Determine the effect of relationship between internal marketing variables and employees’ job satisfaction and organizational commitment: Case study of Arab Academy for Science, Technology and Maritime Transport

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Keywords
Job satisfaction, internal marketing, organizational commitment, communication, training, motivation, empowerment, and organizational culture

Abstract
Purpose – The purpose of this study is to examine the relationship of internal marketing variables in achieving employee satisfaction and organizational commitment.

Design/methodology/approach – The research design was descriptive with a hypothesis, and a quantitative data collection method was used in this research. Automated random sampling was used. The sample drawn was from Alexandria Abu Kier Campus of the AAST. A probability area sampling technique was used to collect 305 usable questionnaires.

Findings – The data analysis show that all the variables studied have an effect on job satisfaction, while job satisfaction in turn has an effect on organizational commitment. The findings of the study lead to many recommendations for the managers in the Arab Academy, as well as some suggestions for future studies.

Practical Implications – The current study will suggest some recommendations for organizations to improve job satisfaction and organizational commitment for their employees through internal marketing variables. It will also illustrate the obstacles to some of these variables that face the employees in the Arab Academy, and how they might be removed. This study can be use as a guide for similar organizations to measure the relationship between internal marketing variable’s, employees’ job satisfaction, and organizational commitment.

Research Limitations – The findings cannot be generalized to all the employees of the Arab Academy, as the research population was limited to the administrative staff and excluded the teaching staff and supporting services staff. The educational sector in Egypt is not only private; it includes public universities as well, so the research findings could not be generalized for all universities in Egypt.

Originality/Value – This research has done to enrich our knowledge of internal marketing and its relationship with job satisfaction, and the further relationship of job satisfaction to organizational commitment. This is one of the few studies that have examined internal marketing in the private educational sector in Egypt, and the first to be conducted in the Arab Academy.

Research Type – Research Paper

1 Introduction

Satisfying employees is the starting point for them to reach their commitments — a goal for any organization. The relationship of different internal marketing factors with employees’ job satisfaction has been supported in a number of previous studies (Gounaris, 2008; Kotler and Armstrong, 2008; Yang, 2010). There is a significant amount of research indicating that communication, as one of the internal marketing variables, has a significant relationship with job satisfaction, as appears in Lee and Chen’s (2005) study. Communication, as well as rewards in the form of extrinsic motivation, was examined in this study as two of the significant variables affecting job satisfaction. Gounaris (2008) examined different factors such as organizational culture typology, empowerment, and communication, and used them as effective internal marketing tools to improve...
employees’ job satisfaction. Gounaris found that organizational culture typology, empowerment, and communication all have a significant relationship to employee job satisfaction. Rowden and Conine (2005) demonstrated a significant relationship between training and employee job satisfaction.

The research for this study was conducted in the Arab Academy for Science Technology and Maritime Transport (AASTMT). The Arab Academy is a regional organization established in 1972. It is one of the largest private educational organizations in the Arab world, and is associated with the Arab League. The Arab Academy has many branches—Alexandria, Cairo, Port Said, Aswan, and Latakia (Syria)—which have a large number of employees as administrative staff, teaching staff, and assistant staff. The organization has a good reputation among other universities throughout Egypt. It very kindly allowed the researcher to examine its administrative practices, and to determine the level of staff satisfaction and commitment to the organization.

2 Literature review

Internal marketing has been one of the most popular concepts in the marketing arena since the 1970s. Many scholars have proposed definitions of internal marketing. Berry and Parasuraman (1992) illustrate the role of internal marketing’ in organizations in attracting, developing, motivating, and retaining qualified employees through job products that satisfy their needs. They state that internal marketing is the philosophy of treating employees as customers and serves as a strategy for shaping job products to fit human needs.

According to Berry and Parasuraman’s (1992) study, the attraction and development of qualified employees is one of the vital efforts that any organization should make as a first step on the way to success in satisfying its external customers—an important part of the marketing techniques in an organization. Organizations have to pay attention to internal marketing as a way of being superior to their competitors. The relationship between any organization and its customers is a mirror image of how managers treat their employees as human beings with rights, needs, and wants. Therefore, internal marketing plays a substantial role in organizations by treating employees as partners and encouraging them to generate a good image of the organization in customers’ minds (Kotler and Armstrong, 2008).

