

## DOCTORAL THESIS

### Towards a richer understanding of NGOs in Hong Kong: a market orientation perspective

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## ABSTRACT

This qualitative study was designed to develop a deeper understanding of market orientation among NGOs in Hong Kong. Although there have been many academic studies of market orientation, its theory and practice as well as its relationship with performance, there has never previously been a systematic analysis of that theme in the context of NGOs, and in particular in the unique context of Hong Kong.

Previous research has established that systematic maintenance of a market orientation correlates with better performance among business organizations. There have also been studies addressing how organizations can become more market oriented, its antecedents and consequences, as well as its relationship with leadership, entrepreneurship and innovation. But little scholarly work has considered market orientation in NGOs, a category of organizations that is growing in numbers and social significance.

The managers of 5 quite different Hong Kong NGOs were interviewed, and the interview transcripts were analyzed to identify themes related to market orientation and its application in their organizations. Ten important antecedents to a market orientation were identified from the transcripts. These were distilled into 3 factors which together largely explained the varying degrees of market orientation in the organizations studied. Senior management factors, organizational and institutional factors, as well as structural and system factors were all found to predict an NGO's market orientation. One important finding is that an NGO's fund-raising model moderates in the relationship between the organization's market orientation and its antecedents. A model is proposed that explains what antecedents are important, how they relate to market orientation and why fund raising affects the relationship. For NGOs, market orientation is understood less as a rational-actor model aimed at achieving organizational efficiency and performance, but rather as an explanation of how to appear legitimate in the eyes of donors. There appears to be a big impact of resource dependency on how the NGOs pursue market orientation.

While all of the NGOs studied considered themselves market-oriented, they in fact had varied interpretations of market orientation depending on their fund-raising models. The more centralized an NGO's source of funds, the greater the likelihood that its interpretation of market orientation is adjusted for legitimization in the eyes of its donors.

## TABLE OF CONTENTS

|                          |       |            |
|--------------------------|-------|------------|
| <b>Declaration</b>       | ..... | <b>i</b>   |
| <b>Abstract</b>          | ..... | <b>ii</b>  |
| <b>Acknowledgements</b>  | ..... | <b>iii</b> |
| <b>Table of Contents</b> | ..... | <b>iv</b>  |

### CHAPTER 1: INTRODUCTION

|     |  |       |
|-----|--|-------|
| 1.1 | NGOs as the focus of the study .....               | 1     |
| 1.2 | Market Orientation and NGOs .....                  | 2     |
| 1.3 | NGOs worldwide and in Hong Kong .....              | 3 – 4 |
| 1.4 | The Motivation and Significance of this study..... | 5     |
| 1.5 | Research questions and research objectives .....   | 6     |

### CHAPTER 2: PRIOR SCHOLARLY WORK

|     |  |         |
|-----|--|---------|
| 2.1 | Market Orientation Studies .....                       | 7-14    |
|     | 2.1.1 A behavioral perspective                         |         |
|     | 2.1.2 A cultural perspective                           |         |
|     | 2.1.3 Antecedents and Consequences                     |         |
| 2.2 | Studies of market orientation and performance .....    | 15      |
| 2.3 | Market orientation and NGO Performance .....           | 16 – 17 |
| 2.4 | Institutional theory as another theoretical lens ..... | 18      |
| 2.5 | A summary of the prior work .....                      | 19 – 21 |

### CHAPTER 3: METHODOLOGY

|     |   |         |
|-----|---|---------|
| 3.1 | The Case-based research methodology ..... | 22      |
| 3.2 | NGOs as a unit of analysis .....          | 23      |
| 3.3 | Procedures .....                          | 24 – 28 |
|     | 3.3.1 General                             |         |
|     | 3.3.2 The interview protocol              |         |
|     | 3.3.3 Conducting the research             |         |
|     | 3.3.4 Other sources of information        |         |
|     | 3.3.5 Data analysis                       |         |
|     | 3.3.6 Coding categories                   |         |
|     | 3.3.7 Counting the codes                  |         |
| 3.4 | Validity and reliability .....            | 29 – 30 |

#### **CHAPTER 4: RESULTS**

|     |                                 |         |
|-----|---------------------------------|---------|
| 4.1 | The 5 NGOS .....                | 31 – 37 |
| 4.2 | The themes and sub-themes ..... | 38      |

#### **CHAPTER 5: DISCUSSIONS AND MANAGEMENT IMPLICATIONS**

|         |   |         |
|---------|---|---------|
| 5.1     | A revised model .....   | 39 – 53 |
| 5.1.1   | Senior management factors                                       |         |
| 5.1.1.1 | Vision and mission  |         |
| 5.1.1.2 | Attitude towards change   |         |
| 5.1.1.3 | Marketing approach  |         |
| 5.1.2   | Organizational and institutional factors                        |         |
| 5.1.2.1 | Stakeholder management  |         |
| 5.1.2.2 | Background and origin   |         |
| 5.1.2.3 | Resource management   |         |
| 5.1.3   | STRUCTURAL AND SYSTEM FACTORS                                   |         |
| 5.1.3.1 | Organization structure  |         |
| 5.1.3.2 | Interdepartmental communications                                |         |
| 5.1.3.3 | Rewards and motivation  |         |
| 5.1.3.4 | Measures and KPIs   |         |
| 5.2     | The meaning of market orientation in NGOs .....                 | 54      |
| 5.3     | Fund-raising as a moderator in market orientation .....         | 55 – 56 |
| 5.4.    | A model of the antecedents to market orientation for NGOs ..... | 57 – 58 |
| 5.5     | Managerial implications .....                                   | 59 – 61 |
| 5.5.1   | Enhancing market orientation                                    |         |
| 5.5.2   | Key success factors and key barriers                            |         |
| 5.5.2.1 | The organization's culture                                      |         |
| 5.5.2.2 | Branding of the NGOs  |         |
| 5.5.2.3 | Manpower and resources  |         |
| 5.5.2.4 | Passion and commitment  |         |
| 5.6     | Summary .....   | 62      |
| 5.7     | Limitation and future research directions .....                 | 63      |

#### **CHAPTER 6: CONCLUSIONS .....** 64 – 65