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The Effect of Internal Marketing on Affective Commitment: A Marketing Mix Approach for the Islamic Bank Employees

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Abstract  
**Purpose** – If employee of the industry is giving superior services to the customer, that customer will be progressively pleased so there is great importance if internal marketing. The purpose of this study is to examine the effect of internal marketing (Marketing mix approach) on affective commitment of employees in Islamic banks of Punjab, Pakistan.  
**Design/methodology/approach** – A model was made to examine the factors affecting affective commitment and it was tested empirically using a sample of 543. All the respondents were branch managers of different Islamic banks. The questionnaire strategy was used for this research. SPSS was used to run regression.  
**Findings** – The paper found "internal price", "internal promotion", "internal physical evidence", "internal people", "internal product" and "internal place" to be the most effective components of the internal marketing construct of the research model, making them key influencers of affective commitment.
Research limitations/implications – This study is confined to two things one is organizational commitment “Affective commitment” and other is internal marketing. The scope of this study is limited and it is case from the Islamic banks of Punjab, Pakistan.

Practical implications – The paper outlines ways to effectively use internal marketing (Marketing Mix Approach) for making employees committed to bank. A marketing manager or policy maker can follow these outlines for making policy for employees.

Keywords: Internal marketing, Integrated Marketing, Organizational commitment, Job Satisfaction, Inter-functional coordination and integration, Motivation.

INTRODUCTION

The appearance of industrial age enabled organizations to make changes in their views about employees. Those times were past now when employees were treated as slaves and their attention were only to give goods and services but now days in this modern age, thinking and perception of business has been modified and it is being notified that two things which are related to individual i.e. individual resources and individual wealth which is basic necessity if there is desire of any business or work to proceed for better future. Above all, case of service work or business, value is surviving upon staff or workers having the reason that this specific service serving industries don’t have adequate services to provide. IM which stands for internal marketing is an equivalent management of staff or workers as well as outside clients in sense of practical rules to gain industrial aims (Woodruffe, 1995). In the sector of services, the consequence of employees is noticeable, if employee of the industry is giving superior services to the customer, that customer will be progressively pleased. But customer pleasure only gives outcome when employee of industry is pleased. The slogan of internal marketing has employees in their first priority. From long time ago, marketing behavior was only partial to outside customers for sales motivation. The middle part of all those actions was to obtain customer progressively. The explanation for customer maintenance was greatly clear i.e. Clients maintenance shows the way i.e. client to client devotion with devoted customers who fewer aware to charges; serving compact a choice to lead more success. However explosion within providers of services division in successful states or nations brings change in conventional and habitual marketing which move toward in addition to change in the direction of luxury workers and staff because they are supposed to be internal clients of an organization. Middle idea of this fresh thought is toward applying market gear to workers or staff consequently it consequences into workers or staff maintenance. Reason for workers or staff maintenance is similar as box by client maintenance-improved success- for the reason that member of staff will keep in an organization or business for more instance followed by organization or business who can provide clients outstandingly as organization or business have enhanced work information; showing genuine and authentic advantage for organization or business. Condition being in relationships is not as good as among such organization or business where workers or staff leaving their job is very speedy for the reason that organization or business has to hire more and more members of staff and motivate them with essential teachings that are expensive and time taken activities. Lambert (2002) emphasis on phenomenon that dedicated employees reveal higher job concentration. Rogers (2001) recommended new tools worker recognize with a high skill traditions split from the organization in which he or she jobs this center of attention shows the way to a constancy fight. More skill employees desire to job on scheme that improve their
occupation, information resources and upcoming earn authority, while the association usually needs present facts practical to rising value-added goods. This fight is an ordinary foundation of troubles for organization wanting to keep upper tools employees (Von Glinow & Mohrman, 1990).

