



received: 15 May 2018 accepted: 15 October 2018

pages: 21-33

# LEADERSHIP VERSUS CUSTOMER ORIENTATION IN AN INNOVATIVE ENTERPRISE — A CONTRIBUTION TO FURTHER EXPLORATION

### URSZULA WIDELSKA, LAIMA JESEVICIUTE-UFARTIENE, ZIVILE TUNCIKIENE

#### ABSTRACT

The consideration of the multidimensionality and multidirectionality of management science within the research process is currently a very important challenge. The search for dependencies and connections between leadership and customer orientation falls fully into the desired research trend. Both leadership and customer orientation are widely described within management science; however, the connections and dependencies which occur between them still require further, in-depth exploration and knowledge concerning leadership and customer orientation needs to be systematised. This article aims to identify further directions of study into leadership and customer orientation in an innovative company. Additional goals include the systematisation of knowledge regarding customer-oriented leadership and the formulation of research hypotheses which will become the starting point for future studies. The conclusions are supported by the results of a quantitative study which applied the CAWI method to a group of 204 business leaders from North-East Poland. The article presents the results of the preliminary research realized as part of a research grant from the National Science Centre entitled "Leadership and customer orientation in an innovative enterprise". The results of the conducted research show that customer orientation among business leaders is not uniform and depends on the size of their company, the style of management and the type of innovation implemented by their enterprise.

KEY WORDS Leadership, customer orientation, innovative company

DOI: 10.2478/emj-2018-0020

#### Corresponding author:

#### Urszula Widelska

Bialystok University of Technology, Poland e-mail: u.widelska@pb.edu.pl

#### Laima Jeseviciute-Ufartiene

Vilnius Gediminas Technical University, Lithuania e-mail: laima.jeseviciute-ufartiene@vgtu.lt

#### Zivile Tuncikiene

Vilnius Gediminas Technical University, Lithuania e-mail: zivile.tuncikiene@vgtu.lt

#### INTRODUCTION

Both leadership and customer orientation are widely described in management science. As individual cognitive categories, they are a common subject of study with customer orientation continually evolving mainly due to the dynamic changes within the business environment. Assuming the perspective of an organisation, customer orientation is a part of

market orientation (Ejdys, 2015). It consists of a company treating a customer as a source of inspiration as well as the final judge in the process of the market offer development, which results in a favourable attitude of the customer towards the company and enables the company to retain the customer, thus benefiting both parties (Mazurek-Lopacinska, 2011).

Being at the beginning and the end of the value chain, customers are placed at the centre of interest of a company. Acceptance of the point of view of a customer forms the basis for the operation of an enterprise and occurs not only at the operational but mainly at the strategic level. Keeping all that in mind, it is a gross simplification to claim that successful customer relationships are secured by personnel directly involved in providing a service and arise from their direct contact with the customer. Customer value and benefits result from well-established relationships, the responsibility for which rests on the shoulders of a person overseeing the enterprise as a system. This person is a visionary, a strategist and a decision maker at the same time, who can also influence supervised workers. In business, this role is assumed by leaders. The justification of this opinion stems from marketing orientation, where the company's mission is based on values important to the customer, who is also engaged in the process of value creation, the growth of which is facilitated by all employees (Mazurek-Lopacinska, 2011). A leader and leadership are notions which are commonly defined in science; however, most approaches and concepts leave these terms unclear and ambiguous. For the purpose of the present work, it has been accepted that a leader is a manager occupying the top level management position, able to organise people and available resources to effectively realise established goals and lead the organisation towards long-term successes (Karaszewski, 2006). The study presented in this article focused on leaders managing innovative enterprises. It falls within the relevant and fast-advancing area of research investigating directions and determinants related to the development of the broadly understood innovation. It has been assumed that such enterprises were more customer-oriented as the market conceptualisation of innovation is impossible without the approval of target markets.

The aim of this article is to identify further directions of study into leadership and customer orientation in an innovative company. Additional goals include the systematisation of knowledge regarding customer-oriented leadership and the formulation of research hypotheses, which will become the starting point for future studies.

The remainder of the article consists of the following sections: Section 1 presents the cognitive theoretical analysis and the synthesis of scientifically recognised connections and relationships that possibly exist between the leadership and customer

orientation in an innovative company. Results of the literature review formed the basis for the empirical part and indicated the conclusions given in Section 3, which describes the methodology. Results of research are described in Section 4. Finally, Section 5 summarises the findings and, the conclusions briefly explain the limitations of the research and implications for future research efforts.

