# EXTENDED INTERNAL MARKET ORIENTATION AND ITS EFFECT ON EMPLOYEES BEHAVIOUR: MIGRANT WORKERS IN CHINESE MANUFACTURING INDUSTRY

By

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# **DEDICATION**

I would like to dedicate to my parents for their selfless love and continual support that helped me to fulfil the PhD study and achieve my dream.

I would also dedicate to my country The People's Republic of China for inspiration.

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#### A BRIEF SUMMARY OF THIS STUDY

Manufacturers in China face a severe labour shortage as well as labour qualification, which have affected their product quality and productivity severely. One of the causing reasons for that is the new generation of migrant workers who are different from their parent's generation. The new generation of migrant workers seeks not only the right working environment, flexible working time, good salary but also the balance between work and life. The new phenomenon has challenged the way to manage workers in manufacturers in China.

This PhD project aims to explore how the application of the internal market orientation, a tool for satisfying the employees' needs while achieving the organisational objectives, can tackle these issues in China. The original internal market orientation construct only covers the needs and wants from the work aspect, this research extends the internal market orientation to include employees' needs and wants in life to achieve a better work-life balance among migrant workers. Following the social exchange theory, work-family border theory, and the theory of planned behaviour, the extended internal market orientation construct is proposed to affect the employees' attitude (employee morale and happiness), and the employees' behaviour (intention to stay and employee productivity). To achieve the proposed research objectives, this study first carried out in-depth interviews with migrant worker and their supervisors to develop new internal market orientation scales that are fit for the Chinese context. Interviews with migrant works are undertaken to identify their needs and wants, while interviews with supervisors are conducted to collect their opinions on the adoption of internal market orientation in the Chinese manufacturing industry. Followed this stage, the qualitative data is embedded in the design of the quantitative survey. The subsequent quantitative study is completed via online questionnaires to examine how the extended internal market orientation affects employees' attitude and behaviour.

These results of this study confirm that the extended internal market orientation is a second-order construct constituting internal information collection, internal information dissemination, and internal information responsiveness in work and life, respectively. The extended internal market orientation contributes to improving employee behaviour, in particular, employee productivity when there is a higher level of employee morale and happiness. The supervisor support has a moderating influence on the relationship between the extended internal market orientation and employee happiness rather than employee morale. This study suggests that the organisation should care for employee's psychological wellbeing, which conduces to improving the employees' behaviour and the management should provide and satisfy their needs not only in work but also in life.

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# LIST OF ABBREVIATIONS

IM = Internal Marketing
MO = Internal Market Orientation
EIMO = Extended Internal Market Orientation
ICL = Information Collection in Life
IDL = Information Dissemination in Life
RESL = Responsiveness in Life
ICW = Information Collection at Work
IDW = Information Dissemination in Life
RESL = Responsiveness in Life
OCB = Organisational Citizenship Behaviour
LMX = Leader-Member Exchange
HRD = Human Resource Development
EFA = Exploratory Factor Analysis
CFA = Confirmatory Factor Analysis
MIs = Modification Indices

CR = Composite Reliability

AVE = Average Variance Extracted

#### **CHAPTER ONE**

#### INTRODUCTION

## 1.1 Introduction

This thesis investigates how redesigned internal market orientation (hereafter IMO) may be able to influence employee attitudes and behaviour in the manufacturing industry. The research aims to develop and test an empirical model linking the extended internal market orientation with employee attitude measured by happiness, morale and employee behaviour which include employee productivity and their intention to stay.

This Chapter begins by elaborating the research background, establishing the scope of the research, identifying research gaps, initiating research questions and establishing research objectives. Subsequently, this Chapter will outline the theoretical and practical contributions of the study to the real world management and academics who would be interested in this topic. The structure of this Chapter is briefly summarised below (see *Figure 1.1*).

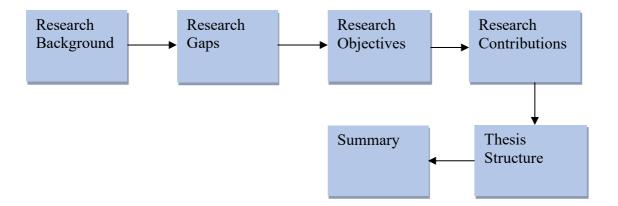


Figure 1.1: Flowchart of Chapter One

# 1.2 Research Background

People are having difficulties in balancing work and personal life worldwide, regardless of their nationality, religious affiliation, ethnic culture, or gender (Diversity Best Practices, 2011). The continuous demands from both work and life have greatly influenced employee well-being both physically and psychologically. For example, in China, many working parents face challenges to resolve conflicts between their workplace and family life (Lu et al., 2009). Being different from the domestic migrant workers of thirty years ago in China, a new generation of domestic migrant workers has become the major working population in the manufacturing industry. This new generation has typical characteristics, such as being more self-centred, more aware of their rights, and unwilling to work overtime (Cheng, 2014). They care more about their working atmosphere, career development (Banister, 2005), and balanced work and family responsibilities (Cheng et al., 2019). They have a higher aspiration for their future than their forefathers (Cheng, 2014). Hence, this new generation of domestic migrant workers means new challenges for employee management as they expect more from both work and life (Chan, 2009).

According to Smith (2010), offering flexible work arrangements, special holiday hours, and flexitime could resolve issues between work and life, and make jobs more attractive. Moreover, offering employees' flexibility within the workplace contributes to improving their performance, and especially productivity (Uba et al., 2012). Although many academics have proved that organisations can benefit greatly by adopting family-friendly practices, manufacturers in China still have not yet recognised the importance of satisfying employees' needs and wants and have not made this a priority in employee management. In fact, managers have less level of awareness to apply practices to deal with employees' different needs, such as childcare needs from a family life aspect and less working hours in a work aspect (Xiao and Cooke, 2012). Even more, managers in the manufacturing sectors in China have taken for granted that salary is the only and best way to help with the work-family

balance as income has always been considered the most critical contribution to a family (Chen et al., 2018). Most organisations only use personnel policies to reduce the obvious negative impact caused by unhappy employees (Xiao and Cooke, 2012). These assumptions cause organisations to underestimate the importance of work-family balance and take fewer measures for addressing work and family issues (Liu and Zhou, 2019).

In the current Chinese society, people are mainly facing two significant challenges in life, i.e. family care commitment and intensified workload. People are seeking ways to balance their family commitment and work commitment, which may yield harmony, equilibrium, and integration of work and family life (Voydanoff, 2005). Thus, employees expect that their work will not have a great conflict against their personal life and their needs and wants in the family can be considered by their employers (Baral and Bhargava, 2010).

In recent years, academics, HR professionals, policymakers, and occupational health professionals have begun to notice the importance of work-life balance for employees, especially the ones working for manufacturers in China (Xiao and Cooke, 2012). Work-family balance is defined as "the extent to which people are equally engaged and equally satisfied with both work and family roles" (Clark, 2000, p.751). Various studies have discussed that the work-family balance not only leads to a higher level of an individual's well-being (Halpern, 2005) but also to enhancing employee productivity (Beauregard and Henry, 2009). The work-family balance and work-life balance are usually regarded as the same terminology (Joseph and Sebastian, 2019). This study chooses the work-life balance over work-family balance because the previous term has a broader scope than the latter. Therefore, this study will focus on migrant workers' needs in life including family life (e.g. children and elderly caring, etc.) and personal life (e.g. entertainment, social activity, friendship, etc.).

To satisfy the needs at work and in life, and to improve the possibility of the work-life balance, this study will adopt the internal marketing philosophy, which regards employees as

internal customer and jobs as internal products (Berry et al., 1976). When workers are treated well, they are more likely to trust their organisation. In return, they would deliver outstanding services and try their best to achieve company objectives effectively (Berry, 1981). In order to dismiss the confusion that practitioners struggle with when trying to implement internal marketing practices, Lings (2004) developed a construct, namely internal market orientation (hereafter IMO) that attempted to resolve such challenges. Compared with internal marketing, IMO is proposed as an employee-friendly managerial philosophy that affects a firm, as well as a set of operational activities to influence employee attitude and behaviour (Lings and Greenly, 2005).

The concept of IMO that was proposed by Lings (2004) was adapted from the concept of market orientation. Market orientation is an approach that prioritises satisfying customers via identifying, communicating and responding to the needs, wants, and expectations of customers (Kohli and Jaworski, 1990). Different scholars have different propositions for market orientation, e.g. Shapiro (1988), Narver and Slater (1990), and Kohli and Jaworski (1990). Paralleling with the market orientation that aims at satisfying external customers, the IMO construct constitutes internal information generation, internal intelligence dissemination, and internal information responsiveness with a purpose to satisfy the expectations of employees. Thus, IMO is considered to be a facilitator for the internal market exchange between employees and the employer. When employees' needs and wants are satisfied, they are more likely to reciprocate to their employer via better performance and high productivity (Modi and Sahi, 2018).

Although existing IMO studies have presented different ways to measure the IMO construct and examine its impacts on staff attitude and behaviour, there is no sufficient study on IMO looking at the life side of employees, which plays an important role in their work directly and indirectly. This study marks the first attempt to explore and build a redesigned

IMO construct that covers employee needs and wants in life, namely extended internal market orientation (hereafter EIMO). This construct emphasises employee needs in both work and life and in particular, focuses on identifying the specified needs of migrant workers in the Chinese context. The newly developed EIMO is expected to tackle the conflicts that employees confront between work and life, and aims to improve employee morale, happiness, retention, and productivity.

To develop an effective EIMO construct that is suitable for the Chinese context, this study focuses on IMO adoption in the manufacturing industry, where migrant workers' needs and wants in both life and work are continuously ignored. Hence, in order for the organisations to understand, communicate, and respond to their employees' expectations appropriately and promptly, this study plans to use two research methods. Both qualitative and quantitative research approaches will be applied for the above-mentioned research purpose. For qualitative research, in-depth interviews will be conducted among managers and workers in manufacturing. It is expected the findings of the qualitative study will lead to an initial proposition for EIMO. The reliability and validity of EIMO and hypotheses will be tested by the following quantitative study.

The quantitative study will use a survey technique to test a series of hypotheses that propose relationships between EIMO and dependent variables. Data is going to be collected from manufacturers in Guangdong Province, China in 2019. Since 2004, Guangdong Province has encountered severe labour shortages (Shi, 2008) due to the ageing population, poor working conditions, unfair treatment towards migrant workers and manufacturers started to relocate to inland China from the south-eastern coastal areas (Guangdong Statistical Yearbooks, 2013). The percentage of migrants employed in manufacturing fell from 36.7 per cent in 2010 to 30.5 per cent in 2016 (China Labour Bulletin, 2017). Although with the sharp decrease in the migrant labour force in Guangdong, Guangdong is still considered as "the

world's factory" based on the scale of its existing manufacturing industry. Within the current working force in Guangdong, 75 per cent are migrant workers (Keegan, 2018). Hence, Guangdong Province is an ideal location for such a study.

## 1.3 Research Objectives and Questions

Although there is increasing development of IMO research, ambiguity on the conceptualisation of IMO and the application of IMO in both research and practice remains. First of all, IMO adoption has received insufficient attention except from in the service industries. It is necessary to examine the effectiveness of IMO practice for organisational performance across different industries and sectors. Second, except Yu et al. (2017)'s publication in English, not enough research has been published in English which investigates the implication of IMO in mainland China, regardless that China has the largest manufacturing industry in the world. China accounted for appropriately 50 per cent of global manufacturing output in 2017, and its manufacturing industry output has increased 339 per cent in the past decades (Xiao, 2018). The developments of the Chinese manufacturing industry and newly emerged management modes have triggered continuous attention in research and practice. It is hoped that IMO research can somehow contribute to employee management and organisational performance in China from the internal market perspective.

Third, employee expectations nowadays are changing fast due to the ever-changing economic and social environment. They are not just satisfied with having a job but have higher expectations relating to their job, and on how this job may contribute to their personal and family life. In the 21<sup>st</sup> century, obtaining a work-life balance is increasingly significant for employees because if there is a conflict between work and life, employees may find it hard to engage in their work fully. The existing IMO construct only focuses on identifying employees' needs and wants about their work; employees' needs and wants relating to life and

family are neglected. This study proposes an extended IMO construct with items including wants and needs from both the work and life aspects.

Through an understanding of the significance of IMO research, the overall purpose of this study is to test the influence of EIMO and its impact on employees' attitudes and employee behaviour among the manufacturing industry in China. The specific research objectives of this thesis are listed below:

- Apply a systematic literature review approach to examine major literature of internal market orientation, the underlining theories applied, employed research methods, antecedents and different levels of outcomes, the scope of research and identify research gaps.
- Redesign an extended IMO construct and develop measurement items including dimensions relating to employees' needs into the life aspect.
- Test EIMO as a valid construct and investigate the influence of EIMO on employee attitude and their behaviour.
- Examine how important the role of a manager is in the relationship between EIMO and employee attitudes.
- Provide managerial implications for migrant workers management for organisations in the manufacturing industry in China.

In order to achieve these research objectives, this research will explore specific dimensions of EIMO through qualitative interviews with migrant workers and managers. After the development of the EIMO construct, a quantitative survey will be applied to validate the newly developed construct by factor analysis. In order to examine the various relationships between EIMO and the proposed outcomes, i.e. employee morale, happiness

and employee behaviour, structural equation modelling will be used to detect these relationships.

## 1.4 Proposed Research Contributions

This study proposes to make both theoretical and practical contributions to the area of management studies. By reviewing the existing literature, this study first contributes to outlining key theories that have been used in this area, summarising key research themes, methods and context, and identifying the gaps of existing research. Based on a comprehensive understanding of IMO research, developing an EIMO construct can contribute to broadening the existing IMO research by emphasising its significance and how it impacts the employees' attitudes and behaviour. Second, by extending the construct of IMO that includes the life aspect, this study considers the work-life balance in the design of the IMO construct which contributes to employees' psychological happiness and morale in the workplace, particularly in terms of employee productivity. Moreover, this study argues for the importance of the supervisor's support in facilitating the relationship between EIMO and employee attitude.

From the theoretical perspective, this study makes the first attempt to introduce the work-family border theory into the IMO study. The work-family border theory will offer fundamental support for the development of EIMO with a consideration of the increasing challenge of work-life balance for the new generation workers. Also, this study integrates different theories (e.g. theory of planned behaviour and social exchange theory) from psychology and sociology to help develop a new IMO research framework. The planned behaviour theory is applied to explain the rationale of how an individual's attitude (e.g. employee morale and happiness) can affect their behaviour (e.g. intention to stay and

employee productivity). This contributes to outlining and advancing IMO's role in affecting employees' attitudes and behaviour in an organisation.

From the practical perspective, by redesigning and developing an extended IMO construct, which includes the understanding of employee needs from both work and family perspectives, the newly developed EIMO measurement can be applied to manufacturers that have difficulties in managing migrant workers. The adoption of EIMO is expected to increase the workers' perception of work-life balance and enhance their happiness in life. By arguing for the effectiveness of EIMO, this study contributes to the practical world by demonstrating the positive relationships between EIMO and employee attitude and performance in the manufacturing industry.

Moreover, this study contributes to management practice in the manufacturing industry where recruiting and retaining migrant workers is challenging. The supervisor's moderating effect on the relationship between EIMO and employee happiness provides evidence of the importance of the manager's management skill. The organisation is suggested to provide leadership training to the supervisors. Also, the managers should consider the proper communication modes (e.g. face to face, social media, mailbox), frequency and content with employees. The organisation is suggested to understand and respond to employee expectation in the workplace via adopting the EIMO programme. For example, the management should provide the migrants who have kids and family responsibility with children schooling opportunities, eldercare service, and a baby caring room in the company; they should consider offering the migrant workers entertainment facilities (e.g. games room, theatre, karaoke room), social activities (e.g. team building, travelling, social gathering), and social insurance; for the workers who have ambitions in their work, the management team should provide them with a selective training programme, constructive feedback on their work, and promotion opportunities etc.

Finally, using China as the research context may shed light on companies in other emerging economies that are facing similar challenges. The outcomes of the research will not only contribute to the involved manufacturers but also the local community and the overall society in general. If migrant workers' well-being is looked after and enhanced, there will be an overall enhanced social well-being and a more harmonious society.

#### 1.5 Structure of the Thesis

This thesis constitutes ten Chapters and each Chapter demonstrates different stages of this study. The first Chapter proposes a layout of the whole research, which covers a brief introduction of this study, research objectives, research contributions, and a brief elaboration on the methodology. This Chapter aims to demonstrate the importance of IMO as a tool in the Chinese context and the contributions for practitioners and academics who are interested in the internal marketing field and would like to adopt IMO in practice. The second Chapter presents a systematic literature review, including the analysis of existing literature on internal markets, internal marketing, market orientation, and internal market orientation. This Chapter aims to demonstrate the existing research topics, critique the existing research, and identify research gaps. The third Chapter covers the theoretical background to illustrate the fundamental theories applied in this study, such as social exchange theory, planned behaviour theory, and border theory. In Chapter four, the research context in this study will be introduced. It explains why migrant workers in the manufacturing industry in China are worth investigating. The new generation of migrant workers has different demands from their employers. The changes in the new emerging labour force require the organisation to pay more attention to this new workforce by understanding their needs and wants, so recruit, train, and design job packages for employees accordingly.

Following these, a conceptual framework is demonstrated in Chapter five. This Chapter will give detailed discussions on how this framework is developed and hypothesise the relationships in the framework. There are nine hypotheses in total, which cover the hypotheses on the construction of EIMO and its correlations with employee attitudinal variables, such as happiness and morale, and the outcomes of attitude, e.g. intention to stay and employee productivity. Chapter six will discuss the methodologies applied in this study. In order to clearly explain the methods, the research philosophy, strategy and design will be discussed, and the second half of this Chapter will demonstrate why the mixed method is applied and how the data will be collected.

Chapter seven and eight are the Chapters accommodate data analysis. Chapter seven will cover the analysis of the qualitative study. The results of the qualitative data will be analysed by using NVivo and then a summary of the qualitative data will be presented. Following the results of the qualitative study, Chapter eight focuses on the analysis of the quantitative survey. Data will be tested via factor analysis in SPSS and structural equation modelling in AMOS. This Chapter will test the proposed hypotheses and demonstrate the findings from all these statistical tests. The Chapter nine will discuss the research findings and their applications in both theory and practice. By summarising the study, the following Chapter ten will further outline the limitations, offer suggestions for the practitioners, and provide recommendations for future research.

## 1.6 Summary

This Chapter has given a general view and structure of the thesis, including the research gaps, objectives, and contributions. The aims of the thesis are a) to demonstrate the importance to develop an extended internal market orientation that extends from the original construct by including the life side of employees' needs and wants; b) to argue the importance of EIMO to

keep employees' work and life in balance, which further contributes to improving employee productivity and maintaining employee retention; c) to call for practical attention of the internal market situation and facilitate healthy employee-employer relationships by promoting the adoption of EIMO. Finally, the findings of this thesis are expected to be beneficial not only to employees and organisations in China but also other similar bodies of interest in emerging countries.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

## 2.1 Introduction

This Chapter will go through the core literature including internal markets, market orientation, internal marketing, and internal market orientation. This Chapter will be divided into seven sections. Since the significance of internal markets is closely related to the development of internal marketing philosophy which regards internal customers as a priority, so this Chapter will start with the introduction of internal markets including internal market economy, internal capital market, and internal labour market.

After the interpretation of the internal market, the internal marketing and market orientation will be introduced to understand the development and significance of internal market orientation for long-term organisational development. The subsequent section will elaborate and discuss the IMO literature that varies from measurement, theories, and different studies to the research context. From this section, an understanding of the development of internal market orientation research is expected to find the possible research gaps and discuss the significance of this research (see *Figure 2.1*)

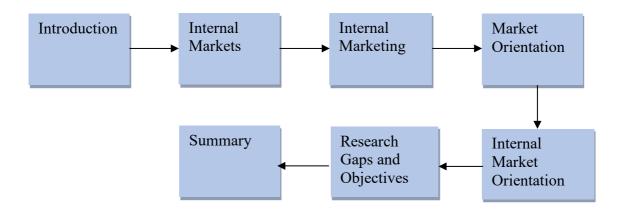


Figure 2.1: Flowchart of Chapter Two

#### 2.2 Internal Markets

## 2.2.1 Internal Market Economy

In economics, a market is an abstract notion of demand and supply working together to determine the price and non-price aspects of transactions (Pelkmans, 2008). Basically, the market is regarded as a place for economic exchanges, and the concept of market is extended to incorporate not only the external market but also the internal market. Chandler (1977) provides a concept that the "visible hand" of management in organisations replaces the "invisible hand" of the external market exchange. An activity will take place inside the firm when the transaction costs of using the market over the costs of coordination through command, then an activity takes place inside the firm. When the costs of production and management inside the firm is less than the costs of production and market transaction outside the firm, the activities will happen inside the organisation as well. On the contrary, the organisation will outsource and there is a common tendency that price mediates exchange outside the firm (Ellig, 2001). These demonstrate that there is an internal market to exist inside an organisation, so the firm could be considered as a market which is suggested to be effectively understood, designed, and managed (Halal, 1994).

There are three differences between the internal and external markets. First, strategic coordination can be a merit of the internal market as a hierarchy would be more effectively achieve the strategic policies in internal markets than external markets. Second, internal markets have higher renegotiation costs than external markets because, in internal markets, price renegotiations are extremely competitive and do not appear to be mitigated by product cost disclosure. Third, activities that arise from decentralisation and imperfect monitoring are a potential liability of internal markets (Poppo, 1995). However, inside the firm, a member or group have the propensities to prioritise their interest over cooperative behaviour. Thus, it is essential to develop a strategy that not only increases the significance of employees' interests

but also supports cooperative behaviour (Flipo, 1986). More and more scholars recommended that traditional marketing need to increasingly consider its internal aspect in order to be successful externally, in particular in-service firms (Flipo, 1986).

An increasing number of companies are explicitly applying the concept of internal markets instead of bureaucratic internal resource allocation. Compared with the latter, internal markets are often with a greater level of decentralisation of decision-making authority, incentive systems motivating employees via rewarding more closely related to performance, and cultural change actions that are more closely align employee and owner's interests (Ellig, 2001). When a firm applies an internal market system that transforms the hierarchy into internal enterprise units, it allows all units to have the freedom to conduct business transactions both inside and outside the company. Second, it creates an economic infrastructure of performance measures, financial incentives, communication systems, and organisational culture to guide decisions by market forces (Halal, 1994). Third, it provides leadership to foster a more productive community through ensuring accountability, resolving conflict, encouraging cooperation, and other forms of strategic guidance (Halal, 1994). Therefore, the internal market is increasingly important.

#### 2.2.2 Internal Labour Market

There are two types of the internal market on the basis of the internal market economy, namely the internal labour market and the internal capital market. The former refers to the allocation of human resources and the latter is the allocation of non-human resources (Spence, 1975). The central idea of the internal labour market is that both the management and employees in a large capitalist firm try to decrease uncertainties arising from the market environment (Stark, 1986).

Internal labour markets have three major dimensions which include job security, training, and opportunity for advancement. Internal labour markets have a positive effect on

job satisfaction, employee attitudes (e.g. attitudes to the working environment, their supervisor, service to customers), communication, and organisational objectives (Fisher and Mcphail, 2011). The labour market is consistent with the idea of specific human capital, especially the long-term attachments between the worker (Rosen, 1988). Effective human resource management policies and initiatives underpin the implementation of internal labour markets which benefit to a higher level of employee work commitment, job satisfaction, and less level of intention to leave (Fisher and Mcphail, 2011).

From the managers' perspective, a major cause of concern is the uncertainty of whether employees will stay with the firm. This uncertainty poses a problem for the enterprise. As the workers in a firm often receive considerable training on the job, and the enterprise will have the expectations to get returns on that labour investment; so, the enterprise takes certain steps to reduce the possibility that its workers will take those skills out into the external labour market. The measure to retain the employees includes incremental wage and salary increases, promotions along with internal job ladders, and regulated principles of formal bureaucratic rules. These contribute to not only attaching skilled employees to the firm but also facilitating the transmission of skills among workers and providing long-term incentives to encourage performance. From the workers' perspective, the major uncertainty is that unfavourable labour market conditions (e.g., high unemployment) will drive down the costs of their dismissal and replacement by new workers. Thus, workers have an interest in these administrative rules that govern internal job ladders and the wage and salary increment correlated with promotion (Stark, 1986).

#### 2.2.3 Internal Customers within the Firm

There are various forms of exchanges within the firm that exists in the internal market. The exchanges can occur at either group or individual level and involve with or without physical stuff, transactions, and cost. Foreman and Money (1995) identified four types of exchanges,

namely internal supply chain relationships, specific units and the firm relationships, functional departments and firm relationships, and exchanges between employees and organisation. Each individual or each group is a customer of and at the same time, the supplier of another (Gummesson, 1994). It is recognised that the employees of an organisation are internal customers (Gummesson, 1987; George, 1990) which considers that every employee plays both the role of supplier and customer to others (Lukas and Maignan, 1996). In order to push customer orientation and market orientation, many organisations have adopted a system by which internal customers evaluate the internal suppliers (Hauser et al., 1996). Through this internal exchange, the organisational units should offer a good quality service to internal customers to satisfy the external customers (Marshall et al., 1998).

A key principle of most total quality management initiatives is to have a successful internal customer service system, where all organisational employees are encouraged to regard their co-workers as significant customers (Marshall et al., 1998). To accomplish the goals of customer satisfaction and a company-wide orientation towards customer requirements, the concept of total quality management is the fundamental marketing axiom of customer orientation which is suggested to be adopted by the organisation. Hence, it is inevitable to understand and apply the concept of internal customer and internal customer orientation. In the internal market, the employees and organisational units are considered as service providers, the internal customers are the users of these services and the internal services are these activities happened among them. It is challenging to manage these internal services and ensure the quality, and it relates to the same type of issues as the management of external marketed services (Stauss, 1995).

To attain sustained outstanding external customer support requires internal systems that can align the external customer with internal customers (Gilbert, 2000). Therefore, internal marketing as a strategy is developed to control service quality via satisfying

employees rather than hierarchical power. Internal marketing strategy is suggested to achieve organisational objectives via motivating employees, stimulating employee enthusiasm, and creating consistent behaviour amongst the contact personnel. As the management of the buyer-seller interaction in service sectors is much more essential than traditional marketing activities. When internal marketing is applied, this will express the power that marketers utilise to control and manage internal participants in the external strategy. By contrast, the influence of these internal participants on the outcomes of the external marketing strategy demonstrates their power over the marketing function (Flipo, 1986).

# 2.3 Internal Marketing

Internal marketing (hereafter IM) was firstly proposed by Berry et al. (1976) as a solution to the problem of delivering outstanding service to external customers. Berry (1981) defined IM as the philosophy to satisfy employees while achieving the organisational objectives and this regards employees as internal customers and jobs as internal products. IM regards firms as markets, so the internal customer's needs and wants within an organisation should be paid attention to (Christopher et al., 1991; Fisk et al., 1993). For example, some organisations have applied systems through which internal customers evaluate their internal suppliers (Hauser et al. 1996). Employees play an important role in communicating value to the customer directly or indirectly, so satisfying these employees contributes to improving the delivery of value to the company (Hogg and Carter, 2000) and ultimately providing enhanced service to the external customer (Ozuem, et al., 2016).

Furthermore, IM requires a mutual understanding between employees and managers; if they understand each other better, and respond better, this improves employee satisfaction, even removing functional barriers for improving organisational effectiveness (Christopher et al., 1991). It is grounded in social exchange theory when the internal customers think that

they are treated well and in return they will trust their company, be highly motivated, committed, and have a high-performing workforce (Agarwala, 2002).

# 2.3.1 Employees as Internal Customers

Kotler (1991) defines IM as the task of successfully hiring, training, and motivating employees to enable them to serve the customer well (See Appendix 1). Everyone in the organisation has a customer (Gronroos, 1981) and the internal customers need to be happy and satisfied with their jobs before they can effectively serve the external customers (Berry, 1981). When internal customers feel satisfied, this is ultimately for the enhancement of organisational effectiveness (Christopher et al., 1991) and the achievement of organisational objectives (Gronroos, 2000), such as enhanced retention (Gremler et al., 1994) and the outstanding good service provided to the external customer (Papasolomou and Vrontis, 2006).

As the internal customers' satisfaction with jobs and organisations can be significantly impacted by internal service providers (Gremler et al., 1994), therefore, the organisation should endeavour to offer internal products that satisfy the internal customers' needs and wants while achieving the organisational objectives. It will be more profitable if the organisations focus internal suppliers on serving their internal customer who serves the external customers (Hauser et al., 1996).

#### 2.3.2 IM as a Management Tool

IM can be a management tool to convince and motivate subordinate or other departments of the organisation to effectively conduct their work (Davis, 2001), which benefits from the implementation of any organisational strategy covering both internal and external aspects (Rafiq and Ahmed, 2000). Similar definitions were considered by George (1990) and Cowell (1984). Cowell (1984) regarded IM as a management approach that enables and motivates all workers in an organisation to achieve their works. George (1990) thinks that IM is a holistic

management process to achieve effective internal exchanges of value between employee and organisation through integrating multiple functions of the organisation.

In general, IM includes three core themes, namely service-mindedness, customeroriented behaviours, and focusing employee attention on internal activities (Mosley, 2007).

In order to provide a solution to the issue of providing consistently good service (Berry et al.,
1976), IM is an important management tool in developing a service-mindedness and
customer-focused organisation (Christopher et al., 1991). Therefore, adopting IM as a
management tool encourages employees to achieve the marketing objectives via valuing and
treating employees well in the firm and enhancing the value provided to employees (Davis,
2001).

# 2.3.3 IM as a Culture Change Programme

IM is argued to act as a culture change programme that can assist the organisation in matching its responses to environmental change and in maintaining a good relationship with employees and satisfying them, so they have a higher level of motivation, loyalty, commitment, and identification (Kelemen and Papasolomou-Doukakis, 2004). The culture change can be recognised on both the macro level and micro level. On the macro level, culture change is a form of organisational transformation. On the micro-level, culture change is related to the workers within the organisations (Várnai and Fojtik, 2006). The IM as a culture change programme is more likely to change and transform the individuals within the organisations.

According to Cummings and Worley (2001), the cultural change should be initialised by the top managers, communicated through all levels of the organisation, and followed by supporting modifications in organisational structure, human resource system, information and control system, communication, public relations, operation and management style. The IM requires the management to have effective communications with employees, which is

benefitted by communicating and disseminating the new culture and changes through the organisation. Besides, IM regards employees as priorities, which may be a new vision or strategy for an organisation. Therefore, on the premise of guaranteeing employees' wants and needs in the workplace, IM can act as a culture change programme that emphasises service-mindedness, customer-oriented behaviours, and focuses employee attention on the internal activities which are necessary to be changed for enhanced marketplace performance and customer-oriented employees (Mosley, 2007).

Since the culture holds diverse individuals and groups of organisational members together, an integrated culture is critical to the achievement of an effective IM programme (Kelemen and Papasolomou-Doukakis, 2004). The organisation should emphasise building relationships with employees, and this contributes to the organisation developing a supportive culture (Kelemen and Papasolomou-Doukakis, 2004). In a supportive culture, it is essential for the organisation not only to support the employees but also to know the workers' perceptions of organisational support (Santos and Goncalves, 2018). Through IM providing employees with adequate communication between employee-organisation (Gounaris et al., 2010) and information on their work, and clarifying ambiguities in the workplace (Santos and Goncalves, 2018), it contributes to making the employees perceive their value in the organisation (Gounaris et al., 2010) and improving the employee perceived organisational support (Santos and Goncalves, 2018).

### 2.4 Different Research on IM

There are various IM studies across different contexts. The majority of the internal marketing studies have explored the effect at the employee level (e.g. employees' satisfaction, employee empowerment, employee commitment, and employee brand championship) (Hwang and Chi, 2005; Papasolomou and Vrontis, 2006; Lings et al., 2008; Awwad and Agti, 2011; Kim and

Lee, 2016), customer level of outcomes (e.g. customer satisfaction and customer perceived service quality) (Aburoub et al., 2011; Shah, 2014; Boukis et al., 2015), and organisational level of outcomes (e.g. corporate culture, capabilities, organisational performance, and effectiveness) (Gounaris, 2008; Budhwar et al. 2009; Zaman et al., 2012; Rony and Suki, 2017).

Hwang and Chi (2005) conducted an empirical study on the relationships among IM, employee job satisfaction and organisational performance in international hotels in Taiwan. The results demonstrated that IM has a significant positive effect on employee job satisfaction, and this conversely causes a higher level of performance in international hotels. Also, according to Awwad and Agti (2011), they revealed that internal marketing positively affects employee organisational commitment, through which effective training, rewarding systems, positive interaction and shared vision among employees benefit employees' emotional attachment to their organisation. Relating the IM to the corporate brand, it emphasises the importance of effective internal brand communication to all employees and regards employees as the key audience of the internal brand management process (Buil et al., 2016). IM is not only a major factor in achieving brand differentiation (Papasolomou and Vrontis, 2006) but also is likely to help achieve a higher level of employee brand purchase loyalty and employee brand champions (Fram and McCarthy, 2003).

Aburoub et al. (2011) discussed the positive relationship between IM including service culture, human resources development, motives system and rewards and service quality to customer satisfaction. In an organisation, a manager's adoption of IM conduces to enhance employee adoption of IM and increase the levels of motivation, empowerment and organisational identification; these also affect customers' perception of service quality (Boukis et al., 2015). Also, IM is associated with organisational commitment and customer

orientation. And customer orientation has a mediating influence on the relationship between IM and organisational commitment (Huang and Chen, 2013).

Furthermore, Budhwar et al. (2009) discussed that the application of internal marketing benefits to enhance relations with organisational management and with overall organisational competitiveness and performance. Organisational culture has a significant correlation with IM. IM has a positive direct influence on employee job satisfaction and organisational performance which covers financial performance (e.g. total revenues, net profits, and return on investment) and non-financial performance (e.g. market share, corporate image, customer satisfaction) (Shiu and Yu, 2012). IM has been regarded as a mix of both marketing like philosophy and marketing like the tool, which is proved to have a significant influence on organisational competencies including employee satisfaction, market orientation and individual competencies. Through organisational competencies, there is a positive relationship between IM mix and business performance (Ahmed et al., 2003). Panigyrakis and Theodoridis (2009) also proved that IM can positively affect business performance. Besides, Zaman et al. (2012) discussed that IM had been proved to have a positive influence on market orientation.

Several studies on IM have been conducted in manufacturing sectors, e.g. clothing sectors (Prasad and Nandi, 2017), the public sector, e.g. universities (Piercy and Morgan, 1990) and public libraries (Broady-Preston and Steel, 2002), and service sectors, e.g. airlines (Czaplewski et al., 2001), consulting firms (Barnes et al., 2004), telecommunications companies (Gummesson, 1987), banks (Ballantyne, 1997; Papasolomou, 2002; Papasolomou-Doukakis and Kitchen, 2004; Papasolomou and Vrontis, 2006), credit union (Tansuhaj et al., 1991), and insurance companies (Ahmed and Rafiq, 1995).

However, most of the attention has been emphasised on service sectors, particularly on financial service and healthcare service. IM is regarded as the third type of marketing in

the services marketing triangle (Gremler et al., 1994) and there were over 50 per cent of the frontline personnel directly face the customer (Flipo, 1986). Thus, the service industry is the top choice when conducting IM research. Although the service industry is highly associated with IM, this relationship should be maintained and improved in other industries as well. Thus, the research on IM is suggested to be applied beyond the border of service industries and into other industries, such as manufacturing sectors and construction sectors.

# 2.5 IM, MO, and IMO

Rafiq and Ahmed (2000) argued that IM had a paucity of clarity regarding the functional responsibility for implementation. Also, as IM tends to be a long-term strategic management philosophy rather than a short-term operational strategy (Gyepi-Garbrah and Asamoah, 2015), it has been criticised for its practical feasibility as an efficient management tool (Sincic and Vokic, 2012). In order to advance the understanding regarding facilitating IM in organisations, in response, internal market orientation (hereafter IMO) was constructed by Lings (2004), and this is developed out of market orientation (hereafter MO) proposed by Kohli and Jaworski (1990). MO focuses on external stakeholders such as customers and competitors through satisfying their expectations. So, applying the concept and construct of MO from external markets to internal markets benefits the implementation of marketing concepts and represents the internal consideration in the marketing concept (Lings, 2004).

The MO concept firstly emerged in the 1990s and aims to implement the marketing concept by understanding and responding to customers' needs and expectations (Farrell and Oczkowski, 2002). MO refers to the process of organisation-wide market intelligence generation about customers' needs, market intelligence dissemination across departments, and market intelligence responsiveness (Kohli and Jaworski, 1990). Accordingly, Deng and Dart (1994, p.726) posited that:

"market orientation is the generation of appropriate market intelligence of current and future customer needs and the relative abilities of competitive entities to satisfy these needs; the integration and dissemination of such intelligence across departments; and the coordinated design and execution of the organisation's strategic response to market opportunities."

MO research has been developed from two major perspectives, namely cultural perspectives and behavioural perspectives. The former considers MO to have relied on an effective organisational culture that would develop necessary behaviours and provide effective support to facilitate superior value for customers (Narver and Slater, 1990; Deshpande and Farley, 1998). The latter (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993) consider that MO is the group of activities aiming to implement the marketing concept. However, the behavioural perspective is more practical than the cultural perspective because management is more interested and engaged in activities. Although there are different measurement items of MO, Narver and Slater (1990)'s and Kholi and Jaworski (1990)'s measurement scales are the most commonly used ones. Narver and Slater (1990) construct MO as three behavioural sub-dimensions including customer orientation, competitor orientation and inter-functional coordination. Compared with the former, Kholi and Jaworski (1990) identified three components of MO from a behavioural perspective, including intelligence generation about customers' needs, intelligence dissemination across departments, and responsiveness to the intelligence.

IM applies the philosophy and practices of marketing to internal markets and tries to satisfy employees who serve the external customers to 1) obtain motivated, qualified, and customer-conscious personnel; 2) effectively address the objectives of the organisation; 3) remove functional barriers and improve organisational effectiveness (Gronroos, 1981; Berry, 1984; Christopher et al., 1991). IM is an important activity in facilitating a customer-oriented

firm whereby employees are internal customers and jobs are internal products so that the organisation can align job-product with internal customers' needs. The foundation of the IM concept is more consistent with the MO concept developed by Kholi and Jaworski (1990), which tries to satisfy external customers' needs via collecting, disseminating, and responding to internal intelligence. That is why Kholi and Jaworski (1990)'s construct is more appropriate for the development of the IMO construct.

#### 2.6 What is Internal Market Orientation?

IMO is typified by marketing-like activities directed towards organisational frontline personnel and it is regarded as a prerequisite to satisfying external customers through identifying and satisfying the employee's needs and wants (Lings, 2004; Gounaris, 2006). It aims at balancing employees' perceptions of what they contribute to their jobs and what benefits they can get (Lings, 2004). Lings and Greenley (2005) defined IMO as a multidimensional construct representing the adoption of MO to the context of employee-employer exchanges in the internal market. It is proposed as an employee-friendly management tool that affects a firm and is a set of operational activities to influence employee behaviour (Lings and Greenly, 2005). Besides, Gounaris (2006 and 2008) thinks that IMO promotes the needs to build an effective relationship between employees and management, which contributes to organisational responsiveness to internal customers' needs and wants to be more effective and strategic. In return, this facilitates better alignment between external market objectives and internal capabilities.

It is grounded in the behavioural perspective of MO practices. Lings (2004) proposed and developed the concept of internal market orientation which derived from Kholi and Jaworski (1990). By adopting the same idea from the MO and admitting the existence of the internal market, the IMO construct used the same dimensions as the MO but targeting the

internal market. What IMO describes is that the employees constitute the internal customers involving the generation and dissemination of employees' expectations, and implementation of appropriate responses to meet these needs and wants (Lings, 2004) (see *Table 2.1*). Following this, Lings and Greenley (2005) classified the information collected in a formal manner, such as formal written information generation, formal face-to-face information generation, and formal information collection, such as questionnaires and job satisfaction surveys. Subsequently, Gounaris (2006) developed an instrument for the purpose of assessing the degree of IMO application in a company. The instrument assessing IMO includes internal market intelligence generation (identification of exchanges of value, awareness of labour market conditions, segmenting the internal market, and targeting internal segment), internal intelligence dissemination (communication between managers and employees, and communication among managers), and response to intelligence (job description, remuneration system, management concern, and training).

Information generation identifies what kind of information needs to be generated and how this information is to be generated (Lings and Greenley, 2005). According to Lings (2004), this considered internal market intelligence collection as activities about generating intelligence regarding the internal market. Internal intelligence dissemination is relevant to the communication between managers and employees. The purpose of information communication not only is for communicating new marketing strategies or objectives with employees but also for the organisation or managers to understand employees' needs (Gouraris, 2006). Responsiveness to intelligence pertains to a series of management activities that satisfy the employees' needs on developing the skills and capabilities requiring by their job description. These activities are job description, remuneration system, management concern, and training (Gounaris, 2006).

The challenge with this construct is that it lacks clarity regarding the functional

responsibility for the implementation of internal marketing (Rafiq and Ahmed, 2000). In particular, it increases the difficulties for application and with dimensions relating to salary, training and job description complicate the debate on which department should be in charge of internal marketing activities (Paliaga and Strunje, 2011). Although similar, all IMO measurement items are modified based on the research context, either because of the industrial context or the cultural context. This suggests that IMO scales are flexible and broadly defined and they are context-specific rather than one model fits all.

The higher the level of IMO, the more employee participation, satisfaction, and empowerment in decision making (Gounaris, 2006). Moreover, when an organisation adopts IMO, it contributes to increasing the internal climate and employee's service consciousness, which conversely benefits from receiving a greater level of customer satisfaction (Gounaris, 2008). However, the IMO construct just emphasizes satisfying the employees' needs and expectations on the job broadly, such as training, salaries, incentives, and bonus schemes.

Adopting IMO benefits to enhance the effectiveness of IM implementation in an organisation (Gounaris, 2008), which allows the firm to develop better targeted IM programs and is also a key to understanding employees' values (Gounaris, 2008). Both IM and IMO directly improve the employees' level of attitude and behaviour. However, when an organisation adopts the IMO, this contributes to enhancing the relationship between IM and employee attitudes (e.g. job satisfaction and commitment) (Gounaris, 2008; Rehman and Nouman, 2015). Lings and Greenley (2009) conducted an empirical study demonstrating the relationship between IM, IMO and MO. IM is operationalised as an IMO which affects MO and consequently organisational performance.

**Table 2.1: Measurement of IMO** 

Author	Sectors	Scales

Lings (2004)		Internal market research; Internal communications; Internal	
		responsiveness	
Lings and	Retailer	Formal face-to-face information generation; Formal written information	
Greenley	service	generation; Informal information generation; Information dissemination;	
(2005)	industry	Responsiveness	
Gounaris	Hotels	The scales based on Kholi and Jaworski (1990) and Ling (2004):	
(2006)		Internal market Intelligence Generation: 1 Identification of	
		exchanges of value; 2 Aware of labour market conditions	
		Internal Intelligence Dissemination: 1 Communication between	
		managers and employees; 2 Communication among managers;	
		Response to Internal Intelligence: 1 Internal market segmentation;	
		2 Internal-segments targeting; 3 Job description; 4 Remuneration;	
		5 Management concern; 6 training	
Lings and	Retailers	The scales come from Lings and Greenley (2005):	
Greenley	Retailers	Formal face-to-face information generation; Formal written information	
(2009)		generation; Informal information generation; information dissemination;	
(2007)		Responsiveness	
Sahi et al.	Banking	The scales come from Lings and Greenley (2005);	
(2013)	context in	Intelligence generation: 1. Formal intelligence generation; 2.	
	India	Informal intelligence generation; 3. Segmentation of the internal	
		market	
		Intelligence dissemination: 1. Between employee and employee;	
		2. Attitudes of managers; 3. Organisation climate	
		Responsiveness: 1. Incentives; 2. Management consideration; 3.	
		Training; 4. Job design	
Ruizalba et	Hotel sector	Twenty-two items based on Lings and Greenley's (2005) and Gounaris'	
al. (2014)		(2008) scales:	
		Intelligence generation: (1 Internal market segmentation; 2 Identify value	
		exchange); Internal communication Responsiveness: (1. Management	
		concern; 2.Training; 3. Work and family balance)	

# **2.7 Existing Internal Market Orientation Literature**

In the previous part, the development of IMO was discussed, and this part will discuss the existing IMO research covering the type of research contexts examined, areas of the primary topic, and newest research.

#### 2.7.1 Antecedents of IMO

Existing research has discussed the antecedents for IMO to find out what may lead to or impact the adoption of IMO within organisations. There are various antecedents mentioned in different studies, including organisational culture, organisational structure, organisational policy, managers' background characteristics, leadership, management attitude, information management, marketing background expertise of senior executives, and supervisors' emotional intelligence (see *Table 2.2*). According to variables of influence on IMO, these can be divided into two major categories, i.e. the organisational factor and the individual factor. However, few of these antecedents have been tested empirically, except for organisational culture and emotional intelligence. Most of the studies relating to the antecedents are non-empirical, such as information management, management attitude, and leadership.

Table 2.2: Antecedents of IMO

Antecedents of IMO	Outcomes of IMO	
Individual antecedents:	IMO adoption in the organisation (Gyepi-	
Leadership;	Garbrah and Asamoah, 2015; Gyepi-Garbrah, 2017);	
Managers' background characteristics		
Organisational antecedents:	IMO adoption in the organisation (Gounaris,	
Organisational culture;	2008; Gyepi-Garbrah and Asamoah, 2015; Gyepi-Garbrah, 2017; Domínguez-Falcón et al., 2017);	
Organisational structure;		
Organisational policy		
Managerial antecedents:	IMO adoption in the organisation (Shamsudin et	
management attitude;	al., 2015; Conduit and Mavondo, 2001; Gyepi-	
information management;	Garbrah and Asamoah, 2015; Sincic and Vokic, 2012);	

internal communication

Among these three studies, organisational culture has proved to have a direct impact on IMO adoption in organisations (Gounaris, 2008; Domínguez-Falcón et al., 2017; Gyepi-Garbrah and Asamoah, 2017). However, different researchers may define organisational culture differently. For example, Gounraris (2008) examined organisational culture as the antecedent influence for the adoption of the IMO concept. A clan-type organisational culture that aims to promote cohesiveness and participation along with making internal operation more efficient through interpersonal cohesion will positively impact IMO adoption. In this study, except for examining the culture as an antecedent influence of the IMO, it also discussed that the IMO concept affects the practices of IM in an organisation positively. Furthermore, both IMO and IM practice have a positive influence on employee job satisfaction, but IMO has a greater influence on job satisfaction than IM. However, this study just focuses on the front-line service personnel without considering the back-office personnel's ideas in the Greek hotels sector.

In a similar vein, Gyepi-Garbrah and Asamoah (2017) have investigated three types of organisational culture: aggressive culture, constructive culture and passive culture and their impact on different dimensions of IMO. The findings demonstrate that the constructive culture has a positive effect on all three dimensions of IMO and a passive organisational culture will lead to low adoption of all three dimensions of IMO. However, aggressive organisational culture is not proven to have any relevance to an organisation's IMO adoption. Organisational culture is a shared assumption that lies beneath the individual's conscious level, which is difficult to identify and measure in reality (Liu et al., 2010).

One exceptional study is Domínguez-Falcón et al.'s (2017) research, which argues that IMO can play as an organisational culture itself. They conducted an empirical test to examine IMO from a dual-perspective, i.e. cultural and behavioural. The results demonstrated

that IMO as an organisational culture could predict IMO application in an organisation. The research argues that an organisation operating in a dynamic and competitive environment is suggested to pay their effort on the development and maintenance of internal market orientation culture.

Apart from these publications exploring the antecedents of IMO, some of the antecedents are not empirically tested. For example, one study elaborates that information management and management attitude are determinants of IMO (Shamsudin et al., 2015). This study identified intelligence generation, information dissemination, and information responsiveness as information management in an organisation. And through this process of understanding what the internal customers want and responding to them effectively, this contributes to the adoption of IMO. In addition, managers need to be careful about their attitudes because their negative attitude toward the employees can be negative for the organisation and employees' motivation to work. Therefore, they should monitor their communication methods (e.g. emails, phone calls, and face to face) with diverse employees, and seek feedback from employees on how they are perceived as managers. However, this study is just a conceptual work based on the existing studies without empirical examination.

Gyepi-Garbrah and Asamoah (2015) proposed organisational politics and organisational culture as institutional variables that were likely to influence IMO, but the model has not been empirically tested. Therefore, Gyepi-Garbrah and Asamoah (2017) conducted a survey from the public sector in Ghana to identify the relevance of informal institutional factors to firm performance; this study aims to provide empirical evidence on the predictive effect of politics in marketing-related decision-making, and the nested variables of organisational culture on the IMO construct. The results show that the constructive culture has a positive effect on IMO and passive culture has a negative effect on IMO. These two cultures are different. The former is associated with norms promoting satisfaction behaviours,

namely, achievement, self-actualisation, and humanistic encouragement, but in the latter, the organisations are controlled by the top hierarchy, are non-participative, and with an avoidance culture.

Different from the above studies about cultural factors as an antecedent to influence the adoption of IMO, the study conducted by Domínguez-Falcón et al. (2015) examines IMO from a dual perspective, cultural and behavioural. There is a significantly positive relationship between IMO as a culture and IMO as behaviour in an organisation. This indicates that firms should put their efforts into the development of an IMO culture, which helps to improve employees' positive behaviour to customers via satisfying employees' needs and wants.

Except for the organisational culture as the antecedent, other factors such as managers' marketing background expertise and leaders' emotional intelligence are mentioned as the antecedents of IMO. For example, Gyepi-Garbrah (2015) undertook a study to examine the relationship between the marketing background expertise of senior executives and IMO in the context of the public sector in Ghana. The study discussed and supported that the marketing background expertise of senior executives is positively related to information generation, information dissemination, and responsiveness to the information.

The relationship between IMO, emotional intelligence and organisational identification was explored within a supply chain and logistics context. The results exhibit that the supervisor's ability to help the employee manage emotion has a mediating influence between the supervisor's ability to self-manage emotions and their propensity to adopt internal market orientation. IMO contributes to improving the customer's experience and benefits the organisation. Besides, there is a direct influence of organisational identification on IMO. However, employee respect to their supervisor's ability to manage their emotions has no significant relations with supervisor's ability to apply IMO. The higher level of

emotional intelligence, concerning a supervisor's ability to help his or her employees manage their emotions in the workplace is significantly related to IMO in the workplace (Keller et al., 2017).

Instead of testing different antecedents of IMO, some authors tried to examine the relationships between the sub-dimensions of IMO and overall IMO. For example, Kaur et al., (2008 and 2009) examined how intelligence generation, information dissemination, and information responsiveness affect the level of effectiveness of IMO adoption, and IMO's influence on organisational commitment and employee job satisfaction. Via the survey collected from Indian banking sectors, the findings demonstrate that the greater the responsiveness in an organisation, the greater the effectiveness of IMO can have. And a higher level of IMO contributes to a higher level of organisational commitment and internal customer satisfaction. However, this study just emphasises the private banking sector in India, and all of the antecedents are limited to just these sub-dimensions of IMO. Similarly, Sahi et al. (2013) conduct a study to test the intelligence generation, information dissemination, and information responsiveness's impact on IMO adoption, and how IMO influences employee attitude and job satisfaction in the retail Indian banking industry. Different from Kaur et al., (2009), this study demonstrated that IMO is significantly predicted by not only responsiveness but also intelligence generation and intelligence dissemination.

