

The role of Fellow-Feeling

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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
(separated by “-”)

Market orientation - Organisational harmony - Fellow feelings -
Organisational performance

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Jashim Khan, Vivi Maltezou, Eddy M. Sutanto, and Meng Tao 6

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1 Introduction

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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 showed 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

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across countries (China and Indonesia). Our research validates and extends [25] 67
existing literature in organisational behaviour context. 68

2 Literature Review 69

The role of organisational harmony and organisational performance has been well 70
established in organisational behaviour and human resource management literature 71
[27–29]. In harmonious organisations, employees in various departments maintain 72
shared and common values which in turn create harmonious climate where they get 73
along with each other uphold common organisational goals and make conscious 74
efforts to minimize inter- and intra-departmental conflicts. However, previous 75
studies ignore the logic that market-orientated organisations foster organisational 76
harmony and within this harmonious climate employees' fellow feelings grow for 77
each other assisting to meet organisational performance targets and achieve common 78
goals. 79

The work by [25] might be seen as seminal in the literature of fellow feelings 80
and organisational harmony. It is a key reference because it provides an early of 81
example of examining the above two variables' relationship by interpreting the 82
mediating role of fellow feelings and organisational harmony. Compared to previous 83
studies, the findings of their research attempt to develop an understanding of fellow 84
feelings, contributing to organisational harmony, resulting market orientation and 85
hence organisational performance. 86

In particular, the authors proposed that the intelligence generation, dissemination 87
and response implementation activities of an organisation allow employees to 88
interact with each other, create a climate of collegiality and minimise conflict within 89
and between departments. Simultaneously, these activities uphold team spirits and 90
employees in various departments feel they are part of a bigger family and more 91
importantly feel emotionally attached with each other and the organisation. There- 92
fore, market orientation actions influence employees' togetherness and attachments 93
within and outside the functional units. In this line of reasoning the fellow feelings 94
and organisational harmony leads to greater overall organisational performance. 95

The findings of their study demonstrated that the relationship between various 96
dimensions of market orientation and organisational performance is stronger when 97
they are mediated by fellow feelings and organisational harmony; in particular, it is 98
specifically addressed the important gap in the conceptualisation and demonstrated 99
that intelligence dissemination and response implementation lead to organisational 100
harmony within the organisation and fellow feelings among its employees. The 101
results of their research support that the relationship between intelligence dissemina- 102
tion, intelligence implementation and overall organisational performance is mostly 103
mediated by fellow feelings and followed by organisational harmony. Furthermore, 104
when overall market orientation is used as a determinant of organisational per- 105
formance, organisational harmony emerged as the most significant contributor to 106
organisational performance, more so than fellow feelings. The findings of [25] 107

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 relationship 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].

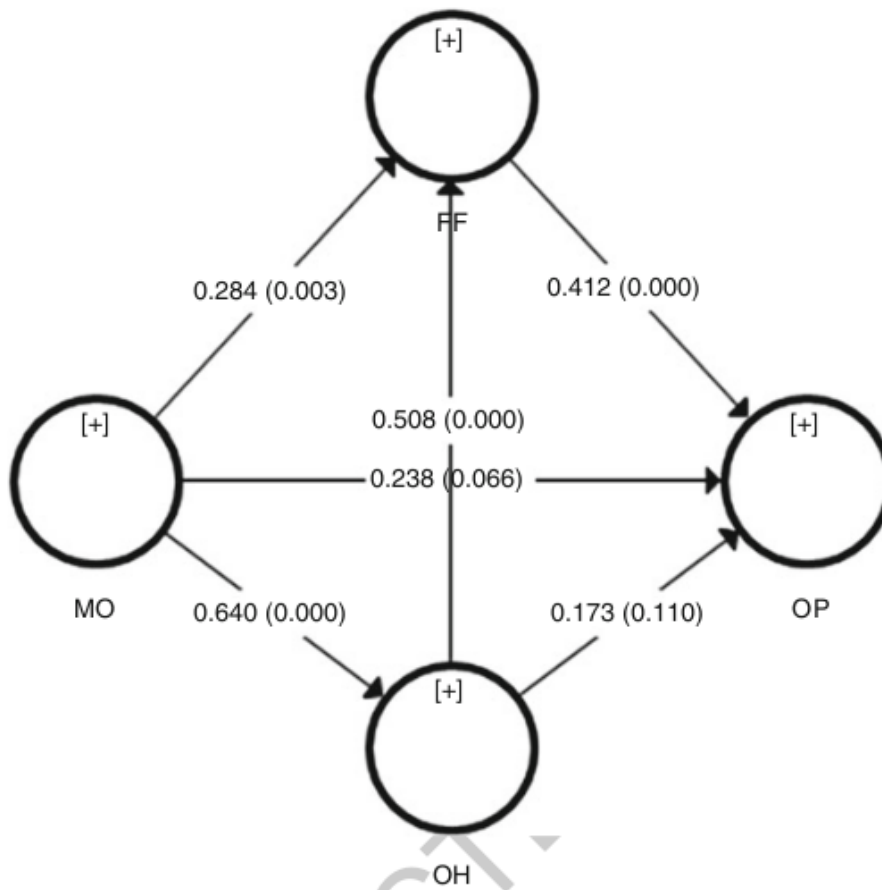


Fig. 1 Research framework. Note: *MO* market orientation, *FF* fellow-feelings, *OH* organisational harmony, *OP* overall performance

5 Conclusion

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The present study serves to enhance our understanding and validate further the theoretical implications from Khan et al. [25] 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 198
 collection to a larger sample in terms of employees, larger publically listed firms 199
 and across countries might permit more robust measures, overcoming potential self- 200
 reported bias and more generalised results. Overall, market-orientated organisations 201
 foster organisational harmony and within this harmonious climate employees' 202
 fellow feelings grow for each other assisting to meet organisational performance 203
 targets and achieve common goals. At practical standpoint thus, senior management 204
 needs to create an internal culture of cooperation, interaction and participation 205
 among employees. Acquiring and maintaining a clear organisational goal to ensure 206
 that there is a strategic alignment of activities within the firm, articulating an organ- 207
 isational culture that expresses organisational values and promoting organisational 208
 harmony, teamwork and minimisation of conflict for the betterment of the firm are 209
 some of the managerial implications that can be suggested. 210

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