
A Study of the Relationship between of Internal Marketing, Job Satisfaction and Customer-Oriented Behaviors

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Abstract

In an intense and competitive environment, how to create a “differentiation” is a key determining factor for most successful businesses. This study attempts to examine how an organization can utilize the marketing procedures and strategies internally on employees. In other words, the employees are treated as customers and made satisfied. It is believed that internal marketing can enhance the employees’ job satisfaction and strengthen their consciousness of customer-oriented behaviors.

Empirical results show that internal marketing perception and satisfaction are two different concepts. The former indicates how strong the employees feel about the action taken by the company, while the latter shows whether they agree to the action taken and the extent of their satisfaction. The same five components making up internal marketing perception and satisfaction are as follows: (1) communication, (2) supervisor’s leadership, (3) intangible benefit, (4) salary, and (5) intermediary. On the other hand, the factor “Interaction between company and employees” appeared only on the dimension of internal marketing satisfaction. Job satisfaction comprises three factors: benefits from work, contents of work, and interpersonal relationship. Finally, customer-oriented behaviors are made up of three factors: selling orientation, customer first, and short-term benefits.

The relationships between the above factors reveal that the higher the perception of internal marketing, the greater the employees’ job satisfaction and customer orientation will be. However, there is no significant relationship between employees’ job satisfaction and customer orientation

Keywords: Internal Marketing Perception, Internal Marketing Action, Job Satisfaction, and Customer-Oriented Behavior

1. Introduction

Under the government policy of deregulation and internationalization, intense competition has transformed the banking industry from a passive to an active marketing-oriented service. According to the statistics revealed by the Ministry of Finance in 2000, the number of banks in Taiwan has increased sharply. There are currently 5,614 branches serving a total population of approximately 21 million. As the government

deregulates, many banks or branches are established, and in order to survive in such an intense environment, they have to create new financial commodities for their consumers.

Moreover, takeovers and joint ventures have also become popular. With information shared between companies, skills and expertise are no longer trade secrets. Consequently, the market structure of the banking industry is changing from monopoly to perfect competition. As suggested by Michael Porter, “differentiation” is the key factor to success. Although products, expertise, or even the operating system can be, easily duplicated, customer-oriented behaviors of the staff cannot be easily imitated. Human resource is the most vital component in creating a differential competitive advantage.

In banking industry, customers often evaluate the service quality according to the frontline employees’ customer consciousness and job enthusiasm. In addition, these employees often play the most important role in representing the whole organization in delivering their service to customers. “It is impossible to ask an employee to present a lovely smile and provide excellent service soon after he or she was admonished by you,” said Walt Disney. Thus, in order to instill employees with a sense of service and enthusiasm, the organization needs to develop internal marketing. In fact, many studies also suggested that customer orientation is the key factor to winning (Narver and Slater, 1990; Ganesan, 1994; Wilson, 1991).

The concept of internal marketing came from the field of external marketing. In short, the essence is treating employees as customers, and making them satisfied (Berry, 1981). It is believed that such will then establish automatically customer-oriented behaviors among all employees (Johnson and Seymour, 1985; Johnson, Sccheuing, and Gaida, 1986; George and Gronroos, 1989; Cahill, 1995). The purpose of this study is to clarify the meaning of internal marketing, and examine whether managerial support to developing internal marketing could enhance employees’ job satisfaction and customer-oriented behaviors. Evidence gathered through practical research will help in determining whether internal marketing can be transformed into a management strategy.

2. Literature Review

2.1 The Internal Marketing Concept

1. Treating the staff as customers

Gronroos (1981) first proposed that employees should be treated as the company's customers and that the organization needs to sell its goal to them. As defined by Berry (1981), internal marketing is to treat employees as the internal customers and jobs as the products, which are used to satisfy the needs and wants of the internal customers. In addition, Berry and Parasuraman (1991) emphasized that internal marketing is to attract, develop, encourage, and keep employees satisfied with their needs.

2. Being active on promotion

Berry (1981) suggested that a manager should sell the products to the internal customers from their viewpoints. George and Gronroos (1989) also indicated that internal marketing means managing human resources through marketing viewpoints. This is one type of strategic management established to strengthen employees' loyalty to the company.

