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<th>The Role of Fellow-Feelings and Organisational Harmony to Organisational Performance: A Comparative Analysis Between Two National Contexts</th>
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<td>Abstract</td>
<td>This study aims to test and validate the mediating role of organisational harmony and fellow feelings in the relationship between market orientation and organisational performance across two national contexts—China and Indonesia. The relevant theoretical framework suggests that when market orientation (intelligence generation, dissemination and response implementation) is used as a determinant of business performance, organisational harmony emerged as the most significant contributor to organisational performance. For the present study a dataset...</td>
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of 108 Chinese and 67 Indonesian responses gathered via convenience sampling from senior managers and the multi-level sequential mediation path analysis is used to examine the above mediating role. The results from the multi-group analysis (MGA) of the above relationship between China and Indonesia demonstrate that the research framework’s implications did not differ between the two countries. The findings of this paper contribute to the relevant theory by testing and validating fellow feeling and organisational harmony suggesting managers as well to devote resources on building harmonious organisations.

Keywords
(separated by “-”)

Market orientation - Organisational harmony - Fellow feelings - Organisational performance
The Role of Fellow-Feelings 
and Organisational Harmony 
to Organisational Performance: 
A Comparative Analysis Between 
Two National Contexts

Jashim Khan, Vivi Maltezou, Eddy M. Sutanto, and Meng Tao

Abstract This study aims to test and validate the mediating role of organisational harmony and fellow feelings in the relationship between market orientation and organisational performance across two national contexts—China and Indonesia. The relevant theoretical framework suggests that when market orientation (intelligence generation, dissemination and response implementation) is used as a determinant of business performance, organisational harmony emerged as the most significant contributor to organisational performance. For the present study a dataset of 108 Chinese and 67 Indonesian responses gathered, via convenience sampling from senior managers and the multi-level sequential mediation path analysis is used to examine the above mediating role. The results from the multi-group analysis (MGA) of the above relationship between China and Indonesia demonstrate that the research framework’s implications did not differ between the two countries. The findings of this paper contribute to the relevant theory by testing and validating fellow feeling and organisational harmony suggesting managers as well to devote resources on building harmonious organisations.

Keywords Market orientation · Organisational harmony · Fellow feelings · Organisational performance
1 Introduction

The most important barrier to market orientation comes from within the organisation and is rooted in the lack of cooperation among departments and employee interactions between functional units [1, 2]. In this regard, inter-functional coordination is one of the typical barriers of the implementation of market orientation [3]. The inter-functional coordination is the degree of cooperation between the different functional units within an organisation [4, 5]. Though inter-functional coordination recognises functional level cooperation and minimisation of task conflicts between various functional units, it does not recognise harmony among employees and between functional units [6]. Organisational harmony is conceptualised in terms of positive effects of team-working and avoidance of direct conflicts among members and between functional units of an organisation [7]. Evidence has shown that organisational harmony is an essential component in market-orientated organisations [8].

In addition, there is extensive literature examining the relationship between market orientation and organisational performance. The findings from the relevant studies have been mainly focused on factors and variables that are emerged as significant mediating contributors to this relationship, for example organisational learning, radical service innovation, trust, commitment, collaboration, business strategy, environment uncertainty, competition intensity, channel structure, customer relationship and supply management proficiency are examined in justifying market orientation-organisational performance linkage [9–14].

The current conceptualisation of market orientation lump intelligence generation, intelligence dissemination and response implementation of business activities together [15–17] but do not explain how the above dimensions impact on fellow feelings and organisational harmony, which in turn will lead to organisational performance. The conceptualisation of fellow feelings relies on the perception of which employees within an organisation share emotions and concerns for well-being, team spirit and feelings of being part of large family, develop the sense of togetherness and they are emotionally attached to each other [18–20]. Fellow feelings empirically uphold the implications of social exchange theory as a contributor to organisational performance [21–23] and market orientation theory [17, 24]. Empirical findings of early work in the literature of this context suggest that organisational harmony might be perceived as a precursor to market orientation and organisational performance as its role is instrumental in the relationship [25].

