

The Effect of Internal Marketing on Outcomes and Factors Organizational Commitment (Case Study:Hotels in Esfahan)

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ABSTRACT

Today, internal marketing is a infrastructure of marketing services and critical to many organizations. The aim of this study examines the impact of internal marketing on outcomes and factors organizational commitment of 30hotel's(one to five star) in Esfahan city. Total number of all managers of the30 hotel's, is 80statistically. And includes four independent variables and four dependent variable. In this study, two questionnaires were used to measure variables. Reliability (Cronbach's alpha) for both instruments at the desired level is obtained. The sample survey of 60 top managers of hotels in the city. In this regard the model was designed To illustrate the effect of internal marketing on outcomes and factors organizational commitment results were analyzed using spss, Lisrel software. This study included 16 hypotheses is descriptive correlation method is. Based on the results of the analysis of data collected it was found that 1 - There is a positive correlation between inducement systems, employees system and social identity positively of the price index for internal marketing But behavioral outcomes of Employees showed no significant correlation with the price index 2 – there is a positive correlation between inducement systems, , employees system and social identity, with the product index of the internal marketing 3 - There is a significant positive correlation between promotion index of internal marketing with inducement systems, employees system and social identity, but there is no significant correlation with outcomes behavioral employees 4-there is a positive correlation between the place index with between inducement systems, employees system and social identity, while there is no significant correlation with behavioral outcomes component .

KEYWORDS: Internal marketing, Outcomes and Factors Organizational commitment, City Hotels.

1. INTRODUCTION

Today ,Organizational commitment as a key concept in management is recognized. Committed employees are less likely to leave than others because turnover can be costly to the organization's commitment to staff development is generally a desirable feature, is seen. This survey (city hotels) can affect the efficiency and performance of the organization to be effective. Scholl's (1981) view factor and outcomes of organizational commitment is (Inducement systems, Employees System, social identity, and behavioral outcomes). Nowadays internal marketing has been recognized as a strategy for market orientation. Ground reveal that internal marketing activities improve organization's competitiveness through influence and creating of motivation in employees and enhance competences (Ahmed & Rafiq, 2004). In this paper, the basic problem is that the internal marketing and the four aspect (price, product, place, promotion), How factors influence the outcomes of organizational commitment in the hotel industry?

2.LITERATURE REVIEW

2.1. Internal marketing

Internal marketing is one of the marketing issues which was studied by Berry as a method for resolving problems and difficulties for organizations' employees and offering high quality services to them about 30 years ago.

Philosophy of human resources management has proposed a new subject in service section which is called internal marketing. Internal marketing concept originates from studies about quality of service section and mechanisms of service offering by employees in the 1990'sCoper and Cronin (2000) consider internal marketing as the organization's attempts for education, reward and generally management of human resources for better service offering. They believe that employees constitute primary tools of the organization. Based on this viewpoint internal

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marketing is an exchange relation between the organization and employees for gaining of the organization's purposes in a business environment (Foreman, 1995). Anselmo (2008) argues organizations that are really committed with their workforce' happiness can enjoy the internal marketing strengths. As it was remarked through, such management tool can be very useful in fulfilling employees' needs by several broader IM approaches, namely:

- 1- Putting people in the first place
- 2- Providing as high as possible employees' work satisfaction.
- 3- Developing jobs as products in a wider perspective.

Ahmed and Rafiq have introduced internal marketing as the introduction of executing of the organization's strategies and have used the combined word of internal marketing. Price or payments, promotion or progress education, empowering, and communications), working place or environment and processes (job products) are applied as indexes of internal marketing in this study.

Based on perceptions of some researches different dimensions of internal marketing are divided into two groups. First group is based on human resources approach, factor of success in internal marketing in the organizations is to have satisfied and high- motivated employees (Lings, 2000:697). Second group is based on total quality management approach and it emphasizes on enhancing services' quality and conveys the strategy of developing relationship between staff across internal organizational boundaries. The purpose of these activities would be relationship between staff across internal organizational boundaries. The purpose of these activities would be increasing the quality of supplied services to external customers (Ballantyne, 2000:43).