In service business, forefront staffs are serious to the achievement of the business as they are in straight get in touch with external customers. For that reason, these workers include an important blow lying on excellence in services as well goods conveyed by organization or business which in addition to this authority is be supposed to be fully maintained by management (Hartline & Ferrell, 1996). Rising acknowledgment in significance by employee’s responsibility on service business have lead servicing business in the direction of accepting the concepts and ideas given by Internal Marketing. Advance on whole overturn organization or business pyramid as well as place clients on top of peak along with splitting their members of staff hooked on different kinds of two categories which are as follows (i) individuals that dish up clients (ii) individuals those dish up rationing external clients. Therefore, forefront workers or staff turns into inner clients as main workplace maintain workers, manager and association. At the same time as middle subject of rising significance inside together educational conversation, Internal marketing is raised. Snell (2009) specifies that phenomenon that is accomplished inside specialized service or services is internal marketing, although different amount in complexity, arrange to perform variety plan related to advertising or promotion and management of human resources. Internally market also renovate features incorporation as George (1990)s stated in learning as well as subjective representative obviously increase in staff accepting in company principles, member of staff obligation, excellence in services, client pleasure, as well as devotion (Opoku et al. 2009). The purpose of internally market phenomenon is obtained for provoking and client awareness staff during sorting the direction to attain services brilliance. As detailed by Varey & Lewis (1999) directions and limitations of service are turning into input beginning and basics of competitive benefit plus simply concept of a “SERVICE ATTITUDE” along with employees which may leads them to release of remarkable and excellent services of clients as well as greater and more developed compared with previous and old record of market share. For marketing achievements, concept of internal market is more defined plus modified primarily due to conditions and circumstances of services market by which as a consequence end result thought of internal marketing is developing more flattering importance and significance to all associations or organizations. Service sector is the major and best rising part, internationally causal additional to the worldwide production and hiring more employees or workers as compared to further departments within organization. There is major and significant growth done in different type of services sectors and divisions which are banking sector, retailing businesses, business process outsourcing (BPO), Information Technology Enabled Service (ITES), health sector, education sector, hospitality divisions and many more which leads economy of India to rise and grow more. Czaplewski et al. (2001) proposed each and every services provider company argues that there goals and aims are to propose or offer brilliant services which in proof demonstrate that services provider companies are under customer prospect`. Major cause of services excellence and brilliance harms effects is having deficiency of promises of forefront workers which have directly dealings with customers. Organization`s employees or workers are the major and primary market place for business as per internal market idea. Obtaining aggravated and customer awareness of workers at every stage is major goal of concept of internal marketing (George W., 1990).
Grönross, (1981) makes difference in strategic and tactical stage in completion of internal market. While discussing about strategic stage, for the bolstering customer consciousness and sales mindedness among workers, it is important to make belongings and surroundings regarding internal marketing. They should be behind management technique, workers policy, internal training and planning events as per noticed by key facilitators. In service-providing organizations, human resource behavior as well as quality is very rapid and high as there service is very superior for them. Major significant directions and aims are mostly `first encounter` as well as `moment of truth` for forefront workers or staff. In detail, customer happiness arrives as a effect of the achievement of such serious proceedings. For the fulfillment of such aims depends on achievements of their organization (Gremler et al. 1994). Finally, as regarding customer eye, employees always stand for their organization (Hartline & Ferrell, 1996). Lengnick-Hall & Lengnick-Hall (1999) proposes that external marketing and the internal work market require to be connected. To the most excellent of our information, though, there have been a small number of efforts complete to put together these two very important mechanisms of the original service financial system. Amongst the main functional regions of business, marketing and human resource are the two main regions that carry people at the front place of their corrective attentions. However, they have stayed rambling in their logical move toward, as a small number of efforts to set up hypothetical relations in between two have been done. Previously many researchers studied internal marketing as Farzad (2007) conducted research on internal marketing with perspective of islamic banks but research on the basis of 7 P’s model is very rare so this study has fulfilled that gap.