## 1. CUSTOMER ORIENTATION AND LEADERSHIP IN MANAGEMENT SCIENCE — CONCEPTIONS, CONNECTIONS AND DEPENDENCIES

The fast-changing business environment and the growing demands of various stakeholder groups pose challenges not only to modern enterprises but also to researchers. Currently, one of the main goals of management science is to eliminate disproportions between practical needs and scientific achievement. It is, therefore, important to keep under consideration the multidimensional and multidirectional character of management science during the process of research. The search for dependencies and connections between leadership and customer orientation falls fully into this field of study. Both concepts — leadership and customer orientation have been broadly described in management science; however, the connections and dependencies between further, in-depth them require exploration. Leadership and customer orientation form the foundation for the operation of an enterprise. As available research results indicate, their shared interactions may impact the development and the competitive position of a company (Day, 1999; Kennedy et al., 2003; Kirca et al., 2005; Narver, 1998). As no business can exist without customers and direct interaction with them, customer orientation remains a basic and integral competence of a modern organisation. Customer needs determine business development directions. In the end, it is up to customers to decide whether to accept an offer and make a purchase (Sheth et al., 2000). In an attempt to systematise knowledge concerning orientation, it is possible to identify three basic fields of research: customer orientation as a business philosophy, customer orientation as an area of organisational activity and customer orientation as a concept of value creation. Each of these trends displays a different concept of leadership.

As a business philosophy, marketing orientation perceives benefits as a result of the focus customers and their needs. The implementation of this approach by managers can determine their company's competitive advantage (Kohli & Jaworski, 1990; Ganesan, 1994), become an element of its success (Hall 1992) or affect its profitability (Donaldson, 1993; Naver & Slater, 1990). In accordance with this approach, the fulfilment of customer needs and their satisfaction are better than competition and deemed essential by researchers; however, they are very difficult to implement organisationally (Capon et al., 1991). Besides, it is stressed that gathering knowledge regarding the market and customers is an imperative condition of market success not only in the context of better identification of target market needs (Kibelling et al., 2013; Sousa, 2018) but also in the sense of building relationships between the partners of the exchange process (Julian & O'Cass, 2002) and being oriented towards innovation (Park et al., 2017). The evolution of the conception in this area depends on refocusing from current target market needs to the search and fulfilment of future, secret customer demands (Autachene-Gima, 2005). As a business philosophy, market orientation means directing all of the company's efforts at current and future needs of target markets. This requires upper management to display a high level of market awareness supported with the conviction that the enterprise's success starts and ends with the customer. Marketing orientation as a business philosophy not only poses a challenge to managers directly engaged in the process of acquiring and serving customers but also demands full acceptance of the fact that the customer is the source of the company's success.

In the opinion of some researchers, the executive perspective on customer orientation has been, inadequately explored in management science (Saarijavi et al., 2014). As a business (executive) activity, marketing orientation requires the enterprise to develop processes and procedures for the implementation of goals that emerge as a result of established customer relations. This activity includes customer service systems, communication with customers, market research, decision-making processes and managing tasks resulting from the interaction with target markets. Market orientation perceived as a certain set of processes and tasks can offer many benefits which include not only satisfied customers but also happy employees (Jaworski & Kohli, 1993), effective sales systems (e.g. Siguaw et al., 1998) and lasting competitive advantage (Dwyer

& Tanner, 2002). Operations resulting from customer orientation should not be implemented incidentally but rather planned in the long term (Strandvik et al., 2014; Van Raaij, 2008). Therefore, strategic knowledge is essential and the leader, who is the top manager with a long-term vision for the enterprise, should be its source and its administrator (Gebhardt et al., 2006; Folley & Fahy, 2014).

The realisation of benefits resulting from establishing long-term relationships with customers requires the company to perceive the customer as a source of value (Gallarza & Gil-Saura, 2011). The worth of customers is defined through the value they add to the organisation (Khalifa, 2004). In terms of value creation, relationships with customers can only be maintained by providing them with the expected value and assuring that that the same level of value would be maintained in the future (Gordon, 2001). In a modern organisation, customer value can be seen, among others, in the following areas: placing customers in the centre of and their engagement in the value creation process; co-planning of products with simultaneous characterisation of the buyer's level of engagement, inclusion in problem diagnosis and in the real process of production (Rogozinski, 2006). Research into customer value also shows that it can significantly impact the enterprise's process of strategic decision making (Sanchez-Fernandez & Iniesta-Bonillo, 2007). A customer-oriented company bases its cooperation with the customer on the exchange of value — the customer becomes a valuable asset only when they decide that the offer presented by the enterprise will provide them with economic, functional, symbolic and emotional value (Rintamaki, 2007). The type of value which customers bring to the company, as well as the value which they receive, is a key, strategic decision of the enterprise made at the highest level of management.

Customer orientation falls into the concept of the value chain, therefore, exceeding the buyer–seller relations. Having a customer-oriented approach in the value chain consists of fulfilling and recognising customer needs through the cooperation with all partners in the chain (Nahm, 2004). This approach requires appropriate support for management and maintenance of customer relationships. It is also important to stress the company's flexibility in adapting every element of the value chain to changing needs and, from the perspective of building and maintaining customer relationships, the improvement of the information system (Jeong & Hong, 2007). It should be stressed that a customer-oriented enterprise

has a customer management system — a business strategy consisting of building long-term relationships with customers aimed at maximising the level of customer satisfaction and, at the same time, minimising their departure from the company (Tracey & Tran, 2001). Being oriented at the needs of customers means establishing cooperation at the interorganisational level contributing to the creation of cooperative connections (Park et al., 2017).