2.2. organizational commitment

Primary researches in this area have been focused on being one-dimensional of this concept but new findings and researches more denote on being multidimensional of this concept. Common point in these definitions is that all of them see commitment as a kind of connection and link with organization. Indeed organizational commitment is a psychical link between employee and organization in which decrease the probability of voluntarily leave of individual from organization (Meyer et al • 1990: 538).

2.3 .Outcomes and Determinants of Committed Employees

Committed employees are less likely to quit and accept jobs, thus cost of high turnover is not incurred and they required less supervision close supervision and rigid monitoring control process are time consuming and costly furthermore a committed employee perceives the value and organizational goals research shows that employees who are more committed demonstrate higher job performance and less stress furthermore they perceive the value of organizational goals and think of their goals and those of the organization's in personal terms. A lot of cost efficiencies can accrue as a result of committed employees. The table 1 summarize some the outcomes and determinants of organizational commitment (scholl, 1981).

Table1. Outcomes and Determinants of Organizational Commitment(scholl,1981)

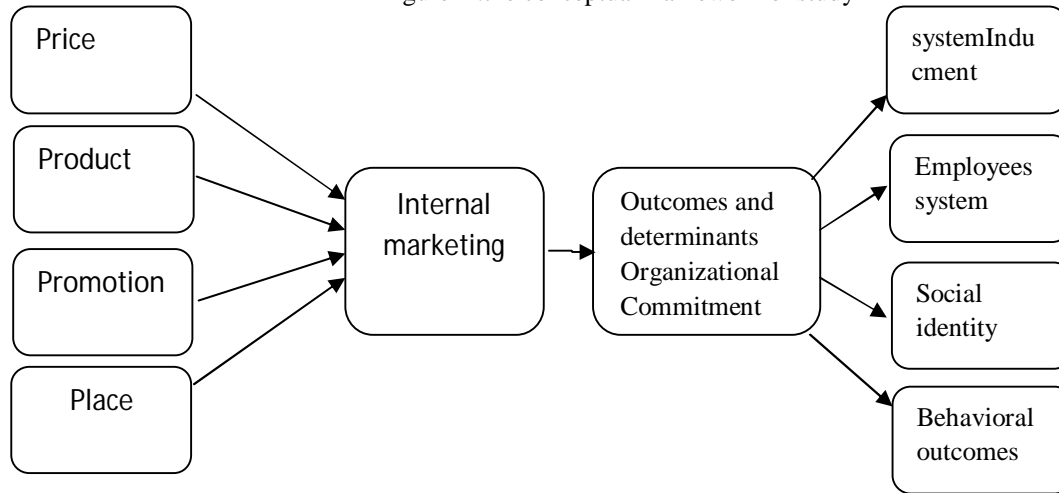
Inducement Systems	Employee Affective States	Social Identity	Behavioral Outcomes
Reward ➤ Pay is perceived as equitable & affirms one's value ➤ Expectation of Continued growth in pay ➤ Career Pathing Employees see their future in the organization Managerial ➤ Leaders empower employees ➤ Leaders recognize the contributions of employees Task ➤ Employees see how their jobs contribute to the mission ➤ Jobs require employees to use valued skills ➤ Employees see the results of their efforts	Self Concept/Worth- Individuals- ➤ Feel valued ➤ Feel like they are making a valuable contribution ➤ Feel that the organization does something of value ➤ See their job as a source of validation of skills & ability Stability- Individuals- ➤ Feel secure and believe they have a future with the organization Trust their leaders Reciprocity ➤ Individual fee obligation to repay perceived "debts" to organizations and people in that organization	When the employing organization is a source of self concept validation, individuals begin to define their social identity in terms of organization, that is, it begins to define who they are. This means that these individuals: ➤ Take pride in being members of the organization ➤ Are concerned about the reputation of the organization	Committed Employees: ➤ Take a long term View of membership Exhibit Extra Role Behavior ➤ Work to Advance the reputation of the organization ➤ Defend The organization ➤ Willing to Make investments* that commit to organizational further

2.4. Internal marketing and organizational commitment

Primary factor in internal marketing is that employee feels that management consider their needs and have responsibility about them. Successful internal marketing cause to employee would have a positive view relative to their job and this attitude include organizational commitment, job satisfaction and job high motivation. Lack of commitment would be very dangerous for organization it causes to more poor performance and as a result undesirable services and organization's expenses increase.

