

The Relationship between Internal Marketing and Employee Performance in Telecommunication Industry in Malaysia

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Abstract: Dynamism of growing competition, customers' expectation and preferences, technological advances, and business propositions made many service organizations to think of a marketing approach to deliver satisfaction to the customers. Consequently, working in such altering environment requires the accurate sort of staff to survive. It is at this point that the concept of internal marketing and internal customer satisfaction arises. Existing literature provides a number of examples that illustrate how the internal marketing improves job satisfaction but no one had investigated the effect on the employee performance in Malaysian Telecommunication industry. This article aims to propose a theoretical framework to find the best relationship between internal marketing practices and employee performance. The framework presented is a first step towards a more holistic and theory-based approach to understanding the link between, internal marketing and employee performance. This framework also is designed to serve as a basis for future research in this area.

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1.0 Introduction

Customers' expectation and preferences, technological advances, multi telecommunication services providers and huge competition, and business propositions made many service organizations to think of a marketing approach to deliver satisfaction to the customers (Armstrong & Kotler, 2011). Consequently, working in such altering environment requires the accurate sort of staff to survive.

At the present time, Telecommunication Companies in Malaysia live in a dynamic, ambiguous, and changeable environment. Due to these dynamics new challenges faces companies, the new orientation to improve their performance permanently to keep their competitive excellence; one of the most important factor to maintain, and attract new customers, is improving the organizational performance through the internal marketing concept; which considered a significant activity in the development of the employees, as internal customers of the organization; while the main purpose is extending the awareness from internal customers, and removing the obstacles in the direction of organizational effectiveness.

This study examines the factors which contributes and enhances the adoption of internal marketing concept in Malaysian Telecommunication Industry, and the impact of internal marketing on the employee performance. Internal marketing 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 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 (Khaled, 2013). Regarding the internal marketing concept, the organizations will be able to manage their performances in today's competitive environment. Many scholars such as Al-Hawary et al. (2013) and Alshurideh, Alhadid, and Barween, (2015) emphasize that internal marketing influences employee's performance. It is therefore worth noting that an organization should invest in internally for it to realize the benefits of extra- role behaviors.

2.0 Literature Review

The conceptual framework of this study is configured as illustrated in Figure 1. Internal marketing which are motivation, communication and training and development, should be implemented in order to achieve employees' performance.

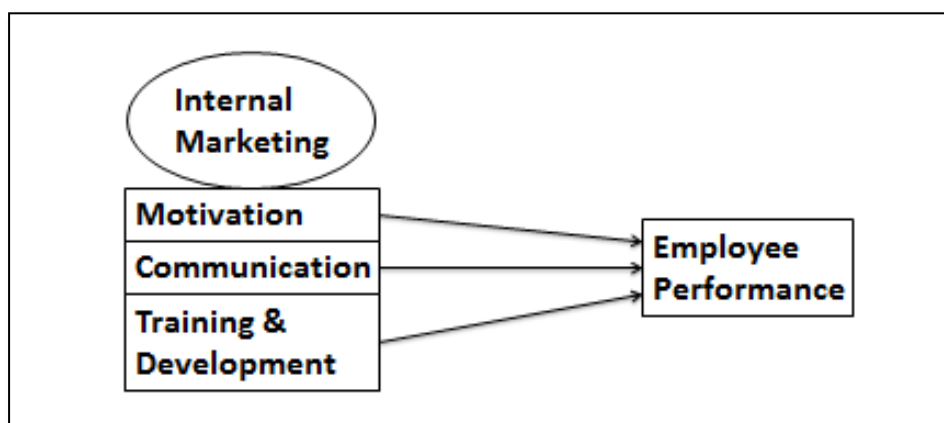


Figure 1. Proposed research model: Relationship between Internal Marketing and Employee Performance

2.1 Internal Marketing and Employee Performance

Effective internal marketing responds to employee needs as it advances the organization mission and goals. Therefore, many scholars such as Mbengo and Chinakidzwa (2014), Amangala and Wali (2013) and Joung et al, (2015) agreed that the internal marketing is concerned with helping the employees; to become more committed and motivated to the organization, and to retain the qualified employees, considering the employees in an organization as the internal market. It includes the ability of being able to convince employees to work together for the success of the organization. This eventually helps to meet the customer's need at the desired levels. This is guaranteed by improving quality of performance of human resources of the organization, especially in service providing institutions. According to Al-Hawary et al. (2013), for any organization to achieve success, it is important for it; to search its employees' needs and try to satisfy them. Ghoniem and El-Tabie (2014) also clarified

that an organization should aim to make its internal customers appreciate its brand, and by doing so, its external customers will appreciate it as well. Therefore, following that, the employee needs are considered first before those of the customer.

Regarding the relationship between internal marketing and employee performance, many scholars have examined; and stated that there is a relationship existed between internal marketing and employee performance. According to Berry and Parasuraman (1991), internal marketing is defined as that process of attracting, and retaining employees. This normally is done through taking into consideration, the interests of employees first before those of the consumers. In addition, Joung et al, (2015) stated that the adoption of internal marketing practices and techniques has an effect on employee performance and employee retention. Joung et al, (2015) argued that internal marketing influences organizational citizenship behavior which eventually has an impact on performance of the organization in total.

Gartner Research (2011) defines employee performance as a process for establishing a shared workforce understanding about what is to be achieved at an organisation level. It is about aligning the organisation objectives with the employees' agreed measures, skills, competency requirement, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and create a high performance workforce.

