**CHAPTER ONE**

**INTRODUCTION**

**1.1 BACKGROUND TO THE STUDY**

The need to achieve set organizational goals and objectives compel companies to conceptualize, design and implement various strategies with internal marketing strategies constituting one functional area essential for contemporary companies to enhance performance (Obasan, Ariyo and Soyebo, 2013). The objective of internal marketing according to Sita (2010) is to get motivated and customer conscious employees in order to achieve service excellence. Motivated employees are crucial to a company's success, this has never been truer than today, when margins are thin and economic recovery remains elusive,

Sulieman, Kamal, Petra, Sherrihan and Dyala (2013) opine that internal marketing should be as a priority before external marketing Internal marketing starts with the organization recruiting the right people in the position to reach the point where these employees are satisfied and willing to do their job and accomplish customer satisfaction. The concept of internal marketing has evolved from the original conceptualization of employee satisfaction/motivation by treating employees as customers and jobs as products for improving service quality. The main concept of internal marketing is to make the employees as important as the external customers by treating them as internal customers (Grönroos, 1981). The importance of internal marketing lies in motivating the employees and encouraging them to offer super services to customers who will improve the customer satisfaction of the company's services (Lings and Greenly, 2005).

According to Fisk, Brown, and Bitner (1993) there are two main issues in internal marketing. Firstly, the idea of the employee as the internal customer and secondly, the organizational need to satisfy the internal customer so that she is best prepared to serve the external customer. Although external marketing remains the most important business development task, it is essential to sell inwardly toward a company's people. When employees understand and commit to the value proposition the company, external marketing becomes more effective, because the employees become product campaigners The internal market of employees is best motivated for service-mindedness and customer oriented behavior by active, marketing approach, where a variety of activities are used internally in an active, marketing-like and coordinated way.

Sita (2010) posit that internal marketing is a means of involving staff at all levels in effective marketing programmes by enabling them to understand their role within the marketing process. Internal marketing programmes consist of training and staff development, effective internal communications and integration schemes, de-signed to enhance knowledge and understanding of the overall marketing orientation within the organization. Internal marketing encompasses a number of elements, all of which help contribute towards enhanced customer service and a greater degree of marketing orientation within the organization (Sita, 2010). Service orientation has become a key source of competitive advantage and only a 'service attitude' among staff can lead to the delivery of outstanding customer service and increased market share (Varey and Lewis 1999). The internal marketing concept has been developed largely within the context of services marketing; however, internal marketing is now becoming more and more important to all organizations striving for marketing success.

Therefore, this study is to examine the effect of internal marketing strategies on organization growth: a case study of eateries in Benin City.

**1.2 STATEMENT OF THE RESEARCH PROBLEM**

The problem statement, according to Akinyele (2011) describes the content for the study and it also identifies the general analysis of issues in the research necessitating the need for the study. The research is expected to answer questions and provide reasons responsible for undertaking the particular research (Pajares 2007). The problem of this study is to measure, analyze and establish the effect of internal marketing strategies variables which include training programme, rewards/incentives, effective communication, etc. on organization growth.

A number of studies have been done with regard to internal marketing, especially in developed economies (i.e. Sita, 2010; Suleiman, Kamal, Petra, Sherrihan, and Dyala, 2013). Can the findings of those studies be replicated in emerging economies like Nigeria? In Nigeria, few empirical studies have been done to establish the relationship between internal marketing and organization growth (i.e. Akinyele, 2011). This study therefore comes in to fill the void by establishing whether there is a relationship between internal marketing and organization growth in Nigeria.

In this regards, the following research questions are raised:

1. What is the relationship between training programme and organizational growth?
2. What is the relationship between rewards incentives and organizational growth?
3. To what extent does effective communication influence organizational growth?

**1.3 OBJECTIVES OF THE STUDY**

The broad objective of this study is to examine the effect of internal marketing

strategies on organization growth.

The specific objectives are:

1. To determine the relationship between training programme and organizational growth.
2. To ascertain the relationship between rewards/incentives and organizational growth
3. To examine the extent to which effective communication influence organizational growth.

**1.4 RESEARCH HYPOTHESES**

The hypotheses for this study are:

**Hypothesis I**

Ho: There is no significant relationship between training programme and organizational growth.

HI: There is a significant relationship between training programme and organizational growth.

