

Investigate the Relation between Internal Marketing and Organizational Learning (Case Study: Telecommunication Company of Isfahan)

¹Majid Mohammadi Falavarjani, ²Amir Mohammadi Falavarjani, ³Ali Nasr Isfahani

¹ Senior Student of Marketing Management, Payame Noor University, Tehran, Iran ² Senior Student of Industrial Management, Najafabad Branch, Islamic Azad University, Najafabad, Iran

³ Faculty Member of Management Department, Isfahan University, Iran

DOI: 10.6007/IJARBSS/v3-i12/481 URL: http://dx.doi.org/10.6007/IJARBSS/v3-i12/481

Abstract

One of the assets of any organization is its employees. Including a requirement for the development of any organization is willing and empowerment personnel. In this study, the relation between internal marketing and organizational learning in of employees in Telecommunication Company of Isfahan has been investigated. Internal marketing looks to employees and jobs as internal customers and internal products, and with four factors (Prices, products, communications and internal environment) are measured. In this study to collect data a questionnaire was used. The researcher made questionnaire that validity was assessed by masters and experts, and Cronbach's alpha was used to assess its reliability. The alpha was calculated for the domestic market, 87%, and for organizational learning 86 percent. Then data were analyzed with using of statistical software SPSS 20. The results show that price, products, communications and internal environment, either by itself, has a direct relationship with organizational learning; it means with if a factor increases, the other factor will increase too. Thus internal marketing and organizational learning are linked together. The results of Pearson correlation showed that internal marketing and its components, have positive and significant relation with organizational learning.

Key words: Internal Marketing, Prices, Internal Products, Communications, Internal Environment, Organizational Learning

Introduction

Organization and getting organized are features in new world. Every organization is composed of the pillars that the existence of them is essential for organization. These pillars are: structure, technology, goals, capital and human resources. Although each of these organizations to shape is important, but without a doubt, the most important element of any organization is its human resources. Staff are internal customers and in organization they has been called internal marketing. Organizations that pay attention to their employees usually, job satisfaction and organizational commitment of employees to the customers of organization are higher. In recent



years in developing and developed countries much attention to organizational learning has been paid. Most researchers believe that organizational learning leads to employees benefit from competitive advantages when they have a clear vision of the importance of service quality. In addition, identify of employees motivate to perform better quality of services can enable organizations to form learning systems. This approach is capable of human resources management policies linked to employee service in the desired manner. The most important productivity factor in organizations and ultimately in whole society is human resources. There is no doubt that the prosperity of every community lies in improving education and human resources. That is because Telecom officials of Isfahan city, with the help of behavioral specialists and human resources, paying particular attention to the development of their employees. One of the concepts that have been developed in line with the development of human resources, is according to internal marketing organization. However to response to environmental conditions, it is necessary to use an organizational learning. Organizations or companies should be promoting organizational learning. Telecommunications company, as one of the major centers of the country, need to foster creative forces and personnel, skilled and flexible in order to meet the needs of its customers. According to company officials necessary to respond appropriately to the needs of customers, attention of officials to internal marketing and organizational learning needs. According to the above the purpose of this study is investigating of relationship between internal marketing and organizational learning in employees of Telecommunication Company of Isfahan city.

Theoretical Principles and Background research

Ahmed and Rafig (1995) proposed a multi-level model of internal marketing to investigate the role of this variable have on the implementation of marketing strategies. In this study Ahmed and Rafiq used indicators of internal marketing in the form 4Ps that in four categories: payable, communication, working environment and inner products were classified for the measurement of internal marketing. Ahmed and Rafiq (2003) in England have been studied the effect of internal marketing on availability of human resources in the insurance sector. In this study, to measure human resource capability, the indicators Gilmore and Garson (1996) is used that there is a combination of technical and management capabilities in the service sector. Strategic reward, internal communications, training, leadership, empowerment and physical environment are indicators of internal marketing that its impact on the availability of human resources through structural equations was studied and its significance has been confirmed. Yunes (2005) conducted a study in the field of organizational learning that the effect of learning on employee and organizational performance are taken into consideration and the results of these studies show that members of collaborative learning leads to organizational performance and create a competitive advantage. Vskvnslvs (2008) has investigated the relationship between internal marketing and employee happiness, this is the only research that has been done on the relationship between these two variables. In his paper entitled "Development of an internal marketing concept" says that the main output of the internal marketing is happy, or happy working environment. Vskvnslvs in his study for internal marketing is used of three valuable staff, jobs as the products and job satisfaction, and ultimately, a positive relationship between internal marketing and happy environment for staff confirmed. Shu and Chi (2010) in a study of over one thousand leading company in the field of investment as "a system landscape



