The Relationship between Internal Marketing Orientation and Employee Job Satisfaction In Public Sector

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Abstract
The main objective of this paper was to examine the relationship between internal marketing orientation and employee job satisfaction. To accomplish such relation, three dimensions of internal marketing orientation which were internal marketing research, internal communication, and internal response have been used within this study. While, the two dimensions that measure employee job satisfaction were intrinsic satisfaction and extrinsic satisfaction. Data were gathered through a questionnaire survey of supporting staff at University Utara Malaysia. Correlation and regression analysis were used to examine the relationship between internal marketing orientation and employee job satisfaction. The result indicated that internal marketing orientation positively correlated with employee job satisfaction. The regression result revealed that only 40.9% of the variance in job satisfaction has been significantly explained by the three dimensions of internal marketing orientation. Likewise, the result showed that the most influence dimension of internal marketing orientation on employee job satisfaction was internal response.

Key Words: Internal marketing orientation, employee job satisfaction, public sector

1.0 Introduction
Internal marketing orientation is an important concept where organizations apply marketing tools to attract and retain the best employees, which will affect business performance. The term internal marketing orientation is defined as viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organizations (Berry, 1981). Internal marketing orientation began as a method to motivate and satisfy employees, developed through a customer orientation phase (Rafiq & Ahmed, 2000). Regarding the internal marketing orientation concept, the organizations will be able to manage their performances in today’s competitive environment.

Kotler (2000) said that internal marketing is more important than the traditional external marketing. That is because employees are also consumers, where the organization has to take care of its employees and build organization value for every member to follow (Kotler, 2004). In addition, Greene et al. (1994) suggest that internal marketing orientation is the key to excellent service and success of external marketing. Both views justify the exploration of the concept of marketing, i.e. internal marketing orientation, within a business organization in the service sector.

However, Farzad (2007) asserts that the fundamental tool for achieving employee satisfaction is the treatment of employees as customers. The concept of internal marketing has
evolved from the original conceptualisation of employee satisfaction/motivation by treating employees as customers and jobs as products for improving service quality (Sasser and Arbig, 1976; Berry, 1981), to customer orientation/market orientation and the use of marketing-like approach and marketing-like tools internally to motivate employees (Gronroos, 1985).

Moreover, in terms of market orientation concept, literatures have shown that, internal market orientation has an impact on employees’ roles and responsibilities in the form of employee satisfaction. However, if employees have awareness of market orientation and how it relates to their roles and responsibilities, employees will have better job satisfaction because management’s react is better to the employees. In relation to that, Gronroos (1985) mentioned that internal marketing orientation is about motivating the employees by active marketing-like activities:

“holding that an organisation’s internal market of employees can be influenced most effectively and hence motivated to customer-consciousness, market-orientation and sales-mindedness by a marketing-like internal approach and by applying marketing-like activities internally.”

Organization should respect their employees and treat them as internal customers. Hence, in order to attract, motivate, and maintain employees, the organization should meet their requirements and treat them as customers in order to build up the employee loyalty. According to Chi, et. al. (2008), in order to achieve organizational expectation, the employees will be searching for improvement and motivational methods such as motivation system, training and job design, etc. to increase their organizational and individual performance. In short, the creation of a market-oriented culture results in internal customer satisfaction and improved service quality, which leads to customer satisfaction and success in the external market.

In addition, Varey & Lewis (1999) reveal that internal marketing incorporates marketing, management, quality control, communications, and human resource departments in order to implement the program. However, according to Ahmed, Rafiq and Saad (2003), to implement any business strategy internally requires the whole range of HRM tools to be added. Nowadays, all organizations are aware of the trends within management literature that had seen the relative importance of job satisfaction especially in relation to Human Resource Management (HRM). However, HRM has been critiqued because of an over-emphasis on job satisfaction, were increased productivity is attempted though, more than anything else, satisfying employee needs and wants (Petty, 1984). Moreover, Joseph (1996) suggests that internal market should be incorporated with HRM theories, technologies and principles. That because internal marketing orientation is contributing to HR effectiveness.

