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The role of market orientation in the performance of NPOs

Francisco do Adro^a, Cristina I. Fernandes ^{abc*} and Pedro M. Veiga ^{ad}

^aNECE Research Unit in Business Sciences, Covilhã, Portugal; ^bDepartment of Management and Economics, University of Beira interior, Covilhã, Covilhã, Portugal; ^cCentre for Corporate Entrepreneurship and Innovation at Loughborough University, Loughborough, UK; ^dUniversity of Maia, Maia, Portugal

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With the downturn in the global socioeconomic panorama, the market orientation (MO) and the performance of non-profit organisations (NPOs) have come in for growing levels of attention. However, authors remain unanimous in emphasising the scope there remains for further research designed to better understand the role of MO on the performances achieved by NPOs. The objective of this research is thus to analyse the influence of MO on the performance standards of NPOs. To this end, we deployed a quantitative methodology based on the application of a survey of NPOs that received a total of 135 valid responses. The results demonstrate a statistically significant positive effect on the dimensions of orientation towards users, towards the competition, the incentive system even while the effect of inter-functional coordination lacks in significance. Despite the data collection having taken place at a particular moment in time, in the midst of the COVID-19 pandemic, which significantly hindered this process and correspondingly preventing this study from attaining still greater representativeness, our results serve to strengthen the theory and practice on market orientation in NPOs. The research results also generate important implications across two levels: at the NPO level and for their decision-makers; it also deepens knowledge on this theme and helps to complete a gap found in the existing literature. In terms of practice, this contributes to NPO managers and policy makers to grasp how MO is not a phenomenon exclusive to the private sector but also extends across the non-profit sector.

Keywords: Non-profit organisations; market orientation; performance; quantitative

1. Introduction

Market orientation (MO) traces its roots to the concept of marketing and emerges today as an important aspect to the entrepreneurial orientations of organisations, and an integral part of organisational culture that contributes to their overall performance (Drucker 1954; Fonseca and Baptista 2013; Kohli, Jaworski, and Kumar 1993; Narver and Slater 1990; Turpin and Shier 2020).

The study of the relationship between MO and performance in the third sector started fifty years ago with Kotler & Levy (1969) and Kotler and Zaltman (1971). Their work focused respectively on analysing the question of transferring the traditional principles of marketing to the non-profit organisations (NPO) and on the concept of social marketing through which some of the social problems might undergo resolution through the application of marketing methods. Even if today, some NPO's boards face some moral

*Corresponding author. Email: cristina.isabel.fernandes@ubi.pt

problems using business methods looking at the marketing as a threat, honouring Kotler (1979), the number of those who dare for these new rails has been increasing because they recognise its usefulness. The reductions in traditional public supports for the non-profit sector have impacted on the level of NPO financing and driven them to develop innovative MO strategies (Pinho, Rodrigues, and Dibb 2014; Shoham et al. 2006). Since the last decade, the number of Portuguese NPOs that every year advertise their VAT number in social media in order to influence the taxpayers for introducing it in their own tax return, to receive revenue from there, has been rising, with a yearly intensification from January to March.

Nevertheless, through to contemporary times, research in this field has only ever been scarce (Lee et al. 2019) and studies on MO in the third sector still in an initial phase (Chad 2013; Gupta, Bridgman, and Sahi 2015; Ngatno 2016; Wymer, Boenigk, and Möhlmann 2015), despite constituting one of the most closely studied areas of marketing for the profit-making private sector (Wymer, Boenigk, and Möhlmann 2015).

In fact, irrespective of research on the third sector having progressed in recent decades (do Adro and Fernandes 2021), its application of MO has not accompanied this at the same pace (Hyder 2013). Pinheiro, Daniel, and Moreira (2020) share the same opinion in stating that despite MO having gained a great deal of attention in academic circles, there have been few studies targeting the third sector. However, there has been a pick-up in research on MO in this sector since 2009 (Ngatno 2016), which remind us the economic, financial and social crisis of the last decade. The reductions in traditional public supports for the non-profit sector have impacted on the level of NPO financing and driven them to develop innovative MO strategies (Pinho, Rodrigues, and Dibb 2014; Shoham et al. 2006).

Some empirical studies refer to a positive interconnection between MO and organisational performance (Voss and Voss 2000). Hence, the conceptualisation of MO is frequently approached through recourse to scales (Wymer, Boenigk, and Möhlmann 2015), with two most commonly adopted, the MARKOR (Kohli, Jaworski, and Kumar 1993) and MKTOR (Narver and Slater 1990) scales. Various researchers (Liao, Foreman, and Sargeant 2001; Sargeant, Foreman, and Liao 2002) have proposed orientation models for the third sector, which are basically modifications of the seminal model for-profit-making firms (Chad, Kyriazis, and Motion 2013). However, the first adaptation of the MO measurement scale proposed by Narver and Slater (1990) for the third sector comes from Modi and Mishra (2010) and dates to 2010. Hence, the literature on MO above all casts its attention on the private sector and various authors (Chad 2013; Gupta, Bridgman, and Sahi 2015; Turpin and Shier 2020) maintain that the literature requires further studies to understand the role of MO in NPOs.

Following the recommendations made by Modi and Mishra (2010), Modi and Sahi (2018a) and Shoham et al. (2006), our study seeks to analyse the influence of MO on the performance of NPOs through answering this question: *what factors in the market orientation of NPOs influence their performance?*

This study therefore makes various contributions, first and foremost, contributing to enriching academic knowledge through investigating the impact of each of the components of MO on NPO performance. Secondly, this search for drawing the attention of NPO decision-makers to the importance of MO and especially to internal MO in the daily lives of institutions and thereby raising awareness around the importance of efficient management and the effective application of valuable intangible, non-monetary resources,

which represent essential assets in the struggle for sustainability, a *sine qua non* for achieving their social missions.

The structure of this article spans six sections: following this introduction, we present the literature review followed by the methodology, the presentation and discussion of the results and their implications before closing with the final considerations.

2. Literature review: market orientation in NPOs

MO stemmed from advances in the marketing concept. With the growth in importance paid to marketing departments, there was the corresponding need to establish structures destined for taking strategic decisions as regards the operational implementation of marketing. Hence, various academics (Kohli and Jaworski 1990; Kohli, Jaworski, and Kumar 1993; Narver and Slater 1990) engaged with this field of research. Shapiro (1988) defined MO as an organisational decision-making process that consists of gathering information, taking decisions throughout the organisation and effectively implementing those decisions. Narver and Slater (1990) reported a substantial positive effect of MO on the benefits in the for-profit sector in developing this first scale of measurement. Kohli and Jaworski (1990) combined a review of 35 years of the literature on this field of analysis with the results of 62 field interviews in order to summarise the knowledge and propose future research orientations. Narver and Slater (1990) and Kohli and Jaworski (1990) are today considered the theoretical founders of MO (Chad, Kyriazis, and Motion 2013).

The literature points to various benefits from implementing MO including, for example, facilitating decision-making processes and as well as communications between the various departments of the organisation in the case of concerted actions (Pinheiro, Daniel, and Moreira 2020). Thus, MO creates value to the extent that this helps organisations in designing and producing their goods and services better than those of the competition (Chad 2013; Chen and Hsu 2013; Kraus et al. 2017).

With the entrance of new players from for-profit sector in social sector (since 2020, ORPEA group entered into the Portuguese market with 30 nursing houses, which represent more than 2000 beds), the concept of social marketing stated by Kotler and Zaltman (1971) turns the MO more relevant to the third sector and to our study, even if it cannot simply be transferred from the lucrative private sector (Chad, Kyriazis, and Motion 2013; Lee et al. 2019) but needs to be adapted. Thus, while for the latter, Kohli and Jaworski (1990) identify eight antecedents to MO, Lee et al. (2019) refer to how these may be cut to three for the third sector: the factors involving the goals, mission and vision of senior management; organisational and institutional factors; structural and systemic factors. Zhao, Niu, and Castillo (2010) state that the more traditional marketing approaches of NPOs are not effective as they are not professional either in identifying their potential clients or in satisfying their respective needs. Despite this, many NPOs express scepticism over adopting marketing methods traditionally the domain of the business sector (Modi and Mishra 2010). These authors emphasise how this arises from NPOs frequently not understanding just how marketing concepts may also generate benefits and advantages for the non-profit sector.

