

## INTERNAL MARKETING IN PUBLIC SERVICE SECTOR AND ITS EFFECT ON JOB SATISFACTION<sup>1</sup>

İsmail DÜLGEROĞLU<sup>2</sup>, Çağatan TAŞKIN<sup>3</sup>

### ABSTRACT

Internal marketing can be interpreted to applicate marketing practices to the organization's employees. Internal marketing is very important and related to almost any organization. Satisfying employees result in motivation so that the service quality of service provider is going to be higher and service output is going to be increased.

The aim of this paper is to analyze internal marketing in public service sector in Bursa and to propose internal marketing strategies for managers based on the findings. Therefore different public service organizations' employees were reached. As a sampling method quota sampling was chosen because not many of the public service deliverers were eager to participate in such a survey. To collect data, questionnaire method was selected. Regression analysis was used to analyze the effects on job satisfaction. Results show that colleagues, job enrichment and compensation have significant effect on job satisfaction.

**Key Words:** Internal Marketing, Job Satisfaction, Public Service

### Introduction

Employees are needed to be trained and guided. The very success of any business depends on employees. Encounters are a key element in service organizations. The encounters are the first line in face to face servicing. The service employees can augment quality of the services that are delivered. As the organizations treat their employees as internal customers and understand their place in service quality, they implant internal marketing (Mishra, 2010: 185).

Services, which meet the quality requirements of target markets continuously, are clearly important tools in building strong customer relationships in many service industries. Besides, internal marketing is getting crucial for public service industry in Turkey. The aim of the research is to find the effects of internal marketing variables on job satisfaction in public service sector at Bursa and to propose internal marketing strategies for managers based on the findings. Therefore different public service organizations' employees were reached. As a sampling method quota sampling was chosen because not many of the public service deliverers were eager to participate in such a survey. To collect data, questionnaire method was selected. A quantitative approach was taken to process the data.

---

<sup>1</sup> This article is an improved version of oral presentation named "Analyzing Internal Marketing in Public Service Industry: A Research in Bursa" which took place at I. International Interdisciplinary Social Inquiry Conference in 17-21 June 2012 at Bursa by both literature and statistical analysis.

<sup>2</sup> Assistant Professor (PhD), Kırklareli University, Faculty of Economics and Administrative Sciences, Business Administration Department, [ismail.dulgeroglu@klu.edu.tr](mailto:ismail.dulgeroglu@klu.edu.tr)

<sup>3</sup> Associate Professor (PhD), Uludağ University, Faculty of Economics and Administrative Sciences, Business Administration Department, [ctaskin@uludag.edu.tr](mailto:ctaskin@uludag.edu.tr)

### 1. Internal Marketing

Internal Marketing (IM) is a notion and a way of thinking to satisfy the needs of employees. It was initially introduced as an internally directed marketing. It indicates the company's argument to develop and offer value for its employees. Internal development can therefore enhance external outputs' of the firm (Boukis, 2015: 396).

Internal marketing's main idea offers that human resources are initial privileged market of a business. The aim of the internal marketing is to motivate internal customers (employees) so that external customers treated well. The notion of internal marketing underlies jobs as internal products. Job products must be attractive, advancing and motivating therefore the needs and wants of these employees are satisfied (Ewing and Caruana, 1999: 18-19).

Since 1970s, internal marketing has been conventionally integrated with diverse distinct business objectives such as creating enthusiasm, adequate behavior, and respect among the colleagues. It is also indicated that any customer satisfaction effort should be commenced by developments in internal customer relationships (Vasconcelos, 2008: 1246). In summary, internal marketing has two assumptions. One is to satisfy employees' needs before the firm can satisfy the needs of its customers; and second one is the constructs which are in company's market are related for its internal-market too (Gounaris, 2008: 68).

*"The internal marketing concept emphasizes that teamwork amongst the employees of the business is a key factor in the development and retention of a successful business strategy. The establishment of internal marketing implies that the business must have positive relationships with its employees. It is made possible if the business focuses on aspects such as the development of an understanding for the emotions and intellect of employees, the management of employees as individuals, the delivery of personalized products and services to employees, and the establishment and building of a long-term relationship with employees"* (Lombard, 2010: 363-364).