2.0 Literature review

Human beings strive to seek satisfaction in every aspect of their life. From satisfying their basic primal needs - hunger, thirst, rest and social interaction - the complex society today has its benchmark of goals and fulfillment that should be achieved by individuals. This set of goals and fulfillment includes securing a good job, preferably with a good pay and hopefully, with job satisfaction. It is so hard to achieve job satisfaction. Human beings are known for their nature of being hard to please. It is human nature to be inquisitive and curious. There are many ways to seek satisfaction and different people opted for different ways to search for job satisfaction. There is a general rule of thumb - change mindset and be realistic in expectations. A popular definition of job satisfaction is an individual’s attitude toward his or her job. Lawler
(1973) definition of job satisfaction is a person’s affective reaction to his total work role. Kallerberg (1977) gave another definition: job satisfaction refers to an overall affective orientation on the part of individuals toward work roles which they are presently occupying.

In addition and according to Locke (1976), one of the most frequently studied concepts in organizational sciences. According to Zeffane (1994) job satisfaction is one of the most widely debated topics in the areas of organizational behavior and human resource management. One of the reasons is that an understanding of the likely antecedents of satisfaction should assist the development of applied models of organizational behavior and work redesign. However, despite a late start in empirical research, it has become one of the most frequently studied areas in organizational psychology, with estimated 4,000 plus published studies. Much earlier, Locke (1976) had reported that over 3,000 job satisfaction studies have been published by 1972. In total, the results of many studies shown that employees need clear directions regarding their work environment and that the task and job designs should be given a higher priority among employees. Job design could be conceived as being similar to aspects of the job which facilitate the development of structural, social and financial bonds.

2.1 Factors affecting Job Satisfaction and the related Theories

According to Herzberg’s opinion (1966) the leading dissatisfactions are Company policy, Supervision, Relationship with Boss, Work conditions, Salary, Relationship with Peers. The Leading to Satisfaction of a job are Achievement, Recognition, Work itself, Responsibility, Advancement, and Growth and so on. In his study he finally, concluded the following factors that affecting Job satisfaction.

Another popular definition of job satisfaction is an individual’s attitude toward his or her job. Locke (1969), for instance, defined job satisfaction as: the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job value. In line with that, Lawler (1973) gave a shorter definition of job satisfaction: “a person’s affective reaction to his total work role. Kallerberg, (1977), gave another definition: “job satisfaction refers to an overall affective orientation on the part of individuals toward work roles which they are presently occupying. Hence, satisfaction, according to several schools of thought, depends variously on the individual’s expectations, needs physical and psychological, and values. According to Clark (1996), work attributes that involve mental challenge can lead to satisfaction but mental challenge can bring about dissatisfaction. However, according to Gruneberg (1979), there is no agreed definition of the concept of job satisfaction. Theories of job satisfaction take two forms: content theories and process theories.

2.2 Content and Process Theories

Content theories attempt to identify the factors which contribute to job satisfaction and job dissatisfaction. Maslow’s ‘Need Theory’ (1954), Herzberg etal’s, Two Factor Theory (1959), and McGregor’s ‘Theory X and Y’ (1960) have been related as content theories because they are primarily an “attempt to specify the particular needs that must be attained for individual to be satisfied with his job” (Locke, 1976). While, Process theory attempts to make the interaction among variables in their relationship to job satisfaction: job satisfaction is determined by the extent of discrepancy between what the job offers and what the individual expects, what the individual needs, and what the individual values (Gruneberg, 1979). Discrepancy theory, fulfillment theory and expectancy theory are some examples of these theories. However, Herzberg’s theory distinguishes between satisfiers or motivators and dissatisfies. Maslow’s assumes a hierarchy of causal variables, which fluctuate in importance depending on circumstances. Expectancy theories, such as those developed by Vroom (1964) and Lawler
(1973) are based on the assumption that each person’s intrinsic motivation is determined by his or her perception of the desirability of rewards and the chances of attaining them. Fulfillment theory places the emphasis on a worker’s evaluation of job-related outcomes. Discrepancy theory developed to account for individual differences in evaluating job outcomes. According to Srivasta et al (1977) one can identify several categories of variables from the different schools of thought. These variable categories are the work itself, job characteristics, rewards can be considered as intrinsic and extrinsic, supervisory style, personal characteristics, internal states, working conditions, interpersonal relationships, work values, role factors, job fit and organizational factors and so on. However, some of these variables, such as work values, have been predicted but not empirically tested as influencing job satisfaction and performance (Locke, 1970).