Collins and Payne (1991) believed that it is possible and suitable to apply marketing concepts to the management of the human resource department. Gummesson (1992) proposed the idea of part-time marketing personnel. He believed that all employees are indirectly playing the role of marketing personnel one way or the other when interacting with their customers. Greene et al. (1994) reckoned that internal marketing is to exert marketing strategies onto frontline employees to get a better working condition. Bak et al. (1994) also suggested that internal marketing is to treat the employees as the customers, and to manage human resources through marketing viewpoints in an effort to generate satisfied internal customers. Joseph (1996) proposed that internal marketing is to combine the techniques of marketing and human resource management, thus stimulating all employees to improve the service for both internal and external customers.

3. Strengthening the staff's consciousness of customer orientation

Internal marketing means to create customer-oriented behaviors among the employees within the organization (Johnson and Seymour, 1985). Johnson et al. (1986) further suggested that internal marketing should be utilized by the service industry to assist them in projecting their goals to the employees. George (1990) pointed out that the purpose of internal marketing is to make sure that employees throughout the hierarchy all

understand the operations of the organization. Thus, internal marketing is considered as one kind of strategic management.

Gronroos (1994) redefined internal marketing as “the organization through enthusiastic action, negotiation, and ways almost like marketing strategies to stimulate the internal market which is made up of own employees in an effort to strengthen their customer orientation and service awareness”. Cahill (1995) defined internal marketing as “in relatively larger service organizations, employees should treat each other as customers, so they can then provide better services to external customers through continuous instillation of customer orientation”.

Thus, internal marketing is summarized in this study as “taking the marketing approach to manage all interactive activities within the organization so as to attain a more efficient internal environment and to build up the employees’ customer orientation”.

2.2 The Concept and measurement of Job Satisfaction

1. Job Satisfaction

Job satisfaction is a more useful predictor of organizational efficacy and effectiveness. Its meaning has been discussed by many scholars. Hoppock (1935) defined job satisfaction as “satisfying feeling enjoyed by an employee with his or her current situation, both mentally and physically”. Furthermore, according to Smith, Kendall and Hulin (1969), job satisfaction is an employee’s emotional reaction to his or her employment.

Locke (1976) also emphasized that job satisfaction means how an individual reacts to his or her emotion and happiness through employment. Hackman and Oldham (1975) revealed that job satisfaction is the emotional status of happiness and enthusiasm created by evaluating achievement. Thus, job satisfaction is being defined on the basis of personal background, expectation, and value. It is also related to the performance of the employees and the customers’ extent of satisfaction with the service provided (Wiggins and Moody, 1983; Schwartz and Will, 1961). Spector (1985) suggested that job satisfaction means an individual’s feeling and extent of satisfaction from work.

From the above definitions, there are three constructs as follows.

Overall Satisfaction: It is the most general definition for job satisfaction. Its emphasis lies on the work itself, the surrounding environments, and how the employee reacts to the situation emotionally.

Expectation Discrepancy: The extent of job satisfaction depends on the gap between perception and expectation from work (Porter and Lawler, 1968). Therefore, the smaller the difference is, the greater the job satisfaction would be and vice versa.

Frame of Reference: Job satisfaction is the result of analyzing work characteristics according to the frame of reference (Vroom, 1964; Cribbin (1972).

2. Measurement of Job Satisfaction

Sheashore and Taber (1975) explained that factors affecting job satisfaction could be split into two categories --- before and after. Environmental factors such as political environment, economic environment, and the organization's internal environment as well as personal factors such as population statistics, personal characteristics, ability, and circumstances are all included in the 'before' category. On the other hand, personal reaction such as hesitation, critics, and job efficiency, organization factors such as productivity, liquidity, and organization efficiency, as well as societal factors are all classified in the 'after' category.

