

**RELATIONSHIP BETWEEN INTERNAL MARKET ORIENTATION AND
ORGANIZATIONAL EFFECTIVENESS: A CASE STUDY OF MANDIRI AND
DANAMON BANKS IN GORONTALO – INDONESIA**

BY

ANDI JUANNA

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DEDICATION

This thesis dedicated to my family who always support and do the best, and someone that never stop waiting for me, become my inspiration and motivation. For all, that make me struggle to pursue my dreams.

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ABSTRACT

This research is attempts to develop a deeper understanding of Internal Market Orientation (IMO) in general and the dimension of IMO that could influence the Organizational Effectiveness (OE) of Mandiri and Danamon banks in Gorontalo. Presently, banks become the trusted major organization of the peoples who will invest their money, and for making financial transactions. The role service becomes the important factor in banks operational. Based on the objective of this study, the concepts of IMO are adopted for this study.

The IMO are useful to improve human resources capabilities in organization by understanding the need and wants of employees and provides appropriate information through employees in order to perform their task in organization. This study provides several hypotheses to investigate the dimensions of IMO that affects the organizational effectiveness. Based on the finding, two hypotheses were accepted, where else two was rejected. The result showed that Information dissemination was the most influential variable that affects organizational effectiveness of Mandiri and Danamon banks in Gorontalo, and Informal information dissemination was the second influential variables that affect organizational effectiveness of Mandiri and Danamon banks in Gorontalo. The Formal information generation and Responsiveness have a negative influence toward organizational effectiveness. The implications of findings are explored further.

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CHAPTER ONE

INTRODUCTION

1.1. Background of Study

Encounters between customers and employee are critical to provide customers satisfaction (Chandon, Philipp & Leo 1997). The original conception of internal marketing (IM) was as a managerial approach to ensure customer satisfaction through the fulfillment of first-line employees' needs (Berry, 1981). Companies cannot effectively practice Internal Marketing (IM) unless they have first developed an Internal-Market Orientation (IMO) with analogous to the market-orientation notion (Gounaris, 2008).

The introduction of IM was divided in two principals: (1) it is important to satisfy employees' needs before the company can satisfy the needs of its customers; and (2) the rules that apply in the company's market are by analogy is relevant for its internal-market (Berry & Parasuraman, 1991). According to Hwang and Chi (2005), IM is comprised of efforts within organizations to train and encourage employees to provide better services. The employees here can define as the "internal customers" that interact within the organisation internally to generate long term value (Varnai, 2008). From this viewpoint, the company seeks the employees as the better products of organization that could give better services to the customers by their capabilities to giving appropriate information to the customers and the first-line employees as the

“internal customers” of company that could provides better product to generate long term value to the company (Grant B.S, 2008).

The implementation of IM will able to managing internal customer through the organization by giving what employees needs and wants that could improve employee’s job performances due with the goal of the organization. In implementing internal marketing, organizations can “marketing” their company by developing IMO through the company (Lings & Greenley 2005).

The fundamental ideas of IMO is a concept of exchange between employees and the organization about employees evaluation towards their jobs by comparing what they put into their work and what they get out of its (Lings et al, 2005). IMO construct the concept to develop human resource in organization with providing good network between employees and employer (Naude’, Desai & Murphy, 2002). It is because of the understanding of employee about what they should do in organization and what employees could get out from performing their job task. The role of manager in this concept of IMO is critical as managerial activity that has the potential to influence employee’s behavior and employee’s satisfaction in ways that will affect customer’s perceptions of the service they receive (Hartline & Ferrel, 1996).

Bank as a service industry were going through numerous changes fostering their services which is increased competition (Greenbaum & Thakor, 1994). Banks for

instance should have better market responsiveness and customizing offers to customer needs are increasingly important for success in the financial sector. Therefore, banks are expected to improve their human resources ability that relate to their responsive in internal market to provide good service to the customers (Kremlin, 2008).

According to Watanagase, (2008), banks can improve financial sector of certain region by attracting and retain depositors. Banks can improve sustainability of financial sectors of country by provide long-term finance and foreign exchange that would attack low levels of savings and investment, the constraints to growth (Amel, Barnes, Panetta & Salleo, 2002). Banks also could achieve substantial impact on the environment by providing the macroeconomic environment (Hildebrand, 2007).

Gorontalo is the one of youngest province in Indonesia try to focus on the development of their economic performance by attracting the investors to invest in Gorontalo. The indicator of its focuses, there is many industries has establish in Gorontalo includes banks, department store, agriculture industry, animal husbandry, and others franchise. There are eight bank was establish in Gorontalo includes government banks (Mandiri, BNI, BTN, BRI, Bank Sulut) and private bank (Danamon, BCA, Mega). From its bank, Mandiri and Danamon banks become the largest bank that was operated in Gorontalo (Mohammad, 2008).

According to Regional Economic Session in second third-month from Bank Indonesia (2008), the swift of economic growth in Gorontalo is 6,12% (yoy) in 2008. In the banking sector, the deposit are increased Rp.447 million or growth 4,24%, and money box increased Rp.894 million or growth 9,83%, and for credit supplied increased Rp1.732 million or growth 14,30%. Even though the statistic showed that there has been an increase of economic growth in Gorontalo, the increase it is because of the need and want of the customers to invest their money in its banks, and not because of the ability of marketing practices.

IMO is the one of core concept of marketing strategy could provide good marketing practices of organization. It is derived the understanding of needs and wants of the employees to perform their job task (Gounaris, 2008). Lings (2002) mentioned that the implementation of IMO could achieve good service quality of employees by providing motivation, and retention about employee's job, and Payne (1991) suggests that the key aims of market orientation are the development of internal (employment) and external customer (first-line employees) inputs and outputs, and the removal of functional barriers to achieving organizational effectiveness.

Organizational effectiveness measured on how successfully organizations achieve their missions through their core strategies, it is concerned with the unique capabilities that organizations develop to assure the objective of organization success to implement and improve organizational performances (McCann, 2004).

Organizational effectiveness measured in terms of production, commitment, leadership, and interpersonal conflict. Production as the flow of output from the organization, commitment as a component to measure the degree of attachment to the organization, leadership described as a degree of influence and personal ability, and interpersonal conflict relates to the degree of perceived misunderstanding between supervisors and subordinates (Helms, 2001).

IMO as the one of marketing strategy concepts that provides the understanding of employees need and wants to perform their job task. The fulfillment of employees needs could derive satisfaction of works, and employee's satisfaction that could achieve organizational effectiveness (Kolar, 2006; Payne, 1993). Therefore, the purpose of the studies is to deepen understanding the relationship between IMO and organizational effectiveness of Mandiri and Danamon Banks in Gorontalo.

1.2 Problem Statement

The objective of this research is to develop an understanding of the relationship of IMO and organizational effectiveness toward Mandiri and Danamon banks in Gorontalo.

Previous studies notes, that banks in the new markets, has a substantial lack of marketing philosophy and practice is assumed if we compare them with banks from more developed markets (Hill & Kennington, 1996; Tomas̃evic-Lis̃anin, 1997).

According to Geoff and Hans, (2004), the management of company in transnational market has neglected ideas to provide responsiveness in internal market through their employees. There is evident need for studying and supporting marketing orientation of banks in the transitional economies as they are neglected in this respect (Anwar & Sohail, 2003). Banks in developed markets are no longer “passive by-standers”, but players which have become increasingly market oriented and pursue proactive marketing strategies (Kolar, 2006).

IMO as the one of core component or functions of the broader concept of market orientation could influence employees job satisfaction, which job satisfaction directly influence customer satisfaction, and the determinant of IMO can be measured by a particular factor that derived by the employees such as employees age, gender, level of education, involvement on organization, commitment, communication etc. (Naude'et al, 2002). Developing of IMO could create great “internal customers” (employees) that could perform their job task due with the objective of organization (Lings & Greenley, 2005).

Through IMO, customer satisfaction becomes the common objective and the measure against which the management can evaluate the performance of each individual employee, regardless of whether they have direct contact with the customer or not (Avlonitis & Gounaris, 1999). The implementation of IMO also contributes to the employee's jobs satisfaction. Job satisfaction of employees is important to

“marketing” the organization because it influences customer satisfaction and could create employees participation through decision making (Gounaris, 2008). IMO crosses marketing and HRM functional boundaries and aims to create balance between employees’ perception of what they put into the job and their perception of what they get out into the job (Hartline & Ferrel, 1996).

Another study by Goran and Greg (2005), the organizational effectiveness are measured by the type of leadership on organization. According to Stephen & Michael (1997), the organizational effectiveness is an economic perspective emphasizes the importance of external market factors such as the firm’s competitive position. To be effective and achieve organization goals, an organization must successfully respond to environmental factors (Richard, 2002). The implementation of IMO could influence company environment such as external market and internal market (Gounaris, 2008). Every employee contributes to organizational effectiveness. The employees here include the ability to perform their job tasks such as; taking into account skills, experience, motivation, and rank, some play a bigger role than others (Miller, 2004).

Gorontalo as the youngest province in Indonesia was confronted with the problem of the less economic development. The development of economic could affect the degree of people welfare, it is could indicates with the available of work land, big land for investment and any others. As well mentioned above, Gorontalo province

focused on the development of economic with giving a chance for investors to invest in it province, which is resulted in the grown up of several industries in it province such as bank, department store, agriculture industry, and any others. In other side, the development of economic in Gorontalo not caused of the good of marketing practices that implemented of its industry (Mohammad, 2008). As the transitional region, industry in Gorontalo still lack of marketing practices. The growth of purchasing power of customers most caused from the need and want of the customer to get the products or services. Mandiri and Danamon banks as the one of the larger government and private banks in Gorontalo was more contributed in the development of economic in Gorontalo.

Therefore, this study is relevant to investigate the relationship between IMO and organizational effectiveness toward Mandiri and Danamon Bank's in Gorontalo.

1.3 Research Questions

The research is intended to answers the following questions:

1. How IMO in general affect organizational effectiveness of Mandiri and Danamon banks in Gorontalo?
2. How IMO dimensions (formal information generation, informal information generation, information dissemination, and responsiveness) affect organizational effectiveness of Mandiri and Danamon banks in Gorontalo?

1.4 Research Objectives

- To investigate the relationship between IMO and affects organizational effectiveness of Mandiri and Danamon banks in Gorontalo.

1.5 Significance of Study

This study was justified because it can assist the banks in Gorontalo to better understand about the key factors derived by IMO which can improve the effectiveness of organization in banks in Gorontalo. As a new province, Gorontalo should able to manage and increase the economic development in order to increase the prosperous of Gorontalo's people. Bank in this side could become an important role to incarnate it. By learning and understand the situation and condition of the market (environment), and giving the need and want of the customer due with the objectives of the organization, it's could to achieve profitable both of bank and the customer, gain a competitive advantage to the organization, and also to improve banks effectiveness.

Prior studies have mentioned, learning the "market orientation" could increase the organizational strategies and both of its are linking. "Understanding the linkage between market orientation and strategies is important to the comprehensive appreciation of market orientation's contribution to organizational effectiveness." (Slater & Narver, 1996). Hogg and Carter (2000) have argued that the IM is an integral part of overall marketing orientation. It is involving "the use of marketing

techniques within the organizations in order to create and communicate corporate values”.