LITERATURE REVIEW
Conventionally, spotlight of marketing highlight frequently on their customer of outside surrounding pleasure as compared with internal customer i.e. employee pleasure. Caruana & Calleya (1998) and Spitzer & Swidler (2003) having reason of fresh business arrangement growth, improved marketing attempt on services and more aggressive surroundings (Varey & Lewis, 2000). The hypothesis at the back of internal marketing is essentially associated with social trade hypothesis (Varey, 1995). The idea of internal marketing is unspoken as the procedure of create, uphold and rising relations among employees, organization, and the association for the reason of making better worth for clients (Flipo, 1986). The activity of internal marketing and its inference has powerfully helpful connected with actions and reactions of their employee (Ballantyne, 2003). Reasons behind this creative idea is `internal marketing activities power and motivate employees’ actions and reactions i.e. customer expectations and satisfactions particularly if concerning about major sector of services (Ahmed, Rafiq, & Saad, 2003). Actually, internal marketing is designed and planned link to expand the society of an association where employee’s approach and performance completely anxious concerning significance of client. One research give details that internal marketing as a designed attempt by means of a marketing-like approach for conquering organization struggle to modify plus to line up, inspire and inter-functionally conversation and mix regarding the effectual accomplishment of business and useful ideas (Rafiq & Ahmed, 2000). In the idea of internal marketing, three parts are present which are employee pleasure, client direction and plan performance/modify organization. These parts are unified and be able to approach as a self-governing element of internal marketing. The existing text provides different approaches and descriptions of internal marketing. One learning emphasis
that internal marketing is observation as existing of growth, prize and dream extent. One more learning provide inspiration, preparation, work pleasure, inter-related addition and organization as proportions of internal marketing (Farzad et al. 2008). By its importance, socialization, employee contribution in result creation, promise, correctness and honesty of statement are features of an internal marketing activity (Naude, Desai, & Murphy, 2003). Hult et al. (2000) emphasis that employees of organization are the internal customer and their creation of their pleasure is very important. Cooper & Cronin (2000) said that within business hard works, internal marketing must be stable. Business skill and motivate their workers to give improved service. Internal marketing in the industry of services assist workers to understand task and plan, and take helps from education, inspiration, and suitable assessment to achieve organization’s predictable plans and maintain outstanding and excellent internal customers i.e. employees of organization (Johnson et al. 1986). Huang (2003) says that process of employing, teachings, inspirations of internal customers, their support and must be familiar with organization they work on and admit ideas, aim and significances of customer pleasure as well as their desires is directly involved in internal marketing, in addition to hold and help with the marketing section to give brilliant client service. Conduit & Mavondo (2001) explained that in defining internal marketing, it directly means of generating and creating of internal surroundings with relevant orientation of customers (clients) and understanding of services in organization. Internal marketing is summed up of basic four elements which are Product, Price, Promotion as well as Place (Davis, 2001) and after that Kang (2001) described that on internal marketing promotion into four major elements which are collecting and analyzing information as well as competitive surrounding information, segments of internal marketing, segmenting them, and managing it. Bansal et al. (2001) certified that internal marketing consists of six levels which are declaration of employee and its employment, wide teaching, plentiful earnings regarding executive hard work, knowledge distribution, employee powers, and dropping separations in grades respectively. Regarding to the seven objects suggested by (Grönroos, 1981) and the study of Conduit & Mavondo (2001) classifies that the internal marketing phenomenon is further divided into major five viewpoint which includes teaching as well as guidance, organization help, inside contacts, outside contacts as well as department of human resource management (HRM) and much more. A main element of internal marketing procedure is to create surroundings regarding internally required where customer awareness spread among all internal employees. Internal client pleasure is very important to accomplish services organization (Gremler et al. 1994). Huge number of researchers tells improved managerial presentation and work amid strong managerial society (Barney, 1986; Saffold, 1988) in addition to better output of employees. Internal marketing is supposed to give regarding attaining managerial objectives (Gilmore, 2003). Businesses which choose, expand, direct and inspire their labor force to create exceptional production consequences have an unexpected spirited benefit that remaining cannot duplicate (Nalbantian et al. 2004). Hogg (1996) emphasized on process of internal marketing respond to promises of employee, following somewhere usually internal infrastructures activities have unsuccessful. Be short of promise from workers can be damaging to an association, resultant in inferior hard work occur from lesser service contributions and senior expenses. (Drake et al. 2005) recommended that the effectual completion of publicity of techniques inside can generate important results. (Drake, Gulman, & Roberts, 2005) suggested that by appealing in a cautiously
designed internal marketing arrangement. Business can change workers into corporation uncompromising who will produce rewards. Likewise, (Dunmore, 2002) suggested that a well-built internal advertising plan can be dangerous to attain and following spirited benefit, in addition to modify and improved performance. Attractive completion of process of internal marketing can guide better preservation of employee of organization, powerful single worker performance, enhanced cooperation, and additional successful in general communications (Drake, Gulman, & Roberts, 2005). The researchers also spotlighting on worker experiences propose that workers having under standings and familiarities are reliable and constant by means of prospect and satisfying essential requirements be inclined in the direction of expanding powerful sentimental affection and connection with organization (Dunham, Grube, & Castaneda, 1994; Hackett, Bycio, & Hausadof, 1994; Meyer, Allen, & Smith, 1993). As per learning, completed via (Feinstein, 2002), Organizational commitment is explained ‘there are two major elements i.e. affective and continuance (Allen & Meyer, 1990). It is emphasized by Mowday et al. (1982) that well-built idea of organization objectives with principles, motivation to be appropriate substantial attempt lying on depending, physically powerful wish in direction of continuing association in organization is known as affective commitment.