of knowledge management, organizational learning and organizational innovation" did, found that in the knowledge economy, firms to maintain their innovation capabilities and compatibility need to be adapted and updated. Despite this without the capability of organizational learning one organization can not retain some of their knowledge managerial methods. The results of this study showed that organizational learning works as a mediator variable between knowledge management and organizational innovation. They stated that knowledge management is an important input, organizational learning is a key process, and organizational innovation is a critical output of this system. Solomon and others (2011) in a study entitled "The relationship between internal marketing and service quality with customer satisfaction" internal marketing (culture of banking services, human resource development, marketing information, and reward and incentive systems) and service quality (tangibles, reliability, empathy, and credibility) has been introduced as an independent variable. Level of customer satisfaction as the dependent variable and the evaluation of methods of internal marketing as a mediator has to offer and concluded that there is a significant positive relationship between internal marketing (culture of banking services, human resource development, marketing information, and reward and incentive systems) and internal marketing methods and also there is positive relationship and significance between service quality (tangibles, reliability, empathy, and credibility) and customer satisfaction.

Internal Marketing

One way to ensure the superior performance of organization should to be searched in successful role playing of human resources management. For achieving to purpose of this section, it shall be given to those who take care of their customers. This aspect of the activities of service organizations has raised the issue of internal marketing. Today, internal marketing as a strategy for improving organizational performance is known.

Emergence of internal marketing concept dates back to the 1980s. Orbit and Sasro first time (1976) implicitly pointed to internal marketing and also Bari the first time entered the term internal marketing into the marketing. Katler (1991) in one of his books stated that organizations in addition to foreign marketing should also carry out internal marketing (The traditional concept of international marketing is marketing). He is defined the internal marketing as follows: act of recruiting, training, employee motivating so successful that enables organizations to continuously provide high quality services offered.

Internal marketing is to attract, develop, motivate and maintain quality employees through job satisfaction as a product and its requirements. In other words, internal marketing is the philosophy, relationship and joint covenant of customers and organization employees (internal customers). In a sense, internal marketing is an understanding of the academic, scientific and business to improve customer satisfaction and staff. This branch of marketing science is largely influenced by quality management and service marketing that on importance and necessity of establishing quality in whole process of service delivery is emphasized. This field of marketing science discussed about the relationship between customers and suppliers to create value for customers and internal organizations for foreign customers that it can be a value chain and tool for enhancing quality of products and service and inter-organizational and intra-organizational interactions may occur. Thus, the purpose of internal marketing is to ensure of satisfaction among employees of organization and enhancing the quality of products and



services to achieve customer satisfaction organization that this process from internal customers to external customers of the organization is going. Studies done in this field indicated a positive relationship between internal customers (employees) and job satisfaction of external customers. Satisfaction of employees (internal customers) had a significant impact on product quality and consequently leads to customer satisfaction. Internal marketing is fundamentally based on this assumption that provide effective and efficient manner, requires motivated and customer-oriented employees.

Combined internal marketing

In this project, the in tertian of internal marketing elements is factors which con create internal marketing in the organization. In the other words, this factors help organizations to establish internal marketing.

Combined internal marketing are internal marketing s factors , meaning that is of its components. We are in traduce these components in the below.

Value (attending & paying attention to the personnel)

It explains the amount of paying attention to the persona by the managers &. It shows the personnel are how much worthy. Of value components factors we con mention to how much they value protests & complaints of personnel, spoting the personnel s benefit in deciding & amount of managers sympathy personnel & amount of personnel with encouragement. (shahsavani 2009). If managers attend the personnel as well, instead of it the personnel show more commitment & they belong themselves to the organization (cooper & Cronin -2011).

The essence of internal marketing is creating a situation (when came personnel do better services in a more efficient manner.

A needed bed For creating this situation which at last came personnel s loyalty to the organization is attending The personnel s problems which is called value in the field of internal marketing (Gvnarys 2010).

Internal products:

It explains the accent of organization to day to dog development of personnel in internal marketing, of products factors is amount of paying attention to the personnel teaching, using their skills & abilities, accenting job developing the personnel, amount of independence in Job & the manner of their reciprocal activities (shahsavani 2009).