Although the outcomes of IMO have been heavily examined, we call for academics to broaden their research scope to include antecedents that may influence IMO application within organisations and questions; for example, what are the motivations to adopt IMO?; what type of organisational structure may be more effective to foster IMO adoption? Or what type of management style will lead to successful IMO adoption?

#### 2.7.2 Outcomes of IMO

Studies argue that IMO leads to outcomes at three broad levels, i.e. "employee level", "customer level", and "organisational level".

# 2.7.2.1 Outcomes at the Employee Level

Existing research has mainly focused on testing the outcomes of IMO empirically and they have been generally examined at three different levels (See *table 2.3 and 2.4*). At the employee outcome level, studies have mainly focused on employee attitude (e.g. employee commitment, employee satisfaction, employee motivation), employee behaviour (e.g. in-role behaviour, brand supportive behaviour), employee capabilities and employees' fit in the organisational environment (e.g. employee-group fit, employee-supervisor fit, employee-organisation fit). Although most of the studies tested the direct impact of IMO on employees, some of the outcome variables are also tested as indirect outcomes of IMO. For example, employee satisfaction was examined both directly and indirectly.

**Table 2.3: Direct Outcomes of IMO** 

Employee commitment	Lings et al. (2008); Kaur, et al. (2009); Tsai et al. (2011);
	Carlos and Rodrigues (2012); Sulaiman et al. (2013);
	Martin and To (2013); Ruizalba et al. (2014); Sulaiman
	(2018); Yu et al. (2017); Schulz et al. (2017);
	Zebal (2018);
Employee patronage	Boukis and Gounraris, (2014)
Employee willingness to report complaints	Boukis and Gounraris, (2014)
Brand-supporting behaviour	Boukis, et al. (2014); Yu et al. (2018);
Employee motivation	Lings and Greenley (2009); Amangala and Wali (2013);
Employee attitude	Sahi et al. (2013);
Market orientation	Lings and Greenley (2009); Lings and Greenley (2010);
	Tsai et al. (2011); Fang et al. (2014); Tsai and Chi (2015);
	Modi and Sahi (2018);
External market-related capabilities	Fang et al. (2014);
Employee innovation capability	Ahmed et al. (2017);

Employee satisfaction	Gounaris (2006); Gounaris (2008); Kaur et al. (2009);
	Tortosa et al. (2009); Tortosa-Edo et al. (2010); Lings and
	Greenley (2005, 2010); Carlos and Rodrigues (2012);
	Sulaiman et al. (2013); Sulaiman (2018); Sahi et al. (2013);
	Salem (2013); Martin and To (2013); Ruizalba et al. (2014);
	Sulaiman et al. (2015); Mainardes and Cerqueira (2015);
	Rehman and Nouman (2015); Robledo et al. (2015);
	Cerqueira and Mainardes (2018);
Employee trust	Edo et al. (2015);
Employee-organisational /supervisor fit	Boukis et al. (2017);
The practice of internal marketing	Gounaris (2008);
Brand identification	Boukis, et al. (2017);
Internal service quality	Anosike and Eid (2011);
Customer perceived quality	Tortosa-Edo et al. (2009); Gounaris et al. (2010);
Customer satisfaction	Martin and To (2013);
Customer orientation	Amangala and Amangala (2013);
In-role behaviour	Lings and Greenley (2010);
Employee empowerment	Gounaris (2006);
financial performance	Rodrigues and Pinho (2012); Opoku et al. (2014);
	Molaahmadi and Dehaghi (2016); Pool et al. (2017); Zebal
	(2018);
Perceived customer/employee value	Gounaris et al. (2010);
New service performance	Sanchez-Hernandez and Miranda (2011);

**Table 2.4: Indirect Outcomes of IMO** 

Financial performance	Lings and Greenley (2009); Fang et al. (2014); Yu et al. (2017);
Employee retention	Yu et al. (2017);
Employee fit	Boukis and Gounraris, (2014); Boukis et al. (2014);
Customer satisfaction	Lings and Greenley (2009); Lings and Greenley (2010); Sahi et
	al. (2013);
Market orientation	Domínguez-Falcón et al. (2017);
Employee job satisfaction	Sahi et al. (2013);
Customer perceived quality	Tortosa-Edo et al. (2009);
Internal service quality	Cerqueira and Mainardes (2018); Anosike and Eid (2011);
Employee service delivery	Lings et al. (2008);

New product development	Alanazi et al. (2015);
Organisational citizenship behaviour	Carlos and Rodrigues (2012); Chow et al. (2015); Cerqueira and
	Mainardes (2018);

Among all the employee attitude variables, employee satisfaction and commitment are most frequently investigated. The majority of IMO studies have used employee satisfaction as one of the outcomes at the employee level. Although most of the studies emphasised the overall IMO impact on employee satisfaction in organisations, some of the studies argue that not every dimension of IMO has the same effect on employee satisfaction. For example, Tortosa-Edo et al. (2009 and 2010) verified that the informal generation is the only IMO dimension that significantly affects the job satisfaction of the contact personnel. By contrast, in Salem's (2013) study, the internal response is the only significant one that positively impacts employee job satisfaction, and neither the information collection nor internal communication impacts on employee job satisfaction (Salem, 2013). Using another type of IMO dimension composition, Mainardes and Cerqueira (2015) found that IMO's subdimensions (e.g. the identification of the exchange of value, segment internal market, job description, management concern, and training) positively influence employee job satisfaction in the Brazilian public sector, whilst some sub-dimensions (e.g. aware of labour market condition and segment internal markets) are not measured due to the lack of data access.

A similar situation may also happen if the IMO construct was modified based on the research purpose. For example, Ruizalba et al. (2014) included and confirmed one extra dimension of the work-family balance, which is regarded as a sub-dimension of the responsiveness to internal intelligence in their IMO construct. The result confirmed that IMO has positive effects on employee job satisfaction and commitment. This research demonstrates the potential investigation of the correlations between IMO and work-life

balance via collecting data in Spain by conducting questionnaires. Although their results found a positive relationship between IMO and employee job satisfaction, the study did not show how much the work-family balance dimension contributed to the overall effect.

Following employee satisfaction, employee commitment is also one of the most frequent outcome variables for IMO. Different research has examined IMO's impact on commitment from different angles (e.g. Kaur et al., 2008; 2009; Ruizalba et al., 2014; Yu et al., 2017). For example, Sulaiman et al. (2013) studied how IMO contributes to employee commitment in terms of affective, continuance, and normative commitment. The results found that different dimensions of IMO impact different aspects of employee commitment, for example, internal market intelligence generation having positive impacts on continuance commitment and normative commitment. Information communication has no impact on any type of commitment. Responsiveness to intelligence positively impacts employee commitment in all three types.

The childcare sector has developed considerably over the years in Malaysia. Thus, Sulaiman et al. (2013) conducted a quantitative study in the Malaysian childcare sector to analyse how the different aspects of IMO impact employees' affective commitment. The results found that internal market intelligence generation and internal communication do not positively impact the affective commitment within the childcare centre, but only responsiveness to intelligence positively impacted the affective commitment. In the same year, Sulaiman et al. (2013) studied the adoption of IMO's contributing to improving employees' commitment. The findings were consistent with the previous one, but they provided further results that both internal market intelligence generation and responsiveness to intelligence positively impact continuance commitment and normative commitment but not the information collection. Sulaiman (2018) further investigated the impact of internal market orientation and job satisfaction on Malaysian childcare employees. Also, employee

job satisfaction partially mediates the relationship between IMO (internal market intelligence, internal communications and responsiveness) and organisational commitment.

Schulz et al. (2017) investigated the effects of IMO, external marketing orientation (which refers to the satisfaction of customers being more effective than competitors), and subjective well-being on the affective organisational commitment of frontline employees through an online survey in the USA. The findings discussed that IMO is positively related to affective organisational commitment. Also, both the external marketing orientation and employees' subjective well-being are positively related to affective commitment as well.

Some studies verify that the IMO as a management tool affects the internal branding outcomes, such as brand commitment as well as brand supportive behaviour. Yu et al. (2018) researched UK universities to examine the IMO's impact on employees' corporate brand commitment towards the university brand, and how this affects the employees' brand supportive behaviours. Besides, personal variables (e.g. age and gender) and situational variables (e.g. tenure and function) have been tested for their influence on relationships among IMO employees' brand commitment and brand supportive behaviours. The results revealed that IMO positively impacts employees' corporate brand commitment and brand supportive behaviour in the UK higher education context.

In 2017, Boukis et al. designed a study for enhancing employee brand enactment through the adoption of IMO in the service industry. The results show that IMO can enhance front-line employee's knowledge of the firm's brand, identification with the firms' brand, and their fit in terms of organisation, supervisor, and job. However, the employee-supervisor fit is the only fit that can positively influence employees' brand enactment. Besides, the higher the employees' knowledge of brand values, the higher their brand enactment. However, employees' identification cannot successfully enhance employees' brand enactment.

Except these, other employee-level outcomes, such as employee trust, motivation, and empowerment are touched upon in different research. For example, Amangala and Wali's (2013) study showed that IMO could positively affect both employees' intrinsic and extrinsic motivation once the organisation takes IMO in the job redesign to echo the employee's identified needs and expectations. Tortosa-Edo (2015) proved that IMO has a positive influence on employee trust toward the company and managers, which can help strengthen the psychological contract between the employee and organisation management. Gounaris (2006) discussed that a higher level of organisational degree of IMO, a higher level of employee empowerment and employee job satisfaction.

Apart from IMO's impact on the above employee attitudes, existing research also looks at IMO's influence on employees' behaviour, such as employees' in-role behaviour (Lings and Greenley, 2010), organisational citizenship behaviour (Carlos and Rodrigues, 2012; Chow et al., 2015), and employees' brand-supporting behaviour (Boukis et al., 2017; Yu et al., 2018). However, these factors were just touched upon. For example, Boukis and Gounaris (2014) designed a study to link IMO with employees' fit with their working environment and their supervisor through personal interviews and survey with contact employees in a retail service setting. They suggested that the supervisor's adoption of IMO contributes to improving front-line employee's perceptions of IMO while raising employees' fit with both organisation and supervisors. Besides, both employees' perception of IMO and employee-organisation fit have positive influence on employees' patronage.

By reviewing the existing empirical studies, we found that the relationship between IMO and its influence on employee attitude and behaviour may vary depending on how IMO is tested. Different dimensions of IMO can have different degrees of impact on outcomes at the employee level. For example, the organisation's responsiveness to internal information can be the most important predictive factor for employee satisfaction in Malaysian higher

education institutions (Salem, 2013). We also realised that as the composition of IMO can be different based on the researcher's preference, the relationship between IMO and employee attitude and behaviour may not reflect the same phenomenon. For example, Cerqueira and Mainardes (2018) used Gounaris's (2006) IMO model in which the sub-dimensions are quite different from Lings and Greenley's model to test its impact on employee job satisfaction. Their research failed to capture the full picture of IMO as they had to exclude two subdimensions, namely "aware of labour market conditions" and "segment internal markets" as the healthcare companies in Brazil restricted the data access for these two elements.

# 2.7.2.2 Organisational level Outcomes

Existing literature suggests that IMO has impacts on organisational performance for both financial and non-financial outcomes. There is a positive influence of IMO on organisational non-financial performance in terms of 1) staff retention (e.g. Modi and Sahi, 2018; Yu et al. 2017); 2) external performance (Tsai and Chi, 2015); 3) relative competitive advantage (Martin and To, 2013); 4) new service performance (Sanchez-Hernandez and Miranda, 2011; 5) market and innovation performance (Fang et al., 2014); 6) new product development (Alanazi et al., 2015); 6) market orientation (e.g. Lings and Greenley, 2009, 2010; Tsai et al., 2011; Fang et al, 2014; Modi and Sahi, 2018, and Domínguez-Falcón et al., 2017). Market orientation is the one that has been most frequently discussed, followed by employee retention. The other non-financial performance has just been touched upon.

Most of the studies emphasise the relationship between IMO and MO. Market orientation, which is regarded as a set of behaviours that represents the organisations' orientation towards the external market situations (Lings and Greenley, 2009), has been frequently investigated by existing literature as one of the major outcomes of IMO (e.g. Lings and Greenly, 2009; Domínguez-Falcón et al., 2017; Modi and Sahi, 2018).

For example, Modi and Sahi (2018) conducted a research to explore the relationship between MO and IMO and data from 370 non-profit organisations were analysed. Their research argues that the implementation of IMO can make the employees feel valued and satisfied, which leads to positive and effective employee response to the market-oriented values. MO works through IMO benefits to diverse desirable employee-related outcomes, such as organisational commitment, and staff retention. Besides, it also contributes to performance outcomes, such as effectiveness, resource attraction, beneficiary satisfaction, and peer reputation. Although IMO has not a direct influence on performance, it partially mediates the effect of MO on employee-related outcomes, such as greater employee commitment and reduced employee turnover. This is in line with Lings and Greenley's (2009) study that IMO is a useful instrument for the organisation in the process of MO development in terms of positive communication and a better understanding of the market information so that employees can respond effectively to external market orientation quickly. MO has a direct positive impact on customer satisfaction and the organisation becomes more profitable (Lings and Greenley, 2009).

Although Lings and Greenley (2009, 2010), Fang et al. (2014), Modi and Shai (2018), and Tsai et al. (2011) have proved and been consistent with the results that IMO has a positive impact on the application of market orientation, these studies only verify the relationship from an overall IMO aspect. Tsai and Chi (2015) examined the relationship between IMO and MO, internal performance, and external performance via 82 dyadic questionnaires from Taiwan. Different to other studies on IMO and MO from the overall aspect, this study discussed the sub-dimensions of IMO's effect on MO. The results demonstrated that internal information generation and responsiveness do not have any significant relationship with MO and information communication is the only dimension influence on the effectiveness of MO. They also verify the mediating effect of MO and

internal performance in terms of job satisfaction and commitment on the relationship between IMO and external performance such as customer satisfaction. The findings exhibit IMO having a positive impact on the implementation of internal performance and MO, indirectly affecting an enterprise's external performance.

IMO's impact on organisational financial performances is examined among various categories: (1) overall profit (e.g. Fang et al., 2010), (2) growth in income (e.g. Rodrigues and Pinho, 2012), (3) return on investment (e.g. Lings and Greenley, 2010), (4) marketplace success (e.g. Lings and Greenley, 2009), (5) sales growth (e.g. Yu et al., 2017), (6) market share growth (e.g. Opoku et al., 2014) and (7) profit margin (e.g. Rodrigues and Pinho, 2012). Most of the existing research frequently examined the effectiveness of IMO on financial performances through mediators, such as (a) employee commitment (Yu et al., 2017), (b) customer satisfaction (Lings and Greenley, 2009), (c) external market-related capabilities (Fang et al., 2014; Domínguez-Falcón et al., 2017), and (d) external market orientation (Lings and Greenley, 2009). Market orientation is the most frequent one to be investigated when testing the effect of IMO on organisational performance.

Rodrigues and Pinho's (2012) study in Portuguese public organisations examines the direct influence of IMO on organisational performance. They found that only internal information generation as one dimension of IMO can positively and directly affect either organisational financial performance (e.g. degree of attainment of financial objectives, growth in income, size of profit or surplus, efficient use of assets and funds, and degree of activities performed to generate funding or income) or non-financial performance (e.g. organisational labour climate and degree of employee's skills and competencies). The reason for this result may be due to the managers only considering their customers' needs, and they do not disseminate the information to their employees, with less of an effective response to their employees' needs. The more satisfied and more committed employees are, the more

willing for in-role and extra-role behaviours so improving employee attitude to improve the organisational performance is more achievable. For example, a few studies identify that IMO through organisational commitment can lead to a higher level of employee retention, positive market orientation behaviour, and perceived service quality (Yu et al., 2017; Domínguez-Falcón et al., 2017). Furthermore, market orientation mediates the relationship between IMO and customer loyalty (Snoj and Milfelner, 2010), or between IMO and financial performance (Lings and Greenley, 2009).

Molaahmadi and Dehaghi (2016) conducted a similar study, which examined the external and internal market orientation with organisational performance such as financial and non-financial performance in Iran via documentary study and field study including with questionnaires in public firms. This study found that the internal and external MO has a significant influence on and non-financial performance. It also found that the IMO and MO have a direct effect on financial and non-financial performance from an overall aspect.

Opoku et al. (2014) conducted a study to test the IMO's effect on organisational performance as well. Through quantitative research collecting data from commercial banks in Ghana, this study demonstrated that there was a significantly positive relationship between IMO and firm performance. In detail, IMO significantly predicted performance at the 5 per cent significance level with a variation of 74.4 per cent; this shows that the performance of commercial banks in Ghana is greatly affected by internal market orientation. However, this study just generally emphasised the overall IMO and performance.

In order to examine the role of both internal market orientation and external market orientation in organisational financial and non-financial performance, Zebal (2018) conducted a study collecting data from 132 branches of non-conventional financial institutions in Bangladesh applying a closed-ended questionnaire. Two frontline employees and two managerial-level employees were considered for filling in these surveys. The

findings revealed that the three sub-dimensions of IMO (internal information generation, internal communications and responsiveness) have a significant influence on organisational financial performance. These three IMO components have a significant effect on organisational commitment, team spirit and customer retention of organisational non-financial performance. However, internal intelligence responsiveness has no statistically significant relationship with employees' team spirit. In a similar vein, the results demonstrated that both external intelligence generation and external intelligence dissemination have a significant influence on both organisational financial and nonfinancial performance (organisational commitment, team spirit and customer retention) but intelligence responsiveness was revealed to not influence financial and non-financial performance in terms of organisational commitment.

Fang et al. (2014) examined whether internal market orientation has an indirect effect on organisational performance through employees' external market capabilities and whether learning orientation strengthens the aforementioned link. IMO facilitates the development of market capabilities, which conduce to improve organisational performance. The findings demonstrated that customer-linking capabilities strongly mediate the relationship between IMO and organisational performance. However, learning orientation has no mediating effect on the relationship between IMO and external market capabilities. On the contrary, Modi and Sahi (2018) discussed that IMO has no direct influence on organisational performance. MO is positively related to IMO whilst IMO is a useful instrument for the organisation in the process of MO development. The implementation of IMO can make the employees feel valued and satisfied, which leads to a positive and effective employee response to market-oriented values and organisational norms with improved productivity.

The implementation of MO conduces to a higher level of customer satisfaction, financial and non-financial performance. At the non-financial performance level, it requires

more empirical evidence and research to provide a better understanding of the relationship between IMO and non-financial factors. Most of the discussions about the effect of IMO on organisational performance merely focus on market orientation and employees' retention to stay or leave, without comparing associated financial performance over time. It would be desirable if the longitudinal approach could be applied to studying IMO and organisational performance to explain its causal relationships over prolonged time and change.

Furthermore, there are an increasing number of academics emphasising the relationship between MO and IMO as well as their joint effect on different outcomes. For example, Gounaris et al. (2010) adopted a quantitative study via collecting dyads of financial services providers and their customers, and they found that MO adoption benefits to increase customer perceived value and customer perceived service quality. The IMO and MO jointly reflect the application of a broadened view of marketing philosophy which contributes to creating value for both employees and customers simultaneously. IMO contributes to improving the level of employee perceived value, which is beneficial to achieve a higher level of customer perceived service quality. In addition, the findings demonstrate that IMO has a direct influence on customer perceived service quality as well.

There is one study that suggests that the adoption of an internal focus on employees and IMO in a firm benefits a successful implementation of MO. This study also revealed that in-role-behaviour is found to have a direct effect on the organisational MO. Through IMO, there is a direct positive influence on the adoption of the firm's marketing strategy, which affects the employees' enaction of in-role behaviour to be consistent with other strategic directions.

These studies suggest that companies wanting to achieve a market orientation need to apply the IMO for satisfying employees' needs. Implementing MO conduces to a higher level of customer satisfaction, financial performance, and non-financial performance. Contexts

also matter for IMO research. Dissimilar contexts imply different organisational problems which need to be tackled with varied approaches and dimensions. In particular, the non-financial level of performance needs more empirical testing to have a better understanding of the relationships. The longitudinal approach is also encouraged to be applied to study IMO and organisational performance over a prolonged period and change.

In recent years, some new topics have been discussed in relation to IMO, e.g. new service development, new product development, and innovation capability. There is one study that examined the interaction effect of IMO and market sensing of the firm via collecting data from 166 Sudanese firms. The findings demonstrated that the interplay between market sensing and internal market orientation was partially related to innovation capability (Ahmed et al., 2017). However, by examining the innovative behaviour through the interaction of IMO and market sense, the longitudinal data will be valuable to assess. The study also relies on the responses of top and middle managers where a self-administrated survey was used. However, self-reported bias could be an issue. Sanchez-Hernandez and Miranda (2011) investigated the relationship between IMO and new service development in terms of new service performance, new service quality, and time to market as a first attempt. In order to explore this relationship, quantitative analysis was employed in the Portuguese and Spanish service sectors. The results revealed that IMO has a positive effect on new service performance and new service quality. In addition, the adoption of IMO reduces time to market. Alanazi et al. (2015) examined if the IMO has a mediating effect on the relationship between independent variables in terms of communication, coordination, efforts and cohesion and new product development cycle time.

#### 2.7.2.3 Customer-Level Outcomes

Although the impact of IMO on external market performance, such as customer satisfaction and customer received service quality, via satisfied employees, was generally agreed by scholars and practitioners, little research has been undertaken to examine the actual influences. A few exceptions include studies such as Gounaris et al. (2010) and Edo et al. (2015). Gounaris et al. (2010) found that to enhance customer-perceived service quality in financial service companies, organisations need to consider applying IMO together with MO. Edo et al. (2015) proved the value chain relations between IMO and employee attitude (satisfaction, trust, and commitment) and employee satisfaction and customers' perceived service quality. This further confirmed the impact of IMO on employees who are the critical element on the value chain extending from the internal aspect to the external performance.

Most of the studies found that IMO will influence customer outcomes via different mediations. One study aims to examine relationships between IMO, MO, employee job satisfaction, and customer satisfaction in an organisation. This study contributes to verifying the MO mediates the relationships among IMO, employee job satisfaction, and customer satisfaction via 82 dyadic questionnaires from Taiwan. The findings exhibit that IMO positively affects MO, employee job satisfaction, and customer satisfaction. In addition, market orientation has a positive effect on employee satisfaction as well, and employee satisfaction mediates the relationship between IMO and customer satisfaction. Besides, market orientation mediates the relationship between IMO and employee satisfaction (Tsai et al., 2011). However, market orientation has no significant influence on customer satisfaction, and a possible reason is that some important variables have not been included in the survey.

Some studies examined the direct influence of IMO on the customer's level of outcomes. For example, Martin and To (2013) revealed that only formal internal communication has a direct impact on perceived customer satisfaction. One of the sub-dimensions of IMO, namely formal internal communication has a positive effect on perceived customer satisfaction. This study explored the IMO's influence on employee job satisfaction, perceived customer satisfaction, and relative competitive position in Macao's gaming

industry. Collecting data from 220 employees in the gaming industry, the findings also demonstrated that IMO positively influences employee job satisfaction. Greater employee job satisfaction leads to a higher level of perceived customer satisfaction and a greater relative competitive position. Even more, external measures through positive reports of corporate reputation in the mass media and positive change in market share have a positive relationship with perceived customer satisfaction.

To investigate the relationships between internal customer orientation, internal service quality, and customer orientation, Anosike and Edi (2011) conducted a quantitative study by collecting surveys from the banking sector. The results discussed that internal service quality has a mediate influence on the relationship between internal customer orientation and customer orientation. This means that through providing a higher level of internal service quality, there will be an enhanced effect of internal customer orientation on customer orientation. Also, internal customer orientation, interdepartmental connectedness, empowerment, and job satisfaction have a positive effect on internal service quality while internal customer orientation is positively influenced by the interdepartmental connectedness but negatively affected by the interdepartmental conflict. Moreover, internal service quality, empowerment, and job satisfaction significantly and positively impact customer orientation.

As we can tell from the literature above, IMO's impact on customer-level outcomes was only measured by service quality and customer satisfaction. We suggest that other variables at the customer level can be considered, such as customer loyalty, word-of-mouth, customer lifetime value, etc. Since the improvement of employee attitude and behaviour can lead to better customer experience, future research can also try to explore how IMO can contribute to customer relationship management or investigate the creation of the internal-external value chain.

#### 2.7.3 Moderators

A moderator is a variable that will strengthen or weaken the relationship between independent and dependent variables (Dawson, 2014). In total, 10 moderators have been empirically tested, 1) age; 2) gender; 3) employee tenure; 4) full or part-time working status; 5) different ownership type; 6) learning orientation; 7) internal customer-supplier relationship; 8) interdepartmental communication; 9) function; 10) leader-member exchange. Moderators are under-researched in IMO studies. However, all these moderators were derived from four empirical moderator studies, namely Yu et al.'s studies in 2017 and 2018, Boukis and Gounaris (2014), and Fang et al. (2014) (see *Table 2.5*). In the current IMO studies, there are two main types of moderators, institutional variables such as ownership type, internal customer-supplier relationship, and leader-member exchange, and employee demographic variables, such as tenure, age, and gender. Investigating moderating variables can provide a further in-depth understanding of how the effectiveness of IMO may change with different conditions.

In Yu et al.'s studies, we identified seven moderators used in IMO studies. For the study in 2017 about how IMO was used in the UK higher education sector, moderators, such as ownership types, internal customer-supplier relationship and interdepartmental communication were investigated. The results show that interdepartmental communication and interdepartmental relationship strengthen the relationship between employee retention and organisational performance. However, both of them have no moderating influence on the relationship between IMO and employee commitment. In addition, the ownership type such as family-run shops or business (POEs), state-owned enterprises (SOEs), and foreign-invested enterprises (FIEs) have a moderating effect on the relationship between IMO and commitment. And for the relationship between IMO and commitment, FIEs have the strongest influence compared with SOEs and POEs.

In Yu et al. (2018), moderators such as employee age, gender, tenure, and function (the role of the employee) were examined for the relations between IMO and university brand commitment and relationship between university brand commitment and employee brand supportive behaviour. To summarise, the results found that gender is the only factor moderating the impact of IMO on the employees' university brand commitment and there is a stronger relationship between IMO and commitment for males than females. Besides, age is the only one that has a moderating influence on the relationship between employees' university brand commitment and the brand supportive behaviour, and with more mature employees (over 56 years old) this relationship is strengthened.

**Table 2.5: Moderators in IMO Research** 

Employee profile	Organisational level	Internal environment	IMO as a moderator
Age;	Different ownership	Internal customer-supplier	
Gender;	type; Organisational/	relationship;	
Tenure;	employee Tenure;	Interdepartmental	
Function;	learning orientation;	communication;	
Working status		Leader-member exchange	
Boukis and Gounaris	Boukis and Gounaris	Chow et al. (2015); Yu et	Gounaris (2008);
(2014); Yu et al.	(2014); Fang et al.	al. (2017)	Chow et al. (2015)
(2018)	(2014); Yu et al.		
	(2017)		

Boukis and Gounaris (2014) designed a study to link IMO with employees' fit with their working environment and their supervisor through personal interviews and survey with contract employees in a retail service setting. Employees' tenure and employee part-time/full-time working status were tested as moderators. In their study, the employee tenure has a moderating influence on the relationship between employee-supervisor fit and employee willingness to report complaints, whereas there is no moderating effect on

employee-organisation fit and employee patronage. The results mean that the tenured employees contribute to enhancing and strengthening the impact of employee-supervisor fit and IMO on willingness to report complaints. Besides, full-time employees enhance the impact of IMO on employee willingness to report complaints. However, employees' working status influences employees' willingness to complain but not employee patronage.

Learning orientation as a prerequisite to facilitate a superior market orientation process contributes to gathering and using market information. As a moderator, it is expected to strengthen the relationship between IMO and external market-related capabilities in terms of market-sensing capability and customer-linking capability. However, the results found the learning orientation did not significantly enhance the relationship between IMO and both aspects of external market-related capabilities (Fang et al., 2014).

Different to the above moderators, IMO has been examined as a moderator enhancing the relationship between 1) job satisfaction and IM practices (Gounaris, 2008); 2) leader-member exchange (hereafter LMX) and organisational citizenship behaviour (hereafter OCB) (Chow et al., 2015). In Gounaris (2008), the moderating impact of supervisors' IMO adoption has been proved: the higher the level of IMO adoption by supervisors, the stronger the relationship between job satisfaction and IM practices regarding employee empowerment, participative management and communication mode. When there is a lower level of IMO, there is a stronger positive relationship between LMX and OCB (Chow et al., 2015).

In different organisations, the type, size, scale and sector may accelerate or handicap the relationship between IMO and different antecedents or outcomes. Different types of employees can be influenced by various social factors, education, tenure, demographics, position, and relationship with the line manager. Compared with the

social factors as moderators, Gounaris (2008) tested whether IMO as a moderator relates positively to the relationship between IM and job satisfaction.

# 2.7.4 Research Contexts

## 2.7.4.1 Cultural Contexts

IMO research has been carried out in different cultural contexts, including in European countries (e.g. Spain, Greece, UK, and Portugal), in Southeast Asia (e.g. India, Malaysia, Taiwan, and China), in Africa (e.g. Ghana, Nigeria, Jordan, and Sudan), in America (e.g. USA and Brazil), in the Middle East (e.g. Pakistan and Iran), and Australia. These various research contexts can be categorised into developing countries (e.g. China, India, Malaysia, and Nigeria) and developed countries (e.g. Spain, Greece, and the UK) (see appendix 2).

Starting from the developed western economies where the modern management subject was initiated and advanced, IMO research has further developed in developing countries (e.g. Tsai and Chi, 2015; Salem, 2013; Cerqueira and Mainardes, 2018). In recent years there has been increasing attention from developed countries to developing countries. In particular, the new emerging economies in Southeast Asian countries have triggered more attention and India and Malaysia have become popular subjects. However, the banking sector in India and the education sector in Malaysia are the contexts that have been commonly examined. Malaysia expects to be a fully developed country, so education investment is one of the most important plans for the government and the education sector has been increasingly significant in recent years (Wan et al., 2018). Hence, it requires the educators to have the creativity, effectiveness and success to deliver the curriculum. In the same vein, the banking sector is recognized as one of the most important for economic acceleration in India, and it contributes nearly 7.7 per cent to the national GDP and generates 1.1 million employment positions in India (TimesPro, 2019). Sahi et al. (2013) conducted their research by employing IMO with the same composition dimensions in India. The findings revealed

that IMO directly affect staff attitudes and perceived customer satisfaction and indirectly influence employee satisfaction through staff attitude; Sulaiman et al. (2013) conducted a quantitative study in the Malaysian childcare sector to analyse how the different aspects of IMO impact employees' affective commitment. The results found that both internal market intelligence generation and internal communication do not positively impact affective commitment within a childcare centre but intelligence positively impacts affective commitment.

IMO research has been popular in European countries and in particular, Spain. For example, to improve the customer rating of hotels, Domínguez-Falcón et al. (2017) suggested the IMO should be adopted to satisfy internal and external customers' expectations as the IMO positively impacts market orientation behaviour. To increase the service quality, customer loyalty, and innovation success, Sanchez-Hernandez and Miranda (2011) examined how IMO contributes to the success of the service innovation process in terms of new service quality, new service performance, and time to market. Collecting data from Spanish and Portuguese service sectors, the findings suggested that IMO has a positive effect on new service quality, reducing the time to market, and new service performance, particularly the customers' satisfaction and loyalty, market competencies, profit, and sales growth. The studies in Spain emphasise the service industries, in particular, hotels. According to Kiprop (2018), the major industries driving the economic development of Spain are the tourism, manufacturing, agriculture, and energy industries. The tourism industry accounts for about 11% of the nation's annual GDP. Spain is the third most popular destination in the world, and it receives more than 75 million tourists per year. This illustrates the significance of the tourism sector in Spain. Therefore, the quality of the Spanish service sectors, particularly the tourism sector, is important (Bagur-Femenias et al., 2019). Also, increasing the level of

customer perceived service quality and customer satisfaction through improving the internal customers' satisfaction is vital.

With the globally increasing attention to employee well-being, research in IMO will be of significance for future research to facilitate the employer-employee relationship in more cultural contexts, especially for the developing countries. Although current research has taken place in different countries/regions, the aspect of cultural differences is not emphasised. Cultural differences will greatly influence what employees want and need, what they value most and their interests. This is also highly relevant to what communication styles or communication channels people from different cultural contexts prefer. Even for responding to employees' requests, people from different cultures may put different weight on different rewards.

Considering the importance of culture's role in management, academics who are interested in IMO research need to factor in the core values when designing the IMO construct and testing its impact. In Brazil, Cerqueira et al. (2018) applied quantitative research to a healthcare company; the results of this empirical study found that only three sub-dimensions, namely identification of exchange of value, management concern, and job description, positively influenced with IMO. Also, Robledo et al. (2015) verified that the two most influential factors on job satisfaction are corporate volunteering and work-family balance. These demonstrate that the IMO is not absolutely applied in the same way in different countries. However, these contexts are only accessed for the data collection and coordination of the measurement items of the IMO construct to fit into the context. The role of culture in the IMO application and employee management has yet to be identified. For example, in China, where power distance is high, to treat employees as internal customers and assign them equal or more important roles than external customers may challenge the current management mentality.

## 2.7.4.2 Industrial Contexts

Existing IMO studies have taken place in the service sector (e.g. hotels, banks, hospitality, and tourism), public sector, and manufacturing sectors. The rationale for IMO to be applied was originally targeting front-line employees who had direct contact with external customers. Happy employees lead to happy customers (Hyken, 2017).

Although the IMO concept was first introduced in the service sector, which may have resulted in the majority of the existing research being conducted in the service sector, it does not mean that IMO is not important or significant to other industries. As an effective managerial practice to create a healthy and sustainable employer-employee relationship, the logic for IMO application should be universal beyond just the service industry. Every employee in the internal supply chain has a significant contribution to the final consequences. For example, Yu et al. (2017) examined the impact of IMO on organisational performance by comparing the service sector and the non-service sector. Findings suggest that there was no significant difference between the two, indicating its importance for nearly all sectors. However, there are few studies conducted in the manufacturing industry among the referred studies in this paper to verify and enrich the findings of the IMO study. These results implicate and direct IMO research in the future beyond the service industry. As the roles and expectations for employees in different sectors are very different, it is important to reveal the existing differences rather than commonality in terms of IMO application.

## 2.7.5 Latest Research

There have been some examples of IMO research in recent years. Chryssochoidis et al. (2018) conducted a study to test the adoption of the IMO effect on the dynamics of the new service development team. Through collecting surveys from both new service development managers and team members, the findings demonstrate that IMO positively influences the new service development performance and new service development team's ability to successfully deliver

a higher level of new service quality. The result is consistent with Sanchez-Hernandez and Miranda (2011) and Gounaris et al. (2020). Gounaris et al. (2020) examined the effect of IMO as a dynamic capability on both perceived resource adequacy and perceived resource competence within new service development teams. Also, this paper explored the impact of perceived resource adequacy and competence on the new service development team's internal performance. The results discussed that IMO allows the new service development efforts to be more resource-efficient and IMO adoption has an indirect effect on team perceived resource adequacy and competence.

Also, the development of an inter-firm market construct still triggers academic attention. For example, for the purpose of enhancing and sustaining the internal organisational stakeholders' value, Boukis (2019) developed and validated an IMO construct. In this study, a revised IMO construct was developed from the perspective of the value chain, which involves three sets of activities, namely value-identifying activities, value-generating activities, and value-enhancing activities. So, the IMO construct constitutes a set of basic operant resources (e.g. value-identifying activities) and composite operant resources (e.g. value-generating and value-enhancing activities). Value-identifying activities initiate the value creation process for internal markets, and the integration of both value-generating and value-enhancing activities will be applied for creating value for internal stakeholders. IMO will be successfully deployed through the integration of a diverse set of lower-level resources in terms of enactment of both basic and composite resources.

Besides, Yu et al. (2020) undertook qualitative research to investigate the IMO adoption and IMO practices within an eastern cultural context. Through nine in-depth interviews examining three organisations from three different industries, this study revealed that the design of IMO at the strategic level should take senior management commitment and

organisational culture into consideration. Also, effective responsiveness to internal information collection is vital for the successful adoption of IMO in an organisation.

The literature on IMO contributes to outlining key theoretical perspectives that have been used in this area, summarizing key research themes, methods and context, identifying the gaps of existing research, and providing the research direction for the future. (See appendix 2)

# 2.8 Research Gaps

Although studies of work and family balance relevant to business outcomes have been examined, such as employee job satisfaction (Saltzstein et al., 2001), family-supportive supervision (Beauregard and Henry, 2009), and organisational performance (Grzywacz and Carlson, 2007), there are few connecting internal market orientation and work and family balance. Employees' personal and family circumstances play an essential role and are closely related to their well-being and happiness, and this subsequently influences organisational performance. For this reason, employees, social agents, and companies increasingly notice the importance of a balance between work and family life. As an effective tool to identify employees' needs and wants, IMO can be applied to detect the correlation between understanding the employees' needs and achieving their behaviour and performance via improving their perception of balanced work and life. This is expected to advance the field by making contributions to both theory and practice in the discipline of internal market orientation applied to work and family research. Particularly, this will advance the role of work-life balance on internal market orientation.

According to the previous related IMO and work-family literature, the employees' needs today have a higher tendency to balance work, family and personal life, hence the employees' requirement for work-life balance should be emphasised in this era through the adoption of IMO. Owners and management of organisations could take a practical aspect of

the advantages of the implementation of work-life balance into consideration to contribute to these gaps. Although the IMO research has proved that it is of benefit to improve the employee's level of outcomes (e.g. satisfaction, commitment, motivation, and trust), the customer's level of outcomes in terms of customer satisfaction and customer received service quality, and organisational outcomes (e.g. financial performance and non-financial performance), the IMO construct at present just focuses on how to satisfy needs at work. Therefore, it is necessary to investigate how to utilise IMO as a tool to satisfy employees' needs from work and life perspectives. There is a gap in terms of the workers' needs for life, and it will be interesting to examine if organisations with managerial practices covering satisfying employees' needs in life.

There is a lack of empirical testing to find out what can influence IMO in practice. Thus it is important to consider involving different moderators in hypotheses testing as they may represent critical factors that can change the relationships between IMO and other variables under different circumstances. Some studies have motioned that various organisational cultures, management attitudes and leadership can be moderators in enhancing the relationship between IMO and employees' level of outcomes. However, few have empirically researched this relationship, in particular the leadership and employee-employer relationship. So this study will apply for supervisor support as the moderator.

# 2.9 Summary

This part has endeavoured to systematically review existing literature in the subject area of IMO. It aims to identify fundamental theories used in IMO and key issues that have emerged from the latest studies. Through the review, it develops an integrative and holistic conceptual framework to demonstrate the scales and contexts of existing research. It offers a clear understanding of prominent IMO findings from different levels, such as organisational level,

employees' level, and customers' level. Furthermore, the review addresses the importance of contextualising IMO application across different industries and countries, urging scholars to draw on clear and relevant theories which will increase the transferability and generalizability of their findings to emerging markets and manufacturing sectors.

Unsurprisingly, our review reveals that most studies have been clustered in service sectors and especially in mature economies. However, we raise the attention to those much under-researched areas in manufacturing or non-service sectors and emerging markets. Importantly, the manufacturing sectors have experienced some substantial changes in emerging economies, such as game-changing technology development, growth of the private sector, the reform of the state sector, and new business models. These changes have affected employment and the way businesses operate and develop, which have huge implications for improving IMO studies (Manyika et al., 2012). Therefore, it is important to promote and extend IMO research in these changing contexts in order to develop new theories or offer new explanations as existing notions of IMO theories in service sectors become progressively obsolete and inadequate in current emerging markets and entrepreneurial environments.

The work-family balance literature review outlined the importance of work-family balance for business research such as employee attitudes, employee behaviour, and organisational behaviour. The research gaps in work-family balance research were identified and connected to the internal market orientation research of this study.

## **CHAPTER THREE**

## THEORETICAL BACKGROUND

# 3.1 Introduction

Following a literature review on IMO in Chapter two, this Chapter aims to introduce the key theories applied in this study and demonstrate the introduction of work-family balance into this research. Beginning with the introduction of the related theories, including social exchange theory, work-family border theory, and the theory of planned behaviour, the rationale of why these theories support this study will be explained. Following this, the next section will briefly introduce the work-family balance covering the existing literature, the importance of work-family balance, and work-family balance practices and discuss why work-family balance is used in IMO research. Last, this Chapter will provide a summary.

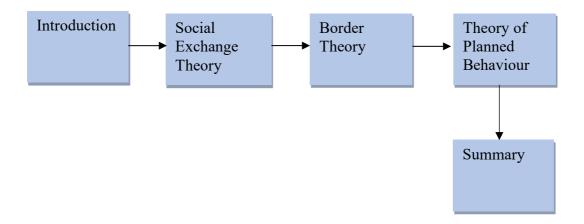


Figure 3.1: Flowchart of Chapter Three

# 3.2 Theoretical Background

This study offers the theoretical background, which includes social exchange theory, work-family border theory, and the theory of planned behaviour. Social exchange theory lays a foundation for internal marketing philosophy in which satisfied employees reciprocate behaviour towards their employers. In the social exchange process, employees will have positive or negative emotions based on successful or unsuccessful exchanges. These emotions will lead to workers' solidarity with their group and organisation. A successful exchange between organisation and employee contributes to their positive attitudes towards the organisation and positive behaviour in their workplace. On the contrary, when the exchanges do not occur successfully, they will experience negative emotions, such as sadness, anger, and shame (Lawler, 2001).

Based on work and family border theory, the work and family are interplayed. The activities of employees in one domain (i.e. work) have a positive or negative influence in another domain (i.e. family). This theory elaborates that work and family life influence each other (Clark, 2000). By emphasising the inseparability of work and family life, this theory supports the importance of redesigning an IMO construct covering not only satisfying employee needs and wants in work but also their life. Based on social exchange and workfamily border theory, the organisation in practice needs to understand the employees' ideas about work and family balance and satisfy their expectations in the workplace, which is expected to make employees have reciprocal attitudes or behaviour.

According to the theory of planned behaviour, attitudes, subjective norms, and perceived behaviour control lead to behaviour intention, and then the behaviour and action (Fishbein and Ajzen, 1975). In order to support the importance of the whole conceptual framework of IMO, whereby considering both sides of work and life will lead to a change in employees' attitudes and their behaviour, the theory of planned behaviour is suggested. A

given action is always performed concerning a given target, in a given context, and at a given point in time (Ajzen, 1991). In this study, the employees' attitudes are expected to have a positive influence on performance in the Chinese manufacturing industry. Thus, this theory offers quite a consistent and significant relationship between attitudes and performance.

# 3.3 Social Exchange Theory

# 3.3.1 Social Exchange Theory

Homans (1958) first introduced the concept of social exchange in sociology. Subsequently, Thibault and Kelley (1959), Blau (1964), and Emerson (1968) extended this concept to different areas. They were the key theorists who developed the original theories of social exchange and are the main contributors who foster the development of social exchange theory.

Social exchange theory developed based on social behaviour theory and is regarded as one of the most influential conceptual paradigms for understanding workplace behaviour (Blau, 1964), in which any interaction between individuals is considered to be an exchange of resources (Homans, 1958). Blau (1964) began to apply the term "theory of social exchange" to describe social interactions in economics. People involved in these social interactions believe that they will receive benefits either financially or socially. Meanwhile, when they receive benefits from others, they have an obligation to reciprocate (Emerson, 1981). During the process of social exchange, it requires a bidirectional transaction (Cropanzano and Mitchell, 2005). That means a complete social exchange requires a person to reciprocate when they receive benefits from others (Blau, 1964; Gould-Williams and Davies, 2005). In order to fulfil the exchange process among different actors, obligations and negotiations are regarded as the key aspect of the exchange relationship (Rousseau, 1990). The same applies to the employment relationship in the organisation.

On the one hand, individuals will only join an exchange relationship when they think that they can benefit and get something valuable from the other parties in this relationship. Then they will fulfil the obligation and offer reciprocity (Chiaburu and Marinova, 2006). On the other hand, the fulfilment of the obligation is grounded in the psychological contract which refers to a set of beliefs held by the employees regarding the reciprocal obligations existing between them and their managers (Morrison and Robinson, 1997). Compared with reciprocal obligation, negotiated exchanges are regarded as a part of economic transactions and tend to be more explicit (Molm, 2003). However, reciprocity leads to better work relationships than negotiations and individuals have a higher level of trust and commitment (Molm et al., 2000). Therefore, treating the employees well and satisfying their needs is essential rather than just emphasising fulfilling the negotiated exchange based on the psychological contract.

Although exchange theory admits that the parties face substantial degrees of ambiguity and uncertainty (Molm and Cook, 1995), this theory provides several mechanisms by which uncertainty may be reduced or mitigated through trust, repeated exchanges, reputation, information regarding the exchanges of others, and institutions (Corcoran, 2013). It is important to understand how individuals can jointly reduce and respond to these uncertainties and ambiguities. So, the multitude of social exchange theory research has concentrated on the reduction of risks and uncertainties (Corcoran, 2013). It has been theorised that exchange theory's actors compare the past rewards, costs, and punishments with anticipated future rewards, costs, and punishments to respond and decide on the involvement in the exchange (Molm and Cook 1995). The purposes of the actors are to obtain more valuable goods, profit, and utility than they currently have. Therefore, it will be possible for them to exchange with more benefits (Cropanzano and Mitchell, 2005).

There are different resources to exchange, such as love, status, information, money, goods, and services, and these are generally classified into two different levels of resources, namely economic and socio-emotional (Foa and Foa, 1980). The former refers to the resources addressing financial needs, which are tangible, such as money and goods (Foa and Foa, 1980). The latter are those that address actors' social needs, such as status and love and value or treating actors with dignity (Shore et al., 2001). Both of these resources to exchange are important for society nowadays.

# 3.3.2 Social Exchange Theory and IMO

Social exchange theories have been applied and investigated in organisational behaviour research since the 20th century. Positive social exchanges offer mutual benefits to both the organisation and employee (Gould-Williams and Davies, 2005). When organisations invest in employee training and development programs, employees reciprocate through desirable work-related behaviours (Wayne et al., 1997; Moorman et al., 1998). When employees perceive the fairness of the organisation, they will have a higher level of motivation to engage in organisational citizenship behaviour (Cho and Kessler, 2008).

Internal marketing involves the exchanges between internal customers and internal suppliers to remove the functional barriers and effectively achieve the organisational objectives. In the 21<sup>st</sup> century, the exchange from both the economic aspect (e.g. negotiated contract) and the emotion between employees and organisations or managers is significant. The IMO as a management tool applied in an organisation benefits the organisation in balancing employees' inputs and outputs and satisfying their expectations of work in the workplace. When employees feel satisfied with and trust the organisation, they will have a tendency to reciprocate behaviour.

Perceived organisational support and leader-member exchange have been conceptualised in social exchange theory (Eisenberger et al., 1990), and the leader-member

exchange has been regarded as the relationship exchange that takes place between an employee and the supervisor (Settoon et al., 1996). Social exchange theory has proposed that the employee will reciprocate their commitment to their employers' support (Eisenberger et al., 1986). Based on the social exchange theory, this relationship is maintained via the degree of balance in employee and employer obligations (Shore and Barksdale, 1998) and the manager's trust in employees (Gould-Williams and Davies, 2005). That is one of the reasons why management should adopt IMO as a supportive behaviour to employees through communicating, understanding and responding to their expectations in the workplace.

# 3.4 Work-family Border Theory

With the inseparability of work and family life, work-family border theory can benefit the organisation to help workers achieve a balance between work and family life which at the same time improves employee work performance. In this study, the extended IMO construct is anticipated to satisfy employees' expectations from both the work and life domains so they will have the perception of balanced work and life, which otherwise can affect their performance in the organisation.

# 3.4.1 Work-Family Border Theory

Work-family border theory includes both the psychological categories and tangible boundaries that divide the times, place, and people associated with work and family (Desrochers and Sargent, 2004). This means that these two domains are interconnected. In the same vein, Clark (2000) classified the borders into physical, temporal and psychological borders between work and family, and both the physical and temporal borders determine the psychological borders.

Based on the work-family border theory, flexibility and permeability are the key concepts to make this theory understandable and applicable (Cowan and Hoffman, 2007). The permeations from one sphere to another sphere can be physical and psychological. The permeations can even be both a positive and negative influence on each other. For example, negative emotions and attitudes at work can be transferred and permeated to family life (Brough and Kalliath, 2009); and the flexible work arrangement benefits employees to greater enrichment from work to home (McNall et al., 2009). Border-crossing communication at work about family and communication with family about work varies depending on the permeability of the work and family borders, which are essential for making a positive transition. Individuals who involve in these types of communication demonstrate a higher level of job satisfaction and a higher level of satisfaction with home and family activities (Clark, 2002).

Flexibility refers to the extent to which the border can be expanded following the demands in one domain or another domain (Clark, 2000). For instance, the temporal border between work and family is flexible if individuals can choose when to work during the day; the psychological border is flexible when individuals can think about their work at home and home when at work; and there will be a flexible physical border when an individual can work in any location they choose (Clark, 2000). One study proved that the availability of flexibility in work arrangements, such as flexitime and the compressed workweek are conducive to employees experiencing greater enrichment from work to family. In return, greater enrichment is relevant with a higher level of job satisfaction and a lower level of turnover intentions (McNall et al., 2009). When the higher level of flexibility and permeability happens, both the work and family domain begin to blend, which means the work and family are not exclusive to each other. The positive blending contributes to the enrichment of work and family because they can use their family experience to work and work experience to

enrich the family life (Clark, 2000). Therefore the permeability, flexibility and blending determine the strength of the border between work and family (see *Figure 3.2*).

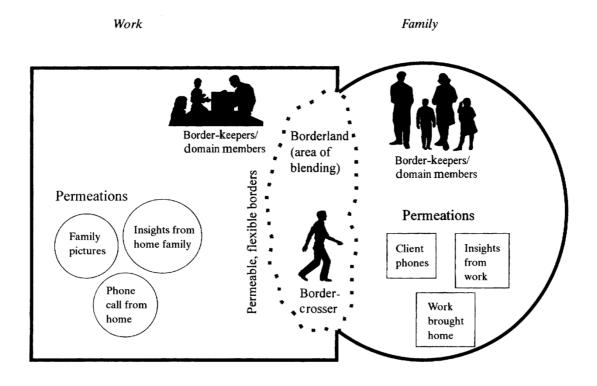


Figure 3.2: The Border Theory (Clark, 2000)

# 3.4.2 Work-Family Border Theory and IMO

This theory explains the complex interaction between border-crossers and their work and family lives and argues the fact that work and life are integrated and intertwined. So, the organisation has to recognise this fact and take effective strategies or measures to help workers decrease the conflicts or increase the balance between work and life. As the extent of the perception of balance between one's work and family is different from person to person (Clark, 2002), understanding how people coordinate their demands in different domains is the essential premise to balance work and family. So considering a way to improve both sides of work and life is necessary. That is why internal market orientation is suggested to be extended to include life aspect as well. EIMO, as a management tool, helps the organisation

to understand the information related to the employees' conflicts and incompatibility between work and life. So, organisations can efficiently respond to these issues and make employees feel it is achievable to exchange with the organisation.