The scientific exploration of customer orientation also confirms the existence of connections which occur between the company's focus on customer needs and the level of its innovativeness (Esty & Porter, 2005; Roswening & Grinstein, 2015). Continued fulfilment of new and rapidly changing needs requires the enterprise to react quickly offering innovative products as well as using innovative methods of communication with target markets. Studies confirm that enterprises which are more focused on customers are also more open to innovation (Ford & Paolio, 2013).

As a subject of research, descriptions of customer orientation are most often declarative in character. They justify and explain benefits resulting from the company being customer oriented and satisfying its customers. Customer orientation is presented as a superior orientation whose implementation has a great impact on establishing a competitive advantage. All of the company's efforts should focus on the profitable fulfilment of customer needs. This means that it is necessary to find factors that determine a company's customer orientation. The same understanding is confirmed by available research (Kennedy et al., 2003; Kirca et al., 2004). The leader — top manager — is directly involved in the implementation of the selected approach. Regardless of the company's organisational structure or its model of management, customer-related decisions are taken at the top level of management. Customer value creation is an activity based on strategic decisions which are the domain of top managers and not solely the personnel directly engaged in the service process (Saraijavi et al., 2014). Study results also show that the manner, in which a company is managed, can be a barrier to the development of its market competencies (Harris Ogbonna, 2001). Additionally, research demonstrates that leaders oriented at fulfilling the needs of their employees are also more aware of customer needs (Pekovic, 2016; Boddy & Croft, 2016). When leadership favours creativity, it advocates the growth of innovation and the level of being attuned to customer needs (e.g.

Harris & Ogbonna, 2001; Lichtarski & Trenkner, 2018).

Studies into the relationship between leadership and customer orientation also pose some questions in regard to their merit and conceptual character. In business, both leadership and customer orientation are the subjects of numerous studies, but their definitions and the way they are perceived varies, which often makes these scientific categories ambiguous and discordant (Alio, 2012; Hunitie, 2018). However, despite a large number of definitions, many studies maintain that a business leader plays a significant role in determining the company's value chain, starting with the acceptance of the idea (concept) for a new product (service) and all the way to its market introduction (Deschamps, 2005). From the perspective of customer orientation, the building of customer relationships is not solely the domain of middle management and personnel directly involved in the service process. The complexity of the problem addressed within the article encourages a further, broader study into the leadership perspective. A leader who runs the entire organisation is not only the decision maker but also the creator of strategy responsible for all types of assets including human resources. A leader is not only a person who inspires workers to work toward the good of the enterprise (Antoni, 2005) and is responsible for their motivation (e.g. Loke & Lantham, 2002) but also someone who influences employees and through that impacts the level of the organisation's innovativeness (Carneiro, 2008; Zuraik & Kelly, 2018) and, in consequence, affects customers.

The diversity of various leadership concepts and the multidimensional character of customer orientation indicate that research into the relationship between these two categories requires further exploration. It is important to find factors which determine this relationship. The systematisation of knowledge concerning leadership and customer orientation in the broad perspective is also very important. Business leaders present different styles of management, and owners running companies of different size and type have different ideas for the success of their organisations.

#### 2. Research methods

The following research questions were formulated to achieve the research goal:

- 1. Which areas of customer orientation are the most significant to leaders?
- 2. Are there dependencies between the company size and the leader having a customer-oriented approach?
- 3. Does the leader's customer-oriented approach depend on their position?
- 4. Does the enterprise's field of operation determine the leader's customer orientation?
- 5. Are there dependencies between the style of management and customer orientation?
- 6. Which areas of customer orientation are the most important to the leaders considered in the study?
- 7. Is there a connection between the type of innovations being implemented by the company and the leader's customer orientation?

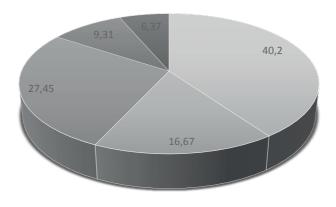
The conclusions were drawn on the basis of results of a quantitative study carried out using Computer Assisted Web Interviewing (CAWI) conducted with 204 business leaders from Podlaskie Voivodeship. The research entitled "Leadership and customer orientation in an innovative enterprise" was carried out in 2018 as a part of the grant from the National Science Centre. According to the concept accepted by the study, a leader was deemed to be a person who:

- Is a manager from the top management level or is the owner of the business or, on account of being the founder of a company (first owner) still influences its development and has a part in making key decisions.
- 2. Runs an enterprise employing at least 3 workers.
- 3. Manages an innovative company which is implementing at least one type of innovations,

including product, process, technological or informational.

These conditions determined the conceptual character of leadership. As mentioned before, leadership is a multidimensional category which functions within numerous concepts and theories (Kraszewski & Skrzypczynska, 2016). This statement functions as a certain limitation. The selection of the study respondents was a compromise, and the accepted criteria did not fully define respondents as leaders. It is certainly disputable whether the occupied position always makes someone a leader. Hence, the approach which fully identifies a leader as a manager able to manage people and available resources to effectively achieve established goals and lead the organisation towards the long-term success was established as the starting point (Karaszewski, 2006). This perspective allowed a preliminary identification of relationships which occur between leadership and customer orientation. Top managers in charge of innovative enterprises were included in the study intentionally. An initial review of up-to-date research concerning leadership and customer orientation showed that innovations are an integral part of both of these concepts. The focus on innovations can be interpreted as being customer oriented. The introduction of innovations results from a reaction to the changing market conditions. On the other hand, leaders are the main drivers of the improvement and success in an organisation.