Spector (1985) suggested that there are nine constituents representing job satisfaction: salary, promotion, benefits, and relationship with supervisor, bonus, operating procedures, colleagues, work, and communication. The Job Satisfaction Survey (JSS) conducted by Spector (1985) focused on examining the employees of human resource companies, public companies, and non-profit organizations. Snipes (1996) added one factor (customer satisfaction) to JSS, because many studies revealed that employees' perception of customer satisfaction will ultimately affect service quality and job satisfaction (Tu, 1999).

Brown and Peterson (1993) classified all factors affecting job satisfaction into the following four constructs: job consequences, personal differences, role awareness, and organizational factors. Job consequences included sales, promises, and willingness to resign. Personal differences included population statistics and person characteristics. Role awareness can be divided into role haziness, role clash, and role clarity, where role haziness and role clash are both negatively related to job satisfaction (Behrman and Perreault, 1984). Although they are both negatively related to job satisfaction, the extent of their relationships varies according to different studies. On the other hand, role clarity has a positive relationship with job satisfaction (Teas, Wacker, and Hughes, 1979; Kohli, 1985). Work design, organizational structure, organizational communication, supervision,

and salary are all considered as organizational factors (Churchill et al., 1976).

2.3 Customer Orientation

1. Definition of Customer Orientation

Saxe and Weitz (1982) pointed out that customer orientation is the marketing concepts executed by sales representatives when interacting with potential customers. Dunlap, Dotson, and Chambers (1998) believed that customer-oriented sales representatives lose some short-term goals, but as a tradeoff, all potential customers can obtain long-term satisfaction. Narver and Slater (1990) emphasized that customer orientation is to understand the customers' value chain, including the current and the future changes.

In the service industry, customer orientation plays a very important role, because the positive appraisal of the service provider is usually made according to the customer's orientation of the service provider (Parasuraman, Zeithaml, and Berry, 1985). Customer orientation builds a long-term relationship with potential customers and company, and it is beneficial to both parties (Kelley, 1992). Furthermore, Dunlap et al. (1988) suggested that employees in the service industry must be customer-oriented because employees with high customer orientation is considered as the key factor influencing a company's profitability and a priority in achieving the company's competitive advantage (Narver and Slater, 1990; Ganesan, 1994; Williamson, 1991).

2. Measurement of Customer Orientation

Saxe and Weitz designed the Table of Selling Orientation and Customer Orientation (SOCO) in 1982. The results suggested the following six characteristics: 1) trying to help the customers in deciding which one to purchase, 2) helping the customers in determining their needs, 3) providing such products to satisfy the customers' needs, 4) describing the product correctly and truthfully, 5) avoiding lies and manipulations, and 6) avoiding tyrannous actions.

Hoffman and Ingram (1992) pointed out two factors that can provide job satisfaction to employees and consequently enhance their customer-oriented behaviors. One is the theorem of exchange for mutual benefits in our society, and the other emphasizes that personal behaviors are influenced by own emotional status. Hartline et al. (2000) worked on how companies can standardize customer orientation. He believed that only

well-structured organization with good management and high incentives can realize customer orientation behaviors throughout the whole organization.

3. Methodology

3.1 Conceptual Framework

The research aims to explore various internal marketing practices through the study of employee satisfaction levels, and examine how the relationship between job satisfaction and customer orientation influences the effectiveness of the internal marketing-oriented management process. The conceptual framework is shown in Figure 1.