Internal marketing focuses on the employees of the company that are treated as the members of the internal market. If employees' needs are learned and satisfied by organization, they become more favorable bias the satisfaction of customer needs (Lombard, 2010: 364). Internal marketing literature points out that "to have satisfied customers, the firm must also have satisfied employees". Satisfied and highly motivated employees are the foundation instruments of success in service organizations (Akroush et al., 2013: 307).

There has been an increasing amount of literature supporting internal marketing's scopes are crucial to external marketing strategy and successful orientation of private sector in recent years. Internal marketing is overviewed as a key element to procure service quality (Rodrigues and Pinho, 2010: 174).

### 2. Employee Job Satisfaction and Its Marketing Implication for Service Industry

People's thoughts, feelings and perception about their works are related with employee job satisfaction. Intrinsic and extrinsic features of job show itself as a satisfaction output Job experience effects emotional state of employee therefore job satisfaction make people content. Feelings are motives that reflect as a performance result. Miscellaneous expressions of feelings about the work indicate liking degree of the job (Halepota and Shah, 2011: 281-282).

Job satisfaction is very outspread in definition as it includes wages, promotion and work environment. Employee job satisfaction is taken as a general variable in some publications. On the contrary some literature takes job satisfaction by dimensions such as supervisor, pay, and opportunities for promotion, colleagues and customers (Gonzales and Garazo, 2006: 27).

The significance of job satisfaction in order to derive employee-level and organizational-level success is studied by many scholars especially in sales force management literature. It is an important internal marketing goal for service industries (Gounaris, 2008: 402). Employee job satisfaction is a crucial factor because of many reasons. For example, satisfied employees are more committed to permanent improvement and quality. Researches indicate that satisfied employees are highly guided, have good mood at work and perform more effectively and efficiently. The relationship between job satisfaction and internal marketing dimensions has been comparatively well researched in the literature. For instance, it is suggested that the higher the degree of employee satisfaction, the greater the chance of customer satisfaction and customer retention. There are important proves that satisfied employees create loyal customers (Ramseook-Munhurrun, 2009: 544-545; Kameswari and Rajyalakshmi, 2012: 47).

Job satisfaction and internal marketing subjects are gaining importance in domestic literature parallel to foreign literature. These related subjects have also found to be strategic by the companies in Turkey. In today's consumer-oriented markets, service companies began to apply internal marketing strategies more than

before because it is understood that the higher the degree of employee satisfaction leads to satisfied customers. Besides, internal marketing is also important for public service sector because of many factors such as European Union regulations and government policies. That's why it is aimed to analyze internal marketing in public service sector in this paper.

### 3. Methodology

The aim of the research is to find the effects of internal marketing variables on job satisfaction. These internal marketing variables are working conditions, colleagues, personal development, compensation and job enrichment areas. In this research SPSS 18 was used to analyze statistical data.

To gather data, questionnaire method was used. 128 public service workers participated in the research. 18 of these questionnaires had missing values. Therefore the sample is populated by 110 participants who work in different public service organizations in Bursa. In public service sector it is not easy to persuade employees to participate in such a survey. So sampling method was a non-random one. Quota sampling method was chosen. The quota of the sample is to work in public service organizations in Bursa.

A structured questionnaire is used in this research (Kameswari and Rajyalakshmi, 2012; Usta, 2009; Lombard, 2010; Ewing and Caruana, 1999). A 5-point scale was used to collect data. The statements are from "absolutely disagree" to "absolutely agree". In order to measure reliability of the questionnaire Cronbach's Alpha score is calculated. Cronbach's Alpha score of the questionnaire is 0,90. The data is reliable. The legend of the questionnaire and variables is below in table 1.

