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Identifying the determinants of internal marketing orientation

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determinants of
IMO

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Accepted November
2002

Keywords Marketing strategy, Marketing philosophy, Internal marketing, Corporate culture, Service industries

Abstract Internal marketing orientation is an area within the broader market orientation that remains relatively under-researched. Utilising the internal marketing orientation (IMO) scale developed by Foreman and Money, this paper seeks to develop our understanding of the factors that may influence an employee's perception of their company's level of IMO. Based on 281 responses from a large UK-based service organisation, the paper reports on the extent to which the Foreman and Money scale does, or does not, correlate with a range of "person" "situation" and "person \times situation" variables identified from both focus groups and from the literature. It was found that among the single item variables age, location, and length of tenure all impacted upon levels of IMO. In the case of the more complex "person \times situation" multi-item variables, the most important determinants were found to be the perceived market orientation of local managers and direct managers/supervisors, as well as aspects of communication, socialisation, and workplace satisfaction. The results provide support for earlier work that highlights the importance of these more complex variables in managing internal marketing.

Introduction

"Market orientation" in its current academic meaning is a fairly recent term, and there have been some notable attempts to define its measurement (Narver and Slater, 1990; Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Kohli *et al.*, 1993; Deng and Dart, 1994). While the terms used involve alternatives such as "market-oriented", "marketing-oriented", "market-driven" and "customer-oriented" that are to a large extent used interchangeably, most of the scales developed do include some component of what can be regarded as internal marketing orientation (IMO). This construct in turn still lacks definitional agreement (Ahmed and Rafiq, 1995; Rafiq and Ahmed, 2000). However, as Hogg and Carter argue, internal marketing is an integral part of overall marketing orientation, involving "the use of marketing techniques within the organization to create and communicate corporate values" (Hogg and Carter, 2000). The measurement of IMO thus involves assessing the extent to which this internal marketing task has been successfully achieved.



European Journal of Marketing
Vol. 37 No. 9, 2003
pp. 1205-1220
© MCB UP Limited
0309-0566
DOI 10.1108/03090560310486951

Our approach is therefore to regard IMO as one of the core components of the broader concept of market orientation. This viewpoint coincides with that of Gummesson (1987) who argues that even though the marketing concept was originally developed for the company's external marketing, it is now also applied internally, introducing the idea of the "internal customer." From this viewpoint two research questions suggest themselves: first, how to measure IMO; and second, and the identification of variables that may influence the level of IMO within an organisation. Foreman and Money (1995, p. 761) developed a scale for measuring IMO, which they saw as paralleling "the conventional external marketing programme directly". This scale, reprinted in the Appendix, was used to answer the first question posed above, while the rest of this paper is concerned with attempting to answer the second: "What are those variables that might influence IMO levels?"

Literature review – identifying possible determinants of IMO

In order to identify those variables that might influence IMO, a broad search of the literature was carried out, ranging from work focusing on more traditional marketing orientation through to organisational culture and climate. This was supported by a number of focus groups held within the participating company (see below), aimed at identifying additional possible influencers and also at verifying the contextual validity of those identified from the literature. We adopted the viewpoint of Schneider (1990), who argues that differences in perception of organisational climate are based upon "person" variables, "situation" variables, and "person \times situation" variables (James *et al.*, 1979). We have adopted this typology and, as shown in Table I, use "person" variables to reflect those which are independent of the organisation; "situation" variables as those involving the situation of an individual within the organisation; and "person \times situation" variables as being all those where the individual's personality and background interact with their perception of the organisation. Subsequent hypotheses, explaining in more detail how the variables might be linked to the IMO construct, are detailed below. We also indicate how the various independent variables were measured. In common

Person	Variable type	
	Situation	Person \times situation
1 Age	4 Location	7 Organisational socialisation
2 Gender	5 Tenure	8 Involvement
3 Level of education	6 Function	9 Commitment
		10 Organisational satisfaction
		11 Communication
		12 Evaluation of local management
		13 Evaluation of direct manager
		14 Evaluation of colleagues

Table I.
Possible determinants
of IMO

with normal research procedures we attempted to use previously validated scales where these had been published. Where we had to develop our own, we report on the resulting scale validity.