The study included 204 leaders among whom 16.67% were directors, 27.45% were chairpersons of the board, 6.37% were company owners and 40.2% were heads of the branch (Fig. 1).



■ Head of branch ■ Others ■ Chairman of the board ■ Director ■ Owner

Fig. 1. Distribution of participants in relation to their position

The greatest number of respondents (46.6%) ran companies with 10 to 49 employees, and 43.1% of participants managed businesses with 3 to 9 employees. Very large companies with more than 250 people had the smallest representation in the study. The distribution of respondents according to industry was also the same as the distribution within the Voivodeship. The greatest number of respondents managed trading and services companies (74.5%), 15.2% ran construction companies, and 10.3% oversaw production companies (Fig. 2).

In relation to the scope of implemented innovations, most study participants introduced product innovations (82.8%). Improvement of communication methods was carried out by 76.5% of respondents. Technological innovations were chosen by 66.7% of participants while process innovations were used by 68.1%. The type of implemented innovations depended on the company's field of operation (Tab. 1).

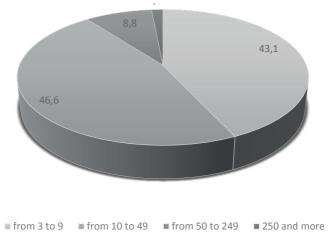


Fig. 2. Structure of enterprises according to the number of employees

Tab. 1. Structure of respondents according to the type of introduced innovations

No	INNOVATION TYPE	Answer	
		YES	No
1	A new or a significantly improved product has been introduced into the company's offer	82.8%	17.2%
2	The company's machinery has been expanded or modernised, new machines or devices have been purchased, the production process has been improved	68.1%	31.9%
3	The company has purchased and installed new software or IT solutions such as CRM	66.7%	33.3%
4	The company has implemented new methods of marketing communication or modern promotion tools, for example, social networks (FACEBOOK) or remarketing	76.5%	23.5%

#### 3. RESEARCH RESULTS

On a scale of 1 to 5 where 1 was full denial and 5 meant full approval, entrepreneurs (leaders) were asked to assess, the veracity of statements relating to a market-oriented company (Tab. 2). The table below presents average values of the assessment of single statements indicated by all survey respondents. According to the leaders, the development directions of a company are determined by customers, while a rapid reaction to market needs determines its

success. Such perception of the success of an organisation falls fully within the concept of customer orientation. Respondents agreed that an enterprise could create new needs and shape new trends (average score of 3.83).

This is an example of strategic thinking and proves that the majority of leaders are aware of changing customer needs and expectations and want to address them. On the other hand, there is the operational approach. The leaders strongly believe, every product can be sold, and everything depends

Tab. 2. Leader-provided assessment of statements arising from customer orientation

No	Variable	Average
P05_01	Rapid reaction to the needs of the market determines the success of an enterprise	3.95
P05_02	Customers determine the development direction of an enterprise	3.69
P05_03	The customer is the most important stakeholder of the organisation	3.78
P05_04	The customer is not only a stakeholder but also a resource of the enterprise	3.76
P05_05	Systematic monitoring of needs and expectations of customers is essential	3.98
P05_06	Maintaining relationships with returning customers is more difficult than gaining new customers	3.54
P05_07	The ability to maintain relationships with returning customers is more important than the ability to gain new customers	3.68
P05_08	An enterprise should create new needs and shape new trends	3.86
P05_09	A leader (top manager, company owner) should be in direct control of the marketing department	3.66
P05_10	The marketing department (sales department) is the most responsible unit for building relationships with customers	3.59
P05_11	It is the customers and their needs who are the main source of inspiration in the creation of new products and services	3.87
P05_12	The customers are most of all partners and not a source of profit	3.47
P05_13	A leader should concentrate on building close relationships only with key customers	3.12
P05_14	Standards for customer service are a factor which determines successful sales	3.70
P05_15	Every product can be sold, and everything depends on the skills of the salesperson	3.82
P05_16	The customer is the co-creator of product value	3.68
P05_17	An enterprise should aspire to expand internationally	3.57

on the skills of the salesperson received high scores (average score of 3.82). It can be concluded that in the opinions of leaders, marketing and thus customer orientation are the result of good work of the sales department, not a strategy. Relatively low average values were attained by statements which were the foundations of customer orientation. It can be concluded that the customers are most of all partners and not a source of profit (average score of 3.47). Fig. 3 presents the ranges of responses within individual statements contained in Tab. 1. It shows a high rating for P05\_05 (systematic monitoring of needs and expectations of customers is essential). This is a manifestation of the market awareness of respondents. However, in-depth inference requires finding out about actions undertaken by enterprises to monitor the market. The results of the research could be interpreted in two ways, namely, according to the leaders, the clients could not be differentiated and each client, irrespective of the turnover achieved, should be treated in the same way. On the other hand, it can be presumed that the strategic dimension of competences attributed to the leader decreases.