**Table 1:** Legend of the Questionnaire and Variables

<b>Working Conditions (WORCON)</b>	
WorCon1	My working place is neat, clean and hygienic.
WorCon2	Technological instruments are adequate for my work.
WorCon3	The facilities about my job are adequate.
WorCon4	Physical conditions and climate of my working space is adequate.
WorCon5	Employees' safeties are well kept.
<b>Colleagues (COL)</b>	
Col1	We work in harmony with our colleagues.
Col2	My expectations about communication style between working personals is fulfilled.
Col3	The people who work in our organization are responsible and they try to make most of themselves.
Col4	The people whom I work with carry out my requests.
Col5	I believe most of my colleagues will help me when I need.
<b>Personal Development (PERDEV)</b>	
PerDev1	My organization facilitates my development.
PerDev2	All workers are equally treated for personal development.
PerDev3	I can reach information about my profession in my organization when it is needed.
PerDev4	My job in my organization gives me permanent developing opportunity.
<b>Compensation (COMP)</b>	
Com1	My payment is enough for my work.
Com2	Overtime payment and bonus payments are adequate.
<b>Job Enrichment (JOBENR)</b>	
JobEnr1	Management takes my suggestions carefully for daily basis problems.
JobEnr2	Management is eager to actualize good ideas about the job.
JobEnr3	In my organization everybody participates in general decisions.
JobEnr4	In my organization I have the right to participate in decision regarding my work.
<b>Job Satisfaction (JOBSAT)</b>	
JobSat	I am satisfied to work in my organization.

**3.1. Demographics of the Sample**

The genders, marital status and ages of the participants are shown in Table 2.

**Table 2: Demographics Variables**

	Frequency	Percent
<b>Sex</b>		
Male	62	56,4
Female	48	43,6
<b>Marital Status</b>		
Married	78	70,9
Single	32	29,1
<b>Age</b>		
18-25	5	4,5
26-35	43	39,1
36-45	38	34,5
46 and above	24	21,8
<b>TOTAL</b>	<b>110</b>	<b>100</b>

Table 2 shows demographics of participants, %56,4 of the participants are male and % 43,6 of the participants are female. %70,9 of the participants are married and %29,1 of the participants are single. %4,5 of the participants are between 18-25 years of age, %39,1 of the participants are between 26-35 years of age, %34,5 of the participants are between 36-45 years of age and %21,8 of the participants are between 46 years of age and above.

**3.2. Analysis**

Regression analysis is used to analyze data. In order to analyze the factors of working conditions, colleagues, personal development, compensation and job enrichment, the variables of the factors' mean scores are taken and constituted dummy factors are used in analysis.

The R<sup>2</sup> score is 0,44 and Adjusted R<sup>2</sup> score 0,41. These scores tell that the variables used to identify the effect on job satisfaction can explain the 41% of the equation. There may be other variables affecting job satisfaction.

**Table 3: ANOVA Table**  
ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	60,490	5	12,098	16,074	,000 <sup>a</sup>
Residual	78,274	104	,753		
Total	138,764	109			

a. Predictors: (Constant), COMP, WORCON, COL, JOBENR, PERDEV

b. Dependent Variable: JOBSAT

Table 3 points out that regression model is significant.

**Table 4: Coefficients**  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,012	,488		,024	,981
	WORCON	,144	,131	,105	1,102	,273
	COL	,358	,150	,227	2,383	,019
	PERDEV	,140	,134	,118	1,039	,301
	JOBENR	,363	,123	,275	2,949	,004
	COMP	,171	,085	,164	2,009	,047

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,012	,488		,024	,981
WORCON	,144	,131	,105	1,102	,273
COL	,358	,150	,227	2,383	,019
PERDEV	,140	,134	,118	1,039	,301
JOBENR	,363	,123	,275	2,949	,004
COMP	,171	,085	,164	2,009	,047

a. Dependent Variable: JOBSAT

According to table 4, the relationships between colleagues and job satisfaction, job enrichment and job satisfaction, compensation and job satisfaction are significant. The relationships between working conditions and job satisfaction, personal development and job satisfaction are not significant.

Colleagues, job enrichment and compensation have a positive relationship with job satisfaction. If employees' relationship with other employees increases one unit then job satisfaction ascends 0,36 unit. If employees' participation in decision making increases one unit then job satisfaction ascends 0,36 unit. If employees' compensation increases one unit then job satisfaction ascends 0,17 unit.