Description of hypotheses – person variables

Age

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H1. IMO scores will vary by age, being positively correlated.

Justification. Attitudes during one's career (Schein, 1968). In the context of IMO, it is assumed that younger generations are more critical because they still have stronger ideals, which they transfer onto their expectations about how organisations should operate.

Variable type. Ratio scaled, grouped intervally.

Gender

H2. IMO scores obtained from male respondents will be more positive.

Justification. Jensen *et al.* (1990) present evidence that perception differs according to gender, a result replicated by the European Foundation for Quality Management (1990). Female respondents are usually found to be more critical than men.

Variable type. Nominally scaled.

Level of education

H3. The level of education is negatively correlated with perceptions of IMO.

Justification. On the basis of focus group discussions within the company, it was believed that level of education would have an impact upon respondents' assessment of IMO. We hypothesise that increasing education influences people's reference points, and attaining higher academic standards will be reflected in more critical judgements.

Variable type. Ordinally scaled.

Description of hypotheses – situation variables

Location

H4. The different locations will view the company's level of IMO differently.

Justification: In studying individual moderators of the relationship between job situation and employee responses, White (1978) found that significant variation. Similarly Deal and Kennedy (1982) observed the problem of integrating cultures of various locations into a coherent whole, as did Niehoff *et al.* (1990)

Variable type. Nominally scaled.

Tenure

H5. The degree of tenure will be positively correlated with IMO.

Justification. Salancik and Pfeffer (1985) observed a positive correlation between the length of time that individuals spend as members of an organisation, and their attitudes towards that organisation. Similar results from Schlesinger and Zornitsky (1991).

Variable type. Categorical variable measuring years of service.

Function

H6. Different functions evaluate IMO differentially.

Justification. Jensen *et al.* (1990) and also Fisher *et al.* (1997) showed that career field influences employee perceptions, with employees being more sensitive in their areas of responsibility. They are assumed to be more lenient in their assessment when their department is evaluated. Grover (1995) argues that differences in perception among various function groups can be explained by the development of distinctive "thought worlds". Landy (1972) concluded that attitudes are more occupation specific than organisation specific.

Variable type. Nominally scaled.

Description of hypotheses – person × situation variables

Organisational socialisation

H7. The extent of organisational socialisation relates positively to the respondents' perception of IMO.

Justification. Organisational socialisation is defined as "the process by which an individual comes to appreciate the values, abilities, expected behaviours, and social knowledge essential for assuming an organisational role and for participating as an organisational member" (Louis, 1980, pp. 229-30; see also Hartline and Ferrell, 1993). Lichtenthal and Wilson (1992) and also Kelley (1992) discuss the impact of socialisation in the context of market orientation. Lichtenthal and Wilson (1992) stress the importance of the creation of a set of beliefs and a value system, and point to the need to socialise individuals into appropriate behaviour. Kelley (1992) suggests an indirect relationship between organisational socialisation and customer orientation, a model in which customer orientation relates socialisation through organisational climate, motivation and organisational commitment.

Variable type. Multi-item scale from Kelley (1992).

Involvement

H8. The degree of involvement is positively correlated with a respondent's IMO.

Justification. Job involvement has been widely studied for many years, with many subconstructs emerging. In the context of market orientation, Blau (1985) components "participation" and "work as central life interest" appear to be of most relevance. One of the key texts in the area is the research published by Lodahl and Kejner (1965). Although some problems have been identified (Blau, 1985), their measurement instrument of job involvement remains the best known and most widely used. They suggest that job involvement is "the degree to which a person is psychologically identified with his work, or the importance of work in his total self image". The degree of a respondent's participation is of particular interest in the context of IMO. Its importance and relevance is explicitly stated by Slater and Narver (1996) when describing market orientation as "a business culture which enlists the participation of all employees for the purpose of creating superior value for its customers and superior performance for itself".