**Hypothesis II**

HO: There is no significant relationship between rewards/incentives organizational growth.

HI: There is a significant relationship between rewards/incentives and organizational. growth.

**Hypothesis III**

HO: Effective communication does not influence organizational growth.

HI: Effective communication influence organizational growth.

**1.5 SCOPE OF THE STUDY**

This research work focuses on the effect of internal marketing strategies (training

programme, rewards/incentives and effective communication) on organization growth using eateries in Benin City as case study.

The population of the study is the entire one hundred and seven-four (174) management and non-management staff of GT Foods in Benin City. As such the sample size of the study is the entire one hundred and seven-four (174) management and non-management staff of five (5) branches of GT Foods in Benin City.

Geographically, the study will be conducted in Benin City, Edo State.

**1.6 SIGNIFICANCE OF THE STUDY**

It is expected that this study would consolidate existing literature on the issues surrounding the internal marketing strategies and organizational growth. The study would also facilitate the examination of the effects of internal marketing strategies on organizational growth and thus boosting the empirical evidence from Nigeria Furthermore, given the empirical nature of the study the outcome of this study would aid policy makers and regulatory bodies in economic modeling and policy simulation with respect to the selected variables examined in the study.

The result of the study would be of benefits to the corporate organizations, potential/existing investors, regulatory agencies as well as the employers to know the importance of internal marketing strategies on organizational growth in developing country like Nigeria.

It will also be useful in stimulating public discourse given the dearth of empirical researches in this area from emerging economies like Nigeria. Finally, it would also add to the available literature on the area of study while also providing a platform for other researchers who may want to further this study.

**1.7 LIMITATIONS OF THE STUDY**

The study anticipated a number of constraints that could affect the generalization of the findings. Therefore, an attempt to widely generalize the results may be challenged by insufficient funding of the research in accessing more information. The return of questionnaires that will be distributed may not be one hundred percent complete due to non-response for one reason or the other by some respondents.

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.1 INTRODUCTION**

In this chapter the researcher review previous work done by various authors/scholars as it relate to internal marketing strategies and organization growth in the first section, we consider the concept of internal marketing, the theoretical and empirical studies on selected variables, among other related literatures.

**2.2 CONCEPT OF INTERNAL MARKETING**

Internal marketing was originally defined as making internal products (jobs) available to satisfy the needs of internal market (employees) so that it satisfies organizational objectives (Shah, 2014). He go on to add that a firm has to successfully hire, train and motivate employees to serve external customers since the needs of external customers can be satisfied partly because the needs of the firm's internal customers (employees) are satisfied. Marketing aimed at internal customers is called internal marketing (Gronroos, 2001) However, since then, there have been a number of definitions of internal marketing and there is no unifying notion (Rafiq & Ahmed, 1993). For instance Rafiq and Ahmed (1991:88) define internal marketing as a "planned effort to overcome organizational resistance to change and to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies". Internal marketing's goal is to hire, train and motivate employees so that they serve their customers well (Kotler, 1991), and to treat employees as customers (Berry & Parasuraman, 1991).

Internal marketing is also defined as "The planned use of communication actions to systematically influence the knowledge, attitudes and behaviours of current employees" (Stauss and Hoffmann, 2000).

Rafiq and Ahmed (2000:110) stated that internal marketing was "a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate, and inter-functionally co-ordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer oriented employees". While the dimensions of internal marketing measurement as discussed by Hogg et al., (1998) are: communication, staff training: appraisal and feedback; and customer consciousness. Al-Hawary, Al-Qudah, Abutayeh, Al-Zyadat, (2013) involve actions such as employee attraction and selection, employee socialization, empowerment, participation in decision making and establishment of accurate and open information between employees and management Service training programs performance incentives, and vision for service excellence key elements of internal marketing (Tsai and Tang, 2008). Lings and Greenley (2005) has been adopted for other studies (Gounaris, 2006), as it goes beyond the mere enumeration of human resources management activities (selection, training and development, incentive systems or empowerment) shown by other constructs in order to represent internal marketing (Ahmed et al., 2003). Rafiq and Ahmed (2000) identify the main elements of internal marketing as employee motivation and satisfaction, customer orientation and customer satisfaction, inter-functional co-ordination and integration, marketing-like approach to the above, and implementation of specific corporate or functional strategies. Ching and Hsin Hsin (2007) identified five dimensions of internal marketing: motivation, administrative support, internal communication, external communication, human resources management, communication, and training and development.