On the basis of a preliminary analysis of the study results, it is also possible to see the existing dependence between the size of the enterprise and the leader's customer orientation (Fig. 3). The values were calculated based on the assessment of 17 statements (P5\_01 - P5\_17) made by respondents (Tab. 2) and present the average of the responses. Research results demonstrate that the most customeroriented leaders ran companies with 10 to 49 employees, and the least customer-oriented managers were those who managed large enterprises. How could this result be explained? In smaller companies, top managers were more engaged in the achievement of company goals and had greater control over this process. The organisational structure of such entities was flatter. The managers had to have greater knowledge regarding the market, and mainly carried the full responsibility for the company's success. This required a greater awareness of the market and, frequently, direct relationships with customers. When it came to large companies, leaders assumed the role of a strategist, a visionary or the delegator of tasks. The expanded organisational structure of such companies permitted the designation of people responsible for particular areas of operation including that of building customer relations. A large part of the responsibility for the achievement of market goals was passed on to lower management.

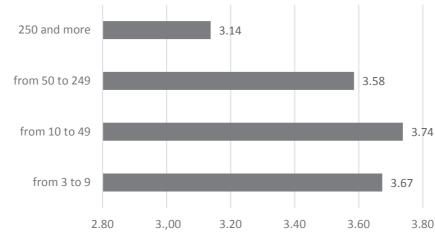


Fig. 3. Number of employees and level of customer orientation

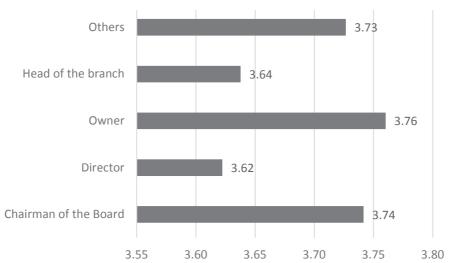
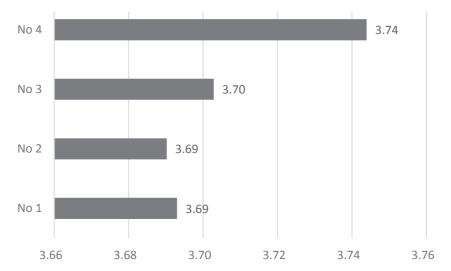


Fig. 4. Position of the leader and level of customer orientation



No 1- product innovations; No 2- technological innovations; No 3- process innovations; No 4- marketing innovations

Fig. 5. Innovation type and level of customer orientation

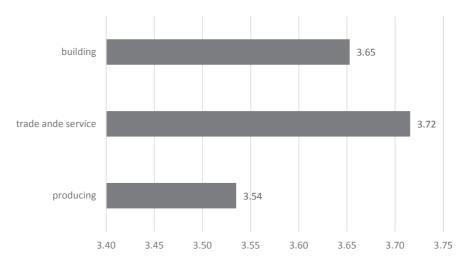


Fig. 6. Company's profile and customer level of orientation

Tab. 3. Leadership styles with statements

LEADERSHIP STYLE	Statements
Democratic (DEM)	Before making a decision, I listen to the opinions of employees and colleagues. I am willing and personally engaged in interviewing employees. In my company, employees have a lot of freedom in their activities.
Autocratic (AUT)	In my opinion, every employee needs control.  Employees cannot be trusted.  Every employee should have precise guidelines; otherwise, they will not perform the task assigned to them.
Training (TRA)	I know the strengths and weaknesses of each of my employees. In my company, I know exactly how to allocate tasks between employees. I know my employees and thanks to that I know how to motivate them.
Affiliate (AFF)	In my opinion, the atmosphere is the most important thing at work. Employees are best motivated by praise. I always try to be empathic.
Process (PRO)	Every time I explain exactly how the task is accomplished. The employee task must follow the prescribed procedure. I like it if the employee performs tasks in a designated way.
Liberal (LIB)	I have very good employees, and I do not have to control them.  My only task is the organisation of workplaces.  In the work of subordinates, I interfere only upon their request.

The study results show (Fig. 4) that the occupied position can determine the level of customer orientation (the used method of calculation was the same as for Fig. 3). Leaders who were the most customer-oriented were also the company owners (including company founders, the average score of 3.76). These leaders viewed their organisations as more than just a place of work and a source of income. They were often emotionally invested in their company and perceived its success as their personal success, hence the greater awareness of customers and the market. Branch managers were less customer oriented. This may be explained by the fact that their goals and tasks were established for them and their

role was more aimed at meeting the strategic goals rather than creating them. This also concerned the market goals. Directors also usually acted in the name of others and their connection with their enterprise was less emotional.

