receive initial employee resistance (Becker, Antuar, and Everett, 2011) and, as with for-profit organisations, nonprofit organizations can also experience employee deviant behaviour (Nair and Deepti, 2011). The restructure commencing with the exit of the previous CEO and all six general managers, followed by introduction of a higher level of employee accountability and a need for increased professionalism did result in resistance from some employees and some resignations occurred. These employees were, however, replaced with new employees who were more appreciative and accepting of the new discourse. As indicated by a long-serving middle manager – *"it was massive change, but in the last two years we can see the difference in a positive way"*. A staff survey conducted two years after the discourse changes commenced indicated *"widespread satisfaction about the changes"*. Employees regarded the changes as *"pretty foreign to our way of working, but most people now see it as definite improvements that were long overdue"* and *"are appreciative of the new professionalism"*.

Organisational identity 'is a collective notion that requires buy-in by key stakeholders' and 'consensus and collective attachment' (Young, 2001, p. 142). An identity threat can occur if 'members interpret events or situations as challenges to … what they believe are the organization's central and distinctive features' (Balser and Carmin, 2009, p. 209). Whilst Camira added a more businesslike, market-oriented and professional identity, the main continuing remnant of Camira was the Christian based ethos. Maintenance of this was a deliberate strategy by management, as it was perceived that this Christian ethos was the historical foundation rock of Camira. To successfully introduce change, a leader should 'acknowledge and address core beliefs and values' (Balser and Carmin, 2009, p. 198) as new policies and practices are developed. This is indeed what the new CEO of Camira has done.

6.1.3 The New Mode of Functioning of Language

Discourse change can be assisted by new language (Fairclough, 1992) and is thus also an indicator of a discourse transformation (Foucault, 1991). There is evidence of a change in language within Camira. Words such as 'strategic plan', 'strategic directions', 'key performance indicators', 'risk management' and 'core business' have been introduced and are now a regular part of Camira's daily conversation and documents. Significantly, coinciding with the new discourse, Camira have tended to no longer use the word 'charity'. This is linked to the new image Camira wishes to convey (and not be perceived as practising a charity discourse), and is also linked to the directional change in services from 'band-aid' solutions to offering more holistic long-term service recipient client solutions. As indicated by a long-serving service delivery middle manager – *"not being called a charity, that's not in our language anymore … you can't use the word charity"*

6.1.4 Circulation of the New Discourse

Commencement of the discourse transformation occurred following retirement of the previous CEO and introduction of a new CEO with a business background. A major management restructure and introduction of Camira's first strategic plan occurred. The six existing general managers left Camira, and were replaced by three directors. This top-level management revamp resulted in a *"major cultural shift in the workplace"*. The new CEO identified with, and recognised the need to introduce a market-oriented discourse with a religious faith as an underlying driver, whereas the previous CEO identified simply with a religious faith as a primary driver of all actions and had little business acumen. Thus, whilst faith was still a valued component of the new CEO's identity, it was not the over-riding

factor. As indicated by a service delivery senior manager – *"we got a CEO who had been in business himself, that had never really happened before, we had always had clergy at the helm ... so this period in our history is actually one where someone who is very used to being in business and thinking that way, who also has a very compassionate heart for people, so is able to put the two together, but he has brought with him a lot of good business practices"*. The catalyst for change was the new CEO, who involved all employees in the change by inviting them to attend a strategic planning day. When transforming work environments, leaders should be cognizant of what employees have to offer and recognize employees as valuable resources (Jaskyte, Byerly, Bryant, and Koksarova, 2010). The involvement of all employees in the initial planning days can be regarded as an excellent management strategy. It not only assists gaining buy-in from employees for the change, but also offers the opportunity to gain employee input and expertise. Whilst many employees initially viewed their invitations to attend the planning days with scepticism, most employees did attend and were pleasantly surprised. Once strategic plans were developed, these were progressed by a 'leadership forum' across divisions that included senior managers and team leaders. An employee newsletter kept employees up to date with developments.