***Motivation***: According to Mark et al. (1998) Motivation is the movement of workers to act in a desired manner" Motivation is defined by Turner (1995) as "voluntary uses of high-level self-regulated learning strategies, such as paying attention, connection, planning and monitoring According to Broussard and Garrison (2004) motivation is the attribute that moves us to do or not to do something".

***Empowerment***: Participation is a process by which influence is shared among individuals who are otherwise hierarchical unequal (Wagner. 1994). Empowerment has been described as a venue to enable employees make decisions (Bowen & Lawler. 1992) and as a personal experience where individuals take responsibility for their own actions (Pastor. 1996).

***Communication***: According to Naude et al. (2002), Communication is a vital prerequisite for a well-functioning IMO culture. Without people being able or prepared to communicate with each other, there will be no inter-departmental or inter functional co-ordination. According to Dwyer (2005) communication is defined as the process whereby people within an organization give and receive messages" as cited by Tourani et al. 2012. According to Ahmed and Rafiq (2002).

***Training and development***: training increase or develop the managerial skills (Rosti & Shipper, 1998). Abiodun (1999) submitted that: Training is a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task or job (Abiodun 1999, as cited by Saleem et al. 2011).

**2.3 LITERATURE REVIEW ON SELECTED VARIABLES**

**2.3.1 Training programme and Organizational Growth**

It will be of great important to review some literature on the concept and probably analyze the current or modern dimension through which training are being practices (Chandramohan, 2008). When worker is being trained there is an expectation of skills acquisition and advancement in knowledge regarding the work which will consequently assist in solving some technical problems rising from the work productivity. In the case of training. Fajana (2002) defined training as continuous procedure of obtaining specific information, increasing skills and learning concepts rules or attitude in order to promote effectiveness on a particular job. Training can also be defined as a planned process of inducing those attitudes and transmitting those skills necessary for effective use of ideas and transfer of experience.

Cole (2007) defined training as any learning activity which is directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task. The focus of training is the job or task.

Nwachukwu (2003) defined training as planned and systematic orientation of workers attitude, skills at improving currently and future performance by re-orientating goals employees or workers growth within an organization. Training begins from cradle while all infants seem to response to the world initially in the same way eventually learn in their self-centered responses to personal needs will not work (Boxall Purcell & Wright, 2007), Little by little, they learn that they must consider the need of others and try to meet their needs in competition in collaboration with others.

Balogun and Obasan (2008) opined that organization that neither train nor develop their staff will face the problem of quick-ageing and loss of competitiveness, and the damage of extinction in this millennium.

The dynamism and changes in the environments in which organization operate today have become irreversibly, discontinuous, complex and difficult to comprehended (Champoux, 2000, Chiaburu & Teklab, 2005; Butler. 2008) especially in the banking sectors. The diversity, variability, spasmodic nature and share growth of knowledge especially in the area of information technology make the continuous upgrading of the critical skills and capabilities of workers a major imperative of human resources management. (Oyedijo, 2007) defined training as the activity involved in helping workers to bridge the gap or deficiency between the skills required for their jobs and those they actually possess (Frayne & Geringer, 2000; Goldstein & Ford, 2002). Training on the other hand, is about the use of knowledge. It is utilitarian, instrumental and has direct practical objective in other words, training is intended to have immediate practicable application.

Employees are the most valuable assets of every organization, because a skillful work without Human capital is not possible getting these things in mind every organization is investing a huge capital in training and development According to Khan et al (2011), on job training, training design & delivery style has positively related with organizational performance as measured by empirical data. According to Iftikhar ehmad and Siraj-ud-din (2009) in health industry training and development has role like a back bone, it enhances the performance of employee.

According to Flynn et al., (1995) on the job training reduces cost and saves time. You can give training in your organization for assigning the duties of senior employee, juniors are attached with senior one for some time they learn and trained there. Important part of Training and Development is Delivery style (Carlos Primo Braga, 1995). According to Ohabunawa (1999) those organizations who train their employee well, managers and superior have the confidence to get the authority and to deal with their subordinates Abiodun (1999) said that, through training employees can get knowledge skills and attitudes which are the requirement of employees to perform their task adequately. Stephen & Bowley's (2007) study shows the link between employee productivity and training which further leads to employee performance. Baldwin & Johnson (1995) claim that lower levels of training will increase the chances of employee migration from one organization to another. However, employee's satisfaction and loyalty increases by higher degree of training towards the firm and decreases the chances of employee termination (Choo & Bowley, 2007).