## 3.4.3 Work-Family Balance Studies

There are increasing studies focusing on interdependencies among work and family life, such as work-family conflict (Frone, 2000; Grzywacz and Bass, 2003), work-family enrichment (Greenhaus and Powell, 2006), and work-family balance (Greenhaus et al., 2003; Greenhaus and Allen, 2006). As a well-established research field in the recent decade, the work-family balance has attracted numerous studies addressing this phenomenon (Ruizalba et al., 2016).

A few dominant pieces of research define the work and family balance. For instance, Mark and MacDermid (1996) firstly talked about role balance which refers to individuals' priority for roles in organising and managing multiple responsibilities; Clark (2000) defined the work-family balance as the extent that individuals engaged and satisfied equally with the work and family domains; Voydanoff (2005) suggested the work-family balance as work resources meet family demand and family resources meet work demand; Greenhaus and Allen (2006) refer to work-family balance as the extent to which an individual's satisfaction and effectiveness in the work and family domain are compatible with life priorities; Grzywacz and Carlson (2007) regarded work and family balance as negotiation and sharing of role-related expectations between individuals and role-related partners in the work and family domains.

The work-family balance research has been explored from various areas covering psychology (e.g. children's well-being; psychological well-being) (Milkie et al., 2010; Brough et al., 2014), for example, individuals who perceive work-life balance tend to be more satisfied with their life and report better mental and physical health (Brough et al., 2014); sociology (e.g. gender differences in work-family balance; family studies) (Patterson,

2002; Keene and Quadagno, 2004), for example, when males have enough personal time, this is more likely to make them feel balanced compared with females (Keene and Quadagno, 2004); and organisational perspectives (e.g. working flexibility; organisational effectiveness) (Hill et al., 2001; Hecht, 2001; Keene and Quadagno, 2004), for example, Hecht (2001) finds that greater scheduling flexibility at work is positively related to employee well-being.

The work-life balance has implications for employee attitudes, behaviours, well-being, and organisational effectiveness (Eby et al., 2005). According to Van Steenbergen et al. (2007), the employee who experiences low conflict and high facilitation between work and family roles will be healthier and have better performance. If an organisation adopts family-friendly work practices which directly influence organisational performance including market-related performance, HR-related performance, and employee turnover (Ngo et al., 2009), this will incorporate increased cost savings, improved productivity, and reduced turnover (Beauregard and Henry, 2009). Apart from these, if flexitime is available for females, this leads to improving their work productivity and reducing their working hours for the family (Chung and Horst, 2018). On the contrary, greater spillover has a negative effect on the possibility of feeling balanced (Keene and Quadagno, 2004). Therefore, there are more and more organisations introducing interventions to help employees balance their demands of work and life to be productive at work (Baral and Bhargava, 2010).

According to Joseph and Sebastian (2019), the work-life balance construct is more comprehensive and wider than the work-family balance construct as work-life balance conveys the magnitude of balance between the work domain and non-work domain. Differently, the non-work domain goes beyond the family life, which covers family, personal life, friends, society, religion and self-care etc. In this study, the balance between the work and non-work domains not only focuses on the work and family life but also includes the

employees' personal lives (e.g. entertainment, social activity, and friends etc). Therefore, work-life balance is the adopted terminology in this study.

For better understand and respond to employees' demands for work-life balance, it is essential to clarify the conceptualisation of both the work and life domain. Conventionally, life in the concept of work-life balance emphasises family responsibilities and means differently to employees from different demographics, such as dual-career couples, single parents, and freelancer (Jayasingam et al., 2021). As for the work, this has been characterised by full-time and permanent employment with one employer and understandings of what work involves (Kelliher et al., 2019). In this study, due to the changing labour forces in the workplace, the life domain is not constrained with considering workers with dependent children but also takes those without children and singles into consideration. Therefore, the life domain includes family obligations (e.g. childcare, elder care, household chores, family support etc.) and personal life (e.g. personal self-care, hobbies, education, social life, sports, participation in cultural events, academics, friends etc.). This crosses diverse aspects of personal life, social activities, and leisure interests. The work domain in this study focuses on the work demands for effectively performing and completing the work responsibility. A clear understanding of employees' life and work domain and demands contributes to developing more strategic policies aligned with responding to employees' expectations (Kelliher et al., 2019).

## 3.4.4 Work-Life Balance and IMO

The significance of work-life balance has been highlighted by many authors. For example, the work-life balance practices benefit employees in balancing their work and family life demands, which contribute to improving employee well-being (Halpern, 2005), increased productivity and organisational performance (Beauregard and Henry, 2009), improved job and life satisfaction (Haar et al., 2014), and organisational effectiveness (Eby et al., 2005),

even a healthy and well-functioning society (Halpern, 2005). As a result, organisations need to consider applying work-life balance practices more seriously, to help the worker to achieve a balanced work and family or personal life (Ruizalba et al., 2016).

Practically, from a work aspect, some companies have noticed the importance of work and family life balance via conducting various practices that emphasise flexibility such as, flexible work hours (e.g., flexitime of start and finish times provided a certain number of hours; compressed workweek, in which employees work a full week's worth of hours in four days and take the fifth off), working from home (telework), sharing a full-time job between two employees (job sharing), family leave programs (e.g., parental leave, adoption leave, compassionate leave) (Beauregard and Henry, 2009). However, all of these just focus on flexibility (Wu, 2016).

From the life aspect, to decrease life's negative effect on work, some of the initiatives implemented by organisations help employees enhance their work-life balance via counselling services for stress-related problems and employee assistance programs (Cooke and Jing, 2009), such as onsite childcare, financial and/or informational assistance with childcare and eldercare services support (Beauregard and Henry, 2009), and providing emotional support as well as the donation of money to colleagues who meet sudden and major family problems (Cooke and Jing, 2009).

On the one hand, organisations begin to notice the importance of work-life balance for the employees in this era. On the other hand, the organisational management struggles to find solutions to the challenge that employees face in balancing their work and life and addressing limitations of human resource development (hereafter HRD) research and implications for adopting work-family balance strategically in management practice (Grzywacz and Carlson, 2007). Although human resource management promotes individual and organisational effectiveness (Grzywacz and Carlson, 2007), HRD practice is impaired.

Since theorising and conceptualisations of the construct have not kept pace with the importance of work-life balance (Grzywacz and Carlson, 2007), this provides recent research with an emphasis on assessing theoretical and practical achievements and sheds new light on the question: how can organisations engender the highest levels of employee performance and organisational performance while simultaneously benefiting employees to achieve a good work and family lives balance (Brough and Kalliath, 2009)?

This offers the opportunity and increases the attention on the application of the IMO construct. The IMO has been found to have a positive influence on the employees' attitudes and organisational performance via collecting and understanding, disseminating, and effectively responding to the workers' needs and wants in the workplace. Based on border theory, work and life are inseparable, so the IMO should not only emphasise the work side but also the life side. Therefore, through IMO collecting, disseminating and responding to expectations in family life, is expected to enhance employees' perception of work-life balance. However, the existing IMO just emphasises the work domain, so this study will redesign the IMO construct to cover both work and life domains. Also, this study finds out whether the extended internal market orientation has the possibility to balance work and life and also workers' inputs and outputs, so employees can reciprocate the organisation with effectively achieving organisational objectives through a higher level of intention to stay, happiness, morale, and productivity.

# 3.5 The Theory of Planned Behaviour

Both the theory of reasoned action (Fishbein and Ajzen, 1975) and the theory of planned behaviour (Ajzen, 1991) have been regarded as the dominant theories of the attitude-behaviour relationship. The central factor in the theory of reasoned action is the behavioural intention to perform a specific behaviour. Intentions refer to the motivational factors

influencing behaviour, which are proposed to be influenced not only by people's attitudes toward the behaviour but also by the subjective norm. The intentions indicate that how hard individuals are willing to try, how much of an effort they plan to pay in order to perform the behaviour (Ajzen, 1985). When individuals have a stronger intention to engage in behaviour, it is more likely they will perform that behaviour. Based on the theory of reasoned action, Ajzen (1988) extended this theory into the theory of planned behaviour which extends and elaborates the determinants of an individual's decision to take a particular behaviour.

Both theories imply that individuals make their decision depending on careful consideration of available information (Conner and Armitag, 1998). Although attitudes cause behaviour (Fishbein, 1967), carrying out an action requires available skills, resources, or opportunities (Fishbein, 1993). However, the theory of reasoned action does not consider these factors, and only emphasises volitional behaviours (Fishbein, 1993). Therefore, to improve this limitation, the theory of planned behaviour is designed to also predict nonvolitional behaviours by incorporating perceptions of control over the performance of the behaviour as an additional predictor (Ajzen, 1991). Behavioural intention is a function of three direct determinants, namely, attitudes, subjective norms, and perceived behaviour control (Ajzen, 1988 and 1991). This means that intention toward attitude, subject norms, and perceived behavioural control, together decide and shape an individual's behavioural intentions and behaviours. The theory of planned behaviour which is a theory developed to predict and explain human behaviour in specific contexts was found to be better than the theory of reasoned action in predicting unethical behaviour (Ajzen, 1988) (see *Figure 3.3*).

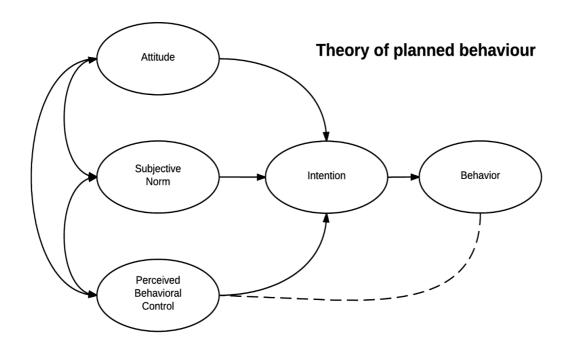


Figure 3.3: Theory of Planned Behaviour (Ajzen, 1988)

The likelihood of behavioural achievement depends on the resources and opportunities available to an individual to some degree. According to the theory of planned behaviour, perceived behavioural control and behavioural intention directly predict behavioural achievement (Ajzen, 1991). This study applies the theory of planned behaviour, which contributes a way of furthering our understanding of the relationship between attitudes and behaviour. Associating this theory with this PhD study, the EIMO is constructed as a tool to offer the available resources and support in work and life. This is expected to influence employees' performance via the improvement of their attitudes and facilitation of behavioural intention. The theory of planned behaviour provides a useful conceptual framework for dealing with the complexities of how an individual's attitudes affect their behaviour. It permits the prediction and understanding of particular behaviours in specified contexts (Ajzen, 1991).

# 3.6 Summary

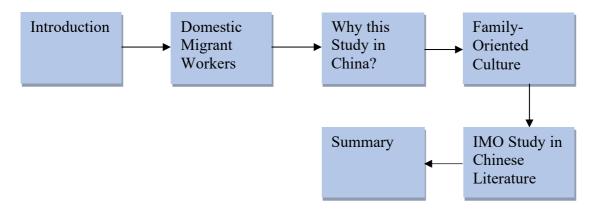
This Chapter explored the work-family balance literature and outlined the importance of work-family balance for business research. Based on the social exchange theory, border theory and the planned behaviour theory, this Chapter provided a theoretical background for this study and justified the connection between work-life balance and the internal market orientation research. As workers in modern society are changing and they require not only work-related needs but also life-related expectations, new management practices are in demand, which brings an opportunity to develop a management tool, such as EIMO, for improving employees' perception of balanced work and life and achieving better satisfaction, which will further lead to better achievements in organisational objectives. This Chapter also explored the social exchange theory, work and family border theory, and the theory of planned behaviour to provide the background theories for the conceptual framework in this study. Social exchange theory and border theory support an organisation's adoption of EIMO to benefit employees' reciprocated behaviour. Also, the theory of planned behaviour provides the rationale for the research model that employee attitudes will influence their behaviour. In sum, it is important to conduct this study for developing an extended internal market orientation construct satisfying workers' needs in both work and life, as it has the possibility to increase employee attitudes and performance. This research context will be introduced in the next Chapter to understand the importance of and reasons for choosing China.

## **CHAPTER FOUR**

#### RESEARCH CONTEXT

# 4.1 Introduction

Following a literature review on IMO in Chapter two and an introduction of background theories in Chapter three, this Chapter aims to highlight the importance of choosing China as the research context and to explain the reasons why China is where this research takes place. This Chapter will present an overview of domestic migrant workers, Chinese manufacturing industries, family-oriented culture, work ethics in China, and existing IMO studies in Chinese. This Chapter begins with an introduction of domestic migrant workers and the new generation of migrant workers in China, which aims to understand the migrant workers' changing expectations and needs in this new era and to demonstrate the importance of the new generation of Chinese. Following the introduction, the manufacturing industry will be introduced, and issues and challenges will be demonstrated regarding the management of domestic migrant workers. Then, the work ethics and family-orientated culture in China will be presented to provide the rationale for why organisations need to consider satisfying migrant workers' needs and wants in both work and family life. Additionally, a search and review of literature on IMO written in Chinese will be discussed so as to understand how much research in this area has been conducted in China. Finally, this Chapter will summarise why the Chinese context in this study is essential (see *Figure 4.1*).



# Figure 4.1: Flowchart of Chapter Four

# 4.2 China's Domestic Migrant Workers

# 4.2.1 Domestic Migrant Workers

The Chinese household registration system, *Hukou*, requires each individual to register in only one place of residence and it divides the population into rural (agricultural) and urban (non-agricultural) residents (Zhao et al., 2018). From the economic reforms in 1978, the cities needed a great amount of cheap labour, so millions of males and females from the countryside poured into the urban cities, in particular, poured into the factories of China's coastal cities (China Labour Bulletin, 2017). They are the domestic migrant worker who is defined as an individual who holds rural *Hukou* but has worked in an urban settlement for three months to 10 years (Hesketh et al., 2008), and they no longer farm the land they are registered for (Bloomberg, 2017).

These domestic migrant workers are typically divided into short and long-distance migrants (NBSC, 2011). Short-distance migrants totalled 112 million in 2016 with a 3.4 per cent increase rate. Compared with short-distance migrants, the long-distance migrants comprised 169 million with a slower rate of just 0.3 per cent. Although the increasing rate of long-distance migrants is slower than the short-distance migrants, the long-distance migrant workers are still in the majority (China Labour Bulletin, 2020). Except for the rapid urbanisation and industrialisation offering opportunities for this migration (Liu et al., 2016), the higher income, better job opportunities, better public service, and urban amenities in cities drive this rural-to-urban migration as well (Lu and Xia, 2016). However, due to the differences between the rural and urban workers, such as the education level and the technical skills, the inequality between the migrant workers and the residents has existed for more than two decades (Li and Li, 2007). For example, migrant workers face lower pay, longer working

hours, less job security, more health problems, poorer living conditions, and less social insurance (China Labour Bulletin, 2017). These lead to some social and economic issues.

From the social aspect, those domestic migrant workers, especially the long-distance migrant workers, have to suffer from long-term separation from their family and community. Besides, their kids have confined access to education and healthcare in these prosperous cities (China Labour Bulletin, 2017). So, it is common in China for migrant parents to leave their children behind with the grandparents who take over the responsibility for raising them. These children are called left-behind children (Zhou et al, 2015). In 2010, about 61 million left-behind children under 18-years-of-age lived in the countryside, which accounts for about 22 per cent of all children in China, and 38 per cent of all rural children (China Labour Bulletin, 2017). The average age of grandparents looking after left-behind children was 59.2. However, most of them were poorly educated and had only obtained primary school qualifications. Although grandparents could assist childcare in terms of looking after their grandchildren by providing living related support, they could not do much in terms of responding to their grandchildren's emotional needs and other social/educational needs (e.g. their schoolwork and education) (Zhou et al., 2015). This situation leads to the fact that 80 per cent of young migrants with criminal records used to be left-behind children (China Labour Bulletin, 2017).

As well as the impact on the social aspect, the migrant workers also play an important role in the development of the Chinese economy. According to Cai and Wang (2008), the domestic migration mobility in China is not only part of the transformation from a predominantly agricultural economy to an industrial economy but also part of a unique economic transition from a planned economy to a market economy. Since the reform and opening-up, migration has become the most important factor in urbanisation, which is a remedy for the surplus-labour needs in the process of economic transformation (Garnaut and

Song, 2005). Also, the migration benefited the human capital accumulation and labour reallocations which have contributed to around 70 per cent of GDP growth since the reforms began (Cai and Wang, 2008). Setting Guangzhou as an example, the city has attracted many migrant workers to work and start their businesses with its advantageous geographical location, preferential policies of economic reform, openness, and rapid development of the market economy. This promoted Guangzhou's economic and social development (The World Economic Forum, 2016).

Despite their indisputable contributions to Chinese economic development, they are not treated fairly in terms of accessing the same facilities, welfare, and benefits as their fellow urban *Hukou* holders (Cheng, 2014). The inequalities between rural and urban populations also lead to an increase in turnover rate and labour shortage among Chinese enterprises. In China, there were 291million rural migrant workers in 2019, capturing more than one-third of the entire working population of 807 million (China Labour Bulletin, 2020). The rural labour force accounts for approximately 40 per cent of workers in the manufacturing industry (Liu, 2018). This is followed by the wholesale and retailing sector, at approximately 18 per cent, with the hotel and catering sector at approximately 10 per cent (Liu, 2018). What is more, in many cities, the population of migrant workers is more than the local urban population such as Shenzhen city and Dongguan city (China Labour Bulletin, 2017).

Although in recent years they have had pensions and other forms of social insurance, such as unemployment insurance, medical insurance, and work injury insurance (Gao et al., 2012), these are at a very low level to support them (Bloomberg, 2017). Therefore, faced with these issues, migrant workers are realising the fact that it is not worthwhile being burdened with higher living cost, separation from family, loneliness, social discrimination, and low job security just to survive in a big city (Chan, 2009; China Labour Bulletin, 2017). Therefore,

with increasingly better opportunities in inland cities, many of the migrants choose to go back home with well-equipped facilities and cheaper living costs, and they also have the time to be with their family (Chan, 2009). The migrant workers are the labour force that keeps Chinese manufacturing competitive globally (Banister, 2005). From data, the proportion of migrant workers employed in manufacturing has fallen from 36.7 per cent in 2010 to 30.5 per cent in 2016 (China Labour Bulletin, 2017). Once they quit their jobs, this will cause a serious labour shortage which can lead to a series of issues for the enterprises in China.

# 4.2.2 New Generation of Migrant Workers

Nevertheless, despite the dramatic social changes after the successful implementation of China's economic reforms, the Chinese central government has taken different measures to ease the Hukou-based restrictions gradually, but the unfairness for migrant workers still exists, even for the new generation of migrants in this new era. A new generation of migrants born in the 1980s and 1990s, who accounted for approximately 62 per cent of the migrant workers in 2009 (NBSC, 2011) has gradually become the majority migrant worker population (Cheng, 2014).

Cultural Revolution and Opening-up, the introduction of *Hukou* and One-child policies, and generational replacement have influenced the Chinese social and cultural circumstances, and this change might differentially influence the views of different generations, geographic regions, and gender (NBSC, 2011). The new generation of migrant workers experienced a change of social structure in China and received more education compared to their parents' generation. They are more urbanised, more aware of their rights, with less power distance and more likely to settle down in cities instead of returning to rural areas (Wang et al., 2013). Also, they have higher demands for material and spiritual enjoyment and more ambitious career expectations, such as becoming managers and entrepreneurs (Cheng, 2014). These make them different from the old generations in job

requirement. These include not only the number of working hours, having supportive insurance, receiving on-the-job-training and no wage defaults but also having a signed contract (Wang et al., 2013) and decent living conditions (NBSC, 2011). Besides, the importance of income for job satisfaction is decreasing and working conditions are becoming increasingly important for the millennial (Wang et al., 2013).

In their work aspect, they have much higher aspirations for their future than the old generation. For example, they have increasing demands for training and studying (He and Wang, 2016). Most of them have the burden of paying training fees but cannot afford the cost (He and Wang, 2016). More than one-third of new generation migrants did not get a promotion in terms of wages and skills and did not experience an improvement between jobs (Zhang, 2013). Apart from these, wage default experiences, low level of insurance at work, and employment in dangerous or toxic work environment made them less satisfied with their jobs in the workplace (Cheng, 2014). Different from their forefathers, once they feel their needs are not being responded satisfactorily, they are inclined to change jobs and easily resign (Cheng, 2014). As they are more likely loyal to their career development compared with the older generation (Meng, 2015), they are more likely to leave the organisation for where they work to pursue better opportunities if there are opportunities (Wang et al., 2013).

According to NBSC (2011), female migrant workers occupy a significantly higher proportion among the new generation (41 per cent) and 30 per cent of new generation workers are married. Thus, the quality of the relationship between work and family life is becoming significantly important for them (Wang et al., 2013). Even more, some of these young migrant workers were the left-behind children in their childhoods, so they are becoming more and more concerned about their children's development (Pun, 2007). All of these characteristics lead them to have expectations in family life in that they have the ability to afford support and children's education in the cities (O'Reilly, 2014).

From the family life aspect of the migrant workers, not many cities in China have found appropriate ways to resolve migrant workers' housing problems (Huang, 2012). Issues relating to housing and other social services mean that migrant workers have more burden than locals when residing in the city (Meng, 2000). They have fewer local urban friends and are prone to loneliness. Even more, separation from spouses is more common among them (He and Wang, 2016). Some of them who have children are more likely to choose to have their family in the worked cities, but their children have limited access to education and healthcare (China Labour Bulletin, 2017). The achievable solution may be sending their children to private schools, where tuition fees are more expensive (Cheng, 2014); this accelerates their life pressure and psychological stress (Wang et al., 2013).

Under the pressure of not only survival but also self-development relevant to the conditions of limited available resources, such as human and social capital, these young employees change jobs much more frequently if the company cannot satisfy their expectations in the workplace. According to Cheng (2014), there were 70 per cent of new-generation migrant workers resigned within a year in some factories. The enterprises which aim to get loyalty from their employees have to build up an equal, respectful, and reliable relationship with the employees through responding to their needs like the balance between work and life, leading them to be loyal to the organisation.

# 4.3 Chinese Manufacturing Industries

The migrant workers are closely related to the development of the manufacturing industry, as they make up half of the urban workforce and half of the country's GDP (Zhou, 2017) and 27 per cent of migrant workers are in the Chinese manufacturing industry which has become the leading industry for China's economic growth (China Labour Bulletin, 2020). By 2007, China's manufacturing industry had produced over two hundred kinds of products, and its

output ranked first in the world (Jin, 2017). Moreover, it is expected to be the most active metropolitan area in the Asia-Pacific region, globally competitive and a centre of advanced manufacturing industries by 2020 (HKTDC Research, 2018).

Despite the fast development of the manufacturing industry in China, there are also prominent problems associated with such growth. Statistics show that 92 per cent of Chinese enterprises are severely affected by the shortage and low quality of the labour force (Wu, 2016). In particular, manufacturers in coastal areas of China experience these serious challenges, such as higher taxes, structural transformation, stricter environmental and safety regulations, and increased wage costs (BSR, 2010), which have resulted in increased labour costs and production costs in the manufacturing industry (Jin, 2017). Therefore, these manufacturers tend to move to inland cities of China or other Asian countries with lower production costs, such as Thailand and Vietnam. With increasing government investment in equipment and facilities and manufacturers moving to remote cities, this means if the migrant workers currently return home for work, there will be well-equipped facilities and cheaper living costs. More importantly, they will also have time to spend with their families (Chan, 2009).

There are many reasons why the manufacturing industry suffers most in terms of a serious labour shortage. The possible causes include challenges with HR management, employment policies, welfare benefits (Jin, 2017), the reality of the ageing population, less attractive salary, deteriorating working conditions, and improving economic conditions in other less developed inland cities in the manufacturing sectors (Guangdong Statistical Yearbooks, 2013). However, the management issue is one of the most serious ones demonstrated by the employee management and supervisor-employee relationship.

First, the management team in the manufacturing industry does not notice the serious outcomes of the labour shortage. Some managers lack management skills and pre-emptive

thinking. This lead to thinking recruitment is not a severe problem (EICC, 2012). Hence, many managers in manufacturing enterprises think that the labour shortage is temporary and there is a sufficient supply of labour in China (Hesketh, et al., 2008). Second, as often some managers lack communication skills and have weak communications between managers and employees, the misunderstandings constantly create issues that would affect the employees' attitudes and behaviour, even more, organisational performance (Shi, 2008). Therefore, the workers do not show enough loyalty and bond to their organisations (Meng, 2015). Third, there is not an effective tool to understand the employees. Instead of understanding employees' expectations for retaining them, some managers in the manufacturing industry do not take training, career development, working atmosphere, mental needs, and entertainment needs of their workers into consideration (Jin, 2017). Although many studies have proven that the support from workplaces and supervisors is conducive to improving employee trust and loyalty, few managers regard the importance of developing a greater understanding with employees, supporting and responding to their needs during work (Xiao and Cooke, 2012).

The appearance of the new generation of migrated workers is another important reason accelerating the labour shortage. Different from the first generation of migrated workers, the millennial who were born after the 1980s demand a different management style. New technology affects deeply in their learning and educational style which leads to a broader view of the whole world so they have a stronger awareness of requiring a higher expectation for their rights, well-being, privacy protection in the workplace (Banister, 2005; Meng, 2015), and they demand more freedom and equal payment (Ulgan and Martin, 2001), especially work-family balance (Xiao and Cooke, 2012). However, these expectations are not achieved in the workplace. They are usually poorly paid and need to work extended hours. They have little job security, more health problems, poor living conditions and inadequate social insurance (Li and Li, 2007; China Labour Bulletin, 2017). Compared to working near

their hometowns, they are discriminated against in urban communities, and they are blamed for the social disorder (Hesketh, et al., 2008).

In general, for the labour-intensive manufacturing industry, a good corporate culture should include at least three things. First, trust between managers and employees are integral for enhancing interpersonal relationships. Second, to build a working environment that cares for employee happiness at work and in social life is important for the new generation of migrant workers. Last, to provide equality to workers is essential, particularly the new generation of migrant workers required to be treated with equality and dignity. However, it takes a long time to develop such organisational culture and the effects are not obvious (Wu, 2016). In most cases, leaders or managers are the direct factors relating to employees' resignations, in particular when some managers lack management and communication skills and treat workers harshly (BSR, 2010). The management not understanding what the employees require from the workplace is one of the reasons for the higher turnover rate and labour shortage. It remains a challenge at the organisational level (Cooke and Jing, 2009); for example, if the organisation does not conduct a systematic analysis of work and life conflict problems at their workplace to decide the best solution (Cooke and Jing, 2009). As a result, to manage the new generation of workers, firms should take work-life balance facilitation more seriously to help employees to achieve a balanced work, personal life and family life, which conversely reflect in the managerial, economic and social implications (Ruizalba, 2016).

Faced with serious labour shortages and managerial challenges towards the migrant workers, manufacturers are struggling with recruiting and retaining workers, as well as fulfilling increasing orders with an industrial upgrade (BSR, 2010). The labour shortage and the response to market pressure have been significant incentives for organisations to consider how to help migrant workers to have a balanced life between their work and families and how to respond to their needs better.

### 4.4 The Importance of Work-Family Relationship in Chinese Culture

### 4.4.1 Family Orientation

Confucius built the cultural foundation of China, and other great thinkers throughout China's history including Lao Tzu and Sun Tzu have influenced the Chinese culture as well. Among them, Confucius value system has had the greatest influence on not only Chinese culture but also managerial practices (Rarick, 2008).

From a cultural perspective, the family has long been a key component within Chinese society, which is an important concept to the Chinese and has a deep impact on society and business in China. This is derived from Confucius' "five relationships" which are directly centred on the family, namely emperor-subject, father-son, husband-wife, friend-friend, and brother-brother (Lee et al., 2001). It is common for the Chinese to not only remain in or close to the hometown but also have generations of a family living under the same roof (In Chinese, "sis hi tong tang") (Upton-Mclaughlin, 2013). So, family relations and values are essential for the Chinese.

For managerial practices, Confucius value regards family orientated collectivism as an important dimension of societal culture in Chinese societies, which has an important effect on the behaviour and performance of Chinese firms (Li et al., 2000), and it is generally believed to be the foundation and building block of Chinese society (Hu and Scott, 2014). Chinese are very family-oriented. In the collectivist Chinese culture, the family cohesiveness measures pride, loyalty, and cohesiveness within the family, which requires the Chinese to behave according to their positions in the five traditional relationships and perform their roles and responsibilities (Li et al., 2000). For example, Chinese children are expected to study, work, and live life in a proper manner and Chinese young adults often take their parents' feelings and their family responsibilities into consideration when making an important decision about their future (Upton-Mclaughlin, 2013).

These are closely related to the Chinese terms filial piety, namely *xiao jing* or *xiao shun* (Hu and Scott, 2014). *Xiao* requires children, especially grown-up children to reciprocate with their parents via taking responsibility for caring for them in later life as the parents put much effort into raising and bringing up their children. And *Jing* or *Shun* refers to the respect for and obedience to the elderly and obliged children to appreciate to their parents for raising them. It is a great honour for Chinese parents that their children can make them proud (Hu and Scott, 2014). Commonly, parents and their children live for each other, so both of them show strong mutual love. These are the reasons why Chinese employees are more likely to resign after the New Year holiday than other times as Chinese employees feel the family is more important than work under certain circumstances (Cheng, 2014).

The generation from the One-Child policy has now joined the labour market. This generation desires to settle down in the cities, and they actively participate in and use expenditure to integrate themselves into the urban social structure. They admire the urban lifestyle and spend a large proportion of their income on entertainment, and they are eager to move out from the factory dormitory and urban villages to better places in prosperous areas (Cheng, 2014; Pun, 2007). However, these changes do not carry across filial piety (Hu and Scott, 2014). Although their social value has been changed a lot compared with their older counterparts, they still consider supporting their family life as part of their responsibility such as elderly care and children's education (Cheng, 2014). In particular, under the One-Child policy, if they get married, which means that the new generation has to take care of the parents from both families, they usually suffer pressure from economic and psychological perspectives; they are their parents' only hope for a successful family (Kisselmann, 2016). Therefore, this demonstrates a stronger requirement for effectively managing work and life balance (Sabattini, 2012).

Since the Chinese are family orientated, there is a culture of overwork for earning money to support the family (Li et al., 2000). With the new one-child generation appearance in the workplace, parenting children and caring for the elderly are so hard that the government is working on designing suitable family policies to ease parenting (Liu and Zhou, 2019). However, few organisations apply family-friendly practices to treat their workers (Li et al., 2000). Hence, building a tool to help the management in China to recognise, understand, and respond to family life needs is vital.

#### 4.4.2 Work Ethics

Work ethic refers to the construct of work-related values and attitudes which directly influence employee performance (Li and Madsen, 2009). There is a Confucian work ethic in Chinese traditional culture, and it was introduced by The Chinese Culture Connection (1987). Confucian work ethics is an eastern way to respect hierarchy to obtain harmony in the workplace (Yeh and Xu, 2010). China, as a collectivist society, has a high context culture which means that communication is regarded as a multidimensional process involving much more than the written or spoken word. Also, the Chinese have a higher level of uncertainty avoidance, so they feel more uncomfortable with changes. Tradition is essential to the Chinese, and Chinese culture tends to be past-oriented culture (Rarick, 2008). In a past-oriented society, the management teams are more conservative in management, concerned with traditional values, and slow to change things related and tied to the past (Briley, 2009). Therefore, communication between employees and management teams plays an important role in Chinese managerial practices.

Besides, as a collectivist society, it emphasises the importance of hard work, loyalty, dedication, learning, and social order. In order to maintain harmony via relationships, Confucianism promotes five virtues: *ren*, or benevolence; *Yi*, or righteousness; *li*, propriety; *Zhi*, or wisdom; and *Xin*, or trustworthiness (Rarick, 2008). The "Five Relationships" indicate

appropriate behaviour and roles for employees in the Chinese workplace, and it provides a moral guideline for society and highlights the importance of harmony (Rarick, 2008).

During the 20<sup>th</sup> century, the work ethic which includes interpersonal skills, initiative, and dependability was a persistent concern in the workplace and continues to be important in the 21<sup>st</sup> century as well (Cao and Hill, 2019). One aspect of the Confucian work ethic is "chi ku" which means the act of persisting through hardship. In China, the perceptions of employee hardship are tied to judgements of their efforts and commitment as hard work means to take the initiative, be responsible, be considerate, and work hard. In the Chinese workplace, "chi ku" (hardship) is a valued way to earn respect, and one of the most common forms is overtime work for a higher salary supporting their family life and more promotion opportunities (Stinson, 2017). Therefore, money and hardship in work are closely related. The leaders' acknowledgement of the employees' hardship can only be recognised and accepted from working hard, and their hard work can be translated into monetary reward (Li and Madsen, 2009).

According to He and Wang (2016), the new generations of migrant workers have lower monthly income than their forefathers. This is because, for the migrant workers, the market remuneration to a great extent depends on working hours, so they have to work extended hours to get a higher salary. However, with the rapid economic development, the principle of equivalent exchange is increasingly important for the workers today to take their work responsibly. This indicates that the employees take more and more individual benefits, personal interests, and individual needs into consideration and make these priorities (Cao and Hill, 2019). Therefore, working overtime is not proper for the new generations of migrant workers anymore. The long working hours at the factory makes the workers' personal lives and work entwined. Even returning home after a long day's work, they have to take responsibility for the household chores and their children to maintain their home, so they

have little time for themselves. Thus, leisure and life outside of work are significant (Li and Madsen, 2009). Essentially, the new generation has changed the work ethic and this new generation has formed a different value and belief in work and life attitudes.

The Chinese community is experiencing dynamic transformation and extensive changes in economic, political, cultural, and social values (Brandt et al., 2014). Therefore, changes in China's norm lead to an erosion of traditionally dominant values and a visible shift in cultural orientation (e.g the individualism in western culture embraced by new generations). The young Chinese in the post-1980s and post-1990s generation are more individualistic, self-promoting, and more confident in their professional life compared with the earlier generations (Ma et al., 2016). The understanding of the unique work values and behaviours of the new generations of workers is essential for businesses and society. For young workers, they are more likely to demonstrate their dissatisfaction through decreased productivity, decreased employee well-being, and reduced organisational citizenship behaviour in the workplace (Cogin, 2012). To reduce the misunderstandings and miscommunications between the management team and employees, different generations' values, ideas, and needs should be properly identified and managed in organisational settings (Ma et al., 2016). This is why the EIMO is important; through EIMO, a better understanding can be achieved and can shape employees' basic cultural orientations.

#### 4.5 IMO: The Chinese Literature

This thesis focuses on the Chinese context, so it is necessary to go through the existing IMO literature that was conducted in China and written in Chinese. Zhang (2006) analysed the concept of IM and IMO covering the definition and construct of IMO. This paper proposed a conceptual framework that IMO has a positive effect on internal performance and external market orientation. Both of internal performance and external market orientation have a

positive influence on organisation performance in terms of customer satisfaction, customer perceived service quality, and financial performance.

Yu (2010) analysed the concept of IM and IMO and proposed a conceptual model which is expected to improve organisational performance through internal performance. This study discussed that IMO could positively influence both employees' level and departmental level of outcomes. It proposed that the IMO can positively affect the internal performance, including employees' attitudes and behaviour and department integration and coordination. Conversely, internal performance is proposed to have a positive effect on the overall organisational performance. However, this study just focuses on the concept without further empirical examination. Many other studies just focus on analysing the concept of IMO and make propositions based on literature without empirical examination (Yang, 2005; Zhang and Han, 2007).

Apart from the conceptual study, a few IMO empirical studies have been written in Chinese. In order to examine the relationship between internal customer orientation, market orientation, and organisational performance, Yuan et al. (2009) undertook a study by collecting 142 valid surveys from the service industry in Changchun City. The findings demonstrated that internal customer orientation positively impacts the market orientation and overall organisational performance. However, market orientation has no positive impact on organisational performance.

Yu and Wang (2010) examine the impact of IMO on employees' turnover intention and employees' job satisfaction in service enterprises. The results have shown that IMO can, directly and indirectly, influence employees' turnover intention. Also, IMO can affect employees' turnover intention via a positive effect on job satisfaction. When there is sufficient internal communication and effective internal responsiveness to the internal

information, the staff turnover intention will decrease while employee satisfaction will increase.

There is a study undertaken by Cai (2011) to explore the relationship between IMO, employees' knowledge management capability, knowledge integration capability, and innovative organisational performance. It used 92 valid surveys with an 18.4 per cent response rate through collecting questionnaires from Taiwan. The results presented that IMO has a positive influence on employee knowledge management capability, knowledge integration capability, and innovative organisational performance. The employees' knowledge integration capability has a significant positive effect on innovative organisational performance. However, the worker's knowledge management capability does not impact the organisational innovative behaviour.

Wang (2013) undertook a study to explore IMO from the perspective of the tourism industry in China. In order to test the relationship between IMO, organisational commitment and interactive marketing, the data was collected from twenty-three tourism businesses including hotels, restaurants, and travel agencies in the Pearl River Delta and there were 677 valid questionnaires in total. The results demonstrated that the construct of internal market orientation in Chinese tourism businesses has four factors: internal market demand information; collection and research; transmission and feedback between supervisor and subordinate; communication between managers; and processing and response. Also, it indicated that based on the service marketing triangle theory, the adoption of IMO contributes to creating effective interactive marketing and improving the quality of service provided by China's tourism businesses.

Li (2016) designed a survey about employee job satisfaction in the hotel sector. The survey investigated the employees' feelings about their jobs in hotels and their job satisfaction covering salary, welfare, training, career development, equipment and facilities,

working hours, and working conditions. The results demonstrated that most of the employees are not satisfied with their salary. All of them think that the training benefits them a lot and 70% of them are satisfied with their jobs. However, this study does not analyse how IMO influences job satisfaction. This study just emphasises the job satisfaction analysis and communication between employees-employers, organisational performance, and job satisfaction, suggesting that the IMO may contribute to improving job satisfaction.

Wang (2018) conducted a study by collecting surveys from catering enterprises in Guangdong province. This study examined the influence of IMO on the employees' satisfaction and the organisational completive advantages. The findings discussed that the IMO positively affects the competitive advantages of catering enterprises and the employees' job satisfaction. Also, employees' job satisfaction partially mediates the relationship between IMO and the competitive advantages of catering enterprises.

Most of the IMO studies are on the service industry in Chinese literature but there is one study exploring the influence of internal customer orientation and external customer orientation on psychological empowerment and quality performance in the manufacturing industry. There were 177 employees from 9 manufacturers participating in the quantitative survey collection. The findings discussed that internal customer orientation would positively influence employees' psychological empowerment and quality awareness, which positively affects the quality improvement of operators influencing their quality performance (Zhu, 2017).

In general, drawing a conclusion from the above literature review on the Chinese literature relating to internal market orientation, first, there is a paucity of studies focused on empirical studies and specific industries, such as the restaurant industry (Liu, 2004), tourism industry (Wang, 2013 and 2018), hotel industry (Li, 2016), and manufacturing industry (Zhu, 2017). Yuan et al. (2009), Yu and Wang (2010), and Cai (2011) emphasise the service

industry context without specifying the service sectors. Second, most of the studies just talked about the concepts of IMO broadly without the empirical test. Moreover, the majority of the literature is relating to internal marketing with fewer studies on internal market orientation, in particular empirical research. Third, no research in China has paid attention to the family side, and the existing research just focuses on the IMO's influence on employee satisfaction and commitment. Besides, the construct of IMO only covers the needs and wants from a work aspect and the construct commonly adopted from Lings and Greenley (2005) and Gounaris (2006). Fourth, some of the existing IMO studies written in Chinese do not discuss the results in-depth after analysing the quantitative findings. Even more, some of the articles are master theses not published as journal papers, e.g. Liu (2004), Chen (2010), and Li (2016). Moreover, there were limited references cited in these articles, and some of the references were not cited properly. Last, there is only one study from the manufacturing industry, but it is a master dissertation published on an academic website. Hence, the lack of study in the manufacturing industry in Chinese about this research topic is telling.

#### 4.6 Summary

The new generation of migrant workers in China as the emerging labour force is the focus of this study. As the new generation of employees has different needs for career development and a balanced work and family life, the management team is facing new challenges. This Chapter explained the reasons why the Chinese context was important and why the domestic migrant workers were worthwhile for research investigation. The specific cultural features, such as the family-oriented culture and work ethics in China, were elaborated. Moreover, after going through the IMO studies in the existing literature published in Chinese, it was found that most of these studies investigated the effect of IMO on employee commitment and job satisfaction in the service industry. There were not enough empirical studies, and most of

the published papers focused on the conceptual level by arguing the importance and function of IMO in the Chinese context. In sum, based on the understanding of the new labour force features as well as the cultural values, this Chapter argued for the importance and significance of conducting a study for this specific research context.

#### **CHAPTER FIVE**

#### RESEARCH FRAMEWORK

### 5.1 Introduction

This Chapter aims to build a conceptual framework that will be used to empirically test proposed hypotheses on a sample from China. The conceptual framework in this study aims to examine how the EIMO influences employee attitude (e.g. employee morale and employee happiness) and employee behaviour (e.g. employee productivity and intention to stay). Besides, supervisor support will be applied as a moderator examining the influence of the relationship between EIMO and employee attitudes. To achieve this objective, this Chapter will begin with a brief introduction of the IMO and EIMO construct, followed by a series of key constructs that will be used to measure the relationship in this framework. After this, the reasons why these variables are used will be explained. Subsequently, the hypotheses will be developed and proposed to build an integrative and holistic conceptual framework. In the last section, a summary will be provided (see *Figure 5.1*).

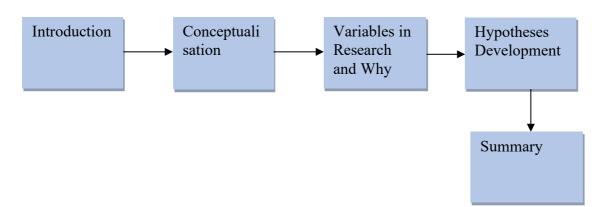


Figure 5.1: Flowchart of Chapter Five

### 5.2 Conceptualisation

Grounded on the research gaps, research questions, and research context, this study attempts to 1) extend the existing IMO construct into the life aspect and fit it into the Chinese context; 2) further and enrich the IMO studies through regarding employee happiness and morale as employee attitudes and regarding employee intention to stay and productivity as employee behaviour because the majority of the studies focused on employee satisfaction, commitment, motivation, and financial performance.

This study also emphasises the Chinese context, and is expected to provide some practices for Chinese manufacturers, so the examination of these variables is meaningful in practice. Work-life balance is becoming increasingly important for the new generation of migrant workers. Compared with the new generation in other countries, the Chinese new generation of migrant workers have unique characteristics. They have grown up in the environment of China's rapid economic growth and family planning policy (Ying, 2015). Under the One-Child policy, most of the millennial are the only child of their family and if they get married, it means that they have to take care of the parents from both families. Therefore, they usually suffer a higher level of pressure from economic and psychological perspectives (Kisselmann, 2016). These make them desire a work-life balance and seek flexibility (Uba et al., 2012). These workers change jobs much more frequently if they are not satisfied with conditions because of their increased versatility, better education, occupational training (Ulgan and Martin, 2001), and higher expectation for their rights, well-being, and privacy protection at the workplace (Banister, 2005; Meng, 2015). Thus, how to retain employees, especially qualified employees is essential and vital for organisations. This study expects to build an extended internal market orientation to satisfy their expectations in not only work but also in personal life, which helps to balance the employee perception of work and life.

In order to keep up with and satisfy the changing of workers' expectations of work and life balance in the workplace, the existing IMO construct needs to be extended into the life domain as well. The conceptual framework in this study aims to develop the EIMO construct which includes internal information collection in life (ICL), internal information collection in work (ICW), internal information dissemination in life (IDL), internal information dissemination in life (RESL), responsiveness to information in work (RESW); subsequently, to examine how EIMO influences employee attitudes, including employee happiness and morale and employee behaviour covering intention to stay and employee productivity; also, to examine how supervisor support as a moderator influences the relationship between EIMO and employee attitudes (see *Figure 5.2*).

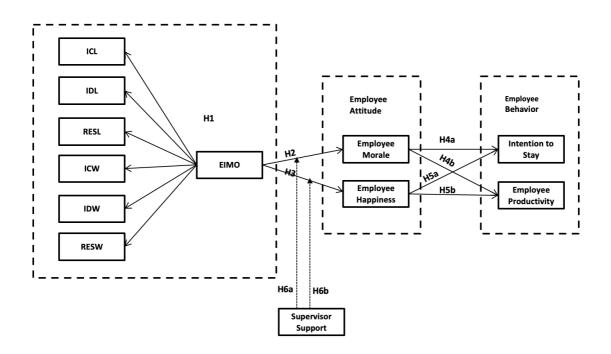


Figure 5.2: Conceptual Framework

Happiness is important for workers. Using the single workers as an example, they suffer a sense of loneliness due to a lack of local friends; more than 70 per cent of

construction workers reported emotional loneliness as the most painful aspect of their lives (Hawkins, 2017). Even more, these migrant workers have higher demands for material and spiritual enjoyment, but long working hours, low income, and greater expenditure on leisure activities and family life give them psychological distress (Zhong et al., 2017). As some of them were among the left-behind in childhood, they are increasingly concerned about well-being (NBSC, 2011). This makes happiness essential for them.

This study emphasises the Chinese context, and the collectivist orientation of Chinese culture makes the employee morale in this study meaningful. The collectivist orientation of Chinese culture promotes group orientation, a participative work environment and group support in the workplace. The participative work environment in traditional Chinese culture is common in the workplace, and this culture creates and sustains group attachment and group conformity. This means that employees tend to work as a group or team and supervisor and co-worker support are essential for employees in Chinese organisations (Chen, 2000). Hence, morale, as the concept aims to improve the solidarity and cohesiveness of the employees in the organisation, becomes increasingly significant.

With the rapidly increasing competition and employee attrition levels across various industries globally, businesses are emphasising understanding employee expectations and taking care of their employees to boost their morale to retain them (Kanimozhi and Vinothkumar, 2018). In China, there are severe labour shortages and a high resignation rate, which makes it difficult to hire good quality labour (Cheng, 2014). Particularly for the manufacturing industry faced with increasing orders, it is urgent for them to recruit an efficient labour force for accelerating productivity. Hence, employee intention to stay and productivity are worth investigating.

### **5.3** Hypotheses Development

#### **5.3.1 EIMO Construct**

The IMO concept is taken by the organisation to guide the company's behaviour towards satisfying employees' needs (Gounaris et al., 2010). IMO contributes to encouraging employees to perform better and to provide outstanding service, which ultimately benefits to improve customer retention and enhances the success of the company (Lings and Greenly, 2010). Most of the existing research in IMO has included IMO dimensions of internal information generation, information dissemination and responsiveness to the information. Information generation is about how to identify and collect information on employees' needs and wants (Lings and Greenley, 2005). Internal intelligence dissemination relates to the communication between managers and employees and the communication channels applied. The purpose of information dissemination is not only for communicating new marketing strategies or objectives with employees but also for managers to listen to their employees (Gounaris, 2006). As for the responsiveness to intelligence, this pertains to a series of management activities to satisfy employee needs, such as developing new skills and capabilities that their jobs require.

Due to the changing economic environment and social factors, work-life balance is becoming one of the most important and urgent demands for employees (Kumar and Chakraborty, 2013). In particular, the changes in demography and workplace, such as the appearance of new generation and transformation in family structures (e.g. increasing female workers, dual-career couples, and single parents) generate competing demands between work and family responsibilities (Ju et al., 2020). Although the experiences of employees in Asia in balancing work and life are different for employees in the West, the need for work-life balance is experiencing worldwide regardless of countries (Le et al., 2020). Therefore, the responsiveness to the demand for work-life balance has become a predominant issue for organisations (Lockwood, 2003).

In order to retain their professional and talented employees and keep pace with workplace trends, organisations have attempted to balance their workers' work and life through human resources management, such as work-family human resource practices or work-family practices (Giardini and Kabst, 2008; Liu and Wang, 2011). These practices include providing financial assistance, on-site childcare facilities, flexibility, and health services at the workplace (Giardini and Kabst, 2008; Garg and Agrawal, 2020). Through applying family-friendly human resources practice contributes to enhancing organisational commitment, job performance, productivity, and lower turnover rate (Lockwood, 2003; Fleetwood, 2007; Ke and Deng, 2018).

Various studies have confirmed that the work-life balance has implications for employee attitudes (e.g. commitment, job satisfaction, and motivation), behaviours, organisational effectiveness (Eby et al., 2005), and organisational performance, such as increased cost savings, improved productivity, and reduced turnover rate (Beauregard and Henry, 2009; Ngo et al., 2009). Although it is notable that employees in this era are experiencing a hyper-competition between their work and life commitment (Tariq et al., 2012), it is challenging for organisations to effectively apply work-life balance initiatives (Kumar and Chakraborty, 2013). There are some reasons for this. These work-life practices have not yet changed the organisational cultures to support employees, and supervisors lack the awareness and intention to use these practices (Lazar et al., 2010). Even among these organisations that adopt work-life practices, there is distinct variation as to the application of these practices (Wang and Verma, 2012). These would lead to the underused family-friendly policies (Vyas et al., 2017).

In order to effectively fulfil and keep pace with employees' changing demands, extended internal market orientation as a management tool to better understand and effectively respond to employees' specific needs and wants from both work and personal life

is suggested in this thesis. Meanwhile, IMO can act as a culture change programme which benefits organisation to match and responding to environmental change including organisational transformation and employees (Kelemen and Papasolomou-Doukakis, 2004). Therefore, extending IMO to cover the life domain is expected to detect, understand, and timely respond and satisfy internal customers' needs and balance their work and life. This could lead to workers performing their jobs better, being more productive, and helping to achieve organisational objectives (e.g. serve the external customer well, produce higher quality products, and improved financial performance).

According to Zhang et al. (2018), family support plays an important role in increasing an individual's work-life balance and their job satisfaction. However, the existing IMO construct relating to the mentioned dimensions only relate to employees' wants and needs in their job roles. Based on the requirement of work-life balance, the internal market orientation is expected to extend from just the work aspect into the personal life aspect as well. This extended internal market orientation considers internal information collection, dissemination, and responsiveness related to workers' expectations from both work and personal life covering proper accommodation in the workplace, decent living conditions, delicious food, entertainment, social life, and children and elderly care. Hence, we propose that the EIMO should include needs and wants from both work and life aspects:

Hypothesis 1: The extended IMO is determined and measured by internal information collection, internal information dissemination and responsiveness to the information at both work and life levels.

### **5.3.2 EIMO and Employee Attitudes**

Employee attitudes refer to the tendency of reacting favourably or unfavourably toward a job and a workplace (Tosi and Mero, 2003), which has been examined through different measurements such as organisational commitment (e.g. Bissola and Imperatori, 2013;

Susanty and Miradipta, 2013), job satisfaction (e.g. Van Scotter, 2000; Pate et al., 2003), trust (e.g. Van Scotter, 2000), employee motivation (e.g. Gould-Williams, 2004) and so on. Some studies discussed how the employee's attitudes are influenced by various factors (e.g. Van Scotter, 2000; Kuo et al., 2010; Suanty and Mirandipta, 2013). For example, employees' personality, employee-environment fit, job characteristics, psychological contract, organisational justice, and stress are elements affecting employee attitudes toward work (Suanty and Miradipta, 2013); and there is evidence that the organisation's investment in the employment relationship positively affects employee attitude (Van Scotter, 2000).