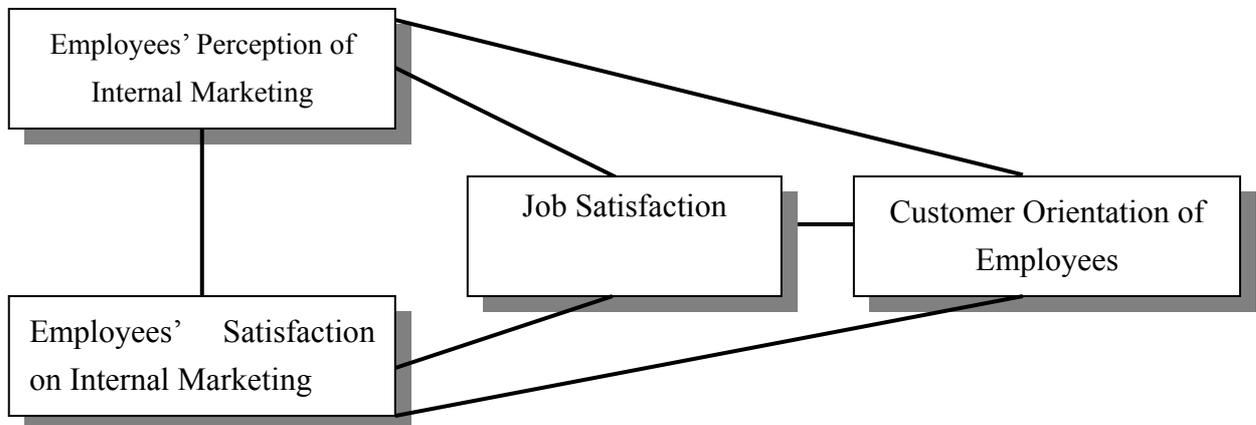


Figure 1 Conceptual Framework

3.2 Instrument

The questionnaire designed for this study contained four parts, namely internal marketing perception, internal marketing satisfaction, job satisfaction, and customer orientation. The instruments of job satisfaction and customer orientation have been well developed by Spector (1985) and Saxe and Weitz (1982), and will be adapted in this study.

First, all questions were translated into Mandarin and then back into English again to see if there are any translation errors or misunderstanding. The questionnaires were then finalized after interviewing the management and the frontline employees of the bank. The JSS comprised 36 questions under nine constituents. The SOCO divided customer orientation into six constituents and contained 24 questions.

Second, internal marketing perception is the employees' extent of awareness of all

internal marketing activities conducted by the organization. Differentiation between perception and satisfaction has been taken into consideration when designing the questionnaire. The questionnaire was designed with reference to past scholars' internal marketing researches (Wasmer and Bruner, 1991; George and Gronroos, 1991; Rafiq and Ahmed, 1993; Jou et al., 2001). Furthermore, with reference to Liang (1999) and Huang (1998), the draft questionnaire comprised 147 questions.

Finally, the draft questionnaire for measuring internal marketing was examined by three marketing scholars to determine its suitability. Eighty-nine questions were deleted and seven new ones were added, making a total of 65 questions. Nine pioneers in the service industry tested the questionnaire and final adjustments were made before the actual survey. (Table 1)

Table 1 Details of Draft Questionnaire

| Questionnaire | Original designer | Suitable industry | Number of Questions |
|----------------------|-----------------------|---|---------------------|
| Internal Marketing | Self designed | | 65 |
| Job Satisfaction | Spector (1985) | Human resource companies, public companies, and non-profit organizations. | 36 |
| Customer Orientation | Saxe and Weitz (1982) | Electronic parts merchants, auto dealers, and computer service companies. | 24 |

3.3 Pretesting and Retesting of the Questionnaire

Fifty-five frontline employees from hospitals, banks, insurance, and aviation industries were chosen for pretesting the questionnaire. Forty-seven of the completed questionnaires (85.4%) were valid. The Cronbach α coefficient is 0.95 after deletion, and all coefficients are higher than 0.85.

In order to make sure that the questionnaire is a valid tool, employees from six banks in Taiwan were selected for the retest after a two-week interval. There were 35 valid questionnaires returned. The Cronbach α coefficient is 0.91 and the correlation coefficient is higher than 0.5. It proved that the questionnaire had a high creditability.

3.4 Samples

A total of 209 frontline customer service employees from a foreign merchant bank are chosen as respondents. Among the responses, 175 (83%) were valid, and there were

more female than male (70.3% vs. 29.7%). Half of the respondents (42.86%) were between 25 and 30 years old, 50.29% were university graduates, and 73.71% were single.

For job-related aspects, 54.29% and 47.71% were working at the branch and telebanking, respectively; 84% had previous working experience in service industry; 33.14% had one to three years of working experience, and 19.43% had three to five years of working experience. As for salary, 42.29% received an amount between \$30,000 and \$40,000 per month and 26.29% received an amount between \$40,000 and \$50,000 per month.