According to Chandrasekar (2011) workplace have two types of impact on employee's moral, productivity and engagement positive and negative, if you give a good work environment the effect will be positive. According to Ceylan, et al (2010) innovation of product and process and also in organization and employees creativity is directly related with the environment. According to Keeling and Kallaus (1996) ergonomics is the study of physiological factors such as colour, sound light, and temperature are directly related with the space, furniture, and equipment, in order to meet better psychological criteria among workers or trainers. Without any pre-training employee cannot perform easily (Thomas N. Garavan, 1997) As compared to untrained employees trained employees perform well. (Tihanyi etal., 2000; Boudreau et al., 2001). Organizational goals can be achieved effectively if employees of those organizations are provided sufficient training and development (Kaynak, 2003: Heras, 2006). Furthermore through training and development the performance of employees increases (Shepard, Jon et al. 2003). Training and development programs are expensive but it payback more than it costs to organizations (Kaynak, 2003; Heras, 2006). Each corporation should focus on training and development in order to better compete in present era of competition (Carlos Primo Braga, 1995).

Training and development has significant role for the development of employees performance. According to Partlow, (1996): Tihanyi et al. (2000) and Boudreau et al. (2001) training should be designed according to the need of employee and organizations which perform these things get better results. The design of training should be according to the needs of the employees (Ginsberg. 1997).

**2.3.2 Rewards/Incentives and Organizational Growth**

Motivation has been defined differently by different scholars, for example, it has been defined as the psychological process that arouse and direct goal directed behavior (William & Kinicki, 2008); a psychological process that gives purpose and direction (Reinter 1995); a predisposition to behave in a purposive manner to achieve specific unmet needs (Buford, Bodlein & Lindner, 1995). an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Boldleian, 1993).

To motivate behavior, the organization needs to provide an effective reward system. A reward strategy is a declaration of intent that defines what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of the stakeholders (Armstrong, 2006). An effective reward system has four elements rewards need to satisfy the basic needs of all employees: rewards need to be included in the system and be comparable to ones offered by a competitive organization in the same area; rewards need to be available to people in the same positions and be distributed fairly and equitably (Goel, 2008).

Managers often use rewards to reinforce employee behavior that they want to continue. According to Perce and Robinson (2007) reward power is available when the manager cofers rewards in return for desired actions and outcomes A reward is a work outcome of positive value to the individual (Armstrong, 2006).

According to Barney and Hesterly (2008), an organizations employee compensation policy and practice is important in implementing a strategy. A company that adopts a compensation policy that is consistent and reinforces its strategies is more likely to implement those strategies than a firm that adopts compensation policies that are inconsistent with its strategies (Armstrong. 2006). A reward strategy should enhance commitment and engagement and provide more opportunities for the contributions of people to be valued and recognized.

According to Rudman (2003) paying for performance is a big issue in contemporary human resources management, organizations have long believed that productivity improve when pay is linked to performance and payment by results systems and incentives are developed to support this belief. Studies have found a positive relationship between performance related pay and performance (Huselid, 1995; Dotty. 1996: Goel, 2008). People receive extrinsic or intrinsic rewards (Armstrong, 2008. Dessler, 2006, Goel 2008).

Extrinsic rewards e.g. pay bonuses, promotions, time off, special assignments, office fixtures, awards and verbal praise are externally administered (Dessler, 2006. Armstrong, 2008). Intrinsic rewards are self-administered (Dessler, 2006). The overall reward system needs to be multifaceted. Because all people are different, managers must provide a range of rewards-pay, time off, recognition, or promotion (Armstrong, 2008).

Rewards demonstrate to employees that their behavior is appropriate and should be repeated. Different scholars have spoken strongly on the use of team incentives, for example, Dessler (2008) says that firms that rely on teams to manage their work must develop incentive plans that encourage teamwork and focus team members’ attention on performance, Goel (2008) argues that performance related pay is an effective motivator and conveys a clear message that high levels of performance are expected and will be rewarded. However they should not be distributed on the basis of narrow definition of the output of each individual, but also on the basis of appraisals of how well the individual contributes to the performance of the team, unit or company as a whole depending on the company structure.