Apart from existing studies proving that various organisational, personal and relational factors influence employee attitudes, IMO has been regarded as having a positive influence on employees' attitudes. IMO has not only been found to have a positive effect on employee attitudes from an overall aspect (Sahi et al., 2013) but also IMO has been tested to positively influence employee attitudes covering commitment (e.g. Kaur et al., 2009; Schulz et al., 2017; Zebal, 2018), employee motivation (e.g. Lings and Greenley, 2009; Amangala and Wali, 2013), employee job satisfaction (e.g. Salem, 2013; Martin and To, 2013; Rehman and Nouman, 2015), and employee trust (e.g. Edo et al., 2015). EIMO, as a management tool, is applied to satisfy employees' needs in both work (e.g. job design, suitable work environment, and welfare) and life (e.g. flexibility and living conditions), so EIMO may influence the employee's attitudes toward work. In this study, employee happiness and morale will be tested as workers' attitudes. The reasons why employee happiness and morale will be selected as attitudes in this study will be explained in the next sections.

### **5.3.2.1 EIMO and Employee Morale**

According to Lawler (1973), employee morale is defined as the degree to which an employee feels good about their work and work environment. It is the employee's attitude towards their jobs, superior, and their organisation. Morale is purely emotional, which changes depending

upon working conditions, so it is not a static thing (Kanimozhi and Vinothkumar, 2018). A higher level of employee morale in the firm leads to the employee achieving the organisational objectives efficiently with high cohesiveness and confidence, building a good relationship with the leader, and having harmony with colleagues (Miller, 1981).

Employee morale should be distinguished from employee motivation. Although both are cognitive concepts, they are different. Employee morale is a composite of feelings, attitudes, and sentiment that benefit the general feelings of employee satisfaction at the workplace, and it is regarded as fostering group solidarity and satisfaction with the desire to strive for the goals of a particular group (Baehr and Renck, 1958). Different from morale, motivation is something that stimulates an individual's action. It is the process of stimulating action to accomplish the desired goal (Kanimozhi and Vinothkumar, 2018). The concept of morale is more closely relevant to Chinese collectivist orientation. Additionally, employee morale is never examined as relating to the study of internal market orientation. The relationship between internal market orientation and employee morale benefits the enrichment of the internal market orientation research. So this study prefers testing employee morale as an attitude toward work to employee motivation.

Employee morale is influenced by various factors: 1) different relationships in the organisation, e.g. compatibility with fellow employees (Vasantham, 2014), employee-management relationship closeness (McKnight et al., 2001), quality of relationship with company and quality of relationship with supervisor (Baird and Bradley, 1978); 2) employee level factors, e.g. intelligence of employees, job satisfaction (Vasantham, 2014); 3) organisational level factors, e.g. organisational reward, good leadership and supervision in the organisation, work environment (Vasantham, 2014), and managerial communication, like the frequency of communication with supervisor (McKnight et al., 2001).

Employees' job satisfaction and morale tend to be high when an organisation demonstrates their care for their employees via rewarding their work and improving the working environment (Vasantham, 2014). When an organisation adopts IMO which involves the communication and understanding of the intelligence of the employee in an organisation and promotes its service to satisfy the employees, this is a way for an organisation to demonstrate their care about their workers. From an organisational level, IMO attempts to enhance managerial communication and improve the efficiency of responsiveness to organisational reward. Besides, the adoption of IMO helps build good relationships with managers and the organisation through information generation and communication about employees' expectation in work (Zebal, 2018). Harmonious relationships between managers and employees mean the leaders could truly understand their employees and their suggestions or ideas (Barnes et al., 2004).

Management controls are frequently applied to improve employee morale through accountability feedback, incentives, empowerment and autonomy (McKnight et al, 2001). IMO tries to respond to the workers' expectations via management considerations, training, job design, salary, and welfare in work (Lings and Greenley, 2005). Based on Baehr and Renck (1958), management, immediate supervision, material rewards, and job satisfaction are the primary factors of morale. IMO can improve these factors (e.g. Sulaiman et al., 2013; Cerqueire and Mainardes, 2018). Also, when IMO is adopted, the management team has the tendency to listen and understand their employees. Once the organisation or leaders understand their employees and suggestions or ideas, the staff morale may improve (Barnes et al., 2004). Thus, the IMO in the work aspect may have a positive effect on employee morale.

Furthermore, there are increasing organisations adopting flexible scheduling, compressed workweek, and family-friendly benefits. The family-friendly benefits relating to

care benefits seem to indicate increased employee morale and satisfaction (Lyonette and Baldauf, 2019). For example, when an organisation provides lactation-friendly accommodation for female workers in the workplace, this can improve employee morale and productivity (Ramirez and Kenyon, 2019); flexibility can help with absences and reduce staff turnover and improve employee motivation and staff morale (Strelitz et al., 2006); the working condition, and leave and holidays provided are important factors contributing to employee morale (Tiwari, 2014); organisations organising social gatherings, such as company picnics for both employees and their families, holiday parties, and travelling, are conducive to employees' sense of belonging which will ultimately lead to higher morale (Hopkins, 1995). Since IMO in life boosts the achievement of these activities in the workplace, this may improve employees' morale. Hence, we regard IMO in life to positively affect employee morale. The EIMO program affords insight into employees' ideals in both work and life aspects. So, we propose that EIMO at work positively impacts employee morale. Hence,

Hypothesis 2: EIMO has a significant positive effect on employee morale.

## 5.3.2.2 EIMO and Employee Happiness

Employee well-being at work refers to the overall quality of a worker's experience and functioning at work (Warr, 1987). An organisation emphasises employee well-being at work to make workers feel happy, competent, satisfied in their roles and achieve their duties. According to Schaufeli et al. (2008), they argue that incorporating different types of employee well-being under the same heading is confusing and not a good strategy. This study focuses on psychological well-being, namely happiness. Feeling happy is also fundamental to the human experience. Happiness is generally classified into hedonic happiness and eudaimonic happiness. The former is regarded as pleasant feelings and favourable judgments,

and the latter is related to do what is virtuous, morally right, true to one's self, meaningful, and growth-producing (Ryff and Singer, 2008).

Happiness in this study means the rate that individual's judge desirability and total life quality. In other words, happiness refers to the feeling that the person is satisfied with life (Mehdad and Iranpour, 2014); the person can be feeling pleasant, favourable, virtuous, morally right, producing and meaningful, which is the scope of overall happiness (Ryff and Singer, 2008). It is easy to confuse happiness and job/life satisfaction. Similar to happiness, job satisfaction is a pleasurable emotional state. However, job satisfaction will make employees feel pleasure when the appraisal of their job is achieving or valuable (Locke, 1969). Compared with happiness, life satisfaction has a broader scope than overall happiness. Life satisfaction is one of the dimensions of subjective well-being which has two correlated factors, namely judgments of life satisfaction (assessed globally or in specific domains, e.g. work, leisure, health, and relationship) and affect balance (having a high level of positive feelings and relatively low level of negative feelings) (Mehdad and Iranpour, 2014). Both satisfaction with family and satisfaction with work influence an individual's happiness. For example, the personal resources brought to work, such as general happiness, and selfconfidence make the job effective (Seligman and Csikszentmihalyi, 2000); the HRM practice has a positive effect on psychological (happiness) and social (relationship) well-being (Van de Voorde et al., 2011).

As the workers' expectations today differ significantly from what the jobs provide, so job satisfaction and happiness in China are examined to be relatively low from a worldwide perspective (Nie et al., 2019). Also, the new generation of migrants has lower levels of happiness and job satisfaction than their forefathers and lower levels of happiness than urban locals (Cheng, 2014). Job satisfaction and organisational commitment have been two of the most prominent work attitudes in the work and organisational literature (Wang, 2008), and an

examination of happiness can overcome the paucity of investigating the relationship between IMO and employee attitude via only job satisfaction and commitment. Since the notion of happiness is vital for organisational performance and productivity, human resource managers need to consider designing and managing a workplace to enhance employee happiness (Rego and Cunha, 2008). Greenhaus and Powell (2006) discussed that individuals are happier than ones who participate in only work or family. A happy employee will bring happiness to their family from the workplace, and they also will transfer their happiness to the workplace from home (Asiyabi and Mirabi, 2012). This manifests an underlying close interrelation between people's life and work. Thus, for retaining and ensuring the availability of the workforce, maintaining employee happiness is necessary (Asiyabi and Mirabi, 2012).

When an organisation makes its employees feel meaning and importance to the firm and builds a harmonious relationship with colleagues and supervisors, there will be a higher level of happiness (Andrew, 2011). When what the workplace provides corresponds to what the employees want, need and expect, this contributes to employee happiness. In particular, when employees experience satisfied basic individual needs, relatively stable life circumstance, and supportive social networks, these will produce a happier worker (Fisher, 2010). Furthermore, according to Sirota et al. (2005), when the employee feels respect, fairness, and pride in the company, they will be a happy and enthusiastic worker. Notably, the EIMO is the tool to understand, communicate and respond to the employees' requirement not only in work but also in life. Even the communications between employee and supervisors are based on respect, trust and a supportive work environment. Thus, IMO in life has a positive effect on employee happiness.

Multiple roles will lead to the employees' perception of work-life conflict, overload, and negative influence on employee well-being (Frone et al., 1992). In particular, this psychological conflict (e.g. the decision to spend weekend time at work or with family and

friends) will inevitably decrease the fit between work and family life (Grant-Vallone and Donaldson, 2001). The satisfaction with work and satisfaction with the family will increase an individual's happiness and perceived quality of life (Greenhaus and Powell, 2006). In order to improve employee satisfaction with work, IMO is suggested. As IMO has been discussed to positively affect employee job satisfaction (e.g. Tortosa et al., 2009) via satisfying their work needs, the EIMO has capabilities to balance the needs between work and family through facilitating work-related and family-friendly practices. Hence, we argue that when employees are satisfied with work and family this should have positive effects on their happiness, life satisfaction, and perceived quality of life (Greenhaus and Powell, 2006). We propose that:

Hypothesis 3: EIMO has a significant positive impact on employee happiness.

### 5.3.3 Employee Attitudes and Employee Behaviour

It is well known that workers' attitudes influence employee behaviour (Weakliem and Frenkel, 2006). Employee behaviour refers to an employee's reaction to a specific situation in the workplace (Robertson, 1994). An individual's consideration to be motivated or unmotivated, active or passive is activated by external stimuli and affirmed by the consequences. Then these ultimately turn the individuals to action and behaviour (Lutz, 2011). For example, working well as part of a team; being on time; behaving with a positive attitude toward workers and the job (Scottish Qualifications Authority, 2011). There are some suggested important employee behaviours, such as employee productivity, turnover, organisational citizenship behaviour, absenteeism, and workplace misbehaviour. In this study, employee behaviour will relate to employee productivity and intention to stay.

Based on social exchange theory and work and family border theory, the EIMO tries to balance workers' inputs and outputs through satisfying their needs and expectations in work and life respectively, which is expected to have a positive effect on employee attitudes

consisting of employee happiness and morale. Also, the theory of planned behaviour provides the rationale for this conceptual model that after being satisfied by the organisation through EIMO, the employees' attitudes are predicted to positively impact their behaviour in terms of productivity and intention to stay.

# 5.3.3.1 Employee Morale and Intention to Stay

According to Das and Baruah (2013), retention generally is divided into three dimensions: mental, social, and physical. The mental dimension of retention relates to work characteristics, the social dimension refers to the contacts that the employees have with others in the organisation, and the physical dimension is about the working conditions and pay. The importance of employee retention has been highlighted. Hiring new staff is more expensive and more difficult than keeping employees (Baker, 2006), so employee retention is vital and beneficial for an organisation's long-term development and to achieve competitive advantage (Walker, 2001).

An organisation's ability to retain its workers depends on its capability to manage them (Kaliprasad, 2006) and application of the appropriate employee retention strategies (Gberevbie, 2008). In particular, securing and retaining skilled and talent employees are essential for organisation because employees' skills and knowledge are core to developing competitive ability. From reviewing the literature, job satisfaction and organisational commitment (Das and Baruah, 2013; Robinson and Barron, 2007; Carbery et al., 2003), loyalty, trust, identification, and attachment with the organisation will positively lead to employee retention (Hytter, 2007). Also, personal factors such as level of education, seniority, self-perceived leadership skills, learning attitude are closely related to retention (Kyndt et al., 2009). Besides, organisational factors such as the pressure of work, positive relations with colleagues, recruitment policies, promotion, are also essential (Kyndt et al., 2009; Hytter,

2007); and more effective managers and supervisor support and communication positively affect employees' decisions to remain in the organisation (Grissom, 2012).

Employee retention refers to the process of encouraging employees to stay for a long period or until project completion (Hom and Griffeth, 1995). In this study, the employee's intention to stay will be examined from employee level respondents to understand the employee retention to the organisation. The Chinese new generation seeks a friendly, creative and innovative work environment, professional growth, and a good work-life balance, but the organisations emphasise performance, efficiency and effectiveness without giving proper attention to employees' needs and what truly motivates them (Callegarin, 2017). The data has shown that the average employee turnover in China was 20.8 per cent in 2016. In some industries, the turnover rate went up to 40 per cent (Aon, 2016). Although there are increases in salaries, this does not decrease the turnover (Callegarin, 2017). Therefore, the enterprises still face a serious labour shortage.

The biggest challenge that organisations are facing today is not only managing these resources but also retaining them. In particular, in order to retain them, the management has to continuously satisfy the employees, which is another challenge that the employers must meet today (Das and Baruah, 2013). In this modern society, work-life balance is increasingly important for employee engagement and impacts employee retention (Deery, 2008; Maxwell, 2005; Das and Baruah, 2013). To improve their intention to stay, the employers need to notice this change and try to satisfy their needs with work-life balance. Therefore, in this study, it is important and necessary to look at the employees' intention to stay.

Intention to stay refers to employees' intention to remain in the employment relationship with their current employer on a long-term basis. This is an inverse concept of turnover intention or intention to quit (Johari et al., 2012). There are seven main reasons why employees quit their jobs, namely lack of recognition, low payment, unfulfilling jobs,

inadequate career advancement, disordered work cultures, poor management practices, and untrustworthy leadership (Branham, 2005). By contrast, employee's job satisfaction, training and development, compensation and benefits (Goperma and Dolai, 2018), organisational commitment (Phuong and Trang, 2017), employee motivation, and employee trust (Shahid, 2018) are positively related to employee intention to stay.

Low staff morale causes unrest among employees and leads to low employee loyalty, so this may generate a higher employee turnover rate (Proctor and Doukakis, 2003). Furthermore, uncertain business conditions, limited upward rewards, job security issues, lack of fair compensation policy, and excessive outsourcing policy can lead to low employee morale (Shaban et al., 2017), and then the low morale has a negative impact not just on employee behaviour toward customers but also on the company's performance (Kumar and Pansari, 2015). The low staff morale, uncertainty, and the high levels of fear and discontent have led to the loss of corporate loyalty (Proctor and Doukakis, 2003). Tiwari (2014) states that high employee morale indicates that employees are satisfied with their job, put in the effort, take the initiative, focus on achieving organisational goals, and are committed to the organisation. Hence, we propose that:

Hypothesis 4a: Staff morale has a positive impact on employees' intention to stay.

# **5.3.3.2** Employee Morale and Employee Productivity

Although there are various measures of productivity, including capital productivity, labour productivity, profitability indices as well as total output productivity (Saulan, 2002), this study only considers labour productivity. Labour productivity refers to the total output divided by labour inputs (Samuelson and Nordhaus, 1989). Although the manufacturers in China are faced with increasing labour and production costs, technological upgrading may generate space for enhanced productivity (Hou et al., 2017). However, China's labour productivity decreased by 6.27 per cent in 2019, compared with a growth of 10.23 per cent in

2011 (CEIC, 2019). Labour productivity is one of the important elements for the manufacturing industry to retain competitiveness in the world.

According to Ghate et al. (2016), there are various factors affecting labour productivity, such as labour supervision, communication between management and labour, skilled labour, schedule of work, training, payment, availability of material, equipment, climatic condition, amount of labour on-site, working conditions, and leadership (Ghate et al., 2016). Enshassi et al. (2007) discussed that the work environment, job design, and physical components of work are related to labour productivity. Besides, from a human resource aspect, investment in certain human resource activities, specifically for human resource planning, hiring and employee development, have a positive effect on labour productivity (Koch and McGrath, 1996).

The results illustrate that the most important factor negatively affecting employee productivity is lack of labour experience, followed by labour disloyalty, labour dissatisfaction, misunderstanding among labour, lack of competition, increase in labourer age, labour absenteeism, and labour personal problems (Enshassi et al., 2007). By contrast, previous experience, tenure (Schahn and Holzer, 1990), the effect of discipline, employee's job satisfaction (Purwanti and Sitorus, 2018), compensation (Yamoah, 2013), welfare (Iverson and Zatzick, 2011), work engagement (Hanaysha, 2016), and training and development (Nda and Fard, 2013) positively influence employee productivity.

Employee morale is viewed as employees' feelings of well-being toward a workplace, which is revealed to have a significant influence on job satisfaction and productivity (Hardy et al. 2016). Employee morale can range from very high to very low. High morale leads to the positive feelings of employees, e.g. enthusiasm, desire to obey orders, willingness to cooperate with colleagues (Iverson and Zatzick, 2011), and efforts to pursue organisational goals (Johnsrud and Rosser, 2002). When employees have a higher level of morale, it is

positively related to higher labour productivity (Barnes et al., 2004; Iverson and Zatzick, 2011). Morale is associated with greater work effort. When there are higher levels of morale, the relationship between work effort and productivity becomes stronger (Weakliem and Frenkel, 2006).

In contrast, poor or low morale is indicated by the negative feelings of employees and the employees lack interest and motivation in what they undertake such as dissatisfaction, discouragement or dislike of the job (Kanimozhi and Vinothkumar, 2018). The reasons behind low employee morale could cover uncertain business conditions, limited upward rewards, job security issues, lack of fair compensation policy, and excessive outsourcing policy (Shaban et al., 2017). When there is a lower level of employee morale, this negatively influences employee productivity and organisational competitiveness (Shaban et al., 2017). Workers with sufficiently low morale can respond with poor quality, wasting resources, or even sabotage (Iverson and Zatzick, 2011). Hence, we propose that:

Hypothesis 4b: Staff morale has a positive impact on employees' productivity.

# 5.3.3.3 Employee Happiness and Employee Intention to Stay

Walker (2001) regards managing and retaining competent employees as an important foundation in fulfilling competitive advantage among organisations. So employee retention strategy is necessary for an organisation, which refers to the plans and methods, and a set of decision-making behaviour implemented by the organisations to retain and manage their competitive workforce for performance (Gberevbie, 2008). An employee who achieves good standards of well-being at work makes an employee feel happy, competent, and satisfied in their role and is likely to be more loyal to the organisation (Thomson, 2014). Therefore, the management should notice the significance of a happy employee in an organisation.

Happy employees are more committed to the organisation, and they are less likely to leave their job (Asiyabi and Mirabi, 2012). A happy workplace can lead to a reduction in

stress in individuals and it will increase the joy of working (Oswald et al., 2015). When employees are happy, there will have less absence and less emotional fatigue (Boehm and Lyubomirsky, 2008). When employees are happy, there will be a possible close and positive interrelation between work and life domains. This ensures the availability of the workforce (Asiyabi and Mirabi, 2012) and fewer resignations (Wesarat et al., 2014).

Inevitably, people feel enhanced levels of both objective and psychological conflict when there is a paucity of fit between their work and family lives (Grant-Vallone and Donaldso, 2001). In order to retain employees, the reduced work-life balance should be considered by the organisation. Given the balance between professional and personal life, positive relations with colleagues, good communication (Walker, 2001), and work stress is highly relevant in employee retention (Kyndt et al., 2009). Also, EIMO tries to provide and satisfy workers' expectations from both work and life, which is expected to improve their perception of work-life balance and reduce their work-life conflict. Hence, we propose that:

Hypothesis 5a: Happiness has a positive effect on employees' intention to stay.

### 5.3.3.4 Employee Happiness and Employee Productivity

In general, Seligman (2002) found that individuals who have a higher level of well-being at work is inclined to be more creative, more loyal, more productive, and achieve better customer satisfaction than those with poor standards of well-being at work. Therefore, understanding the importance of different types of well-being and effectively responding to the workers' well-being is important for an organisation (Ryff and Singer, 2008).

The existing study proved that when people feel happy in their workplace, they will behave better and will be more effective in achieving their objectives (Abedi, 2002). An organisation needs to notice the significance of employee happiness. When workers feel happy in the workplace, they are able to pay more attention to their task, are productive

(Wesarat et al., 2014), and they will be more effective in fulfilling organisational objectives (Abedi, 2002).

Happiness is essential for improving productivity in organisations as a happy employee has a higher level of efficiency in the organisation (Wesarat, et al., 2014). A happy employee will improve their efficiency via facilitating individual relations, creativity, optimism, enhanced motivation, and reduction in individual errors (Alexander, 2007). When an organisation has the capability to maintain long-term happiness in the workplace, this has the possibility to increase and sustain productivity (Asiyabi and Mirabi, 2012). Happy people are more productive than unhappy people because those unhappy people may not pay full attention to their jobs and task. So for enhancing employee happiness in the workplace, it is necessary to understand what factors could influence employee happiness (Wesarat, et al., 2014). HR managers are also suggested to design and manage a happy and positive workplace to improve employee happiness (Rego and Cunha, 2008). Hence, we propose that:

### Hypothesis 5b: Happiness has a positive effect on employees' productivity.

# **5.3.4 Supervisor Support**

Supervisor support refers to an employee's views concerning the extent to which their supervisor cares about their well-being and values their contributions (Eisenberger et al., 1990; Kottke and Sharafinski, 1988). As agents of the company, supervisors take the responsibility to direct and evaluate employees' performance in the workplace. Therefore, supervisor's feedback plays an important role in indicating employees' behaviour and performance, which is regarded as an indicator of the company's orientation toward employees (Eisenberger et al., 1990). Moreover, supervisors will communicate with executives about their evaluations of employees' job performance, in this process, the association between affective commitment and supervisor support is further strengthened (Eisenberger et al., 1990). In this study, the supervisor will be the direct managers who are

responsible for the supervision of the migrant workers in the production line and directly communicating and responding to the workers' expectations and issues in work.

Organisational policy and structure are closely related to organisational and managers' attitudes and behaviour toward their employees' needs (Auh and Menguc, 2009). Also, the manager's attitudes and behaviour are closely associated with the implementation of IMO in an organisation. For example, Gyepi-Garbrah and Asamoah (2017) argued whether the leaders with expertise in marketing will influence the value, vision, culture, and norm of the organisation, which are positively related to the intelligence generation, information dissemination, and information responsiveness, namely IMO within the organisations. The managers' attitudes are important. Their negative attitude toward their subordinates will negatively influence employees' motivation to work, which will have a tremendously negative impact on the organisation. Thus, to make employee have a perception of their managers' positive attitudes, the supervisors or managers should properly monitor their communications with subordinates through face to face, emails, or phone calls to seek feedback on how they are perceived as managers (Shamsudin et al., 2015).

When the relationship between managers and employees in the organisation is harmonious, it means the managers can truly understand their employees and their suggestions or ideas (Barnes et al., 2004). Thus, it is the manager's responsibility to affirm the importance of resource allocation for IM implementation (Tag-Eldeen and El-Said, 2011). The leadership exhibits an organisational culture, employee management strategy, and decision making. The existing IMO studies proved that the manager plays an important role in adopting and applying the IMO. For example, managers with a transformational leadership style focus on the development of subordinates, the growth of their value system, their psychological level well-being, and their needs. This style of leadership will lead to an

efficient management style, and then the organisation will have the propensity to implement IMO practice for satisfying employees' needs (Sincic and Vokic, 2012).

How the employee's perception of their supervisor support is essential in shaping employee attitudes, which subsequently affect employee commitment and their turnover intentions (Kuvaas and Dysvik, 2010). Leaders play an important role in enhancing employee morale via listening and understanding their employees and responding to their ideas and suggestions, and then this could help to reduce staff turnover (Barnes, et al., 2004). The frequency of communication with supervisors, quality of relationship with supervisors, and good leadership and supervision are positively related to employee morale (McKnight et al., 2001; Vasantham, 2014). Even more, management controls, such as accountability feedback, incentives, empowerment and autonomy are frequently applied as a tool for improving employee morale (McKnight et al., 2001).

According to organisational support theory (Eisenberger et al., 1990), supervisor support fosters changes in an employee's level of affective commitment (Mohamed and Ali, 2015). In the process of communication, employees will have the perception that the organisation and managers care about them. When an organisation demonstrates their care for their employees via rewarding their work, improving the working environment, this helps to improve employee job satisfaction and morale (Vasantham, 2014). Therefore, under good supervisor support, the management teams are more likely to adopt IMO to understand employees' expectations; the manager should respond efficiently to their expectation, particularly the expectations that benefit to improve employees' morale and make them feel a higher level of satisfaction with their work and work environment.

Compared with an organisation not offering support, when an organisation offers formal and informal organisational support, this contributes to reducing employee stress and strain, increasing an employee's sense of control; even more, leading to a higher quality

work-family interface, and higher job, life, and family satisfaction (Thompson and Prottas, 2005). There is a strong relationship to be found between managerial communication, perceived organisational support, and employee performance (Neves and Eisenberger, 2012). Positive organisational support contributes to improved employee happiness and job satisfaction (Eisenberger and Stinglhamber, 2011). In order to create a positive working environment and to have happy, cheerful and positive employees, owners and management teams are required to learn about happiness, to communicate effectively, and to provide a positive environment (Leonsis, 2010). Through the adoption of EIMO, the managers are more likely to improve communication with the workers. When organisations instruct team managers to encourage more positive communications and to provide more positive feedback, the employee will feel happier (Fisher, 2010).

Hypothesis 6a): Supervisor support will moderate the relationship between EIMO and employee morale; 6b): Supervisor support will moderate the relationship between EIMO and employee happiness.

#### 5.4 Summary

In accordance with the importance of work-life balance for a new generation of migrant workers in China, the extended internal market orientation covering both work and life aspects is constructed and established to examine the influence on employee happiness and morale; furthermore, to test EIMO's effect on employee productivity and intention to stay. As well as elaborating on the literature regarding these variables, this Chapter identified and explained why these variables, which incorporate employee happiness, morale, productivity, intention to stay, are essential and worth examining. Based on the literature review and discussion of connections between these variables, the thesis proposed nine hypotheses. For the purpose of explaining this conceptual framework as reasonable and holistic, the social

exchange theory, work-family border theory, and the theory of planned behaviour have been applied to offer the rationale of why this study is achievable. The research methodology will be discussed in the next Chapter.

#### **CHAPTER SIX**

#### **METHODOLOGY**

#### 6.1 Introduction

The development of the conceptual framework was presented in the previous Chapter. This Chapter attempts to outline the research methodology covering research philosophy, strategies, approaches, and methods applied in this research. This Chapter will be divided into seven sections (see *Figure 6.1*), starting with the introduction of the research philosophy, which explains different opinions on how to view the world. In order to outline the philosophical underpinning of the research, the presentation of philosophical assumptions will be discussed to represent a solid foundation on which the research is built. Introduce a clear research philosophy enables the researcher to justify a particular methodology and approach.

Subsequently, the research approaches will be elaborated and explained as to which approach will be adopted in this study. This will be followed by a justification of both the research strategy and the research design. Following this, the subsequent section will explain and introduce the research methods including qualitative, quantitative, and mixed-method. Afterwards, the motivation for choosing a mixed-method via methodological triangulation approach will be highlighted. Also, this Chapter will explain the choices made in the data collection and analysis techniques used in the next two stages of the study: qualitative and quantitative. Last, a summary will conclude.

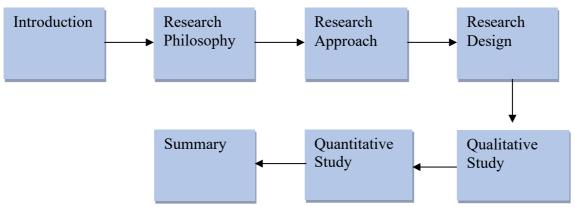


Figure 6.1: Flowchart of Chapter Six

## 6.2 Research Philosophy and Approach

To discuss what, why and how the approach is applied in the study, this section starts with highlighting and explaining the philosophical assumptions: epistemology and ontology, and introducing different research approaches. A "research onion" is presented in *Figure 6.2*.

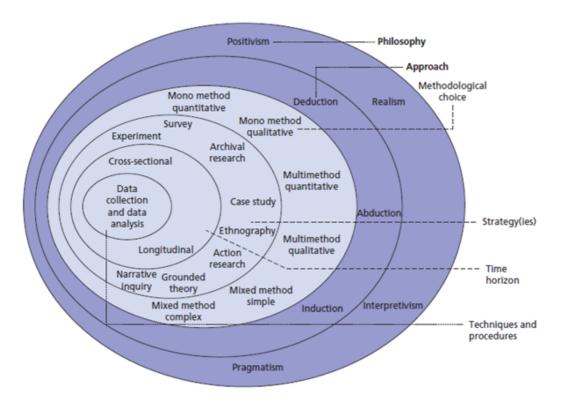


Figure 6.2: Research Onion (Saunders et al., 2012)

### **6.2.1 Research Philosophy**

Research philosophy refers to a system of beliefs about how knowledge develops. It develops based on particular assumptions which explain how the researcher views the world is important in research philosophy (Saunders et al., 2009). These philosophical assumptions will determine the research approach, strategy, and the methods of that strategy (Bahari et al., 2010). Although the philosophy in most research remains implicit, it affects the studies in practice. According to Guba (1990), it is essential to consider these questions before researching: What is real (ontology)? How can we know anything (epistemology)? Moreover, what methods should we use to conduct research (methodology)? These questions benefit from figuring out our research paradigms which are a set of assumptions addressing how the world is perceived (Proctor, 1998).

Ontology and epistemology are two basic beliefs affecting the way to investigate the world. Ontology discusses that the existence of reality is external and independent of social actors. Compared to ontology, epistemology refers to generating, understanding, and using the knowledge when conducting the research (Burrell and Morgan, 1979). Generally, epistemology and ontology decide your axiology and methodology (Saunders et al., 2012). The former is the extent and ways authors' values affect the research process (axiological assumptions), and the latter is a model for conducting a research process in the context of a particular paradigm and presenting how we use the knowledge and how we know the world (Wahyuni, 2012). It is important to understand various types of research philosophies because subsequent methodological choice (e.g. which research approach should be adopted? and why this research approach?) is consequential to the researchers' philosophical stance (Holden and Lynch, 2004).

Ontology considers the question "what is real?", and there are two possible responses that depend on a set of specific paradigms, they are objectivism and subjectivism. The

objectivist believes that social entities exist in reality and independent of social actors. Based on an objectivist paradigm, there is a single objective truth to be affected by a set of laws (Saunders et al, 2012). However, subjectivism emphasises that social phenomena are derived from the perception of social actors, and this social phenomenon is getting developed via continuous social interaction. The subjectivist paradigm thinks that everything is relative, and there are several subjective truths. There is not one objective truth or even universal truth (Saunders et al., 2012; Wahyuni, 2012).

After responding to the question "what is real?" through the understanding of various research paradigms, it influences the way the knowledge is obtained. Hence, some questions are triggered. For example, "how do we know anything about the world?" and "does what we perceive as reality affect our knowledge of the world?" There are various fundamental beliefs or research paradigms in social science: positivism, interpretivism, relativism, constructivism, and pragmatism (Guba and Lincoln, 2005; Jonker and Pennink, 2010). Different paradigms influence not only our perception of reality but also affect the perception of knowledge about the world and the way we obtain knowledge (see *Table 6.1*, the comparison between different research paradigms).

A positivist research philosophy, namely positivism, claims that the world can be understood objectively. In other words, when those believe there are a single objective truth and universal truths waiting to be discovered, they are usually referred to as positivists. The scientist is working with an observable social reality through being an objective analyst and disconnecting themselves from personal values and works independently (Saunders et al., 2012). In contrast, those who believe there is no reality except what individuals create in their heads are known as constructivists or interpretivists (Guba and Lincoln, 1982; Rowlands, 2005; Saunders et al., 2012). Different from positivism, constructivism or interpretivism refers to understanding the world through experiencing the social world. It is based on

people's various roles as social actors who perform a specific role in observing the social world. It is not easy to understand the social world only based on laws. Therefore, the social world can be interpreted subjectively.

Combining both positivism and interpretivism is known as pragmatism. Pragmatism focuses on studying the issues of interest and value and applying different ways to find out the positive outcomes. It argues that the research problems mostly determine the choice of the research philosophy. In this research philosophy, practical results are considered important (Guba and Lincoln, 2005; Rowlands, 2005; Giacobbi et al., 2005).

Table 6.1: The Comparison between Positivism, Interpretivism, and Pragmatism

	Positivism	Interpretivism	Pragmatism
Ontology	External, objective,	Socially constructed,	External, multiple views.
	independent of social	subjective, can change	Select one that is best at
	actors	over time, multiple	answering the question
		realities	
Epistemology	Only observable	Subjective meanings	Either or both can provide
	phenomena can provide	and social phenomena.	adequate knowledge
	credible data. Focuses	Focus on details of the	depending on the question.
	on causality,	situation, the reality	Practical applied research
	generalisations,	behind them, meanings	incorporating different
	reducing phenomena to		perspectives to analyse
	simple elements		data
Axiology	Research is taken in a	Research is value	Values play a significant
	value-free way. The	bound, and the	role in interpretation.
	researcher is	researcher is part of the	Adopt the objective and
	independent of data and	process, cannot be	subjective points of the
	objective	separated	researcher
Methodology	Structured, large	Small samples, in-depth	Mixed or multiple method
	samples, ordinarily	investigations collecting	designs, qualitative and
	quantitative	qualitative data	quantitative data
	measurement but can be		
	qualitative		

# **6.2.2** Rationale for Pragmatism Philosophy

This study stands for a pragmatism philosophy that focuses on practical applied research, integrating different perspectives to help interpret the data, and adopting both objective and subjective points of view (Creswell, 2003). Pragmatism philosophy considers theories, concepts, ideas, hypotheses, and research findings not in an abstract form, but in terms of the practical consequences and the roles played in specific contexts (Saunders et al., 2009). This philosophy is introduced to apply mixed-method approaches to investigate research questions (Johnson and Onwuegbuzie, 2004; Giavobbi et al., 2005).

For a pragmatist, the research questions determine the research framework (Wahyuni, 2012). In pragmatism, the most important determinant for research design and strategy is the research problems and questions that research is attempting to address. The research question, in return, would likely incorporate an emphasis on practical outcomes (Saunders et al., 2009). Based on the research questions in this study: 1) is current IMO measurement sufficient to detect employees' needs and wants from both work and life? Based on the existing literature, the current internal market orientation construct is not sufficient to understand employees' needs and wants, so this study aims to rebuild or redesign a new internal market orientation construct fitting to China; 2) how does the extended IMO impact on employees' attitudes towards work and life? How do the employees' attitudes affect employees' behaviour at work? In order to resolve these research questions, a combination of qualitative and quantitative study is necessary for this research. Based on Tashakkori and Teddlie (1998), it is possible for a pragmatist to adopt different types of knowledge, multiple methods, and different forms of data collection and analysis methods. Therefore, this study stands by a pragmatism paradigm for applying a mixed-method.

The mixed-method will be utilised to understand social reality better because this method benefits to maximise the strengths and minimise the weaknesses of both qualitative and quantitative research strategies (Johnson and Onwuegbuzie, 2004; Bryman, 2012). In this study, for the purpose of redesigning the construct of internal market orientation fitting into the Chinese context, the premise is to have a better understanding of the Chinese context alongside understanding about the organisational adoption of IMO in practice and the workers' needs and wants from both work and life domains. Therefore, the initial qualitative study is expected to achieve these objectives. However, this study will further consider exploring the role of extended internal market orientation played in the Chinese context. Thus, it is not adequate to only apply the qualitative study for understanding the context when building a new internal market orientation construct. The subsequent quantitative study is vital to extend the IMO construct fitting to China and in testing the function of the redesigned IMO construct to employees' attitudes and behaviour.

In sum, it is necessary and possible to use both qualitative and quantitative methods for different research objectives. These different research methods are to tackle different research questions at different stages, and this aims to enable credible, well-founded, reliable, and relevant data to be collected that advances the research (Kelemen and Rumens, 2008). Following Saunders et al. (2012), there are many various ways of interpreting the world and conducting research, and there is no single point of view could provide the entire picture because there may exist multiple realities. In order to develop the EIMO construct and generate a pool of items, a qualitative study is initially needed. After this, the study aims to examine the role of EIMO toward the organisation, so the quantitative study can help to achieve this research objective. That is why undertaking this research from multiple aspects is necessary.

### **6.2.3 Research Approaches**

There are two different styles of research approaches: a deductive approach (theory testing) and an inductive approach (theory building) (Bryman and Bell, 2015). During the process of the theory-building approach, the research usually begins with observation and uses the inductive approach to derive the theory from the data. This approach moves from the specific to the general and theory is produced after the data (Trochim, 2006). Differently, a theory-testing approach begins with a theory and then uses the data to prove the theory, and deductive reasoning derives a set of propositions from the theory (Saunders, 2009). So this approach moves from general to specific (Creswell and Plano Clark, 2007) (see *Table 6.2*, for the differences between them).

Additionally, the combination of the deductive and inductive approach is achievable (Saunders et al., 2012). The first is essentially qualitative and the next stage is essentially quantitative for statistical confirmation and validation (Saunders et al., 2012). This study combines the deductive and inductive approaches and it is predominantly based on a deductive approach. The concept of IMO is theoretically grounded in the existing literature, e.g. Lings (2004) and Lings and Greenley (2005). However, based on the existing theory of IMO, this study aims to modify and extend the IMO construct within the Chinese context. Therefore, the inductive approach is necessary, which develops and modifies the IMO theory in universities through qualitative data collection. The deductive approach will be undertaken to test the theory via empirical data analysis.

Based on the literature, different generations of domestic migrant workers have different dominant expectations and needs in work and life, particularly the need for balanced work and life. For the purpose of 1) understanding the employees' needs at work and in life and the importance of satisfying these expectations in the workplace; 2) modifying and establishing the extended construct of internal market orientation based on the Chinese

context, this step used the inductive approach. These two aspects can be achieved through applying the inductive approach which will be applied initially to derive the pool of items of the extended internal market orientation construct, and this is the process of theory building which is expected to be found through qualitative techniques.

Subsequently, the deductive approach will be adopted to build the propositions and then collect data through quantitative techniques. The purpose of this step is to conduct the empirical text on 1) how the new internal market orientation affects employee attitude (employee morale, happiness), and how employee attitudes influence employee behaviour (intention to stay and productivity); 2) how the supervisor's support influences the relationship between extended internal market orientation and employee attitudes.

**Table 6.2: The Difference between Deductive and Inductive Approaches** 

<b>Deductive Emphasizes</b>	Inductive Emphasizes	
Scientific principles	Obtaining an understanding of human	
Moving from theory to data	activities and events	
• There is a need to explain the causal	Getting an understanding of the research	
relationship between various variables	context	
Collection of quantitative data	Incremental approach	
Structured and replicable approach	The collection of qualitative data	
• The involvement of controls to ensure the	More flexibility to allow changes of research	
validity of data	emphasis as the research progresses	
The operationalisation of concepts to ensure	• The awareness that the researcher is part of	
clarity of definition	the research process	
Researchers are independent of what is being	g • Less consideration about the need to	
examined	generalise	
The necessity to select samples of sufficient	• More concerned with the richness of the data	
size for generalising conclusions		

(Saunders et al., 2009)

### **6.3 Research Design**

#### **6.3.1 Research Method**

Research design is a strategic framework about how the researcher answers the set of questions and plans that guide the process for data collection and analysis (Durrheim, 2004). There are various research methods, namely qualitative method, quantitative method, and mixed-method. This study via collecting qualitative data to explore a phenomenon generates a new or modifies an existing theory to test through additional quantitative data collection, so this involves an initial inductive and subsequent deductive approach. The inductive approach aims to modify the existing IMO construct fitting to the Chinese context; the deductive approach attempts to confirm the modified IMO construct derived from qualitative data and invalidate other propositions. Qualitative procedures offer a means of accessing unquantified facts about people's observations, or how people are represented by their personal traces, e.g. letters, photographs, newspapers, diaries, and so on. As a result, qualitative techniques benefit academics to share how individuals structure thoughts about their daily lives, share the understandings and perceptions of others, and to test how they learn about and make sense of themselves and others (Berg, 2001).

Compared with the qualitative method which collects data in the form of words or pictures, the quantitative method collects data in the form of numbers (Neuman, 2014). When applying the quantitative method, the social science inquiries should be objective, which is a time- and context-free generalisation. The major characteristics of traditional quantitative research are deduction, theory or hypothesis testing, confirmation, explanation, prediction, standardised data collection, and statistical analysis (Johnson and Onwuegbuzie, 2004). To combine both qualitative and quantitative methods is the mixed-method which is an attempt to legitimise the use of multiple approaches in answering research questions instead of constraining academics' choices (Johnson and Onwuegbuzie, 2004) (see *Table 6.3*). The core characteristics of the mixed-method are that both qualitative and quantitative data are

collected and analysed separately, and integrated either concurrently or sequentially to address the research questions (Creswell and Clark, 2017).

**Table 6.3: Different Research Methods** 

	Quantitative research	Qualitative research	Mixed methods
Research philosophy	Positivism	Interpretivism	Pragmatism
Methodology	Deductive approach, testing theory	inductive approach, building theory	Deductive/ inductive
Characteristics	Examine relationships between variables, involves validity tests, probability sampling	Examine participants' meanings and perceptions, cognitive access required	Both quantitative/ qualitative techniques
Research strategies	Experimental/ survey research, highly structured interviews	Action research, case studies, unstructured interviews, ethnography, grounded theory	Merging the data (concurrent), connecting the data (sequential)

(Saunders et al., 2009)

In this study, to develop an extended internal market orientation construct and then test the conceptual framework, the mixed method will be applied. When applying mixed-method which combines the qualitative and quantitative approaches within different stages of the research process, the data will be collected concurrently or sequentially and involve the integration of these data at one or more different stages in the process of research (Creswell, 2003). Various strategies in mixed-method can be applied, namely sequential explanatory strategy, exploratory sequential strategy, embedded design, sequential transformative strategy and concurrent triangulation strategy. When applying any of these mixed methods, a quantitative or qualitative data collection is within a quantitative or qualitative procedure and two types of data answer different research questions (Terrell, 2012). In this study, the exploratory sequential mixed method will be applied.

### **6.3.2** Why Exploratory Sequential Strategy

An exploratory sequential mixed-method is an approach to combine both qualitative and quantitative data collection and analysis in a sequence of phases. This process contributes to collecting both quantitative and qualitative data, allowing for perspectives from each, and providing advantages of both methods (Terrell, 2012). In the first phase, researchers will collect qualitative data, and then analyse the qualitative data, the results of which direct the next quantitative phase (Creswell, 2003). Also, the qualitative analysis provides critical and vital results for the quantitative phase (see *Figure 6.3*). Therefore, this research is based on an exploratory sequential strategy because the quantitative and qualitative data are collected with a different priority, and the design of the quantitative method will be based on the results of the qualitative study.

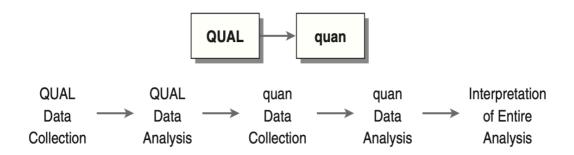


Figure 6.3: Sequential Exploratory Strategy (Creswell, 2003)

In detail, this research constitutes two different stages, namely initial qualitative study and a subsequent quantitative study. In any mixed-methods design, it is important to deal with the issues of priority and implementation of the quantitative and qualitative approaches (Ivankova et al., 2006). Priority refers to which approach, qualitative or quantitative or both, a researcher gives more weight to throughout the data collection and analysis process in this thesis (Creswell, 2003). Implementation refers to whether the qualitative and quantitative data collection and analysis come in sequence or concurrently (Creswell, 2003; Ivankova et

al., 2006). In this study, the qualitative data will be collected initially, and the quantitative data collection will come after obtaining the qualitative data results. However, quantitative study is the dominant one because the quantitative study is applied to examine and confirm the redesigned IMO construct and to empirically test the influence of the extended IMO on employee attitudes and employee behaviour. Although the qualitative is used, the purposes of the qualitative method are to understand the possible and underlying subdimensions of EIMO which can better fit into a Chinese context and to develop a better and holistic conceptual framework. Compared with the qualitative study, the quantitative study is given more weight here.

In general, in-depth interviews will be undertaken to explore the potential needs of the employee in the manufacturing industry in China. This part of the research aims to develop and establish the scales of extended internal market orientation which can be achieved by conducting two different levels of interviews with managers and employees. Afterwards, the quantitative survey will be applied to validate EIMO construct and investigate the relationships between EIMO and employee level of outcomes.

## **6.3.3** First Phase: Qualitative Research

In the initial qualitative study, in-depth interviews with employees and managers will be approached. The main characteristics of the interview are to facilitate the interviewees to share their thoughts, perspectives, stories, and experience based on a specific social phenomenon (Wahyuni, 2012).

### 6.3.3.1 In-depth Interviews

Interviews are one of the most popular strategies for collecting qualitative data. The qualitative interview aims to contribute to a body of knowledge which is theoretic and conceptual and is on the basis of the life experience the interviewee holds (DiCicco-Bloom and Crabtree, 2006). In order to explore the IMO adoption in China, to gain a better

understanding of the domestic migrant workers, and to generate items of EIMO, this study will adopt a semi-structured in-depth interview.

Individual in-depth interview is a technique for eliciting a vivid picture of the interviewee's opinion on the research topics. It is an effective method for involving participants to talk about their feelings, opinions, and experience and gain insight into how people interpret the world (Milena et al., 2008; Kvale, 1996). It is important to pre-plan the key questions when adopting an in-depth interview, so the interviewer can deeply explore the participants' feelings and perspectives on the research topic (Guion, 2006). The in-depth interview can be semi-structured. Semi-structured interviews are generally organised based on a set of predetermined open-ended questions and emerging questions from the dialogue between interviewers and interviewees.

Semi-structured in-depth interview is commonly applied for qualitative research, which usually takes between 30 minutes to several hours (DiCicco-Bloom and Crabtree, 2006). Compared with structured interviews, the advantages of semi-structured interviews are the flexibility in the questions asked, in taking on a variety of different forms, in varying numbers of questions, and in varying degrees of adaptation of questions (Bryman, 2001). To deeply understand the respondents' opinions on their needs for both life and work and their attitudes when the organisation satisfies their needs, a semi-structured interview allows the questions to accommodate the interviewees. In China, the culture decides that it is unlikely for individuals to openly express disagreement and have a conflicting opinion with their superiors. Therefore, there are physical barriers and psychological barriers when conducting the interviews. They may feel fear, suspicion and indifference even though they have been informed of the interview purpose. This can lead to bias in answering the questions (Munro, 2018). To reduce the bias and have a holistic and better understanding, the semi-structured in-depth interview is applied.

# **6.3.3.2 Interview Questions**

According to Rowley (2012), around 12 interviews lasting approximately 30 minutes or the equivalent is a good rule of thumb for researchers. Thus, we designed 16 well-chosen questions for employees and 14 well-chosen questions for managers. See *Table 6.4* and *6.5*, these tables demonstrate criteria for the development of interview questions, and each question has a few prompts to ensure sufficiency when exploring the main questions.

**Table 6.4: Criteria for the Development of Interview Questions with Employees** 

Demographic	"Employees profile":	1.	How old are you?
Information	These are the questions aiming to understand the employees' profile in terms of demographic factor and tenure in the organisation. These questions are asked for warming up the atmosphere and releasing the nerves of the respondents.	2. 3. 4.	Which city are you from?  Are you getting used to living in this city?  How long have you worked in this organisation?
The development of a new internal market orientation construct	"Identified employees' needs":  To build and extend the construct of	5.	What are your expectations at work?
orientation construct	IMO, not only work but also life aspects, these questions are closely related to the dimension of IMO in terms of internal information collection, namely identified employees' needs. So, via asking their needs and wants from both work and life, the items for measuring internal information collection can be extended and modified following existing measurement scales.	6.	What are your needs in life?
	"Information communication":  In order to understand the communication model, communication	7.	How do you communicate with your manager?  • How frequent are the meetings in this

	frequency between managers and employees, and communicated information, these questions are asked to identify whether there are proper communicational methods and modes between managers and employees in the Chinese manufacturing industries. After asking these questions, the employees' idea about internal information communication will be understood to modify and build the items for the dimension of information communication of the IMO construct.	organisation?  • What information will you communicate with your manager?  8. Will your manager communicate with you about your needs at work and family respectively?
	"Responsiveness":  According to the existing IMO construct, responsiveness to the internal information is one of the subdimensions. To build the extended IMO construct regarding information responsiveness in the manufacturing industry, these questions are built for understanding and identifying the exiting practices to respond to migrant workers' expectation at work and in life respectively. Also, this contributes to understanding the issues when satisfying the workers' needs and wants, such as response efficiency and frequency.	9. How's the welfare in this organisation?  10. When you meet problems at work, how does the organisation help?  11. When you meet problems in life, how does the organisation help to work them out?  12. How long does the organisation take to respond to your needs?
Work-life balance	"work and life balance":  Because the workforce in the 21 <sup>st</sup> century is seeking the work and family balance, so these aim to understand whether the organisation or	<ul><li>13. When life and work are incompatible, how do you deal with this?</li><li>How do you keep a balance between your work and life?</li></ul>

	management is aware of the importance of work and family balance; how does the manager help their employees to keep balance, and how important is the work and family balance for them.	14. Do you think that the organisation has the responsibility to care about your life?
Conceptual framework	"Conceptual framework":  This question is related to the development of the conceptual framework, aiming to develop a more holistic and integrated conceptual framework.	<ul> <li>15. After your needs are satisfied, what are the effects on your attitudes and behaviour?</li> <li>Will you leave to work for another organisation if they can satisfy your needs?</li> <li>Will you be happier?</li> <li>Will you be more productive?</li> <li>Will you be loyal</li> </ul>
Additional information	This allows the respondents time for information they would like to add.	16. Is there anything else you would like to talk about?

**Table 6.5: Criteria for Interview with Managers** 

Demographic	"managers' profile":	1.	What is your position in
Information			this organisation?
	These are the questions aiming to understand		
	the manager's profile in terms of age, tenure,	2.	How long have you
	and position in the organisation.		worked in this
			organisation?
The adoption of	"Internal market orientation":	3.	Do you know what
internal market			internal marketing is?
orientation	To explore the IMO's adoption in the Chinese		
	manufacturing industry, these two questions are	4.	Do you think that IMO
	designed to discuss whether the manager knows		can help to satisfy the
	and understands the internal marketing, what		employees' needs?
	they think about the internal marketing, and		
	whether IMO is important for the organisation.		