Hogg (1996) states that internal marketing could be a useful resolution for creating commitment in employee and success increase in failed and traditional internal relational plan. Schlessenger & Heskett (1991) emphasize on importance of high – motivation employee and refer it as success cycle. This cycle is result of crease of employee about their role in increase of customer satisfaction. This was performed by Jawarski and kohli (1993). They divided the market – orientation into three aspects of replying, creating information in the organization and develop information in the organization. That internal marketing steps have a positive impact on internal aspects at organizational performance such as staff satisfaction and staff commitment (Awwad & Agti, 2011:311).

Figure 1 .the conceptual framework of study



3. Research hypothesis

- H1: Internal marketing by price is positively related inducement system .
- H2: Internal marketing by price is positively related employees system.
- H3: Internal marketing by price is positively related social identity.
- H4: Internal marketing by price is positively related behavioral outcomes.
- H5: Internal marketing by product is positively related inducement system .
- H6: Internal marketing by product is positively related employees system.
- H7: Internal marketing by product is positively related social identity.
- H8: Internal marketing by product is positively related behavioral outcomes.
- H9: Internal marketing by promotion is positively related inducement system.
- H10: Internal marketing by promotion is positively related employees system.
- H11: Internal marketing by promotion is positively related social identity.
- H12: Internal marketing by promotion is positively related behavioral outcomes.
- H13: Internal marketing by place is positively related inducement system .
- H14: Internal marketing by place is positively related employees system.
- H15: Internal marketing by place is positively related social identity.
- H16: Internal marketing by place is positively related behavioral outcomes.

4. RESEARCH METHODOLOGY

Note that in this study, the researcher sought to examine the relationship between measures of internal marketing and organizational commitment, the way research is descriptive -survey. Terms of study objectives, terms of use and data collection descriptive, analytical. In order to collect data from library studies and a field study in one-five star city hotel managers use. The data is collected using 23 questions, which are submitted to managers in order to measure their perceptions to internal marketing by Ahmed & Rafiq (1993). Respondents were assured of

complete anonymity and no names or other means of identification were requested and they are asked to fill the questionnaire using a five point Likert scale (1 as very low, 2 as low, and 3 as moderate, 4 as high and 5 as very high). To measure organizational commitment use is made of the 24 items instrument developed by Scholl (1981).

The population of this survey includes managers of 1,2, 3,4 and 5 star in 30 hotels in Isfahan-Iran in spring 2012. A total of 80 usable replies were obtained, However, 60 is completed questionnaire. All scales in this study were highly reliable is shown in Table 2.

Table 2. Reliability of scales

Variables	a-Chronbach
price	0,82
product	0,84
promotion	0,86
place	0,84
Inducement system	0,87
Employees system	0,86
Social identity	0,84
Behavioral outcomes	0,86

5. Analyze data and research findings

Describe demographic variables. Based on data collected from the questionnaires, the percentage of respondents based on demographic variables in Tables 3,4,5,6 and 7 is coming.

Table 3. based on the gender distribution of the sample group

Indices Sex	Frequency	Percentage
male	53	88,3
female	7	11,7
total	60	100

Table 4. Frequency distribution of age groups

Indices Age	Frequency	Percentage
20 to 35	23	38,3
36 to 50	31	51,7
50 and over	6	10
total	60	100

Table 5. based on the sample distribution of education

Indices Education	Frequency	Percentage
Diploma	16	25
Bachelor	26	43,3
master	19	31,7
total	60	100

Table 6. based on the sample distribution service

Indices Service	Frequency	Percentage
Under 7 years	9	15
7 to 14 years	11	20
14 to 21 years	35	53,3
21 years and over	7	11,7
total	60	100

Table 7. based on the sample distribution of marital status

Indices Marital	Frequency	Percentage
Married	53	88,3
Single	7	11,7
total	60	100

5.1. Assessment of the current state variables

Based on data collected from questionnaires and analyzed using spss in Tables 8 and 9 have been determined Table 8. describe the results of the questionnaire component of internal marketing

Statistical component	average	SD	variance	middle	minimum	maximum
price	20,68	5,04	25,37	21	14	28
product	25,40	3,97	15,80	26	19	32
promotion	20,08	1,83	3,37	20	17	24
place	19,57	2,74	6,18	19	16	24

Table 8 describe the results of the questionnaire component of the internal marketing indicators show that the product components between the largest and smallest average component's place.