This study hopes will be useful to investigate the dimension of IMO that could influence the organizational effectiveness of Mandiri and Danamon banks in Gorontalo. For it reason, the study providing the way's work IMO that could implemented through the banks in.

1.7 Organizations of Remaining Chapters

The study developed in structural chapters, which consist into five main chapters. Chapter one provides the introductions of the study, which consist of the understanding of IMO, and the implementation of IMO in banks. Besides that, the other elements that will be discussed in chapter one consists of: the problems statement, significance of study, research question, research objectives, and definition of terms and limitation of study.

Chapter two addresses the literature review which encompasses of previous studies regarding to Internal Marketing, Internal Market Orientation (IMO), organizational effectiveness, the relationship between IMO and organizational effectiveness, and the background of the object of study (Mandiri Banks and Danamon banks in Gorontalo).

Chapter three focuses on the research methodology where it consist of comprises of the theoretical framework, research design, research instrument, questionnaire development, statistical method for data analysis, and hypotheses statement.

Chapter four will includes the overview of data gathered which comprises of data analysis and statistical result, then hypotheses was conducted. Finally, the interpretation or evaluation of the study has been stated.

Chapter five includes recapitulation of study, implications/ contribution, recommendation and suggestions for future research and stating the overall conclusion for the research that has been done.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The purpose of this study is to examine the relationship between Internal Market Orientation (IMO) and organizational effectiveness of Mandiri and Danamon banks in Gorontalo. This chapter offers a literature review on the issues and concept related the IMO, organizational effectiveness, relationship between IMO and organizational effectiveness.

This chapter also provide research framework by researcher and hypotheses statement. Research framework and hypotheses statement conducted in term to explore and explanatory manner for the evidences and factors behind the IMO and the relationship with organizational effectiveness.

2.2. Internal Marketing

2.2.1 Reflections on internal Marketing (IM)

According to Peter and James (2004), the IM on organizations is represented by all those employees who rely on the roles and functioning of other employees to discharge their own duties. It can also be show on how service provision within an organization can greatly influence employee's ability to provide quality of service to

the end of customers. As such, there are two different perspectives from which internal marketing can be conceptualized as the benefits (value) that delivers to the employee, or as the set of the benefits it provide to the firm.

The desired goal of IM can be clearly as a marketing function; particularly as one subscribes to the view that marketing is about customer's satisfaction, and organization values. Like any marketing program, IM development requires the involvement of the employees within the organization, input, and expertise of the 'market' experts. In this circumstance, this means the cooperation of the human resource professionals of the firm as experts in the IM broad (Voola, Casimir & Haugen, 2003).

2.2.2 The Concept of IM

There is renewal of interest in marketing literature as to what IM might mean, and what activities of internal marketing might embrace (Varey & Lewis, 2000). According to Gronroos (1981), the IM is emphasized in two-way communications and effective coordination of task between front-line and support staff with a view of getting more motivated and customers conscious staff at all levels of the firm with the objective, to focus the internal work effort to meet the needs of the external customers.

The original conception of IM was as a managerial approach to ensure customer satisfaction through the fulfillment of first-line employees' needs (Berry, 1981). According to George and Grönroos (1991), IM uses a marketing perspective for managing an organization's human resources; it is based on the philosophy of viewing organizations to manage the employee-employer exchange by modifying existing marketing tools and techniques to the internal environment of the firms (Greene, Walls, & Schrest 1994).

Greene, Walls, and Schrest (1994) underlines two key ideas of the concept in IM including:

1. The notion that every individual in a service organization should recognize that they have customers to serve (both inside and outside the organization).
2. In order to achieve this, all internal customers (employees) must be convinced about the quality of the service being provided, and be happy in their work.

2.2.3 Employees and The Role of Employees in Internal Marketing

2.2.3.1 Employees as Internal Customers

According to Peter and James (2004), all employees represent a market to the employer for their efforts to the organization that attempt to create the appropriated service-oriented and the customer-focused within the organization. All firms seek to produce a value proposition for the end of customers. In the end of this pursuit, there exist a chain for the consumers such as value feeds into two paths; one is

accumulating value for the customers and the other for the employees through their experience for work. That's why the corporate should listen for the need of their employees that could improve their jobs performances, that's in IM the employees in internal marketing called the internal customers.

Richard and Barbara (2004) mentioned, is important to develop customer focus within each level of the firm, as an initial step to enhancing employees satisfaction and external customer service. It is necessary that organizations appreciate the implications and the full breadth of the circumstance and the pervasive effect derived from such interactions throughout the service function.

2.2.3.2 The Role of Employees

According to Peter and James (2004), customer's satisfaction, loyalty, efficient service provision, and the firms image must become the joint responsibility of management, support, and contact employees. This responsibility can only be successfully distributed if the cooperation of all employees within the organization is sought and nurtured. It is important that the employees have a sense that their role is recognized and valued by management.

Mills (1986) noted employee's involvement and commitment are obtained through the creation of the responsibility for quality service delivery within and outside the firm. In one respect, the employees can be seen as holding the power to control

service delivery. In other hand, a failure to develop the capabilities of the employees or in loosing respect of the employees, the organization will be miss out on the full potential of employees through conscious or unconscious relations. This has implications for the employee selection process. Selection must screen potential employees utilizing an approach that will be enable the identification of congruent values, cooperative natures, and service orientation, orientation should be meaningful, as it is the principal opportunity to inculcate the culture and orientation of organization (Heinkoff 1994).

2.2.4 A Model of Internal Marketing

Berry (1981) in Richard and Barbara (2004) provide the models of IM that focus on how IM works. An examination on the model is the model is concerned on improving services quality of the employees within the organization. The model includes several factors:

1. The fundamental assertion that treating employees as customers will lead to changes on their attitude. That is employees becoming service minded which leads to better services quality and competitive advantage in the market place.
2. Treating employee as the customers requires that jobs are treated as any other product of the company, that is, the needs and wants of the “customer” are taken into account an effort is made to make the product attractive to the “customers”.

3. Treating jobs requires a new approach from human resource management and basically involves the application of marketing techniques internally both to attract and to retain customer's oriented employees.

Model of Internal Marketing

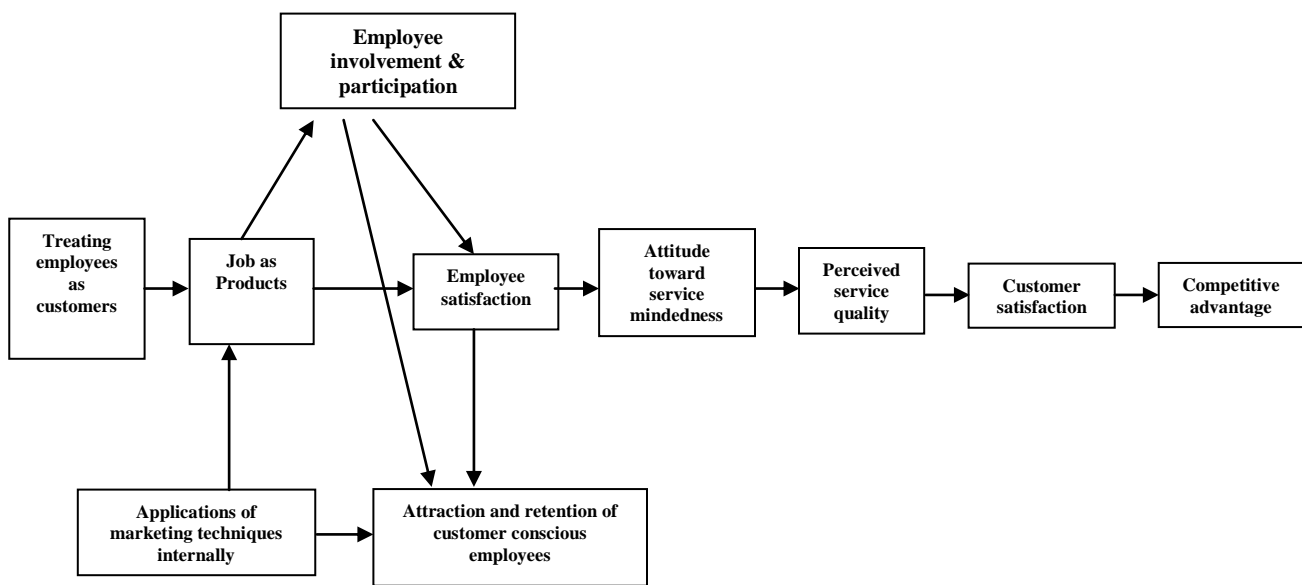


Figure I (source: Richard and Barbara, 2004)

2.3 Internal Market Orientation

2.3.1 Understanding of Internal Market Orientation (IMO)

IMO conceptually involved the element of IM such as communication, and the development of job-products, which will satisfy the wants and needs of employees based on information gleaned from internal marketing research (Lings et al, 2002).

IMO is a crosses marketing and HRM boundaries with aims to create a balance between employee's perceptions of what they put into their jobs and their perceptions of what they get out of their jobs (Lings et al, 2005). The role of manager in this process is critical as managerial activity, which has the potential role in order to influence employees behavior in ways that will affects the customer behavior toward their perceptions of the service that offer by the employees (Hartline & Ferrell 1996).

As well as mentioned by Gounaris (2008), the notion of IMO refers to the company's orientation regarding to their employees market and it's would appearing management commitment towards them. A commitment to understand what employees value and become responsive to their individual needs, while ensuring that they have all the means (e.g. know-how, discretion) necessary in order to deliver the type and level of service that the company's (external) marketing objectives and strategy dictate.

IMO promotes the need to plan and build effective relationships between the company's employees and management (Rafic & Ahmet, 1993) so that the company's strategic response to the needs of the internal market becomes more effective in comparison to companies that are only externally focused (Bansal, 2001). This, in turn, facilitates the matching between the company's internal environment conditions with its external market objectives while developing a motivating company climate that facilitates customer-oriented responses (Lings, 1999).

2.3.2 Concept of IMO

IMO involves the generation and dissemination of intelligence pertaining to the wants and needs of the internal marketing of employees, and the design and implementation of appropriate responses to meet employee's wants and needs. Therefore, IMO can be measured using a modification of the instrument developed by Kohli et al. (1993) in Lings (2002).

According to Hogg and Carter (2000), IMO is the use of marketing techniques within the organization in order to create and communicate corporate values. Naude, Desai, and Murphy (2002) mentioned that IMO is an area within the broader market orientation. And Lings and Greenley (2005) suggested, IMO is the new multidimensional construct of development human resource within organization if the existing conceptualization of IM which is explored with the objective for improving customer satisfaction, relative competitive position, staff attitudes, and compliance.

According to Lings and Greenlay (2005), one of the fundamental ideas of IMO is the concept between employees and the organization. Internal exchanges is examined in the human resources management literature, specifically in the application of "equity" theory who has proposed by Adam (1963) and proposes that employees evaluated their jobs by comparing what they put into their work with that they get out of it. Hatfield (1990) divided the concept of IMO in two categories, inputs, and output. Inputs is what the employees put in their job, includes: the effort on the job, time

which is taken for the job, loyalty to the organization, and compliance to the organizational policies. Outputs is what employees get out of their jobs, includes: the rights of payment/ fair market pay, fringe benefits, less tangible rewards such as status, recognition for the good work, and sense of accomplishment.