Variable type. Multi-item scale from Lodahl and Kejner (1965).

Commitment

H9. Employee commitment is positively related to the perception of IMO.

Justification. Individuals adopting the values of an employer that is aiming to create a market-oriented culture, and who make special efforts to operate accordingly, will most likely want their efforts to be acknowledged and thus respond to surveys positively. Employees who identify themselves strongly with an organisation and have a low propensity to leave, obviously have a very positive view of the organisation and its standing in the market place. It is therefore expected that higher commitment scores are reflected in employees' assessment of market orientation. Although one of the principal problems in the field is to distinguish between antecedents and consequences of commitment, various studies prove that it is an important variable in understanding the work behaviour of employees (Mowday *et al.*, 1979).

The importance of this construct is emphasized by Jaworski and Kohli (1993) who argue that employee commitment is a consequence of market orientation since it encourages teamwork and gives employees a common goal, which in turn binds the individual to the organisation. As part of a successful team, employees believe they are making an important contribution, which is believed to lead to higher levels of commitment.

Variable type. Multi-item scale from Mowday *et al.* (1979).

Organisational satisfaction

H10. The three dimensions of organisational satisfaction (reward satisfaction, stimulation from work and work load) are all positively correlated with IMO.

Justification. Deal and Kennedy (1982, p. 136) suggest that satisfaction is of considerable importance in creating and sustaining a certain type of corporate

culture, arguing that "a culture gets in trouble when its people are chronically unhappy." Employee attitudes towards their organisation are determined, to a large extent, by the way they feel they are treated as a member of that organisation. Also, the more satisfied they feel in the organisation, the less they are expected to express negative perceptions.

A number of aspects that are frequently included in satisfaction measures overlap with other constructs. For this research, the importance of organisational satisfaction is investigated, looking at the three dimensions: reward satisfaction, stimulation from work and work load (Edvardsson *et al.*, 1997). The reason for this is that there is much literature presenting evidence of a relationship between job satisfaction and organisational climate (e.g. Pritchard and Karasick, 1973; Downey *et al.*, 1974; Payne *et al.*, 1976). Reward satisfaction is a key factor when employee's overall satisfaction with the company is concerned. The feeling of not being recognised for a job well done is likely to evoke a negative attitude towards the organisation (Tornow and Wiley, 1991).

The other two constructs are stimulation from work and work load. The more satisfaction an individual can derive from a specific job at the personal level, the better they are expected to feel about general aspects of the company. Motivation and enthusiasm stemming from doing a meaningful job will also lead to more active behaviour, which is likely to result in a higher level of knowledge about the various areas of the organisation. The principal aspects of "work load" are included in what Lux *et al.* (1996) call "work design". It is regarded as important, because it not only impacts upon employees' overall attitude, but also specifically determines their perceptions about how much support they receive to do their jobs well. If overloaded, they are expected to perceive IMO activities as a luxury in their working environment because their everyday jobs do not leave any time to exchange information with other departments, read up on competitor moves or give the customer the little bit of extra attention as required by principles of market orientation.

Variable type. Multi-item scale adapted from Edvardsson *et al.* (1997).

Communication

H11. The two dimensions of the communication construct, openness and information accuracy, are positively related to perceptions of IMO.

Justification. Communication is a vital prerequisite for a well-functioning IMO culture. Without people being able or prepared to communicate with each other, there will be no inter-departmental or inter-functional co-ordination. The literature presents a number of models describing organisational communication climate (Falcione *et al.*, 1987). In this study we make use of the work of O'Reilly and Roberts (1976) in identifying the aspects of accuracy and openness. An atmosphere in which organisational members are willing and able to communicate freely increases the frequency of information exchange. In an

open environment people feel at ease making suggestions without being worried about being taken seriously. Criticism can be expressed more easily because it is less likely to be misunderstood and, thus, more likely to lead to improvements. The level of accuracy concerning information flowing through an organisation is vital, because it not only prevents mistakes, it also builds trust among the various members of the organisation. Ineffective communication hinders market-oriented activities, also because it leads to conflict through "misunderstandings, incorrect strategies, and mutual feelings of frustration" (Etgar, 1979, p. 65).