Yang (2010) believes that there is a “similarity between the activities of internal marketing and those of human resource management including communication, training, education and the provision of information,” and that “the aim of internal marketing is verified through employees’ satisfaction”. Thus, every organization should care for its employees and satisfy their needs, in order to gain their loyalty and achieve the organizational goals. A recent study by Ahmed et al. (2003) declares that the creation and alignment of internal relationships between departments, functions and employees inside the organization is essential to improve the performance of the company and its employees. Hence, organizations should be concerned with the elements of internal marketing, in order to help its marketing department to achieve its goals.

Scholars such as Boshoff and Allen (2000), Rafiq and Ahmed (2000), and Ahmed et al. (2003) regard empowerment as one of the internal marketing elements that can affect employee satisfaction. Lund (2003) focuses on organizational culture typology as another element, with its four dimensions—clan, adhocracy, market, and hierarchy—and considers it as a factor that affects the organizational goal of employees’ satisfaction. Training also affects organizational aims. It helps employees to recognize new methods of accomplishing their work on time; this was one of the main points in Ahmed et al. (2003). Communication, or the transfer of information between employees, is one of the most important functions in any organization, as stated in Ahmed and Rafiq (2003); they describe it as a tool in internal marketing that affects employees’ satisfaction more than business performance. Earlier, Tietjen and Myers (1998) examined motivation as another element that could affect job satisfaction and dissatisfaction. From the above review, it is clear that internal marketing has
an essential role in any organization to motivate, communicate, train, empower, and spread the spirit of organizational culture all over the organization. It can dramatically alter employees’ job satisfaction.

3 Study questions

The purpose of this study is to examine the relationship of internal marketing variables in achieving employee satisfaction and organizational commitment by answering the following questions:
(1) Determine the relationship between internal marketing and job satisfaction.
(2) Determine the relationship between job satisfaction and organizational commitment in the Arab Academy for Science Technology and Maritime Transportation.

The two questions are covering the communication, empowerment, organizational culture, training, and motivation variables through the following hypotheses:

- H1: Communication has a positive effect on employee job satisfaction.
- H2: Empowerment has a positive effect on employee job satisfaction.
- H3: Organizational culture has a significant effect on employee job satisfaction.
  - H3a: Clan culture has a positive effect on job satisfaction.
  - H3b: Hierarchy culture has a negative effect on job satisfaction.
  - H3c: Adhocracy culture has a positive effect on job satisfaction.
  - H3d: Market culture has a negative effect on job satisfaction.
- H4: Training has a positive effect on employee job satisfaction.
- H5: Motivation has a significant effect on employee job satisfaction.
  - H5a: Intrinsic motivation has a positive effect on employee job satisfaction.
  - H5b: Extrinsic motivation has a positive effect on employee job satisfaction.
- H6: Job satisfaction has a positive effect on organizational commitment.

4 METHODOLOGY

The model illustrated below is developed from a number of previous studies (Gounaris, 2008; Lund, 2003; Ahmed et al., 2003; Rafiq and Ahmed, 2000; Arnett et al., 2002). This model assumes that there is a significant relationship between different variables of internal marketing and job satisfaction. These variables play important roles as intervening variables between internal marketing and organizational commitment.

<table>
<thead>
<tr>
<th>Internal marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Communication</td>
</tr>
<tr>
<td>2. Empowerment</td>
</tr>
<tr>
<td>3. Organizational culture</td>
</tr>
<tr>
<td>a) Clan type</td>
</tr>
<tr>
<td>b) Adhocracy type</td>
</tr>
<tr>
<td>c) Market type</td>
</tr>
<tr>
<td>d) Hierarchy type</td>
</tr>
<tr>
<td>4. Training</td>
</tr>
<tr>
<td>5. Motivation</td>
</tr>
<tr>
<td>a) Intrinsic motivation</td>
</tr>
<tr>
<td>b) Extrinsic motivation</td>
</tr>
</tbody>
</table>

Figure 1: Research Model

4.1 Dependent variable
Allen and Meyer (1990) define commitment as a psychological state that binds the individual to the organization. Yousef (2000) conducted research in the United Arab Emirates to investigate the strength of organizational commitment and job satisfaction as predictors of attitudes toward organizations. The study showed a direct and positive effect of job satisfaction on organizational commitment. Yiing and Ahmad (2009) define organizational commitment as an employee’s belief in the organization’s goals and values, a desire to remain a member of the organization, and loyalty to the organization. The role of organizational commitment has been discussed by many scholars, such as Lok and Crawford (2004) and Chen (2006), who studied the effect of organizational commitment on performance, organization policies, strategies, and satisfaction. For the most part, they were able to confirm a positive relationship. Jusoh et al. (2011) conclude that organizational commitment is important for improving employees’ productivity and performance, which leads to positive organizational outcomes. Filstad (2011) defines organizational commitment as “an emotional attachment to the organization leading to strongly committed identification with, involvement in, and enjoyment of membership”. Yap et al. (2010) thought that it is important to recognize the effect of diversity training on commitment and satisfaction. A year’s worth of data collected in Canada led them to conclude that “employees who perceived diversity training to be effective were significantly more committed to their organizations and more satisfied with their careers than employees who perceived diversity training to be ineffective or non-existent”.