2.3.3 Dimension of IMO

Kohli and Jaworski (1990) in Lings (2004) allows IMO to be viewed as the internal equivalent to the market orientation in the external context, as such, IMO involves the generation and dissemination of intelligence pertaining to the wants and needs of the employees, and the design and implementation of appropriate responses to meet the employee's wants and needs.

Lings (2004) has normatively referred to IMO suggesting that four core dimensions comprise the notion: Formal information generation, Informal information generation, Information dissemination, and Responsiveness which were figured in the next page.

Dimension of Internal Market Orientation

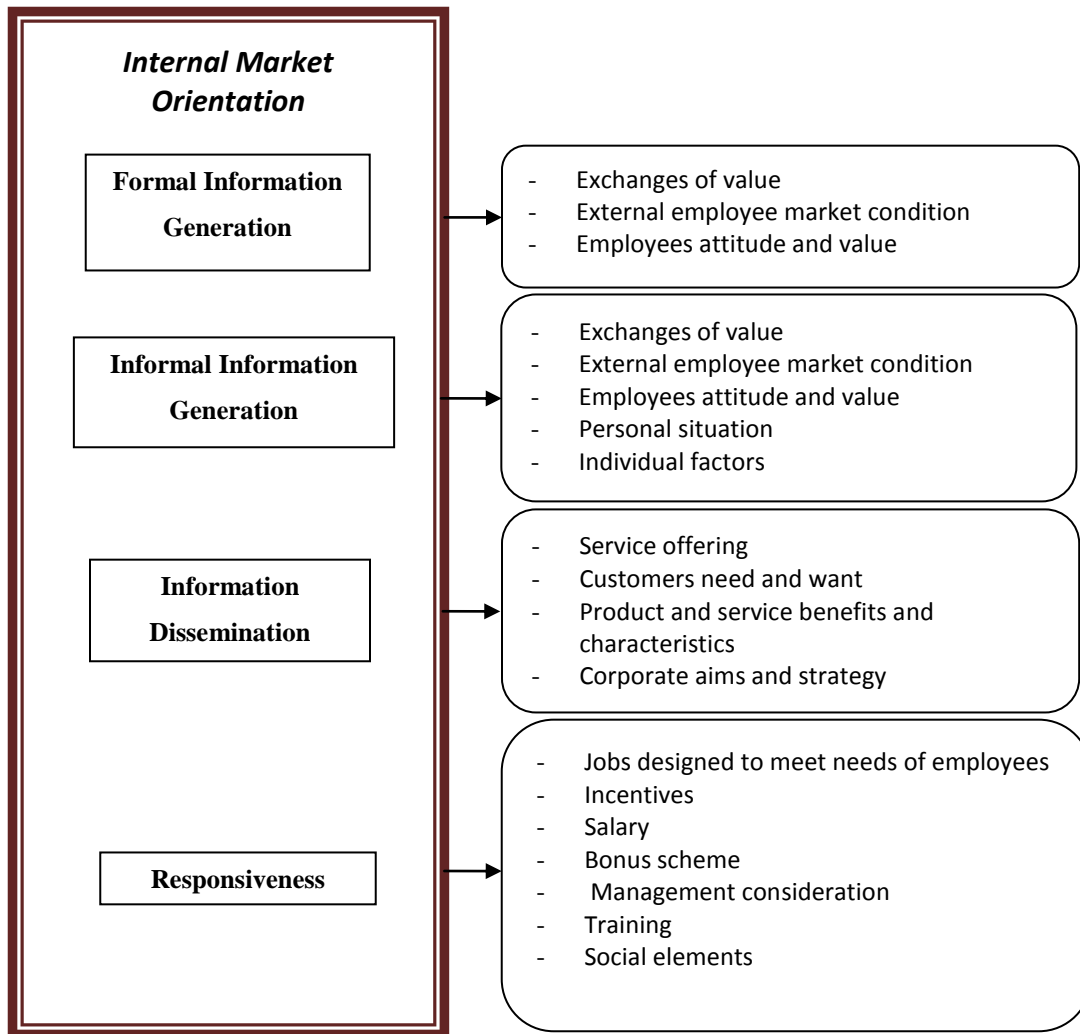


Figure II *Source: Links (2004)*

The first dimension is formal information generation, which is consisting of the activity that doing by the employer (organization) in order to meet exchanges of value of employees, the external employee market condition, and employee's attitude and value. The formal information generation is used formal approaches to information

generation are manifest in two modes, *first* is the use of written media, and *second* is formal (face-to-face) interactions. The modes of information generation are use for controlling employees about their value in organization, condition, and exchanges value of employees (Duban, 2000).

The second dimension of IMO is the informal information generations. The informal information generation is information or controlling that running by the organization informally. It used in daily interaction. According to Links (2004), even its interactions doing daily, it also can give draws about the employees need and wants independently and concurrently. In such situation, increasing the use of formal surveys and focus group does not necessarily result in the reduced informal day-to-day, face-to-face interactions between managers and front-line employees.

The third dimension is dissemination of information. According to Johlke et al., 2000, the dissemination of information can doing by communication, which means an organizations transfer information from the entity to another. Consequently, it affects the performances of front line staff. Information dissemination is an important prerequisite to aligning employees' attitudes and behaviors with the organizations goals (boswell and Boudreau 2001; Guest and Conway 2002). Internal communication is the key in this process (Gronroos 1990). The process of communication is also important to fostering organization identification, and subordinate job outcomes (Keller 1994). In context of IMO, this is particularly

important as the close proximity of staff and their managers means that bidirectional communications constitute an important part of work place behavior.

The last dimension of IMO is responsiveness. Responsiveness in IMO involves responding to the information generated about the wants and needs of employees (Links, 2004). Within marketing, one of the most commonly suggested used for IMO information is to create job products, meeting the need of employees and thus motivating and satisfying them (Berry & Panasuraman 1991).

Therefore, IMO is one of the broader concepts of marketing, focuses on the organization's employees as internal customer. IMO combines all the activities of the company to convince employees to respond to the market, which is with providing employees need and want, and give appropriate information to employees that could useful to improve employees performances and meet employees job satisfaction.

2.4 Organizational Effectiveness

2.4.1 Definition of Organizational Effectiveness

Organizational effectiveness was defined as an ability to generate and sustain high performance and growth through higher sales and man power level each year and to generate profit margin in their industries. Hannan and Freeman (1977) in Dessler (1980) mentioned organizational effectiveness as the degree of congruence between

organizational goals and observable outcome. Pennings and Godman (1977) in Steers (1977) proposed that the organizations are effective if consistencies of the organization can be satisfied. Then Godman and Pennings (1980) in Walton (2001) argued that the importance of criteria for accessing effectiveness reflects the values of preferences influencing choice of criteria and the organizational model being used.

Cameron and Whetten (1983) stated, organizational effectiveness is an hypothetical abstraction existing in people's minds and giving meanings to idea or interpretation about organizational effectiveness, but having no objective reality. They made conclusion about organizational effectiveness, that there is no single universal model of organizational effectiveness and it is more worthwhile to develop frameworks for assessing effectiveness than to try to develop theories of effectiveness.

2.4.2 Factors Contributing to Organizational Effectiveness

There are many factors that contributing towards organizational effectiveness from many studies. The factor contributing of organizational effectiveness from many studies includes, organizational characteristic/ structural, contextual organization (technology and environmental), employee and management.

Steers (1977) summarized of some contributing factors to the ultimate success of an organization. Those factors can be found in four general domains, includes: (1)

organizational characteristic (structure and technology), (2) environmental characteristics (external and internal), (3) employee characteristics (organizational attachment and job performance), and (4) managerial policy and practice.

2.4.3 Models of Organizational Effectiveness

Several models of organizational effectiveness from many writers are discussed below:

1. The Goal-Attainment model

The goal attainment model derived from Barnard (1938); or Goal model (price, 1972) or goal approach (Bluedorn, 1980), Goal Setting Approach in Forbes (1998). Goals may be set as narrow economic objectives defined by owner or they may be set of institutional goals defined by organization constituents (Denison, 1990). Certainly, the Goal Model employs the clear assumption that there is definable purpose or goals, such as the effectiveness of an organization that can be represented by the attainment of, or progress toward the goals.

The goal-attainment approach was based on the assumption that organizations' goals are identifiable and unambiguous. Goal-Attainment researcher's sought to identify the objective measures that correspondent to the organizations' goals and

used those measure more or less as direct indicators of Organizational effectiveness. Some definitions of organizational effectiveness according to Goal Model are:

- Organizational effectiveness defined as the extent to which organization succeeded in meeting their goals.
- Organizational effectiveness is the degree to which an organization realizes its goals.
- Organizational effectiveness was defined in terms of the degree to which an organization achieved its goals.
- Organizational effectiveness can be defined as how well goals and objective are achieved.

This approach based on the idea of Goal theory and the assumption that organizations are rational purposes entities (Cameron 1981; Strasser et al., 1981; Gaertner & Ramnarayan, 1983) in Cameron (1983). Goal attainment approach assumes that the organizations are deliberate, rational, and goal seeking entities. Measures of effectiveness based on either on goal-attainment approach or the system approach typically made use of quantitative archival data, such as financial reports or operational statements.

2. The Strategic Constituencies Model

A relatively recent perspective on organizational effectiveness holds that an effective organization will strive to satisfy demands made on it by “strategic constituency”- various external and internal groups on which the organization depends for its continued existence the organization is concerned only with those aspects of its environment that are more strategic to its survival rather than its entire environment.

The strategic Constituencies or Constituencies Model as a set of several statements, each reflects the evaluative criteria applied by the various constituencies involved with the organization being evaluated with an emphasis on means criteria as stated by Thibodeaux et al (1995).

3. Handa's Approach

Handa's three general classes of organizational effectiveness (1995) said that in the literature most models and approaches that are used to understand organizational effectiveness could be classified into three general classes:

- The Qualities of Organizational Approach

This approach attempts to relate organizational effectiveness to certain organizational characteristics, such as: the degree of formalization, openness or communication, level of control and other qualities related to structure, culture and strategy.

- The Goal Setting Approach

Models that fall into this category use the degree of achievement of certain output goal as an indicator of organizational effectiveness.

- The System Approach

The system approach is the models that emphasize the organization as a system and attempt to assess the effectiveness of the system in terms of its input, transformation, and output.

4. Competing Value Model

Quinn and Rohrbaugh (1983) used seventeen of thirty criteria of effectiveness that was claimed by Campbell (1977) to be comprehensive list of all criteria used in past research. Quinn and Rohrbaugh (1983) found that the clustered criteris closely match for major theoretical perspectives organizations. Certain

fundamental value dimensions were empirically identified that strengthened those major theoretical perspectives that individuals use in judging Organizational Effectiveness the construct of space for effectiveness were defined by these three major value dimensions:

- a. Organizational concern vs. Individual Concerns.
- b. Flexibility vs. Control, and
- c. Means vs. Ends

The competing values framework which is based on the past attempts to formalize organizational Effectiveness criteria. Quinn and Rohrbaugh (1983) used multidimensional scaling and created a spatial model of Organizational Effectiveness with three subordinate value continua: flexibility control, internal-external, and means-end. Quinn (1988) demonstrated that only two of subordinate continua (control-flexibility and internal-external) were sufficient to describe the Organizational Effectiveness construct, and when combined these could be visualized as a set of quadrants, with quality at the centre. The figure of the competing values framework is drawn in the next page.