In view of the reasons outlined above, it was decided to include the two dimensions of information accuracy and general openness in order to investigate the impact of employee perception of communication on how they experience the company's market orientation (see O'Reilly and Roberts, 1976; Price and Mueller, 1986). Individuals who perceive that their work environment does not facilitate open communication are expected to score lower when assessing their organisation's market orientation. Employees who are not satisfied with the quality of information they receive will have a worse perception of the company's market orientation, because they are expected to generalise on the quality of information. The consideration of these two dimensions would also exclude any elements that the very broad scope of the communication construct shares with market orientation.

Variable type. Multi-item scale adapted from O'Reilly and Roberts (1976).

In everyday life employees experience corporate culture through their immediate work environment. The majority of organisational members do not mix frequently with colleagues working in different areas of the business. Opportunities to exchange information, experiences and perceptions are often relatively restricted to immediate colleagues and to higher management. This implies that the perception of the immediate work environment is an important determinant of the perception of the overall corporate culture. Based largely on the focus groups, we hypothesise that three main groups constitute the immediate work environment with which influence levels of IMO: local or departmental management, supervisors and co-workers. These are reflected in *H12-H14*.

The evaluation of local management

H12. Employees' perception of local management's IMO correlates positively to their overall perception of the organisation's IMO.

Justification. Narver and Slater (1990) suggest a strong link between market orientation and the quality of management, identifying it as an interesting relationship for further research. Based on their earlier work, we suggest that confidence in management boosts positive evaluations when employees are asked to assess their company's IMO. It is not only competence that is important here; leadership style in general is important in determining employee attitudes and behaviours (Bowen, 1990; Hartline and Ferrell, 1996).

Hartline and Ferrell studied the impact of managerial actions on employee behaviour in a service context, finding that management commitment is the most consistent predictor of employee behaviour.

Variable type. Self developed multi-item scale, Cronbach alpha = 0.929.

The evaluation of supervisors/direct managers

H13. Employees' perception of their supervisors' level of IMO correlates positively with the individual's perception of the organisation's IMO.

Justification. The reason for including the relationship between respondents and their supervisors in this study is very similar to the arguments outlined above when including local managers. Although the evidence concerning a relationship between supervision and employee attitude in literature is inconclusive (Vroom, 1975), our focus groups suggested that the element of supervisor behaviour in the immediate environment of respondents appeared to be interesting enough to be included.

Supervisors/direct managers can have considerable impact on the way people work. It is unlikely that respondents perceive high levels of IMO, if their immediate bosses do not. James *et al.* (1979) support this view, finding that attitudes of subordinates depend largely on the amount of influence they believe they have on supervisors' decisions.

Variable type. Self developed multi-item scale, Cronbach alpha = 0.930.

The evaluation of colleagues

H14. Employees' overall perception the company's IMO correlates positively with their relationship to co-workers and their perception of their colleagues' market oriented behaviour.

Justification. Employees who are not isolated from their fellow organisational members (e.g. the way in which outdoor sales people may be) spend most of their working time in close vicinity to their colleagues. This provides opportunity to exchange experiences and to observe co-workers' job behaviours and how they transmit climate and cultures through their behaviour (George, 1990). Seeing close colleagues acting in a market-oriented way is expected to influence overall judgement. Salancik and Pfeffer (1978) give two reasons for this phenomenon. First, many people are highly uncertain about many facets of their complex work environment, and comments made by others help to form opinions. Second, we all have a need for a certain degree of conformity, wanting to feel comfortable and accepted at work. If colleagues express views on organisational issues it is often difficult to contradict and after a while these views are frequently considered to stem from one's own judgement. The interpersonal milieu is, in general, an important factor and suggested to be a direct influence on the organisational life of the employee (Muchinsky, 1977).