Preliminary research results also showed possible relationships between the type of introduced innovations and the leader's customer orientation (Fig. 6). Top managers introducing marketing innovations (average score of 3.74, the used method of calculation was the same as in Figs. 3 and 4) were the most customer oriented. Obviously, the goal of such innovations is the direct impact on the customer in the communication and sales process. Lower

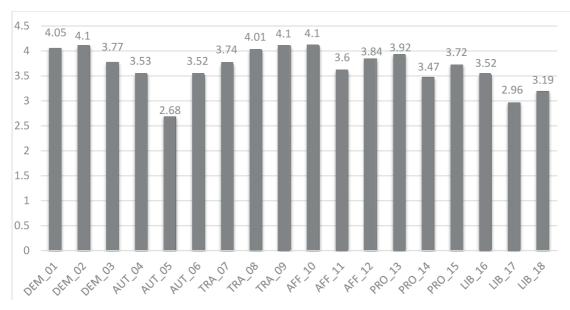


Fig. 7. Distribution of responses within 18 statements about the leadership styles (from Tab. 3)

average values assigned to product and technological innovations (the average score of 3.70) were probably the result of the concentration on manufacturing processes and not sales. It should be emphasised that this is not always a consequence of the smaller market awareness but comes from the specificity of activity or functioning as an indirect link in the supply chain.

The companies in the trade and services sector were the most customer oriented (the average score of 3.72, the used method of calculation was the same as in Figs. 3, 4 and 5) in contrast to manufacturing and construction companies (Fig. 6, the average scores of 3.54 and 3.65). This may be due to the fact that the customer satisfaction in these enterprises depends on the high quality of products and services.

The preliminary analysis of the test results confirms the connections between the leadership style and customer orientation. This is illustrated by Fig. 6. The presented values were the result of counted responses for each style (respondents rated the correctness of statements assigned for particular styles on a scale of 1 to 5, Tab. 3). The relevant question contained claims regarding the assessment of the level of customer orientation. The preliminary research results showed that clients who preferred autocratic and liberal leadership styles were less customer oriented. Democrats were the most customer-oriented. Therefore, it can be presumed that the management style adopted by top managers of the company impacts on the customer policy.

The aim of this article was to identify further directions of study into leadership and customer orientation in an innovative company. Interviews conducted with the help of CAWI were preliminary and carried out among leaders managing enterprises operating within the Podlaskie Voivodeship. The regional scope of the study seems to be a limitation for the conclusion process, but it is not a barrier for the identification of connections and relations between the two categories considered in the research.

#### 4. DISCUSSION AND CONCLUSIONS

On the basis of the conducted research, it can be concluded that an innovative enterprise demonstrates dependencies between leadership and customer orientation. It can be generally ascertained that the manner and scope of customer orientation results from the leadership style of the company's management and size. It is also possible to connect the type of implemented innovations with the level of customer orientation. The ambiguity of customer orientation is not only suggested by theory but can also be seen in practice. The preliminary analysis of the study results points toward the need for further exploration. The categories of leadership, marketing orientation and innovativeness complement each other (Fig. 8).

The study of leadership within this context shows that it influences not only external resources but also



Fig. 8. Connection between leadership, marketing orientation and innovations

other stakeholders, especially customers. Given below are directions for studying leadership in the context of customer orientation as well as the organisation's innovativeness:

- 1. Identification of factors determining customer orientation in various types of enterprises. The identification of factors which determine customer orientation of leaders managing production companies seems to be especially important (Nazarko et al., 2015; Gudanowska, 2018). When it comes to companies providing services, the relationships are direct, which decidedly decreases the distance between the company and the customer.
- 2. The preliminary study results show that the type of position held by the leader can determine their level of customer orientation. It must be assumed that the market engagement of the leader is the result of their emotional relationship with the company. It is important, therefore, to determine whether a position indicates interpersonal abilities of the leader and experience resulting from the occupied top management position impacts on customer orientation.
- 3. The preliminary analysis of the study results demonstrates that the leader's customer orientation is determined by their style of management. However, it remains unclear whether the effectiveness of the leader's influence on external resources translates to their level of customer orientation.
- 4. The ambiguity and the multidimensional character of the notion of leadership point towards the need to introduce the term of customer-oriented leadership as a type of

- business leadership in management science. This will allow the systematisation of knowledge concerning leadership and customer orientation.
- 5. It is also important to identify barriers and drivers behind the customer orientation depending on the type of business and implemented innovation.
- 6. The preliminary epistemological analysis shows that in management science, there is a lack of tools for the measurement of the level of customer orientation of top managers. Up-to-date measurement attempts concern the effectiveness of activities of employees directly involved in customer service or the effectiveness of individual marketing tools, sales results or market share.
- There is a need to create a model of customeroriented leadership. In this part of the paper, the analysis of the research results should be carried out.

It should be emphasised that the presented analysis of the research results is only preliminary. It was an attempt to show probable dependencies, used to identify potential directions of research in the area of leadership and marketing orientation in an innovative enterprise. Despite the limitations and the necessity to focus on selected areas, it can be clearly stated that the problem is multidimensional, and its cognition is important from the point of view of science and practice. The exploration of the indicated research areas requires the use of statistical analysis methods.