2.3 Relationship between Internal Market Orientation and Job Satisfaction

The centrality of customer orientation reflects its importance in the marketing literature and its central role in achieving customer satisfaction and hence organizational goals. Rafiq and Ahmed highlighted the key role of training in customer orientation and customer satisfaction. They explained that employees also need the right type and level of training to perform their jobs. This can help to reduce ambiguity surrounding their role and help employees to meet the needs of customers more effectively. (Rafiq and Ahmed, 2000).

Gounaris (2008) found that the practice of internal marketing orientation and satisfaction of job are positively related. It was revealed that Internal Market Orientation is a significant variable in employee job satisfaction, and therefore, the internal market can truly be effective by practicing it. Hence, organization should pay attention to needs of their employees and internal market orientation could be further developed. Melten (2005), states it this way, “the internal support concept is grounded in the view of the service contact workers as consumers of internal resources generated and supplied by others within the firm.” More specifically, internal marketing orientation focuses on ways to improve the job characteristics such that employee satisfaction increases. The implied assumption is that satisfied employees will perform their jobs better and impact customer satisfaction (Berry 1981, 1983). Satisfied internal customers will also be loyal and less likely to change jobs; thereby, reducing turnover. According to Donavan et al. (2004), implementing the marketing concept and at the individual level of the employee serving the customer precedes the application of marketing externally. Studies by Hoffman and Ingram, (1992); Pettijohn, et al, (2002) reveal that customer orientation at the individual employee level increases following the increments of job satisfaction levels. Concerning to its significance, job satisfaction has been shown in the HRM’s studies is one of the most important element that is taking broad solicitude from the researchers. In relation to that, Mavondo, Chimhanzi and Stewart (2005) indicate that the relationship between human resource practices and operating efficiency and marketing effectiveness and its significant association with financial performance draws attention to an important issue. Furthermore, one of their suggestions is that marketers must consider incorporating human resource practices in models of market orientation as this provides a holistic presentation and adds realism to such models. Such models would recognize the centrality of human resource practices in achieving organizational performance.

Conduit (2001) proposed a model linking market orientation to customer satisfaction. This model addresses nature of influence and the key research area are the organizational interface of internal market on customer satisfaction. The importance to identify internal customer and addressing satisfaction are widely touted. To recognize the quality of service between internal and external customer satisfaction provides explanation about the relation between them. The
model brings a greater and better understandings of employees’ role in creating for satisfy the customer. Creation of the market orientation culture internally could increase the quality of service and later lead to the achievement in external market.