Internal products are : the expense that should be puce by organization that personnel con learn modern shills & technics. The result of attending to the internal products in internal marketing is personnel s capability. The organization with its personnel s capability try to response their unsteady environment & developing organization ability (Gvnarys 2010).

Relationship:

It explains manager s consistency with personnel which consist of the below items: the amount of relation between managers & supervisors with personnel , amount of managers consistency with personnel to meet the needs , the amount of managers consistency & cooperation with personnel to attending the organization problems & the amount of manager s accessibility to solve the organization s problem (shahsavani 2009).



It is better to be face relation for being more a useful . paying attention to relationship in internal marketing came the personnel feel managers attend their words (Gvnarys 2010). In this situation , indisputably , the personnel feel more secure in explaining their problems. The result of a good relationship in the organization is constancy decreasing absences & leaving the organization. Also attending the managers to relationship in organization come easily to receive feedback. Thereupon, attending to relationship in internal marketing have a bilateral benefit both for managers & personnel . (cooper & Cronin 2011).

Interned environment:

It explain the treatment & sued culture in organization s internal environment to the way of personnel development & personnel reciprocal confidence (shahsavani 2009). Cultural organization. Have an important role in internal environment of internal marketing.

In this field managers roles is more important because at first they should believe organizations culture & use them in their acts. (Nasr- E- Esfahani 2007).

Managers should prepare the way of personnel development. Since they develop & success. One of the important tem in developing is organization attending to personnel's evaluation & appropriate reaction & result to personnel (Goneris 2010).

Organizational Learning:

Became OL is a intra field definition, finding on acceptable definition is difficult. Bat as senge (1997) points, almost all definitions contain & behavior changes. Cognition changes deals with definition such as learning knowledge & sight & teaches. Whereas behavior changers realer to real changes in learner s behavior (Davis 2003).

Vest (1998) Verifying in OL attribute in verifying descriptive analysis & prescriptive approaches & said : due to descriptive analysis approach , it is enough to learn by learning new way of thinking. But due to prescriptive approach , behaves changes is obligatory for learning .

Definitions of OL.

There is different definitions of organizational learning which we point to some of them:

Simon (1991), define OL as thinking development & renew creating & manifesting successful organizations problems. By personnel in a way that reflect as organizations result. Nonka (1991) believes that OL gain from repetition of inner & external process. Gervin (1993) point out that organizations learning is a multiple process which expanded by pasting the time. Anal it's a significant relation between obtaining knowledge and work improvement. In other words, OL is the process of work improvement via better knowledge & understanding. Andromayo (1994). OL is au the technics & process which used inside of the organization to have a real learning. Silter & Narur (1995) point OL means developing knowledge which can effect treatment. Bob Guns (1996), OL is obtaining & using knowledge which can effect treatment . Bob Gunz (1996), OL is obtaining & coworker 2011).



OL significance chronicle:

Dofinastion of OL belongs to 1900 (Christian calendar) when Fridric Taylor introduce leavening transferring to other personnel. A subject which Couse better work & organization s improvement (yeang & others 1999).

The start of OL is became f development of different management theories. Theories which reveal by A dam smith & Taylor. In spite of this, Richard Cyret & James march were the first ones who combine Learning and Organization & introduce learning as an organizational phenomenon.

Since 40 past years , multiple research to a transparent definition.

For OL these research largely were conduct to signifying OL , develop & using them be more expanded . (Templeton & others 2002).

Here we describe a short history of OL:

1- when Taylor explain management trenchant theory , he believes managers truth can be codify & module. He can transfer these learning to other personnel & then improve the organizations ability (yeung 1999).

2- In the latest 60s, OL define by some Carengie – mellen university theorist. This group consist of Richard cyret , James March & Herbert Simon. In 1958 March & salmon declare: since we waning understand when we achieve to organization standard & operation process.

Organization selection by laws shelties apply in , is effected by conditions.

This law reflect OL process in the organization adjustment direction To environment .

3- Third item rulers to history of learning on Arguris & schon research .

Which leads to recant researches on learning's. Argyris & schon explain two kind of learing : a) single ring . b) dale ring . single ring known as type one learning. This kind of learning increase the capacity of organization to achieve known subjects. Cunel it lacks so enough depth with regard to recent situation. Second learning is dual ring learning.