As theoretical and empirical analysis shows, a leader influences the company's marketing activities, including relationships with customers (e.g. Carneiro, 2008; Park & Kasim, 2017). However, the aim of the

research is to refine these relationships and indicate the drivers behind and barriers to relationships. It is important to investigate mutual interactions considering the evolution of customer orientation as a scientific concept. There is a clear shift of focus from long-term customer relationships (Kohli & Jaworski, 1990) to the delivery of new values, and this is directly related to development and innovation (e.g. Deschamps, 2008; Ejdys, 2015; Foley, 2004; Gallarza & Gil- Saura, 2011, Saarijarvi et al., 2015; Pomffyova et al., 2016). Thus, discussions regarding customer orientation are impossible without innovation, and these categories depend on the decision of the leader (e.g. Rosenzweig & Grinstein, 2015).

It should also be emphasised that business leadership, which is the subject of many scientific studies, has not been fully understood in the management sciences. Relationships between leaders and stakeholders, their determinants and consequences require further exploration.

#### **ACKNOWLEDGEMENTS**

The studies have been carried out as part of a project No. 2017/01/X/HS4/01009 financed by the National Science Centre).

#### LITERATURE

- Allio, R. J. (2012). Leaders and leadership many theories, but what advice reliable? *Strategy & Leadership*, 41(1), 4-14.
- Antoni, C. (2005). Management by objectives an effective tool for teamwork? *International Journal of Human Resources Management*, 16(2), 174-184.
- Atuahene-Gima K., Slater, S. F., & Olson, E. M. (2005). The contingent value of responsive and proactive market orientations for new product program performance. *Journal of Product Innovation Management*, 22(6), 464-482.
- Boddy, C. R., & Croft, R. (2016). Marketing in a time of toxic leadership. *Qualitative Market Research: An International Journal*, 19(1), 44-64.
- Capon, N., Farley J., Hulbert, J. & Lei, D. (1991). In search of excellence ten years later: strategy and organization do matter. *Management Decision*, 29(4), 12-21.
- Carneiro, A. (2008). When leadership means more innovation and development. *Business Strategy Series*, 9(4), 176-184.
- Day, G. S. (1999). Creating a market-driven organization. Sloan Management Review, 41(1), 11-22.

- Deschamps, J-P. (2005). Different Leadership skills for different innovation strategies. *Strategy & Leadership*, 33(5), 31-38.
- Donaldson, B. (1993). Customer driven organizations can smile. Proceedings of the Annual Conference of the Marketing Education Group, 1, Loughborough University Business School, Loughborough, 243-255.
- Dwyer, R. F., & Tanner, J. F. (2002). Business Marketing: Connecting Strategy, Relationships, and Learning. 2nd ed., New York, United States: McGraw-Hill.
- Ejdys, J. (2015). Marketing orientation vs. innovativeness of SMEs of the Podlaskie Province. Business: Theory and Practice, 16(4), 353-361
- Esty, D. C., & Porter, M. E. (2005). National environmental performance: an empirical analysis of policy results and determinants. *Environment and Development Economics*, 10(4), 391-434.
- Foley, A., & Fahy, J. (2004). Towards a further understanding of the development of market orientation in the firm: a conceptual framework based on the market-sensing capability. *Journal of Strategic Marketing*, 12(4), 219-230.
- Ford, D., & Paladino, A. (2013). Enabling innovation through strategic synergies. *Journal of Product Inno*vation Management, 30(6), 1058-1072.
- Gallarza, M. G., & Gil-Saura, I. (2011). The value of value: further excursions on the meaning and role of customer value. *Journal of Consumer Behaviour*, 10(4), 179-191.
- Ganesan, S. (1994). Determinants of long-term orientation in buyer-seller relationships. *Journal of Marketing*, 58(April), 1-19.
- Gebhardt, G. F., Carpenter, G. S., & Sherry, J. F. Jr (2006). Creating a market orientation: a longitudinal, multifirm, grounded analysis of cultural transformation. *Journal of Marketing*, 70(4), 37-55.
- Gordon, I. H. (2001), Relacje z klientem. Marketing partnerski. Warszawa, Poland: PWE.
- Gudanowska, A. E., Alonso, J. P., & Tormanen, A. (2018). What competences are needed in the production industry? The case of Podlaskie Region. *Engineering Management in Production and Services*, 10(1), 65-74. doi: 10.1515/emj-2018-0006
- Hall, D. (1992). *The Hallmarks for Successful Business*. London, United Kingdom: Mercury Books.
- Harris, L. C., & Ogbonna, E. (2001). Leadership style and market orientation: an empirical study. European Journal of Marketing, 35(5/6), 744-764.
- Hunitie, M. (2018). Impact of strategic leadership on strategic competitive advantage through strategic thinking and strategic planning: a bi-meditational research. *Business: Theory and Practice*, 19, 322-330. doi: 10.3846/btp.2018.32
- Jeong, J. S., & Hong, P. (2007). Customer orientation and performance outcomes in supply chain management. *Journal of Enterprise Information Management*, 20(5), 578-594.
- Julian, C. C., & O'Cass, A. (2002). Examining the internalexternal determinants of international joint venture (IJV) marketing performance in Thailand. Australasian Marketing Journal, 10(2), 55-71.