The development of the internal market orientation construct	"Information collection":  These questions are expected to answer questions related to the managers' understanding of employees' needs and wants.  Also, these aim to understand the communication modes in the organisation.	<ul> <li>5. What kind of needs do you think the employees require for life and work?</li> <li>6. Do you think that the organisation has the responsibility to support and solve the problems in employees' lives?</li> </ul>
	"Information communication":  In order to understand the communication model, communication frequency between	7. How frequently will you communicate with the employees?
	information, these questions are asked to	8. How do you communicate with your employees?
	identify whether the managers regard internal information as important for the organisation and whether the managers take proper communication methods and frequency to communicate with employees in the Chinese manufacturing industries. Besides, these questions are for the employees' ideas about the internal communication to modify and build the items for the dimension of information communication of the IMO construct.	9. What kind of information will you communicate with your employees?
	"Responsiveness":  These questions are associated with the	10. How's the welfare in this organisation?
	responsiveness to the employees' expectations from the managers' aspect. The purposes are 1) to confirm and understand the employees' needs at both work and in life; 2) to tell whether the managers think the organisation should take the responsibility for satisfying employees' wants in family life in the workplace; 3) to discuss whether the managers have the awareness to take measures for balancing employees' work	11. How does the organisation help to sort out these problems at both work and in life in the workplace?  12. When the employees feel life and work is incompatible, how do you

	and family life.	help to tackle this?
Conceptual framework	"Conceptual framework":  This question is related to the development of the conceptual framework. With the manager's experience in employee management, this question is to explore and develop a more holistic and integrated conceptual framework.	13. What're your ideas about this conceptual framework?
Additional information	This allows the respondents time for information they would like to add.	14. Is there anything else you would like to talk about?

Generally, there will be two different levels of face to face interviews with employees and managers and this study expects 15 manufacturers in which one migrant worker and one manager per sector will be required in the interviews. Initially, 15 in-depth interviews with employees will explore and identify the employees' underlying needs at work and in life. This aims to develop and generate the pool of items of extended internal market orientation fitting the Chinese context. This study applies work-family border theory as an underpinning to emphasise the importance of considering work-life balance into the development of extended internal market orientation construct. Except this, these in-depth interviews with employees will also attempt to understand how important the work-life balance for them is, whether their organisation notice their demands on work-family balance, and how the management team help to achieve this.

Afterwards, 15 in-depth interviews with managers will follow. The reason why the direct managers are expected to participate in the interview is that they are expected to share the opinion on the situation of the manufacturing industry in China covering their understanding about the application of internal market orientation, the migrant workers' attitudes and behaviour, the worker's need for work and life in China, and the organisational

practices on responding to employees' needs. These help to not only build an EIMO construct but also develop a holistic, integrated and achievable conceptual framework. Besides, this study expects to find out whether there are distinct opinions on employees' needs and wants from employees' level respondents and managers' level of respondents. So the suggestions on employee management could be more practical and targeted. Following these purposes and objectives, the interview questions were designated for employees and managers respectively (see Appendix 3 and 4).

### **6.3.3.3 Sampling Methods**

Sampling refers to taking a subset from the chosen sampling frame or the entire population. In general, there are two different sampling methods, namely probability and non-probability sampling method (Bartlett et al., 2001). Probability sampling means there is an equal chance for every individual/case in the population to be chosen in the sampling. Compared with probability sampling, non-probability sampling refers to that the sample of participants does not need to be randomly or representatively chosen, but it is necessary to choose individuals/case based on a clear rationale (Taherdoost, 2016). In non-probability sampling, randomisation is not important in selecting a sample from the interested population and it does not give all the participants an equal chance of being chosen. The former includes stratified random, simple random, cluster sampling, systematic sampling, and multi-stage sampling; The latter covers quota sampling, purposive or judgement sampling, snowball sampling, and convenience sampling (Lavrakas, 2008; Taherdoost, 2016) (see *Table 6.6*). In this study, purposive sampling will be the most proper sampling method.

**Table 6.6: Advantages and Disadvantages of Sampling Techniques** 

Technique	Descriptions	Advantages	Disadvantages
Simple	A random sample from	Highly representative of all	Not possible if there is not a
random	the whole population	subjects; the ideal	complete list of population
			members; uneconomical to

			achieve in theory; could be
			destructive to isolate members
			from a group; timescale may be
			too long, data or sample could
C+ +: C 1	A 1 1 C	D ( 11 (1 (	change
Stratified	A random sample from	Proportionally ensure that	More complex and needs more
random	identifiable groups,	specific groups are	effort than simple random; it
	subgroups, and so on.	represented through	must carefully define the strata.
		selecting individuals from	
		the strata list.	
Cluster	Random samples of	Possible to select randomly	Clusters in a level must be
	successive clusters of	when no single list of	equivalent and some natural
	subjects (e.g., by the	population members exists,	ones are not for essential
	institution) until small	but local lists do; data	characteristics (e.g.,
	groups are chosen as	collected on groups may	geographic: numbers equal, but
	units	avoid the introduction of	unemployment rates differ)
		confounding by isolating	
		members	
Stage	Combination of the	Can make up probability	The complex combines
	cluster (randomly	sample by random at stages	limitations of the cluster and
	selecting clusters) and	and within groups; possible	stratified random sampling
	random or stratified	to select random sample	
	random sampling of	when population lists are	
	individuals	very localised	
Purposive	Hand-pick subjects	Ensures balance of group	Samples are not easily
	based on specific	sizes when multiple groups	defensible as being
	characteristics	are to be selected	representative of populations
			due to the potential subjectivity
			of the researcher
Quota	Select individuals as	Ensures selection of	Not possible to prove that the
	they come to fill a quota	adequate numbers of	sample is representative of the
	by characteristics	subjects with appropriate	designated population
	proportional to	characteristics	
	populations		
Snowball	Subjects with desired	Possible to include	No way of knowing whether the
	traits or characteristics	members of groups where	sample is representative of the
	give names of further	no lists or identifiable	population
	appropriate subjects	clusters even exist (e.g.,	1 1
	appropriate subjects	crasicis even exist (e.g.,	

		drug abusers, criminals)	
Volunteer,	Either asking for	Inexpensive way of	Can be highly unrepresentative
accidental,	volunteers, or the	ensuring sufficient numbers	
convenience	consequence of not all	of a study	
	those selected finally		
	participating, or a set of		
	subjects who just		
	happen to be available		

(Black, 1999, p.118)

As a type of non-probability sampling, the purposive sampling method is an efficacious sampling method which can be applied to both quantitative and qualitative studies. When the research needs to study a certain cultural sphere with experts within, this will be an effective sampling method (Tongco, 2007). It is a non-random technique, and it enables the researcher to decide on selecting cases that are proficient and well-informed within a phenomenon of interest (Etikan, 2016). The initial qualitative study dominantly aims to develop EIMO construct via understanding the IMO adoption in manufacturing industries from the manager's perspective and the migrant workers' needs and wants from an employee's perspective. Hence, this study emphasises domestic migrant workers and their supervisors in the Chinese manufacturing industry. To target the managers and migrant workers working in the Chinese manufacturing industry, purposive sampling will be the proper method.

### **6.3.3.4 Process of Interviews**

The participants were obtained through contact with the manufacturers in Guangdong province, which includes Shenzhen, Dongguan, Guangzhou and Huizhou. All participants in this study were entirely voluntary. Before inviting these participants, the ethical form, interview questions, and process of interviews were given to the managers in the human resources department of various manufacturers. After getting permission to conduct the interview, the place and time were discussed and agreed. Each of the migrant workers was

arranged by the manager in accordance with our requirements, and then the managers were interviewed.

- 1. The employees need to be workers in the manufacturing industry
- 2. These workers should be migrant workers

The interview happened in the meeting room of the organisation, which lasted 30-60 minutes each. In general, these interviews were all conducted from mid-August to mid-September 2018, and all the 30 interviews were recorded electronically. We began each interview by briefly describing the study, explaining the reasons why this interview is being conducted, and assuring the respondent that all information would be kept confidential. Any information they felt sensitive to answer, they could refuse to answer. Following these, I went through asking the basic background information as a way of warming up the participant, so they would feel relaxed. In order to ensure the accuracy of the records, after the interviews, the participants will be asked to confirm that my notes and understandings are exactly the same as their opinion.

The qualitative data will be analysed through the software "NVivo", and before the analysis, the data will be transcribed and translated from English to Chinese. In order to ensure the face validity of the newly added items of the extended internal market orientation construct, some managers in these targeting manufacturers and professional academics in this field will be required to go through these items and provide suggestions.

### **6.3.4 Second Phase: Quantitative Research**

After the qualitative study, the quantitative questionnaire will be designed and conducted to examine the correlations between extended internal market orientation and employees' level of outcomes, and how the supervisor support as moderator influences this relationship. In accordance with the result of the interviews, the qualitative data is expected to identify the internal customers' needs within the Chinese manufacturing industry, explain how the

internal communication is processed between employees and managers, and understand how the organisation responds to the workers' expectation. This part of the data will be considered in the part of the questionnaire design. Grounded in the understanding of qualitative data and the scales from the literature, the survey will be designed. Via the questionnaire, we try to validate the EIMO construct and investigate how the employees' attitude and behaviour are influenced by EIMO after the organisation satisfies their needs and expectations.

### **6.3.4.1 Quantitative Survey**

According to Bhattacherjee (2012), the survey is a research method that involves the use of standardised questionnaires or interviews to collect data about participants' preferences, thoughts, and behaviours. Quantitative approaches usually include questionnaires, structured observations, highly structured interviews for answers relating to questions involving "what", "who", "how many", and "how much" (Saunders et al., 2009). Compared with conducting an interview, the questionnaire can be distributed to an enormous sample. Moreover, the questionnaire is a method in which each participant is required to answer the same set of questions in a predetermined order (Saunders et al., 2012; Bhattacherjee, 2012). The data collection process will be subsequently introduced below.

#### **6.3.4.2 Research Time Horizons**

There are cross-sectional surveys and longitudinal surveys in general. Longitudinal surveys are often considered as a solution to reduce the possibility that the earlier responses will impact subsequent responses (Podsakoff and Organ, 1986). Compared with longitudinal surveys, cross-sectional surveys are completed by a single respondent at a single point in time, but a cross-sectional survey may be prone to common method bias (Yee and Niemeier, 1996). However, the cross-sectional survey is more desirable and achievable. It is more cost-effective, time-saving and more representative of the population at a single period in time

(Bryman and Bell, 2003). Because of the limitation of time and expenditure, a cross-sectional survey will be taken into consideration first, being practical and achievable.

### **6.3.4.3 Sampling**

According to Taherdoost (2016), the sampling process steps involve 1) clear definition of the targeted population; 2) selection of sampling frame; 3) choosing sampling technique; 4) determination of sample size; 5) data collection; 6) assessing respondents rate. The quantitative study will be based on this process.

## Defining the Target Population

To identify the targeted population is the initial step in designing the sampling process. The population is often referred to as the theoretical or target population and a population data set contains all members in a specified group (Bryman and Bell, 2003; Salkind, 2010; Taherdoost, 2016). These are the individuals the researcher intends to use in making generalisations; therefore, to identify an appropriate target population is important. This is a doctoral study that aims to examine the causal relationship between extended IMO and employee attitudes and behaviour within the context of the Chinese manufacturing industry, but the time and cost are limited. So it is more achievable and accessible to use a target population within one region.

The study focuses on the Chinese context, with migrant workers from the manufacturing industry in Guangdong Province being the target. Due to the foreign investment, the manufacturing industries in China have rapidly developed, in particular in the Pearl River Delta Economic Zone covering nine cities (Guangzhou, Dongguan, Shenzhen, Foshan, Zhuhai, and Huizhou City etc.). The total population was 110 million at the end of 2016 (HKTDC Research, 2018). Taking Dongguan City as an example, it is called "the world's factory" because of its prosperous development of manufacturing industries. In this city, there are 8.34 millime people and only 1.91 million are residents and 75 per cent of the

population are migrant workers (Keegan, 2018). By 2020, Hong Kong and Macau will join the Pearl River Delta Economic Zone and it is expected to be a centre of advanced manufacturing and modern service industries with globally competitive advantages and with the most active metropolitan area in the Asia-Pacific region (HKTDC Research, 2018).

### Defining the Sample Frame

It is hard to access and study the entire theoretical population, so the accessible population is identified, namely the sample frame (Salkind, 2010). The sample frame is a list of the actual cases from who are representative of being selected from the target population in the study (Martinerz-Mesa et al., 2016). In order to obtain a satisfactory response from the target population within the context of the Chinese manufacturing industry, the Guangdong Manufacturers Association database was used to target existing manufacturers.

According to the information from the Guangdong Manufacturers Association, there is a list of top 500 manufacturers in Guangdong province. We expect 50 manufacturers will participate in this survey, and these manufacturers are being contacted for permission. In general, the purposive sampling method will be employed for this study. After getting permission from the organisation, the human resource management manager will be asked to distribute the survey to the migrant workers working in the organisation. Based on the organisational fashion, the survey can be sent in an email or by post based on the preference of the managers.

### Deciding On the Sample Size

There is no universal and straightforward answer regarding how large a sample should be to be representative and adequate of the entire population (Salkin, 2010). Large sample sizes reduce sampling error and bias, but the resource constraint makes it less likely to get an ideal large sampling size. Too small sample size may undermine the validity of a study and too large a sample size may amplify the differences in statistical significance (Faber and Fonseca,

2014). Therefore, the decision of a proper sample size must consider the research methodology, response rate (Salkind, 2010), time and cost, desired variance or liability (Lavrakas, 2008), and planned statistical analysis (Clegg, 1990).

Based on the chosen sample frame, this study expects to get 50 manufacturers to collect the data from migrant workers. In every organisation, we expect to receive at least 30 respondents and these manufacturers need to have at least 100 employees. The development of small to medium-sized enterprises in China has increasingly contributed to Chinese economic growth. The size of small to medium-sized enterprises is most commonly employing 100 to 500 people (Liu, 2008).

### Data Collection

As above, the self-administrated survey will be the appropriate method for collecting quantitative data. There is a self-administrated mail questionnaire, and group administrated mail questionnaire and an online survey (Saunders et al., 2009; Bhattacherjee, 2012). A self-administered questionnaire is designed specifically to be completed by the respondent without the researcher's intervention during data collection. Commonly, a self-administered survey is distributed to large groups via mail or in-person or a postage-paid envelope, and now it is popular to use web survey as well (Lavrakas, 2008). This study will choose the survey distribution method on the basis of the requirement of the majority of managers in manufacturing (e.g. email, post, and online survey).

In this study, as discussed above, approximately 50 manufacturers will be targeted for data. If possible, each manufacturer needs to have at least 100 employees. The questionnaire will be designed, covering employees' levels. Importantly, as the survey will be collected in China, so the survey will be translated from English into Chinese and from Chinese into English to ensure the meaning in both languages is consistent. Before the survey distributions, to test whether the survey is achievable, the pre-test with two professional academics and

three managers will be conducted to check the items of the EIMO construct providing their suggestions on the items in the survey. After getting the feedback, the EIMO items will be modified. Thirty-five pilot studies will be further conducted to check the constructs' reliability, detect problems of the research design, and identify any misunderstandings, such as in specific words, spelling, understanding questions and logic, and checking the distribution method. After getting the responses, the language, logic and questions will be modified again to ensure accuracy, efficiency, and completeness.

After this step, we will visit these manufacturers and demonstrate these questions in the survey to the managers to ensure these questions are allowed to be investigated in their organisation. Once we get the permission, these managers will help to distribute to the targeted respondents. The questionnaire sent to migrant workers aims to investigate relationships between EIMO and the employees' levels of outcomes.

Wenjuanxing will be employed to distribute the survey if the organisation chooses to distribute the survey online. Wenjuanxing is a platform website that provides professional online questionnaire design, testing, and comments in Chinese. Compared with traditional survey methods, Wenjuanxing is one of the top market research tool, which is effective, convenient, and a low-cost platform. Nowadays, many enterprises and individuals are applying it for customer satisfaction surveys, employee satisfaction surveys, academic surveys, and training and management (Kuo, 2018).

### **6.4 Summary**

This Chapter identified the research philosophies, research strategies, and research methods in this study. As this study stands for a pragmatist philosophy to view the world, so this study involves both qualitative and quantitative study. This study aims to build an integrative and consistent EIMO construct and give an entire picture of how EIMO influences employee

attitudes and behaviour in China. To apply only one method cannot make this research achievable. Thus, the combination of inductive and deductive approaches has been adopted. This study via collecting data to explore a phenomenon generates and modifies the existing IMO construct to subsequently test EIMO's influence on employee attitudes and behaviour through additional quantitative data collection.

In this thesis, the mixed-method is designed for this research. The face-to-face interview and quantitative survey are adopted to tackle different research questions. The dominant aims of the interview are to develop the construct of EIMO and understand the IMO adoption in China. Afterwards, quantitative research will be applied to examine correlations between EIMO and employees' attitude and behaviour.

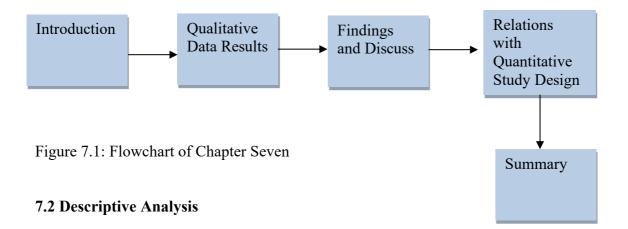
Initially, qualitative interviews were undertaken to explore the adoption of IMO in China and to identify the employees' needs at work and in life. This was achieved through two different levels of in-depth interviews with employees and managers. In accordance with the results of the interviews, we explored and investigated the dominant outcomes after the organisation satisfies their needs and expectations. This part of the qualitative results contributes to having a further understanding the function of IMO in the Chinese context. Second, the data which identified the employees' needs within the Chinese manufacturing industry, explained how internal communication was processed between employees and managers, and how the organisation responds to the workers' expectations was considered by the questionnaire design. Last, to examine the relationships between extended internal market orientation and employees' attitudes and behaviour, and how the supervisor's support as a moderator influences this relationship, the quantitative survey were subsequently designated.

#### **CHAPTER SEVEN**

### **QUALITATIVE ANALYSIS AND FINDINGS**

#### 7.1 Introduction

In the previous Chapter, the research methodology was discussed through the mixed-method via sequential exploratory design. Based on this research method, the qualitative results will be applied in designing a quantitative survey. Therefore, this Chapter will explain how the qualitative results are connected with a quantitative survey design. Also, the qualitative results will be analysed and discussed based on different themes which cover 1) descriptive data results; 2) the definition of work-family balance in China; 3) migrant workers' needs in both work and life; 4) the development of an extended internal market orientation construct; 5) the effects of IMO adoption, and 6) incompatibility between workers and managers. Sequentially, based on the results of the qualitative study, the items of extended internal market orientation will be discussed and built. Last, a summary of the Chapter will conclude.



There are two different levels of an in-depth interview, namely employees' level and managers' level (see Appendix 3 and 4, the interview questions). Most of these migrant workers are general workers who work in the production line and are responsible for producing the products in the organisation. The respondents are migrant workers who come

from different regions in China, such as Hubei, Yunnan and Guangxi (see *Table 7.1*). Over half of them (53 per cent) are less than 40 years old and 47 per cent of them are older than 40. As the new generation of migrant workers is born after the 1980s, 8 of them represent the new generation of migrant workers. So the different generations may demonstrate different ideas on their needs.

**Table 7.1: Sample Employee Profile** 

	Age	Tenure (year)	Job title	Respondent	City
Company 1	42	18	Technical worker	Mr Yang	Hubei
Company 2	45	3	General worker	Mr Gong	Hunan
Company 3	50	10	General worker	Mr Zhao	Shanxi
Company 4	25	3	General worker	Mr Zhang	Jiangxi
Company 5	35	1	General worker	Mr Hu	Hunan
Company 6	33	2	General worker	Mrs Tang	Sichuan
Company 7	29	1	General worker	Mr Liu	Yunnan
Company 8	44	9	General worker	Mr Liang	Chongqing
Company 9	50	3	General worker	Mr Xiao	Hunan
Company 10	38	25	General worker	Mr Chen	Guangxi
Company 11	39	8	General worker	Mrs Han	Hubei
Company 12	23	3 months	Purchaser Assistant	Miss Xu	Hunan
Company 13	46	8	General worker	Mrs Gao	Hunan
Company 14	30	5	General worker	Mr Hu	Yunnan
Company 15	49	10	General worker	Mr Xiao	Guizhou

The managers' profile is summarised as well (see *Table 7.2*). Since the managers are from different departments, their understandings and opinions on the interview questions may be different, such as their opinions on the necessity to adopt IMO in the organisation; their understandings of the importance to satisfy employees' needs in both work and life, and their ideas on regarding employees or customers as a priority.

**Table 7.2: Sample Manager Profile** 

	Job Title	Respondent	
Company 1	Warehouse Manager	Mr Yang	
Company 2	General Manager	Mr Gong	
Company 3	Marketing Manager	Mr Zou	
Company 4	Product Manager	Mr Huang	
Company 5	HR Manager	Mr Hu	
Company 6	General manager	Mr Zheng	
Company 7	HR manager	Mrs Xiao	
Company 8	Administration Manager	Mrs Li	
Company 9	General Manager	Mr Xiao	
Company10	Warehouse Manager	Mr An	
Company11	Marketing Manager	Mr Zhou	
Company12	HR Manager	Mr Yang	
Company13	Warehouse Manager	Mr Dai	
Company14	HR Manager	Mr Ye	
Company15	General Manager	Mr Zheng	

### 7.3 Explorative Analysis

### 7.3.1 Analysis Method

These interviews are expected to 1) develop the items of the extended internal market orientation construct, which constitutes not only the work aspect but also life aspect in the Chinese context; 2) explore managers' understanding of internal marketing or internal market orientation and their opinions on the IMO adoption; 3) understand the definition of work-life balance; 4) investigate the effects of IMO adoption. According to Sargeant (2012), during the qualitative data analysis process, the researcher needs to consider that it is clear how the data codes or categories will be developed and how the process reflects best practices. Also, it is challenging to identify categories and relationships, develop themes, and offer well-reasoned and reflective conclusions (Shank, 2006). This study involves both employee and manager

level of interviews, so how to conduct the data analysis to better achieve these aims is essential.

This study is working with multiple participants including managers and employees. According to Saldana (2009), it would be beneficial and helpful to code one participant's data first and then proceed to the second participant's data. During this process, the first data and second data would be found to affect mutually (Bazeley, 2007). Therefore, the qualitative data analysis process in this thesis will be conducted through different rounds of coding in terms of employees' level, managers' level, and whole data together. This is helpful for not only enhancing trust in the validity of the conclusions and findings but also exploring both expected findings and surprising, unusual, and interesting findings (Shank, 2006; Creswell, 2007).

It is important to bear in mind that the qualitative data analysis needs to focus on answering research questions, achieving the goals of the study, and concerning with theoretical framework (Auerbach and Silverstein, 2003). According to the above aims, in order to develop the items for extended internal market orientation construct, the data analysis involves both levels of participants. All of these migrant workers were expected to demonstrate their needs at work and in life respectively, how they expect to communicate with their supervisors, and how the organisation responds to their expectations. Also, the managers in the manufacturing industry will be expected to give their opinion on how they communicate and respond to the employees' expectations in both work and life as well. This will help to provide more holistic and integrated viewpoints towards the development of the EIMO construct.

The managers' opinion on the adoption of internal market orientation will be communicated and discussed to explore the management teams' awareness of satisfying employees' needs and wants in the manufacturing industry. This part of the data will be just emphasised on managers' level because the respondents who have managerial experience would provide deeper understandings. As for exploring the definition of work-life balance, the analysis will be focused on the employee level as this study attempts to explore migrant workers' opinions on their balance between work and life. To have an integrated understanding of the effects of IMO, the coding process will involve both of the employees and managers as both of them were required to answer and express their opinions on the effects of IMO.

This study involves a data analysis process based on Basit (2003)'s approach which involves 1) transcribing the recorded interviews; 2) translating these interviews from Chinese into English; 3) reading the transcripts several times; 4) summarising the transcripts and coding or categorising the transcripts; 5) linking codes; selecting quotations; 6) writing it up in a coherent fashion.

Conventionally, coding was done manually through coloured pens to sort, cut and categorise the data. However, coding by hand is a time-consuming process and easy to muddle (Hilal and Alabri, 2013). The computer-assisted qualitative data analysis software is now popular. The software is not applied to analyse data but rather to help the qualitative analysis process, manage the data, and support the researcher during analysis (Zamawe, 2015). The electronic techniques of data coding are gradually becoming more employed, which benefits the user to work more thoroughly, more attentively, and more methodically. Therefore, qualitative researchers are encouraged to employ the software as a tool (Hilal and Alabri, 2013). The qualitative analysis in this thesis was achieved by applying the computer software NVivo (Version 12) which is one of the current popular qualitative data management programs, allowing for collecting, organising and visualising unstructured or semi-structured data, and it is extremely useful in facilitating the analysis of interview transcripts (Silverman, 2010; Zamawe, 2015).

The initial step was to listen to the 30 recordings several times. The next steps involved transcribing the interviews and translating the interviews from Chinese to English. It is essential to fully understand and to be familiar with the interviews and ensure the translation is consistent, so the transcripts were studied several times. NVivo 12 was loaded on my computer, and I then created a project in NVivo in which all of the data was imported into NVivo 12. The next step was to fully read and comprehend the transcripts again through NVivo. It began with applying the function of "word frequency" in NVivo to explore the keywords that the participants talked most frequently about based on the interview questions. In order to avoid the overlap of the words, the function of "grouping with synonyms" was applied. The 1,000 most frequent words were found out, and "communication", "life", "family", "problems", "time", "living", "response", and "balance" were listed as frequency words (See Figure 7.2). "Communication" is the most frequent keyword and it is closely related to communications between employees and managers, such as the frequency with which they communicate, the information they communicate, and modes of communication. In particular, the needs in life or family in the workplace were continually mentioned and discussed by employees. Hence, these are suggested to be noticed, communicated and understood by the management team.



Figure 7.2: Frequency of Keywords Results

## **7.3.2 Coding**

Since the qualitative data is text-based, the foundation of analysing the data is the coding process. Coding is a universal process in qualitative research (Elliott, 2018), and it is a fundamental and significant step of the analytical process to organise and make sense of textual data (Basit, 2003). Coding the data refers to naming chunks of data with a label (Liamputtong, 2009), which involves subdividing the data, assigning categories, and pursuing related information mentioned by the interviewees. The code usually is attached to chunks of words, phrases, sentences or the entire paragraph, which are then combined for exploring the connections among them (Strauss and Corbin, 1990; Hilal and Alabri, 2013). According to Elliott (2018), coding is a decision-making process, with decisions to be made on various aspects of code, e.g. density, frequency, and size of data pieces to be coded. These are alongside the researcher's methodological background, research design, and research questions.

Miles and Huberman (1994) pointed to two methods to create codes. One is used by an inductive researcher who does not pre-code any data until the data is collected to see how the data functions and nests in the context, and then to determine how many varieties are in the data. The other one is to develop a provisional list of codes before the fieldwork, which is derived from the conceptual framework, research questions, established hypotheses, problems, or variables in the study (Miles and Huberman, 1994). In this thesis, by applying both deductive and inductive approaches, the codes or category names came from not only the pool of concepts from the literature but also the words and phrases mentioned and used by informants themselves (Strauss and Corbin, 1990).

The next step is to "comprehend" which involves initial coding called "open coding". Open code is a conceptual or descriptive label that is extracted from original data and its purposes to unveil and develop concepts. Through this process, the text has to be opened up so as to exploit the thoughts, ideas, and meanings contained in it. When use NVivo, the function of "nodes" is designed to help to code the text, which provides the storage capacity for references to the coded text (Houghton et al., 2015). Through this process, the interviews with employees and interviews with managers were read and studied again. So we generated a preliminary list of codes based on a careful review of research mainly on migrant workers at the beginning of data analysis. In sum, there are 55 various initial open codes developed in these interviews (see *Table 7.3*).

**Table 7.3: The Codebook** 

Codes Name
Work-family balance
Work-life conflicts
Work
Family
Life

Welfare
Training
The importance of work-life balance
Response efficiency
Outcomes after satisfying the needs
Organisational responsibility
Meetings
Culture
Manager support
Internal marketing
Internal market orientation
Internal communication
Flexibility
Morale
Observation
Incompatibility between workers and managers
Heard of IM before
Differences among employees with the last generation
Demographic
Work efficiency
Work attitudes
Trust
Productivity
Product quality
Employee motivation
Job satisfaction
Employee-employer relationship
Performance
Loyalty
Intention to leave
Intention to stay
Employee mobility
Leader
Relationships among colleagues
Survive
Social activities
Living conditions

Foods
accommodation
Family support
Children's education
Elderly-caring
Job design
Career development
Salary
Work security
Working hours
Happiness
Physical health
Physical examination

According to Hilal and Alabri (2013), qualitative data analysis requires an understanding of the phenomenon by exploring the relationship between categories and themes of data. Thus, the next stage of analysis is "synthesising", which is to emerge the perceptions and cases to interpret typical and composite patterns. Synthesising can be fulfilled through organising and coding data by "pattern coding" which is to reassemble data fractured during open coding (Houghton et al., 2015).

The purposes of the interviews are 1) to understand the definition of work-life balance for the migrant workers in the workplace; 2) to understand the implementation of IMO in the Chinese context; 3) to develop the IMO construct covering the migrant workers' needs in both work and life respectively, and 4) to understand the outcomes after the organisation adopts IMO. Therefore, in order to accommodate the interview purposes, the initial 55 codes identified from the interview were found to be connected and were further condensed and categorised. Ultimately, there were 20 categorised codes (see *Table 7.4*).

**Table 7.4: Themes of Interviews** 

Themes Name	Created on
Work-family balance Definition	2019/1/14 20:48
Will life influence work	2019/2/15 14:12
Welfare	2019/2/15 14:06
Training	2019/2/15 14:05
Response efficiency	2019/1/14 20:46
Outcomes after satisfying the needs	2019/1/19 23:04
Organisational responsibility	2019/1/14 20:58
Meetings	2019/2/15 14:16
Manager support	2019/1/19 22:33
Internal marketing definition	2019/1/19 23:01
Internal communication	2019/1/14 20:44
Information responsiveness	2019/1/14 20:46
Information collection	2019/1/14 20:45
Incompatibility between workers and managers	2019/2/7 12:46
Heard of IM before	2019/2/15 15:32
Employees opinion	2019/1/14 21:02
Employees' needs	2019/1/26 21:37
Differences among employees with the last generation	2019/1/19 23:03
Demography	2019/1/14 20:43
Conceptual framework	2019/1/19 22:32

The subsequent step is to analyse the qualitative data by linking codes and categories, and then selecting quotations. Furthermore, these 20 codes were sub-categorised further into nine different themes: 1) The definition of work-family balance; 2) IM/IMO adoption in China; 3) the development of extended internal market orientation; 4) Organisational responsibility to satisfy employees' needs in life; 5) Employees' opinion on their needs and wants; 6) Managers' opinion on employees' needs and wants; 7) Incompatibility between workers and managers; 8) the effects of IMO; 9) Demographic factors (see *Table 7.5*).

**Table 7.5: The Code Categories in Interviews** 

Themes Name	Sub-categorises	Respondents	Themes

			Name
The definition of work-		Employees	2019/1/14
life balance		Managers	20:48
IM/IMO definition	1. Definition	Managers	2019/1/19
	2. Adoption		23:01
Development of EIMO	Internal information collection	Employees and	2019/1/20
Construct	Information collection modes	managers	21:09
	2. Information collection about		
	work		
	3. Information collection about life		
	Internal information communication:	Employees and	2019/1/14
	1. Communication modes	managers	20:44
	2. Communication frequency		
	3. Communication about work		
	4. Communication about life		
	Internal information responsiveness:	Employees and	2019/1/14
	1. Responsiveness efficiency	managers	20:46
	2. Welfare		
	3. Training		
	4. Job design		
	5. Working condition		
	6. Social activities		
	7. Living condition		
	8. Financial support		
	9. Family-friendly practices		
Organisational		Employees and	2019/1/14
responsibility to satisfy		managers	20:58
employee's needs in life			
Employees' opinion on	Need at work:	Employees	2019/1/14
their needs and wants	1. Working hours		21:02
	2. Working environment		
	3. Welfare		
	4. Training		
	5. Payment		
	6. Job design		
	7. Career development		
	Needs in life:		
	1. Entertainment in the workplace		

Managers' opinion on employees' needs and wants  1. working hours 2. working environment 3. work security 4. salary 5. job design 6. career development Needs in life: 1. relationships 2. Entertainment in the workplace 3. Survive 4. Living condition 5. Family support  Incompatibility between workers and managers 2. Management skills  Effects of IMO  1. Work efficiency 2. Work attitudes 3. Trust on organisation 4. Organisational citizenship behaviour 5. Morale 6. Happiness 7. Commitment 8. Employee engagement 9. Employee satisfaction 10. Productivity 11. Product quality 12. Manager-employee relationship 13. Loyalty 14. Intention to stay 15. Motivation 16. Life quality 17. Employees performance		2. Living condition		
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4. Organisational citizenship behaviour  5. Morale 6. Happiness 7. Commitment 8. Employee engagement 9. Employee satisfaction 10. Productivity 11. Product quality 12. Manager-employee relationship 13. Loyalty 14. Intention to stay 15. Motivation 16. Life quality		2. Work attitudes	managers	22:32
behaviour  5. Morale  6. Happiness  7. Commitment  8. Employee engagement  9. Employee satisfaction  10. Productivity  11. Product quality  12. Manager-employee relationship  13. Loyalty  14. Intention to stay  15. Motivation  16. Life quality		3. Trust on organisation		
<ul> <li>5. Morale</li> <li>6. Happiness</li> <li>7. Commitment</li> <li>8. Employee engagement</li> <li>9. Employee satisfaction</li> <li>10. Productivity</li> <li>11. Product quality</li> <li>12. Manager-employee relationship</li> <li>13. Loyalty</li> <li>14. Intention to stay</li> <li>15. Motivation</li> <li>16. Life quality</li> </ul>		4. Organisational citizenship		
6. Happiness 7. Commitment 8. Employee engagement 9. Employee satisfaction 10. Productivity 11. Product quality 12. Manager-employee relationship 13. Loyalty 14. Intention to stay 15. Motivation 16. Life quality		behaviour		
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13. Loyalty 14. Intention to stay 15. Motivation 16. Life quality		11. Product quality		
14. Intention to stay 15. Motivation 16. Life quality		12. Manager-employee relationship		
15. Motivation 16. Life quality		13. Loyalty		
16. Life quality		14. Intention to stay		
		15. Motivation		
17. Employees performance		16. Life quality		
		17. Employees performance		
Demographic factors 1. Age Employees and 2019/1/14	Demographic factors	1. Age	Employees and	2019/1/14

2.	Tenure	managers	20:43
3.	Position		
4.	Location		

#### 7.4 Results and Discussion

## 7.4.1 Defining Work-Life Balance in the Chinese Manufacturing Context

There are various definitions of work-life balance from different authors, such as Clark (2000), Kirchmeyer (2000), Greenhaus et al. (2003), Voydanoff (2005), Greenhaus and Allen (2006), and Grzywacz and Carlson (2007) (see *Table 7.6*). Among these authors, the majority of them emphasised the definition of work-life balance on the satisfaction with and good functioning of both work and life roles (e.g. Clark, 2000; Kirchmeyer, 2000; Greenhaus et al., 2003; Greenhaus and Allen, 2006). Second, some of them focus the balance on the equal time, engagement and involvement in both work and life responsibilities (e.g. Kirchmeyer, 2000; Greenhaus et al., 2003). Last, the balance means that the work and life resources can meet each other's demands to achieve the roles in both domains (Voydanoff, 2005; Gryzwacz and Carlson, 2007).

**Table 7.6: Definition of Work-Life Balance** 

	Time	Definition	Key elements	
Clark	2000	Work-life balance is regarded as satisfaction with and good functioning of both work and life alongside minimum role conflict. (p.349)	Satisfaction with both work and life;  Minimum role conflict between work and life;	
Kirchmeyer	2000	Work-life balance is defined as the extent to which individuals are equally engaged in and satisfied with both work and life roles. (p.81)	Equally engaged in and satisfied with work and life roles.	

Greenhaus	2003	Work-life balance constitutes an equal time	Time balance; involvement
et al.		balance, an equal level of psychological	balance; and satisfaction
		involvement balance, and satisfaction balance.	balance.
		(p.513)	
Voydanoff	2005	Work-life balance is defined as a global	Work resources meet
		assessment where work resources can meet	family demands; family
		family demands, and family resources can	resources meet work
		meet work demands so that individuals will be	demands.
		effective in both the work and life domain.	
		(p.825)	
Greenhaus	2006	Work-life balance refers to the extent of an	Satisfaction with life and
and Allen		individual's effectiveness and satisfaction in	work roles;
		work and life roles, and both work and family	
		roles will be incompatible with an individual's	
		life priorities. (p.174)	
Grzywacz	2007	Work-life balance refers to an	Negotiation between work
and		accomplishment of negotiation and sharing of	and life to achieve both
Carlson		role-related expectations between an	work and life role-related
		individual and their role-related partners on	expectations.
		the work and family sides. (p.458)	

# **Effective Resources Allocation**

Some of them think that work and life can be balanced through the resources in work and family distributed effectively to satisfy the demands of both the work and life spheres. This is united with the definition from Voydanoff (2005) and Grzywacz and Carlson (2007). The work-life balance needs to be achieved through negotiating how to ensure the resources in work and life domains can meet the demands from them and to achieve their role-related expectation. For example,

"I don't know about the work-family balance, and I just know that I work for earning money. As for the work and family, you cannot take care of both of them. If I have

enough money, I do not need to work anymore. But I have not money, so I need to work. In sum, your hard-working aims to raise your family" (Mr X From Company 15).

"I think the balance means that you need to distribute your time and energy to meet your family and work demands respectively. You cannot just work without caring for your family. Otherwise, your hard-working is not meaningful. Some employees just focus on their work, so this leads to their children feeling unfamiliar with them" (Mr L From Company 8).

Furthermore, one of the reasons why the employee works hard is associated with family responsibility, such as the children's education, house-buying, and elderly caring. Therefore, they choose to work harder and extended hours for a higher salary to support their family. The Confucian work ethic constitutes a belief of hard work, loyalty to the organisation, dedication, and social harmony, and work ethic in Chinese culture is "Chiku" which means work harder (Child and Warner, 2003). Therefore, employees are expected to achieve self-fulfilment through dedication and devotion to work (Rarick, 2008). Particularly, in the Chinese manufacturing industry, the workers' average annual remuneration is called "wages" (gongzi) which covers the total wages and earnings consisting of salaries for a certain time or based on pieces of work, allowances, bonuses, subsidies, payment for overtime, and pay for dangerous duty (Banister, 2005). Although China's average manufacturing wages increased by an annual average of 11.4 per cent from 2009 to 2014 (Hou et al., 2017), the average wages are not high compared with other industries. The statistics show that the average monthly income of migrant workers in China was 3,721 yuan per month in 2018 (Textor, 2020). Therefore, they have to work extended hours to earn enough to satisfy the needs of family life.

### **Equal Time Distribution**

Most of the employee respondents thought work-life balance could be achieved through proper time allocation between work and life. The respondents' perception of time balance between work and life varied, depending on the situation, such as age, gender, family stage, and marital status. Some of them would like to have time to share equally between their work and life, but some of them do not seek an absolute equal time balance. For example, there are three examples from one male worker and two female workers who mentioned:

"At my age, I hope the working hours capture 70% of the overall time. So the other 30 per cent of the time I can be with my children" (Mr H From Company 5).

"At present, I need 60% of my time to spend with my family and 40% for work. Since my husband works in other cities, I am responsible for 80-90% of my child's education, life, and emotion. Although my parents came to this city to help me, they cannot look after everything apart from picking up the kids from school and preparing meals for them. Therefore, you need to be more effective in achieving the tasks in both work and life" (Mr L From Company 7).

"I would like to have 50% time for family and 50% time for work. Work is your dominant responsibility when you are working. After work, you will have time with your children or family, so you need to take good advantage of this time. You cannot work with a negative mood, and you should know how to separate them" (Mrs H From Company 11).

In sum, the balance may vary over time, personal life stage, gender, age, marital situation, and family members. For example, the right balance for the single employees and married employees is different; the right balance for the employees in different career stages

is different. The best work-life balance is different because different individuals have different priorities and different lives (Bird, 2003). This is different from Greenhaus et al. (2003)'s opinion that equal time distributed between both work and life domains means balance.

### Satisfaction with Work and Life

Clark (2000), Kirchmeyer (2000), Greenhaus et al. (2003), and Greenhaus and Allen (2006) mentioned that the work-life balance refers to the extent of an individual's satisfaction with work and life. No respondent directly mentioned and discussed that the balance means satisfaction with work and life role, but one of the workers said when there is a good functioning of their roles in work and life and minimum work and life conflict, it means balance.

"For me, my mother helps to take care of my child and now the child is growing up, so I don't need to worry about them. I can fully concentrate on my work here" (Mrs T From Company 6).

# Definition of Work-Life Balance for Migrant Workers

In sum, the work-life balance for the migrant workers means that they have proper time distributed to both life and work domains, at the same time, their work resources and family life resources can satisfy their demands in these two domains to minimise the role conflict and effectively achieve their roles. This may closely relate to the long working hours culture in China and the One-Child policy. In China, the new generation of migrant workers nowadays in manufacturing industries grew up under the One-Child policy (Ying, 2015). When they get married, as only one child in both families, they are facing the double pressure of family support and psychological stress because they have to be responsible for the care of their children and older parents from both families (Zeng and Hesketh, 2016). Therefore,

minimising the role conflicts and urgently desiring work-life balance is important for them (Uba et al., 2012).

Also, in order to raise their family, they have a higher level of expectation that the organisation can provide the resources to satisfy the demand of taking care of their family so they can fully concentrate on their jobs in the workplace. In fact, they have had to work over 47 hours weekly since 2008 and the actual number of hours may be longer (Xiao and Cooke, 2012). Their remuneration is calculated based on piece work, allowances, subsidies, overtime pay and dangerous pay (Banister, 2005), so they have to work extended hours to raise money rather than wanting to work overtime.

## 7.4.2 Definition of Internal Marketing and Discussions

The managers were asked whether they had heard of internal marketing. In general, all of the managers did not know what internal marketing or internal market orientation was. After explaining the definition of IM/IMO, they gave their definition and understanding of internal market orientation. Most of them think that internal marketing refers to the employee management system, which benefits employees so they can achieve organisational objectives.

Although internal marketing is regarded as an employee management system to make employees achieve and improve their performance through satisfying their expectations in the workplace, the ultimate purposes of the adoption of internal marketing for different users are different. For example, for the manager who is working in the marketing department, the objective is to make the customer happy rather than making employees happy. One manager working in a marketing department stated:

"I don't know what internal marketing is, but I think it is about the employees' management within an organisation. It is similar to psychological training in the employee. The company sets policies to satisfy employees, so the employees can focus on their specific target, such as making their customers happy and achieving their

jobs. However, the internal marketing concept is very broad, and whether an organisation adopts this concept depends on their culture" (Manager Z From Company 11).

Also, one of the managers in the marketing department thinks although internal marketing can make employees' satisfied which is important for product quality, in China, customer satisfaction is always the most important for an organisation.

"I never heard of internal marketing before, and this is an innovative concept. If the company cannot offer satisfying welfare and salary to the employees, they cannot concentrate on their jobs. This can lead to a low level of product quality. On the contrary, if you treat them well, they will reciprocate you. However, in China, the customer is the priority, and then the product quality" (Manager Z From Company 3).

Differently, one interviewee who is responsible for the operation management in the organisation thought that internal marketing is a management model which involves employees and all different departments in the organisation's operation and management. Every employee, team, and department can be a client to each other and can serve and cooperate with each other. Ultimately the organisational objectives can be achieved effectively. What he wants to eventually gain from the adoption of internal marketing is improved department cooperation.

I do not hear the internal marketing before, but I think this should be the Amoeba management system which is all of the employees involved in the organisational operation. The different departments should be the clients to each other and service for each other, so both the company and the employees can benefit. Simplify this, in the organisation, the department and teams are like a family. In an organisation, every department should cooperate and try their best to achieve the organisational objectives, then both of them will benefit.

What I want is not only about achieving a good employee performance but also improving the departmental cooperation so that they can offer effective support for the employees. Once the organisational performance arrives, then the employees will get and deserve what they want. An employee is likely the customer of the other employees and the customer is the god, so every employee should serve their customer well" (Manager Z From Company 15).

One manager is working in the human resource department. He thought that internal marketing adoption is closely related to the organisational culture and an organisation cannot satisfy every employee, and different employees need different management strategies. The organisation should consider the organisational situation to satisfy the worker. He stated:

"I never hear the internal marketing before; this is closely relevant with the organisational culture which decides the developmental objectives and management strategy. Employee management is the most difficult part of management as different employees need different management strategies. An employee's motivations can foster other employees' motivations. Hence, to have better employees' performance, the organisation should satisfy the employees' need. However, satisfying employees' needs should be based on the organisational situation, and you cannot satisfy everyone" (Manager Y From Company 14).

In sum, all of the managers, although this is their first time hearing the concept of internal marketing, did agree with the idea that internal marketing is necessary for the organisation in management. These managers agree on the significance of satisfying employees' needs via internal marketing or internal market orientation, but they think that different employees require different management methods and strategies. However, some of them thought that the adoption of IM should be following the organisational competence, culture, operating situation, and objectives, so they cannot make all of the employees

satisfied. Also, they provide the idea that employee satisfaction is important, but customer satisfaction is more important.

The internal marketing philosophy not commonly applied in Chinese management may be closely associated with the culture. This is reasonable as Chinese culture regards customers as the god. As a high-power distance country, the relationship between superior and subordinate is distant (Wallace et al., 1999). Therefore, the management in a high power distance culture does not encourage employees to give suggestions (Hofstede, 2011). Without an effective and accurate understanding of the employees' expectations, there will be further and underlying negative effects on the organisation.

### 7.4.3 EIMO Construct

This part of the data is closely related to the subsequent quantitative survey design. It will discuss the development of the EIMO construct in terms of internal information collection, communication and responsiveness covering both work and life sides in the manufacturing industry. Considering this is a PhD thesis and the dominant aim of the interview is to develop and explore the development of the EIMO construct, it includes information generation in work and life respectively, information dissemination in work and life, and responsiveness to work and life needs (see *Table 7.7*).

### 7.4.3.1 Identified Employees' Needs in Work and Life

According to the data, what the migrant workers wanted most were family responsibility, living condition, on-time salary, and a clean, safe, harmonious and friendly working environment. Among these, family responsibility is the most frequently mentioned by respondents who think this is most important for them (see *Table 7.7*). Most of the migrant workers who migrated from the countryside in other cities to Guangdong City had the prior needs to raise and support the family, which includes the investment in children's education, elderly caring, and time with family. For example,

"I have got married and had a child because I need time to take care of my child, so I choose to work in this organisation which is near home. At least these recent 6 years, the child needs my company as the parents play a vital role. The other employees may consider salary, but the child is the priority for me"(Mrs T From Company 6).

"I just need the basic needs in life. If the salary is affordable to raise my family and the children's education, then I will be satisfied. I have three children, so I have lots of expenditure, such as children's education, living cost and accommodation. I have not that much time to accompany the children, so they have to learn to be independent. Sometimes, I feel sad and guilty because they live in school without good living conditions" (Mrs H From Company 11).

The living condition was one of the common expectations from life discussed by respondents. They need their organisational support not only in work but also in life, such as convenient accommodation, tasty and healthy food. Especially, the couples' room should be offered to the employees who have family here. Social activity also was important for them, such as the gym room, reading room, and various social activities were urgent needs for them to release stress or burnout. The other needs in work are salary, welfare, working condition, career development, job design, and working hours. Some of the participants stated:

"If there is good facilitation for the entertainment I would even rather live far away. Now, the living environment is bad for me, I cannot find any activities, so I feel unhappy. When I have time to take a rest, I cannot find any activities to have fun. This is annoying because of the bad life and social environment" (Mr Z From Company 4).

"The living condition should be neat as your poor sleeping quality will influence your work. Also, I hope that the taste of meals can be improved in my organisation" (Mr Z From Company 3).

"I just hope that the living condition and welfare can be better, such as the sanitation and living environment. Besides, we need social activities to release the stress in work, which is also a good chance to have informal communication with the managers" (Mr H From Company 5).

On the work side, the salary is still one of the most important expectations of the organisation. Besides, the working environment, pieces of training and career development are also important for migrant workers. These findings are consistent with the existing literature on the needs of migrants, in particular for the new generation of migrant workers. They wish to improve themselves and are eager to become the leader or entrepreneurs (Lenton and Ying, 2016). In sum, the pressure of surviving in local cities and stress from family support makes the work-life balance urgent.

**Table 7.7: Identified Employees' Needs in Priority** 

Employees' ideas on their needs	Managers' ideas on migrant workers' needs
Family responsibility	Salary
Living condition	Working environment
Salary	Living conditions
Working environment	Family responsibility
Welfare	Working hours
Career development	Work security
Social activities	Career development
Job design	Job design
Working hours	Survive
Training	Social activities

Compared with the migrant workers, the managers thought that the employees will consider their salary as the most important expectation (see *Table 7.7*). This demonstrates the conflict between managers' idea and the employees' idea. There were just a few managers regarding family responsibility and living conditions as the workers' dominant expectations. The majority of the managers thought the migrant workers want just the money. Additionally, some of the managers regarded the relationship and job security as employee expectations. However, these were not mentioned by any of the employees. For example,

"In my opinion, the employees have not that high requirement for life, but they care very much about the salary. Although the employee is very important as they can influence your product quality, and quality will decide your company's long-term development, it is hard to satisfy everyone's needs" (Manager Z From Company 6).

"Their needs depend on age. If the employees are young, then they require a relationship. Especially, the graduated students who are new to the work required for neither the salary nor the skills. They just seek fun. In large companies, to satisfy the employees' needs will influence the employees' morale. But in small companies, it is hard to satisfy and understand all the employees' needs" (Manager Y From Company 1).

However, some managers thought that the salary and family support are the priority for the migrant workers rather than the living conditions. They work hard to raise money for a better life and the better achievement of the family responsibilities. The salary is important and derived from family support.

"Different from the 1990s, the working attitude is excellent. Wherever this new generation they come from cities or the countryside, they have better working or

living conditions. They seek a job for happiness rather than changing their life. Once they feel satisfied, they will stay at this organisation. According to this, our management should change. If you are too strict about rules and regulations, they will quit this job when they feel not comfortable.

As for some employees who work here for a long time, and they have children and elders to take care of, what they want is mainly about salary and the family support, the environment comes later. They have got used to this environment, and even this environment is not good enough. However, young employees are different. What they want is the working environment, leadership, and career development" (Manager D From Company 13).

In most managers' views, the salary is still the most important need. After improving their satisfaction with salary, they will not have a higher requirement for life needs. Although satisfaction with life in the workplace is also important, the company cannot satisfy all their needs and wants. The managers hold this opinion because the Chinese manager tends to take the responsibility for maintaining control and ensuring that subordinates follow organisational policies consistent with the organisational objectives (Rarick, 2008). Also, Chinese managers value a collective mindset because of the effects of Confucian collectivist orientation, and the important components to Chinese management culture are the observation and reverence of hierarchical values (Cunningham, 2019). Therefore, Chinese management culture is characterised by a senior member in control who provides instructions that are expected to be fully carried out by employees (Cunningham, 2019). However, Chinese communication styles are indirect. For the Chinese, communication is about building relationships (Wang, 2018), so understanding the characteristics and attitudes of the changing migrant workers is a major challenge (Wang et al., 2013). This may be the reason for the managers' misunderstanding of the employees.