According to Johnson, Scholes and Whittington (2006) planning of rewards should take on board the reality of more team working in delivering strategy.

Establishing meaningful incentives for performance is a difficult task because individuals are unique and maintain different value systems. What may reward one employee may not be a reward to others (Dessler. 2006). Maslow in 1943 proposed n theory of motivation in which he said that money is motivator. However, Hertzberg in his two factor theory of motivation differs with that and instead classifies money as an hygiene factor Financial incentives and rewards can be true motivators, but only when balanced against the potential drawbacks and packaged with ongoing verbal recognition, encouragement and support. How targets, budgets and rewards are structured will affect the way in which managers and other people behave and pursue the organizational objectives (Johnson. Scholes & Whittington, 2006). According to Armstrong and Murlis (2006), it is also important to consider non-financial rewards which vary according to the nature of the employment relationship and also the personal characteristics of the employee.

Lewis et al (2003) identify the following non-financial rewards: feeling part of a community, a sense of personal achievement, social recognition and social and societal responsibility.

According to Locke (1997) motivation is determined by goal directness, human volition or free will and perceived needs and desires, sustaining the actions of individuals in relation to themselves and to their environment. To develop motivated employees, a manager must treat people as individuals, empower workers, provide an effective reward system, redesign jobs, and create a flexible workplace. It is through behavior that people influence the organizational environment. Dessler (2005) argues that the HR managers should create value by engaging in activities that produce the employee behavior the company needs to achieve its strategic goals.

The challenge of motivating employees has long been recognized as an integral part of managing organizations. Studies have suggested that motivation is very important to organizations that want to improve performance (Moorhead & Griffin, 1998, Ambrose & Kullik, 1999; Selden & Brewer, 2000). Scholars for example William & Kinicki (2008): Dessler (2008) and Armstrong (2008) have also suggested that organizations must motivate employees to be productive. According to Noe et al (2006) an employee with high job motivation produces high quality and more quantity of work leading to high level of job satisfaction hence lead to high performance. Research has established that as employee income increases, money becomes less of a motivator (Armstrong, 2007 & Dessler, 2008). Managers therefore should be aware of the motivational bases of incentive plans. Employees are bound to be much more productive when they work in a positive, supportive environment. Managers must strive to maintain an enjoyable, family-oriented atmosphere in which all employees focus on achieving team goals. According to Dessler (2008) recognition has a positive impact on performance either alone or in conjunction with financial rewards. Praising employees for achieving their goals is important in maintaining an enjoyable work environment.

Recognizing success is critical and equally important is inspiring employees to work toward achievements. Employees will be inspired by knowing their contributions are valued and that management is confident in their capabilities.

**2.3.3 Effective Communication and Organizational Growth** Communication coversall activities that an individual does when he wants to make a transformation in someone else's mind. This is a meaning bridge between an individual or individuals and organization Communication is a process that contains expressing. listening and understanding (Banerji and Dayal, 2005). Similarly, emphasizing social aspect of communication, communication that takes part on the base of social life and forms the content of organizational structure a process which aims at conducting good relationships between groups and organizations (Dogan, 2005).

Price (1997) defined organizational communication as the degree to which information about the job is transmitted by an organization to its members and among members of the organization. Ayatse (2005) also observed that communication is needed to establish and disseminate the goals of the enterprise. This is because the competencies and skills they possess will enable them to exhibit work behaviours appropriate and relevant to the performance of the job. It is further theorized that employees are likely to be more productive if their performance is rewarded assuming that the reward received has value to them, as argued by the expectancy theory (Victor Vroom, 1964).

Communication is vital in organizations such that Orpen (1997) argued that communication has a vital role in the failure or accomplishment of any organization, it is used for the purpose of resolving the contradictions in work organization in other that such organization may progress. People must come together, think together, work together, learn together and advance together. Human interaction allows man to forge new horizons and explore new possibilities. Thus, by meeting people, they can communicate in the language of themselves. The variety of communication aids/techniques used in an organization depends on the nature of the organization, its kind and range of personnel that best suits the management and also the location of the workplace According to Ince and Gul (2001) communication is the exchange of ideas, emotions and opinions through words, letters and symbols among two or more people He states that this may be defined as a technical fact. Yet it is uncertain whether symbols ure transfer truly or not, to what extent symbols meet the transmitted message and how effective transmitted fact on the receiver (Kalla, 2005: Baltas and Baltas, 2002). Without communication, through readings, listening (the receptive skills), speaking and writing (the productive skills) mankind would find it difficult to unravel some of the mysteries of life. Those things that we are ignorant of or have knowledge of, or that we have doubts about can be explained to us better through communication.