In addition, according to Hog et al. (1998), there are a set of internal marketing dimensions which are: motivation, communication, empowerment, training and development. While Alshurideh, Alhadid and Barween (2015) stated that internal marketing dimensions are: motivation, communication, empowerment and training and development. Within the same theme, Ghoniem and El-Tabie, (2014) outlined that internal marketing entails but is not limited to communication, strategic reward and training. Also, Esmael, Esmael and Mohammad (2013) implied that the six aspects of internal marketing are: job security, extensive training, generous rewards, sharing information, employee empowerment and reduced status distinctions. Based on reviewing the literature, this study is planned to take deep insight into a set of factors that seen core stones in creating and developing organization citizenship behaviour which are: motivation, communication and training and development. The next section provides more lights on explaining each factor separately.

2.2 Motivation

Motivation is considered the major factor that has a huge impact on the employee's productivity and behavior; so managers should understand how to motivate the employees to enhance their performance, motivation is the drive to act or behave in a certain way (Bigley & Steers, 2003). The managers can motivate the employees through appraisals, recognition and rewards. There is a difference between rewards, and wages, as the reward is received for an effective superior performance, and the wages is received for conducting the normal duties that are asked from the employees at a normal standard level (Saadat, 2005).

A study by ELSamen and Alshurideh (2012) is designed to examine the impact of Internal Marketing (IM) on the Perceived Internal Service Quality (ISQ) among employees working in a Jordanian Pharmaceutical company. The results showed that motivated employees tend to have better perception of the ISQ. There is no doubt that the motivation is an important factor which improves the performance of the employee. Moreover, Eldeen & El-Said, (2001) emphasized on the importance of establishing motivation structures to enhance employee

behavior and performance which in turn will be reflected on the organization overall performance. When the employees feel that their good performance earns rewards, productivity will be enhanced, turnover ratio and absenteeism will be decreased, group work will be more coordinated, and their resistance for change will be less. Eventually, employee cooperation towards achieving the organization's objectives will be obvious.

2.3 Communication

According to Alshurideh, Alhadid and Barween (2015), the manner of applying of communicative mechanisms is important in order to enhance knowledge, skill and awareness of employees from issues related to their jobs. The means through which information is conveyed from one party to the other is referred to as communication. Dramatically, it is important to disseminate relevant information to all employees in an organization so as to have common goals and values. Proper communication facilitates coordination of efforts towards achieving a common goal. The most effective method is face-to-face; however, internal communications also seek to improve employee relations with each other (Piercy & Morgan, 1991). Also, according to Ahmed and Rafiq (2003), the major factor that facilitates the organizational change process is communication. Where Martin and To (2013) ascertain the importance of communication to measure the internal marketing; which includes the management style in providing information to its employees, facing any difficulties in performing tasks, employees know to whom they will report.

In addition, Akroush et. al, (2013) have confirmed the relationship between internal communication effects on internal service quality. Result showed that internal communication is important plays an essential role on creating suitable feedbacks that might raise both levels of performance, and job satisfaction. Communications approaches and ways in any organization may vary while the main point is not by discussing such approaches; but in how an organization should has the ability to communicate its values, and strategic points that fit accurately to their employees, and can be acknowledge smoothly (Deckop et al., 1999).

2.5 Training and Development

According to Al-Hawary et al. (2013), training is defined as the acquisition of skills and attitudes required to perform specific tasks. The employees should be trained and developed in such way that they get to understand the organization's objectives so that they can handle the tasks delegated to them quite perfectly. Consequently, staff training is preparing people to perform the service that enhances every sub-goal of IM; attracting, developing, motivating and retaining superior employees (Berry and Parasuraman, 1992). Effective training is offering employees a vision that would enrich their work with meaning and purpose. It also enhances the skills and knowledge of the employees to perform excellently, teamwork, with an effective measurement and rewards system, which lead to more motivation (Akroush et. al, 2013). Mbengo and Chinakidzwa (2014) found a positive relationship between training programs and employees' performance. The notion is that the training programs fosters the feelings of reciprocity emerges in the high-performing employees to acquire new skills, knowledge and competencies in order to make the employees up to date according to the dynamic corporate environment, which motivate them to seek promotions to higher level jobs which is the main cause of motivation. Additionally, employees will be more motivated and able to satisfy customers' needs if they have the sufficient skills, knowledge and abilities needed to more effectively interact with customers (Ghoniem & El-Tabie, 2014). Therefore, staff training is a vital element for employees' performance.

3.0 Conclusions

Dynamism of growing competition, customers' expectation and preferences, technological advances, and business propositions made many service organizations to think of a marketing approach to deliver satisfaction to the customers. Consequently, working in such altering environment requires the accurate sort of staff to survive. It is at this point that the concept of internal marketing and employee performance arises. Existing literature provides a number of examples that illustrate how the internal marketing improves job satisfaction but no one had investigated the effect employee performance. Furthermore, to date, there is no research about internal marketing practices in Telecommunication Industry in Malaysia. Therefore, this article proposes a theoretical framework to find the best relationship between internal marketing practices and employee performance. The framework presented is a first step towards a more holistic and theory-based approach to understanding the link between, internal marketing and employee performance. This framework also is designed to serve as a basis for future research in this area.

Our framework provides a predictive approach to investigate the relationship between internal marketing and employee performance. Therefore, the primary implication of the framework is to the future researcher on emphasizing the relationship between internal marketing practices and employee performance in Malaysian telecommunication industry.

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