The goal s nature of this type is value & believes , it means dual ring Learning Couse:

- New methods become uncover
- people provoke for improvement
- The distance between pact & present s work become specify.

- New idea changes to work & the rest of learning popularize to the all organizations.

4- George Haber (1991) define OL literature as environment s consistency , being supple against evolutions & applying them.

5- petter senge and his coworker in MIT become famous beacons of working on learning definition and claim that by using systematic thinking learning are can design organization process & use it. Senges team in MIT form learning center which become a transparent source to investigate about organization learners. At last in parts of OL literature had been celebrated from senge & than he known as Master of OL.

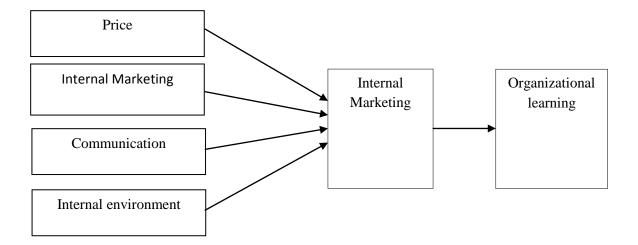
recently in the trading world, learners organizations attach a lot of at tension.

6- Smith & coworker (1999) in a spacious research about the history of OL present way of completion with regard to researcher s OL works and due to seven factors of other researchers , learners , learning eagerness , way of learning , result of learning , content of learning & definitions.



Develop hypotheses and conceptual model

This conceptual model that the assumptions based on the model it is formed, is presented below:



The main hypothesis of the research

Internal marketing has a significant relationship with organizational learning.

Secondary research hypotheses

The price has a significant relationship with organizational learning. Internal products have a significant relationship with organizational learning. Communication has a significant relationship with organizational learning. Internal environment has significant relations with organizational learning.

Methodology:

This research in term of applied goal & syntactic is a descriptive gathering. And is of field study. Study . way of doing the research is correlational and one of the most important result is that is can count as whole reset.

Internal marketing research s variables (value – Proclus's- relationship &. Environment) is independent variable and OL is dependent variable.

Population & statistic sample: population consist of all Isfahan communication company workers in 2013 which are 1200 person. We use sampling method & choose 291 wok or instead of whole population & distribute them questionnaire.

Instrument of gathering data collection : It should be mentioned that in this project to gathering internal marketing data collection we us e Ahmad & Rafiq (1993) questionnaire & for examining OL variable we use soltani questionnaire.

To exam justifiability & perpetuity questionnaire we use Cronbach alphabet lay help of SPSSZO software- cromlech alphabet extract 87 for internal marketing quest on naïve and 86% for OL quostromhe .



If a was more that 70% it means that the result is valid such as Nonali sard. So the reset we obtain declare the questiormave we use is valid enough.

Data Analysis:

To use statistic technics it should be clarify that the given information is a normal destination or not? Because if the distribution was normal we can use parametric exams & if it was abnormal we are forced to use non parametric test. At this stage we review the results of the tests on each of the dependent and independent variables and based on the results, we choose an appropriate test and verify hypotheses. Because the sample size is greater than 30, according to the central limit theorem, the sampling distribution is approximately normal and on the other hand, using the Kolmogorov - Smirnov test, the results obtained are shown in Table 1 and 2.

Factors	The number of data	Mean	Standard deviation	KS	Sig	Test results
Internal marketing	40	2.51	0.835	0.823	0.507	Confirmed H ₀
Price	40	2.33	0.835	1.309	0.065	Confirmed H ₀
Internal Products	40	3.01	0.729	1.095	0.182	Confirmed H ₀
Communication	40	2.83	0.811	1.292	0.071	Confirmed H ₀
Internal environment	40	2.92	0.930	1.152	0.141	Confirmed H ₀

Table 1:Kolmogorov–Smirnov test for Independent Variables

Table 2:Kolmogorov–Smirnov test for Dependent Variable

Factors	The number	Mean	Standard deviation	KS	Sig	Test results
	of data					
Organizational Learning	40	3.15	0.825	0.880	0.421	Confirmed H ₀



Correlation Test

As mentioned in this study from 4 internal marketing factors: price, internal products, communication and internal environment is used. In this section for investigating the relationship between the variables of internal marketing and organizational learning, Pearson relations established between them and this way the type of relationship (direct or inverse) between them are studied.

Investigation the main hypothesis of this study

The results show that the main hypothesis of this study indicate internal marketing relationship with organizational learning has been accepted.