Indeed, the MO of NPOs is vital to their survival (Liu, Eng, and Takeda 2015) and emerges as a solution adopted whenever such organisations seek to resolve financing problems (García et al. 2018). The Macedo and Pinho (2006) study of Portuguese NPOs demonstrated how the resource based theory put forward by Penrose (1959) is able to explain the level of MO prevailing in NPOs. These authors discover that those NPOs

most dependent on private donors tend to be more oriented towards the market. Normally, the diversification of revenues is a reflection of the MO of NPOs and, therefore, the organisations that register higher levels of own income alongside other sources other than state support display greater orientations to the market (Macedo and Pinho 2006). Nevertheless, and curiously, in some situations, a client based orientation interlinks with reductions in revenues and negative results (Voss and Voss 2000). This may occur as an excessive orientation towards the client may lead to inertia (Voss, Voss, and Moorman 2005).

MO in the third sector is correspondingly commonly associated with the efficiency of commercial activities, financial sustainability, the effective management of resources and self-sufficiency (Choi and Majumdar 2014) while also perceived as an organisational culture that seeks to provide value to consumers through their orientation towards users and competitors as well as towards inter-functional coordination (S. Mitchell and Clark 2019) and incentive systems (Jaworski and Kohli 1993).

Below, we shall approach each of these four aforementioned dimensions after first recalling the respective importance of each of these aspects towards NPOs and our study:

- The orientation towards users due to how these organisations provide care services that are, in the majority of cases, essential to the wellbeing and good health of their users;
- The orientation towards the competition stems from how in recent decades, new players have emerged in the market, arriving from the private sector and more experienced in marketing related matters;
- The importance of inter-functional coordination arises from the need for good communications within NPOs given that they are dealing with the lives of users;
- The incentive system on the grounds that human capital constitutes the core component of NPOs.

2.1. Orientation towards users

MO is a consumer centred theoretical concept with organisations therefore structuring their decisions around the current and future needs of these consumers (S. Mitchell and Clark 2019). Traditionally, the marketing literature conveys how client based orientations generate better understandings of clients and the consequent satisfying of their needs drives higher levels of organisational performance (G. B. Voss and Voss 2000). In fact, various studies have already demonstrated a positive relationship between the MO culture and performance (Jaworski and Kohli 1993; Macedo and Pinho 2006; Narver and Slater 1990). Only when close to its users are NPOs able to grasp and meet their needs (Modi and Sahi 2018b).

The results of a study carried out with 147 employees in blood transfusion centres and services in Spain report that when these organisations develop MOs focused on donors, they directly and indirectly improve (work based) satisfaction, organisational commitment and, finally, the behaviours as citizens of their members of staff (Martín-Santana, Cabrera-Suárez, and Déniz-Déniz 2020)

Chen and Hsu (2013), in their analysis dealing with the collection of data on the needs/desires of clients, find that MO holds importance to the capacity for organisations striving to improve the quality of their services and boost their operational efficiency.

The study by Padanyi and Gainer (2004), incorporating analysis of 453 NPOs in Canada, identifies how the implementation of MO brings various benefits. Furthermore, they describe how MOs in the third sector emerges in different ways and independently

of each other, varying from one organisation to another in terms of their potential impacts on the different dimensions of performance; in addition to demonstrating how the resource structure also holds an influence over the relationship between MO and performance.

Glaveli and Geormas (2017) refer to how having a defined MO, a clear and shared vision of the surrounding environment as well as of user needs and an orientation towards the client represent vital factors in boosting the effectiveness and sustainability of NPOs

Given that set out above, we arrive at our first working hypothesis:

H1: The client orientation generates a positive impact on the performance of NPOs.

2.2. *Orientation towards the competition*

Traditionally, the marketing orientation approach has focused on the client and meeting consumer needs. However, today, the understanding of the MO concept reaches further to include not only clients and consumers but also competitors (Kohli and Jaworski 1990; Modi and Sahi 2018a; Narver and Slater 1990).

Marketing activities help organisations to grasp the needs of their users and make more active responses to changes in the market, providing better tailored services and products (G. Liu, Eng, and Takeda 2015) and thereby obtaining competitive advantages over the competition (Chen and Hsu 2013; Kraus et al. 2017). For managers, perceiving the dynamics of products, services and organisations ensures the capacity to remain competitive in the face of change in the market and thereby appropriately adjusting strategies and investment policies (S. Mitchell and Clark 2019).

While NPOs initially benefitted from substantial amounts of state support and generous individual donors, that paradigm is now different and, challenged to improve their levels of performance, these organisations have had to consider the rules of the market, such as the notion of competitiveness (Chen and Hsu 2013; Contreras-Medina, Díaz-Nieto, Uribe-Plaza, García, & Mendoza-García, 2019). The rise in competition in the third sector, both in terms of the growth in the number of NPOs and with many companies in the for-profit sector engaging in activities traditionally reserved for non-profit organisations, has led many of the latter institutions to pay greater attention to the needs of their users and the emerging market trends (Ceptureanu 2018; do Adro and Leitão 2020). Correspondingly, NPOs should adopt methods traditionally the preserve of the mainstream business sector, focusing on results and more innovative methods. These alterations have substantially boosted the pressures on these institutions and forcing them to improve their performance standards (Ceptureanu 2018).

According to Modi and Sahi (2018a), MO represents an organisational philosophy focused on discovering and reaching out to meet the needs and requests of clients better than the competition.

In keeping with the above, we may set out our second working hypothesis:

H2: the orientation towards the competition generates a positive impact on the performance of NPOs.

2.3. *Inter-functional coordination*

MO initially approached the external environments of organisations (clients, competitors, etc.), later extended to also include the internal dimension (processes, staff, etc.) (Gupta, Bridgman, and Sahi 2015). According to Modi and Sahi (2018a), internal MO spans five

different factors: the formal face-to-face verbalisation of information, written information, responsiveness, the informal generation of information, and the dissemination of information. In large scale NPOs, this inter-functional coordination tends to be more formal than in their smaller peers (Lee et al. 2019). Within the scope of leveraging the market based information resources to attain their objectives, NPOs need the capacity to integrate and reconfigure these resources in keeping with their operational system (G. Liu, Eng, and Takeda 2015). Therefore, these factors are in line with the concept of inter-functional coordination as defined by Narver and Slater (1990) as the coordinated way in which the different units of any organisation coordinate their operational functioning and the use of resources within the structure itself in order to achieve shared organisational goals.

According to Lee et al. (2019), the inter-functional coordination of NPOs draws upon three antecedents (the senior management, organisational factors and structural factors) with their respective influences moderated by the type of resources available. Hence, the greater the amount of financing from private sources, the greater the perception of MO in keeping with how the revenue stream to a large extent depends on the three aforementioned antecedents.

In a study that explored the relationships between MO, organisational culture and organisational commitment, Pinho, Rodrigues, and Dibb (2014) examined a sample of 143 managers at healthcare connected NPOs in Portugal. They report that MO influences the organisational culture, performance and organisational commitment. These findings convey the importance of MO and the positive impact on organisational performance. Martín-Santana, Cabrera-Suárez, and Déniz-Déniz (2020) strengthen this position in affirming that, in market-oriented organisations, members of staff share information, participate in decision-making, cooperate and work together in managing and obtaining the common objective.