In sum, the migrant workers' needs in work are on-time salary, harmonious working conditions, flexible and proper working hours, work stability, career development, and job design. The needs in life are family responsibility (e.g. children education, family support, and elder caring), living conditions (e.g. food, accommodation), social activities, and entertainment. These will be designated into the items of information collection (see *Figure 7.3*). So, the measurement items will fit into the Chinese manufacturing industry context. The results are consistent with Han et al. (2014); the social support, the extent of isolation, family network, relationship with co-workers, interpersonal tensions and conflict are the primary factors affecting their physical and psychological health, which in return influence their work capability and productivity, so the organisation should have the awareness that it is increasingly important to protect the work capability of migrants.

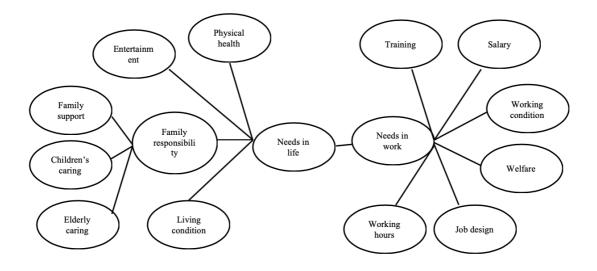


Figure 7.3: Migrant Workers' Needs in Work and Life

### 7.4.3.2 Information Communication in Work and Life

# Type of Information Communication

Almost all of the companies have a formal meeting every week, aiming to discuss the problems employees have during work. However, during these meetings, most of the company focuses on addressing workplace issues, such as product quality, employees'

performance, and productivity. Few of them will discuss the life problems that employees meet in the workplace. One employee stated:

"100% of the meetings are relevant to the work. It is not meaningful to communicate life problems as the company will not help to solve them, so now what I want from the company is the salary paid on time. To be honest, I am not satisfied with life in this organisation. In general, the living condition is tough, such as the bad taste of the food and poor hygiene. Even more, there are some mosquitoes in the food" (Mr Y From Company 1).

"We spend less time to communicate information about life. I don't think that this company can offer us anything, so we have a low level of employee retention. Also, I don't plan to work in here for a long time as my children are growing up and they need to be accompanied by me" (Mr H From Company 5).

These indicate that the employee commonly does not choose to communicate the life needs with their managers, but this does not mean that they do not want to communicate their life issues or needs with their organisation. They have tried to communicate, but their issues meet little response. The reasons why the employee chooses this way may be related to culture. Organisational culture plays an important role in shaping the decisions made by organisations and the organisation's members. The organisational culture is closely related to communication (Yu and Wen, 2003). In China, communication is high-context communication which is reinforced by Chinese collectivist culture (Hofstede, 1980). They will traditionally adopt different ways of communication according to the different social groups they communicate with (Fang et al., 2014). With the hierarchy in Chinese organisations, the employee is more likely to implicitly express their opinions and ideas. Therefore, the firm is suggested to encourage the employees to express their opinions.

### Information Communication Methods

Informal meetings, formal meetings, and observations are the most common communication methods in the manufacturing sector according to the interviews. Except for the formal meetings aiming to discuss their work-related issues, some of the managers will communicate life issues with their subordinates after work through organising some informal social activities. They will talk about life when they have dinner together, or they can communicate directly with the administrative department, which is responsible for reporting the life needs of employees. Except these, the managers will observe employees during work to find out whether their behaviour is normal or meet any problems. One manager stated:

"The working environment will influence the employees' working attitudes, so the observation is important" (Manager Z From Company 6).

One employee also said that "The manager either does the observation or during the work. We also report to the managers about the issues we meet during production" (Mr L From Company 7).

In sum, in Chinese manufacturing industries, it is common to communicate and collect information about employees' expectations via formal meetings and informal communications after work, observation, and from the administrative department. These internal information collection methods will be considered in the design of the survey.

### 7.4.3.3 Companies' Responsiveness to Employees' Needs in Work and Life

From the interview, the responsiveness to employees' needs in life is usually demonstrated through offering accommodation, free meals, welfare, social insurance, and direct manager support, e.g. offering suggestions, emotional support, and allowing urgent days off. Some of the employees thought that their company affords them these, but the standard was poor. For example, the organisation will offer the accommodation, but their family members are not

allowed to live together with the employee; the meals are provided for free but taste very bad; the living condition is really poor, and they have no social activities to release their stress. Moreover, the managers may just give you oral suggestions and emotional support to some degree when you meet some issues in life. For example, some of the interviewees stated:

Welfare is at the same level as the standard in this industry. Except for the salary, what we just have is social insurance. If you want more, it is hard" (Mr G From Company 2).

"I feel it was not good enough. The salary is at a low level, and we have not any good welfare here. Also, our working uniform needs to be paid. The price is 30 RMB, which is too expensive. With other organisations, this is for free. Also, the taste of meals and hygiene is bad, and there are not any measures taken by the organisation. Even the hierarchy in this company is very serious" (Mr Z From Company 3).

One of the most common responsiveness to satisfy life needs was to allow them to have days off as soon as possible. For example,

"If you have any problems with life, you can ask for leave for a few days. Generally, it is easier to apply for the vocation now. As the employees will quit the job if you do not allow them to have the days off so you need to recruit new employees. Moreover, the manufacturers face the labour shortage now in which it is hard to recruit new labour" (Mr G From Company 2).

Even more, some of the employees thought that the company can offer them nothing.

This will lead to their negative attitudes toward their job and organisation.

"The company cannot solve these problems. What they can do is to give suggestions when you meet the conflict between work and life" (Mrs C From Company 10).

"Generally, they cannot give any help. Therefore, we feel pressure, gloomy and unhappy working in this organisation. These negative moods will influence work quality" (Mr Z From Company 3).

Most of the managers know that the employees are important for improving organisational performance, but few of them effectively respond to their expectations in work and family.

"I have not the opportunity of training, you only can learn from experienced workers or direct manager in this organisation. There is no specific training" (Mr H From Company 2).

"I have to live outside the organisation, the organisation offers us the accommodation, but your family members are not allowed to live in. If your family members visit, what you can do is to rent the house outside. I will go back to my hometown in the end because my home is over there" (Mr Y From Company 1).

On the contrary, compared with this organisation, there are some companies that treat their employees well, but these organisations are big companies. Most of the employees have been working over there for a long time and are motivated and satisfied.

"This organisation created a happy life for employees, and it treats us well. So we treat this organisation as home. Many couples work here for a long time because the organisation is deserved, and then every employee will be good. We have a well-equipped living room that our family members can live together in here. Besides, they helped to arrange my children's education without barriers, and there is a school bus picking them up. I feel satisfied" (Miss X From Company 12).

"When your children are sick, the company will permit you to go home. Besides, during summer vacation, the company will organise the travelling, even your family members will be allowed to be together. We also have some entertainment activities" (Mr L From Company 8).

On the work side, some of the organisations effectively respond to the workers' needs on working conditions,

"The working environment is definitely better than in other factory sectors. The working environment is very harmonious. Everybody helps each other" (Mr Z From Company 3).

According to the interviews, most of the organisations in manufacturing industries do not respond to the employees' expectations very well, in particular the life side expectations. In China, the work-life balance remains an uncommon concept in human resource management and it is even less applied by management (Xiao and Cooke, 2012). The organisations in China are more prone to adopt human resources initiative to deal with work-life conflicts and they are far less willing to apply the practices to accommodate the workers' needs in life (Xiao and Cooker, 2012; Cooke, 2012).

# 7.5 Incompatibility between Employee and Manager

The above results demonstrate that the managers do not notice and accurately understand migrant workers' needs. In fact, most of the managers agreed that life problems will affect the employees' work and most of them thought that satisfying the employees' needs in both work and life was important for an organisation. Controvertibly, they did not think that the organisation should or can satisfy all of the employees' needs. As the managers think that the migrant workers have poor education and skills, they decide the employees' need is just about the salary. When the salary is increasing, they will be satisfied, and they also can fulfil their

family responsibility. These demonstrate the gaps in the perceptions between employees and managers, which cause managerial issues. Therefore, what they did was offer affordable accommodation, an end-year bonus, and rewards. Even when they do so, most of these workers will choose to leave their job for another organisation that can satisfy their needs in both work and life. For example:

"The workers' performance is poor because of their older age. Also, it is hard to find another one if they quit this job. Meanwhile, if they don't quit the job, they cannot be accepted by the company, so the reward and punishment regulation cannot work for them as they cannot create value for the organisation. Besides, the employees are lazy enough and they have no creativity in work. If you fire them, they also will cause a negative influence on the organisation, such as the lawsuit" (Manager Z From Company 11).

"The new generation, one-child policy killed everything, they would like everything.

And you cannot satisfy them forever because they are selfish and are considering everything just from self" (Manager H From Company 5).

Based on these results, the management team has prejudice to the migrant workers, so this leads to their misunderstanding of migrant workers, even for the new generation. Since the reform and opening-up, discrimination and prejudice have existed, and the media has reinforced prejudice against them. The word "peasant" (nong min) implies ignorance and lack of education or carrying a patronising tone. As they are in a permanent social status that entails inferior educational and cultural background and economic capabilities, it will take a long time to change these social attitudes in China (Pai, 2012). Therefore, prejudice is hard to disappear in the short term. Also, Chinese citizens often define people's identity in terms of their native place and their province of origin. Based on province-of-origin-based identity,

prejudice, and discrimination, the migrant workers are easier to be discriminated as they come from the rural countryside regarded as poor cities (Maurer-Fazio et al., 2015). Thus, the manager will have prejudice and misunderstanding about them because of province-of-origin-based identity, educational background, and social status.

# 7.6 The Impact of EIMO

After the organisation satisfied their needs at work and in life through EIMO, there were various outcomes of EIMO discussed by respondents. All of the respondents gave their opinions on the outcomes of EIMO, e.g. intention to stay, happiness, intention to leave, commitment, work attitudes, trust, motivation, organisational citizenship behaviour, morale, loyalty, life quality, job satisfaction, productivity, and product quality (see *Table 7.8*).

**Table 7.8: Effects of EIMO** 

Effects after satisfying the needs
Intention to stay
Intention to leave
Happiness
Product quality
Commitment
Work attitude
Trust
Productivity
Motivation
Organisational citizenship behaviour
Morale
Loyalty
Engagement
Employee satisfaction
Employee cohesion
Life quality

In this part, some of the most mentioned effects of EIMO will be discussed, e.g. employee retention, happiness, product quality, trust, and motivation (see *Figure 7.4*). The other outcomes will be briefly explained. The majority of respondents think that they will have a higher level of happiness, produce a higher level of product quality, and have a higher level of intention to stay when the organisation satisfies their needs.



Figure 7.4: Effects of EIMO

"When you are treated well by this organisation and then you will trust them, which leads to you having the intention to stay" (Mr Y From Company 1).

"Yes, the satisfaction to work and life needs is definitely important, if you work in an organisation without any satisfaction, you will have the intention to leave" (Mr Z From Company 3).

However, some respondents thought that even though the company treats them well, they still would like to quit their job. One migrant stated that:

"For me, I will still quit the job when I have worked here for a long time because working a long time in one job makes me feel hate and tired" (Mr L From Company 7).

The organisational compensation and rewards, job security, training, work environment, and supervisor support culture are factors that influence employee retention (Fitz-enz, 1990). Also, according to Walker (2001), good communications in organisations and a healthy balance between professional and personal life contribute to enhancing employee retention. The EIMO as a management tool has the function to identify and satisfy these employee needs.

Also, most of them think that after satisfying their needs in work and life, there was a positive effect on their happiness. The employee who receives regular and constructive feedback shows that they can learn and develop in their roles. Once employees are trusted within a well-managed organisation, they are likely to experience a higher level of well-being (Thomson, 2014). For example:

"This organisation treats us well and it creates a happy life for employees. So we treat this organisation as home. As you can see, there are many couples who work here for a long time because of this reason. Once the organisation is well, the employee will be beneficial. We have a well-equipped living room that our family members can live together in here. Besides, they helped to arrange my children's education without barriers because of the restrictions of Hukou, and there is a school bus picking them up. I feel very satisfied" (Miss C From Company 10).

"After my needs are satisfied, this contributes to improving my life quality, and I will be happy when working here. Therefore, this can lead to a high level of work efficiency. I will reciprocate them when the organisation treats me well" (Mr X From Company 9).

Besides, the respondents thought that when the organisation satisfied their needs in work and life, this affected their continuance commitment and affective commitment. For example:

"Although this work is hard, I got used to this working environment. If you consider changing another job, you need to restart to adapt to the new environment, working process and new working behaviour" (Mr L From Company 7).

"Although I just have a low-level salary in this organisation and I have no stable welfare, it is really hard to move to another organisation with better satisfaction. As we are around 40-50 years old, you have no choice to find another job fitting you better. Also, I have worked in this organisation for 10 years and I am familiar with this environment and job. Especially, I have an emotional bond to this organisation and colleague (Mr C From Company 10).

"If the organisation would like to retain the employees, they have to care about the employees because the employees burn out if their life needs cannot be satisfied, and work and life are relevant to each other" (Manager Y From Company 1).

Once the needs are satisfied, then this will have a positive effect on product quality.

"We offer them the entertainment room, reading room and organise the various activities for them, which made them have the feeling of belonging. Therefore, staff mobility will decrease. We have high levels of attendance around 95% at the end of

the year. Besides, this benefits the improvement of work efficiency and product quality. In fact, if the employee quits the job, we need to spend more on hiring and training a new employee. Firstly, we cannot guarantee quality. Secondly, we need to spend more expenditure on training. Compared with these, we would rather offer them a bonus than invest extra in training" (Manager Z From Company 3).

"We built the rewards system to encourage and motivate them to achieve the objectives since the employees who decide your product quality and survival are very important. They need to be treated well, and we also treat them as family members. It is necessary to observe their attitude and behaviour and find out whether they have any problems" (Manager H From Company 4).

Part of the outcomes of EIMO discussed by interviewees has been tested. There is extant literature on IMO manifesting that the application of IMO has a positive effect on employees' commitment (Ruizalba et al., 2014; Zebal, 2018; Sulaiman, 2018), satisfaction (Gounaris, 2006; Carlos and Rodrigues, 2012; Rehman and Nouman, 2015), trust (Edo et al., 2015), motivation (Lings and Greenley, 2009; Amangala and Wali, 2013), overall work attitudes (Sahi et al., 2013), and employee retention (Yu et al., 2017). Furthermore, according to the literature, these outcomes can be classified into two different levels of consequences after satisfying their needs, namely employees' level of outcomes (intention to stay, happiness, commitment, work attitude, trust, motivation, OCB, morale, loyalty, life quality, job satisfaction, etc) and organisational level of outcomes (the respondents talked productivity and product quality).

### 7.7 Summary

Initial findings suggest that the organisation should notice that migrant workers nowadays have expectations in both work and life. The migrant workers' needs in life include support for children's education, elderly caring, good living conditions (e.g. couples accommodation, hygiene canteen service), reasonable vocations, and entertainment (e.g. gym room, reading room, a place to release the stress), and social activities. Their needs in work cover on-time payment, good working conditions, flexibility (e.g. flexible working hours), reasonable work intensity, job design, training, and career development. Besides, internal marketing is not commonly applied and understood by managers in the manufacturing industry. Even the managers agree that the family issues will negatively affect the employee and the organisation has the responsibility to satisfy the employees' needs, but they cannot satisfy all of the employee's needs. The findings also suggest that when the organisation satisfies employees' needs in work and life through EIMO, it contributes to happier, more trust, loyal, committed, and satisfied employees with a higher level of intention to stay, producing high product quality and having higher productivity.

To conclude, although work-family balance research has attracted lots of attention in developed countries, more needs to be done in developing or emerging countries. This research is important as it explores how organisations can improve the situation and create a composition of a labour force that enjoys work more, with stable family units, and in a happier and fairer society in the long run. In the next Chapter, the relationships between qualitative study and quantitative study will be clarified.

#### **CHAPTER EIGHT**

### **QUANTITATIVE STUDY AND FINDINGS**

### 8.1 Introduction

Following the qualitative data analysis in Chapter seven, this Chapter focuses on the quantitative study and data analysis. This Chapter will begin with an explanation of how the qualitative findings benefit from the quantitative survey. It is important to explain how the qualitative data is used for developing an appropriate survey instrument of EIMO fitting the Chinese context. After this, a pre-test study will be conducted to check the language and appropriateness of items in the survey. Also, a pilot study will be used to test the distribution method and reliability of the constructs in the survey. Then, this Chapter will elaborate on how quantitative data will be collected.

Subsequently, the quantitative data analysis will be demonstrated by running the factor analysis and structural equation modelling analysis. The factor analysis will be applied to explore and verify all the constructs. In each step, the scale validations and reliability will be checked for ensuring that all the items are valid to present the constructs. In order to examine the relationship between the extended internal market orientation and employee attitudes including employee happiness and morale, and how employee attitudes influence employee behaviour in terms of their productivity and intention to stay, the structural equation modelling will be applied to test all the hypotheses. Furthermore, the supervisor support as a moderator influencing the relationship between EIMO and employees' attitudes will be tested through the PROCESS in SPSS version 24.

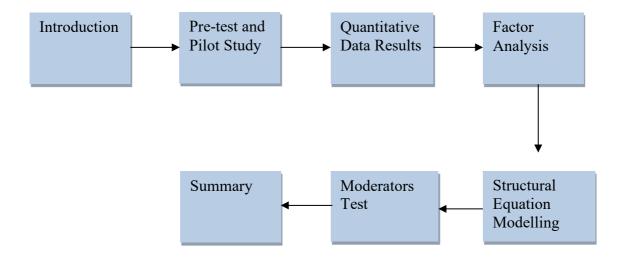


Figure 8.1: Flowchart of Chapter Eight

## 8.2 Questionnaire Design

The work-life balance for the new generation of migrant workers is important, and they have expectations for organisations to satisfy not only their needs at work but also in life. The qualitative findings exhibit that the migrant workers' needs in work cover on-time salary, decent working condition, flexible working hours, reasonable work intensity, selective training programme, and career development. Their expectations in life include a room that is suitable for a couple, support for kids' education, hygiene canteen service, social activities, reasonable entertainment, e.g. gym, reading room, and places to release the stress.

However, managers in manufacturing industries are not fully noticing the changes in employees' needs from the organisation, even the importance of satisfying employees' needs in life. Moreover, IMO is not common or popular for the management team in manufacturing industries. None of them had heard of the IMO or applied the IMO as a management tool in the company. These findings confirmed the significance and urgency to build an EIMO construct via extending the existing IMO scales into the life aspect as well.

The most commonly applied existing IMO construct is from Lings and Greenley (2005) and Gounaris (2006), and the IMO construct is generally classified into three sub-

dimensions: internal information collection, internal information dissemination, and responsiveness. However, the extent of the IMO construct only emphasises these three dimensions on the work side. Following the qualitative findings, the employees' needs and wants in life are important and urgent to the new generation of migrant workers who would quit their job once they felt unsatisfied (Wang et al., 2013). Therefore, this study considered extending the scale of the internal market orientation construct into the life side as well. In general, the EIMO construct covers both work and life sides, namely IMO in the work aspect and IMO in the life aspect, which consists of three basic elements of IMO. On the one hand, the EIMO on the work side is more or less the same as the existing items of IMO because it was modified based on previous existing items from Yu (2013), Lings and Greenley (2005), and Sahi et al. (2013). Finally, there are 17 existing items related to the work aspect (see *Table 8.1*).

**Table 8.1: EIMO Construct Relating to the Work Aspect** 

### **Internal Information Collection at Work**

- 1. In this organisation, there are regular meetings between managers and employees to discuss matters that the employees wish to address at work.
- 2. Management conducts a regular survey to collect information about employees' needs at work.
- 3. Management meets employees at least once a year to find out what expectations they have for their careers.
- 4. Managers often talk to the employees about their job design.
- 5. Management tries to find out the employees' true feelings about their jobs.
- 6. Management does a lot of internal research to find out how to make employees satisfied with their job.
- 7. Management has regular staff appraisals to discuss what employees want.

# **Internal Information Communication at Work**

- 8. Management usually listens to employees sincerely when they have problems doing their jobs.
- 9. Management spends time to inform staff about their tasks, their objectives and try to compromise mutually with them when there is a disagreement.
- 10. Management organises regular staff meetings to discuss issues relating to employees' needs and wants in work.
- 11. Data on employee satisfaction is disseminated at all levels on a regular basis.

### **Internal Information Responsiveness at Work**

- 12. In this organisation, employees' needs are often taken into account during their employment, for example, job design, training program selection, and personal development efforts.
- 13. When the employees are found unhappy with their jobs/tasks, the organisation takes corrective action.
- 14. The management makes changes based on employees' feedback relating to their needs and wants in work.
- 15. In this organisation, employees' problems at work are responded to very slowly by the management team. (R)\*
- 16. Employees' suggestion/complaints fall on deaf ears. (R)\*
- 17. Management always response very slowly to employee needs in work (R)\*

On the other hand, the EIMO on the life side is newly developed based on the results of the qualitative interview. In accordance with the results of interviews, what the migrant workers want most from the life aspect was family responsibility, living condition, on-time salary, and a clean, safe, harmonious and friendly working environment. Among these, the majority of the needs are related to family responsibility which includes children's care and education, elderly caring, and family support. These expectations in life are considered, embedded and developed into the IMO life sides. Eventually, based on the face-to-face interview findings, 17 new items related to the life aspect were added to the pool of indicators of the EIMO construct (See *Table 8.2*). Therefore, in this thesis, the EIMO construct is extended into internal information collection in work (ICW), internal information collection in life (ICL), information dissemination in work (IDW), information dissemination in life (IDL), responsiveness to needs in work (RESW), and responsiveness to needs in life (RESL) (See *Figure 8.2*).

**Table 8.2: New Dimensions Relating to the Life Aspect in EIMO Construct** 

# **Identified Internal Customers' Needs in Life**

- 1. Management frames questionnaires to identify your wants and needs in life.
- 2. Management tries to find out if employees have a problem in life.
- 3. Management often has informal communication with employees about their life and family.

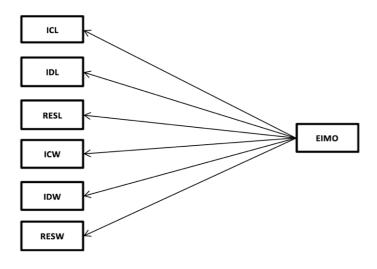
- 4. Management often asks their employees about their quality of life, such as accommodation, physical health, and food.
- 5. Management often asks employees about their family commitment, such as children's education and elderly caring.
- 6. There are regular meetings between managers and employees to discuss their suggestions about how to improve life quality in the organisation.
- 7. In this organisation, the HR dept collects information on employees' life issues at least once a year.

#### **Information Communication in Life**

- 8. If an employee has a certain personal problem that influences their work performance, they are encouraged to discuss it with their managers.
- 9. Managers in this company are never too busy if one of their subordinates wishes to meet personally to discuss problems in life.
- 10. Our company periodically circulates documents that provide information on family-friendly practice to improve the quality of employee life, such as children's education and social insurance.
- 11. A lot of informal social activities are organised to encourage employees to communicate their difficulties in life with their manager.

### Responsiveness to Life

- 12. The organisation not only cares about employees but also cares about employees' family.
- 13. Management provides different support schemes for the employees' family issues after they know about them, such as employees' children schooling, medical care, and living condition.
- 14. Even though employees communicate their problems in life, the management would not adjust their practice in a timely fashion. (R)\*
- 15. My organisation accommodates me when I have family or personal issues to take care of—for example, flexible schedules, medical appointments, meeting with the child's teacher, and so forth.
- 16. After the organisation finds out that employees need a social life, the company makes a concerted effort to offer an interesting social life, such as playing sports, watching a movie, and playing games.
- 17. After the organisation finds out that employees need effective welfare, the company makes a concerted effort to do so.



**Figure 8.2: Extended IMO Construct** 

### **8.3 Construct Measurements**

Following the conceptual framework in this study, there are six key constructs to be examined and accessed (see *Table 8.3*). Among these variables, two employee attitude constructs were selected, and they are employee happiness and employee morale (see *Table 8.4*). Also, two employee behaviour constructs were decided, and they are employee intention to stay and employee productivity (see *Table 8.5*). Furthermore, one moderator, namely supervisor support was selected to examine the relationship between EIMO and employee's attitudes (see *Table 8.6*). It is grounded in the previous empirical studies, so all these constructs were measured by multi-items.

**Table 8.3: The Measurement Scales of all Constructs** 

	Items in the survey	Items after model modification	Sources
Employee morale	4 items	4 items	Hart et al. (2000).
Happiness	8 items	4 items	Hills and Argyle (2002).
Intention to stay	6 items	3 items	Markowitz (2012); Erturk and Vurgun (2015).
Employee productivity	5 items	4 items	Belanger et al. (2001); Rogelberg et al. (2006).

Extended	internal	34 items	22 items	Yu (2013); Lings and Greenley (2005); Sahi
marker orient	tation			et al. (2013)
Supervisor support 5 items		5 items	5 items	Hammer et al. (2009); Miao et al. (2014)

**Table 8.4: Constructs for Employee Attitudes** 

Emplo	yee Morale
1.	There is good team spirit in this organisation
2.	The morale in this organisation is high
3.	The employees go about their work with enthusiasm
4.	The employees take pride in this organisation
Happir	ness
5.	I feel that life is very rewarding.
6.	I often experience joy and elation.
7.	I am very happy.
8.	I feel I have a lot of energy.
9.	I don't feel a particular sense of meaning or purpose in my life. (R)*
10.	I don't feel particularly pleased with the way I live(R)*
11.	I am not particularly optimistic about the future. (R)*
12.	I feel that I am not especially in control of my life. (R)*

**Table 8.5: Constructs for Employee Performance** 

Intenti	on to Stay
1.	Under no circumstances will I voluntarily leave this organisation before I retire.
2.	I would be reluctant to leave this organisation.
3.	I plan to stay at this organisation as long as possible
4.	I plan to leave this organisation as soon as possible. (R)*
5.	In the next few years, I intend to leave this company. (R)*
6.	I think about leaving this company very often. (R)*
Emplo	yee Productivity
7.	My workday is usually productive.
8.	I usually get a lot done at work.
9.	I feel that I am not productive in my work. (R)*
10.	My work arrangement allows me to complete tasks effectively each day.
11.	My work arrangement allows me to work efficiently.

**Table 8.6: Constructs for Supervisor Support** 

### **Supervisor Support**

- 1. My direct manager spends time to form quality relationships with subordinates.
- 2. My direct manager makes me feel like I work with him/her, not for him/her.
- 3. My direct manager takes time to learn about my personal needs.
- 4. My direct manager makes me feel comfortable talking to him or her about my concerns in work and life.
- 5. My direct manager and I can talk effectively to solve conflicts between work and life.

### **Extended Internal Market Orientation**

The scale of extended internal market orientation refers to a management tool to satisfy employees' needs and wants in work and life in the workplace through internal information collection, communication and responsiveness. Thirty-four items were decided for their appropriateness and relevance to cover the concept of EIMO. There are seven items pertaining to internal information collection in life, seven items of internal information collection in work, four items relevant to internal information in life, four items relevant to internal information in work, six items focus on internal information responsiveness to life, and six items focus on internal information responsiveness to work. The responses will be measured from 1= Strongly Disagree, 2= Disagree, 3= Somewhat Disagree, 4= Neither, 5= Somewhat Agree, 6= Agree, 7= Strongly Agree. In the next step, the study will apply the exploratory factor analysis to explore the items.

## **Happiness**

Happiness is in the form of joy, which appears in every typology of basic human emotions (Diener and Diener, 1996). In this study, happiness is more likely to be pleasant feelings and favourable judgments. It involves doing what is virtuous and meaningful (Diener et al., 2006). An eight-item general well-being scale was adopted from Hills and Argyle (2002) (i.e. I feel I have a great deal of energy). The responses were measured using a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree).

# **Employee Morale**

The employee morale in this study refers to a group phenomenon that exists when there are persistence and energy, cohesion and cooperation, energy and enthusiasm, team spirit and pride among staff (Hart et al., 2000). A four-item morale scale was adopted from Hart et al. (2000) (i.e. There is good team spirit in this company). The responses were measured using a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree).

## Intention to Stay

Employee intention to stay refers to the employee's intention to stay in the organisation they work for and stay in the relationship with their employer on a long-term basis (Johari et al., 2012). Six items were selected to test the intention to stay, which were adopted from Markowitz (2012) (i.e. I plan to leave this company as soon as possible). Their responses will be measured by a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree).

## Employee Productivity

This study considers measuring employee productivity which encompasses both efficiency and effectiveness (Bhatti and Qureshi, 2007). The five-item productivity scale was adopted from Belanger, et al. (2011) and Rogelberg, et al. (2006) which described employees' contributions to productivity (i.e. my work environment allows me to work efficiently). The responses will be measured by a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree).

## Supervisor Support

Supervisor support in this study is measured from an employee's view, which refers to the degree to which their supervisors value their contributions and care about their well-being (Eisenberger et al., 1986). The five-item productivity scale was adopted from Hammer et al. (2000) and Miao et al. (2014) which described employees' contributions to productivity, using a seven-point Likert-type scale from 1 (strongly disagree) to 7 (strongly agree) (i.e. My supervisor and I can talk effectively to solve conflicts between work and non-work issues).

#### 8.4 Pre-Test

Pre-testing the survey benefits to identify problems, reduce measurement error, and ensure the survey function properly (Rothgeb, 2001). Therefore, before the formal survey distribution, a pre-test was initially conducted to ensure that the items of the survey are understandable and logical. There were two professional academics and three managers who were Chinese native speakers invited to clarify and check the appropriateness of the extended internal market orientation construct. First, the two professional academics were involved in clarifying and evaluating the appropriateness of the EIMO construct, and minor modifications were conducted to the survey. For example, two of the items of "responsiveness to work" were similar ("In this organisation, employees' problems at work are responded very slowly by the management team" and "Management always respond very slowly to employee needs in work"), so the latter was deleted; one of the items of productivity, namely "I feel that I am not productive in my work" was deleted as well because this item is similar to another one. As the survey will target Chinese migrant workers, so the next step was to translate these items from English to Chinese. This was followed by another round of pre-test for the items of all the constructs. These two professional academics can speak both English and Chinese, so they helped to ensure consistency in the language and ensure the appropriateness of the translation.

After making a minor modification to the language, another pre-test was undertaken by three managers who work in the Chinese manufacturing industry. They were responsible for checking and critically evaluating the items for clarity. Some items were revised to improve the precision and additional items were suggested, e.g. the management will provide a reward when employees have improvement and innovation in their jobs.

Furthermore, after several rounds of modifications, the survey was distributed to 15 respondents who are Chinese. They were required to complete the whole questionnaire, to

check the language, ambiguity of questions. After very minor refinements, the questionnaire was finalised. Before the distribution, a pilot study was conducted.

# 8.5 Pilot Study

To ensure the survey is feasible and achievable, this study implemented a pilot study before the full quantitative study. According to Hassan et al. (2006, p.2), a pilot study refers to a "small study to test research protocols, data collection instruments, sample recruitment strategies, and other research techniques in preparation for a larger study". It is one of the most important stages in research to identify the potential issues to the implementation of the full study (Lancaster et al., 2004). In this study, the pilot study aims to 1) identify the potential weaknesses in this study, such as readable problems, length of the survey, time to finish the survey, and logic problems; 2) decide whether the selected items are appropriate and fit in the Chinese context; 3) Test the data collection process, e.g. the respondents' willingness to fill in this survey, the completion of the survey, the limited time they can offer, and the appropriateness of data collection via an online survey or email or post. 4) To test the data in statistical tests, namely the items' reliability.

The survey in the pilot study contains 72 questions with 11 parts of different questions: 6 demographic questions, 14 internal information collection, 8 information communication, 12 responsiveness to internal information, 4 employee morale, 8 employee happiness, 5 supervisor support, 6 intention to stay, 5 employee productivity, 3 informant questions, and 1 open question to offer their comments. (See *Appendix 5*)

After getting the permission of one manufacturer in Guangdong province, the managers collected the survey online so the employees can fill the survey in when they are available. As the workers in the manufacturing industry cannot leave their position for a long time when producing the products, based on the suggestion from the manager, the online

version is the best choice to distribute the survey. Initially, this study employed Qualtrics 2019 to develop an online survey. However, the manager offered the feedback that the respondents had to give up filling in this as the questionnaire in Qualtrics took a too long time to open, and even some of them could not open the survey. According to the feedback, instead of Qualtrics, Wenjuanxing was finally employed. I started to conduct the pilot study on 13/06/2019 and it took around two weeks to get 35 respondents answering it. During the distribution, the manager tried three rounds, and this demonstrated some potential issues with filling in and distributing the survey.

In accordance with the feedback, the survey took over 20 minutes to finish and it was too long as they had not enough time and were impatient with answering all the questions. Hence, some questions were removed from the survey, e.g. three informant questions. Finally, there were 34 items to measure the EIMO construct (See *Appendix 6*). After ensuring and checking all the items in the survey, the survey was sent to three managers in the manufacturing industry to ask for feedback again. They thought that these items fully demonstrated the migrant workers' needs, how they communicate with their workers, and how the organisation can respond to these needs in the future. This survey can be a guideline in the future for the manufacturers to manage and satisfy the employees. Again, these were discussed and went through with the supervisor, who is the expert in this area. Therefore, the survey was designed and prepared for distribution.

Before the formal distribution, the reliability of all the constructs was checked by calculating the Cronbach's alpha coefficients. The data were then inputted into SPSS. The cutoff point of 0.7 is suggested by Kline (1999). As *Table 8.7* illustrates, all of the Cronbach's alpha coefficients of these constructs were over 0.7, which demonstrates good reliability.

**Table 8.7: Reliability of the Variables** 

	No. of items	Mean	Std. Deviation	Cronbach's Alpha
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ICL	7	31.32	9.869	0.934
ICW	7	33.19	9.680	0.943
IDL	4	19.05	5.744	0.904
IDW	4	19.71	5.334	0.902
RESL	5	23.67	7.248	0.920
RESW	5	23.99	5.9116	0.787
Morale	4	19.20	5.796	0.929
Happiness	8	37.53	7.9466	0.801
Supervisor Support	5	23.28	6.680	0.902
Intention to Stay	6	22.44	5.786	0.804
Productivity	5	20.28	4.353	0.857

# 8.6 Field Study

The field study proceeded, and the data was collected over four months from June 2019 to October 2019. According to the information from the Guangdong Manufacturers Association, there is a list of top 500 manufacturers in Guangdong province. Therefore, telephone calls were made for getting permission to collect data, over five weeks. During the call, the purpose of the survey, requirements of the participants, the process for completing the questionnaire were explained carefully. After this, we successfully got permission from 30 manufacturers to conduct this survey. After getting permission from the organisation, the HR manager or the owner of the factory helped to distribute the questionnaires to migrant workers in the factory.

Overall, the survey in the present study contains 67 questions, within which 6 questions collected categorical data including employee gender, age, and marital situation, position in an organisation, tenure, and numbers of kids, and the other questions emphasised accessing the independent variables and dependent variables. Except for the categorical questions, the others incorporated a seven-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree) to measure the variables in this conceptual framework (see appendix 6).

The survey distribution took another two months online through sending a link or delivered in person in accordance with the requirement of the manufacturers. 417 questionnaires were completed online. Also, one manufacturer was requested to send the survey to their company. Eventually, only 5 of them filled in the survey. Subsequently, it took another three weeks to follow up. Some questionnaires were sent out but without any responses. On the three weeks follow up, there were no further participants completing the survey. In total, we received 422 questionnaires which resulted in a response rate of 47 per cent, and five of them did not clearly identify their location and so 417 were usable.

# 8.7 Quantitative Study Results

## 8.7.1 Descriptive Analysis

Table 8.8 demonstrates the respondents' profiles. The data presented that the majority of the respondents are married, and over half of the respondents are married with kids. Approximately 68 per cent of the workers have children who are younger than 16 years. In China, minors refer to citizens who are less than eighteen years old according to the Minors Protection Law (Library of Congress, 2007). Also, parents or guardians of minors under the age of 16 should protect their physical and psychological well-being, should ensure their right to receive compulsory education, and should not permit them to be employed in illegal way (Natlex, 2002). This means that their children under sixteen need to be carefully taken care of. So the management should notice and satisfy these workers' expectations in life.

**Table 8.8: Informants' Profile** 

Characteristics	Number	Percentage (%)	
Gender			
Male	247	59.23	
Female	170	40.77	
Age			
Under 20	16	3.84	
20-29	74	17.75	

30-39	157	37.17
40-49	132	31.65
50-59	36	8.63
Over 60	2	0.48
Prefer not to say	2	0.48
Marital status		
Single	75	17.99
Married	109	26.14
Married with kids	214	51.32
Prefer not to say	19	4.56
Oldest Kids over 16 years old		
Yes	87	20.86
No	283	67.87
Prefer not to say	47	11.27
Location		
Guangdong Province	127	30.46
Non-Guangdong Province	290	69.54
Tenure		
Less than 5 years	203	48.68
5-15 years	171	41.01
16-25 years	34	8.15
Over 26 years	9	2.16
Position		
Employees	255	61.15
Supervisor	87	20.86
Middle manager	34	8.15
Senior manager	41	9.83

# 8.7.2 Data Cleaning

There are several steps to the data cleaning including checking missing data, skewness, kurtosis, and normality. The online survey allowed no missing values because respondents would not be capable to proceed to the next question unless every question filled. Following this, the skewness and kurtosis of the data were checked through SPSS. According to Doane and Seward (2011), the general guideline for checking skewness and kurtosis is that the

absolute value should not be greater than 1 and the absolute value of the kurtosis and skewness should not be greater than twice their standard error. After checking the value, the value of data is within the threshold. Subsequently, normality was tested through visual inspection of the histogram, box plots and normal Q-Q plot by SPSS which show that the data was approximately normally distributed (Cramer and Howitt, 2004).

### 8.7.3 Common Method Bias

This study used a single survey respondent as the resource for the independent, dependent variables and moderator in one instrument. There are risk and possibility of bias caused by using a single method of data collection. Also, the design of the survey instrument itself can lead to bias in the responses (Podsakoff et al., 2003). In order to test bias, the common method variance will observe such bias; the common method variance is systematic error variance shared among variables measured with a function of the same method and introduced as a function of the same source (Richardson et al., 2009).

According to Conway and Lance (2010), to reduce the common method bias, when designing the survey, this study separated independent and dependent variables into different sections with some other variables between them. Also, several items in the survey were negatively worded. Except for these procedural remedies through survey design, various types of method can be applied to observe the bias, e.g. Harman single factor, Common latent factor, and Marker variable (Podsakoff et al., 2003). This study also applied a common latent factor through AMOS to statistically check the bias. Through checking the common latent factor in this study, the common variance is tested as the square of the common factor of each path before standardisation. The result was 37% (0.61× 0.61= 0.3721) and the threshold 50 per cent (Conway and Lance, 2010), so the data is fine.

# 8.7.4 Factor Analysis

Factor analysis is a technique applied to identify and confirm a set of factors or latent constructs from a large number of items. It is common to apply factor analysis for reducing a data set to a more reasonable and manageable size (Field, 2009), testing the reliability, and validating the newly developed scales to ensure the scale measures the intended constructs (Carmines and Zeller, 1979). The factor analysis is mainly classified into an exploratory factor analysis and confirmatory factor analysis. Exploratory factor analysis (hereafter EFA) aims to examine the underlying dimensionality of the item set during the initial development of an instrument and to ascertain items that do not measure an intended factor. Compared with EFA, confirmatory factor analysis aims to indicate 1) how many factors are present in a construct; 2) which items are related to each factor; 3) whether the factors are correlated or uncorrelated (issues that are revealed during the process of EFA).

Structural equation modelling (hereafter SEM) is a powerful and common confirmatory technique for conducting confirmatory factor analysis (hereafter CFA). SEM is also known as the covariance structure (McDonald, 1978) or the linear structural relationship model (Joreskog et al., 2001). SEM constitutes two models 1) a measurement model linking a set of observed variables to a set of latent variables; 2) a structural model linking the latent variables via a series of recursive and non-recursive relationships (Hair et al., 2006). CFA corresponds to the measurement model of SEM and it is estimated via AMOS software. SEM allows the researcher greater control over the form of constraints placed on items and factors when analysing a hypothesised model (Albright, 2006).

In this study, the testing process involved two-stage SEM analysis (Hair et al., 2006).

1) Testing the EIMO measurement model and checking the validity of all the constructs. 2)

Testing all of the hypotheses in a structural model. Initially, measurement models of SEM were conducted for 1) Examining the underlying dimensionality of the construct of extended

internal market orientation. 2) Checking the reliability and validity of all the constructs in this study. Following this, the path analysis was applied through a structural model of SEM to explore all the hypotheses in the conceptual framework (see *Figure 8.3*).

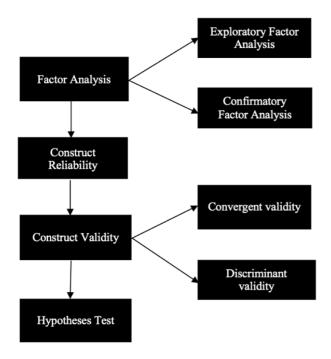


Figure 8.3: Process of Factor Analysis

# 8.7.4.1 Exploratory Factor Analysis and Scale Validation for EIMO

To construct an extended internal market orientation construct involves the process of generating an item pool, reviewing the initial pool of items, validating items, and evaluating the items. A set of 34 items which were highlighted in the previous Chapter were used to measure the extended internal market orientation. SPSS version 24 is applied to conduct the exploratory factor analysis. SPSS refers to "Statistical Package for the Social Sciences" and SPSS was acquired by IBM in 2009, which is commonly used for editing and analysing all sorts of data (SPSS Tutorial, 2020).

The exploratory factor analysis involved different steps, such as choosing the extraction methods, rotation methods, and deciding to suppress small coefficients. Before the

factors extraction, it is necessary to conduct several tests to check and assess the suitability of the application of factor analysis. These tests cover factor loadings, communalities, Kaiser-Meyer-Olkin, and Bartlett's Test of Sphericity. The correlation coefficient is over 0.30, which indicates that the factor accounts for approximately a 30 per cent relationship within the data. Also, the value of communality is less than 0.50, which represents a low communality (Field, 2013). Therefore, in this study, 34 items of the EIMO construct were checked; the factor loadings on any factor less than 0.3, those that had significant loadings on two or more factors, and had communalities less than 0.5 were considered for deletion. In total, four items of EIMO were deleted: "Our company periodically circulates documents that provide information on family-friendly practice to improve the quality of employee life, such as children's education and social insurance" (IDL3); "In this organisation, employees' problems at work are responded to very slowly by the management team" (RESW5); "Even if employees communicate their problems in life, the management would not adjust its practice in a timely fashion" (RESL3); and "Employees' suggestions/complaints fall on deaf ears" (RESW6).

The analysis was then run again using the 30-items. The KMO index ranges from 0 to 1, and 0.50 is considered to be suitable for factor analysis. Bartlett's Test of Sphericity should be significant (P<0.05) for factor analysis (Field, 2009). As *Table 8.9* demonstrated, the KMO was 0.976 and Bartlett's Test of Sphericity was significant; these items can be checked and examined through factor analysis.

Table 8.9: KMO and Bartlett's Test of EIMO

KMO and Bartlett's Test				
Kaiser-Meyer-Olkin Measure of S	0.976			
Bartlett's Test of Sphericity	Approx. Chi-Square	12709.707		
	Df	435		
	Sig.	0.000		

As *Table 8.10* demonstrated and according to Field (2009), when the sampling size exceeds 250 and the average communality is larger than 0.6, Kaiser's criterion can be used to retain factors. These 30 items have commonalities larger than 0.5 and the average communality is 0.739 (20.617/30=0.687) which is greater than 0.6, and the KMO is larger than 0.5. This demonstrates that these items are suitable for conducting factor analysis.

**Table 8.10: Factor Communalities of EIMO** 

	Communalities			
			Initial	Extraction
Q1	Management frames questionnaires to identify your wants and needs in life.	ICL1	0.560	0.511
Q2	Management tries to find out if employees have a problem in life.	ICL2	0.738	0.731
Q3	Management often has informal communication with employees about their life and family.	ICL3	0.565	0.540
Q4	Management often asks their employees about their quality of life, such as accommodation, physical health, and food.	ICL4	0.751	0.711
Q5	Management often asks employees about their family commitment, such as children's education and elderly caring.	ICL5	0.750	0.744
Q6	There are regular meetings between managers and employees to discuss their suggestions about how to improve life quality in the organisation.	ICL6	0.781	0.776
Q7	In this organisation, the HR dept collects information on employees' life issues at least once a year.	ICL7	0.694	0.664
Q8	In this organisation, there are regular meetings between managers and employees to discuss matters that the employees wish to address at work.	ICW1	0.728	0.698
Q9	Management conducts a regular survey to collect information about employees' needs at work.	ICW2	0.759	0.730
Q10	Management meets employees at least once a year to find out what expectations they have for their careers.	ICW3	0.726	0.681
Q11	Managers often talk to employees about their job design.	ICW4	0.620	0.548

0.10		TOTTE	0.506	0.745
Q12	Management tries to find out the employees' true	ICW5	0.786	0.745
	feelings about their jobs.			
Q13	Management does a lot of internal research to find out	ICW6	0.808	0.750
	how to make employees satisfied with their job.			
Q14	Management has regular staff appraisals to discuss	ICW7	0.759	0.706
	what employees want.			
Q15	If an employee has a certain personal problem that	IDL1	0.709	0.644
	influences their work performance, they are encouraged			
	to discuss it with their managers.			
Q16	Managers in this company are never too busy if one of	IDL2	0.724	0.679
	their subordinates wishes to meet personally to discuss			
	problems in life.			
Q17	A lot of informal social activities are organised to	IDL4	0.729	0.683
	encourage employees to communicate their difficulties			
	in life with their manager.			
Q19	Management usually listens to employees sincerely	IDW1	0.772	0.735
(	when they have problems in doing their job.			01,00
Q20	Management spends time to inform staff about their	IDW2	0.712	0.682
<b>Q2</b> 0	tasks, their objectives and try to compromise mutually	15 ,,2	0.712	0.002
	with them when there is a disagreement.			
Q21	Management organises regular staff meetings to discuss	IDW3	0.717	0.680
Q21	issues relating to employees' needs and wants in work.	ID W 3	0.717	0.080
022	Data on employee satisfaction are disseminated at all	IDW4	0.717	0.652
Q22	* *	IDW4	0.717	0.653
022	levels on a regular basis.	DEL 1	0.774	0.725
Q23	The organisation not only cares about employees but	REL1	0.774	0.725
	also cares about employees' families.			
Q24	Management provides different supportive schemes for	REL2	0.737	0.713
	the employees' family issues after they know about			
	these, such as children schooling, medical care, and			
	living condition.			
Q6	My organisation accommodates me when I have family	REL4	0.669	0.634
	or personal issues to take care of—for example,			
	flexible schedules, medical appointments, meeting with			
	the child's teacher, and so forth.			
Q27	After the organisation finds out that employees need a	REL5	0.715	0.739
	social life, the company makes a concerted effort to			
	offer an interesting social life, such as playing sports,			
	watching movies, and playing games.			

Q28	After the organisation finds out that employees need	REL6	0.718	0.714	
	effective welfare, the company makes a concerted				
	effort to do so.				
Q29	In this organisation, employees' needs are often taken	REW1	0.762	0.720	
	into account during their employment, for example, job				
	design, training program selection, and personal				
	development efforts.				
Q30	In this organisation, the management will provide	REW2	0.751	0.735	
	praise when employees have improvement and				
	innovation in their jobs.				
Q31	When the employees are found unhappy with their	REW3	0.680	0.649	
	jobs/tasks, the organisation takes corrective action.				
Q32	The management makes changes based on employees'	REW4	0.721	0.696	
	feedback relating to their needs and wants in work.				
Extra	Extraction Method: Principal Axis Factoring.				

Subsequently, this study used principal axis factoring on the EIMO construct for identifying underlying factors. In order to analyse common variance, produce scale unidimensionality, reduce a large number of items into factors, and identify items that do not measure an intended factor or that simultaneously measure multiple factors (Hooper, 2012), the principal axis factoring as a method of extraction was applied. Through running the principal axis factoring analysis, four components were extracted based on having eigenvalues greater than 1. However, according to the existing literature, the most commonly applied internal market orientation construct consists of three underlying factors (Lings and Greenley, 2005). Based on the original IMO construct with three sub-dimensions, this study expected to add the additional three dimensions to the life aspect, namely information generation in life, information communication in life, and responsiveness to life needs. Therefore, it is possible to have six underlying factors as well. In order to decide how many factors are proper to construct the EIMO construct, it is necessary to explore how many

factors are extracted, three, four or six. Subsequently, the observation of the rotated component matrix proceeds.

The rotation step was further applied to decide how many factors of analysis and to check whether a variable might relate to more than one factor. There are three methods of orthogonal rotation (varimax, quartimax and equamax) and two methods of oblique rotation (direct oblimin and promax) (Field, 2013). Tabachnick and Fiddell (2007) suggested that if factor correlations are not driven by the data, the orthogonal rotation can be applied, which assume the factors are not correlated. On the contrary, the oblique rotations could be applied. Based on the literature, it was assumed that the sub-dimensions of IMO would be correlated. Rotation maximises high item loadings and minimises low item loadings, and it produces a more interpretable and simplified solution. Hence, the process of rotation (Equamax rotation) was conducted to simplify the factor structure of a group of items. In the previous steps, the eigenvalues exceeding 1 were found to extract four factors, so the numbers were fixed into three, four, and six factors continually and six worked better. Ultimately, there were another 10 items that were deleted. Importantly, the ICL6 was suggested to be incorporated into the sub-dimension of information dissemination in life. This is probably because ICL6 indicates that there are regular meetings to discuss the suggestions and measurement about how to improve life quality in the organisation; this item contains the communication mode between employees and management and also contains the communication information related to the life need. Therefore, the ICL6 was incorporated into IDL. Eventually, 22 items which explained 73.92 per cent of its overall variance were confirmed (see *Table 8.11*).

**Table 8.11: The Exploratory Factor Analysis** 

Rotated Factor Matrix							
			F	actor			
	1	2	3	4	5	6	
ICL1	0.634						

ICL2	0.654					
ICL3	0.561					
ICL4	0.520					
ICL5	0.486					
ICW1				0.568		
ICW2				0.651		
ICW3				0.576		
ICW5				0.472		
IDL1						0.534
IDL2						0.462
ICL6						0.499
IDW1		0.560				
IDW2		0.726				
IDW3		0.662				
REL1					0.586	
REL2					0.636	
REL6					0.485	
REW1			0.587			
REW2			0.678			
REW3			0.545			
REW4			0.518			

Extraction Method: Principal Axis Factoring.

Rotation Method: Equamax with Kaiser Normalization.

a. Rotation converged in 72 iterations.

Subsequently, the reliability for each of the constructs was calculated and checked via Cronbach's alpha coefficients. All of the factors for Cronbach's alpha coefficients should be over 0.7, which is recommended by Kline (1999). Through the test, the Cronbach's alpha coefficient of EIMO (22 items) was 0.947, and six sub-dimensions of EIMO were also over 0.7 (0.908, 0.918, 0.909, 0.879, 0.896, and 0.897). Besides, the other variables' reliability in this study has been tested as well, and the Cronbach's alpha coefficients were over 0.7 demonstrating good reliability (see *Table 8.12*).