Factor	Organizational learning			
Internal marketing	N	Sig	r	
	250	0.000	0.581	

Table 3: Coefficient Of Correlation between internal marketing and organizational learning

Looking at the results listed in table 3 revealed that the correlation coefficient between internal marketing and organizational learning is 0.581 and in $P \le 0.5$ is significant, thus There is a direct relationship between internal marketing and organizational learning that Shows the two components have a direct correlation. It means with the increase in internal marketing, organizational learning is also increasing.

Investigation of secondary research hypotheses

The first hypothesis of study that price is a significant relationship with organizational learning, is accepted. Because the correlation coefficient was calculated for the area $P \le 0.5$ is 0.495. This result is visible in the output of spss software. Among the Telecommunication Company of Isfahan employees prices has a direct positive relationship with organizational learning.

The second hypothesis of study that was to examine the relationship between internal products with organizational learning is confirmed. Because Pearson correlation coefficient was calculated is 0.580, so we can conclude that among the Telecommunication Company of Isfahan employees internal products has a direct positive relationship with organizational learning.

The third hypothesis of the study that was to examine the relationship between communication with organizational learning is confirmed. Because correlation coefficient was calculated is 0.580, so we can conclude that there is a positive and significant relationship between these two variables in other words if in Telecommunication Company relationship among employees increases, the organizational learning will increase.

The fourth hypothesis of the study that was to examine the relationship between internal environment with organizational learning is confirmed. Because the calculated correlation



coefficients for these two variables is 0.600 that showed there is a significant positive relationship between these two variables.

Table 4: The correlation coefficient between the elements of internal marketing and
organizational learning

organizational learning						
Factors	Organizational learning					
	N	Sig	r			
Price	250	0.000	0.495			
Internal products	250	0.000	0.580			
Communication	250	0.000	0.493			
Internal environment	250	0.000	0.600			

Discussion and Conclusions

According to the research findings this can be concluded that there is a significant relationship between internal marketing (price, internal products, communication and internal environment) with organizational learning. Results show that if internal marketing in Telecommunication Company of Isfahan is to be more and more importance, organizational learning increases and improve employee performance and, ultimately, service for customers will be better. Attention to the four dimensions of internal marketing leads staff will be more satisfied and committed and naturally staff are more inclined to group activities and will be far from an individual activities. With the increase in internal marketing in Telecommunication Company of Isfahan, participation and learning among employees increases and it is the result of synergy among them. If the employees morale is higher learning and themselves and their function in the organization are considered valuable, they will show better performance. One of the things that can make such a good spirit in the employees, is an internal marketing. Today, organizations have recognized the growing importance of the internal marketing and they trying to make it among their employees. Telecommunication Company of Isfahan is no exception.

Resources

Ahmed, P.; Rafiq, M,. and Saad, N. (2003), "Internal Marketing and the Mediating Role of Organizational Competencies", European Journal of Marketing, 37 (9): 1221–1241.



Cooper, J., & Cronin, J. (2011). Internal Marketing: Competitive Trategy for the Long-Term Care Industry. Journal of BusinessResearch, 8(6), 177-181.

Delavi, MR; Nematolahei, MJ; Nematolahei, M. (1390). Organizations millennium (the learning organization and organizational learning). Isfahan: Naghshe Negin

Ebrahimi, A. (1382). Factors affecting domestic marketing. Tadbir, 121, 12-14

Gounaris, S. (2010). Intenal- Market Orientation Amisconceived Aspect of Marketing Theory. Europen Journal of Marketing, 44(2), 160-169.

Lia, J. Chou, Ch. (2008). "A strategic approach of internal service quality

employees job satisfaction in e-business". ACM digital library. NY.

Lings, L. (2000). Internal Marketing and Supply Change Management. Journal of Service Marketing, 14(1), 27-43.

Shahsavany, M. (1388). The effect of internal marketing on customer satisfaction. (Master's thesis). Isfahan University

Shu, hsien liao & Chi, Chuan Wu (2010). "System perspective of knowledge management organizational learning and organizational innovation". Expert systems with application. 37(151), 1096-1103.

Suleiman, A, & Mohammad Hersh, A, & Aladwan, K(2011). "Relationship between Internal Marketing and Service Quality with Customers' Satisfaction". International Journal of Marketing Studies. 3(2),107-118.

Nasr Esfahani, A. (1386). Managing group behavior. Isfahan University Jihad Publications