Internal MO may not provide any direct relationship with organisational performance (Modi and Sahi 2018b) even while the relationship between MO and performance is more robust and stronger in organisations with cultures of low hierarchical distancing and greater capacities for pre-empting events (Lee et al. 2019). The qualitative study by Hyder (2013) concludes that networks and trust are the MO components that most favour performance.

Therefore, we may also put forward our third working hypothesis:

H3: Inter-functional coordination generates a positive impact on the performance of NPOs.

2.4. Incentive systems

To achieve their objectives and obtain institutional legitimacy, NPOs need to consider their internal implementation of MO (Lückenbach et al. 2019). However, developing and rooting MO into the reality of any organisation requires senior management support, excellent intercommunication between the different departments, an efficient human resources policy with measures able to retain the best members of staff, training and the design of reward systems (Modi and Sahi 2018b). Thus, any MO, in addition to its interconnections with the external context, also needs to interrelate with the internal results, employee satisfaction and job commitment (Modi and Sahi 2018a).

An incentive, or reward, system conveys an idea of equity, trust, compliance with reciprocal obligations and not only on financial exchanges (Modi and Sahi 2018a) and thus encountering a certain interlinkage with the equity theory of Adams (1963). These incentives may be intrinsic to the task or function performed (personal valuation, developing

self-motivation, etcetera) or work environment related (recognition, salary, job security, etcetera) (Stater and Stater 2019). Furthermore, developing any effective incentive system involves understanding the aspirations and needs of members of staff (Modi and Sahi 2018b). Hence, nurturing the conditions that foster good working environments with the different cultural dimensions that this may imply, reducing some of the formalism, would seem to set out the path to take in the search for higher levels of organisational performance (Pinho, Rodrigues, and Dibb 2014).

In the third sector, and largely due to the ambience of scarce financial resources, a good system of incentives arises out of managers concerned over the wellbeing of their staff, having a more significant impact than in the for-profit and public sectors (Stater and Stater 2019), especially in terms of employee retention (Modi and Sahi 2018a). Therefore, NPOs stand to make considerable gains from investing in internal MO as this generates value for employees and indirectly impacts on MO as the employees go about their relationships with users (Modi and Sahi 2018b).

Hence, we may present our fourth working hypothesis:

H4: incentive systems generate a positive impact on the performance of NPOs.

Figure 1 sets out our research model.

3. Methodology

3.1. Questionnaire and data collection

This research deploys a correlational design to examine the relationships between MO and the performance of NPOs. In order to test these relationships, we produced a research instrument and measurement scales based on the prior review of the literature, for example the models put forward by Choi (2014) and Fonseca (2014). The option taken was to follow the Fonseca questionnaire (2014), already adapted to the Portuguese third sector and based on the MKTOR scale of Narver and Slater (1990) and that of Jaworski and Kohli (1993) in the case of the incentive system. Due to their perceived relevance, this added two questions on the scale of the orientation towards the competition (*does the organisation maintain attention on new competitor strategies?; is the organisation aware of its weaknesses and strengths in comparison with its competitors?*) based on the article by Choi (2014) that analyses the orientation towards learning and MO in the South Korean third sector. Hence, we measured MO in accordance with three orientation dimensions: towards the user, the competition, the inter-functional coordination, which we combine with the incentive system, an essential component, a paramount in a sector where more than half of current expenditure is composed of human resources.

The questionnaire measurement scales consist of items that represent the knowledge and opinions of respondents to the EO practices and to social performance. In order to construct the questionnaire and similar to other authors (Pinheiro, Daniel, and Moreira 2020), we applied the already referenced validated scales, translated and adapted to the object currently under study. All of the items measuring these variable and their respective scales are subject to discussion below.

We distributed the survey via e-mail, through the *Google Forms* application, to all the social economy organisations on mainland Portugal and the Autonomous Regions of the Azores and Madeira between 1 June and 30 September 2020. The survey was first sent to CNIS – the National Confederation of Solidarity Institutions and the UDIPSS and the

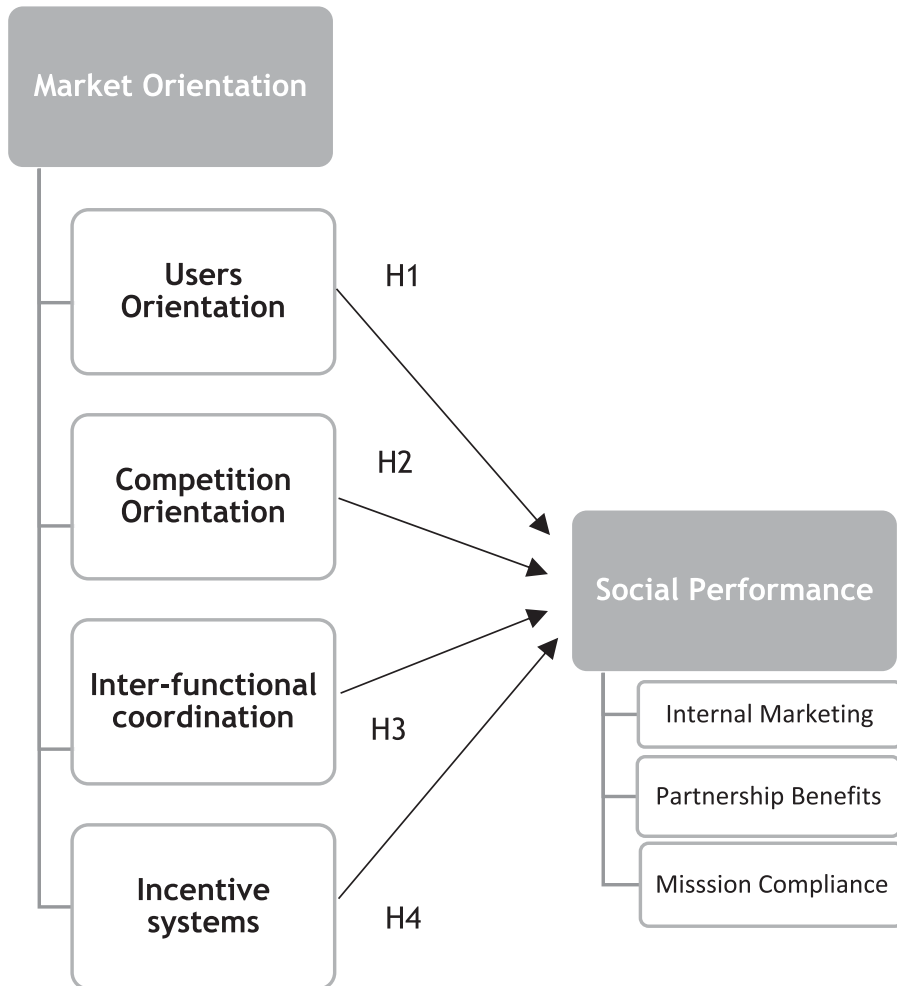


Figure 1. Research model

URIPSS – the respective district and regional organisations, the Union of Portuguese Misericórdia Charitable Institutions and the Union of Portuguese Mutualist Institutions following prior telephone contact in order to present the study and request that they forward the questionnaire to their respective members (3,653 institutions, of which 3,004 are members of the CNIS according to its 2019 management report even while this number is subject to frequent variation). Contact also took place with the António Sérgio Cooperative for the Social Economy in keeping with its responsibility for updating the list of all national NPOs (Pinheiro, Daniel, and Moreira 2020). In a subsequent phase (July and August), we contacted, firstly by telephone and then by e-mail, the coordinating entities for the CLDS4G program present in 232 of 278 councils on mainland Portugal. Finally (in September), we established contact with the municipal social networks of 100 councils spanning from the north to the south of the country as well as the autonomous regions of the Azores and Madeira. This social network is a national program launched in 1997 that seeks to empower social actors of councils in order to combat poverty, social exclusion and foster social development (Presidency of the Council of Ministers 1997).

