MAKERERE



MARKET ORIENTATION, STRATEGIC AMBIDEXTERITY AND SALES PERFORMANCE OF UGANDA'S FINANCIAL SERVICES

 \mathbf{BY}

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ABSTRACT

This study sought to examine the relationship between market orientation, strategic ambidexterity and sales performance of Uganda's financial services. Existing research regarding how sales can be improved has concentrated on separate relationships between market orientation, strategic ambidexterity, and organizational support, respectively, and sales performance. Studies having the three variables together as predictors of sales performance are lacking. Extant research mainly relies on the resource based view (RBV) and tends to concentrate on manufacturing organizations. Yet, market orientation, strategic ambidexterity and organizational support are key ingredients, which create and enhance competitive advantage and consequently sales performance, in both current and future markets.

The study adopted both descriptive and analytical research designs. Furthermore, based on responses from marketing department heads, supervisors, and sales representatives in selected financial institutions within central Uganda, correlation and regression analyses were conducted establish whether relationships existed among the study variables. Prior to the main study, a pilot survey involving 71 samples selected from central Uganda was used to ascertain the reliability and validity of the items included in the final study instrument. Quantitative data collected for the study were processed and analysed using statistical package for social scientist (SPSS) version 20 and analysis of moment structures (AMOS) version 20. Furthermore, the bootstrap method using AMOS was employed to test for competitive advantage mediation effect on the relationship of each of the independent variables and sales performance. In addition, qualitative data was gathered using semi-structured interview guide and it was analyzed using NVivo (8) software.

This study found positive and significant relationships between market orientation and sales performance, strategic ambidexterity and sales performance, organizational support and sales performance. Furthermore, there were positive and significant relationships between market orientation and competitive advantage, strategic ambidexterity and competitive advantage and between organizational support and competitive advantage. In addition, there was a positive and significant relationship between competitive advantage and sales performance. Besides, the study found competitive advantage to mediate the relationship between market orientation and sales performance, and that between organizational support and sales performance. However, competitive advantage did not mediate the relationship between strategic ambidexterity and sales performance.

Therefore, financial institutions should integrate strategic ambidexterity and organizational support in their sales plans so as to achieve improved sales performance in both current and future markets. Besides, managers of financial institutions in Uganda should realize that strategic ambidexterity and organizational support requires that several managerial tasks are performed. Organizational structure, systems, and processes should be designed to support market orientation, strategic ambidexterity and organizational support. This calls for top-level management involvement in all phases of planning and implementation. Hence, this study is important because it highlights the critical role of the integration of market orientation, strategic ambidexterity and organizational support in enhancing financial services' sales performance.