Table 9.a description of the components and outcomes and factors of organizational commitment questionnaire.

Statistical component	average	SD	variance	middle	minimum	maximum
Inducement system	32,32	6,39	89,40	31	23	43
Employees system	17,88	3,49	12,21	18	12	23
social identity	13,27	4,07	16,61	14	8	20
Behavioral outcomes	19,05	3,01	9,06	19	14	25

Table9 a description of the components and outcomes of organizational commitment questionnaire indicated that the Inducement system components between the largest and smallest mean component of social identity.

6. Experimental model

The data collected was analyzed using LISREL which is a multivariate modeling technique. LISREL aims to explain the structure or pattern among a set of latent (unobserved or theoretical) variables, each measured by one or more manifest (observed or empirical) and typically fallible indicators. The LISREL model assumes a causal structure among a set of latent variables. These latent variables appear as underlying causes of the observed variables.

Figure 2. Conceptual framework of study

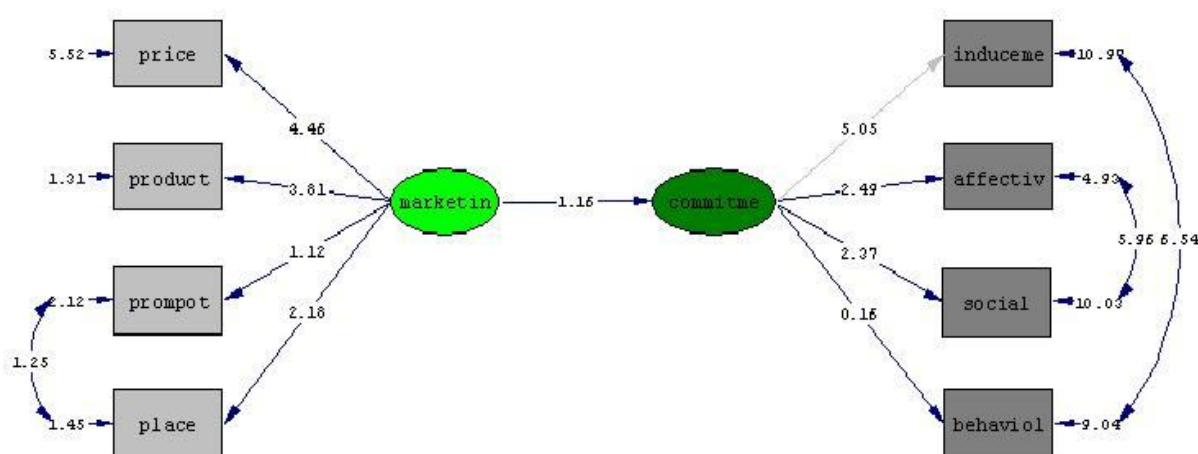
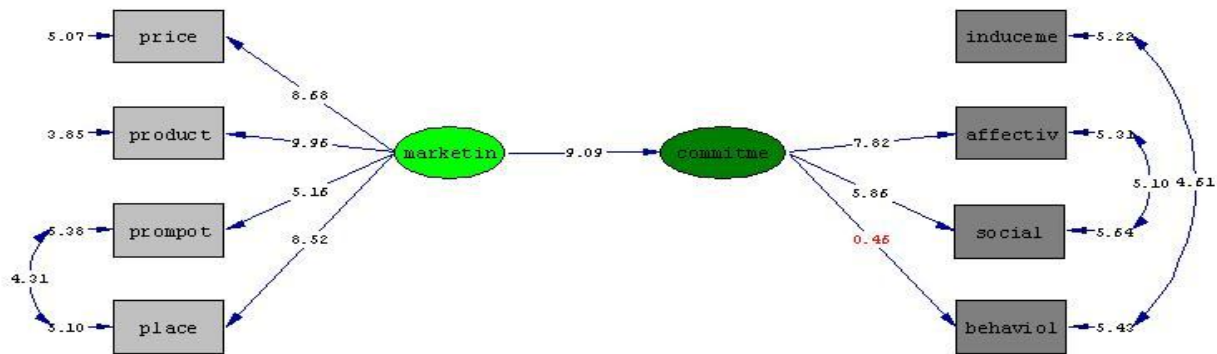