#### 4. Limitations

The sampling size of the research is the biggest limitation. In public service sector, employees are not eager to participate in such a research. 110 sample size also affects the R<sup>2</sup> score. If sample size were bigger in quantity R<sup>2</sup> score could be higher.

#### 5. Conclusion

Colleagues, job enrichment and compensation factors have a positive relationship with job satisfaction and they affect job satisfaction. If these factors are improved, job satisfaction in public service sector at Bursa can be augmented.

In generally speaking one can say that working conditions and personal development are crucial for organizations to create job satisfaction. According to this research's sample working conditions and personal development are not significant. This indicates that public service administrators in Bursa shall concentrate on especially personal development and working conditions in order to develop more job satisfaction. Then internal marketing can be improved and public service receivers may deliver service in higher quality.

#### References

- Achilleas Boukis, Kostas Kaminakis, Anastasios Siampos, Ioannis Kostopoulos, (2015), Linking Internal Marketing with Customer Outcomes, *Marketing Intelligence and Planning*, Volume: 33, No: 3, pp. 394-413.
- Ana Paula Rodrigues, Jose Carlos M.R. Pinho, (2010), Market Orientation, Job Satisfaction, Commitment and Organizational Performance: The Specific Case of Local Public Sector, *Transforming Government: People, Process and Policy*, Volume: 4, No: 2, pp. 172-192.
- Anselmo Ferreira Vasconcelos, (2008), Broadening Even More the Internal Marketing Concept, *European Journal of Marketing*, Volume: 42, Issue: 11, pp. 1246-1264.
- Jamshed A. Halepota, Naimatullah Shah, (2011), An Empirical Investigation of Organizational Antecedents on Employee Job Satisfaction in a Developing Country, *Transforming Government: People, Process and Policy*, Volume: 5, Issue: 3, pp. 280-294.
- José Varela González, Teresa García Garazo, (2006), Structural Relationships between Organizational Service Orientation, Contact Employee Job Satisfaction and Citizenship Behavior, *International Journal of Service Industry Management*, Volume: 17, Issue: 1, pp. 23-50.
- Mamoun N. Akroush, Amjad A. Abu-ElSamen, Ghazi A. Samawi, Abdelhadş L. Odetallah, (2013) Internal Marketing and Service Quality in Restaurants, *Marketing Intelligence and Planning*, Volume: 31, No: 4, pp. 304-336.

- Michael T. Ewing, Albert Caruana, (1999), An Internal Marketing Approach to Public Sector Management: The Marketing and Human Resources Interface, *International Journal of Public Sector Management*, Volume: 12, No: 1, pp. 17-26.
- Mornay Roberts-Lombard, (2010), Employees As Customers – An Internal Marketing Study of the Avis Car Rental Group in South Africa, *African Journal of Business Management*, Volume: 4, No: 4, pp. 362-372.
- Prabha Ramseook-Munhurrun, Perunjodi Naidoo, Soolakshna D. Lukea-Bhiwajee, (2009), Employee Perceptions of Service Quality in a Call Centre, *Managing Service Quality*, Volume: 19, Issue: 5, pp. 541-557.
- Resul Usta, (2009), İçsel Pazarlama ve Hizmet Kalitesi Arasındaki İlişki Üzerinde Örgüsel Bağlılık ve İş Tatmininin Aracılık Etkisi, *Erciyes Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, Sayı: 34, ss. 241-263.
- Sita Mishra, (2010), Internal Marketing- A Tool to Harness Employees' Power in Service Organizations in India, *International Journal of Business and Management*, Volume: 5, No: 1, pp. 185-193.
- Spiros Gounaris, (2008), Antecedents of Internal Marketing Practice: Some Preliminary Empirical Evidence, *International Journal of Service Industry Management*, Volume: 19, Issue: 3, pp. 400-434.
- Spiros Gounaris, (2008), The Notion of Internal Market Orientation and Employee Job Satisfaction: Some Preliminary Evidence, *Journal of Services Marketing*, Volume: 22, Issue: 1, pp. 68-90.
- Vijaya Kameswari, Nittala Rajyalakshmi, (2012), Role of Internal Marketing in Job Satisfaction of Employees in State Bank of India, *Ninth AIMS International Conference on Management*, pp. 47-56.