Altinsz (2008) defines communication as a means through which the task and the resources needed to carry out an assignment, the roles and duties and the expected results are made known to the subordinates. This means that communication is the transfer of information from one person to another. Thus effective communication is therefore the transfer of message, followed by feedback, from the receiver to the sender, indicating an understanding of the message. Multidimensional aspect of the notion of communication along with its analyses from different viewpoints affects its definition, communication is needed to review, conceptualize and direct interaction in an organization Employee communication is the dissemination of information which is related to the daily performance of an employer's job and also important if the worker is expected to be an effective member of staff. It connotes a consideration of human beings as a vital resource (Buchanan and Doyle 1999).

Communication is the transfer of information from a sender to a receiver, with the message being understood by the receiver. Myers and Myers (1982) defined organizational communication as the central binding force that permits coordination among people and thus allows for organized behaviour." and Rogers and Rogers (1976) who argue that the behaviour of individuals in organizations is best understood from a communication point of view." In many ways, organizations have evolved in directions that make the latter view more appropriate. Changes confronting organizations and the associated changes in organizational forms have made organizational communication increasingly important to overall organizational functioning. Communication is said to be the foundation for sound management communication helps greater coordination and interaction among workers, good communication helps in motivating the workers, and communication helps in establishing links between different hierarchies and functions of management, communication clears confusion, misunderstanding and delays in administration, it helps in achieving maximum productivity with minimum cost, it helps in building genuine human relation. Communication is not only an essential aspect of these recent organizational changes, but effective communication can be seen as the foundation of modern organizations (Grenier and Metes 1992: D"Aprix 1996: Witherspoon 1997; von Krogh et al, 2000).

Effective communication is needed for management to develop and sustain a competitive advantage for organizational performance and improvement (Aviolio, Lado, Boyd & Wright, 1992 and Rowe, 2001). Effective communication between leaders and employees is critically important for the potential success of a company. Leaders need to enact strategies to improve communication that could lead to positive work consequences (Gray and Laidlaw, 2002). Improvements in supervisor-subordinate communication will assist organizations toward the goal of managing diversity by promoting equality and integration in the workplace.

Effective communication succeeds when employees support the leader and the organization if there is a belief that employees efforts will be rewarded. Leadership succeeds when initiating response or responding to change and leadership is inextricably linked to the credibility of those leading. Constituents will become willingly involved to the extent that they believe in those sponsoring the change (Desanctis & Janet, 1999), The association between employee satisfaction and job performance suggests that un important contributor to the employee's engagement within the organization is the leader employee relationship.

Foong (2001) concludes that managers use leadership behaviours to influence employees. Lee and Chuang (2009) explain that an excellent leader not only inspires subordinates, giving them the potential to enhance efficiency, but also meets their requirements in the process of achieving organizational goals. How a leader communicates is as important as to how he leads. The leader is the guiding force within a group and organization. A leadership style that resonates with followers will allow the leader to achieve greater employee productivity. Conversely, poor leadership styles lead to poor communication and can have negative effects on workers performance and in turn productivity. The process by which employees are made aware of organizational goals and their involvement in the achievement of them is recognized to play an important role in fostering job commitment (Anderson and Martin, 1995 & Haskins 1996).

Goris et al. (2000) and Ooi et al. (2006) find organizational communication to have an important positive association with affective commitment, whilst Brunetto and Farr-Whartons (2004) findings suggest a strong relationship between communication processes and job satisfaction and affective job commitment". The importance of communication may appear intuitively obvious, but does research support this assumed importance; the short answer is yes. Research has shown that when employee needs are met through satisfying communication, employees are more likely to build effective work relationships." (Gray & Laidlow 2004, quoted in Tsai and Chuang 2009). This "research satisfaction" - "the sum total of an individual's satisfaction with information flow and relationship variables" (Downs & Hazen, 1977, in Tsai and Chuang 2009) has been correlated with key variables such as job performance and turnover rates. Further, "certain facets of employees" communication satisfaction that exhibit both information and relationship features supervisory communication, personal feedback and communication climate were found to be the major dimensions of communication-job performance relationships" (Tsai and Chuang 2009). In other words, the ways in which information flows in an organization is critical to the way that personnel understand their relationship to and within the organization.