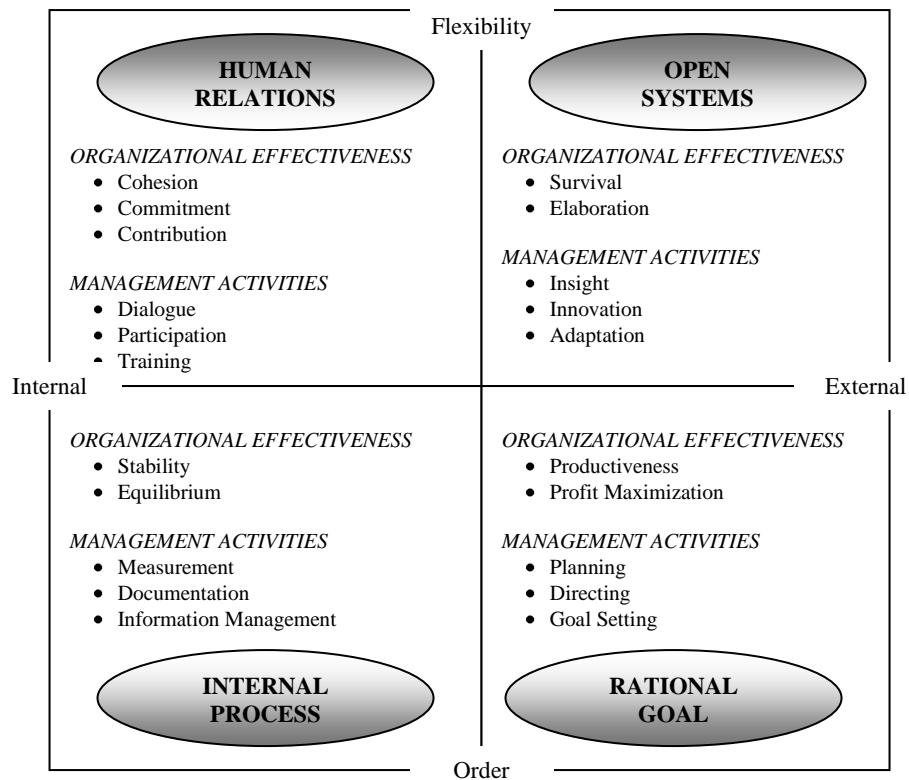


Figure III Competing Value framework (Quinn and Rohrbaugh, 1983)

2.4.4 Measurement of Organizational Effectiveness

Understanding organizational goals and strategy as the concept of fitting design to various contingencies, is a first step to understand organizational effectiveness. Organizational goal represents the reason for an organization's existence and the outcome it seeks to achieve.

Organizational effectiveness is the degree to which an organization realizes the goals. Effectiveness evaluates the extent to which multiple goals, whether official or

operative is attained. Daft (2001) said that organizational effectiveness is difficult to measure. Organizations are large, diverse, and fragmented, they perform many activities simultaneously. They purpose multiple goals, and they generate many outcomes, some goals intended and unintended. Managers determine what indicator to measure in order to gauge the effectiveness their organizations. However, top executive at certain leading companies are finding new way to measure the effectiveness by using indicators such as customers delight or satisfaction, and employee satisfaction.

2.4.5 Employees and Customers Link

Customer satisfaction had a significant impact on management thinking. In fact, the realisation that understanding, meeting, and anticipating customer needs was probably the most important source of sustained and competitive advantage for a company had a decisive effect on the setting of corporate priorities and practices.

Several empirical studies see a survey in Schmit and Allscheid (1995) mentioned it is impossible to maintain a satisfied and loyal customer base without satisfied and loyal employees. The studies show a significant impact on customer satisfaction following an improvement in employee attitudes. The linkage between customer and employee variables has also been depicted by Heskett (1997) within a framework termed the

service profit chain or employee-customer profit chain. According to this framework, the elements of the chain are interdependent and complex and the size and strength of their influence varies by industry, market segment and even organizational function. Nevertheless, the basic links can be described as follows:

- Employee variables like employee satisfaction, commitment and loyalty influence customer perception of the value of the product and service, which in turn influences customer satisfaction;
- Customer satisfaction influences customer loyalty; and
- Corporate financial results are directly influenced by customer loyalty.

2.5 Relationship between IMO and Organizational Effectiveness

IMO is derived from the IM, and IM is the process that applied in a particular organization to align, empowered, force, and motivating the employees in order to perform their task or work (Gounaris, 2008). According to George and Gronoos (1991), internal marketing uses a marketing perspective for managing the human resources in organization. It based on the philosophy of viewing the organizations' jobs as an internal products, and employees as internal customer. This thing allows organizations to manage the employees-employer exchange (Sasser and Arbeit, 1976).

According to Gounaris (2008) in Berry (1981); Gummesson (1999), many researchers provide the Internal marketing approach that could implement in the organization, includes:

1. IM was as a managerial approach to ensure customer satisfaction through the fulfillment of first-line employees' needs.
2. IM is the "mechanic approach." IM introduced the term "internal customer" from an internal-marketing perspective and within the company's service-value chain: Employees involved in the value-creation chain relate to each other in an "internal supplier-customer" relationship. Thus, under this approach, IM reflects the effort to communicate this interdependence towards all employees in order to increased levels of productivity and customer satisfaction.

From the holistic approach of IM, its strategies affect both jobs and procedures in order to improve the company's effectiveness with its customers through interdepartmental integration (George, 1990). Gulcin (2004) noted, in order to obtain better result for the company, and to gain customers satisfaction, the companies should have to listening customer's voice, and the employees should know what their duty to do for the company. This is required an active and effective management of the human resources in order to enhance organizational effectiveness.

Naude' et al (2002) mentioned, most of the scales developed by marketing orientation (MO) such as age, gender, level of education, employees commitment, and employees communication regarded and measured in IMO, and the implementation of market orientation could influence employee's satisfaction, and employees satisfaction can improve organizational effectiveness (Kolar, 2006). According to Payne (1993), the key aims of market orientation is the development of internal (employment) and external customer (first-line employees) Inputs and Outputs, and the removal of functional barriers to achieving organizational effectiveness.

The implementation of IMO could create a balance between employee's perceptions of what they put into their jobs and their perceptions of what they get out of their jobs (Lings & Greenley, 2005). The concept employee's perceptions proposes that employees evaluate their jobs by comparing what they do and what they take in the jobs, if there is balance of it, the employees could provide a good work and satisfied into their work (Adams, 1963). The objectives IMO is to managing human resource of the company that could create balance perception of employee's job and the organizational objectives. It is related with Payne (1993) which mentioned, the managing of personality, and good leadership in organization could influence the organization effectiveness. And its studies also related to Miller (2004) that mentioned every employee contributes to organizational effectiveness. The employee's contributions here, about taking into account skills, experience, motivation, and rank, some play a bigger role than others.

2.6 Theoretical Framework

A theoretical framework is a structure model of research about the relationship framework of research theory. According to Uma Sekaran (2004), theoretical framework discussed relationships among the variables of research to be investigated. It is also helps to improve the understanding of the dynamic of the situation. There are five features that should be summarized in theoretical framework, including:

1. The variable considered relevant to the study should be clearly identified and labeled in the discussion
2. The discussion should state how or more variables are related to one another. This should be done for important relationship that are theorized to exist among variables
3. If the nature and direction of the relationships can be theorized, on the basis of the finding of previous research, then there should be an indication in the discussion as to whether the relationship would be positive or negative.
4. There should be a clear explanation of why we would expect these relationships to exist. The argument could be drawn from the previous research findings
5. A schematic diagram of the theoretical framework should be given, so that the reader can seen and easily comprehend the theorized relationship.

In this study, IMO will be considered as the independent variable, where it comprised of the dimensions includes; *Formal Information Generation*, *Informal Information*

Generation, Information Dissemination, and responsiveness. And organizational effectiveness considered as dependent variables. The framework is drawn below.

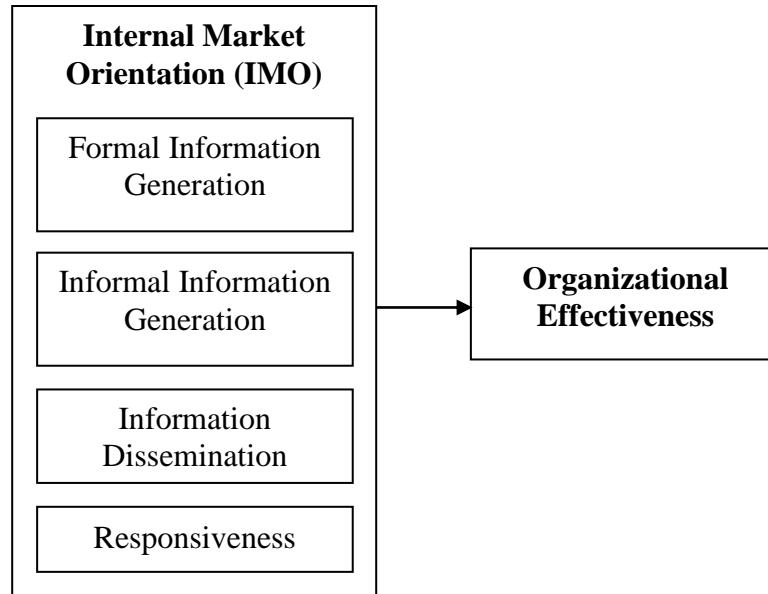


Figure IV: Theoretical Framework

Notes:

1. IMO = Independent Variable
2. Organizational Effectiveness = Dependent Variable

2.7 Independent variables

2.7.1 IMO

Gounaris (2008) noted IMO refers to the company's orientation regarding the employees market and would demonstrate the management's commitment towards them. A commitment to understand what employees value and become responsive to their individual needs, while ensuring that they have all the means (e.g. know-how, discretion) necessary in order to deliver the type and level of service that the company's (external) marketing objectives and strategy dictate.

IMO is a crosses marketing and HRM functional boundaries and aims to create balance between employees' perceptions of what they put in the job and their perceptions of what they get out of the job. The role of manager in this process is critical as managerial activity that has the potential to influence employee's behavior in ways that will affect customers' perceptions of the services that they receive (Hartline and Ferrel, 1996).

Links (2004), provided the dimension of IMO in four elements, includes:

- **Formal Information Generation**

Formal information generation is the activity by organization in order to meet Exchanges of value of employees, the external employee market condition, and employee's attitude and value. The formal information generation is used

formal approaches to information generation are manifest in two modes, *first* is the use of written media, and *second* is formal (face-to-face) interactions.