4. Results

4.1 Profiles of Four Constructs

Because these four constructs are the key concepts of this study, a preliminary analysis of the responses was carried out. The means along with standard deviations of the responses are given in Table 2. In general, the averages for all constructs are all slightly above 3, showing that the bank employees are not very satisfied.

Table 2 Averages for All Constructs (N=175)

| | Means | Std. Dev. | Minimum | Maximum |
|---------------------------------|-------|-----------|---------|---------|
| Internal Marketing Perception | 3.364 | 0.579 | 1.441 | 4.824 |
| Internal Marketing Satisfaction | 3.249 | 0.557 | 1.500 | 4.618 |
| Job Satisfaction | 3.233 | 0.458 | 1.700 | 4.700 |
| Customer Orientation | 3.524 | 0.442 | 2.727 | 5.000 |

Note: The range for the averages is between 1 and 5. The higher the average, the more satisfied the employees are.

4.2 Dimensionality of Internal Marketing Perception, Satisfaction, Job Satisfaction, and Customer Orientation

An exploratory factor analysis was performed on the 125 items of the questionnaire. The Bartlett's sphericity test was first taken to prove the four constituents. KMO values were 0.92, 0.92, 0.77, and 0.75, respectively. The p-value for the sphericity test was $P < 0.001$. Thus, the 125 items were appropriate for performing the factor analysis. The

principle component factor analyses using varimax rotations are shown in Tables 3-6.

4.2.1. Factor Analyses of Internal Marketing Perception

The results of internal marketing perception reveal five dimensions. The Cronbach's α range from 0.75 to 0.89, and these dimensions might be labeled as : (1) communication, (2) supervisor's leadership, (3) intangible benefit, (4) salary, and (5) intermediary. Five factors with 58.299% total variance explained were extracted from 32 questions.

Table 3 Factor Analysis of Internal Marketing Perception

| Factors | Questions | Factor loading | Cronbach' α | Eigen Value | % of Variance | Cumulative % |
|-------------------------|--|----------------|--------------------|-------------|---------------|--------------|
| Communication | 25.Our company often announces new policies to us at seminars. | .724 | .881 | 4.715 | 13.867 | 13.867 |
| | 27.Our company often shares work-related information at staff functions. | .716 | | | | |
| | 24.We are allowed to attend formal meetings such as department meeting to understand the company's policies. | .692 | | | | |
| | 29.Competitions are often held to increase employees' work efficiency. | .659 | | | | |
| | 26.Trainings are often held to educate employees about the company's values and goals. | .646 | | | | |
| | 30.Events such as press conference are often held to increase our credibility towards the company. | .520 | | | | |
| | 28.Our branch manager often shares work-related information with us at branch parties. | .518 | | | | |
| | 23.We can send emails directly to the managing director whenever we want to voice an opinion. | .486 | | | | |
| Supervisor's Leadership | 33.Our supervisor can always make us work hard and give all we have got. | .739 | .894 | 4.693 | 13.804 | 27.672 |
| | 09.Our supervisor shows his concern when we encounter problems. | .713 | | | | |
| | 08.Our supervisor praises our work. | .694 | | | | |
| | 02.Our supervisor tries to understand our point of view about his/her leadership. | .649 | | | | |
| | 01.Our supervisor regularly discusses with us about our future career plans. | .607 | | | | |
| | 06.Our supervisor cares about our family. | .579 | | | | |
| | 22.We have no problem communicating with people in the whole company. | .502 | | | | |
| | 10.Our salaries depend very much on our performances. | .497 | | | | |
| Intangible benefit | 14.Our company treats us with respect. | .743 | .871 | 4.389 | 12.909 | 40.580 |
| | 15.Our company treats us well. | .694 | | | | |