3.0 Statement of the problem

Human beings try hard to look for satisfaction in every aspect of their life. They try to satisfy their basic principal needs - hunger, thirst, rest and social interaction, because the complex society today has its standard of goals and fulfillment that should be achieved by individuals. This set of goals and fulfillment includes securing a good job, preferably with a good pay and hopefully, with job satisfaction. It is so hard to achieve job satisfaction, because human beings are known for their nature of being hard to please. It is human nature to be inquisitive and curios. There are many ways to seek satisfaction and different people opted for different ways to search for job satisfaction. Therefore, where there is a question of job or employee the burning issue comes whether the employee is satisfied or not? Sometimes employee thinks s/he cannot fulfill her/his boss demand, sometimes employee think s/he could complete his/her role, and negatively employee can also think their boss is pressuring him/her, no one is listening her/him. All these bring stress to the employee. Being stressful employee could turn to become unsatisfied with their job. Thus, recognition of the role of internal customers in the delivery of service quality and the resultant customer satisfaction raises the query of how an organization can achieve a suitable level of job satisfaction. This because if employees feel they are badly treated or unhappy in the workplace, they are more likely to reveal their restlessness to subjects outside the organization. This can have a devastating effect on organizations reputation. In line with that, dissatisfaction increases the possibility that employees will negatively adjust the quantity and quality of their inputs, and these will affect the organization achievement. This is because the achievement of the organization’s objective is only realized when the external marketing is consistent with the actual consumer’s experience (consumers’ perceptions) and, to achieve this, internal resources need to be carefully considered and deployed. One such important resource that is consistently attributed to organizational performance is the employee (Harris and Ogbonna, 2000; George, 1990; McDonald et al, 2001). Consequently, the concept of internal marketing orientation that Berry (1976) has suggested to describe the company’s effort to understand employees’ needs and increase their job-satisfaction, so that customers could receive a better service. Furthermore, as mentioned by Lings (2004), IMO is about identifying and satisfying the wants and needs of employees as a prerequisite to satisfying the wants and needs of customers. In the late of 1970s when Berry et al. (1976) first introduced the term, the literature on IMO increased considerably. However, the number of companies exercising IMO remains small (Rafiq and Ahmed, 2000). As Rafiq and Ahmed suggest the lack of a single and unanimously agreed upon definition, as well as the lack of clarity regarding the functional responsibility for its implementation, may explain why IMO remains an area most companies neglect, Gounaris (2008).

As Berry (1976) mentions that IMO relied on two principles. Firstly, it is important to satisfy employees’ needs before the company can satisfy the needs of its customers. Secondly, the rules that apply in the company’s market are, by analogy, relevant for its internal-market too. However, through the literature review, it is found that internal marketing orientation is always overlooked and ignores the internal customer (employee); employers are always busy with their external marketing. As a result, employee feels job pressure and become unsatisfied. This is because management always focuses on the external marketing aspects, which are the customers and hence, the employees needs are not given due attention. Therefore, it is
important for the organization to satisfy employees’ needs before the company can satisfy the needs of its customers. Hence, Ahmed, Rafiq and Saad (2003) in their study on internal marketing and the mediating role of organizational competencies in the Malaysian context, indicate that job satisfaction does not receive clear support in its relationship with internal marketing orientation.

4.0 Research Methodology
A quantitative method was used, whereby questionnaire was distributed to the sample which supports the study to find the relation between internal marketing orientation and job satisfaction. Seventeen pages close-ended questionnaires were used to gather information about job satisfaction and internal marketing orientation. However, questionnaires were posed in “Bahasa Melayu” and English language as well, in order to ease understanding the questionnaire. The questionnaire consists of five sections. Section one consists of questions about demographic profile; section two about job satisfaction; section three about internal market research; section four about internal communication; and section five about internal response. All the sections have a total of 70 questions. All the sections require from the respondents to tick the box which the most appropriate answer to them to enrich the study with sufficient information.

5.0 Result and Discussion
There were significant relationship between overall internal marketing orientation and overall employee job satisfaction. The correlation results of 0.620 revealed positive relationships between overall internal market orientation and overall employee job satisfaction. This put forwards that internal market orientation and employee job satisfaction was associated with each other. Moreover, the regression analysis indicated that the dimension of internal market orientation such as internal market research, internal communication, and internal response. It has been seen that only 40.9% of the variable are explained by the independent variable where only internal response is significant to the overall job satisfaction. As discussed by Lings, (2002), that internal marketing orientation is about identifying and satisfying the wants and needs of employees as a prerequisite to satisfying the wants and needs of customers. As for the regression results which indicated that %45.8 of the total variance in extrinsic job satisfaction were significantly explained. In addition, correlation result shows that there is a positive relationship between internal marketing orientation and both the dimension of job satisfaction that are extrinsic and intrinsic job satisfaction. Overall, employee job satisfaction in the most argued topic among the organization and management to pursue internal marketing orientation exercises in order to attract the employees and make them satisfied in the long run. It has been seen from the above research that internal marketing orientation has great influence on employee job satisfaction extrinsically and intrinsically. If employees are well oriented, then they will be more satisfied. That is because if the full implementation of IMO is carried out in organizations, then the employees will have greater satisfaction. In other words, the positive correlations between internal market orientation and employees job satisfaction as indicated in this present study are in line with as what has been discussed by Gounaris (2008). He says that adopting an IMO indicates an integrated kept organization, nor that the aim of IMO is exclusively to produce employees’ job satisfaction. Misunderstanding would leave little scope for differentiating IMO practices and acceptance from strategic human resource management (Rafiq and Ahmed, 1993), and consequently, the role of the marketing function in this effort would become questionable. Rather, the marketing function aims to facilitate the achievement of the organization’s market (financial and non-financial) objectives and, within this framework, becomes the champion of the company’s effort to stay aligned with its market. Within this framework, IMO is an important qualification that justifies the involvement of the
marketing function, given the significance of service employees regarding customers’ experience with the service they receive. And as a result, the adoption of IMO will match the company’s internal marketing policy to attract the job satisfaction of the employees through internal market orientation. (Gounaris, 2008). The third dimension that is the internal response, comprises the proceedings taken in reaction to the needs of the employees and consists of designing jobs to meet the needs of the employees, adjusting the compensation schemes accordingly, making the company’s management more understanding and considering the employees’ wants and offering them the essential training in order to develop the skills and capabilities that their job description requires. (Lings, 2004; Gounaris, 2008).