Table 10.index measurement model

Model	chi-square	P	RFI	RMR	GFI	AGFI	RMSEA
Default model	48,75	0.00004	0.82	0.11	0.83	0.61	0.186

Figure 3.t-test of the model



Result test	t-value	Path coefficient	Structural Effects	Structures
Reject the null hypothesis	8.68	4.46	Internal marketing	price
Reject the null hypothesis	9.96	3.81		product
Reject the null hypothesis	5.16	1.12		promotion
Reject the null hypothesis	8.52	2.18		place
Reject the null hypothesis	5.22	5.05	Organizational commitment	Inducement system
Reject the null hypothesis	7.82	2.49		Employee system
Reject the null hypothesis	5.86	2.37		Social identity
Accept the null hypothesis	0.46	0.16		Behavioral outcomes
Reject the null hypothesis	9.09	1.16	Internal marketing	Organizational commitment

Thus hypothesis 4,8,12 and 16 are rejected because t-values less than 1,96 were calculated . Other hypotheses are accepted because t- values greater than 1.96 are calculated.

7.DISCUSSION AND RECOMMENDATIONS

7.1..Discussion of the findings

Based on the results of the analysis of data collected it was found that 1 - There is a positive correlation between inducement systems, employees system and social identity positively of the price index for internal marketing But behavioral outcomes of Employees showed no significant correlation with the price index 2 – there is a positive correlation between inducement systems, , employees system and social identity, with the product index of the internal marketing 3 -There is a significant positive correlation between promotion index of internal marketing with inducement systems, employees system and social identity, but there is no significant correlation with outcomes behavioral employees 4-there is a positive correlation between the place index with between inducement systems, employees system and social identity, while there is no significant correlation with behavioral outcomes component .

7.2.Recommendations Based on Hypothesis of the Research

- The hoteliers are advised that 1 - costs (costs award and reward, opportunity cost, fair salaries, etc.) to consider the staff earnest effort to try to achieve organizational goals. 2-the perfect balance between performance and pay for hotel staff brought . 3 - with workshops, human relations skills to train staff, training staff, managers first task is.
- In Design Jobs, hoteliers need the spiritual and emotional needs of employees as they do, the satisfaction of employees and their job because they feel valued.
- For hoteliers, it is recommended that staff take time to talk about the success of the organization, the organization aims to allocate personnel problems. Most managers have failed in their lack of ability, good communication did not result from inadequate technical skills.
- There is a close relationship and intimate, like having a conversation sessions between managers and employees, the organization has a high cost But the employees are satisfied and contented. Turnover, job transfer, re-employing workers in other parts of the hotel management staff in this trust are.

- The act of giving to employees to resolve organizational conflict through counseling, treatment and positive outcomes of the conference can be held by staff. Hoteliers should also offer programs in order to attract the best employees, maintaining and motivating them to consider.
- Corporate managers have procedures (laws, policies, system of rewards and punishments) in an enterprise environment to consider. Hoteliers to bring the hotel up to the learning organization in the sense that the organization of training.
- Managers must be hotel staff individual differences (needs, values, insights, interests) and can be diagnosed on the basis of the design professions. In Design Jobs, Hoteliers must do (activities and tasks), job competencies (skills, knowledge, and wages) to consider the needs of employees and the organization as a way to fulfill.
- The owners of the hotel, the staff recommendation is illuminated investment opportunities, partnerships and freedom of action in this case to give the employees are willing to sustain the organization.

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