Through this diversified strategy, and given that not all institutions are members of confederations or federations, this sought to reach out and contact a population of 5,647 IPSSs – Private Social Solidarity Institutions or their equivalent existing in Portugal according to the report ‘economic and social importance of the IPSS in Portugal’ published in December 2018 by CNIS (Mendes 2018).

The final sample of 135 NPOs, disseminated throughout the national territory, with different scales and sizes, provide a variety of social responses (children and youth, the disabled, elderly persons and others).

3.2. Variables

3.2.1. Dependent variables

The relative construct for social performance was adapted from Sanzo et al. (2015) and includes a Likert scale running from 1 to 7 (‘not at all important’ to ‘very important’), with 16 items (annex 4) that subdivide into three distinct dimensions:

1. Internal marketing, including aspects such as the human resource and training policies of the organisation, appropriateness of the tasks to the capacities of employees, internal communications and listening to employees (10 items, Cronbach’s Alpha = 0.926). These are core aspects in a sector in which more than 50% of costs are composed by human resources expenses.
2. Benefits from partnerships, particularly sounding out the organisation’s stakeholders (3 items, Cronbach’s Alpha = 0.791). NPOs work with 3 markets: users, workers and community (donors, etc.). In order to carry out their social mission successfully, they must find and maintain a balance (win-win) in this 4-party relationship, aware that in order to benefit some, they may, under certain circumstances (employment relations, for example), have to harm others.
3. Complying with the mission as regards meeting the requests and expectations of the organisation’s stakeholders (3 items, Cronbach’s Alpha = 0.869). Here is another challenge that NPOs face in direct relation to the benefits of partnership: fulfilling their social mission. In this domain, it is also necessary to know how to consider the requests/wishes of users, collaborators, the community and donors without compromising the social mission’s goal.

The items that constitute each of these factors (Internal marketing, Benefits from partnerships, Mission compliance) display considerable levels of reliability and internal consistency. The second order construct referring to Social Performance returns far higher levels of reliability and internal consistency (Cronbach’s Alpha = 0.939).

For each dimension and for Social Performance in overall terms, we calculated a score corresponding to the average of the items.

3.2.2. Independent variables

3.2.2.1. Control variables. The characterisation of the institutions took into consideration a diverse series of different facets, for example: the location (NUT2), the type of social response (Social response for Elderly Persons, Response to Children and Youths, Response to Disabled Persons), the number of employees (contracted staff and freelancers), the number of volunteers, the number of users, and as well as whether or not the institution runs a quality management system.

Table 1. Variables applied in the analysis

	Variables	Measurement	Hypotheses	Authors
IPSS characteristics	Region	Norte, Centro, Lisboa e Vale do Tejo, Alentejo, Algarve, Autonomous Region of Madeira, Autonomous Region of the Azores		
	Elderly persons (IDO)	0 – No; 1 – Yes		
	Children and youths (IJ)	0 – No; 1 – Yes		
	Disabled (DEF)	0 – No; 1 – Yes		
	Number of contracted employees (TRAB)	Number		
	Number of professional freelancers/retainers (AVE)	Number		
	Number of volunteers (VOL)	Number		
	Number of organisation users (UT)	Number		
	Does the organisation run a quality management system? (QL)	0 – No; 1 – Yes		
Market Orientation	Orientation towards the users	Likert type scale (1 a 5)	H1 H2	Fonseca (2014) and Choi (2014)
	Orientation towards the competition		H3 H4	
	Inter-functional coordination Incentive system			
Performance (PERF)	Social performance:	Likert type scale (1 a 7)	H1	Sanzo et al. (2015)
	Internal marketing		H2	
	Partnership benefits		H3	
	Mission compliance		H4	

3.2.2.2. *Market orientation.* To operationally apply the variables (Table 1) for MO, we deployed the Fonseca (2014) and Choi (2014) scale. Due to its exclusive focus on NPOs that depend solely on donations, this excluded the MO measurement scale designed by Modi (2012), entitled MONPO.

Within the framework of adjusting the questionnaire to the specific characteristics of the NPOs, as well as obtain a more harmonious approach, the terms ‘company, foundation, institution, organisation’ underwent replacement by the word ‘organisation’. This replaced the words ‘user’ or ‘beneficiary’ with ‘user’ in order to adopt the terminology

in effect at the Institute of Social Security and present in the cooperation agreements signed between the supervisory entity and these organisations. This also similarly substituted ‘target areas’ with ‘target public’. Following these respective adaptations, we delivered the questionnaire, with its measurement taking place on a five-point Likert scale, to the NPOs. The 23 questions (annex 3) break down into four dimensions:

1. Orientation towards users ‘*The objectives of the organisation are oriented towards satisfying users; The organisation’s strategies are based on understanding the needs of users ...*’ (9 items, Cronbach’s Alpha = 0.922).
2. Orientation towards the competition ‘*The management regularly discuss the strengths, weaknesses and strategies of other organisations; The organisation remains attentive to new competitor strategies ...*’ (6 items, Cronbach’s Alpha = 0.903).
3. Inter-functional coordination ‘*The information about users circulates freely among all members; The members of the organisation mutually share the programs and resources of the organisation ...*’ (5 items, Cronbach’s Alpha = 0.809).
4. Incentive system ‘*Evaluation of the level of user satisfaction influences the level of employee remuneration; The level of remunerations contemplates those who, in a consistent fashion, provide good information on the market ...*’ (3 items, Cronbach’s Alpha = 0.845).

3.3. Data analysis

In order to describe the IPSS sample, we calculated the descriptive statistics (frequencies, averages and standard deviation) of the research variables.

In order to evaluate the impact of the IPSS characteristics and the MO dimensions to the social performance variables, and given the existence of correlations among the dependent variables, we applied Multivariate Analysis of Covariance (MANCOVA). Hair et al. (2010) recommend the application of Pillai’s trace, as it is statistically the most powerful for samples in which the categoric variable categories contain small and different dimensions. Whenever identifying variables with statistically significant impacts on the dependent variables, we then estimated the Analysis of Covariance (ANCOVA) for each of the dependent variables and the respective multiple linear regression models.

The data analysis process made recourse to the IBM-SPSS version 27.0 software (IBM Corporation, New York, USA).

4. Results

4.1. Descriptive statistics

Table 2 details the characterisation of 135 institutions included in the study. The predominant locations in the sample correspond to the Centro (47.4%), Norte (18.5%) and Lisboa e Vale do Tejo (18.5%) regions. In terms of the social responses of organisations, 45.2% and 11.9% of organisations engage in responses to children and youths and the disabled, respectively. The institutions on average employed 60.1 ± 77.6 full time employees with an average of 693.7 ± 2458.4 users. We applied the chi-square goodness-of-fit test to assess whether there were statistically significant differences between the sample distribution of NPOs and the population distribution of NPOs in terms of region. The results indicated that no statistically significant differences were found. This suggests that the observed distribution of NPOs across regions in the sample is consistent with what

Table 2. Descriptive statistics

		<i>N</i>	%
Region	Norte	25	18.5%
	Centro	64	47.4%
	Lisboa e Vale do Tejo	25	18.5%
	Alentejo	11	8.1%
	Algarve	2	1.5%
	Autonomous Region of Madeira	6	4.4%
	Autonomous Region of the Azores	2	1.5%
Social response to Elderly Persons	No	106	78.5%
	Yes	29	21.5%
Response to Children and Youths	No	74	54.8%
	Yes	61	45.2%
Response to Disabled Persons	No	119	88.1%
	Yes	16	11.9%
Number of contracted employees (Median ± SD)		60.1 ± 77.6	
Number of freelance/retained professionals (Median ± SD)		9.2 ± 22.8	
Number of volunteers (Median ± SD)		5.1 ± 10.4	
Number of organisation users (Median ± SD)		693.7 ± 2458.4	
Implemented quality management system	No	78	57,8%
	Yes	57	42,2%
Orientation towards users (Median ± SD)		3.9 ± 0.7	
Orientation towards the competition (Median ± SD)		3.4 ± 0.9	
Multifunctional coordination (Median ± SD)		3.7 ± 0.8	
Incentive system (Median ± SD)		2.5 ± 1.0	
Performance – Internal marketing (Median ± SD)		5.1 ± 1.1	
Performance – Partnership benefits (Median ± SD)		5.1 ± 1.3	
Performance – Mission compliance (Median ± SD)		5.7 ± 1.0	
Performance (Median ± SD)		5.2 ± 1.0	

Note: SD – standard deviation.

would be expected based on the population distribution. Therefore, despite the imbalance in the sample, the regional representation is representative and does not introduce any substantial bias in our analysis.