**Table 8.12: Factors' Reliability** 

	No. of items	mean	Std. Deviation	Cronbach's Alpha
EIMO	22	104.35	28.396	0.947
ICL	5	22.30	7.059	0.908
ICW	4	19.14	5.719	0.918
IDL	3	14.28	4.368	0.879
IDW	3	14.94	4.074	0.896
RESL	3	14.10	4.646	0.897
RESW	4	19.59	5.495	0.909
Morale	4	19.20	5.796	0.929
Happiness	8	37.53	7.9466	0.801
Supervisor Support	5	23.28	6.680	0.902
Intention to Stay	6	22.44	5.786	0.804
Productivity	5	20.28	4.353	0.857

## 8.7.4.2 Confirmatory Factor Analysis

After exploring the number of factors representing the data via the EFA, CFA was employed for dealing particularly with measurement model which means the relationships between observed indicators or items and latent variables (Brown and Moore, 2012). CFA demonstrates how well the theoretical specification of the factors matches the actual data (Hair et al., 2010). Besides, CFA offers a very strong analytic framework for evaluating the equivalence of measurement models across distinct groups (e.g., demographic groups such as sexes, races, or cultures) (Brown and Moore, 2012).

Thereafter, this study ran the confirmatory factor analysis to assess the correspondence of all items with their respective latent variables, confirming the dimensionality of all the constructs, and checking the results of the goodness of both the measurement and structural model fit (Hair et al., 2010). There are various statistical packages employed to perform the models, such as AMOS, LISREL, Mplus, and EQS. The AMOS version 24 was administrated to identify the measurement model because IBM SPSS AMOS (Analysis of Moment Structures) is easy to be applied for visual SEM. With AMOS,

it contributes to quickly specifying, viewing, and modifying the model graphically using simple drawing tools. Also, it allows for assessing the model's fit, making any modifications and printing out a graphic final model. In particular, Amos quickly performs computations and displays the results (Arbuckle, 2013).

Developed from the original IMO model which posits three factors, i.e. internal information collection at work (ICW), internal information dissemination at work (IDW), and responsiveness to work (RESW), EIMO extends beyond its original proposition by including new dimensions relating to the life aspect, i.e. internal information collection on life issues (ICL), internal information dissemination on life issues (IDL), and responsiveness to life issues (RESL). When running the CFA in AMOS, maximum likelihood estimation was administrated. It is grounded in the findings from EFA, which suggested EIMO as a second-order construct. The measurement model of EIMO posited these six factors (see *Figure 8.3*).

The value of Chi-squared statistic ( $\chi^2$ ), the probability value, the Comparative Fit Index (CFI), the Goodness-of-Fit Index (GFI), the Adjusted Goodness-of-Fit (AGFI), and the Root Mean Square Error of Approximation (RMSEA) are the important indexes to check the model fit. Acceptable cut-off points for a good-fitting model are CFI, GFI and AGFI >0.9, and RMSEA<0.08 (Byrne, 2010; Hair et al., 2010). Chi-square ( $\chi^2$ ) is used for the model comparison between observed and estimated covariance matrices. So, the higher the probability of Chi-square ( $\chi^2$ ), the more accurate the observed model and the perfect model fit. There are other indices for checking the model fit, such as the standardised root mean square residual (SRMR), Tucker-Lewis index (TLI), and the comparative fit index (CFI) etc. which provide different information about model fitness (i.e., absolute fit, fit adjusting for model parsimony, fit relative to a null model). P-value is also an important index for the testing of the hypothesised model. Probability refers to quantities that are hypothetical frequencies of data patterns under an assumed statistical model, namely the P-value. P-value

tells the observed significance level for the test hypothesis and it ranges from 0 for complete incompatibility to 1 for perfect compatibility. If P-value falls on or below a cut-off (usually 0.05), it is declared significant (Greenland et al., 2016). However, instead of applying only one index, considering these together contribute to providing a more conservative and reliable evaluation of the fit of the model (Brown, 2006).

From checking the goodness-of-fit statistics, the single model fits the data very poorly as shown by the GFI of 0.742, CFI of 0.884, NFI of 0.864, IFI of 0.885, and RMSEA of 0.108 (see *Table 8.13*). In this study, the EIMO is hypothesised as the 2<sup>nd</sup> order model consisting of six factors: ICL, IDL, RESL, ICW, IDW, and RESW. After running the measurement model of EIMO in AMOS, the data shows GFI of 0.878, NFI of 0.931, CFI of 0.952, NFI of 0.952, and RMSEA of 0.071. These demonstrated that this model is better than the single model, but this model still did not fit very well. Thus, the modification of the model is necessary. According to the modification indices (hereafter MIs) offered by AMOS, some of the items presented large MIs which argues for the presence of factor cross-loadings and error covariance (Byrne, 2010). The MIs suggested some regression paths between two observed variables and covariance between error terms and factors (e.g. ICL1<-->ICL2, IDW1<-->IDW3, RESW1<-->RESW4). Besides, one item of ICL, namely ICL5 was deleted to improve the model fit. After modification, compared with a single model, the final revised model fits the data well as shown by the GFI of 0.910, CFI of 0.970, NFI of 0.949, and RMSEA of 0.058. Eventually, the EIMO constitutes ICL (4 items), IDL (3 items), RESL (3 items), ICW (4 items), IDW (3 items), and RESW (4 items).

**Table 8.13: Model Fit Indices** 

	N	P	GFI	NFI	CFI	IFI	RMSEA
Single Measurement Model (22 items)	417	0	0.742	0.864	0.884	0.885	0.108
Six Factor Second-Order Model	417	0	0.878	0.931	0.952	0.952	0.071
(22 items)							

Revised Final Second-Order Model	417	0	0.910	0.949	0.970	0.949	0.058
(21 items)							

After reviewing and comparing the goodness-of-fit statistics, the revised second-order construct fits the data. Ultimately, the EIMO construct is developed into the second-order construct consisting of ICL, IDL, RESL, ICW, IDW, and RESW. Hence, hypothesis H1 is accepted.

## 8.7.5 Structural Equation Modelling

## 8.7.5.1 Process for Structural Equation Modelling

Structural equation modelling essentially involves the combination of path models and confirmatory factor models (Schumacker and Lomax, 2004). It explains the relationship among multiple variables and provides a quantitative examination of a hypothesised theoretical model (Hair et al., 2010). SEM can test various types of theoretical models and permit complex phenomena to be statistically modelled and tested. Through SEM, various types of models can be used to depict relationships among observed variables, such as regression, path, and confirmatory factor models (Schumacker and Lomax, 2004). As well as SEM allowing multiple observed variables to be examined, it explicitly takes measurement error into account when statistically analysing data (Albright, 2006). Therefore, SEM techniques are becoming the preferred method for confirming theoretical models in a quantitative fashion (Schumacker and Lomax, 2004).

There are several hypotheses in this study to be examined. So, this study employed the process below when conducting the confirmatory factor analysis of the overall model fit:

- Confirmatory factor analysis will be used to assess the correspondence of all items with their respective latent variables.
- The reliability of all constructs in the model will be tested. (The Cronbach's alpha can be applied to test internal consistency) (Field, 2009).

- The convergent validity will be tested (validity exceeding the recommended threshold value of 0.70) (Hair et al., 2006).
- Discriminant validity will be investigated (by measuring the AVE statistic)

#### 8.7.5.2 Overall Model Fit

In the previous steps, the measurement model of EIMO has been developed and tested. Following this, the measurement models of the other constructs, such as employee happiness, morale, intention to stay, productivity, and supervisor support have been tested by the same method. The aim was to test how sets of variables define constructs. After testing the measurement models, structural equation modelling is applied for analysing how these constructs are related to each other and determining the extent to which the theoretical model is supported by sample data (Hair et al., 2010).

All the variables in this study incorporate employee happiness (8 items), employee morale (4 items), employee intention to stay (6 items), employee productivity (5 items), and supervisor support (5 items). After running these measurement models, three items of happiness (e.g. "I feel that life is very rewarding", "I don't feel particularly pleased with the way I am living", and "I am not particularly optimistic about the future"), two of the items of intention to stay ("Under no circumstances will I voluntarily leave this organisation before I retire" and "I would be reluctant to leave this organisation"), and one of the item of productivity ("I feel that I am not productive in my work") were deleted to achieve a good measurement model fit.

Subsequently, the overall measurement model including EIMO (6 items), employees' happiness (4 items), employees' morale (4 items), employees' intention to stay (3 items), and employee productivity (4 items) was operated (see *Figure 8.4*). The measurement models have been tested and validated through CFA, so this part of the analysis emphasised the examination of the overall model fit of the proposed conceptual framework and the structural

parameter estimates. Before this, one essential step is to determine whether the specified model is identified.

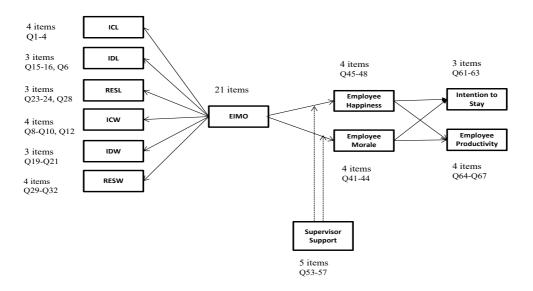


Figure 8.4: The Overall Measurement Model

An unidentified model is one for which it is impossible to come up with unique parameter estimates (Albright, 2006). The result illustrated this hypothesised model is identified, so the analysis can proceed in AMOS. Through establishing all the paths and the hypothesised conceptual model in AMOS, the overall model fit was assessed and run. This process aims to offer the confirmatory results of the whole measurement model and provide more accurate findings associated with the hypotheses in this conceptual framework (Byrne, 2010). Acceptable cut-off points for a good-fitting model are CFI, GFI and AGFI >0.9, and RMSEA<0.08 (Byrne, 2010; Hair et al., 2010). Through the model running in AMOS, the overall measurement model illustrated a GFI of 0.886, CFI of 0.951, NFI of 0.929, IFI of 0.951, and RMSEA of 0.071. In order to improve the model fit, some items' correlations were

suggested by AMOS. Ultimately, the data illustrated GFI of 0.911, CFI of 0.976, NFI of 0.945, IFI of 0.967, and RMSEA of 0.059, which showed a good model fit (see *Table 8.14*)

**Table 8.14: Overall Measurement Model Fit** 

	N	P	GFI	NFI	CFI	IFI	RMSEA
Model (21 items)	417	0	0.886	0.929	0.951	0.951	0.071
Final Measurement model (21	417	0	0.911	0.945	0.976	0.967	0.059
items)							

### 8.7.5.3 Construct Reliability, Convergent and Discriminant Validity

To generate a better data fit, this study further fulfilled the evaluation of the composite construct reliability, convergent, and discriminant validity. Part of the measurement items in this conceptual framework was derived from existing literature, so it is necessary to go through the construct validity. Construct validity refers to the extent to which a test measures what it claims and purport and reflects the degree to which a set of items reflects the theoretical latent construct (Brown, 2006). The results of CFA will illustrate compelling evidence of discriminant and convergent validity of the theoretical constructs (Brown, 1996).

Factor loading is the correlation coefficient for the variable and factor and is the variance explained by the variable on that particular factor. By going through the results, all the factor loadings were greater than 0.5, which is the cut-off recommended by Hair (2010). Particularly, most of them were over 0.7, which demonstrates the factor extracts sufficient variance from that variable. Composite reliability (hereafter CR) is the indicator of the internal consistency reliability for measurement models, and Cronbach alpha is the estimate commonly used in deciding the reliability. Composite reliability of 0.7 or higher as a rule of thumb suggests good reliability (Byrne, 2010). As *Table 8.15* demonstrates, the result of all the CRs (0.952, 0.916, 0.887, 0.850, and 0.936) is greater than 0.7, which indicates a good degree of internal consistency and reliability.

**Table 8.15: Factor Reliability and Convergent Validity of Constructs** 

Variables	No. of Items	CR	AVE
EIMO	6	0.952	0.769
Happiness	4	0.916	0.733
Intention to Stay	3	0.887	0.723
Employee Productivity	4	0.850	0.590
Morale	4	0.936	0.786

Subsequently, convergent validity was checked. Convergent validity is indicated by evidence that different indicators are theoretically similar or overlapping constructs are strongly interrelated, and statistically share a high proportion of variance in common (Hair et al., 2010; Brown and Moore, 2012). The average variance extracted (hereafter AVE) and CRs are the important indicators of convergent validity (Byrne, 2010; Hair et al., 2010). According to Fornell-Larcker (1981), the AVE is the subsequent step for checking the convergent validity. AVE has been commonly used to assess the degree of shared variance between the latent variables of the model and to measure the level of variance captured by a construct versus the level due to measurement error. The value above 0.7 is regarded as very good and the level of 0.5 is acceptable (Hair et al., 2010). Based on the thresholds (Hair et al., 2010), all the AVEs (0.769, 0.733, 0.723, 0.590, 0.786) are over 0.5, CRs are over 0.7, and all the CRs of variables are larger than AVEs. As *Table 8.15* demonstrates, all the CRs are larger than AVEs; this suggests that each of them demonstrates adequate convergence.

Discriminant validity is indicated by evidence that indicators of theoretically distinct constructs are not highly intercorrelated (Brown and Moore, 2012), and it has become a common practice in SEM studies (Henseler, et al., 2014). If discriminant validity is not established, this means that the constructs influence the variation of more than just the observed variables. Thus, the hypotheses in the conceptual framework cannot ensure they are a result of statistical discrepancies (Farrell, 2010). Hair et al. (2010) suggested comparing

AVE for any two constructs with the square of the correlation estimate between these two constructs. All of the AVEs are suggested to be greater than the squared correlation. As *Table 8.16* shows, all of the AVEs are larger than squared correlations. Thus the discriminate validity is established.

**Table 8.16: Discriminant Validity** 

Discriminant Validity	Factor	Correlation	AVE1 <> AVE2	Discriminant
	Correlation	Squared		Validity
Morale<>Happiness	0.716	0.513	0.786 0.733	Established
Morale<>Intention to stay	0.349	0.122	0.786 0.723	Established
Morale<>Productivity	0.590	0.348	0.786 0.590	Established
Morale<>EIMO	0.830	0.689	0.786 0.769	Established
Happiness<>Intention to stay	0.310	0.096	0.733 0.723	Established
Happiness<>Productivity	0.652	0.425	0.733 0.590	Established
Happiness<>EIMO	0.618	0.382	0.733 0.769	Established
Intention to stay<>Productivity	0.270	0.073	0.723 0.590	Established
Intention to stay<>EIMO	0.276	0.076	0.723 0.769	Established
Productivity<>EIMO	0.585	0.342	0.590 0.769	Established

# 8.7.5.4 Hypotheses Test

The completed data analysis based on CFA and SEM provided a piece of empirical evidence to support or not support manifested hypotheses. Although H5a is rejected, the others are supported (see *Table 8.17*). Consistent with the goodness of fit model indices, the standardised regression confirms that EIMO is a  $2^{nd}$  order measurement which will influence positively morale ( $\beta$ =0.850, p<0.001) and happiness ( $\beta$ =0.644, p<0.001), thus H2 and H3 are supported (see *Table 8.17*). Importantly, these two variables have never been tested for their relationship with IMO.

**Table 8.17: Hypotheses Test** 

	Hypotheses	Estimate	P-Value	Supported
H1	EIMO>ICL	0.813	***	Yes
	EIMO>IDL	0.901	***	Yes

	EIMO>RESL	0.884	***	Yes
	EIMO>ICW	0.907	***	Yes
	EIMO>IDW	0.853	***	Yes
	EIMO>RESW	0.899	***	Yes
H2	EIMO>Morale	0.850	***	Yes
Н3	EIMO>Happiness	0.644	***	Yes
H4a	Morale>Intention to stay	0.262	***	Yes
H4b	Morale>Productivity	0.282	***	Yes
H5a	Happiness>Intention to stay	0.134	0.097	No
H5b	Happiness>Productivity	0.459	***	Yes

Moreover, morale positively affects employees' productivity ( $\beta$ =0.282, p<0.001) and intention to stay as well ( $\beta$ =0.262, p<0.001), so the results support H4a and H4b. H4 revealed that employee morale positively impacts employee performance in the workplace in terms of productivity and intention to stay. These findings are congruent with previous studies which suggested that the higher the level of staff morale in an organisation, the higher the level of productivity in the organisation via increasing the effectiveness of workers' efforts (Weakliem and Frenkel, 2006), greater employee loyalty and lower turnover rate (Doukakis, 2003).

In support of H5b, the results show that happiness has a significant positive influence on employees' productivity ( $\beta$ =0.459, p<0.001). However, happiness does not impact on intention to stay ( $\beta$ =0.134, p= 0.097). Thus H5a is rejected. Hypothesis 5 revealed that the EIMO positively impacts employee performance in the workplace, in particular employee productivity.

## 8.7.5.5 Competing Models

According to Hox and Bechger (1999), the explicit comparison of competing models makes testing more effective instead of just testing one model. Therefore, the competing models were conducted. The first competing model examines the direct causal relationship between

EIMO, employee happiness, morale and employee performance including employee intention to stay and productivity. The second competing model tests the direct causal relationship between EIMO and employee happiness, morale and employee performance including employee intention to stay and productivity.

For the competing model 1 (see *Figure 8.5*), the results illustrate the goodness of fit is poor as the indices of NFI, CFI, GFI < 0.9, and RMSEA <0.08 (GFI of 0.822, NFI of 0.867, CFI of 0.887, IFI of 0.888, and RMSEA of 0.108 (see *Table 8.18*). Compared with the original conceptual framework, in this competing model, employee happiness is still proved to have a positive effect on employee productivity but does not positively influence the employees' intention to stay. Employee morale still positively influences employee's intention to stay but does not affect employee productivity.

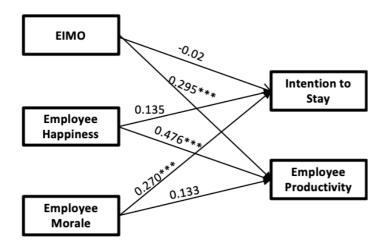


Figure 8.5: Competing Model 1

**Table 8.18: Competing Models** 

Hypothesised model	N	P	GFI	NFI	CFI	IFI	RMSEA
Conceptual Model	417	0	0.911	0.945	0.976	0.967	0.059
Competing Model 1	417	0	0.822	0.867	0.887	0.888	0.108
Competing Model 2	417	0	0.901	0.940	0.962	0.962	0.063

For the competing model 2, the results demonstrate no significant change against the original model (see *Figure 8.6*), except for a slightly lower model fit than the original model (see *Table 8.18*). The data confirmed that EIMO positively influences employee happiness and employee morale, and these results are consistent with the original model. As the literature discussed in Chapter two, there are fewer studies examining the relationship between IMO and an employee's happiness and morale, so this study attempts to test these causal relationships. Based on competing model 1 and 2, in general, it is clear that the EIMO has a positive effect on employee performance, in particular employee productivity. Also, when an organisation adopts EIMO, this contributes to a higher level of employee happiness and morale.

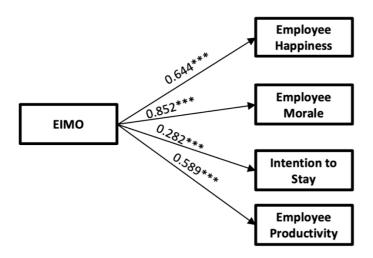


Figure 8.6: Competing Model 2

#### 8.7.5.6 Moderator Test

The supervisor support is regarded as the moderator enhancing or weakening the relationship between EIMO and employee attitudes, namely employee happiness and employee morale. This study employed the PROCESS in SPSS to examine the moderating effect. PROCESS is used for regression path analysis, and it is a modelling analysis tool that is widely used in social, business and health science. To estimate direct and indirect effects in single and

multiple mediator models, the PROCESS is developed and introduced (Hayes, 2018). According to Hayes (2017), the moderator refers to a third variable that influences the strength of the effect of the independent variable on the dependent variable.

Hayes (2018) introduced various models for testing mediators, moderators, and the integration of mediators and moderators. This study examines whether the supervisor support as the moderator strengthens the effect of EIMO on employee happiness and morale. Therefore, model 1 from Hayes (2017) was applied to test this model. According to Hayes and Rockwood (2017), BootSE demonstrates the standard error estimate (see *Table 8.19*), and BootLLCI and BootULCI are at 95% confidence limits. If the 95% confidence limits include zero, the effect test is not significant (Hayes and Rockwood, 2017). The 95% confidence limits of the interaction between EIMO and supervisor support are between LLCI (-0.0153) and ULCI (0.0440), and zero is within -0.0296 and 0.0390. Also, the P-value was 0.340 ( $\beta$ =0.110), which is larger than 0.05. So, supervisor support does not moderate the relationship between EIMO and employee morale (see *Table 8.20*).

**Table 8.19: Model Summary** 

	R	R-sq	MSE	F	df1	df2	P
Morale	0.8834	0.7804	0.4685	489.1266	3.0000	413.0000	0.0000
Happiness	0.7026	0.4936	0.6681	134.2107	3.0000	413.0000	0.0000

**Table 8.20: Model Test (Morale)** 

	Coeff	SE	t	P	LLCI	ULCI
constant	0.5401	0.3005	1.7971	0.0731	-0.0507	1.1309
EIMO	0.7329	0.0737	9.9488	0.0000	0.5881	0.8777
Manager Support	0.1696	0.0809	2.0978	0.0365	0.0107	0.3286
Int_EIMO × Manager-support	0.0143	0.0151	0.9509	0.3422	-0.0153	0.0440

As *Figure 8.7* demonstrated, there are three different levels of supervisor support (3.40, 4.80, and 6.00). When the level of supervisor support is high (6.00), it shows a positive

effect of EIMO on employee morale at the same range as when the supervisor support is low (2.40).

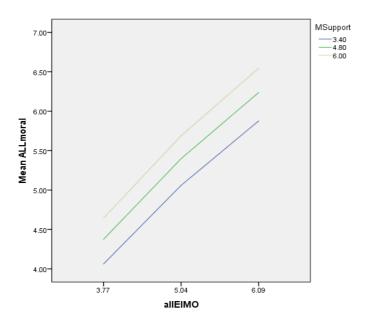


Figure 8.7: Moderating Effect of the Supervisor support on morale

In the same vein, for testing whether the direct manager support as moderator strengthens or weakens the effect of EIMO on employee happiness, this study ran model 1 in PROCESS as well. According to Hayes and Rockwood (2017), zero is included in BootLLCI and BootULCI, and then the effect is not supported. The 95% confidence limits of the interaction between EIMO and supervisor support are between LLCI (0.0299) and ULCI (0.1007), and zero is excluded. Also, the P-value was less than 0.001 ( $\beta$ =0.635, p<0.001). So, the supervisor support has a moderate influence on the relationship between EIMO and employee happiness (see *Table 8.21*).

**Table 8.21: Model Test (Happiness)** 

	Coeff	SE	t	P	LLCI	ULCI
Constant	3.0097	0.3589	8.3864	0.0000	2.3042	3.7151
EIMO	0.1317	0.0880	1.4973	0.1351	-0.412	0.3046
Manager Support	-0.0668	0.0966	-0.6913	0.4898	-0.2566	0.1231
Int_EIMO × Manager-support	0.0653	0.0180	3.6279	0.0003	0.0299	0.1007

Furthermore, it is important to explore when there is a higher level of supervisor support, and whether there is an enhanced or weak relationship between EIMO and happiness. The results indicate that employees are facing a higher level of supervisor support (6.00), showing a positive influence of EIMO on employee happiness at a high range of supervisor support. When there are three different levels of supervisor support (3.40, 4.80, and 6.00), with the higher level of EIMO adoption in an organisation, the higher level of supervisor support, there will be a greater effect of EIMO on employee morale (see *Figure 8.8*). As *Table 8.22* demonstrated, when the level of EIMO and happiness are at the same level, the moderating effect of the direct manager on the relationship between EIMO and happiness will increase.

Table 8.22: Conditional Effects of the Focal Predictor at Values of the Moderator

Manager support	Effect	SE	T	P	LLCI	ULCI
3.4000	0.3539	0.0495	7.1461	0.0000	0.2565	0.4512
4.8000	0.4453	0.0496	8.9872	0.0000	0.3479	0.5427
6.0000	0.5237	0.0589	8.8906	0.0000	0.4079	0.6396

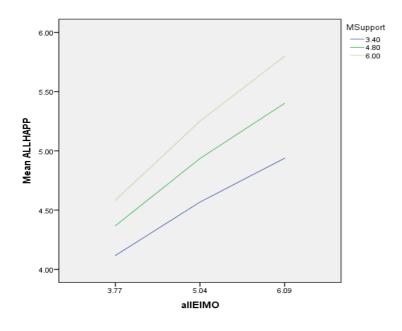


Figure 8.8: Moderating Effect of a Direct Manager on Happiness

### 8.7 Summary

This Chapter has focused on quantitative data analysis and demonstrated the findings. To examine the measurement model and hypotheses in this study, various analytical techniques were performed, which include exploratory factor analysis, confirmatory factor analysis, structural equation modelling. Through analysing the data from the survey, this study initially validated the scales of the EIMO construct, so the Principal Axis Factoring analysis was applied to identify the factors of EIMO. The findings proved that EIMO constitutes ICL, IDL, RESL, IDW, ICW, and RESW through the confirmatory factor analysis. Also, the goodness of fit model index proved that there is a good statistical fit with EIMO representing a second-order construct. The other measurement model was run as well for the constructs, and the results demonstrated that the model fits were good.

By running the SEM, the overall model fit and all of the hypotheses in the conceptual framework were tested. This study concludes that IMO should go beyond its original scope of construct and extend to include employees' family aspect. The newly developed EIMO demonstrates its contribution to enhancing employee happiness and morale at the workplace. When employees have high morale, they are more likely to stay; meanwhile, when employees are happy, their productivity tends to be high. This research is important as it explores how organisations applying EIMO can improve the situation and create a composition of a happier, stable workforce whilst helping to create a happier and fairer society in the long run. Supervisor support as a moderator strengthens the effect of EIMO on employee happiness but not on the relationship between EIMO and employee morale.

#### **CHAPTER NINE**

### **QUANTITATIVE DATA DISCUSSION**

### 9.1 Introduction

In the previous Chapter, the quantitative study was conducted to find that EIMO positively influences employee happiness and morale. Also, the employees' happiness and morale are proved to have positive effects on employee productivity. However, there is no significant relationship between employee happiness and intention to stay. Besides, supervisor support has a significant influence on the relationship between EIMO and happiness rather than morale. Therefore, this Chapter aims to discuss the quantitative findings covering supported and non-supported hypotheses (see *Figure 9.1*).



Figure 9.1: Flowchart of Chapter Eight

#### 9.2 Discussion

Through running the factor analysis and structural equation modelling, the validity of constructs and hypotheses in this study were examined. The results confirmed that EIMO is a construct consisting of internal information collection in life, internal information collection at work, internal information communication in life, internal information communication at work, internal information responsiveness in life, and internal information responsiveness at work (H1). EIMO has a positive impact on employees' morale (H2) and employees' happiness (H3). Besides, employees' morale positively influences employees' intention to

stay (H4a) and employees' productivity respectively (H4b). Employees' happiness has no positive influence on employees' intention to stay (H5a) but has a positive effect on employees' productivity (H5b). The supervisors' support positively moderates the relationship between EIMO and employees' happiness (H6b) but has no moderating influence on EIMO and employees' morale (H6a). This part will discuss these results for further understanding (see *Table 9.1*).

**Table 9.1: Results of the Quantitative Study** 

	Hypotheses	Results
H1	EIMO construct is a 2 <sup>nd</sup> order measurement construct constituting of ICL,	Supported
	IDL, RESL, IDW, ICW, and RESW	
H2	EIMO positively affects employee morale	Supported
НЗ	EIMO positively affects employee happiness	Supported
H4a	Employee morale positively affects employees' intention to stay	Supported
H4b	Employee morale positively affects employee productivity	Supported
H5a	Employee happiness positively affects employees' intention to stay	Non-Supported
H5b	Employee happiness positively affects employee productivity	supported
Н6а	Supervisor support as a moderator positively affects the relationship	Non-supported
	between EIMO and employee morale	
H6b	Supervisor support as a moderator positively affects the relationship	Supported
	between EIMO and employee happiness	

## 9.2.1 EIMO Construct (H1)

EIMO is extended and developed from IMO, which can be a management tool or organisational strategy applied for an organisation to understand and satisfy the employees' work and life needs in the workplace while helping employees more effectively achieve their organisational objectives. The quantitative findings have confirmed that the EIMO construct constitutes internal information collection in life, internal information collection at work, internal information communication in life, internal information communication at work, internal information responsiveness in life, and internal information responsiveness at work.

The internal information collection in work and life refers to the understandings of the employees' specific wants and needs in both work and life. Internal information communication in work and life is about the communication between employees through different communication channels to disseminate and communicate the information of work and life in the workplace. The internal information responsiveness in work and life pertains to a series of management activities to satisfy the workers' needs and wants in the organisation. The development of the extended internal market orientation construct contributes to covering and filling the gap of the existing IMO construct only considering satisfying employees' needs in work through internal information collection, communication, and responsiveness, without considering the workers' expectations in life.

As there are increasing numbers of employees who have difficulties working in different roles and multiple roles, the increased relevance and competing demands between work and life have been presumed for employees in recent years (Deery, 2008). This makes the workers' demands for work-life balance urgent and an essential expectation from the labour force (Baral and Bhargava, 2010). Due to the ever-changing social, economic and legislative factors in different countries, there is no universal definition of work-life balance (Wong and Ko, 2009). Through the previous qualitative study, the findings discussed that for the migrant workers, the work-life balance could be achieved through proper time distribution and effective resource distribution to satisfy the demands from life and work. However, in today's working environment, the practices helping to improve the perception of work-life balance can only be supported through a piece-meal approach (Wong and Ko, 2009) or through human resources initiatives to tackle the work-life conflicts (Xiao and Cooke, 2012).

There has been a dramatic rise in the number of individuals facing significant responsibilities both in work and in the family (Brough and Kalliath, 2009). In particular,

their work and family life responsibilities (Wong et al., 2008). The new generation migrant workers not only have ambition in achieving career expectations (i.e. becoming managers and entrepreneurs, getting a promotion) but also seeking a better life (e.g. material and spiritual enjoyments) in the cities in which they are working (Wang et al., 2013). Therefore, they suffer from both living and working in the cities (Wang et al., 2013). Moreover, they are inclined to change or resign from their jobs once they feel unsatisfied (Chen, 2014). The management should recognise the fact that the competing demands between work and family life have assumed increased relevance for employees (Beauregard and Henry, 2009).

In recent years, there has been an increasing emphasis on the study of work-life interference, such as redesigning jobs and relocating, changing personnel (Preenen et al., 2017), flexitime, social support, and supervisor support (Baral and Bhargava, 2010). In Chinese factories, migrant workers have to work long hours, so it is obvious that their personal lives and work are entwined. It is hard to have two consecutive days off, and after they are back at home, they have to spend time on household chores and provide company for children. As well as the pressure in life, they also face increased pressure from production and workloads. Therefore, they are confronted with increasing conflicting responsibilities in life and work (Cao and Hill, 2019). However, compared with the IMO and existing familyfriendly practices in the workplace, the EIMO construct is established to not only cover supporting employees' family responsibility (e.g. children schooling, medical care, elderly caring), social life (e.g. playing sports, watching movies, playing games) and living conditions (e.g. couples room, tasty food), but also to take the demands of job-design, training program selection, personal development efforts, flexible working hours, and working conditions into consideration. This has the possibility of increasing the perception of balanced work and life.

### 9.2.2 EIMO and Employees' Attitudes

Attitudes refer as a favourable or unfavourable reaction toward a job and a workplace (Tosi and Mero, 2003). Attitudes toward work have been investigated through different constructs, such as employee satisfaction, organisational commitment, employee turnover intention, and so on (Wang, 2008). Even more, a lot of attention has been paid to work-related constructs in Chinese contexts (Wang, 2008; Alas and Sun, 2008). Different from the existing studies on work attitudes, this study focuses on examining the EIMO's effect on the Chinese employees' attitudes working in the manufacturing industry. The findings proved that the application of EIMO in an organisation contributes to positively influencing the employees' attitudes incorporating morale and happiness.

## **9.2.2.1 EIMO and Morale (H2)**

The findings confirm that EIMO positively influences employees' morale. According to the existing studies on staff morale, a collection of various factors can lead to a higher level of employee morale in an organisation. These factors include managerial communication (Baird and Bradley, 1978; Zebal, 2018), management controls, employee-management relationship (Mcknight et al., 2001), leadership (e.g. leadership competencies, fostering trust, and team building) (Ngambi, 2011), and working environment (Ngambi, 2011; Foldspang et al., 2014).

When there is effective managerial communication in an organisation, there is a higher level of employee morale (Baird and Bradley, 1978; Zebal, 2018). In particular, the face-to-face communication is the backbone of internal communication, which helps to give effective feedback and opinions (Brown, 1998). Since the leaders can understand their employees through enhanced internal communication, and the EIMO program affords deep insight into employees' idea, so the employees' suggestions or ideas could be deeply and accurately understood (Gounaris, 2008). Then this can lead to improved staff morale (Barnes et al., 2004). In contrast, when employees work in a poor working environment with a lack of

communication and little motivation, this leads to employees feeling that management is insensitive to their needs (Brown, 1998). So, this will negatively influence employee morale (Ngambi, 2011).

Effective communication means that managers need to have cognition of what the employees know, should know and could know (Kitchen and Daly, 2002). The organisations can give effective responses through organisational incentive awards, feedback benefits (McKnight et al., 2001, and working environment (Foldspang et al., 2014) to build staff morale (McKnight et al., 2001; Foldspang et al., 2014). The EIMO tries to communicate effectively, respond and satisfy employees' needs in work (e.g. harmonious working atmosphere, timely feedback on work, effective welfare, training program selection, and personal development efforts) and living conditions (e.g. clean kitchen, affordable accommodation, childcare and eldercare supportive service, flexibility, and entertainment after work in the workplace). These contribute to decreasing the uncertainty and discontent in the workplace (Doukakis, 2003), achieving the goal efficiently, and increasing the cohesiveness among workers (Miller, 1981). Particularly, this support gives employees a sense of belonging and caring, and they tend to take their job responsibilities seriously (Hopkins, 1995). So, it is essential to understand EIMO's positive influence on employee morale. According to the qualitative findings, one of the effects of IMO is morale which is consistent with the quantitative findings (H2). One of the statements was:

"We will cultivate the employees' trust and morale through the organisation with social activities in the organisation at least once a year, such as social gathering and travelling." (Manager Y From Company 14)

In China, employees of the new generation are no longer loyal to their companies but are keen on their career development (Meng, 2015). Also, for today's employees, they are inclined to take their personal interests and individual needs into consideration and make

them priorities (Cao and Hill, 2009). There are more demands for training, communication and better employment relationship, better working atmosphere and career development (Han et al., 2014). Therefore, EIMO can enhance communications, build up equal, respectful and reliable relationships with employees, satisfy their expectations in the workplace, and provide responsiveness; these encourage employees to be loyal to the organisation (Meng, 2015).

In Chinese culture, one of the important values of the philosophy of Confucius is interpersonal harmony (Li, 2006), so improving employee morale is necessary for the organisation. According to the literature of IMO in Chapter two, the connection between IMO and morale has only been touched upon. The findings proved that the IMO has a significant influence on morale, which furthers the understanding of the influence of IMO on employees' level. Also, in practice, the finding conduces the management team in China to commit to the importance of adopting the IMO and satisfying the employees' expectations.

## 9.2.2.2 EIMO and Employees' Happiness (H3)

This study confirms that EIMO has a significant effect on employees' happiness. Some studies have investigated and proved that IM positively affects employee happiness (Tanhaei et al., 2013; Safari et al., 2017). However, according to the existing literature, there is no study connecting IMO with employee happiness. This finding enriches the studies on internal market orientation and offers a reminder for the management team to be aware of the importance of employee well-being in the workplace.

To improve communication in the workplace, a more positive environment is needed, a higher level of staff morale, and a happier place to work (Finnerty et al., 2014). This is consistent with Dasgupta et al. (2014) finding that effective managerial communication practices contribute to a higher level of employee happiness and employee performance. The communication modes through email, Skype, messaging, and particularly face to face communication contribute to creating a happy workplace and positive effect (Finnerty et al.,

2014). When the organisation effectively identified the managerial communication that the employees require for increased flexibility and autonomy, these communications of the supervisor produce happy employees. In contrast, when there are enhanced hierarchical and selfish approaches of supervisors, this leads to unhappy employees (Dasgupta et al., 2014).

The responsiveness through the organisation, such as a happy workplace, good payment (Safari et al., 2017), receiving fair treatment, valuing and appreciating them, getting clear information about the organisation's objectives, developing their full potential at work, (Awang et al., 2015), providing flexible working arrangements, and autonomy (Dasgupta et al., 2014) contribute to creating happy employees in the workplace (Awang et al., 2015; Safari et al., 2017). Through the adoption of EIMO, the organisation will provide the migrant workers with social support, childcare and eldercare support, and living conditions in the life aspect. This contributes to their perception that the organisation cares about them. The results help the management teams in China pay attention to employee happiness being significant for the improvement of their productivity. This is consistent with Han et al.'s (2014) finding that it is crucial to improve the workers' workability and productivity through expanding migrant workers' social networks and social support system in the workplace and improving their physical and psychological related work environment. According to the qualitative findings, one of the effects of IMO is happiness which is consistent with the quantitative findings (H3). One of the statements was:

"The IMO may lead to that I will be happier working in this organisation, and I will have the feelings of achievement." (Mr Z From Company 4)

"The happiness comes from the organisational responsiveness through flexible work, good living conditions, relaxing social activities, and job design. I am happy to work for this organisation." (Mr H From Company 14)

## 9.2.3 Employees' Attitudes and Behaviour

## 9.2.3.1 Employees' Morale and Employees' Behaviour (H4a, H4b)

Staff morale is important for the organisation as a higher level of employee morale conduces to a higher level of organisational performance, such as improved recruitment and retention, improved communication (Mazin, 2010), improved productivity, improved creativity, and quality of work (Millett, 2010). These results are congruent with H3a and H3b in this study that the higher level of employee morale significantly influences employees' intention to stay and employee productivity.

As employee morale is generally directed toward the fostering of group solidarity (Baehr and Renck, 1958), low employee morale will lead to low employee loyalty (Kumar and Pansari, 2015). When employee morale is high, this leads to a high-quality relationship with the company, high-quality relationship with the supervisor, and colleagues (Baird and Bradley, 1978). These good relationships make the employees feel good about their work and working environment and they get effective support from the organisation. So, this allows the employee to work more productively. According to Ngambi (2011), the negative effects will appear when the employee morale is not effectively managed, which will lead to reduced overall employee productivity and increased intention to quit. The results are consistent with Neely (1999), Weakliem and Frenkel (2006), and Iverson and Zatzick (2011) etc.; they confirmed that the higher the level of morale in the organisation, the higher the level of employee productivity. Also, a higher level of employee morale leads to reduced staff turnover (Barnes et al., 2004; Doukakis, 2003).

Organisations emphasise the importance of staff morale in order to retain employees and increase productivity (Kanimozhi and Vinothkumar, 2018). In China, there are severe labour shortages and a high rate of resignation, which makes it difficult to hire skilled labour (Cheng, 2014). Particularly, when the manufacturing industry is faced with increasing orders,

it is urgent for them to recruit an efficient labour force for accelerating productivity.

Therefore, how to improve productivity is worth exploring in the Chinese context.

## 9.2.3.2 Happiness and Intention to Stay (H5a)

This study found that happy employees do not have the intention to stay in their organisation. This triggers a question to consider: why do happy employees not have an intention to stay in the firm? Or why do happy employees still want to leave their organisation? Happiness is in the form of joy, and it appears in every typology of basic human emotions (Diener and Diener, 1996). When individuals feel happy, this benefits improved outcomes in both psychological and physiological aspects. For example, there will be a reduced turnover intention when the happy workers feel greater energy, are treated fairly and valued by the organisation (Judge et al., 2001). Hence, happy employees have a significant negative effect on employee turnover intention (Al-Ali et al., 2019). This means when the employees are happy, they should have lower levels of turnover intention. However, employees with less intention to quit do not mean that they have an intention to stay. In this study, the findings demonstrate that happiness does not influence the employees' intention to stay. The result is consistent with Awang et al. (2015) who discussed that personal happiness does not positively influence the employees' intention to stay.

There are various reasons why a worker quits their job or has the intention to stay, such as the employees' perceptions of commitment, job satisfaction, job engagement (Radford and Meissner, 2017), relationships among employees and their supervisors (Kim et al., 2010), job security (Abolade, 2018), organisational justice (Trevino and Weaver, 2001), perceived job quality (Cheng et al., 2019), and perceptions of the relationship with their coworkers (Han et al., 2014). These factors influence the turnover intention as the employees feel emotional ties to their jobs or organisations. The stronger emotional ties to the organisation and jobs are usually closely and significantly related to the intention to stay and

lessen the possibility that employees have the intention to leave (Wyld, 2014). However, when employees feel happy, these feelings of joy may not be related and tied to their organisation or jobs (Stevens, 2015). Therefore, a happy employee may also quit their job because of their supervisors, perceived job quality, or organisational justice, etc.

Furthermore, the employees who obtain creativity support including managerial initiated rewards for improved procedures, creative work characteristics (e.g. available training chances and flexible job descriptions), and a low level of creativity blocks (e.g. unreasonable deadlines and workloads) will be less propensity to leave the organisation or have a higher level of intention to stay (Mayfield and Mayfield, 2008). Even if employees feel happy to work in the firm, if the organisation lacks a creative work environment, it will not make them have the intention to stay. In a similar vein, even after satisfying their needs, if they cannot feel the harmonious working environment with colleagues it may make them want to quit. On the contrary, a higher level of perception of the relationship with their coworkers will positively correlate with their intention to stay (Harris et al., 2002).

Differently, in the 21st century, the new generation looks for career development, inclusive style of management, job satisfaction, and working environment, which are decisive factors making them have the intention to stay (Aruna and Anitha, 2015). In fact, the migrant workers in the factories have long working hours, poor working conditions, continual pressure for work, and less communication with the manager (Li and Madsen, 2009); these are closely related to a larger proportion of jobs failing to satisfy the employees' interests (Zhang et al., 2019). The mismatch and incongruence in the relationship between the employee and their environment and job can lead to turnover intention based on the personenvironment fit theory (Wang and Yi, 2011). For example, with a change in personnel, management, team dynamics, and company policy, they will feel uncomfortable and incongruent to work in the team or organisation (Prossack, 2019). A manager stated that:

"The 80s generation is easier to manage because they just need a stable salary. However, the 90s generation is not responsible for themselves and not willing to be managed and scarify." (Manager A From Company 10)

"They just require salary. We would like to recruit employees who are around 35-45 years old because they have to work hard for their children and elders. With the pressure on life, they just need stable work, even though the work is tiring." (Manager G From Company 2)

Last, the measurement of happiness may also influence the outcome of the relationship between happiness and intention to stay. Academics increasingly use the umbrella term well-being instead of happiness (Wright and Huang, 2012). Actually, happiness can be classified into hedonic and eudemonic. The former refers to pleasant feelings and the latter views happiness as doing what is virtuous, morally right, meaningful, and self-actualisation (Warr, 2007). This study measures happiness covering both hedonic and eudemonic aspects of happiness via the survey, such as "I am very happy", "I don't feel a particular sense of meaning or purpose in my life", and "I feel I have a lot of energy". These questions are not closely related to happiness in the workplace and not explicitly associated with the emotional ties to the organisation and their jobs. Therefore, different measurements may impact the influence on employee intention to stay.

### 9.2.3.3 Employee Happiness and Productivity (H5b)

The existing research proved that a happy employee could productively produce (Fisher, 2010; Awang, et al., 2015; Al-Ali et al., 2019). These results are consistent with the result in this study which identified that employee happiness positively affects their productivity. The happiness of an employee is interconnected with employees' job performance, in particular, the employees who feel happy have the highest performance and are the most efficient

workers (Daniels and Harris, 2000). The employees' performance is closely related to their happiness which makes employees have a strong feeling of pride (Daniels and Harris, 2000) and more positive emotions at work (Ilies et al., 2015). Therefore these happier workers contribute to improving both individual and organisational performance, such as organisational performance and productivity (Daniels and Harris, 2000; Ngambi, 2011; Ilies et al., 2015).

It is necessary to understand the younger generations of Chinese citizens' unique work values and behaviours as the post-1980 and post-1990 generations are essential to the businesses and the society in China (Ma et al., 2016). These workers demonstrated their dissatisfaction with the organisation through decreased productivity, well-being, and organisational citizenship behaviour (Cogin, 2012). Owing to the management team not noticing the different work ethics and beliefs between different generations of employees, this caused misunderstandings and miscommunication between them (Brandt et al., 2014). This study found that EIMO can positively improve the employees' happiness and then their productivity by taking care of their needs in both work and life. Also, the results suggested that the organisation should provide them with constructive feedback, enhanced communication, and effective responsiveness, which is likely to lead to a higher level of employee happiness.

### 9.2.4 Moderating Effect of Supervisor Support (H6)

# 9.2.4.1 Moderating Effect of Supervisor Support between EIMO and Employee Morale (H6a)

According to the findings supervisor's support has no moderating influence on the relationship between EIMO and employee morale (H6a). This triggers a question, why does supervisors' support fail to strengthen or weaken the effect of EIMO on employee morale. This is reasonable because the manager support as a hygiene factor helps decrease the

employees' dissatisfaction but may not affect employees' motivation based on the two-factor theory. Motivation-hygiene theory is also called Herzberg's two-factor or dual-factor theory (Herzberg, 1959). This theory regards motivation factors and hygiene as two sets of categories that have an effect on employee satisfaction. Understanding the difference between motivation factors and hygiene factors is very important and they are the core concepts of this theory (Herzberg, 1996). The motivation factors work to enhance and improve employee job satisfaction, but hygiene factors operate to decrease employee job dissatisfaction (Herzberg et al., 1959). When there is a paucity of hygiene factors, such as interpersonal relationships, relationship with supervisors, salary, organisational policies and administration, and working environment, which will lead to employees working less hard (Herzberg, 1996). Although the hygiene factors contribute to decreasing employee job dissatisfaction, this does not mean that the hygiene factors can cause job satisfaction (Herzberg, 2003).

Morale is a group concept (Juneja, 2001), which refers to how positive and supportive a group feels toward the organisation to which it belongs (Haddock, 2010). This means that morale is members of the group's special feelings shared with others, such as pride in one's achievement, trust, self-worth, faith in organisational success, and faith in the leadership etc. (Ngambi, 2011). However, manager support belongs to the hygiene factor that can make employees reduce their dissatisfaction rather than improve the employee motivation, which is an individual concept, and higher motivation often can cause a higher level of employee morale (Juneja, 2001). So, the supervisor (direct manager) support may not influence the relationship between EIMO and employee morale.

Also, the EIMO tries to satisfy and motivate employees through responding to their needs in both work and life, such as job design, training programme selection, personal development efforts, flexible schedule and good living condition etc., these can lead to a

higher level of satisfaction, motivation and morale. But supervision as one of the hygiene factors is related to competence or incompetence and fairness or unfairness of the supervision (Stello, 2011). There is the possibility that the supervision will not cause job satisfaction (Herzberg, 2003). As in the Chinese manufacturing industry, some of the managers lack management skills, such as communication skills and pre-emptive thinking (EICC, 2012). Even more, a majority of the jobs cannot satisfy the workers' interests as the hierarchy and paternalism in leadership dominate in a Chinese organisation. The managers cannot satisfy their expectations (Zhang et al., 2019).

# 9.2.4.2 Moderating Effect of Supervisor Support between EIMO and Employee Happiness (H6b)

The result demonstrated that a higher level of supervisor (direct manager) support enhances the relationship between EIMO and employee happiness. The managers take measures to improve relationships with their employees, it makes the employees have positive feelings and this can improve not only job satisfaction but also life satisfaction (Thomson, 2014); to the extent that informal and formal organisational support increase an employee's sense of control, reduce stress and strain, and enhance the quality of the work-family interface. Also, the job, family and life satisfaction should be higher than when the organisation does not provide this support (Thompson and Prottas, 2005). Since the higher level of direct manager support leads to regular and constructive feedback from employees, the employers can effectively understand and respond to their employees' expectations. This accelerates the increase in employee happiness.

The supervisor support in this study refers to the direct manager support of migrant workers in manufacturing. They are the ones responsible for the supervision of the migrant workers, so they are more likely to have direct communication, better understanding, and a deep relationship with employees. However, insufficient communication means the

characteristics and attitudes of the changing migrant workers in this era is challenging for the managers (Wang et al., 2013). Different from western culture, Chinese communication styles are indirect and aim to build relationships. However, in the West, communication is for the exchange of information and a more effective approach to solve issues (Wang, 2018). Therefore, the adoption of EIMO can help to improve the communication between employees and managers, in particular the communication between employees and direct managers. Manager support helps enhance the effect of EIMO on employee happiness.

#### 9.3 Summary

The results illustrate that there is a positive relationship between EIMO and employee attitudes including employee happiness and morale, and the morale will positively influence the employees' intention to stay and productivity. However, happiness only positively impacts productivity but not the intention to stay. Even the happiest employees may leave the company for different reasons. For example, they may have been in their positions for a while with not enough training for advancement, or the organisation that they work in lacks a creative and harmonious work environment. Besides, the employees may be not satisfied with the leadership and so on. To keep a low turnover rate, the organisation may consider different managerial implementations to ensure employees' well-being, such as providing training, further career development, opportunities for their skills development, cultivate their leadership abilities, and a good and harmonious working environment.

Additionally, the supervisor's support as the moderator influences the relationship between EIMO and employee happiness rather than employee morale. This may be related to the supervisor's communication and managerial skills failing to coordinate their management strategies according to different employees. In general, employees need to be provided with communication, guidance and resources as needed. The organisation should value the employee's value and notice their contributions to the organisation because silence from

management will cause employees to have the perception that they are not respected and ultimately lead them to seek a new job. Improving employee morale and creating a happy working environment are vital for the management of the new generation of migrant workers.

### **CHAPTER TEN**

#### CONCLUSIONS AND IMPLICATIONS

### 10.1 Introduction

This Chapter aims to draw a conclusion to this thesis. Firstly, this Chapter will cover all the key points of every Chapter to provide a summary of the entire thesis. Subsequently, the managerial implications will be suggested based on the findings. A creative approach to manage the organisation through successfully adopting internal market orientation and implications for the policymaker and government will be suggested. Finally, this Chapter will point out the limitations and identify future research directions.

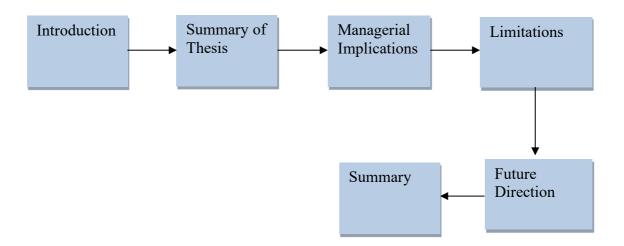


Figure 10.1: Flowchart of Chapter Ten

## 10.2 Summary of the Thesis

This section summarises the entire thesis via looking through each step carried out and involved in the study. This section will start with stating the research objectives, and

subsequently outlining the research context, key literature, the conceptual framework, undertaking the initial qualitative study, summarising the qualitative findings, undertaking the quantitative study, and summarising the quantitative findings. Thereafter, it will outline the managerial implications and offer recommendations.