- **Informal Information Generation**

The informal information generation is information or controlling that running by the organization informally. According to Links (2004), even its interactions doing daily, it also can give draws about the employees need and wants independently and concurrently.

- **Dissemination Information**

Dissemination of information is organizations transfer information from the entity to another. Consequently, it affects the performances of front line staff. Information dissemination is an important prerequisite to aligning employees' attitudes and behaviors with the organizations goals (boswell & Boudreau 2001; Guest & Conway 2002).

- **Responsiveness**

Responsiveness is involves responding to the information generated about the wants and needs of employees. Consequently, early study conclude that by augmenting internal products offerings (jobs) with such things as flexible working hours, salaries, and other benefits, managers can facilitate internal exchange by their employees.

2.8 Dependent Variables

2.8.1 Organizational Effectiveness

Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce. An organization's effectiveness is also dependent on its communicative competence and ethics.

Jay and Rose (2000), organizational effectiveness is "The ability of an organization to fulfill its mission through a blend of sound management, strong governance, and a persistent rededication to achieving results." In the development, organizational may require several factors to indicate the effectiveness on the organization, includes strategic planning, program evaluation or restructuring, board development, merger or organization realignment, increased fund development capacity, communications activities that enhance to ability to reach constituents, and volunteer program development, assessing technology needs to serve clients more efficiently and effectively.

In addition, Drucker (1984) mentioned, organizational effectiveness comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). In many fields are concerned with organizational effectiveness including strategic planners, operations, finance, legal, and organizational development. Drucker also added that organizational effectiveness could increased if handle with the right management.

2.9 Hypotheses

Hypotheses is supposition; a proposition or principle which is supposed or taken for granted, in order to draw a conclusion or inference for proof of the point in question or research that something not proved, but assumed for the purpose of argument, or to account for a fact or an occurrence; as, the hypothesis that head winds detain an overdue steamer. The hypotheses statement summarized in the table below.

Table 2.9.1

Hypotheses	Variables
H1	There is positive impact between Formal Information Generation and Organizational Effectiveness
H2	There is positive impact between Informal Information Generation and Organizational Effectiveness.
H3	There is positive impact between Information Dissemination and Organizational Effectiveness.
H4	There is positive impact between Responsiveness and Organizational Effectiveness

2.10 Summary of the Chapter

This chapter formed a foundation for the present study as an attempt to understand the concept of Internal Marketing (IM), Internal Market Orientation (IMO), the dimensions of IMO, organizational effectiveness, and the relationship between IMO and organizational effectiveness.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter provides discussion about Research Methodology includes research design, population and sample, data collection instrument, data analysis procedure, and the variables measurement. The observation will be made on the event which will be recorded in the form of questionnaire and choosing an appropriate study design with adequate sample sizes. It will be provides here about how the IMO can improve organizational effectiveness, and what the factors derived by IMO that could affect organizational effectiveness among Mandiri and Danamon Banks in Gorontalo.

3.2 Research Design

According to Zikmund (2000) in Mokhtar (2007) research design is the procedures for collecting and analyzing necessary data of study such as respondent's identification and development. Research design also can be defined as the design for specifying the methods of study such as validity of data, accuracy of data, and objective reached through planning of research procedures. According to Sproull (1995) in Mokhtar (2007), research design can be categorized into three types: (1) experimental design, (2) non-experimental design or descriptive research design, and (3) historical design.

This research is non-experimental research because the research of the study only to determine the relationship between dependent variables and independent variables, not to identify the casual of the variables involve after doing some test. Descriptive research design has lower control over the variable and subject as the study compared to experimental design. In order to provide research design, researcher should able to control the data measures such as what to measure, what to ask, and when the measurements take place.

This study employs a non-experimental design (descriptive research design) since there is no manipulation or control over the independent variable. Indeed, the study only controls the measurement of the study does not interfere with the setting of the study. Besides, the researcher is interested to gather information about the nature of management practices in organization, in this study, is banks, then specifically to examine the relationship of IMO, and organizational effectiveness within these banks. Therefore, a non-experimental design spread the questionnaire to the population for data collection purposes that appropriate for this study.

3.2.1 The Population Analysis

According to Sudjana (1996), population is the totality of all the values that possibly results counted or measured in the certain characteristics to a collection complete and clear objects that wanted to be study.

The population of this study comprised the employees of Mandiri bank and Danamon bank which is operating in Gorontalo. As well as mentioned above, Mandiri bank (include the branch and the outline cash branch) in Gorontalo. The population of this study including the employees of Danamon and Mandiri banks in Gorontalo.

3.2.2 Samples and Sampling Technique

As reported by Sekaran (1992) proposed the following rules of thumb for determining sampling size:

1. The sample size should be large than 30 and less than 500.
2. When samples are to be broken into sub-samples (male, female, etc), a minimum of samples for each category is necessary.
3. In multivariate research (including multiple regression analysis), the sample size should be several times (preferably 10 times or more) as large as number of the variables in the study

The sample of this study is all employees of Mandiri and Danamon banks in Gorontalo. Based on the research variables, there are five variables including on the research with the suggestion 1 variable for 10 respondents. Therefore, the minimum sample will be used in this study is 50. To make a good result for this study, researcher provide largest respondent due with the total employees of Mandiri and Danamon banks in Gorontalo.

3.3 Data Collection Strategy

This study employed to collect data with regard to measures the determinant of IMO and organizational effectiveness. There are three objectives should be summarized to make survey research includes: *description, explanation, and exploration* (Barbie, 1990 in Mokhtar 2007). The description involves making descriptive statement about the population in order to identify the characteristics and attributes or the respondents. The explanation objective is to make explanation claims about the population though examining the relationship of the variables, and exploration objectives is to explore a new study on a particular topic (Barbie, 1990). In this study, the first and second objectives are relevant to consisting in this study. The data collection technique for provides the e-mail questionnaire through the employees of Mandiri and Danamon banks in Gorontalo.

3.4 Research instrument

This study measure of factors derive by IMO which were consist of (1) Formal information generation; (2) Informal information generation; (3) Information dissemination; (4) Responsiveness through respondents in Mandiri and Danamon banks in Gorontalo, and the relationship and impacts with organizational effectiveness.

The measurement on this study does not introduced the longer scale, it consisted of five-point Likert scale ranging from (1) strongly disagree, (2) Disagree, (3) Neither,

(4) Agree, and (5) strongly agree. The scale is used to measure the presence of IMO, and factors of IMO, and measure the relationship between IMO and organizational effectiveness in Mandiri and Danamon banks in Gorontalo. The scale has been shown to have acceptable reliability and validity.

3.5 Methods of Data Analysis

Preliminary analytical of statistic data checked for normally and examination of outliers was performed first before further analysis. The data was analyzed using SPSS 14.0 software. In this study, five methods of data analysis were utilized from SPSS 14.0 software, which includes:

1. Descriptive Analysis
2. Reliability Analysis
3. Correlation Analysis
4. Regression Analysis

Descriptive analysis is the transformation proves of raw data into a form that is easy to understand and interpret (Zikmund, 2000 in Mokhtar, 2007). Mean and standard deviation were used to describe the respondents statistics in this study. Descriptive analysis was able to carry out to acquire a feel of the data for the major variables of the study, which took into account the mean, standard deviation, and percentages of all variables interest. In this study, descriptive analysis was carried out to describe the

demographic of the respondents. Moreover, it was done to capture the tendencies of respondents on each variable of IMO. Furthermore, as data capture from the questionnaire were nominal and ordinal data. Only descriptive analysis was considered necessary.

In determining the internal consistency of the measurement instrument, reliability analysis was performed on the factors of the dimension that was extracted from the result of the data which consisting the factor of analysis. Reliability testing was done to test the appropriateness of questionnaire used in this study. In this study, reliability test employed the used of Cronbach Alpha as it is more frequently used reliability test tool by social researchers. According to Maslach and Jackson (1986), the reliability analysis scale can be accepted if the Cronbach Alpha coefficient is between 0.6 and 1.0.

Correlation analysis was used to identify the association among the major variables under the study. Specifically, the analysis identifies the strength and direction of the linear relationship between two variables. There are three reasons for employing correlation analysis in this study. Firstly, the analysis is needed to explore the direction of the relationships between variables. Secondly, it would suggest the most useful explanatory variables that correlate with the dependent variables. And the last, correlation analysis is used to determine the presence of the multicollinearity, which is a condition that needs to be checked before using regression analysis.

Regression analysis is useful to evaluate or to analyze the relationship between the dependent variable and several independent (predictors) variables. In this study, regression was carried out in the study to identify the relationship between IMO (independent variables) and organizational effectiveness (dependent variable), and at the same time identify the most contributory explanatory variables, and measurement the impacts of IMO toward organizational effectiveness in Mandiri and Danamon banks in Gorontalo.

3.6 Summary of the Chapter

This chapter explained the research design, populations, sample and sampling techniques, and methodology used in this the research. The variables and instruments design for the study was also indentifies. The populations and samples for the research are stated in this chapter and how the items of the questions were included. Lastly, in the next chapter the data analysis and processes were discussed.

CHAPTER FOUR

FINDING

4.1 Introduction

This chapter presents the results of statistical analyses that were described in chapter three. The respondent's demographic were discussed in the beginning of this chapter. Next the results of the statistical analysis were discussed to show descriptive and reliability analysis of the study to shows the relationships and the impacts through the variables of this study. Finally, the hypotheses were tested through regression and correlation, and were discussed to find out the relationship between the independent and dependent variables.

4.2 Respondent Profile

Table 4.2.1 Respondent Profiles

PROFILE	DESCRIPTIVE	FREQUENCY	(%)
Gender	Male	48	48
	Female	52	52
Total		100	100
Age	Below 30 years	46	46
	30-40 years	29	29
	41-50 years	18	18
	Above 50 years	7	7
Total		100	100

Table 4.2.1

Continue.

Religion	Islam	67	67
	Christian	22	22
	Buddha	6	6
	Hindu	5	5
Total		100	100
Marital Status	Single	62	62
	Married	26	26
	Divorce	12	12
Total		100	100
Education	High School	16	16
	Diploma	37	37
	Bachelor	34	34
	Master	10	10
	Doctoral	3	3
Total		100	100
Occupation	Manager	5	5
	Secretary	7	7
	Supervisor	15	15
	Customer Services	25	25
	Teller	33	33
	Others	15	15
Total		100	100
Salary	Below 3 million Rp	62	62
	3-5 million Rp	27	27
	Above 5 million	11	11
Total		100	100

The questionnaires were taken to the employees in Mandiri bank and Danamon bank in Gorontalo, Indonesia. In this research, the respondents were consisting of 48% male and 52% of female. Majority of the respondents were from below the age 30 is 46%, 30-40 years 29%, 40-50 years 18%, and less respondent is above 50 years 7%. Based on religion profile, Islam took the highest percentages which were 67%, following by Christian 22%, Buddha 6%, and Hindu 5%. The respondent who participated in this study were most holding the level of education which were 37% of diploma, 34% of Bachelor, 16% of high school, 10% of master, and PhD or doctoral level is 3%. The respondents based on occupation were consisting of Manager 5%, Secretary 7%, Supervisor 15%, customer services 25%, Teller 33%, and others 15%. From the level of salary, consist in below 3million rupiah 62%, 3-5million rupiah 27%, and above 5million rupiah 11%. Based on the explanation, therefore, most of the respondents were as teller and customer services.