4.2. Test of hypotheses and discussion

In order to test the hypotheses, we calculated MANCOVA (Table 3) followed by four ANCOVA estimations (Table A1 in the Appendix).

The MANCOVA tests report that the control variables for response to disabilities (Pillai's Trace = 0.07; $F(3,114) = 2.78$; $p < 0.05$), number of volunteers (Pillai's Trace = 0.09; $F(3,114) = 3.90$; $p < 0.05$) and number of organisation users (Pillai's Trace = 0.13; $F(3,114) = 5.54$; $p < 0.01$) return significant impacts on the social performance variables. ANCOVA demonstrates that the existence of social responses to disability generates a statistically significant impact on the internal marketing performance ($F(1,116) = 4.04$; $p < 0.05$), on mission compliance ($F(1,116) = 4.47$; $p < 0.05$), on partnership benefits performance ($F(1,116) = 4.48$; $p < 0.05$) and on overall performance ($F(1,116) = 5.92$; $p < 0.05$). Organisations providing responses to children and youths turn in average scores for internal marketing (with response: 5.53; without response: 4.48), partnership benefits (with response: 5.87; without response: 5.10), mission compliance (with response: 5.86; without response: 5.20) and social performance (with response: 5.66; without response:

Table 3. MANCOVA model

Effect	Pillai's trace	F	Hypothesis df	Error df	p	Partial eta squared	Noncent. Parameter	Observed power
Intercept	0.12	5.11	3	114	0.002	0.118	15.32	0.913
Region	0.13	0.87	18	348	0.621	0.043	15.58	0.634
Response to children and youths	0.01	0.56	3	114	0.642	0.015	1.68	0.163
Response to disabled	0.07	3.78	3	114	0.044*	0.068	8.35	0.658
Response to elderly persons	0.09	2.07	3	114	0.111	0.042	11.62	0.463
Number of contracted staff	0.15	1.55	3	114	0.321	0.027	6.65	0.368
Number of freelance/retained professionals	0.02	0.71	3	114	0.546	0.018	2.14	0.198
Number of volunteers	0.09	3.90	3	114	0.016*	0.087	10.81	0.781
Number of organisation users	0.13	5.54	3	114	0.001*	0.127	16.61	0.935
The organisation runs a quality management system	0.08	2.35	3	114	0.072	0.049	8.05	0.547
Orientation towards the users	0.27	13.93	3	114	0.000*	0.268	41.79	1,000
Orientation towards the competition	0.14	5.96	3	114	0.001*	0.136	17.87	0.951
Multifunctional coordination	0.04	1.67	3	114	0.178	0.042	5.00	0.427
Incentive system	0.12	5.13	3	114	0.002*	0.119	15.40	0.915

Note: * $p < 0.05$; df – Degrees Freedom; F – F Statistic.

4.96) significantly higher than those IPSS that do not provide responses to children and youths (Table A2 in the Appendix). The number of volunteers provides a negative impact on the internal marketing performance ($\beta = -0.02$; $p < 0.05$) and the number of users has a positive impact on the internal marketing performance ($\beta = 0.01$; $p < 0.05$), partnership benefits ($\beta = 0.01$; $p < 0.05$), mission compliance ($\beta = 0.02$; $p < 0.05$) and social performance ($\beta = 0.01$; $p < 0.05$). The control variable generating the strongest impact on the overall variables for social performance is the number of users ($\eta_p^2 = 0.127$), with this variable also demonstrating the greatest impact on the internal marketing performance ($\eta_p^2 = 0.062$), partnership benefits ($\eta_p^2 = 0.104$), mission compliance ($\eta_p^2 = 0.111$) and social performance ($\eta_p^2 = 0.103$).

As regards the MO dimensions, the results find that the orientation towards users (Pillai's Trace = 0.27; $F(3,114) = 13.93$; $p < 0.001$), orientation towards the competition (Pillai's Trace = 0.14; $F(3,114) = 5.96$; $p < 0.01$) and the incentive system (Pillai's Trace = 0.12; $F(3,114) = 5.13$; $p < 0.01$) return statistically significant impacts on the overall variables for social performance.

Based on ANCOVA, the results state that the orientation towards users provides a statistically significant and positive impact on the internal marketing performance ($F(1,116) = 31.98$; $p < 0.001$), as well as on mission compliance ($F(1,116) = 22.11$; $p < 0.001$), on the performance of partnership benefits ($F(1,116) = 34.56$; $p < 0.001$) and on total performance ($F(1,116) = 40.71$; $p < 0.001$). The orientation towards the competition, in turn, generates a statistically significant positive impact on the performance of mission compliance ($F(1,116) = 14.27$; $p < 0.001$), of partnership benefits ($F(1,116) = 15.86$; $p < 0.001$) and on total performance ($F(1,116) = 9.33$; $p < 0.01$). The incentive system provides a statistically significant positive impact on the performance of mission compliance ($F(1,116) = 5.49$; $p < 0.05$). The user orientation dimension has the single greatest impact out of the range of variables for social performance ($\eta_p^2 = 0.268$), followed by the performance of internal marketing ($\eta_p^2 = 0.216$), partnership benefits ($\eta_p^2 = 0.230$), mission compliance ($\eta_p^2 = 0.160$) and social performance ($\eta_p^2 = 0.260$).

Given these findings, we are in a position to state that there is verification of our H1: *the client orientation generates a positive impact on the performance of NPOs*, H2: *the orientation towards the competition generates a positive impact on the performance of NPOs* and H4: *incentive systems generate a positive impact on the performance of NPOs* hypotheses. These results align with earlier research with the general acceptance that a market orientation returns long term positive effects (Rodrigues, do Paço, and Guerra 2010). Many authors also maintain that the concept of MO provides the foundations for organisations to obtain competitive advantage and thereby raise their overall performance standards (Chad 2013; Narver and Slater 1990).

The research study by Modi and Mishra (2010) of 102 Indian NPOs concludes that the greater the propensity towards MO, the higher the level of NPO performance, the greater the satisfaction of users and the better the reputation among peer organisations. Their exploratory results also convey how the MO of an organisation does not depend either on size (measured according to the number of employees) or on its age (confirmed according to registration with the supervisory authority) and rather that any organisation may develop its MO. The empirical study by Gordon Liu, Takeda, and Ko (2012) confirms that MO returns a positive effect on various dimensions making up social performance. Chad, Kyriazis, and Motion (2013) go further in stating that MO stands out as key to organisational orientations able to contribute towards the overall performance. Chad (2013), on analysing Australian NPOs, refers to the positive effect of MO on organisational performance more than other concepts providing the underlying reason for how

its development represents an appropriate objective for such organisations. These considerations therefore expand the focus of MO to organisational strategic policies.

In the universe of the NPOs operating in the healthcare sector in Portugal, Pinho, Rodrigues, and Dibb (2014) report that high levels of MO lead to high levels of performance. Recently, Hwang and Chung (2018) have identified a positive relationship between MO and the performance of South Korean hospitals while Khuwaja et al. (2018) report a similar case for the universities of Pakistan. The results of the Hersberger-Langloh (2020) study of the Swiss third sector conveys how an MO oriented towards stakeholders may hold positive repercussions for the growth of NPOs.