Variable type. Self developed multi-item scale, Cronbach alpha = 0.751.

Methodology and results

The organisation participating in the study is a UK-based multinational company operating in the service sector in over 80 countries, although this survey was confined to their UK-based staff (which number in excess of 30,000). Four different locations agreed to support the study. The questionnaire was mailed to all 1,350 staff at these sites, and 281 (21 per cent) were returned in time to be incorporated into the analysis. Since many of the variables usually used to describe sample formats form part of the hypotheses themselves, these will be discussed in more detail below.

A principal component analysis of the data collected on the Foreman and Money scale yielded results different to those published earlier. The original research (Foreman and Money, 1995) reported three dimensions accounting for 56 per cent, 7 per cent and 7 per cent (70 per cent total) of the variance. Our sample identified only two factors with eigenvalues greater than 1.0: a major factor (60 per cent) and a secondary one (7 per cent). In order to facilitate the analysis, use was made only of the first factor, with the original scores being appropriately weighted and then saved for further analysis.

Other multi-scaled independent variables were treated similarly, with principal component analysis used to reduce the original variable set to a more manageable subset, as indicated in Table II. In each case we show the overall outcome of the analysis, as well as the number of and labels for the subsequent variables (see "reworked scale" column).

H1-H6: *person and situation variables*

Table III indicates the results from the analysis of variance (ANOVA) tests run on the various single-item variables. We can see that in the cases of age, location and tenure the relationships are highly significant, but not in the cases of the other three variables. Further analysis (not shown) revealed a negative relationship between age and IMO, implying that levels of IMO decrease with age, the opposite of what was expected. Further discussions with management suggested that this could be based on the older employees, still with the company some years after it was privatized, being disenchanted with the "new" culture of commercialism.

As shown, there is support for the hypothesis that IMO varies by location. We interpret these results as being a direct consequence of the functions undertaken at the various sites. It is interesting that Sites 1 and 2 are both operational ones not serving customers directly, whereas Sites 3 and 4 are both involved in direct telesales operations. Further analysis showed that both operational sites scored below the mean for IMO, and the two telesales sites above average. It is interesting to interpret this result in the light of the relatively low significance of function shown in Table III (0.005), a result probably due to the fact that eight different functions were identified for the original analysis, whereas location in fact reduced this to just two (i.e. operational vs telesales).

Variable	Original scale	Reworked scale
Organisational socialisation (<i>H7</i>)	24 items from Kelley (1992)	Five factors accounting for 59 per cent of the variance. These were identified as: 1 Identification 2 Values and policies 3 Coping with work 4 Organisational fit 5 Feel-at-ease
Involvement (<i>H8</i>)	Eight items from Lodahl and Kejner (1965)	Two factors accounting for 61 per cent. These were labeled as: 1 Job involvement 2 Participation
Commitment (<i>H9</i>)	15 items from Mowday <i>et al.</i> (1979)	Two factors accounting for 55 per cent, labeled as: 1 Goals, values, and effort 2 Membership
Organisational satisfaction (<i>H10</i>)	12 items adapted from Edvardsson <i>et al.</i> (1997)	Four factors accounting for 69 per cent, labeled as: 1 Stimulation from work 2 Reward satisfaction 3 Workload satisfaction 4 Reward/workload
Communication (<i>H11</i>)	Eight items adapted from O'Reilly and Roberts (1976)	Two factors accounting for 62 per cent, labeled as: 1 Accuracy 2 Openness
Local management (<i>H12</i>)	Self generated five-item scale	One factor accounting for 78 per cent
Direct manager (<i>H13</i>)	Self generated nine-item scale	One factor accounting for 65 per cent
Colleagues (<i>H14</i>)	Self generated six-item scale	Two factors accounting for 68 per cent, labeled as: 1 Relationships 2 Perception of marketing orientation