4.2 Independent variable

Internal marketing has an essential role in any organization to motivate, communicate, train, empower, and spread the spirit of organizational culture all over the organization. It can dramatically alter employees’ job satisfaction.

4.2.1 Communication

Communication is the process or act of transferring a message from a sender to a receiver through a channel, with a possibility of noise interference. Some would further elaborate this definition to say that the message transmission is intentional and conveys meaning in order to bring about change. There are a number of methods of communication to transfer information within organizations: telephone, fax, electronic mail, and many others.

In every company, communication provides an information channel. It links managers and employees in different departments within the same organization. Carriere and Bourque (2009) claim: “Managers spend 75 percent or more of their work time engaged in some form of communication”.

Because of its importance, Lee and Chen (2005) studied the effect of communication on knowledge management by using organizational culture as a moderator to investigate its effect on industries. Recently, Mazzei (2010) declared that “communication is a social process of interaction and/or interpretation that gives sense and meaning to social reality, organizational actions, events and organizational roles and processes”.

4.2.2 Empowerment

Many definitions of empowerment have appeared. Conger and Kanungo (1988) define empowerment as “a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and their removal via both formal organizational practices and informal techniques of providing efficient valuable information”. Empowerment also refers to employees’ permission to make decisions relating to everyday situations (Conger and Kanungo, 1988; Bowen and Lawler, 1992). Loughman et al. (2009) show that offering employees a role in decision-making processes and giving them information and resources makes them more satisfied. Baird and Wang (2010) examined the effect of different organizational factors, such as training and rewards, and cultural variables on employee
empowerment to highlight the importance of empowerment in manufacturing organizations. Their results prove that there is a significant relationship between employee empowerment dimensions and organizational and cultural factors. Pelit et al. (2011) carried out a quantitative study of the relationship between employee empowerment and job satisfaction in five-star hotels in Turkey. Their findings show that “psychological and behavioral empowerment has a significant effect on job satisfaction”.

4.2.3 Organizational Culture
Organizational culture was defined as an organizational process of exploring the values and beliefs associated with behavior in an organization. Bauer (2005) and Bjerke et al. (2007) define organizational culture more specifically as the culture that is related to rituals and symbols, and shaped and maintained through a group of people who together form the organization. Culture is regarded as an internal marketing variable, which contributes to job satisfaction, employee performance, and other phenomena. Gounaris (2008) considered clan, adhocracy, hierarchy, and market as organizational culture types, which have a direct effect on internal marketing orientation and an indirect effect on job satisfaction, internal marketing practices, and internal market intelligence. Culture typology seems to be the major emphasis of his study of four- and five-star hotels in Greece; he found the clan type and the market type to be especially important for the development of internal marketing.

4.2.4. Training
Training is one of the most common methods that organizations use to develop their employees’ qualifications and to help them carry out their work more professionally. It is also considered one of the basic internal marketing activities, used for enhancing the productivity of employees to achieve organizational goals. Babakus et al. (2003) call training a vital element, along with empowerment and rewards, related to good customer service. Sloman and Philpott (2006) describe training as an “event” and state: “It is an event initiated and managed by the organization with a specific purpose in mind”. Sahinidis and Bouris (2008) describe training as an approach that organizations use in order to remove employees’ feelings of worry and annoyance when they lack the necessary skills for their work. They define training as “the planned intervention that is designed to enhance the determinants of individual job performance. Training is related to the skills deemed necessary by the management of an organization that must be acquired by the members of that organization, in order to increase the probability of achieving its goals”.

4.2.5 Motivation
The concept of motivation in a broad sense has attracted a great deal of attention from scholars such as Maslow (1954), who arranged human needs into a pyramid and combined them with motivation as a factor that encourages people to satisfy their needs through working. Herzberg et al. (1959) divided motivation into extrinsic and intrinsic factors, which influence employees’ motives and job satisfaction. Wagar (1998) showed that global organizations can be successful if they have highly motivated employees with perfect skills, and that a satisfied workforce can lead to achieving a good product with a low price. Bartol and Martin (1998) define motivation as “a force that energizes behavior, gives direction to behavior, and underlies the tendency to persist,” as cited in Islam and Ismail (2008). P: 344.