4.3 Descriptive Analysis

Descriptive statistics was carried out to acquire a feel of the data for the major variables of the study, which took into account the mean, standard deviation, minimum and maximum value. and percentage of all the variables of the study. All the variables were measured using a 5 point Likert scale with 5 being strongly agree and 1 being strongly disagree.

Table 4.3.1: Descriptive statistics for dimension of IMO and Organizational Effectiveness

Variables	Mean	Standard Deviation
Formal Information Generation	3.66	0.40
Informal Information Generation	3.71	0.42
Information Dissemination	3.77	0.42
Responsiveness	3.85	0.38
Organizational Effectiveness	4.12	0.36

Table 4.2.1 summarized the descriptive statistics of the variables used in the research. All the variables measure using 5 point Likert scale. The descriptive statistics in the table indicated that all the values for variables measure in Likert scale were above the midpoint with standard deviation of 1 and below. The mean for organizational effectiveness recorded the highest score with 4.12 mean. Responsiveness toward organizational effectiveness has 3.85 mean, followed by information dissemination with 3.77 mean, and informal information generation toward organizational effectiveness with 3.71 mean. The formal information generation recorded a lowest mean score with 3.66.

4.4 Reliability Analysis

The internal analysis of study variables were analyzed using Cronbach's alpha values as exhibited in table 4.3.1. Reliability is the accuracy or the precision of measuring instrument to which the respondent could answers the same or approximately the same questions at the same each time (Staub, 1989). The closer reliability coefficient gets to 1.0, the more realible it is. In general, reliabilities less than 0.6 are considered to be poor, those in range of .7 are acceptable, and .8 are good (Sekaran, 2000). According to Malhotra (1993; 308) in Abdul Hamid (1999), the measurement of alpha coefficient or cronbach alpha test is if the variable measurement have 0.6 value or more, so the data are acceptable or reliable. The reliability analysis of this study measured in 0.735 cronbach alpha, that's mean, the study are acceptable.

Reliability Analysis

Table 4.4.1

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.735	0.734	31

In separate reliability measurement, the data also can be acceptable which scores around (>0.6). The table 4.4.2 below showed the alpha coefficient of each of variable. A pilot study was carried out with the implementation of Internal Market Orientation and Organizational Effectiveness through employees in Mandiri and Danamon banks

in Gorontalo. A total of 100 respondents are participated in this pilot study. The result of the study is summarized in the following table:

Table 4.4.2: Reliability coefficient of variable

Variable	Total of Items	Number of Items Deleted	Alpha Coefficient
Formal Information Generation	6	-	0.642
Formal Information Generation	5	-	0.635
Information Dissemination	7	-	0.631
Responsiveness	6	-	0.682
Organizational Effectiveness	7	-	0.650

The result of the reliability test for all dimensions of Internal Market Orientation and Organizational Performances shows that the Cronbach alpha coefficients were above 0.60, this could indicated the measures possesses acceptable reliability.

4.5 Correlation Analysis

Correlation analysis was carried out in this study to explore the strength and direction of the linear relationships between two variables. Specifically, this analysis could

answers the hypotheses that associated in this study which is to identify the relationship between the factors of Internal Market Orientation and Organizational Effectiveness variables. In determining the strength of the relationship, Pallant (2005) noted that a correlation of 0 signifies no relationship, a correlation of (1.0) signifies positive correlation and a value of (-1.0) signifies a negative correlation.

The Pearson's correlation analysis was conducted to examine the bivariate relationships among the independent, dependent and moderating variables. Table 4.5.1 display the result of correlation analyses between internal market orientation and organizational effectiveness. The detail of correlation analysis is shown in Table 4.5.1.

Table 4.5.1

variable	FIG	IIG	ID	R	OE
Formal Information Generation	1.000	0.431**	0.337**	0.233*	0.292**
Informal Information Generation	0.431**	1.000	0.348**	0.219*	0.340**
Information Dissemination	0.337**	0.348**	1.000	0.326**	0.350**
Responsiveness	0.233**	0.219*	0.328**	1.000	0.278**
Organizational Effectiveness	0.292**	0.340**	0.350**	0.278**	1.000

*Note: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$*

The analysis procedure was subjected to a two tailed test of statistical significance at two different levels: $p < 0.01$ and $p < 0.05$. overall, the result showed that all variables of internal market orientation includes *formal information generation*, *informal information generation*, *information dissemination*, *responsiveness*, and organizational effectiveness has a high significant correlation. Therefore, generally this will accept because all the variables significantly correlate each other. The high score of correlation is between formal information generation and informal information generation (0.431**), followed by organizational effectiveness and information dissemination (0.350**), informal information generation and information dissemination also reach high significant correlation (0.348**), followed by informal information generation and organizational effectiveness (0.340**). The lowest score for correlation analysis reached between responsiveness and informal information generation (0.219*).

4.6 Regressions Analysis

Based on the discussion made in Chapter 3, 4 main hypotheses were formulated. All of the five hypotheses was measure by correlation analysis. Multiple regressions were used to test the direct effects of Internal Market Orientation that consist of Formal information generation, Informal information generation, Information dissemination, and Responsiveness that climate on dependent variable (Organizational Effectiveness). Whereas, the relationship between Formal information generation,

Informal information generation, Information dissemination, and Responsiveness towards Organizational Effectiveness. Linear regression was used to test the effect of Internal Market Orientation towards Organizational Effectiveness.

Table 4.6.1

Relationship between independent variables and Organizational Effectiveness

Constructs	<i>Dependent Variables</i> Intention to Share Knowledge
<i>Independent Variables</i>	
Formal Information Generation	0.108
Informal Information Generation	0.192**
Information Dissemination	0.200**
Responsiveness	0.146
R ²	0.455
Adjusted R ²	0.207
Sig.	0.000
F value	6.202**
Durbin-Watson	1.617

Note: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The result obtained was also a bell shape histogram, which indicates that the data is normally distributed. Besides that, p-p plot values fall along the diagonal line, indicating that it was normally distributed.

Table 4.6.1 shows that regression test had presented inference statistics; approximately 45.5% of the dependent variable can be explained by the independent variables. The significant of F change is 0.000, thus this implies that there exist significant relationship between independent variables and dependant variable

(Organizational Effectiveness). The result of the regression analysis supported 4 hypotheses namely H1, H2, H3, H4 which is presented in chapter 3 of this study.

Based on the table 4.6.1 above, formal information generation are shown not have significant correlated at 10% level for the organizational effectiveness ($\beta = 0.108$). The beta value of 0.108 indicates positive value in formal information generation relationships but have poor significant value on the organizational effectiveness. Therefore, hypothesis H1 of the study is not supported.

The second variable which were informal information generation has significant impact and correlates positively at 1% level for the organizational effectiveness ($\beta = 0.192$). Beta value of 0.192 shows positive and significant value that informal information generation supported a positive impact on organizational effectiveness. As a result, hypothesis 2 on this study is supported.

Information dissemination shown the most significant impact and correlates positively with the organizational effectiveness at 1% level ($\beta = 0.200$). Beta value (β) of 0.200 shows that the information disseminations has a positive impact towards organizational effectiveness. As a result, the hypothesis 3 on this study is supported.

Finally, the independent variable for Responsiveness was shown is not statistically significant at >10% level for organizational effectiveness ($\beta = .146$). The beta value of 0.146 indicates that responsiveness variable has positive value but shown no

significant value on organizational effectiveness. Hence, hypothesis 4 shows there is no significant impact of responsiveness with organizational effectiveness. The result of regression analysis will be proving the hypotheses statement of this study. Based on the regression analysis, summary of hypotheses presented below.

Table 4.6.2 Summary of Hypotheses

Hypothesis	Variables	Results	β Value
H1	Formal information generation will have a positive effect on the organizational effectiveness.	Not Supported	$\beta = 0.108$
H2	Informal information generation will have a positive effect on the organizational effectiveness	Supported	$\beta = 0.192^{**}$
H3	Information dissemination will have a positive effect on the organizational effectiveness	Supported	$\beta = 0.200^{**}$
H4	Responsiveness will have a positive effect on organizational effectiveness	Not Supported	$\beta = 146$

*Note: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$*

4.8 Summary of the Chapter

This chapter explains the statistical results obtain and the interpretation of findings from the information gathered. The characteristics of the respondents in terms of gender, age, religion, and marital status, level of education, occupation, and salary were explained from the statistical matrix compiled.

The overall regression model was significant. Out of 4 hypotheses being tested, 2 hypotheses were supported and 2 were not supported. Table 4.7.1 shows the summary results of all the hypotheses testing.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter mainly aims to discuss the research findings and offers recommendations for further study. The main topics of the chapter include recapitulation of the study conducted, study implication, limitation of study and recommendation, and suggestion for future research.

5.2 Recapitulation of study

An attempt was made in present study to investigate the link between internal market orientation and organizational effectiveness, and their impact to each other. In order to investigate it, researcher provides several questions that statistically analyze the variables of IMO affect by organizational effectiveness in Mandiri and Danamon banks in Gorontalo:

1. How IMO relate to organizational effectiveness that implemented in Mandiri and Danamon banks in Gorontalo?
2. How the dimension of IMO practices (formal information generation, informal information generation, information dissemination, and responsiveness) relate to organizational effectiveness that implemented in Mandiri and Danamon banks in Gorontalo?

The study here analyzes the employees in Mandiri and Danamin banks in Gorontalo. 100 respondents are intending to analyze this study. From the descriptive analysis on a Likert scale of 1 to 5, formal information generation recorded an overall mean of 3.71 with a standard deviation of 0.40. informal information generation recorded an overall mean of 3.75 with the standard deviation of 0.42, followed by information dissemination with an overall mean of 3.80 with the standard deviation of 0.42. responsiveness had recorded the mean of 3.90 with the standard deviation of 0.38 and organizational effectiveness recorded the mean of 4.20 with the standard deviation of 0.37. Based on this result, it could be seen that the respondents' responded was almost agree to the organizational effectiveness. Based on the descriptive results obtained in this research, the relationship between IMO toward organizational effectiveness can be considered on good.

5.3 Discussion

5.3.1 Relationship between Formal Information Generation and Organizational Effectiveness in Mandiri and Danamon banks in Gorontalo.

The result on chapter 5 (findings) indicates, there is a significant correlation between formal information generation and organizational effectiveness. But, the formal information generation has poor of significant affect towards organizational effectiveness. Beta value of 0.108 indicates positive value in formal information

generation relationships but have poor significant value on the organizational effectiveness.

According to Ewing and Caruana (1999); McDonald, de Chernatony, and Harris (2001), the needs for managers to generate the Information about the things in organization that could created value are the exchanged in internal market. The Formal Information Generation is the formal approaches that running by management in organization which is manifest in two modes: (1) the use of written media, and (2) formal face-to-face interactions (Cobb, Samuels, and Sexton 1998). In order to create the greater degree of the study in formal information generation of IMO, Lings and Greenley (2005) mentioned, is needed to investigate the study by adding the element of the research such as surveys, observations, and face-to-face interview through the respondent of the survey.