Table II.
Generation of variables
from multi-item scales

	<i>F</i>	Sig.
IMO and age	6.072	0.000
IMO and gender	1.333	0.240
IMO and education	1.833	0.840
IMO and location	18.306	0.000
IMO and tenure	21.369	0.000
IMO and function	3.78	0.005

Table III.
Statistics for
independent variables
with IMO

Meaningful differences were also found in the case of tenure. Analysis showed that those individuals who have worked for the company for shorter time periods have a more positive perception of IMO levels. The longer the individual has been with the organisation, the lower it seems that he or she evaluates the company's IMO. As with Age, this is not what had been hypothesised. Again, this result is probably the result of the kinds of people that had been hired before and after privatisation.

No materially significant results were obtained when analysing the relationship between IMO and either gender or education.

H7-H15: multi-items variables

Given the reduced number of constructs that were generated for the multi-item variables (as shown earlier in Table II), use was made of normal correlation analysis to identify those variables that might be determinants of IMO. The results of this analysis for H7-H15 are summarised in Table IV.

H7: socialisation

Table IV indicates that all five variables summarising the socialisation construct do correlate with the degree of IMO at either the 0.01 or 0.05 level. It

Variable	Correlation coefficient
H7: socialisation	
Identification	0.434**
Values and policies	0.517**
Coping with work	-0.247**
Organisational fit	0.298**
Feel-at-ease	0.199*
H8: involvement	
Involvement	0.257**
Participation	0.333**
H9: commitment	
Goals, value and commitment	0.388**
Membership	0.404**
H10: organisational satisfaction	
Stimulation from work	0.418**
Reward satisfaction	0.158*
Work load satisfaction	0.137*
Reward/work load	-0.372**
H11: communication	
Accuracy	0.482**
Openness	0.261**
H12: local management	0.801**
H13: direct managers	0.686**
H14: colleagues	
Relationship with colleagues	-0.008
Colleagues' market orientation	0.368**

Table IV.
The correlation between
multi-item scales and
IMO

Notes: ** = significant at the 0.01 level; * = significant at the 0.05 level

had been hypothesised that the relationship would be one of positive correlation, and the negative relationship between IMO and the "coping with work" was unexpected. We interpret this finding along with Tables IV and V, where it was found that two of the sites scored significantly lower levels of IMO. It would appear that achieving higher levels of IMO comes at the expense of the respondents' feeling able to cope with their work or, alternatively, that achieving socialisation on this sub-construct comes at the expense of IMO.

H8: involvement

Both constructs of involvement identified earlier in Table II, involvement and participation, have a significant positive correlation with IMO, as hypothesised.

H9: commitment

Both commitment items are positively correlated with IMO. Item 1 is concerned with the individual's belief in and acceptance of the organisation's goals and values and his/her willingness to exert considerable effort on behalf of the organisation. The second item focused on the participant's sense of belonging to, or membership of, the organisation. In view of Kohli *et al.* (1993) argument of considering commitment to be a consequence of market orientation, further research into the direction of the causality appears to be necessary.

H10: organisational satisfaction

The results suggest that the first satisfaction factor, describing stimulation from work, has the largest impact upon IMO. The negative correlation with Factor 4 (significant at 0.01) was unexpected and not readily explained. Overall, however, we can conclude that the three dimensions of organisational satisfaction that were identified (stimulation from work, reward satisfaction and work load) are all positively correlated with IMO.

H11: communication

This construct consisted of two factors, openness and accuracy. As shown in Table IV, both of these are positively correlated with IMO, as hypothesized. It

Table V.
Results of the stepwise
regression

Independent variable	Beta	t-scores	Sig.
Constant		-0.713	0.476
Local management	0.338	5.914	0.000
Satisfaction4 (reward/workload)	0.215	5.247	0.000
Socialisation3 (coping with work)	-0.221	-6.333	0.000
Direct manager	0.163	3.356	0.001
Satisfaction3 (workload)	0.107	3.114	0.002
Satisfaction1 (stimulation from work)	0.093	2.375	0.018
Socialisation2 (values and policies)	0.134	3.094	0.002
Socialisation1 (identification)	0.087	2.089	0.038
Communication1 (accuracy)	0.077	2.026	0.044

is interesting to note that accuracy appears to have a slightly stronger impact than openness.