4.3 Intervening Variable
Job satisfaction has become an important focus for organizations. Lévy-Garboua and Montmarquette (2004) define it as “an index of preference for the experienced job against outside opportunities conditional on information available at the time”.

Many scholars have studied the effect of environment on employees’ attitude, performance,
and satisfaction with their current jobs. Recently, job satisfaction has been increasingly considered a key factor of business management. Gounaris (2008) investigated the relationship between internal marketing, internal marketing orientation, and job satisfaction; the results show a positive relationship between internal marketing and job satisfaction, through internal marketing orientation as moderator. Toker (2011) deduced, from various empirical studies, that gender is a dimension that can affect job satisfaction. He asserts that there is a difference between male and female academic staff satisfaction in universities in the United States. All of these results indicate that all organizations should care about employee satisfaction, because it is strongly associated with achievement of organizational goals.

4.4 Data analysis Strategy

There are two basic types of statistics: inferential and descriptive. Inferential statistics are those that allow the investigator to decide whether the patterns seen in the sample data could apply to the population as a whole (i.e., tests of significance such as correlation and regression analysis). Descriptive statistics are those that summarize responses as frequency distributions, averages, and standard deviations (De Vaus, 2002; Bryman, 2004).

Since this study is based on quantitative research, the data were collected through a structured questionnaire. The scales were adapted from previous studies, from 1 (strongly disagree) to 5 (strongly agree). The Likert scale was chosen because of its popularity in this type of research, and also because it is easy to construct. The confidentiality of the respondents was assured by delivering the questionnaires in envelopes through the Human Resources department; they were returned in the same envelopes via internal mail in the Arab Academy, without any kind of marking that could identify the respondent. A pilot study of the questionnaire, with 60 respondents, was undertaken at the Arab Academy in December 2011. Pilot testing is a way of simulating the live data collection phase. It is the safest way to reduce mistakes and to make sure that the questions are in the proper sequence. It is also a useful way to judge the clarity and length of the questionnaire. The pilot study took one month.

5 RESULT

5.1 Reliability Analysis

Total numbers of 500 questionnaires were distributed through the human resources department in the Arab Academy. However, only 325 returned questionnaires were usable. The respondents of these questionnaires represented different managerial levels. They were chosen randomly by the human-resources system, which contains all administrative staff.

Reliability was investigated by using Cronbach’s alpha coefficient to measure the internal consistency of the scale. Previous research has highlighted a number of considerations in the use of reliability testing, which determine the acceptable level of the alpha coefficient, such as the number of response categories (5-point Likert scale) (De Vaus, 2002; Sekaran, and Bougie 2010; Bryman, 2004). These earlier researchers agree that an alpha coefficient of an average of 0.5–0.7 is a moderate and acceptable level for social-science research; certainly, the higher the coefficient, the better the reliability of the scale. Table 1 illustrates the reliability of the independent and dependent variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pilot N=60</th>
<th>Sample N=325</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>.837</td>
<td>.784</td>
</tr>
<tr>
<td>Empowerment</td>
<td>.813</td>
<td>.737</td>
</tr>
<tr>
<td>Organizational culture (clan)</td>
<td>.889</td>
<td>.893</td>
</tr>
<tr>
<td>Organizational culture (hierarchy)</td>
<td>.844</td>
<td>.860</td>
</tr>
<tr>
<td>Organizational culture(adhocracy)</td>
<td>.875</td>
<td>.889</td>
</tr>
<tr>
<td>Organizational culture(market)</td>
<td>.725</td>
<td>.702</td>
</tr>
</tbody>
</table>
Table 1: Reliability Analysis