These research findings all demonstrate the need for NPOs to foster and develop their MO in their short, medium and long term strategies. Nevertheless, the Rodrigues, do Paço, and Guerra (2010) study concludes that MO is not any finite solution as this only explains 14.8% of NPO capacities to attract financing, 24.4% of the variation in performance of the 61 rehabilitation organisations studied while also demonstrating that 33.3% of the priority attributed to satisfying the needs of clients derives from MO. However, this also observes that performance and MO tend to vary in the same direction, thus, on average, any increase in the level of MO also brings about an improvement in performance. Hence, organisations that combine MO with other orientations may raise their performance standards more than those that focus exclusively on MO (Chad 2013).

As regards H3: *does inter-functional coordination generate a positive impact on the performance of NPOs*, the findings portray this dimension as lacking in statistical relevance as regards the overall social performance variables with the highest result returned for internal marketing ($F(1,116) = 3.04; p < 0.05$).

This result falls out of line with other previous studies that attribute importance to networks and reputation for the performance of NPOs. Hence, according to Hong and Cho (2012) MO and contact networks provide a significant impact on social performance. Mitchell and Clark (2020) establish a direct connection between the importance of the NPO reputation at the time of volunteers making their choice over contributing their services. Hersberger-Langloh, Stuhlinger, and von Schnurbein (2020) refer to how internal MO holds importance to avoiding inappropriate deviations from the social mission and improving the organisational performance of NPOs.

This somewhat unexpected result may derive from the style of leadership in effect at Portuguese NPOs. The overly paternalist styles may inhibit certain inter-functional coordination factors, horizontal communications among the various departments making up the NPO structure as well as the vertical circulation of information. Transformational or service leadership styles might constitute part of any solution. The fact that inter-functional coordination represents one of the latest dimensions of MO introduced into the third sector (Gupta, Bridgman, and Sahi 2015) may also account for this particular outcome.

The second unexpected result is the one related to the negative impact of volunteers in social performance. In a first approach, this result may indeed seem surprising. As stated by do Adro and Fernandes (2021), *'the organisational context and internal marketing are fundamental to ensure the motivation and commitment of all employees, whether workers or volunteers'*. There is a difficulty in motivating volunteers because they are not paid, there is no hierarchical relationship; and some of them feel demotivated by the lack of receptiveness of their observations by senior staff (do Adro, Fernandes, and Veiga 2022) which contribute to their high turnover. Most Portuguese organisations do not regulate the activities, duties and rights of volunteers. This regulatory vacuum, that open the door to undefined tasks and roles, undermines the performance of volunteers and limits the benefits they would be able to provide to the organisations they have chosen to help.

5. Theoretical and practical implications

The changes experienced in NPO financing and increasing demands on accounting have forced them to take more market-oriented measures of the type traditionally reserved to the private sector (Kwon and Guo 2019). However, the study by Macedo and Pinho (2006) reported that, in overall terms, Portuguese NPOs have underdeveloped levels of MO, especially as regards sources of financing/financiers. These authors also identified a higher level of financial focused MO emerges in those organisations with a greater dependence on private resources in comparison with those more dependent on public resources. Years later, Fonseca (2014) stated that Portuguese Misericórdia charitable institutions still do not deploy any incentive systems and that the majority do not remunerate their staff in accordance with their performance levels. In an ambience of resource scarcity, there would be expectations of a higher level of MO among Portuguese NPOs. Actually, the result of H4 was not so obvious initially in a sector without huge financial resources, NPO executive boards must be innovative in this field.

It is fundamental to identify the limitations and constraints (physical, legal, among others) to MO (Gupta, Bridgman, and Sahi 2015). Associated with improvements to perceptions of the image and reputation of the organisation, in addition to raising satisfaction and boosting client loyalty, MO also fosters growth objectives through identifying and leveraging new market opportunities (Pinheiro, Daniel, and Moreira 2020). This thus constitutes a crucial tool for any and all NPOs.

Hence, we may easily understand that the implementation of marketing practices by NPOs, in addition to establishing a crucial process, emerges as a valid means of obtaining the resources that enable their activities and compliance with their social missions (Rodrigues, do Paço, and Guerra 2010). Nevertheless, operationally implementing MO remains a challenge for NPOs, thus they need to consider the specific characteristics of their target publics when developing their activities (Contreras-Medina et al. 2019). One of the factors making it difficult, for example, to measure user satisfaction derives from how NPOs frequently work in monopoly positions, *id est* the alternative to their proposed services is non-existent (Modi and Mishra 2010). A study by the National Confederation of Private Social Solidarity Institutions (Mendes 2018) states that in 27% of Portuguese parishes, NPOs are the only providers of social services.

Within an adverse economic panorama, which extends back for over a decade, and the rise in competition, non-monetary incentives are essential. Hence, salary rises, very often only and exclusively for differentiating from the rises in the national minimum salary, which in the intermediate socio-professional categories amount to negligible amounts, despite representing an important cost to the treasuries of NPOs, might be subject to replacement by alternative measures. For example, providing a healthcare policy for a group of employees, which is not liable for personal or social security taxation, and interpreted by beneficiaries as a socially responsible measure, may contribute not only to motivation but also the retention of the best members of staff.

The internal and the external market-oriented measures should only advance after having measured their impact on the performance of organisations (Gupta, Bridgman, and Sahi 2015). To this end, management should consider the management (type of leadership), organisational (history of the organisation) and environmental (interactions with the community) factors in keeping with how any MO does not only depend on organisational efficiency but also incorporates the ways in which organisations communicate with their surrounding environment, reflecting an underlying connection with resource dependency theory (Hyder 2013; Wymer, Boenigk, and Möhlmann 2015). MO of NPO

Table 4. Market orientation practical implications for NPOs

Market orientation dimensions	Practical implications for NPOs
Users' orientation	Be aware of the wellbeing and good health of the users. Anonymous collection system for information, suggestions and criticisms; organisation of recreational activities (with the articulation of socio-cultural animation services and clinical psychology), which promote the suggestion of ideas for improving the services provided.
Competition orientation	New players have emerged in the market, arriving from the private sector and more experienced in marketing related matters, NPOs must consider the creation of a marketing department or resort to specialised services.
Inter-functional coordination	The need for good communications within NPOs, implementation of conditions (transformational or service leadership) that facilitate intrapreneurship with more horizontal and less vertical communication.
Incentive systems	Human capital constitutes the core component of NPOs, focus on leadership style (more transformational less paternalist), non-financial incentives system (monthly time bank, birthday day of, health insurance offer, ...).

Source: Author.

must be dynamic and adapt to the developed social response: a kindergarten that communicates with the parents of the children will adopt different methods from those used by a nursing home that addresses the spouse or children of their users.

NPO managers should also take into account the close connections between MO and innovation (Corsini, Rizzi, and Frey 2018). Hence, the former may provide the means through which social entrepreneurs disseminate their innovative methods and approaches (Schmidt and Baumgarth 2015), especially through co-creation and participative budgets targeting the needs expressed by their staff as regards their working conditions, and users in terms of improving their living conditions and the care services provided. Holding periodic and regular meetings between middle managers and the executive management of organisations is essential for a good and reliable circulation and subsequent processing of information related to users and their legal guardians, employees or other parties interested. In view of what is believed that leadership that is less paternalistic and more transformational or service can be part of the solution.(table 4)

6. Final considerations, limitations and future lines of research

The study objective involved analysing the influence of MO and, more particularly, each of its dimensions on the performance of NPOs with the objective of identifying the NPO MO factors that shape their performance.