6.2 Result of the transformation

Section 6.1 described the manner in which the transformation occurred, and identified that a more market-oriented organisation had developed. It is now five years since the transformation commenced in 2006. Given the various research suggesting that market orientation assists performance, what has been the effect upon Camira's performance? To examine this, annual revenue data for each of Camira's revenue streams was assessed, and compared for the five-year period before commencement of the introduction of market

orientation versus the five-year period after introduction of the market orientation. In the five-year period before introduction of a market orientation commenced, revenue from successful government tenders increased by $13 million. In the five-year period after introduction of a market orientation, revenue from government tenders increased by 92% to $34 million. This dramatic increase is likely to be due to Camira's increased effectiveness in determining and satisfying government needs, and the developed capability for Camira employees to work together and take appropriate action to effectively respond to government tender requests – all characteristics of a market orientation. Similarly, Camira's revenue increase from clients grew by $5 million (150%) in the five years post commencement of market orientation compared to $2 million in the five-year period before market orientation. In regards to donation revenue, there was $2 million increase in revenue in the five-year periods both before and after the introduction of the market orientation. This continued growth in donations since the market orientation was introduced is likely to be due to the increased use of traditional direct marketing practices that has allowed maintenance in donation growth despite the global financial crises of the past few years which have dramatically reduced the general public's amount of discretionary spending, of which donations are a component. There has been an increase in Camira's shop sales (second hand clothing) since the market orientation was introduced, this is likely due to Camira's increased marketing of their shops, however may also be due in part to the increased demand from clients as a result of the global financial crises. Overall, Camira have been successful in increasing revenue by $34 million in the five years since introducing a market orientation, compared to the $16 million increase that occurred in the five year period prior to introduction of the market orientation.

7. Summary and Conclusion

Executive leadership (Froelich, McKee, and Rathge, 2011) is a key issue in nonprofit organisations and the changes that a new leader makes 'can have profound impacts on nonprofit organizations' (Balser and Carmin, 2009, p. 185). This is indeed true for Camira. The employment of a new CEO from a business background was the catalyst for Camira to transform from a traditional charity to a more businesslike and professional organisation based upon a market-oriented discourse. The change was needed to improve the struggling charity, and has been successful in enabling Camira to significantly increase performance and improve both service delivery and revenue generation. The new approach upset some employees who resigned, but overall, most existing employees recognised and accepted the need to change – for survival. Employees are more likely to commit to a leader if the leader's vision is similar to the values acceptable to the employees (King, 1990). By maintaining an underlining faith-based ethos, the leader gained 'buy-in' from the employees, despite introducing new work practices. The first stage of the change involved introduction of 'new managerialism' to bring an appropriate management structure into the organisation, followed by 'professionalism' and improved employee skill-sets which set the stage for embedding of the new mode of operating. When the transformation commenced, Camira had approximately 1,400 paid staff and 2,000 volunteers. Five years after the transformation, the level of paid staff has remained constant but volunteer levels have reduced by 50% to approximately 1,000. This is a reflection of the more professional perspective desired within Camira, and despite this reduction in volunteers, revenue has increased by 56%, an indication of the increased efficiency and effectiveness of Camira's transformed, more market-oriented operations.

The paper addressed three research aims. First, the processes for effectively introducing a market-oriented discourse in a charity organisation. New managerialism was

first introduced, followed by professionalism to provide the platform for embedding a market orientation. The second aim was to determine the characteristics of the transformed organisation. The 'new' Camira was characterised by a more professional and businesslike mode of operation with emphasis on new, more efficient service delivery processes, and products more in tune with the long-term needs of service recipient clients. Third, we identified that the resultant effect upon performance of introducing a market orientation was an increase in service efficiency and overall revenue despite a dramatic increase in the number of volunteers.

The paper advances academic and practitioner knowledge regarding how market orientation can successfully be introduced into the charity arena. The implications for marketing practice are that the case study reinforces the claims of various academics (for example, Barrett, Balloun, and Weinstein, 2005) that marketing practices developed in the for-profit arena are transferable to the nonprofit arena. The research does however highlight that this transfer does need to be conducted by appropriately qualified and knowledgeable management. Existing employees need to be 'sold' on the new, more businesslike and professional discourse, and receive appropriate training to operate in the new discourse. Any new employees will often come from the for-profit arena and typically have strong service delivery and/or marketing skills and thus be different to the traditional charity employee previously employed. However there is still a need for a personal commitment by employees to an organisation's work which is identified as a strong factor for entering nonprofit employment (Onyx and Maclean, 1996).

This case study provides an example of a charity transforming and becoming more market-oriented for survival in the ever-changing environment. The study offers managers of charities useful knowledge regarding how market-orientation can be successfully introduced

to meet the increasingly competitive environment. As summarised by a senior, long-term Camira service manager – *"not being called a charity, that's not in our language anymore".*

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