This research builds on the framework suggested by [25] that retains the essence of building fellow feelings within functional departments to espouse harmony organisation wide. Our study goes beyond the current conceptualisation of market orientation and organisational behaviour literature in terms of fellow feelings and organisational harmony and tests and validates the proposed framework between two national contexts. Prominent scholars urged examining new emergent concepts across countries to test the predictability of the theoretical implications [26]. The aim of this research is to compare the role of fellow feelings and organisational harmony in the relationship between market orientation and business performance.
The Role of Fellow-Feelings and Organisational Harmony to Organisational... across countries (China and Indonesia). Our research validates and extends [25] exiting literature in organisational behaviour context.

2 Literature Review

The role of organisational harmony and organisational performance has been well established in organisational behaviour and human resource management literature [27–29]. In harmonious organisations, employees in various departments maintain shared and common values which in turn create harmonious climate where they get along with each other uphold common organisational goals and make conscious efforts to minimize inter- and intra-departmental conflicts. However, previous studies ignore the logic that market-oriented organisations foster organisational harmony and within this harmonious climate employees’ fellow feelings grow for each other assisting to meet organisational performance targets and achieve common goals.

The work by [25] might be seen as seminal in the literature of fellow feelings and organisational harmony. It is a key reference because it provides an early of example of examining the above two variables’ relationship by interpreting the mediating role of fellow feelings and organisational harmony. Compared to previous studies, the findings of their research attempt to develop an understanding of fellow feelings, contributing to organisational harmony, resulting market orientation and hence organisational performance.

In particular, the authors proposed that the intelligence generation, dissemination and response implementation activities of an organisation allow employees to interact with each other, create a climate of collegiality and minimise conflict within and between departments. Simultaneously, these activities uphold team spirits and employees in various departments feel they are part of a bigger family and more importantly feel emotionally attached with each other and the organisation. Therefore, market orientation actions influence employees’ togetherness and attachments within and outside the functional units. In this line of reasoning the fellow feelings and organisational harmony leads to greater overall organisational performance.

The findings of their study demonstrated that the relationship between various dimensions of market orientation and organisational performance is stronger when they are mediated by fellow feelings and organisational harmony; in particular, it is specifically addressed the important gap in the conceptualisation and demonstrated that intelligence dissemination and response implementation lead to organisational harmony within the organisation and fellow feelings among its employees. The results of their research support that the relationship between intelligence dissemination, intelligence implementation and overall organisational performance is mostly mediated by fellow feelings and followed by organisational harmony. Furthermore, when overall market orientation is used as a determinant of organisational performance, organisational harmony emerged as the most significant contributor to organisational performance, more so than fellow feelings. The findings of [25]
research are significant to create a springboard for future research exploring the established construct of fellow feelings and organisational harmony in business contexts as well as in terms of additional factors and variables that can affect the relationship of market orientation and organisational performance.

In line with reasoning and support from above literature [25], at organisational level where market orientation exists, organisational harmony will be stronger mediator than fellow feelings. Accordingly, drawing on the literature of market orientation and organisational behaviour relevant to policies and activities of fellow feelings and organisational harmony we propose a multi-level mediation as described in the following hypothesis:

H1. The relationship between market orientation and overall business performance is first mediated by organisational harmony and then by fellow feelings.

3 Research Methodology

The research context of this study is trading firms located in Dalian, China and Surabaya, Indonesia. The data collected, through the use of self-administered questionnaires; resulting 108 useable questionnaires from China and another 67 from Indonesia for the analysis. Sampling technique applied convenience sampling, data gathered from senior managers in China and Indonesia. The dependent variable of our study is organisational performance that was measured in terms of the respondents’ overall assessment of the average financial and organisational performance relative to competitors in the last 3 years. Based on the research objectives of our study, the survey questionnaire consisted of five main parts each representative for the dependent variables of our study—intelligence generation, intelligence dissemination, response implementation, fellow feelings and organisational harmony—measuring relevant items for each. The items were measured on a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree). There was an additional section gathering information relevant to the respondents’ managerial level, firm’s year of establishment, nature of firms’ ownership and number of employees employed by the firm.