In short, as Chen (2008) stated, each passing study seems to reveal that the relationship between internal/employee communication and corporate effectiveness is more significant than what has previously been assumed".

**2.4 EFFECT OF INTERNAL MARKETING ON ORGANIZATIONS**

The rationale for the adoption of internal marketing is to ensure that employees feel that management cares about them and their needs are met. The successful application of the concept is transformed into positive employee attitudes towards their work including organizational commitment, job involvement, work motivation and job satisfaction (Tansuhaj et al. 1991). De Brum (1998) emphasized that the foremost objective of internal marketing is to assure that all employees are informed about the firms' vision, i.e. their management initiatives, goals, outcomes, services, products and served markets. However, Vasconcelos (2004) highlighted internal marketing as a vital mechanism in which one can build work environments where employees can find and enjoy unique job experiences as well as they are fostered to achieve their full potential.

One of the important outcomes of internal marketing is to increase the organizational commitment of employees (Tansuhaj et al., 1991). This in turn should result in increased job satisfaction, increased job performance and lower tumover of staff (Jenkins and Thomlinson, 1992; Mathieu and Zajac, 1990; Schlessenger and Haskett, 1991) thus help the interactive process.

Caruana and Calleya (1998) also examined internal processes associated with delivering customer satisfaction focusing particularly on the relationship between the nature and extent of internal marketing and its outcome in terms of the level of organizational commitment on the part of employees. The findings confirm a significant relationship between internal marketing and organizational commitment. The relationship of interal marketing is most significant with the affective dimension of organizational commitment. There is some empirical support for a significant relationship between internal marketing and service quality (Yafang Tsai, 2008 & Opoku, 2009) and between internal marketing and business performance (Panigyrakis, 2009). The objective of internal marketing is to create an internal environment in which customer consciousness propagates among personnel. The satisfaction of internal customers is important to the success of a service firm (Gremler et al., 1994). The ability of organizations to develop and gain a competitive advantage through an emphasis on service quality is substantively influenced by the organizational culture. A number of researchers also relate enhanced organizational performance with a strong organizational culture (Barney 1986 & Saffold 1988) and improved employee productivity (Deal and Kennedy 1982; Schein 1985). Internal marketing is believed to contribute towards achieving organizational goals (Gilmore, 2003).

Organizations that select, develop, manage and motivate their workforce to produce outstanding business results have an extraordinary competitive advantage that others cannot copy (Nalbantian et al., 2004). Hogg (1996) has suggested that internal marketing could be the answer to gaining employee commitment, succeeding where traditional internal communications programmes have failed. Lack of commitment from employees can be harmful to an organization, resulting in poorer performance arising from inferior service offerings and higher costs. Drake et al. (2005) suggested that the effective implementation of marketing techniques internally can create significant bottom-line results.

Drake et al. (2005) asserted that by engaging in a carefully planned internal marketing plan the corporation can convert employees into company fanatics who will generate financial rewards. Similarly, Dunmore (2002) posited that a strong internal marketing strategy can be critical to achieving and sustaining competitive advantage, as well as being a key driver of change and enhanced performance. The successful implementation of internal marketing can lead to improved employee retention, stronger individual performance, better teamwork, and more effective overall communications (Drake et al., 2005). Empirical results demonstrate that a significant relationship exists between internal marketing and consumer satisfaction and between internal marketing and service quality (Bansal et al., 2001: Ewing & Caruana, 1999).

**2.5 RATIONALE FOR THE ADOPTION OF INTERNAL MARKETING**

It is clear, therefore, that internal marketing is concerned with more than treating the employee as a customer: it signifies that the organization should constantly endeavour to develop programmes and strategies for enhancing employee satisfaction in much the same way as external marketing plans which are continuously updated and improved to meet external customer demands. Internal marketing is becoming increasingly important and growing recognition as an implementation tool for adoption by all organizations.