H12 and H13: local management and direct managers

As hypothesised, Table IV indicates that the perception that employees have of the level of market orientation of both their local management and of their supervisors or direct managers is positively correlated with their IMO scores.

H14: relationship with colleagues

As shown in Table IV, there is evidence to suggest that the perceived level of market orientation of colleagues does influence respondents' own perceived levels of IMO, whereas there is no correlation with the way in which they assess their relationship with co-workers.

As a final way of analysing the relationship between the recalculated multi-item scales (Table II) and the IMO scores, a stepwise regression was performed using IMO as the dependent variable. An adjusted R^2 of 0.74 was obtained, indicating a highly significant relationship. Table V shows the beta values of the variables included in the final stepwise model, along with their t -scores and significance levels. The perceived market orientation of both local and direct managers are identified as important predictors of IMO. Both socialisation (with three of the five generated factors being included) and satisfaction (three out of four included) are also identified as important contributors in the final regression model, as is communication accuracy. It is interesting to note that none of the factors concerned with involvement (*H8*), commitment (*H9*), or the evaluation of colleagues (*H14*) are included in the final model.

Conclusion

By utilising a combination of interviews and focus groups within a large UK-based multinational company, and through a thorough search of the literature, we identified a number of variables that might be regarded as possible determinants of levels IMO. Overall, the data analysis suggests that the selected single item variables do not clearly explain the difference in perception among employees as far as IMO is concerned. The strongest identified indicators are location (which we can assume is acting as a proxy for a more complicated underlying factor, and in our case closely linked to job function), followed by the individuals' age and length of tenure. In contrast, there was support for many of the aspects of the more complex "person \times situation" variables included in the study. However, the relative importance of the impact upon IMO varied. Based upon a combination of correlation and regression analyses, we can conclude that local and direct management, as well as aspects of both socialisation and satisfaction are important contributors.

Understanding IMO is a significant field of interest for academics and practitioners alike. Progressive managers constantly aim to adjust their businesses to changes in the industry environment. This often requires major cultural changes, which not only cause unease among the workforce, but also

require substantial resources. In order to undertake such change, management requires understanding of the variables that might affect aspects such as levels of internal marketing orientation, a managerial issue that goes beyond the traditional functional approach (Varey, 2000). As noted by others (e.g. Gummeson, 2000; Ballantyne, 1997) these are complex internal managerial issues, and we trust that this research has gone some way towards increasing the identification of those important variables.

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Appendix. The Foreman and Money Internal Marketing Orientation Scale

Note: All items measured on a seven-point scale.

- Our organisation offers employees a vision that we can believe in.
- Our organisation's vision is well communicated to all employees.
- This organisation prepares employees to perform well.
- Our organisation views the development of knowledge and skills in employees as an investment rather than a cost.
- Skill and knowledge development of employees happens as an ongoing process in our organisation.
- We teach our employees "why they should do things" and not just "how they should do things".
- This organisation goes beyond training and educates employees to work together.
- This organisation measures and rewards employee performance that contributes most to our organisation's vision.
- Data gathered from employees is used to improve jobs, and to develop the strategy of the organisation.
- In our organisation, those employees who provide excellent service are rewarded for their efforts.
- In this organisation, employees are properly trained to perform their service roles.
- This organisation places considerable emphasis on communication with employees.
- This organisation has the flexibility to accommodate the differing needs of employees.
- Our performance measurement and reward systems encourage employees to work together.
- Our organisation communicates to employees the importance of their service roles.

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European Journal of Marketing
Vol. 37 No. 9, 2003
pp. 1277-1278
© MCB UP Limited
0309-0566

EJM
37,9

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