5.2 Regression Analysis

The independent variables for the regression table are communication, empowerment, and training. The dependent variable is organizational commitment. The following table shows the regression analysis for the research model variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>Beta</th>
<th>T</th>
<th>Sig of T</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.759</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>-0.54</td>
<td>-0.074</td>
<td>-1.358</td>
<td>0.175</td>
<td>Insignificant influence</td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.117</td>
<td>0.142</td>
<td>2.513</td>
<td>0.12</td>
<td>Insignificant influence</td>
</tr>
<tr>
<td>Clan culture</td>
<td>-0.020</td>
<td>-0.029</td>
<td>-0.329</td>
<td>0.743</td>
<td>Insignificant influence</td>
</tr>
<tr>
<td>Hierarchy culture</td>
<td>0.081</td>
<td>0.117</td>
<td>1.328</td>
<td>0.185</td>
<td>Insignificant influence</td>
</tr>
<tr>
<td>Adhocracy culture</td>
<td>-0.147</td>
<td>-0.190</td>
<td>-2.492</td>
<td>0.013</td>
<td>Significant influence</td>
</tr>
<tr>
<td>Market culture</td>
<td>0.033</td>
<td>0.044</td>
<td>0.794</td>
<td>0.428</td>
<td>Insignificant influence</td>
</tr>
<tr>
<td>Training</td>
<td>0.226</td>
<td>0.219</td>
<td>3.506</td>
<td>0.001</td>
<td>Significant influence</td>
</tr>
<tr>
<td>Extrinsic motivation</td>
<td>0.100</td>
<td>0.144</td>
<td>82.167</td>
<td>0.031</td>
<td>Significant influence</td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>0.186</td>
<td>0.210</td>
<td>3.995</td>
<td>0.000</td>
<td>Significant influence</td>
</tr>
<tr>
<td>Multiple R</td>
<td>0.415</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td>0.172</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-square</td>
<td>0.148</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>7.265</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significance of F</td>
<td>0.000 (very significant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Regression Analysis for the Research Variables

6 Contribution

The contribution of this research is to enrich our knowledge of internal marketing and its relationship with job satisfaction, and the further relationship of job satisfaction to organizational commitment. This is one of the few studies that have examined internal marketing in the private educational sector in Egypt, and the first to be conducted in the Arab Academy. The results with respect to the market and hierarchy types of organizational culture will help in adapting the frameworks of organizational culture to the private educational sector in Egypt. The differences between the previous literature and the results of this study may be due to Egyptian culture, which affects people’s concepts, norms, values, way of thinking, feelings, and work performance. Modification of the existing frameworks may be required in order to accommodate the differences between Egyptian culture and the cultures in which the earlier research was conducted.

It is hoped that this research will help the managers of the Arab Academy to improve its
internal marketing in order to increase employees’ job satisfaction and their commitment to the organization. The findings could also be extended to all other organizations in the educational sector, to help them avoid the problems seen at the Arab Academy. The results would include more satisfied employees and achievement of the required ISO certification for the organization. The negative effect of communication on job satisfaction may be due to communication excess or deficiency. Communication excess takes place when employees receive too many messages, and therefore too much information, in a short period of time. It also occurs when employees are faced with more complex individual messages that are difficult to address. Its opposite, communication deficiency, exists when employees receive insufficient information. These two cases lead to employee dissatisfaction or useless communication in the organization. Therefore, organizations should take into consideration the number of messages sent to the employees, in order to avoid an excess or deficiency of communication.

7. Limitations and direction for future research

Several limitations of this research became apparent in the course of the study; additional research will be required to support these results. The first limitation is that the findings cannot be generalized to all the employees of the Arab Academy, as the research population was limited to the administrative staff and excluded the teaching staff and supporting services staff. Also, the educational sector in Egypt is not only private; it includes public universities as well, so the research findings cannot be generalized for all universities in Egypt. In the future, further research could be carried out to compare the employees of the private universities and the public ones; the results may help other researchers.

The sample size of the research was only 325 respondents, since the Arab Academy has only 1500 employees. The results of the study may also have been affected by the timing of the distribution of the questionnaire. This could have been the reason for the rejection of the communication hypothesis: the head of the Arab Academy was changed during this period, which might have negatively affected the relationship between communication and job satisfaction. In future research, the researchers should give attention to the stability of the internal organizational environment.

The researcher did not consider the effects of demographic characteristics on the research model, and only measured the effect of the variables on each other, so this could be considered a research limitation. Future research could repeat the same study with the addition of the effect of demographics in the model. It could also measure the effect of other internal marketing variables on job satisfaction, such as development, role clarity, and leadership, learning organization, evaluation of management, working environment, and internal marketing orientation. The effect of internal marketing on job performance or positive employee behavior could also be investigated. Finally, the researcher did not conduct the distribution of questionnaires herself; she asked for the assistance of the human resources department in order to let the employees express their opinions freely. Thus, questions and misunderstandings of the respondents could not be addressed. This caused the rejection of many of the returned questionnaires due to missing data. The researcher advises researchers to take these and similar limitations into consideration in future studies.

References


Lok, P., & Crawford, J. (2004). The effect of organizational culture and leadership style on job