Prasad and Steffes (2002) mentioned that internal marketing must precede external marketing. It not the organization may offer a service it is unable to provide. From the organizational perspective, the need of the hour is a well-structured and rationalized internal marketing approach that can significantly improve employee relations with management and overall organizational competitiveness and performance. Only then can these organizations hope to respond to the challenges presented by globalization (Budhwar,2009). There are a number of areas where internal marketing can play a vital role:

***Management of change***: Many companies are undergoing some form of transformation through mergers, alliances, or downsizing. The need for communication is stronger in these circumstances. Moreover, constant organizational change can loosen the ties between employer and employee. Internal marketing can bring the parties together with shared goals and values. Internal marketing may be used to place, and gain acceptance of new systems such as the introduction of information technology and new working practices, and other changes. It creates good coordination and cooperation among departments of the business.

***Building corporate image***: When companies change their brand, their name, or their values, it is essential to communicate the change to all stakeholders including employees.

Internal marketing can play a key role in creating awareness and appreciation of the company's aims and strengths - as all employees are potential company ambassadors.

It integrates business culture, structure, human resources management, vision and strategy with the employees' professional and social needs.

***Employee empowerment***: Internal marketing empowers employees and gives them accountability and responsibility.

Zeithaml and Bitner (1996) stipulated that many organizations accept that in order to be responsive to customer needs, front-line staff need to be empowered to accommodate customer requests, and to recover on the spot when things go wrong. As companies empower staff to build stronger customer relationship, internal marketing underpins the drive for greater involvement, commitment, and understanding.

**Enhancing Organizational Commitment**

Lack of commitment from employees can be harmful to an organization, resulting in poorer performance arising from inferior service offerings and higher costs. The major thrust of the internal marketing concept is to ensure that employees feel that management cares about them and their needs are met. If these are not met then the satisfaction of external customers is difficult, if they are met then employees become committed, co-operative, and enthusiastic about the organization (Ahmed et al., 2002 & Ballantyne, 2003). Internal marketing encourages employees to offer superb service to customers by appreciating their valuable contribution to the success of the business. Hogg (1996) has suggested that internal marketing could be the answer to gaining employee commitment, succeeding where traditional internal communications programmes have failed. Caruana and Calleya (1998) also confirmed a significant relationship between internal marketing and organizational commitment.

***Employee satisfaction***: In service environments in which customers are highly demanding of employees, coupled with employees who in turn hold high expectations from their jobs as sources of self-actualization and self-development.

Under these conditions, internal marketing approach can assist in creating more satisfied customer-contact employees who appreciate clearly the logic and benefit of courteous, empathetic behavior when dealing with customers, lead to greater customer satisfaction. Internal marketing which aims at reducing interdepartmental and inter functional conflict and developing the co-operation and commitment needed to make external marketing strategies work.

**2.6 INTERNAL MARKETING AND JOB SATISFACTION**

The relation between internal marketing and job satisfaction had been the concern of many researchers (Rajyalakshmi and Kameswari. 2009). If an organization implements internal marketing then the organization is upgrading job satisfaction for employees which will lead definitely to enhancing the performance of the organization this is the result of a lot of researches (Tansuhaj et al. 1991; Rafiq & Ahmed, 2000; Conduit and Mavondo, 2001). An empirical study conducted on the impact of internal marketing factors on job motivation and job satisfaction in the retail stores revealed that the working conditions and hours, hygiene &sanitation, rest rooms, support from superior, and attitude of colleagues have highest influence on job satisfaction and motivation (as cited by Rajyalakshmi and Kameswari (2012)).

In a study by AI-Borie (2012) to examine the impact of internal marketing on job satisfaction and organizational commitment of the teaching hospitals in Kingdom of Saudi Arabia. The independent variables are internal marketing factors was represented by these variables namely selection and appointment, training and development, organizational support, incentives and motivation, and retention policy. The research's findings showed that internal marketing had a positive effect on Saudi teaching hospitals physicians' job satisfaction, and organizational commitment. Internal marketing has a positive effect on the job satisfaction of hospital staff in Northern Greece. Also, doctors and male personnel seem to have greater levels of job satisfaction. Staff with time defined work contracts with the hospital are more satisfied than permanent staff, and as the staff age, there is a slight decline in job satisfaction (Efthymios and Constantinos, 2011). Internal marketing had a positive influence to nurses' job satisfaction (Peltire et al., 2008).