# 10.2.1 Research Background and Aims

The initial step of this study was to identify the research aims and objectives. It began with the theoretical background of IM and IMO, which regards the employees as internal customers, in that the organisation should satisfy them while achieving the organisational objectives. The theoretical background is based on the firm theory which argues that the firm can be a market which can be managed as well. Therefore, this study proposed to explore the internal market through developing an EIMO construct.

Through reading the literature, the existing internal market orientation only focuses on the work side, so this study aimed to develop and confirm an extended internal market orientation which covers both life and work. Second, this study aimed to examine the extended internal market orientation's influence on employee attitudes (e.g. employee happiness, morale), and the relationship between employees' attitudes and behaviour (e.g. intention to stay and productivity). Third, this study also planned to test how supervisor support as a moderator influences the relationship between extended internal market orientation and employee attitudes.

#### 10.2.2 The Literature Review

Following the research aims and propositions, the study proceeded with a literature review on the internal market, internal marketing, market orientation, and internal market orientation. This is important for the illustration of the theoretical background, identifying the research gaps, and demonstrating the research contributions of this study.

The literature review began with an introduction of the concept of the internal market which argues that the marketing activities existing inside the firm are reflected by the exchange of values happening within the firm (Kotler, 1972; Arndt, 1979). Following this, the advantages of the organisation's application of an internal market system were demonstrated. For example, it effectively resolves changes, settles disagreements, allocates and manages resources. Subsequently, the internal labour market was introduced to understand the features of resource allocation. There are various forms of exchanges in the internal market within the firm, which can happen at both individual and group level, e.g. with or without physical goods, transactions and cost exchanges (Spence, 1975), such as the exchanges between employee and organisation and internal customer and internal supplier. This is essential in order to understand the internal marketing philosophy.

In order to understand the concept of internal marketing, the concepts of internal customer and market orientation were subsequently discussed. Internal marketing is a marketing philosophy that views employees as internal customers and jobs as internal products (Berry, 1976). For the purpose of implementing a market orientation, many organisations have applied a system by which internal customers evaluate internal suppliers serve their internal customers who in turn serve the external customers (Hauser et al., 1996; Gilbert, 2000).

Through consulting the literature on internal marketing, the study argued that the lack of a single agreed definition as well as the lack of functional responsibility for the implementation of internal marketing, mean it is not used widely. Therefore, the internal market orientation was introduced and developed to understand the employees' value and to increase the effectiveness of the company's IM. In order to have an extensive review of internal market orientation, the definition, development of the construct, existing literature including antecedents and outcomes, and literature in Chinese were addressed.

It is essential to go through the literature, which helped to identify the research gaps and contributions. The IMO construct just focused on employees' satisfaction in work without caring for their needs in life, so this study planned to extend and build an extended internal market orientation to satisfy the workers' wants in both work and life. Also, most of the studies focused on the service industries, and few considered the other industries. The paucity of studies in a Chinese context should also be noticed. Therefore, this study provided further insight relating to an extended IMO which has been explored in the Chinese context to test the causality between IMO and employee happiness and morale, and even the behaviour in terms of employee productivity and their intention to stay.

#### **10.2.3 Research Context**

This study targeted the Chinese context covering the migrant workers, new generations of migrant workers, the manufacturing industry, and Chinese family-oriented culture and work ethics understood through an understanding of the Chinese context. The new generation of migrant workers has emerged and has gradually become the majority of the migrant worker population (Cheng, 2014), with more burdens than locals on arrival in the city (Meng, 2000) and not many local urban friends. More seriously, some of them have suffered psychological distress because of higher expenditure on leisure activities and cultural life, low income, long working conditions, and low level of social support in this new generation of migrant workers who migrate alone (Zhong et al. 2017). Their urgent requirement for not only the work side but also the life side is a big challenge for the management (Chan, 2009).

The family is an essential concept in Chinese culture and has long been a key component within Chinese society. They tend to seek a better job and earn more money because they have the responsibility and awareness to support their families, in many cases, they will send part of their earnings to family residing in small towns. However, young Chinese generations are entering their late twenties, so they are experiencing increasing

pressure from their family, e.g. getting married, support their children, and settle down. They have to spend much of the time travelling back home. The workers in this new era have a higher expectation for work-life balance when working far from home.

## 10.2.4 Conceptualisation

Following the previous steps to understand and discuss the notion of an internal market, internal market orientation, and identify the research gaps and objectives, a conceptual framework was established. The framework included independent variable EIMO containing six dimensions, namely internal information collection, internal information communication, and responsiveness to information in both work and life, two employee attitudes variables (employee happiness and morale), and two employee behaviour variables (intention to stay and productivity) (see *Figure 10.2*). Hypothesis one was proposed to verify and confirm the composition of EIMO. The other eight hypotheses were used to illustrate the relationships between EIMO, employee attitudes, and employee behaviour.

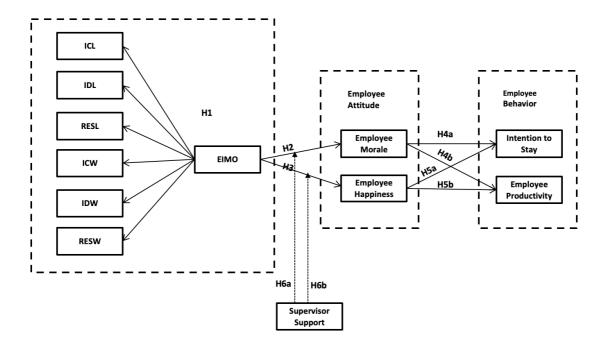


Figure 10.2: The Conceptual Framework

H1 posited that EIMO is a second-order construct consisting of internal information collection in work, internal information collection in life, internal information communication in work, internal information communication in life, responsiveness to information in work, and responsiveness to information in life. H2 and H3 posited that the EIMO has a positive influence on employee happiness and morale respectively. H4a and H4b proposed that employee morale has a positive effect on employees' intention to stay and productivity. H5a and H5b proposed that employee happiness has a positive effect on employees' intention to stay and productivity. Last, H6a and H6b postulated that supervisor support has a mediating influence on the relationships between EIMO and employees' attitudes (happiness and morale).

#### 10.2.5 Research Methods

In this study, to extend the internal market orientation construct and explore how the EIMO influences the employees' attitudes and behaviour, the exploratory sequential approach was applied. Therefore, an initial qualitative study was undertaken. This study interviewed one employee and one manager from 15 different Chinese manufacturers, so there were 30 interviews conducted to explore domestic migrant workers' needs at work and in life and develop an appropriate survey instrument to suit the Chinese context.

The qualitative findings demonstrated that most of the migrant worker respondents believe it is necessary to have a management system to monitor employees' needs and wants both at work and relating to their family life. Emerging needs at work are on-time payment, a decent working environment, reasonable work intensity, flexible working hours, harmonious relationship between colleagues, training, and career development. Needs emerging for family focus were sufficient and comfortable and affordable accommodation, support for kids' education, hygienic canteen service, reasonable vocations and entertainment, such as the gym, reading room, and places for them to release their stress, and social activities. Although

most of the managers agreed that family problems would affect employees' work and life, they did not think that the organisation should or can satisfy employees' needs. Misunderstandings were held by managers about migrant workers. For example, some managers thought that workers would be spoiled if the organisation offers what they ask for. The findings also suggested that organisations with a higher level of IMO gain more positive employee happiness, morale, trust, loyalty, motivation, and commitment, and employees are more likely to stay with the organisation with higher productivity.

Based on the qualitative results, this study designed the quantitative survey to examine the hypotheses, namely how EIMO affects employee attitude (happiness and morale), and then employee behaviour (intention to stay and employee productivity). Through using a purposive sampling method to collect the data by accessing the information from the Guangdong Manufacturers Association, there were 30 manufacturers participating in the survey distribution and the HRM managers in these factories helped to distribute online questionnaires to their workers in the factory. Before the main study, both a pre-test and pilot study were conducted to ensure that the questionnaire is readable, understandable, and logical; then minor modifications of the survey were made. The result of the pilot study shows that the questionnaire was suitable for the main study. Finally, we received 422 questionnaires, of which 417 were usable.

### 10.2.6 Research Findings

This research is important as it explores how organisations can improve the situation and create a composition of happier and healthier employees, stable family units, and a happier and fairer society in the long run by developing an extended IMO and examining its impact.

Principle components analysis was initially applied to verify the measurement of extended internal market orientation, which identified that the extended internal market orientation was a second-order construct including six sub-dimensions, namely internal

information collection in work, internal information collection in life, internal information communication in work, internal information communication in life, responsiveness to information in work, and responsiveness to information in life. Also, CFA and SEM were then administered to test the proposed hypotheses.

This study confirmed that the extended internal market orientation is a second-order construct constituting internal information collection, internal information dissemination and responsiveness to the information at both work and family levels. Acceptable cut-off points for a good-fitting model are CFI, GFI and AGFI >0.9, and RMSEA<0.08 (Byrne, 2010; Hair et al., 2010). The final measurement EIMO model (21 items) demonstrated a good fit (GFI of 0.910, CFI of 0.970, NFI of 0.949, and RMSEA of 0 .058). Furthermore, the overall measurement model including EIMO (6 items), employees' happiness (4 items), employees' morale (4 items), employees' intention to stay (3 items), and employee productivity (4 items) were shown to have a good fit (GFI of 0.911, CFI of 0.976, NFI of 0.945, IFI of 0.967, and RMSEA of 0.059). Composite reliability of 0.7 or higher as a rule of thumb suggests good reliability (Byrne, 2010). Based on the thresholds (Hair et al., 2010), all the AVEs are over 0.5, CR is over 0.7, and all the CR of variables are larger than AVE; these suggest that each of them demonstrate adequate convergence. Also, all of the AVEs were larger than squared correlations. Thus, the discriminant validity was established.

The results demonstrated that the EIMO positively influences employees' attitudes including employee happiness and morale, and the morale will positively influence the employees' intention to stay and productivity. However, happiness only positively impacts productivity and not the intention to stay. Besides, supervisor support is proved to enhance the relationship between extended internal market orientation and employee happiness. However, there has no mediating influence on the relationship between extended internal market orientation and employee morale (see *Figure 10.3*).

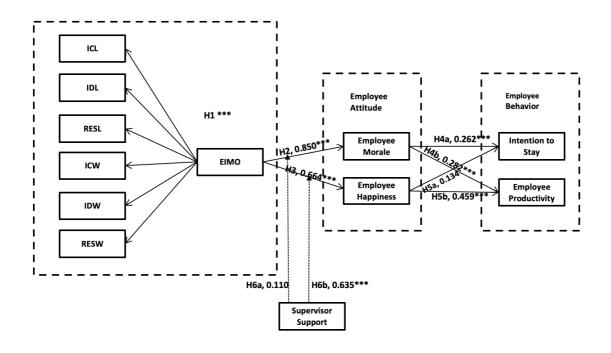


Figure 10.3: The Structural Model

#### 10.2.7 Conclusions

Via a combination of qualitative and quantitative study, this study concluded that IMO should go beyond its original scope of construct and extend to include employees' family aspect. The newly developed EIMO demonstrated its potential positive impact on increasing employee happiness and morale in their workplace and at home. When employees have high morale, they are more likely to stay; meanwhile, when employees are happy, their productivity tends to be high. This research is important as it proved that when organisations apply EIMO to improve the employer-employee relationship, they manage to create a happier, more stable workforce which contributes to the overall organisational performance as well as to the society in the long term.

This study suggested the organisation should adopt IMO as a management tool for improving employees' positive attitudes and behaviour. In order to be aware of the differences among employees in this new era, management was suggested to notice the importance of work-life balance and try to satisfy their needs via IMO such as decent living

conditions equipped with coupled rooms and hygienic kitchen, children's education, flexibility in work, proper training programmes, personal development, and so on. Therefore, employees will feel happy to work for an organisation with a higher level of productivity. The findings proved that a higher level of employee morale makes employees behave with a higher level of productivity and with the tendency to stay in the firm. It is advisable particularly for Chinese manufacturers, especially those that are suffering from a labour shortage.

## 10.3 Implications

The dominant objective of this study is to develop and empirically examine the extended internal market orientation and its effect on employee attitude (e.g. employee happiness and morale) and behaviour (e.g. intention to stay and productivity). Based on the data analysis and findings, several implications for scholars, practitioners, and government policymakers have been suggested.

There are few management teams in Chinese manufacturing industries that notice the concept of internal marketing philosophy. Therefore, in order to facilitate internal marketing strategies and apply extended internal market orientation as a management tool, this study suggests that the manager needs to have the awareness that when the organisation regards employees as the priority, there are positive outcomes related to employees' attitudes, and behaviour. Also, the findings in this study suggest that the management team may consider the adoption of IMO and notice the importance of employees' psychological well-being and morale, which contributes to improving their behaviour through having intention to stay and a higher level of productivity. Besides, the findings illustrate that firm and management can foster effective internal exchange and employee management by understanding, communicating and responding to employees' needs and wants in both work and life. Hence,

co-operation among employees, different departments, and relationships between employees and management can be effectively developed through the inspired internal market.

## 10.3.1 EIMO Application

This study makes the extended internal market orientation construct valid. The adoption of EIMO emphasises not only the significance of employees' performance in an organisation but also the importance of work-life balance for workers in the 21st century. In general, this study suggests that the firm should foster a family-friendly and supportive culture and practices in the organisation through adopting the EIMO, which helps the leaders in the company have the awareness to respect, support and help their employees have the perception of balanced work and life in the organisation.

The organisation is suggested to adopt EIMO to care about employees' needs in life or family and provide different support schemes for the employees' family issues in a timely fashion. In the life aspect, the management in an organisation is suggested to provide employees with supportive practices to deal with their daily family responsibility. For example, the organisation may consider providing the employees with children's schooling opportunities in cities and renting school buses to help parents with dropping off and picking up the children. This helps employee focus on their tasks in the workplace without worrying too much about their childcare commitment. Also, the organisation may consider flexible working hours as some employees who have children may need to do school runs. Besides, the organisation could consider offering accommodation for married workers or workers with other family members. The management is suggested to allow their kids or family members to live together in the dormitory and allow them to cook or give them the space to cook and have dinner with family members together.

In addition, for the workers with babies or school-age children, it will be great if the firm is equipped with a separate lactation room in the workplace, so it is convenient to take

care of babies. When dealing with urgent issues in family or life, the organisation is suggested to give flexibility, such as time off to attend non-work events, reasonable parental leave, adoption leave, and maternity leave. Some workers have responsibility for elderly care, and the organisation is recommended to allow paid special leave to care for elders, provide them with an onsite elder caring programme, and financial and informational assistance on eldercare services. The family is extremely important for them, so the organisation may consider providing them with free return tickets during the Spring Festival and incentives for returning home after the festival.

Living condition is essential for migrant workers. It will be great if the management team could provide them with a hygienic canteen, better food, clean and comfortable accommodation. In accordance with the organisational situation, the organisation could provide for the single workers lower dormitory renting fee or free accommodation.

Social life in the workplace is important to release stress at work. For example, there could be competitions between teams in playing sports (e.g. football games, tug of war, and rope skipping), and it is suggested to provide financial rewards or non-financial rewards, e.g. medal, gifts (phone, iPad, earphone etc.); the organisation is recommended to organise social gatherings through organising team-building activities, and the top three teams will be rewarded; during the festival, the organisation is suggested to arrange dinners with all employees who can invite their family members to participate as well and the organisation will give a red packet to the employees; the organisation may organise the drawing of a lottery with different rewards (e.g. financial reward, free travelling opportunities, material reward); and the workers to have space in the workplace to watch a movie, listen to music, and play games.

In the work aspect, the management team should notice that the different generations have different expectations when working. Most of the organisations commonly provide the

employees with effective welfare which has been proved to positively relate to labour productivity (Iverson and Zatzick, 2011). The welfare commonly includes the "Five Insurances" (endowment insurance, medical insurance, employment injury insurance, unemployment insurance, and maternity insurance), "One Fund" (housing fund), and bonus. As well as this basic insurance, the organisation is expected to provide urgent and necessary non-financial approaches. For example, the managers are expected to keep effective communication with their subordinates through face-to-face communication, emails, appraisals, meetings to communicate issues they meet on the work side; and organise teambuilding activities to create and foster harmony and a creative working environment.

A timely response to issues is important. Nowadays, the workers have higher expectations of their career development, so learning new knowledge is important for them. Instead of offering ineffective training, the organisation may provide the training program selection and enrich the training programs according to their workers' expectations and needs rather than offering the same training programme. Job design and personal development are the employees' wants in work as well; the organisation needs to notice when employees do not behave normally; the management should have timely and effective communication with the workers, and then take effective action to coordinate the workers' tasks and objectives in accordance with their issues.

If the workers need to work extended hours or work at night, the organisation may consider food supply, non-closed canteen, microwave and refrigerator to heat and save food and rest corners or spaces for short breaks. For the workers who have higher productivity and creative performance, are technically innovative and have excellent performance, the organisation is recommended to award them with a different prize. For example, some workers would like the financial reward; some workers seek promotion; the organisation may consider this according to their performance; some workers want the extra allowance, e.g.

free public transportation card for the whole year, extra two months' salary, and maternity benefits and insurance; some of them are eager for effective training; some require extra holidays. Therefore, it is necessary for managers to have effective communication with them before rewarding them.

# 10.3.2 Notice the Employees' Well-being

This study finds that extended internal market orientation contributes to a higher level of employee happiness and morale. A happier employee and a higher level of employee morale benefit their productivity. This suggests that firms should offer the workers a healthy and comfortable working and living environment and should notice the importance of making employees feel happy in the firm. The management is recommended to reinforce the influence of financial and non-financial approaches through improving their positive attitudes, such as morale and happiness that motivate employees to subscribe to organisational goals and improved behaviour such as the intention to stay and productivity.

Physical well-being and psychological well-being are suggested to be noticed by the organisation. The well-equipped exercise facilities or gym room are recommended as physical well-being is also important. As well as these, the reduced or discounted costs of physical examinations and fixed-time physical examinations could be considered to provide and support their health. Employers are suggested to offer both emotional support and financial support to colleagues who encounter a sudden and serious family issue. For example, firms are suggested to provide employees with the donation of money to colleagues who face urgent issues; and to provide them with counselling services and assistant programs for releasing their stress in psychology.

### 10.3.3 Provide Effective Supervisor Support

This study emphasises the Chinese context and the findings demonstrate that managers do not notice that employees in this era have changed and have different needs. Managers in China

seem to hold the opinion that the work is essential for both employees and the organisation, and a solid foundation of wealth can satisfy their need for work-life balance. If employees feel unhappy about and dissatisfied with organisational responsiveness to their needs in work and life, and they want to quit the job, there are plenty more people who are waiting. This view is particularly common among managers (Wu, 2016). Although the new generation has higher expectations on personal development and work-life balance than the last generation, Chinese family always has priority, so they still have the awareness to work harder for raising their family, such as elderly caring, children's education and caring, and family support.

As supervisor support strengthens the effect of EIMO on employee happiness, so supervisor support plays an important role in increasing the possibility to effectively adopt the EIMO programme while making employees feel happy. Management is recommended to build a positive and harmonious working environment that encourages employee's confidence, discipline, and willingness to achieve their jobs in the best possible manner rather than through hierarchical management and controlled mechanisms. It is important to improve and encourage the managers or supervisors at all levels to have the awareness that the communication, understanding, and satisfaction of employees are important for an organisation. Therefore, the organisation may consider giving a bonus to direct supervisors if they try to develop creative team activities to boost team spirit, empowering them to encourage employee morale or organise group activities to boost the employees' happiness, and getting a promotion if the team has produced an excellent performance. An internal appraisal system can be built. The appraisal of managers' management ability is suggested to consider their subordinates' opinion, and if their subordinates are satisfied with their managers' supervision ability, this will count towards promotion as well. The training is suggested to foster the manager's ability to cover communication skill, management skill, and cultivation of emotional intelligence.

Building and forming quality relationships with subordinates is essential. For example, managers could consider different social activities, such as group morning exercises, informal social gatherings (e.g. Karaoke, dinner together after work). Managers should consider sustainable compensation policies that may help to reduce the payroll gaps among employees, provide financial praise for innovation at work, offer bonuses for outstanding performance, permit extra holiday allowance, or offer employees shares of the organisation, which gives them the chance to get dividends from the organisation. Managers may also think of ways to increase productivity by increasing employee satisfaction by providing further education and training. Besides, employees may have less emotional and psychological fragility, which may affect their performance if their needs and wants in life are considered and satisfied by organisations.

Furthermore, managers are recommended to segment the workers and understand them differently. For example, for married workers, the responsibilities of childcare and elderly care continually fall upon, they will have a higher level of expectation from the organisation to satisfy their needs in life and help them balance their work and life. The management could provide them with children schooling, good living conditions, coupled accommodation, and social activities. For some single employees, their conflicts between work and life demonstrate in a different form in that they are too busy to find a spouse and are fear starting a family at the expense of their career. For the employees who have a higher level of salaries, they are more concerned with working hours and proper working hours would be their expectations. Compared with those who have higher salaries, those who have low payment and insecure jobs wants long working hours to increase their income, so segmenting and understanding employees differently in this era is extremely important.

The managers should emphasise the communication frequency and communication modes with their subordinates. Firstly, the manager should have awareness and communicate

effectively to solve conflicts and issues not only in work but also in life nowadays. The communication frequency may be updated and change with different employees. Also, the communication modes are recommended to be various because different workers may like different communication methods with managers. The organisation may set up mailboxes in the organisation for every team, so the employees can write a letter about their dissatisfaction, complain, and send the letter to the mailbox. In a fixed term, the direct managers or supervisors can get the letter and respond to their issues in time. The managers may invite the employees to have a drink after work, and during social time, so they can communicate the problems in both work and life. As well as these, the managers are suggested to organise regular meetings to communicate with their subordinates. Also, observation is a good method to deal with the workers who are shy to directly communicate with their supervisors. When the supervisor finds that the worker's behaviour is not normal, the direct manager should take action.

After the communication, the in-time information dissemination and responsiveness are important for the subordinate as this can influence their perception of their manager's empathy. The managers may set up the blackboard newspaper for disseminating new updated information, such as the information about the work objectives, work arrangement, information related to child schooling opportunities, and newly introduced elderly caring services, etc. Also, the brochure or newspapers which cover all the important information related to both work and life is suggested to be distributed among the workers.

### 10.3.4 Public Policy for the Local Government in China

The migrant workers in China are still faced with a lot of issues working and living in developed cities, such as job insecurity, discrimination, issues of left-behind children, physical and psychological health problems, loneliness, and work-life conflicts (Wang, 2008; He and Wang, 2016). The majority of the workers in manufacturing are migrant workers, and

a big percentage of the labour force is the new generation of migrant workers in the service industry (Chen, 2014). Hence, they are important forces for accelerating economic development in China. However, Chinese government organisations have no formal work-life balance policy for supporting them.

# Offer Social Protection

To support migrant workers living and working in the cities they migrate to, the government should offer guidance and social protection to them ensuring that they are treated equally and suitably guided. The practices have been building up to provide well-equipped facilities for the migrant workers' social life, such as cheaper house renting, develop a migrant workers' community, and discounted public transportation fee (International Labour Organisation, 2011). The local governments are also required to properly cancel measures and fee-charging which constrained rural migrant workers from finding jobs in urban cities (Andrees et al., 2015). Supporting employees via providing training, promotion, social security, protection of rights, and matching of workers to job offers between labour-sending and labour-receiving areas also have been proposed (International Labour Organisation, 2011). Moreover, investment training programmes have been applied to tackle the problems relevant to low-quality labours and difficulty in satisfying the demands for labour forces in non-agricultural sectors (International Labour Organisation, 2011; Li and Edward, 2018).

In order to increase the efficiency in the implementation of all these policies, the manufacturing associations and labour union are suggested to work together to fund some programs supporting the migrant worker's family, such as summer childcare initiative, setting up standards for hygiene, building up a more relaxed working environment, building the childcare facilities for workers with babies or kids at school age, providing free travel for returning home for the spring festival, couple rooms for married employees, tasty and better food, lower dormitory fees, fixed term to do physical examinations, awards for innovation

and extra work, promotion opportunities, etc. The workers union for migrant workers can organise some social activities to release the loneliness of working in the cities, offer free service for psychological consulting, and protect their rights in working contracts.

## Offer Public Employment Services

As many manufacturers move to the less developed cities and more and more migrant workers choose to work near home, the need for a public employment service and information about the labour market in rural cities is necessary. The Chinese government has decided on some policies to address the inequality of opportunities between the rural and urban labour market. For example, the duties of public employment services are being standardised and systematised; Enterprises at the villages and towns are being promoted, in particular the small and medium enterprises; expanding the construction of public employment service centres at village and town; and setting up a network to connect public employment service agencies at the county, town and village levels (International Labour Organisation, 2011).

In the future, in order to effectively implement and achieve these policies, this study suggests improving the public employment service at the county, town and village levels and strengthening the information networks through setting up a safe high-speed 5G network in rural cities and improving the employment service quality and efficiency through training the service personnel.

In order to abolish the segmentation between the rural and urban labour markets, there are three types of jobs placement are suggested, namely employment through migration to another region, employment near one's hometown and self-employment by starting up their firm (International Labour Organisation, 2011; Li and Edward, 2018). As the new generations are more likely to be entrepreneurs compared with older generations (Meng, 2015), the government could set up well-equipped facilities for them to start up their

business. For example, to offer opportunities for the migrant workers to attend night school in rural areas through establishing enough teaching personnel and facilities, with classes suggested covering the basic business management strategies; to provide training programmes for workers who neither have sufficient education nor the necessary skills, so they can be hired by the entrepreneurs.

#### 10.4 Limitations and Future Studies

This study has attempted to empirically examine the framework, find out how the EIMO impacts employee attitudes and behaviour and suggested some implications to the management and policymakers, but there are some limitations inherent in this study. Although internal marketing research has received increasing attention from academics and is established and studied over various contexts, the internal market orientation as an operation and tool of internal marketing is not fully established and popular in practice. This study extended the internal market orientation construct into the life aspect. Still, the measurement of IMO could be repeatedly examined before the practitioners can universally adopt this as a management tool. In the future, the test of EIMO in different cultural contexts is suggested to be understood and explored, particularly in emerging countries, e.g. India or Thailand, etc. In the future, it could be fruitful to research different cultural contexts through comparative study.

According to Ross and Zaidi (2019), a particular age group and geographically defined region would constrain the generalised findings. In this thesis, the EIMO construct is tested in the Chinese context. Even more, the data is only collected from Guangdong province covering few cities (e.g. Guangzhou, Dongguan, and Huizhou City). Also, the sample of respondents employed in this study could be a limitation as well as the respondents in this study were only migrant workers. The participants with different backgrounds from

different cities could affect their responses to a survey and could not provide an overall scope of their responses (Theofanidis and Fountouki, 2019). So, the diversity of employees' background may not be achieved. This leads to the findings in this study only relevant to Guangdong province. In the future, broader geographical regions would be worth examining.

Moreover, this thesis collects data from one industry. The migrant workers in the samplings are from the manufacturing industry. Although the majority of the existing IMO studies emphasise the service industry, the test of extended internal market orientation construct could be suggested being explored in other industries as well, such as the service industry and construction industry.

The employees as respondents who need to answer the questions about employee behaviour are debatable based on their subjective judgement in responding to these behaviour indicators. In particular, employee behaviour was examined through their intention to stay and productivity. So, further insights may be suggested to obtain the data from different levels of respondents, such as manager level and customer level. Apart from productivity, the organisational performance in terms of financial and non-financial performance is suggested for insights into the future. Especially, the longitudinal research design and multi-level analysis to assess the causality between the adoption of EIMO and organisational or employee performance are encouraged in the future.

The design of this conceptual framework could be another limitation. Although this study examined employee attitudes including employees' happiness and morale and employees' behaviour in terms of intention to stay and employee productivity, it is considered that to regard employee happiness and morale as a multi-dimensional construct and to test these variables in different dimensions is recommended in future research directions. Furthermore, more constructs are recommended to be tested, such as employee trust, employee loyalty, quality of life, and product quality etc. The supervisor support as the only

moderator in this study is another limitation, so it is interesting to examine different moderators, such as Chinese Guanxi, supervisor-subordinate relationship, and enterprise size etc. The different enterprises' size may influence the relationship between EIMO and employees' attitudes and behaviour, so different types of organisations are suggested for exploring their adoption of EIMO.

In fact, except for this study, the existing studies on IMO fail to explore and examine the antecedents of IMO, and most of the studies focus on the outcomes of IMO. The initial step is always to understand how to adopt IMO and how to improve the level of IMO adoption in an organisation. So, it is fruitful and meaningful to understand what elements that influence the application of IMO in a company. Last, understanding the levels of IMO adoption (higher level or lower level IMO application) is worthwhile as the different levels of IMO applications in an organisation may influence the different outcomes in different degrees.

## 10.5 Summary

For the purpose of furthering and broadening the understanding of the field of internal market orientation, a conceptual framework including internal market orientation, employee happiness, employee morale, employee intention to stay and productivity were tested in the context of the Chinese manufacturing industry. On the basis of the literature review, development of the conceptual framework, methodology design, and research findings covering both qualitative and quantitative findings, this Chapter has concluded the thesis and given the implications for academics, practitioners, and government.

This was the first attempt to extend the existing IMO construct beyond its original scope and include employees' life aspect. This study provided a holistic and comprehensive construct for measuring EIMO which constitutes internal information collection in work, internal information collection in life, information communication in work, information

communication in life, responsiveness to work, and responsiveness to life. The newly developed EIMO was further examined for causality with employees' attitudes regarding happiness and morale, and behaviour in terms of employee productivity and their intention to stay.

This study suggested the organisation should adopt IMO as a management tool for improving employees' attitudes and behaviour. By understanding the employees in this new era, management should notice the importance of work-life balance and try to satisfy employee needs via EIMO such as providing decent living conditions, canteen service, children's education, flexible working hours, proper training programmes, personal development, so, they will feel happy to work in an organisation with a higher level of productivity. When they feel a higher level of morale working in the company, they will have a higher level of productivity and tend to stay in the firm. It is important for Chinese manufacturers as they are facing a severe labour shortage. Therefore, the adoption of IMO in Chinese enterprises is necessary for practice.

Further research on the comparative and multi-level study of IMO is encouraged in the future. Also, although the majority of the IMO studies emphasise the service industry, the understandings of extended IMO in the service industry are worth advancing. It is also recommended that various antecedents of IMO could be explored to understand how to make the adoption of IMO achievable.

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  me=1018036592.nh&v=MTMyOTdXTTFGckNVUjdxZllPZHFGQ3ZrVUx6SlZGMj
  ZGck83R05URnJaRWJQSVI4ZVgxTHV4WVM3RGgxVDNxVHI= [Accessed at 13/06/2020]

**Appendix 1: Definition of Internal Marketing** 

Regarding Employees As Internal Customers			
Berry (1981)	Services marketing is different	Service firm	<ul> <li>IM views employees as internal customers and jobs as internal products.</li> <li>IM aims to achieve the organisational objectives via providing internal products that satisfy the expectations of internal customers.</li> </ul>
Flipo (1986)	Service firms: Interdependence of external and internal marketing strategies	Service firm	<ul> <li>IM takes advantage of the power marketers applies to control internal participants in their external strategy.</li> <li>The internal participants conversely demonstrate their power over the marketing strategy through influencing the outcomes of external marketing strategy.</li> </ul>
Gummesson and Evert (1987)	Using internal marketing to develop new culture: The case of Ericsson quality	Service firm; Industrial firm	<ul> <li>There are internal customers within an organisation, and everyone should act as suppliers.</li> <li>When internal customers obtain good service from suppliers, which contributes to internal customers delivering a higher level of service quality to the external customer.</li> </ul>
Gremler et al. (1994)	The internal service encounter	Service firm	An internal customer is similar to external customers, they will be satisfied via getting what they need in the workplace by the internal

Hauser et al. (1996)	Internal customers and internal suppliers	omers Orientatio	supplier in the course of conducting their job responsibilities.  • What internal customers evaluate internal suppliers is applied to facilitate a customer and market orientation in an organisation.
	1		IM is applied as a strategy to
William, GR (1977)	The retailing of services-a challenging future	Retailer sector	deal with and to concerns with front-line personnel to improve customer service.
Flipo (1986)	Service firms: interdependence of external and internal marketing strategies.	Service firm	<ul> <li>IM takes advantage of the power marketers applying to control internal participants in their external strategy.</li> <li>The internal participants conversely demonstrate their power over the marketing strategy through influencing the outcomes of external marketing strategy.</li> </ul>
Kotler (1991)	Marketing management: Analysis, Planning and control		IM is the task of successfully hiring, training, and motivating employees to provide outstanding service to external customer and ultimately serve the customer well.
Barnes et al. (2000)	Revising quality awareness through internal marketing: An exploratory	Medium-sized enterprises (Manufacturers)	<ul> <li>Both internal customers and external customers have suppliers.</li> <li>Internal suppliers affect internal customers, and</li> </ul>

	study among			subsequently, internal
	French and			customer influences the
	English			external customers.
	medium-sized			
	enterprises			
	Man	agement Tool	1	
	Internal			
	marketing and		•	IM is regarded as a holistic
	organisational			management process.
	behaviour: A		•	IM aims to integrate the
George (1990)	partnership in			multiple functions of the
George (1990)	developing			organisation and to achieve
	customer-			effective internal exchanges of
	conscious			value between employees and
	employees at			management.
	every level			
	The scope of			
	internal		•	IM aims to eventually
	marketing:			facilitate the implementation
	defining the			of the company's market
Ahmed and	boundary			objectives through the
Rafiq (1993)	between			application of marketing
	marketing and			techniques in the course of
	human			human resource management
	resource			practices.
	management.			
			•	IM is regarded as "a goal-
				oriented social process"
Varey et al.			•	IM is applied for continually
	A broadened			creating effective strategic
	conception of			organisational change to have
(1999)	internal			responsiveness to the macro-
	marketing			environment (society) and the
				micro-environment (the
				community which constitutes
				the organisation.

Rafiq and Ahmed (2000)	Advances in the internal marketing concept: definition, synthesis and extension	Service industry	•	IM is the planned effort for implementing employee satisfaction, customer satisfaction and interfunctional coordination through employee empowerment.
Hogg and Carter (2000)	Employee attitudes and responses to internal marketing		•	IM involves the application of marketing techniques inside a firm to create and communicate corporate values.
Ballantyne (2003)	A relationship- mediated theory of internal marketing	Banking sector	•	IM is defined as a relationship development strategy for knowledge renewal

**Appendix 2: Research Context of IMO** 

Author	Time	Research	Industry	Methodology
		context		
Lings	2004	UK	Retail services context	Qua
Lings and Greenley	2005	UK	Retail services context	Qua/Quan
Gounaris	2006	Greece	Hotel sectors	Qua/Quan
Gounaris	2008	Greece	Hotel sectors	Quan
Kaur et al.	2008	India	Bank sectors	Quan
Tortosa et al.	2009	Spain	Bank sectors	Qua/Quan
Lings and Greenley	2009	UK	Retailer sectors	Quan
Kaur et al.	2009	India	Bank sectors	Quan
Lings and Greenley	2010	UK	Retailer sectors	Quan
Gounaris et al.	2010	Greece	Financial service providers	Quan
Tortosa-Edo et al.	2010	Spain	Bank	Quan
Tsai et al.	2011	Taiwan	Manufacturing sectors/financial sectors	Quan
Sanchez-Hernandez and Miranda	2011	Spain	Service industry	Quan
Zaman et al.	2012	Pakistan	Bank sectors	Quan
Rodrigues et al.	2012	Portugal	Higher Education sector	Quan
Salem	2013	Malaysia		Quan
Sulaiman et al.	2013	Malaysia	Education sectors	Quan
			(Childcare centre)	
Amangala and Wali	2013	Nigeria(Africa)	Bank	Quan
Martin and To	2013	Macau	Gaming Industry	Quan
Soliman	2013	Malaysia	Public sectors	Quan
Sahi et al.	2013	India	Banking industry	Qua/Quan
Boukis and Gounaris	2014	Greece	Retailers	Qua/Quan
Huang and Rundle-	2014	Australia	Tourism	Quan
Thiele				
Opoku et al.	2014	Ghana	Bank sectors	Quan
Robledo et al.	2014	Spain	Hotel sectors	Qua/Quan
Ruizalba, et al.	2014	Spain	Hotel sectors	Quan
Boukis et al.	2014	Greece	Retailers	Quan
Shima and George	2014	Albania	Education sectors	Qua
Nahgi and Para	2014			Qua

Fang et al.	2014	Taiwan	Service sectors	Quan
Boukis et al.	2015	Greece	Bank	Quan
Alanazi et al.	2015	Malaysia	Telecom industry	Quan
Edo et al.	2015	Spain	Hospital sectors	Quan
Ruizalba et al.	2015	Spain	Family business	Quan
Tsai et al.	2015	Taiwan	Manufacturing	Quan
			sectors/financial sectors	
Chow et al.	2015	Hong Kong	Travel agency	Quan
Gyepi-Garbrah et al.	2015	Ghana	Public sectors	Quan
Rehman and	2015	Pakistan	Education sectors	Quan
Nouman,				
Shamsudin et al.	2015			Qua
Tortosa-Edo et al.	2015	Spain	Hospitality sector	Quan
Mainardes et al.	2016	Brazil	Public sectors	Quan
Ruizalba et al.	2016	Spain	Family business	Quan
Molaahmadi and	2016	Iran	Public sectors	Quan
Dehaghi				
Falcón et al.	2017	Spain	Hotels sectors	Quan
Gyepi-Garbrah and	2017	Ghana	Public sectors	Quan
Asamoah				
Boukis et al.	2017	Europe	Service industry	Quan
Yu et al.	2017	China	SME	Quan
Pool et al.	2017		Travel agency	Quan
Keller et al.	2017			Quan
Schulz et al.	2017	USA	Service sectors	Quan
Shameem	2017	Sri Lanka	Service industry	Quan
Modi and Sahi	2018	India	Non-profit organisation	Qua/Quan
Zebal	2018	Bangladesh	Financial sectors	Quan
Yu et al.	2018	UK	Education sectors	Quan
Cerqueira and	2018	Brazil	Public sectors	Qua
Mainardes				
Cerqueira et al.	2018	Brazil	Health care sectors	Quan
Francescucci et al.	2018	Canada	Manufacturing sectors	Quan
		USA		
		Europe		
Sulaiman	2018	Malaysia	Education sectors	Quan
			(Childcare centre)	

Kazakov	2019	Russia	Family business	Qua
Boukis	2019			Qua
Gounaris et al.	2020		Service sectors (e.g.	Quan
			advertising, financial,	
			insurance, consulting, IT,	
			telecommunications	
			providers)	
Yu et al.	2020	China	Different industries	Qua

# **Appendix 3: Interview Questions with Employees**

- 1. How old are you?
- 2. Which city are you come from?
- 3. Are you getting used to living in this city?
- 4. How long time have you worked in this organisation?
- 5. What are your expectations at work?
- 6. What are your needs at life working in this workplace?
- 7. How do you communicate with your manager?
- 8. Will your manager communicate with you about your needs at work and family respectively?
- 9. How's the welfare in this organisation?
- 10. When you meet problems at work, how does the organisation help to work out?
- 11. When you meet problems at life, how does the organisation help to work out?
- 12. How long time usually the organisation spends to respond to your needs?
- 13. When life and work are incompatible, how do you deal with this?
- 14. Do you think that the organisation has the responsibility to care about your life?
- 15. After your needs are satisfied, what are the effects on your attitudes and behaviour?
- 16. Any other information you would like to talk about?

# **Appendix 4: Interview Questions with Managers**

- 1. What is your position in this organisation?
- 2. How long time have you worked in this organisation?
- 3. Do you know what internal marketing is?
- 4. Do you think that internal market orientation can help to satisfy the employees' needs?
- 5. What kind of needs do you think the employees require for life and work?
- 6. Do you think that the organisation has the responsibility to support and solve the problems at employees' life?
- 7. How frequently you will communicate with the employees?
- 8. How do you communicate with your employees?
- 9. What kind of information will you communicate with employees?
- 10. How's the welfare in this organisation?
- 11. How does the organisation help to sort out these problems at both work and life in the workplace?
- 12. When the employees feel the life and work is incompatible, how do you help to tackle?
- 13. What're your ideas about this conceptual framework?
- 14. Any other information you would like to talk about?

# **Appendix 5: Survey for Pilot Study**

Please fill in the blanks or place an X next to the word or phrase that best matches your response.

1. What is your gender?
Male
Female
2. What is your age?
Under 16
17 – 25
26 - 35
36 – 50
51 – 65
Over 65
3. What is your marital status?
Single
Married
Married with kids
Prefer not to say
4. Is your oldest kid over 16-year-old?
Yes
No
Prefer not to say
5. What's your position in this organisation?
Employees
Supervisor
Middle manager
Senior manager
6. How long have you worked in this organisation?
Less than 5 years
5-15 years
16-25 years
Over 26 years

Please indicate your response by selecting the number that best describe how you feel about the following statement on a seven-point scale where "1"= strongly disagree and "7"= strongly agree.

Management frames questionnaires to identify your wants and needs in life. Management tries to find out if employees have a problem in life. Management often has informal communication with employees about their life and family. 10. Management often asks their employees about their quality of life, such as accommodation, physical health, and food. 11. Management often asks employees about their family commitment, such as children's education and elderly caring. 12. There are regular meetings between managers and employees to discuss their suggestions about how to improve life quality in the organisation. 13. In this organisation, the HR dept collects information on employees' life issues at least once a year. 14. In this organisation, there are regular meetings between managers and employees to discuss matters that the employees wish to address at work. 15. Management conducts a regular survey to collect information about employees' needs at work. 16. Management meets employees at least once a year to find out what expectations they have for their careers. 17. Managers often talk to employees about their job design. 18. Management tries to find out the employees' true feelings about their jobs. 19. Management does a lot of internal research to find out how to make employees satisfied with their job. 20. Management has regular staff appraisals to discuss what employees want. 21. If an employee has a certain personal problem that influences their work performance, they are encouraged to discuss it with their managers. 22. Managers in this company are never too busy if one of their subordinates wishes to meet personally to discuss problems in life. 23. Our company periodically circulates documents that provide information on family-friendly

	practice to improve the quality of employee life, such as children's education and social insurance.
24	A lot of informal social activities are organised to encourage employees to communicate their
24.	difficulties in life with their manager.
	difficulties in the with their manager.
25.	Management usually listens to employees sincerely when they have problems in doing their jobs.
26.	Management spends time to inform staff about their tasks, their objectives and try to compromise
	mutually with them when there is a disagreement.
27	Management anguitae nearlan staff meetings to discuss issues relating to annalyzed needs and
21.	Management organizes regular staff meetings to discuss issues relating to employees' needs and wants in work.
	wants in work.
28.	Data on employee satisfaction are disseminated at all levels on a regular basis.
29.	The organisation not only cares about employees but also cares about employees' family.
20	
30.	Management provides different supportive schemes for the employees' family issues after they
2.1	know these, such as employees' children schooling, medical care, and living condition.
31.	Even employees communicate their problems in life, the management would not adjust its practice
	in a timely fashion. (R)*
32.	My organisation accommodates me when I have family or personal issues to take care of—for
	example, flexible schedules, medical appointments, meeting with a child's teacher, and so forth.
33.	After the organisation finds out that employees need a social life, the company makes a concerted
	effort to offer an interesting social life, such as playing sports, watching the movie, and playing
	the game.
34.	After the organisation finds out that employees need effective welfare, the company makes a
	concerted effort to do so.
35.	In this organisation, employees' needs are often taken into account during their employment, for
	example, job-design, training program selection, and personal development efforts.
36.	When the employees are found unhappy with their jobs/tasks, the organisation takes corrective
	action.
37.	The management makes changes based on employees' feedback relating to their needs and wants
	in work.
38.	In this organisation, employees' problems at work are responded very slowly by the management
	team. (R)*
39.	Employees' suggestions/complains fall on deaf ears. (R)*
	Management always response very slowly to employee needs in work. (R*)
41.	There is good team spirit in this organisation

42. The morale in this organisation is high
43. The employees go about their work with enthusiasm
44. The employees take pride in this organisation
45. I feel that life is very rewarding.
46. I often experience joy and elation.
47. I am very happy.
48. I feel I have a lot of energy.
49. I don't feel a particular sense of meaning or purpose in my life. (R)*
50. I don't feel particularly pleased with the way I live. (R)*
51. I am not particularly optimistic about the future. (R)*
52. I feel that I am not especially in control of my life. (R)*
53. My direct manager spends time to form quality relationships with subordinates.
54. My direct manager makes me feel like I work with him/her, not for him/her.
55. My direct manager takes time to learn about my personal needs.
56. My direct manager makes me feel comfortable talking to him or her about my concerns in work
and life.
57. My direct manager and I can talk effectively to solve conflicts between work and life.
58. Under no circumstances will I voluntarily leave this organisation before I retire.
59. I would be reluctant to leave this organisation.
60. I plan to stay at this organisation as long as possible
61. I plan to leave this organisation as soon as possible. (R)*
62. In the next few years, I intend to leave this company. (R)*
63. I think about leaving this company very often. (R)*
64. My workday is usually productive.
65. I usually get a lot done at work.
66. I feel that I am not productive in my work. (R)*
67. My work arrangement allows me to complete tasks effectively each day.
68. My work arrangement allows me to work efficiently.
69. How familiar are you with the issues addressed in the questionnaire?
70. How knowledgeable are you with the issues addressed in the questionnaire?

71. How confident are you about answering the questions in the survey?

### **Appendix 6: Survey in this study**

Thank you for agreeing to take part in this research. This survey involves questions on how the organisation understands, communicates and responses to your needs at work and life respectively. This survey will be only applied for the purpose of academic research.

Your confidentiality will be definitely guaranteed. The findings of the report will be provided to you upon your request. Please complete the following questionnaire by placing a CROSS in the appropriate box.

I appreciate your time and contribution to this research!

Please fill in the blanks or place an X next to the word or phrase that best matches your response.

1. What is your gender?
Male
Female
2. What is your age?
Under 16
17 – 25
26 – 35
36 – 50
51 – 65
Over 65
3. What is your marital status?
Single
Married
Married with kids
Prefer not to say
4. Is your oldest kid over 16-year-old?
Yes
No
Prefer not to say
5. What's your position in this organisation?
Employees
Supervisor
Middle manager
Senior manager

# 6. How long have you worked in this organisation? Less than 5 years 5-15 years 16-25 years Over 26 years

Please indicate your response by selecting the number that best describe how you feel about the following statement on a seven-point scale where "1"= strongly disagree and "7"= strongly agree.

7.	Management frames questionnaires to identify your wants and needs in life.
8.	Management tries to find out if employees have a problem in life.
9.	Management often has informal communication with employees about their life and family.
10.	Management often asks their employees about their quality of life, such as accommodation,
	physical health, and food.
11.	Management often asks employees about their family commitment, such as children's education
	and elderly caring.
12.	There are regular meetings between managers and employees to discuss their suggestions about
	how to improve life quality in the organisation.
12	In this organisation, the HR dept collects information on employees' life issues at least once a
13.	
	year.
14.	In this organisation, there are regular meetings between managers and employees to discuss
	matters that the employees wish to address at work.
15.	. Management conducts regular survey to collect information about employees' needs at work.
16.	Management meets employees at least once a year to find out what expectations they have for
	their careers.
17.	Managers often talk to employees about their job design.
18.	Management tries to find out the employees' true feelings about their jobs.
19.	. Management does a lot of internal research to find out how to make employees satisfied with their
	job.
20.	Management has regular staff appraisals to discuss what employees want.
21.	If an employee has a certain personal problem that influences their work performance, they are
	encouraged to discuss it with their managers.
22.	. Managers in this company are never too busy if one of their subordinates wishes to meet
	personally to discuss problems in life.
23.	Our company periodically circulates documents that provide information on family-friendly

- practice to improve the quality of employee life, such as children's education and social insurance.
- 24. A lot of informal social activities are organised to encourage employees to communicate their difficulties in life with their manager.
- 25. Management usually listens to employees sincerely when they have problems in doing their jobs.
- 26. Management spends time to inform staff about their tasks, their objectives and try to compromise mutually with them when there is a disagreement.
- 27. Management organises regular staff meetings to discuss issues relating to employees' needs and wants in work.
- 28. Data on employee satisfaction are disseminated at all levels on a regular basis.
- 29. The organisation not only cares about employees but also cares about employees' family.
- 30. Management provides different supportive schemes for the employees' family issues after they know these, such as employees' children schooling, medical care, and living condition.
- 31. Even employees communicate their problems in life, the management would not adjust its practice in a timely fashion. (R)\*
- 32. My organisation accommodates me when I have family or personal issues to take care of—for example, flexible schedules, medical appointments, meeting with the child's teacher, and so forth.
- 33. After the organisation finds out that employees need a social life, the company makes a concerted effort to offer an interesting social life, such as playing sports, watching the movie, and playing the game.
- 34. After the organisation finds out that employees need effective welfare, the company makes a concerted effort to do so.
- 35. In this organisation, employees' needs are often taken into account during their employment, for example, job-design, training program selection, and personal development efforts.
- 36. In this organisation, the management will provide praise when employees have improvement and innovation in their jobs.
- 37. When the employees are found unhappy with their jobs/tasks, the organisation takes corrective action
- 38. The management makes changes based on employees' feedback relating to their needs and wants in work.
- 39. In this organisation, employees' problems at work are responded very slowly by the management team. (R)\*
- 40. Employees' suggestions/complains fall on deaf ears. (R)\*
- 41. There is good team spirit in this organisation
- 42. The morale in this organisation is high
- 43. The employees go about their work with enthusiasm
- 44. The employees take pride in this organisation

45.	I feel that life is very rewarding.
46.	I often experience joy and elation.
47.	I am very happy.
48.	I feel I have a lot of energy.
49.	I don't feel a particular sense of meaning or purpose in my life. (R)*
50.	I don't feel particularly pleased with the way I live. (R)*
51.	I am not particularly optimistic about the future. (R)*
52.	I feel that I am not especially in control of my life. (R)*
53.	My direct manager spends time to form quality relationships with subordinates.
54.	My direct manager makes me feel like I work with him/her, not for him/her.
55.	My direct manager takes time to learn about my personal needs.
56.	My direct manager makes me feel comfortable talking to him or her about my concerns in work and life.
57.	My direct manager and I can talk effectively to solve conflicts between work and life.
	Under no circumstances will I voluntarily leave this organisation before I retire.
59.	I would be reluctant to leave this organisation.
60.	I plan to stay at this organisation as long as possible
61.	I plan to leave this organisation as soon as possible. (R)*
62.	In the next few years, I intend to leave this company. (R)*
63.	I think about leaving this company very often. (R)*
64.	My workday is usually productive.
65.	I usually get a lot done at work.
66.	My work arrangement allows me to complete tasks effectively each day.
67.	My work arrangement allows me to work efficiently.

This is the end of this survey. Thank you for sparing your time! Thank you for your contributions!