METHODOLOGY
This research is conducted among manager of different Islamic banks situated in Punjab, Pakistan. The data was gathered through the questionnaire from 543 branch managers. Probability sampling was used for data collection. In this research in order to test the mentioned hypothesis multiple regression was run. The questionnaire was adopted as shown in Table 1.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Origin</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal product</td>
<td>Adopted</td>
<td>(Burin, 2011)</td>
</tr>
<tr>
<td>Internal price</td>
<td>Adopted</td>
<td>(Burin, 2011)</td>
</tr>
<tr>
<td>Internal promotion</td>
<td>Adopted</td>
<td>(Burin, 2011)</td>
</tr>
<tr>
<td>Internal distribution</td>
<td>Adopted</td>
<td>(Bruin, 2014)</td>
</tr>
<tr>
<td>Internal people</td>
<td>Adopted</td>
<td>(Bruin, 2014)</td>
</tr>
<tr>
<td>Internal process</td>
<td>Adopted</td>
<td>(Bruin, 2014)</td>
</tr>
<tr>
<td>Internal physical evidence</td>
<td>Adopted</td>
<td>(Bruin, 2014)</td>
</tr>
<tr>
<td>Affective commitment</td>
<td>Adopted</td>
<td>(Awwad &amp; Agti, 2011)</td>
</tr>
</tbody>
</table>

Research Objectives and Questions
Determining the effect of different aspects of internal marketing (Marketing Mix) on affective commitment of employees among Islamic banks in Punjab, Pakistan:

1. To determine the effect of product on affective commitment of employees.
2. To determine the effect of price on affective commitment of employees.
3. To determine the effect of promotion on affective commitment of employees.
To determine the effect of place (internal distribution) on affective commitment of employees.

5. To investigate impact of internal people on affective commitment of employees.

6. To investigate impact of internal processes on affective commitment of employees.

7. To investigate impact of internal physical evidence on affective commitment of employees.

The main research question behind this study is:

Which aspects of internal marketing (Marketing Mix) effect affective commitment of employees among Islamic banks in Punjab, Pakistan?

In order to find answer of this question some hypothesis are made which are written below:

H1: There is significant effect of product on affective commitment of employees.

H2: There is significant positive effect of price on affective commitment of employees.

H3: There is significant positive effect of promotion on affective commitment of employees.

H4: There is significant positive effect of place (internal distribution) on affective commitment of employees.

H5: There is significant positive effect of internal people on affective commitment of employees.

H6: There is significant positive effect of internal processes on affective commitment of employees.

H7: There is significant positive effect of internal physical evidence on affective commitment of employees.

RESULTS

A total number of 600 questionnaires were sent to branch managers of different Islamic banks and 523 managers filled it so the response rate of this survey was 87.1 % which is desirable. Results of regression are shown in Table 2.