5.1 The Relationship between the Internal Market Research and Employee’s Job Satisfaction

The correlation results further revealed that the internal market research and employee’s job satisfaction were 0.524 at (p≤0.05). There was significant relationship between the other two dimension of internal market orientation internal marketing research and internal communication with employee job satisfaction. This put forwards that internal market research and employee job satisfaction were associated with each other. However, the regression result does not indicate that internal marketing research influences job satisfaction. The results shows that internal marketing research; the tool to evaluate the comprehensive labor market condition and what are the employee recognition for particular demand and how do they perceive, if that demand or the need is fulfilled. From the findings, it is concluded that the organization has no such significant influence to attract the employees (staff) extrinsically or intrinsically by implementing the tool of internal marketing research. There is not much concern to the management of the organization to look forward to the needs and the demands of employee in term of internal marketing research. As discussed by Gounaris (2008), internal marketing research relates to activities as such the identification of exchanges of value for the employees, the comprehension of the labor market conditions, the recognition of specific internal segments of employees with different characteristics and needs, and the designing of strategies for the internal-market. In other words, the positive correlations between internal market research and employees job satisfaction as indicated in this present study are in line with what Gounaris (2008), has mentioned that, is the dimension of internal market orientation i.e. the internal-market response, relates to such behavior as identification of interactions of assessment for the employees, the understanding of the labor market conditions, the recognition of specific internal segments of employees with different characteristics and needs.

5.1.1 The Relationship between Internal Communication and Employee’s Job Satisfaction

The correlation results also revealed that the internal communication and employee’s job satisfaction were 0.467 (p≤0.05) which revealed positive relation between the internal communication and employee job satisfaction. Although the regression result does not indicate that internal communication influenced job satisfaction. The reason because the internal communication do not have a significant influence on employee job satisfaction, the finding concluded that there is a lack of communication synchronization between the levels of management. There is another problem which has been identified through this research that management does not take the initiative to fill the internal communication gap. As discussed by Linges (2004), he divided the communication into two aspects: the first refers to the communication between managers and employees and the second captures the communication between managers from different departments and hierarchical levels. The term communication means by the organizational exchange of information from one entity to another, which is disseminated information (Johlke et.al, 2000). This put forwards that internal
communication and employee job satisfaction were associated with each other. In other words, the positive correlations between internal communication and employees’ job satisfaction are in line with several authors’ constant worry for the need for effective internal communications as part of an internal marketing program. Tansuhaj et al.,(1987) declares that communication is connecting management and employees as one component of the internal marketing mix and that group communication should provide information on new marketing strategies and is should involve using information sheet and other sources. Piercy (1995) and Bitner et al.(1994) has also discussed that communication is a important factor of an internal marketing pack and gives advice for the use of reports , presentations and formal meetings. Hurly (1998) indicated that good communication and response from upper, middle and lower employees need higher level of interaction of internal market orientation facilities and their rapid acceptance based on organizational command and direction. It has been seen that the internal communication seems to be the parallel concept in contrast with external market orientation (Kohli and Jaworski, 1990).