This research presents new dimensions to a still understudied field: the relationship between MO, a concept initially focused on the for-profit sector, but which subsequently extended to the third sector and the performance of the non-profit sector in Portugal. After having identified the MO factors (orientation towards users, orientation towards the competition, inter-functional coordination and incentive systems), we then tested these facets through recourse to quantitative data gathered from 135 NPOs spread across mainland and archipelago Portugal through an online survey. The results, in their majority consistent with earlier research findings, demonstrate how the orientations towards users and the

competition, incentive systems and inter-functional coordination, although to a lesser extent in the latter's case, return positive impacts on the performance of these institutions.

This research encounters limitations on two fronts. The first stems from the difficulties faced in the data collection process due to the pandemic crisis that has buffeted Portugal since March 2020. Initially planned for the beginning of April, this only began with the progressive ending of the first period of confinement. While in periods deemed 'normal', institutions relegate the responding to surveys and questionnaires to a second or third priority, the health crisis made this entire process more difficult given the additional efforts that the NPOs were then engaged in to control the effects of the pandemic within the scope of their own organisations. The second limitation arises from the poor rate of return of answers measuring the impact of MO on the financial performance that here prevented any such analysis. Jaskyte (2020) reminds us that several studies have already shown a positive relationship between innovation and financial performance, between service and/or process innovation and performance. Financial performance, not being a purpose in itself for the third sector, it is necessary for the social mission to which the NPO propose to be successfully fulfilled.

Future research on this field might, on the one hand, ascertain our results as regards the particular period from which they derive and, on the other hand, focus on obtaining data that enables the evaluation of the MO effect on financial performance given that the appropriate performance of NPOs in this area has become essential to their social mission compliance. Having referenced the connection between MO and innovation, the respective impact might be subject to future research in conjunction with the impact of MO on NPO members of staff given the importance of human capital in such organisations.

Returning to the words of Shoham et al. (2006), MO is a continuous and endless process but with promising benefits. In a context of resource scarcity, MO, interrelated with the intangible assets of NPOs, provides a tool worthy of highly serious consideration by management in their search for continued improvement in the services provided and their respective sustainability. Intertwined with organisational commitment, through means of the internal MO, an incentive system that responds to employee needs, does not always require major budgetary effort to undergo successful implementation.

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Notes on contributors

Francisco do Adro has a degree in Literature and Lusophone Civilizations (Université Michel de Montaigne Bordeaux III, France), a Master in International Trade and Management (Institut d'Administration des Entreprises, Université Montesquieu Bordeaux IV, France), and a PhD in Management (Universidade da Beira Interior, Portugal). His research area focuses on the non-profit sector (leadership, management, innovation, entrepreneurship, market orientation and performance) at UBI NECE Research Centre for Business Sciences. After having worked in the public, private and social sectors in France, Spain and Portugal, he is currently coordinator at UBI of the alliance of European Universities UNITA Universitas Montium since 2020.

Cristina I. Fernandes is Assistant Professor w/Habilitation at the University of Beira Interior (UBI), Portugal. She holds a PhD in Management from the University of Beira Interior. She is researcher center NECE - Center for Studies in Business Sciences at the University of Beira Interior and at Centre for Corporate Entrepreneurship and Innovation at Loughborough University, UK. She is part of the editorial board of *Management Decision*; has several dozen scientific articles published in international journals including: *Journal of Technology Transfer*; *Journal of Knowledge Management*; *R&D Management* and *Journal of Business Research*. Actively participates in scientific meetings and international conferences on these topics, having been distinguished several times with awards for best article. Has participation in several international projects.

Pedro Mota Veiga is Associate Professor at the University of Maia. He has a degree in Probability and Statistics from the University of Lisbon and a PhD in Management from the University of Beira Interior. He is currently the scientific coordinator of the Entrepreneurship, Competitiveness and Innovation research line of the research center NECE - Center for Studies in Business Sciences at the University of Beira Interior and his research is focused on Competitiveness, Strategy, Marketing, Innovation, Entrepreneurship, Knowledge Management and Quantitative Methods. He has published several articles in international journals and book chapters about these research domains. He works as scientific consultant for several organisations.

ORCID

Cristina I. Fernandes  <http://orcid.org/0000-0001-8560-0758>

Pedro M. Veiga  <http://orcid.org/0000-0003-2722-9510>

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Appendix

Table A1. ANCOVA models

Source	Dependent variable	Type III sum of squares	df	Mean square	F	P	Partial eta squared	Noncent. parameter	Observed power
Corrected Model	Internal marketing	99.93	18	5.55	12.26	0.000	0.655	220.65	1.000
	Partnership benefits	119.53	18	6.64	12.73	0.000	0.664	229.09	1.000
	Mission compliance	96.16	18	5.34	11.12	0.000	0.633	200.14	1.000
	Social performance	97.24	18	5.40	15.34	0.000	0.704	276.18	1.000
Intercept	Internal marketing	0.63	1	0.63	1.39	0.241	0.012	1.39	0.215
	Partnership benefits	1.16	1	1.16	2.22	0.139	0.019	2.22	0.314
	Mission compliance	6.39	1	6.39	13.30	0.000	0.103	13.30	0.951
	Social performance	1.37	1	1.37	3.90	0.051	0.033	3.90	0.499
Region	Internal marketing	2.50	6	0.42	0.92	0.484	0.045	5.51	0.351
	Partnership benefits	4.08	6	0.68	1.30	0.261	0.063	7.82	0.494
	Mission compliance	3.80	6	0.63	1.32	0.254	0.064	7.91	0.500
	Social performance	2.73	6	0.46	1.29	0.266	0.063	7.76	0.491
Responses to children and youths	Internal marketing	0.43	1	0.43	0.94	0.333	0.008	0.94	0.161
	Partnership benefits	1.29	1	1.29	2.48	0.118	0.021	2.48	0.346
	Mission compliance	0.19	1	0.19	0.40	0.529	0.003	0.40	0.096
	Social performance	0.29	1	0.29	0.83	0.365	0.007	0.83	0.147
Responses to disabled	Internal marketing	3.91	1	3.91	4.06	0.044*	0.028	4.02	0.496
	Partnership benefits	3.93	1	3.93	4.47	0.041*	0.029	4.03	0.511
	Mission compliance	3.92	1	3.92	4.48	0.040*	0.043	4.02	0.557
	Social performance	4.00	1	4.00	5.92	0.019*	0.059	4.29	0.837
Responses to elderly persons	Internal marketing	0.24	1	0.24	0.53	0.469	0.005	0.53	0.111
	Partnership benefits	1.09	1	1.09	2.09	0.151	0.018	2.09	0.300
	Mission compliance	4.99	1	4.99	10.38	0.002*	0.082	10.38	0.891
	Social performance	0.85	1	0.85	2.40	0.124	0.020	2.40	0.337

(Continued)

Table A1. Continued.