However, result of the study shown that there is a significant relationship between Formal Information Generation towards Organizational Effectiveness. But, because of several factors that mentioned above, the affect of formal information generation has a poor significant with organizational effectiveness.

5.3.2 Relationship between Informal Information Generation and Organizational Effectiveness in Mandiri and Danamon banks in Gorontalo.

The results demonstrate that there was a strong positive relationship between informal information generation towards organizational effectiveness in Mandiri and Danamon banks in Gorontalo. The correlation measurement score 0.292 of relationship level for both variables, and for the regression, the informal information generation is found to be positively and significant correlated at 10% level for Organizational Effectiveness ($\beta = 0.192$).

According to Lings and Greenley (2005), Informal Information Generation is the directly approaches that using by management through their employees. Informal information generation could create the close of physical proximity of managers and their front-line staff by providing informal day-to-day and face-to-face interactions. This approaches could create the independently answers among the employees. It's could useful to get an independent answers about the employees job designed, what employees should do in their jobs, employees expectations (*input and output*) in the organization.

Based on explanation above, researcher can assume that in theoretically, informal information generation is well related to organizational effectiveness. As well as mentioned by Robey (1994) which followed the Bass criteria, to be an effective

organization, the organization must fulfill the need of members in organization, stakeholders and society. Therefore, the result later could be used to measure the improvement of organizational effectiveness by using the informal information generation, beside it, the result also could used to assumed that informal information generation will lead to a greater attitude towards organizational effectiveness among Mandiri and Danamon banks in Gorontalo.

5.3.3 Relationship between Information Dissemination and Organizational Effectiveness in Mandiri and Danamon banks in Gorontalo.

The information dissemination is found to be positively correlated at 10% of level of organizational effectiveness ($\beta = 0.200$). The beta value of 0.216 indicates that an information dissemination could be one of influential variables in explaining the relationship between IMO and organizational effectiveness.

Johlke et al., (2000) describing, information dissemination is communication or transfer of information to one entity to another that derived by organizations. Based on the result founded, there is a significant relationship between information dissemination and organizational effectiveness, and also have a significant affect between both variables. The result is almost same with the result by Ian and Gordon (2005) that the information dissemination affects the organizational performances. According to Pennings & Goodman, (1977), Efficiency and effectiveness are

performance domains that have been clearly distinguished. Efficiency refers to an input-output ratio or comparison, whereas effectiveness refers to an absolute level of either input acquisition or outcome attainment, and then the effectiveness related to organizational performances.

Therefore, result on the finding already shown that the communication or information dissemination become one stronger factors of internal market organization that affects organizational effectiveness. Based on the findings, research can suggest that information dissemination could improve organizational effectiveness.

5.3.4 Relationship between Responsiveness and Organizational Effectiveness in Mandiri and Danamon banks in Gorontalo.

Responsiveness was less significant but positively related to the organizational effectiveness in Mandiri and Danamon banks with beta value ($\beta = 0.146$).

Steers (1977) summarized of some contributing factors to the ultimate success of an organization. Those factors can be found in four general domains, includes: (1) organizational characteristic (structure and technology), (2) environmental characteristics (external and internal), (3) employee characteristics (organizational attachment and job performance), and (4), managerial policy and practice. On the Steers (1977) theory, all contributing factors of organizational effectiveness related to all internal market orientation, also the responsiveness on internal market.

Responsiveness of internal market involves the responding to the information generated about wants and needs of employees that could create employees characteristics due with organization goals (Lings and Greenley, 2005). Berry and Parasuraman (1991) mentioned that responsiveness involved in marketing literatures as the one factors of IMO information to create job products, meeting the need of employees, and thus satisfying and motivating them.

Therefore, the finding result found that a significant relationship between responsiveness of internal market and organizational effectiveness, and also responsiveness of internal market affects organizational effectiveness but have poor of significant impacts for both of variable with beta value of 0.146.

5.4 Implications/ Contribution

5.4.1 Implications for researchers

In order to provide better understanding for this scope of study, future researches should focus on different areas to overcome the limitations of the present study. Based on this study, future researcher should focus and seek a deeper understanding on the factors of IMO toward organizational effectiveness of Mandiri and Danamon banks in Gorontalo. Structure studies, survey, interviews and case studies should be conducted out in order to understand the respondent's attitude and behavior. The

researchers need a better understanding of the respondents to develop useful indicators for future studies.

This research has identified a set of measures affected for IMO towards organizational effectiveness that taken the object of study in Mandiri and Danamon banks in Gorontalo by identifies and investigates areas of expected factors and improvement. Subsequently, the study gives a summarizing picture of IMO includes the dimensionality of IMO that consist of formal information generation, informal information generation, information dissemination, and responsiveness. Therefore, future researchers could consider more factors such as team learning, employee's attitude, perceived usefulness, leadership style, personality trait, and customer satisfaction in their study.

According to Moon and Kim (2001) Modification of the models may help to maximize their predictive efficacy. This study was focused on the factors that derived by an IMO, and the implementation of IMO towards organizational effectiveness in Mandiri and Danamon banks Gorontalo. Therefore, for suggestion in future studies, the studies could include the IMO implementation toward company's cultures, IMO implementation towards personality attitude and trait, or the IMO implementation towards customer satisfaction.

The future study also should includes special awareness that could be geared towards

finding differences in this study such as, the employees task structures, communication/ information style, and leadership style in different banks.

Finally, to increase reliability and prevent the respondent bias that could increase the population targeted of what the study's objective, researcher could add the data collection such as interview, survey, and observation that could improve to a better result and understanding of the study.

5.4.2 Implications for practitioners

Banks is a service industry comprised of companies that primarily earn revenue through providing intangible products and services. As a services industry bank should taken control of their human resources in organization, in this case how the organization managing their human resources in order to provides better services. The services offering by the banks are different with in new markets banks.

According to (Hill and Kennington, 1996; Tomas'evic-Lis'anin, 1997), banks in the new markets, has a substantial lack of marketing philosophy and practice is assumed if we compare them with banks from more developed markets, and also neglected in this respect that usually could describing by their less of hospitality (Anwar and Sohail, 2003).

Banks in the operationalizing are supports by their employees in order provides better services, acknowledgment of the services and products offerings, goals and strategy of the company, and any other that can be the job task running by employees. In order to provide its, bank should able to achieve what employees need and want that for all of it could create organizational effectiveness through the banks. An implementation of IMO could be the way to realize it. IMO provide the “output and input” (what the employees should do in the organization, and what employees get out from the jobs). The dimension of IMO can provide and teach the employees and the management on how they generalize the information, communication, and also to provide things that employees should do in their internal organization that could reach and affects the organizational effectiveness.

5.5 Limitation of study

There are several limitations of this study. First, the sample size of the study is small due to the time constraint, and the uncooperative of object of research that make the time for data collection running slowly. Total 100 of questionnaire already fulfill by the respondents completely due with objectives of study. The uncooperative by objects of the study, in this case is the banks in Gorontalo that didn't give an approval to taken study in another banks in Gorontalo. In order to obtaining more accurate result, the study should require a larger simple size of data.

The second is the limited numbers of similar research that has been carried out on this topic. Therefore, to overcome this limitation, this research had included literature review from other literature that relate and derived to the topic.

Finally, the third is the relevance of this study remains confined by and large to the area and the bureaucracy of the objects of study, and also the understanding of the respondents for objective of study. Thus, the findings and implications drawn from this study cannot be readily generalized to other groups. Lastly, despite the rigorously inspection on the credibility and reliability of the collected data, this study may have some general method bias, as is often the case with survey research studies.

5.6 Future research

More research can be conducted to examine the proposed model on the demography of respondent such as gender, tenure, level of education, salary or communication/information style based on implementation of IMO towards organizational effectiveness in banks.

Firstly, this research could be carried out for other banks to provide a better understanding on the factors of IMO that support or restrain the organizational effectiveness in banks, and the future researches can analyses the factor that can eventually lead to the formal information generation and responsiveness to internal market to provide broader perspectives of IMO towards organizational effectiveness.

The further research of the IMO towards organizational effectiveness also could be developing in another banks, firms, and industries. Finally, more variables could be examined as an extension to this study. Other variables reflecting factors such as organizational style and structures, attitude, personality traits, leadership style, customer satisfaction should be included in future researches.

5.7 Conclusion

It is important to understand the factors that support IMO that could gain impacts and also improve organizational effectiveness that could derive to accomplish organization objectives.

Banks is not only try to running their objective by force, motivating, and provides job task to the employees, but also they should know the needs and wants of employees to achieve sustainable environment that could impacts to create great cooperative on organization, effectiveness and organizational objectives. It is hoped that this research would be able to achieve some insight to the understanding the dimensional of IMO towards organizational effectiveness through Mandiri and Danamon banks in Gorontalo, while at the same time could provide some selection guidelines for the banks when selecting on the wide choice of IMO factors that influence of organizational effectiveness.

Huseman & Hatfield (1990) mentioned, the evaluation of employees divided in two points, Input and Output. The input is about what the employees puts into the job, includes effort on the job, time taken through the jobs perform, loyalty, and compliance to organizational policies. The output is about what employees get out from their jobs. The output includes of fair market pay, fringe benefits, and less tangible rewards such as status, recognition for good work, and sense of accomplishment.

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APPENDIX I

QUESTIONNAIRE

Dear Respondent,

This questionnaire aims to complete researcher study about the relationship of Internal Market Orientation and Organizational Performances in private conventional Bank in Gorontalo. Please answer honestly all items in the questionnaire. I guarantee confidentially as all information will be solely for the purpose of research. Your assistance and participation in this study are very much appreciated. Thank you very much for your time and kind support.

Questionare ini bertujuan untuk malengkapi studi dari peneliti tentang hubungan antara orientasi internal pasar (IMO) dan kinerja onrganisasi pada Bank swasta konvensional di Gorontalo. Anda dimohon untuk menjawab secara jujur dari semua pertanyaan dalam kuesioner ini. Saya menjamin bahwa segala informasi yang anda berikan dalam kuesioner ini adalah hanya untuk kepentingan penelitian saja. Bantuan dan partisipasi anda akan sangat dihargai. Terima kasih atas waktu dan dukungannya.