| | | | | | | |
|--------------|---|------|------|-------|-------|--------|
| | 17. My work can improve my public relationship. | .646 | | | | |
| | 16. Our company tries to provide the best working environment. | .622 | | | | |
| | 12. Our company tries to provide the best welfare for us. | .621 | | | | |
| | 18. I have room to express my creativity and potential at my current position. | .603 | | | | |
| | 19. Our company tries to make our work more interesting. | .490 | | | | |
| | 13. Our company provides us many opportunities for promotion. | .470 | | | | |
| Salary | 04. Our company considers the welfare of other competitors' employees. | .768 | .751 | 3.185 | 9.368 | 49.948 |
| | 03. Our company considers the salaries of other competitors' employees. | .743 | | | | |
| | 05. Our company sets up different incentive schemes for each department. | .498 | | | | |
| Intermediary | 20. Our company often announces and shares work-related information on the intranet. | .649 | .780 | 2.839 | 8.351 | 58.299 |
| | 32. Our company often sponsors and supports various clubs and societies within the company to increase employees' creditability(???) towards the company. | .524 | | | | |
| | 21. Our company provides us with adequate consultation for complaints. | .511 | | | | |
| | 34. Our company often takes our opinions and suggestions into consideration when making further decisions. | .452 | | | | |
| | 11. Our salaries are relatively higher than those of other competitors' employees. | .419 | | | | |

4.2.2. Factors Analyses of Internal Marketing Satisfaction

Six factors with 61.065% total variance explained were extracted from 34 questions on the internal marketing satisfaction. Among these six factors, we found that “supervisor’s leadership” (12.27%) and “communication” (11.12%) had greater influence on the internal marketing satisfaction as shown in Table 4.

Table 4 Factor Analysis of Internal Marketing Satisfaction

| Factors | Questions | Factor loading | Cronbach's α | Eigen Value | %of Variance | Cumulative% |
|-------------------------|---|----------------|---------------------|-------------|--------------|-------------|
| Supervisor's Leadership | 08.Our supervisor praises our work. | .763 | 0.894 | 4.172 | 12.272 | 12.272 |
| | 02.Our supervisor tries to understand our point of view about his/her leadership. | .649 | | | | |
| | 09.Our supervisor shows his concern when we encounter problems. | .625 | | | | |
| | 06.Our supervisor cares about our family. | .615 | | | | |
| | 01.Our supervisor regularly discusses with us about our future career plans. | .614 | | | | |
| | 07.Our salaries vary significantly according to its nature. | .578 | | | | |
| | 22.We have no problem communicating with people in the whole company. | .494 | | | | |
| | 28.Our branch manager often shares work-related information with us at branch parties. | .446 | | | | |
| | 10.Our salaries depend very much on our performances. | .437 | | | | |
| Communication | 27.Our company often shares work-related information at staff functions. | .746 | 0.853 | 3.780 | 11.119 | 23.391 |
| | 25.Our company often announces new policies to us at seminars. | .704 | | | | |
| | 26.Trainings are often held to educate employees about the company's values and goals. | .682 | | | | |
| | 24.We are allowed to attend formal meetings such as department meeting to understand the company's policies | .643 | | | | |
| | 29.Competitions are often held to increase employees' work efficiency. | .597 | | | | |
| Intangible benefit | 15.Our company treats us well. | .697 | 0.829 | 3.731 | 10.975 | 34.365 |
| | 14.Our company treats us with respect. | .685 | | | | |
| | 17.My work can improve my public relationship. | .646 | | | | |
| | 18.I have room to express my creativity and potential at my current position. | .618 | | | | |
| | 16.Our company tries to provide the best working environment. | .590 | | | | |
| | 12.Our company tries to provide the best welfare for us. | .564 | | | | |
| Salary | 03.Our company considers the salaries of other competitors' employees. | .682 | 0.755 | 3.471 | 10.209 | 44.576 |
| | 11.Our salaries are relatively higher than those of other competitors' employees | .663 | | | | |
| | 04.Our company considers the welfare of other competitors' employees. | .617 | | | | |
| | 13.Our company provides us many opportunities for promotion. | .492 | | | | |
| | 05.Our company sets up different incentive schemes for each department. | .418 | | | | |
| Interaction Between | 31.Sports meets are often held to enhance employees' interaction. | .787 | 0.732 | 3.392 | 9.975 | 54.549 |