- Karaszewski, R. (2006). Nowoczesne systemy zarządzania jakością. Toruń, Poland: TNOiK.
- Kennedy, K. N., Goolsby, J. R., & Arnould, E. J. (2003). Implementing a customer orientation: extension of theory and application. *Journal of Marketing*, 67(4), 67-81.
- Khalifa, A. S. (2004). Customer value: a review of recent literature and an integrative configuration. *Management Decision*, 42(5/6), 645-666.
- Kibbeling, M., der Bij, H., & Weele, A. (2013). Market orientation and innovativeness in supply chains: supplier's impact on customer satisfaction. *Journal of Product Innovation Management*, 30(3), 500-515.
- Kirca, A. H., Jayachandran, S., & Bearden, W. O. (2005). Market orientation: a meta-analytic review and assessment of its antecedents and impact on performance. *Journal of Marketing*, 69(2), 24-41.
- Kohli, A., & Jaworski, B., (1990). Market orientation: the construct, research proposition, and managerial implications. *Journal of Marketing*, 54(April), 1-18.
- Lichtarski, J., & Trenkner, M. (2018). On the co-existence of innovation and creativity in the lean management environment. *Forum Scientiae Oeconomia*, 6(3), 68-81. doi: 10.23762/FSO\_VOL6\_NO3\_5
- Kraszewski, R., & Skrzypczynska, K. (2016). *Przywództwo w biznesie*. Toruń, Poland: TNOiK.
- Locke, W. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: a 35-year odyssey. American Psychologist, 57, 705-17.
- Mazurek-Lopacinska, K. (2011). Orientacja na klienta. Warszawa, Poland: PWE.
- Nahm, A. Y., Vonderembse, M. A., & Koufteros, X. (2004). The impact of organizational culture on time-based manufacturing and performance. *Decision Sciences*, 35(4), 579-607.
- Narver, J. C., & Slater, F. S. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54(October), 20-35.
- Nazarko, J., Ejdys, J., Halicka K., Nazarko, Ł., Kononiuk, A., & Olszewska, A. (2015). Application of Structural Analysis to Classification of Technology Development Drivers, The 6th International Conference on Engineering, Project, and Production Management (EPPM2015), Gold Coast, Australia, 2-4 September 2015, Conference Program Book, 46-49.
- Park, C., Oh, C. H., & Kasim, A. (2017). Market challenges, learning and customer orientation, and innovativeness in IJVs. *International Marketing Review*, 34(6), 945-967.
- Pekovic, S., Rolland, S., & Gatigin, H. (2016). Customer orientation and organizational innovation: the case study of environmental management practices. *Journal of Business & Industrial Marketing*, 31(7), 835-848.
- Pomyffova, M., Kozarova, M., & Krajcik, V. (2017). Innovative and information perspectives of business management. *Polish Journal of Management Studies*, *16* (2), 221-232. doi: 10.17512/pjms.2017.16.2.19
- van Raaij, E. M., & Stoelhorst, J. W. (2008). The implementation of a market orientation: a review and integration of the contributions to date *European Journal of Marketing*, 42(11/12), 1265-1293.

- Rintamaki, T., Kuusela, H., & Mitronen, L. (2007). Identifying competitive customer value propositions in retailing. *Managing Service Quality*, *17*(6), 621-634.
- Rogoziński, K. (2006). Klient jako współtwórca wartości. *Marketing i Rynek*, 8.
- Rosenzweig, S., & Grinstein, A. (2015). How resource challenges can improve firm innovation performance: identifying coping strategies. *Creativity and Innovation Management*, 25(1), 110-128.
- Saarijarvi, H., Kuusela, H., Neilimo, K., & Narvanen, E. (2014). Disentangling customer orientation executive perspective. *Business Process Management Journal*, 20(5), 663-677.
- Sanchez-Fernandez, R., & Iniesta-Bonillo, M. A. (2007). The concept of perceived value: a systematic review of the research. *Marketing Theory*, 7(4), 427-451.
- Sheth, J. N., Sisodia, R. S., & Sharma, A. (2000). The antecedents and consequences of customer-centric marketing. *Academy of Marketing Science*, 28(1), 55-66.
- Siguaw, J., Simpson, P., & Baker, T. (1998). Effects of supplier market orientation on distribution market orientation and the channel relationships: the distributor perspective. *Journal of Marketing*, 62(3), 99-111.
- Sousa, J. P., Krot, K., & Rodrigues, R. G. (2018). International marketing and organizational performance of SMEs in the EDV industrial sector. *Engineering Management in Production and Services*, 10(1), 55-64. doi: 10.1515/emj-2018-0005
- Strandvik, T., Holmlund, M., & Gronroos, C. (2014). Mental footprint of marketing in the boardroom. *Journal of Service Management*, 25(2), 241-252.
- Tracey, M., & Tan, C. (2001). Empirical analysis of supplier selection and involvement, customer satisfaction, and firm performance. *Supply Chain Management: An International Journal*, 6(4), 174-88.
- Zuraik, A. & Kelly, L. (2018). The role of CEO transformational leadership and innovation climate in exploration and exploitation. European Journal of Innovation Management, 78-98.li, V. (2012). Forecasting Exchange Rates: a Comparative Analysis. *International Journal of Business and Social Science*, 3(10), 31-45. doi: 10.12846/j.em.2015.02.06