Sincerely,

Andi Juanna

MSc Candidate

College of Business

Universiti Utara Malaysia

SECTION A

PERSONAL DATA. (DATA PRIBADI)

Please mark (✓) at the relevant spaces. (Silahkan beri tanda (✓) pada kotak yang disediakan)

1. Gender: ☐ Male ☐ Female
(Jenis Kelamin) (Pria) (Wanita)

2. Occupation: ☐ Supervisor ☐ Secretary
(Jabatan) (Supervisor) (sekretaris)

☐ Customer Services ☐ Teller
(Layanan Konsumen) (Kasir)

Others, please state (Lain-lain,nyatakan):

3. Education: ☐ High School ☐ Diploma
(Pendidikan)

☐ Bachelor Degree ☐ Master Degree

☐ Doctor/PhD

4. Religion: (Agama)

☐ Islam ☐ Christian

☐ Hindu ☐ Buddha

5. Age: (Umur)

☐ Below 30 years ☐ 30-40 YEARS
(<30 tahun) (31-40 tahun)

☐ 41-50 years ☐ above 50 years

(41-50 tahun)

(Diatas 50 tahun)

6. Marital Status:

(Status Pernikahan)

☐

Single

(Belum kawin)

☐

Married

(Kawin)

☐

Divorce

(Cerai)

Others, please state (Lain-lain,nyatakan):

7. Salary per Month:

(Penghasilan per Bulan)

☐

Below 3 Million Rupiah

(Dibawah Rp 3 Juta)

☐

3 Million -5 Million Rupiah

(Rp 3 Juta-Rp 5 Juta)

☐

Above 5 Million Rupiah

SECTION B: Formal Information Generation

According to Cobb, Samuels, and Sexton (1998), formal approaches to information generation are manifest in two modes: the use of written of media (e.g., questionnaires, and job satisfaction surveys) and formal face-to-face information (e.g., interviews, appraisals, and meetings).

Instructions: This section contains a series of statements that relate to the formal information that was given to employees as a direction to perform the jobs. For each statement, please circle **ONE** of the numbers that could be the best choice of your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan informasi formal yang telah diketahui oleh karyawan sebagai petunjuk dalam melaksanakan pekerjaannya. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

	1 Strongly Disagree (Sangat Tidak Setuju)	2 Disagree (Tidak Setuju)	3 Neither (disagree&agree) (tidak kedua-duanya)	4 Agree (Setuju)	5 Strongly Agree (Sangat Setuju)
1.	Company provide obviously written informations to the employees as a direction to perform their task. (perusahaan memberikan informasi tertulis dengan jelas kepada karyawan seagain petunjuk dalam menjalankan perkejaannya)			1 2 3 4 5	
2.	Company provide oral (face to face) informations to the employees to make them convenient for their jobs (perusahaan memberikan informasi secara lisan kepada karyawan agar karyawan merasa nyaman pada kerja mereka)			1 2 3 4 5	
3.	Company provide routine interactions (e.g interview, meetings) with the employees. (perusahaan memberikan interaksi rutin pada karyawan seperti interview dan pertemuan-pertemuan)			1 2 3 4 5	
4.	Company provides certain announcement to employees as they directions for perform their jobs (perusahaan memberikan pemberitahuan/ pengumuman kepada karyawannya sebagai petunjuk bagi mereka dalam bekerja)			1 2 3 4 5	

5.	Managers always perform daily/ face to face conversation with their front liner staff to keep good situation on the jobs environetment <i>(manajer selalu melaksanakan percakapan empat mata atau sehari-hari dengan para stafnya untuk menjaga situasi yang baik pada lingkungan kerja karyawan)</i>	1	2	3	4	5
6.	Company provides surveys through their employees to improve their jobs performances <i>(perusahaan memberikan survey kepada karyawannya untuk meningkatkan kinerja karyawan dalam bekerja)</i>					

SECTION C: Informal Information Generation

According to Links (2004), informal information generation is the close physical proximity of managers and their front-line staff provides scope for informal day-to-day, face-to-face interaction.

Instructions: This section contains a series of statements that relate to the Informal information that was given to employees as a direction to perform the jobs. For each statement, please circle **ONE** of the numbers that could be the best choice of your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan informasi informal yang telah diketahui oleh karyawan sebagai petunjuk dalam melaksanakan pekerjaannya. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4	5
Strongly Disagree <i>(Sangat Tidak Setuju)</i>	Disagree <i>(Tidak Setuju)</i>	Neither (disagree&agree) <i>(tidak kedua-duanya)</i>	Agree <i>(Setuju)</i>	Strongly Agree <i>(Sangat Setuju)</i>

1.	Employer always act as well as employees to gain comfortable relation between both of them	1	2	3	4	5
----	--	---	---	---	---	---

	(perusahaan selalu bertingkah sebagaimana karyawan lainnya untuk memberikan hubungan yang baik diantara kedua belah pihak)	
2.	Employer always look friendly to me (pimpinan selalu bersahabat dengan saya)	1 2 3 4 5
3.	Employer always help me if I face the problem from my jobs (pimpinan selalu membantu saya jika saya menghadapi masalah dalam pekerjaan)	1 2 3 4 5
4.	I can always make a complaint directly to my manager about my job task (saya selalu dapat memberikan keluhan secara langsung pada manajer saya mengenai pekerjaan saya)	1 2 3 4 5
5.	I feel safe to work and enjoy to perform my job task (saya merasa nyaman untuk bekerja, dan menikmati pekerjaan saya)	

SECTION D: Information Dissemination

According to Johlke et al., (2000), information dissemination is a communication or transfer information within the organization from one entity to another

Instructions: This section contains a series of statements that relate to the information dissemination toward job performing by employees. For each question, please circle **ONE** of the numbers that best described your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan penyebaran informasi oleh perusahaan terhadap karyawan. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1 Strongly Disagree (Sangat Tidak Setuju)	2 Disagree (Tidak Setuju)	3 Neither (disagree&agree) (tidak kedua-duanya)	3 Agree (Setuju)	4 Strongly Agree (Sangat Setuju)
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1.	The company given appropriate information to employee to help perform employee's job <i>(perusahaan telah memberikan informasi yang jelas pada karyawan untuk membantu melaksanakan kerja)</i>	1 2 3 4 5
2.	The company was provided standard of service that employees running <i>(perusahaan telah menetapkan standard servis yang dijalankan oleh karyawan)</i>	1 2 3 4 5
3.	I can provide better services that could fit with the customers need and wants <i>(saya dapat memberikan pelayanan terbaik yang sesuai dengan kebutuhan dan keinginan konsumen)</i>	1 2 3 4 5
4.	Company was explain the objectives and strategy that can be used as a direction to serve the customers. <i>(perusahaan telah menjelaskan strategi dan tujuan perusahaan dimana dapat digunakan sebagai petunjuk untuk melayani konsumen)</i>	1 2 3 4 5
5.	I can explain nicely the benefits, characteristics of products and services offered to attract customers. <i>(saya dapat menjelaskan secara baik keuntungan dari produk dan servis yang ditawarkan kepada konsumen untuk membuat konsumen tertarik)</i>	1 2 3 4 5
6.	I can explain nicely to the customer which product or service that fit with their needs and wants <i>(saya dapat memberikan penjelasan secara baik pada konsumen mengenai produk/ servis apa yang sesuai dengan keinginan dan keperluan mereka)</i>	1 2 3 4 5
7.	I already understand things that I should perform in my job tasks. <i>(saya sangat paham mengenain hal-hal yang harus saya kerjakan dalam pekerjaan saya)</i>	1 2 3 4 5

SECTION E: Responsiveness to the Internal Market

According to Berry and Parasuraman (1991); Sasser and Arbeit (1976); Staus and Schulze (1990), Responsiveness to the internal market, as an factors within marketing as the common suggested for IMO information in order to create a job products, meeting the needs of employees and thus satisfying them, as the energy for employees, and value for the firm's. according to Links (2004), responsiveness could means the augmenting internal products offerings (jobs with such things as flexible working hours, salaries, and other benefit for their jobs.

Instructions: This section contains a series of statements that relate to the responsiveness of the company toward their internal customer (employees). For each statement, please circle **ONE** of the numbers that best described your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan ketanggapan perusahaan terhadap internal konsumennya (karyawan). Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

	1 Strongly Disagree (Sangat Tidak Setuju)	2 Disagree (Tidak Setuju)	3 Neither (disagree&agree) (tidak kedua-duanya)	4 Agree (Setuju)	5 Strongly Agree (Sangat Setuju)
1.	Company provide an Favor job for me that due with my ability (perusahaan memeberikan pekerjaan yang sesuai dengan kemampuan saya)		1 2 3 4 5		
2.	Company provide an appropriate job for me that due with my level of education (perusahaan memberikan pekerjaan yang sesuai dengan tingkat pedidikan saya)		1 2 3 4 5		
3.	I've got sufficient incentives due with my jobs in the company (saya menerima insentif yang sesuai dengan pekerjaan saya di perusahaan)		1 2 3 4 5		
4.	I have same working hours with other employees in the related companys (Saya mempunyai waktu kerja yang sama dengan kayawan lain pada		1 2 3 4 5		

	<i>perusahaan di bidang yang sama)</i>	
5.	More I can perform my job tasks, more bonuses that I could get <i>(lebih banyak kerja yang saya jalankan, lebih banyak bonus yang saya dapatkan)</i>	1 2 3 4 5
6.	Company provides carrier development opportunities through their employees in particular conditions e.g., capability on jobs performance, time of work in the company, etc. <i>(prusahaan memberikan kesempatan untuk meningkatkan karir karyawan pada kondisi tertentu seperti, kemampuan dalam bekerja, lamanya waku bekerja pada perusahaan dll).</i>	1 2 3 4 5

SECTION F: Organizational Effectiveness measurement

According to (Dunham, Grube & Castaneda, 1994; Mathieu & Hamel, 1989; Meyer & Allen, 1997). They found that the factors that influence commitment that could gain organizational effectiveness includes: (a) personal characteristics such as demographic characteristics and personal motivation (personality); (b) job satisfaction; (c) job involvement; (d) organizational characteristics such as organization size, structure, and climate; and (e) environmental conditions (external and internal).

*Instructions: This section contains a series of statements that relate to the Organizational Effectiveness measurement of the company toward their internal customer (employees). For each statement, please circle **ONE** of the numbers that best described your feelings according to the scale.*

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan ukuran efektif organisasi terhadap internal konsumennya (karyawan). Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4	5
Strongly Disagree (Sangat Tidak Setuju)	Disagree (Tidak Setuju)	Neither (disagree&agree) (tidak kedua-duanya)	Agree (Setuju)	Strongly Agree (Sangat Setuju)
1.	I feel satisfied to work because I can improve my skills on the job tasks <i>(saya merasa puas dalam bekerja karena saya dapat mengembangkan skill saya)</i>		1 2 3 4 5	
2.	Company didn't force or pressure the employees to work hard <i>(tidak memaksa karyawannya dalam bekerja)</i>		1 2 3 4 5	
3.	Company was very open minded or attention for employees needs and wants <i>(perusahaan sangat terbuka/ perhatian dalam menanggapi keinginan dan keperluan karyawannya)</i>		1 2 3 4 5	
4.	Company have their own policy in order to develop their employees carrier <i>(perusahaan mempunyai kebijakan sendiri dalam mengangkat karir karyawan-karyawannya)</i>		1 2 3 4 5	
5.	I can see that company provide benefits to me and family from my carrier in the company <i>(saya dapat melihat bahwa perusahaan memberikan keuntungan pada saya dan keluarga dari pekerjaan saya)</i>		1 2 3 4 5	
6.	Company have their certain policy through their employees in order to gain company's goals <i>(perusahaan memiliki kebijakan tertentu pada karyawannya dalam mewujudkan tujuan perusahaan).</i>		1 2 3 4 5	
7.	Company provides benefits through their external (social) environment		1 2 3 4 5	

	(perusahaan memberikan keuntungan pada sekitar lingkungannya).	
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SECTION G: Critical and Suggestion *(Kritik dan Saran)*

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THANK YOU