Table 2: Results of regression.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.155</td>
<td>.015</td>
<td>75.966</td>
<td>.000</td>
<td>1.125</td>
</tr>
<tr>
<td>Product</td>
<td>-.564</td>
<td>.009</td>
<td>-.555</td>
<td>-65.202</td>
<td>.000</td>
</tr>
<tr>
<td>Price</td>
<td>.517</td>
<td>.003</td>
<td>.918</td>
<td>158.569</td>
<td>.000</td>
</tr>
<tr>
<td>Promotion</td>
<td>.359</td>
<td>.006</td>
<td>.765</td>
<td>65.119</td>
<td>.000</td>
</tr>
<tr>
<td>Place</td>
<td>.277</td>
<td>.024</td>
<td>.423</td>
<td>11.747</td>
<td>.030</td>
</tr>
<tr>
<td>People</td>
<td>-.331</td>
<td>.015</td>
<td>-.525</td>
<td>-22.499</td>
<td>.000</td>
</tr>
<tr>
<td>Physical</td>
<td>-.552</td>
<td>.008</td>
<td>-.710</td>
<td>-65.102</td>
<td>.000</td>
</tr>
<tr>
<td>Process</td>
<td>.444</td>
<td>.013</td>
<td>.349</td>
<td>33.430</td>
<td>.103</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Affective Commitment

The table # 2 presents all the variables which are used in model. The significance column shows the significance level of variables. To check the significance we consider values below 0.05. Six out of seven constructs including "internal product", "internal price", "internal promotion", "internal people", "internal processes", and "internal physical evidence" on affective commitment of employees.
"place (Internal distribution)", "internal people" and "internal physical evidence" meet this standard and are significant predictors. Moreover findings of table #2 provide support for only six hypotheses. In significance level less than 5% we can say with 95% confidence that "product", "internal price", "internal promotion", "place (Internal distribution)", "internal people" and "internal physical evidence" have positive effect on affective commitment. Our findings fail to support one hypothesis which is "internal process" because its significance level is below 0.05. The prediction of variables for affective commitment is directly proportional to absolute value of beta. So in this case our most important predictors are internal price (0.918), internal promotion (0.765), internal physical evidence (0.710), internal people (0.525), internal product (0.555) and place “internal distribution” (0.423). The results of our study showed that according to bank managers "internal price" has the first priority and then "internal promotion", "internal physical evidence", "internal people", "internal product" and "internal place", therefore they are most important. Place (internal distribution) have the lowest rank and because of this it is less important for the enhancement of affective commitment among Islamic banks in Punjab, Pakistan. It is very much important to note that internal price is the most important criterion. According to respondents if bank would focus on internal price then it would lead to more affective commitment. Managers and policy makers should make such a policy which would focus on internal price as it will increase the affective commitment. In order to make employees committed to organization manager should focus on several aspects which make the job of employees satisfied. These aspects include providing extra learning, good salary and incentives. Another important criterion is internal promotion. Islamic banks can make their employees committed by frequently realizing organization’s vision to employees and print materials such as newsletters and posters to communicate employees. The third most important criterion is internal physical evidence. Banks must focus on making physically appealing environment and maintaining office layout easy for work. Fourth important criterion is internal people and it means that senior leaders in the organization communicate should communicate clear vision. Fifthly, internal product is important criterion and by focusing on this, bank can make its employees committed by providing training and advance carrier opportunities to employees. The sixth important criterion for affective commitment is place “internal distribution”. There is great of effect of place on affected commitment of employees and a manager can maintain place by enabling employees to work together for providing high quality services to customers and by reducing favoritism in organization.

CONCLUSION
In this study the importance of internal marketing in Islamic banks and its criteria is shown. Moreover, this study shows the effect of internal marketing criteria on affected commitment of employees in Islamic banks of Punjab, Pakistan. The research highlighted the effect of "internal price", "internal promotion", "internal physical evidence", "internal people", "internal product" and "internal place" on organizational commitment. Marketing policy makers or top hierarchical managers of Islamic banks should follow these criteria in order to enhance affected commitment.
FUTURE RECOMMENDATIONS
The research was conducted in Islamic banks of Punjab, Pakistan but in future research can be conducted on the corporate banks. Moreover, this research can be conducted in any other country.

References