3.1 Measurement

The factor analysis, incorporating the Varimax option, assessed the validity of the measurement (KMO = 0.85; Sig. = .000). Internal consistency reliability was tested, and the Cronbach alpha results supported the dimensional concepts and provided the fullest evidence of construct validity. In order to investigate convergent and discriminate validity, composite reliability (CR) and average variance extracted (AVE) indexes were also examined. The AVE of each construct was larger than 0.5 and CR was larger than 0.7. Thus, the analysis confirmed that the items measured
only one construct and convergent validity was satisfied. According to the Fornell- 
Larcker criterion [30], the square root of the AVE of each construct was used to 
investigate discriminant validity, if this value is larger than other correlation values 
among the constructs.

4 Results and Discussion

We found significant mediating effect of organisational harmony in the relationship 
between market orientation and organisational performance. The direct effect of 
market orientation on organisational performance was found to be insignificant 
($\beta = .24, P > .05$). The mediating path (Market Orientation $\rightarrow$ Fellow Feelings $\rightarrow$ Organisational Performance) was found to be significant ($\beta = .12, P < .05$). The multi-level sequential mediation path (Market Orientation $\rightarrow$ Organisational Harmony $\rightarrow$ Fellow Feeling $\rightarrow$ Organisational Performance) was also found to be significant ($\beta = .13, P < .05$). Nevertheless, mediating path Market Orientation $\rightarrow$ Organisational Harmony $\rightarrow$ Organisational Performance was found to be insignificant. Thus, the results support our hypothesis H1 (See Fig. 1).

The path between market orientation and organisational performance relation- 
ship is stronger via organisational harmony. This relationship suggests that 
market orientation creates organisational harmony, which in turn affects fellow 
feelings within the organisation resulting in greater organisational performance. The 
underlying explanation is that when this relationship is viewed within functional 
units of an organisation they require effective employees’ interactions and fellow 
feelings to build harmonious relations that create a market orientated organisation 
[31], confirms that market orientation did not directly relate to organisational 
performance but human resource participation did directly relate to profitability. Firms that perform successfully in an external market but cannot perform well 
with their internal market may find themselves at a disadvantage in the long 
term [32]. At organisational level, the top management mobilises to construct 
harmonious environment between functional units and that results in fellow feelings. This relationship plays an important role in service organisations that tend to rely on employee’s (internal market) activities to generate organisational performance. Next, we investigate whether the proposed model of organisational harmony and 
fellow feelings differentiates between China and Indonesia. PLS Multi Group 
Analysis (PLS-MGA) tests if the research framework in cross- country (China and 
Indonesia) has significant differences in their specific parameter estimates [33]. Results of multi-group mediation assessment reveal that path coefficients of direct 
and indirect paths did not differ as per MGA PLS criteria. Overall, the result of this 
study is consistent with relevant literature [25].
5 Conclusion

The present study serves to enhance our understanding and validate further the theoretical implications from Khan et al. [2] work on market orientation and organisational performance by examining the role of organisational harmony and fellow feelings. The results of our research, acquiring a dataset from two different countries (China and Indonesia), are consistent with the relevant literature’s suggestions. That is, the role of harmony becomes instrumental in the relationship between market orientation and organisational performance; market orientation and organisational performance is first mediated by organisational harmony and then by fellow feelings. The role of organisational harmony in delivering business performance contributes to explaining how market orientation operates organisation wide. Further research on the topic can examine and justify the extent to which cultural and societal differences might have a significant impact on the examined relationship.

The limitations of our study pertains on the sample’s size that is relatively small, while the measures based on perception such as organisational performance and
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harmony could compromise additional and more objective criteria. Expanding data collection to a larger sample in terms of employees, larger publically listed firms and across countries might permit more robust measures, overcoming potential self-reported bias and more generalised results. Overall, market-orientated organisations foster organisational harmony and within this harmonious climate employees' fellow feelings grow for each other assisting to meet organisational performance targets and achieve common goals. At practical standpoint thus, senior management needs to create an internal culture of cooperation, interaction and participation among employees. Acquiring and maintaining a clear organisational goal to ensure that there is a strategic alignment of activities within the firm, articulating an organisational culture that expresses organisational values and promoting organisational harmony, teamwork and minimisation of conflict for the betterment of the firm are some of the managerial implications that can be suggested.

References


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AQ1. Reference citation “[19, 19, 20]” has been changed to “[18, 19, 20]” in the sentence “The conceptualisation of fellow...”. Please check.
## TUGAS 1

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