CHAPTER 5: CONCLUSIONS

5.1 Introduction
In the previous chapter a detailed account of the outcomes of the data analysis followed by interpretations for corresponding outputs were given. Some of the outcome supported the postulations made while others gave differing results that demanded counterintuitive interpretations. In this final chapter researcher primarily attempts to concisely and specifically state the conclusions derived from the study. The chapter also includes theoretical and practical implications of the study, directions for further research and limitations of the current study.

5.2 Conclusions about Research Question and Hypotheses
Findings of present research affirm most of the propositions made by the researcher but at the same time negate some. The conclusions corresponding to the hypotheses proposed are given below.

a. A higher overall branch autonomy results in better market orientation.
   Overall autonomy has similar positive impact on market orientation as well as its dimensions of intelligence generation, intelligence dissemination and responsiveness.

b. Personnel autonomy has a significant positive impact on overall market orientation and specifically on market oriented response. Its impact on intelligence generation is positive but at a lower level of significance. Differing from the hypothesis it does not show any significant impact on intelligence dissemination.

c. On the other hand intelligence dissemination is positively influenced by goal setting autonomy. Goal setting autonomy has a positive but lesser significant
impact on overall market orientation. The impact of goal setting autonomy on intelligence generation and response was not found to be significant.

d. The specific component of marketing autonomy does not have significant influence neither on overall market orientation nor on any of its components.

e. As hypothesized decentralization had a significant positive impact on overall market orientation. While the impact was also positive and significant on Intelligence Dissemination and response it was not so with intelligence generation.

f. On impacting market orientation decentralization and overall autonomy displayed similarities. Both had positive impact on market orientation. Overall autonomy was consistent in positively impacting the three dimensions of market orientation as well. Decentralization also displayed similar impact except in the case of intelligence generation. However, personnel autonomy’s impact on intelligence generation was similar to that of overall autonomy.

g. As hypothesized formalization’s impact on market orientation was found to be significantly negative. The same impact held in the case of formalization’s impact on intelligence generation and response. However, in case of intelligence dissemination formalization did not have any significant impact.

h. Impact of Market orientation on performance was found to be significantly positive. However, while regressed along with structural variables the impact of market orientation on sales growth, one among the three measures of organizational performance, was found to be not significant.
i. Autonomy also has significant positive impact on organizational performance. On influencing performance autonomy and decentralization had similar impact on sales growth as well as market share except in the case of overall performance where decentralization's influence was not found to be significant.

j. Market orientation positively impacts organizational performance. Performance implication of market orientation is clearly spelt in cases of market share and overall performance. A higher market orientation therefore leads to better performance.

k. Formalization does not have any significant impact on organizational performance at the service delivery levels. Whether or not a front end service unit is formalized its performance remains unaffected.

l. Autonomy directly influences organizational performance. Superior decision making freedom at service delivery levels result in better sales growth, market share and overall performance.

m. Autonomy’s impact on performance is also mediated through market orientation. This implies that when greater autonomy is retained by a service delivery unit its market orientation improves and in turn its performance also improves.

5.3. **Managerial Implications**

The high impact of market orientation on performance suggests that managers in retail banking shall not neglect the role of market orientation in delivering superior results. They are advised to bring in practices enhancing the market sensing and relating capabilities of their units. Regular gathering of market information from current, potential and lost customers so as to
make decisions based on them enhances market orientation. Further, as the study reveals, allowing greater decision making autonomy to lower level units of operation improves the market orientation of those units. Decision makers in retail banking concerned about superior market orientated behaviors at branch level should, therefore, consider allowing more decision making powers to the branch level managers. Besides, top managers in retail banks can as well be convinced that a superior autonomy granted to branch managers would have positive impact on the market orientation and performance of the whole bank in turn.

While having formalized rules and procedures and the meticulous implementation of them could be important to an industry like banking their customers don’t want to be party to such formalized procedures. Banks will have to take effort to contain formalities at back office level so that the customer doesn’t feel the same at the front office. Since it is impossible to do away with procedures it shall be in the best interest of the bank to also see that such formalized procedures are completed taking least of customers’ time and resources.

5.4. Directions for future research

The present research is conducted in the retail banking context. To make more generalizable conclusions the same model could be tested drawing samples from a cross section of services industries. Besides researcher’s claim that impact of market orientation on performance will be as good in services sector- if sample is drawn from lower level units of operations- shall be complete only if such a cross section sample is studied. The study could be extended to other industries especially the ones undergoing major structural changes in the Indian context like insurance and organized retailing. Not-for-profits that are undergoing similar changes, like higher education in India, can as well be closely looked into for further research.

Where the results of the present research differed from proposed hypothesis and multiple alternative interpretations were possible conjectures could be developed or
further research. Such researchable questions include whether the impact of responsiveness on performance differ in case of organizational types where the sub-units differ in terms of nature of input, operation and output? Whether autonomy’s impact on performance differs with these types of sub-units? What determine the gap between existence and practice of rules? Scope also exists for establishing the discriminant validity of autonomy scale by administering it along with decentralization scale to a level above the lowest level of operation. Measuring similarities and differences between objective vs. subjective performance measures in autonomy study is also possible. Possibility also exists for developing a typology based on market oriented behavior and market oriented culture. Findings of current study could also be further validated using objective measures of performance.

5.5 Conclusion
Organizations in competitive industries have to follow a marketing philosophy because of its significant performance implications. However, those in services industries, due to the very nature of services, have to particularly see that a market orientation penetrates primarily to the operational levels like an outlet of an organized retailer or a branch in the case of a bank. A superior market orientation show superior performance implications in these service delivery units. Empirical evidences of the present study prove that market orientation at lower level units is better possible if they have more autonomy, are less formalized and if the organization practices decentralized decision making and implementation. Therefore, greater autonomy at operational level makes a service delivery unit more market oriented and in turn better performing.