Source	Dependent variable	Type III sum of squares	df	Mean square	<i>F</i>	<i>P</i>	Partial eta squared	Noncent. parameter	Observed power
Number of contracted staff	Internal marketing	1.00	1	1.00	1.40	0.236	0.011	1.40	0.220
	Partnership benefits	0.41	1	0.41	0.42	0.520	0.004	0.40	0.099
	Mission compliance	1.17	1	1.17	1.34	0.241	0.012	1.36	0.211
	Social performance	0.89	1	0.89	1.35	0.242	0.010	1.35	0.210
Number of freelance/retained professionals	Internal marketing	0.70	1	0.70	1.55	0.216	0.013	1.55	0.235
	Partnership benefits	0.04	1	0.04	0.08	0.784	0.001	0.08	0.059
	Mission compliance	0.21	1	0.21	0.44	0.507	0.004	0.44	0.101
	Social performance	0.42	1	0.42	1.19	0.277	0.010	1.19	0.191
Number of volunteers	Internal marketing	3.28	1	3.28	7.24	0.008*	0.059	7.24	0.760
	Partnership benefits	0.91	1	0.91	1.74	0.189	0.015	1.74	0.258
	Mission compliance	0.05	1	0.05	0.10	0.755	0.001	0.10	0.061
	Social performance	1.61	1	1.61	3.58	0.084	0.032	4.28	0.464
Number of organisation users	Internal marketing	3.49	1	3.49	7.71	0.006*	0.062	7.71	0.786
	Partnership benefits	7.05	1	7.05	13.51	0.000*	0.104	13.51	0.954
	Mission compliance	6.95	1	6.95	14.46	0.000*	0.111	14.46	0.965
	Social performance	4.67	1	4.67	13.25	0.000*	0.103	13.25	0.951
The organisation runs a quality management system	Internal marketing	3.80	1	3.40	7.60	0.074	0.037	7.40	0.752
	Partnership benefits	1.08	1	1.08	2.07	0.153	0.018	2.07	0.297
	Mission compliance	2.07	1	2.07	4.32	0.040*	0.036	4.32	0.540
	Social performance	2.83	1	1.34	8.05	0.137	0.025	4.05	0.503
Orientation towards the users	Internal marketing	14.48	1	14.48	31.98	0.000*	0.216	31.98	1.000
	Partnership benefits	18.03	1	18.03	34.56	0.000*	0.230	34.56	1.000
	Mission compliance	10.62	1	10.62	22.11	0.000*	0.160	22.11	0.997
	Social performance	14.33	1	14.33	40.71	0.000*	0.260	40.71	1.000

(Continued)

Table A1. Continued.

Source	Dependent variable	Type III sum of squares	df	Mean square	F	P	Partial eta squared	Noncent. parameter	Observed power
Orientation towards the competition	Internal marketing	1.57	1	1.57	3.46	0.065	0.029	3.46	0.454
	Partnership benefits	8.28	1	8.28	15.86	0.000*	0.120	15.86	0.977
	Mission compliance	6.86	1	6.86	14.27	0.000*	0.110	14.27	0.963
	Social performance	3.29	1	3.29	9.33	0.003*	0.074	9.33	0.858
Multi-functional coordination	Internal marketing	1.38	1	1.38	3.04	0.084	0.026	3.04	0.409
	Partnership benefits	0.00	1	0.00	0.01	0.928	0.000	0.01	0.051
	Mission compliance	0.30	1	0.30	0.63	0.430	0.005	0.63	0.123
	Social performance	0.72	1	0.72	2.05	0.155	0.017	2.05	0.294
Incentive system	Internal marketing	1.44	1	1.44	3.17	0.078	0.027	3.17	0.423
	Partnership benefits	0.46	1	0.46	0.88	0.351	0.008	0.88	0.153
	Mission compliance	2.64	1	2.64	5.49	0.021*	0.045	5.49	0.642
	Social performance	0.10	1	0.10	0.29	0.594	0.002	0.29	0.083
Error	Internal marketing	52.53	116	0.45					
	Partnership benefits	60.52	116	0.52					
	Mission compliance	55.73	116	0.48					
	Social performance	40.84	116	0.35					
Total	Internal marketing	3700.63	135						
	Partnership benefits	3942.22	135						
	Mission compliance	3995.44	135						
	Social performance	3780.68	135						
Corrected Total	Internal marketing	152.46	134						
	Partnership benefits	180.05	134						
	Mission compliance	151.89	134						
	Social performance	138.08	134						
Internal marketing	R Squared = .655 (Adjusted R Squared = .602)								

(Continued)

Table A1. Continued.

Source	Dependent variable	Type III sum of squares	df	Mean square	<i>F</i>	<i>P</i>	Partial eta squared	Noncent. parameter	Observed power
Partnership benefits	R Squared = .664 (Adjusted R Squared = .612)								
Mission compliance	R Squared = .633 (Adjusted R Squared = .576)								
Social performance	R Squared = .704 (Adjusted R Squared = .658)								

Table A2. Adjusted mean values after accounting for the effects of covariates

Dependent variables		Mean	SE	95% CI	
				LB	UB
Internal marketing	Without responses to children/youths	4.85	0.16	4.533	5.16
	With responses to children/youths	5.53	0.26	5.01	6.05
Partnership benefits	Without responses to children/youths	5.10	0.18	4.74	5.46
	With responses to children/youths	5.87	0.31	5.26	6.48
Mission compliance	Without responses to children/youths	5.20	0.17	4.85	5.54
	With responses to children/youths	5.86	0.29	5.28	6.43
Social performance	Without responses to children/youths	4.96	0.15	4.66	5.26
	With responses to children/youths	5.66	0.25	5.16	6.16

Note: SE – Standard Error; CI – Confidence Interval; LB – Lower Bound; UB – Upper Bound.

Table A3. Fonseca (2014) and Choi (2014) market orientation measurement questionnaire

Dimensions	Indicators
Orientation towards the users	1. The organisation's objectives are oriented to satisfying the users
	2. The organisation constantly evaluates the level of involvement and enthusiasm in satisfying the needs of its target markets
	3. The organisation frequently seeks to gather information about the needs and desires of its target publics
	4. The organisation pays attention to and frequently collects information about the needs of families and other reference groups for users
	5. The organisation frequently seeks to collect information on the needs and desires of donors of goods, services and financial means
	6. The organisation's strategy stems from understanding the needs of users
	7. The strategies are oriented towards creating greater value for users
	8. The organisation systematically and frequently evaluates the levels of user satisfaction
	9. The organisation pays great attention to the needs of families and other reference groups for users
Orientation towards the competition	1. The organisation regularly distributes information through diverse means about the strategies of other organisations acting in our market/social area
	2. The organisation responds swiftly to the actions of other entities
	3. The management regularly discusses the strengths, weaknesses and strategies of other organisations
	4. The organisation defines the target activities where there are opportunities to gain advantages
	5. The organisation remains attentive to new competitor strategies
	6. The organisation is aware of its weaknesses and strengths in comparison with the competition

(Continued)

Table A3. Continued.

Dimensions	Indicators
Inter-functional coordination	<ol style="list-style-type: none"> 1. The organisation regularly visits current and potential users 2. All the members of the organisation (management and staff) are integrated in terms of meeting the needs of the target publics 3. All organisation managers are aware that they may contribute towards creating greater value for users 4. Information about users circulates freely among all members 5. The organisation's members mutually share its programs and resources
Incentive system	<ol style="list-style-type: none"> 1. The general evaluation of the level of user satisfaction influences the level of staff remuneration 2. The level of remuneration reflects on those who consistently provide good information about the market 3. The organisation applies information from users to evaluate members of the organisation

Table A4. Measuring performance (social performance) (Sanzo et al. 2015)

Dimensions	Indicators
Internal marketing	<ol style="list-style-type: none"> 1. The organisation emphasises its understanding of the needs and expectations of employees. 2. The organisation regularly evaluates the workplace satisfaction of its employees. 3. The organisation knows the human resource policies of other organisations. 4. The organisation knows about the labour market situation in its sector of activity. 5. Employees report their problems whenever affecting their performance. 6. Senior management regularly collects information on the problems employees encounter in implementing their tasks. 7. The work is appropriate to the professional capacities of employees. 8. The organisation's human resource policy takes into account the professional development of employees. 9. The organisation's human resource policy actively seeks to improve the working conditions. 10. The organisation runs a staff training program.
Partnership benefits	<ol style="list-style-type: none"> 1. Satisfying the requests, needs and expectations of users 2. Satisfying the expectations of donors as regards the usage of their financing by the organisation 3. Satisfying the members of staff
Mission compliance	<ol style="list-style-type: none"> 1. Achieving the mission and objectives of the organisation 2. Satisfying the requests, needs and expectations of users 3. Satisfying the expectations of donors as regards the usage of their financing by the organisation