5.1.2 The Relationship between internal response and employee’s job satisfaction

There was significant relationship between internal response and employee job satisfaction. The correlation results revealed that the internal response and employee’s job satisfaction were 0.622 (at p≤0.05) which revealed positive relation between the internal response and employee job satisfaction. Responding to information concerning the internal market might takes number of forms. An appropriate reply will have to suggest the jobs design (Sasser and Arbeity, 1976; Berry and Parasuraman, 1991). On the other hand, the regression result shows that among the dimension of the internal marketing orientation, internal response has the most significant finding. This shows that the internal response is the important factor to evaluate the employee’s job satisfaction. Moreover, regression result shows that intrinsic job satisfaction do not have significant influence apart from internal response the rest of all the dimensions of the IMO are insignificant. However by taking feedback from the employees the management will be aware of the employee’s expectations from the management in term of employee growth and recognition. Regarding that, the management should generate information and it is needed to identify how that information is generated and accordingly the employee’s responses are awaited in this regards internally. The finding of this study also suggests that internal response and employee job satisfaction were associated with each other. It comprises the actions taken in response to the needs of the employees and consists of designing jobs to meet the needs of the employees, adjusting the remuneration schemes accordingly, making the company’s management more considerate with regard to the employees’ needs and offering them the necessary training in order to develop the skills and capabilities that their job description requires. (Gounaris, 2008). In other words, the positive correlations between internal response and employees job satisfaction as indicated in this present study are in line with Stauss and Schulze (1990) who identified that in order to understand the information about the internal exchange, will let the employers to make the formation of appropriate response to the internal market and to make internal products (such as jobs) more glamorous and attractive to potential and existing employees than competitors’ jobs. In order to take the responsibility such as organizing the programs will satisfy employees and motivates them to perform better in the service encounter with the external customers, and so will enhance the customer satisfaction (Sasser and Arbeity, 1976). It has also been discussed by (Briscoe, 1980) that there are four main responses that organizations may adopt i.e. the change the people, change that organizations, change the interface between the people and the organization, and individualize the organization. as the same concept has been discussed by equity theory about the useful insight into responding to internal market information. according to the Equity theory which suggest that the employees evaluate their jobs by comparing what
they put into their work (inputs) with what they get out of it (outputs) (Huseman and Hatfield 1990; Lings & Greenley, 2005).

6.0 Conclusion
The main purpose of the research was to examine the relationship between internal marketing orientation and employee job satisfaction. This research has met all the four objectives as a mentioned earlier above. The first objectives is to examine the relationship between internal marketing orientation and employees job satisfaction which revealed positive relationship between overall internal market orientation and overall employee job satisfaction. This put forwards that internal market orientation and employee job satisfaction was associated with each other. The second objective is to determine the relationship between internal market research and employee’s job satisfaction. Finding ravels that there was significant relationship between the other two dimension of internal market orientation i.e. internal marketing research and internal communication with employee job satisfaction. This put forwards that internal market research and employee job satisfaction were associated with each other. However, the regression result does not indicate that internal marketing research influences job satisfaction. Third objective was to find out the relationship between internal communication and employee’s job satisfaction. The finding reveals that there is positive correlation between the internal communication and employee job satisfaction. Although, the regression result does not indicate that internal communication has influences on job satisfaction. The last objective is to examine the relationship between internal response and employee’s job satisfaction. The findings reveal that there is positive relationship between the internal response and employee job satisfaction. Responding to information concerning the internal market might takes number of forms. The regression result shows that among the dimension of the internal market orientation, internal response has the most significant finding. This shows that the internal response is an important factor to evaluate the employee’s job satisfaction. In conclusion, this research has successfully attended the four research objectives. This research revealed that internal marketing orientation was associated with employee job satisfaction. However this result is only applicable on employees in the organization understudy. This research will assist future research to examine the relationship between the internal marketing orientation and employee job satisfaction in other organizations and sectors.
References