| | | | | | | |
|-----------------------|--|------|-------|-------|-------|--------|
| Company and Employees | 32. Our company often sponsors and supports various clubs and societies within the company to increase employees' credibility towards the company. | .572 | | | | |
| | 30. Events such as press conference are often held to increase our credibility towards the company. | .518 | | | | |
| | 19. Our company tries to make our work more interesting. | .507 | | | | |
| | 34. Our company often takes our opinions and suggestions into consideration when making further decisions. | .504 | | | | |
| | 33. Our supervisor can always make us work hard and give all we have got. | .479 | | | | |
| | 23. We can send emails directly to the managing director whenever we want to voice an opinion. | .473 | | | | |
| Intermediary | 20. Our company often announces and shares work-related information on the intranet. | .763 | 0.680 | 2.215 | 6.516 | 61.065 |
| | 21. Our company provides us with adequate consultation for complaints. | .462 | | | | |

4.2.3 Factor Analyses of Job Satisfaction

Spector's JSS has nine constructs: salary, promotion, benefits, relationship with supervisor, bonus, operating procedures, colleagues, work and communication. However, only the following three will apply in this case: benefits from work, contents of work, and interpersonal relationship, each explaining the cause at 25.62%, 16.83%, and 13.49% respectively. The accumulated explanatory is 55.93% as shown in Table 5.

4.2.4 Factor Analyses of Customer Orientation

Customer orientation was explained by three factors as follows: selling orientation, customers first, and short-term benefits. The results are also different from the six dimensions of SOCO (Sexe and Weitz, 1982). The accumulated explanation for the 11 questions is 63.93% and the Cronbach α range from 0.57 to 0.83 as shown in Table 6.

Table 5 Factor Analysis of Job Satisfaction

| Factors | Questions | Factor loading | Cronbach's α | Eigen Value | % of Variance | Cumulative % |
|--------------------|---|----------------|---------------------|-------------|---------------|--------------|
| Benefits from Work | 05. I receive many praises when I do well. | .748 | 0.741 | 2.561 | 25.609 | 25.609 |
| | 01. I do believe fair competition exists in my company for promotion. | .703 | | | | |
| | 19. Our company tries to make our work more interesting. | .702 | | | | |

| | | | | | | |
|----------------------------|---|------|-------|-------|--------|--------|
| | 10.As a whole, I am satisfied with my job. | .652 | | | | |
| | 04.The benefits we are receiving are as good as what other competitors are providing. | .636 | | | | |
| Contents of Work | 06.I have to do lots of word processing. | .814 | 0.597 | 1.683 | 16.827 | 42.436 |
| | 01.I do not get pay rise often. When I do, it is usually on a small scale. | .682 | | | | |
| | 03.I believe that my supervisor does not care about how we feel. | .633 | | | | |
| Interpersonal Relationship | 07.I like my colleagues | .749 | 0.328 | 1.349 | 13.489 | |
| | 08.My customers are very hard to deal with. | .732 | | | | |

Table 6 Factor Analysis of Customer Orientation

| Factors | Questions | Factor loading | Cronbach's α | Eigen Value | %of Variance | Cumulative% |
|---------------------|---|----------------|---------------------|-------------|--------------|-------------|
| Selling Orientation | 08.I will exaggerate on the service I am about to provide to make them sound wonderful. | .826 | 0.8322 | 3.063 | 27.848 | 27.848 |
| | 09.I will pretend that I agree with the customers to make them happy. | .825 | | | | |
| | 07.I believe that you do have to exaggerate when trying to explain a service to potential customers to make it more attractive. | .821 | | | | |
| | 10.I will look for soft spots and take my chances to try to make the deal. | .757 | | | | |
| | 11.I spend more time on persuading customers to accept my service than on finding out their exact needs. | .612 | | | | |
| Customers First | 01.I will assist my customers to obtain their goals at any cost. | .812 | 0.749 | 2.571 | 23.372 | 51.220 |
| | 05.I will try to satisfy my customers in order to achieve my goals. | .811 | | | | |
| | 02.I will try my best to listen to my customers talking about their needs. | .751 | | | | |
| | 06.I believe a good service provider is one that works hard for the benefits of his/her customers. | .698 | | | | |
| Short-term Benefits | 04.Although I am not sure whether what I am providing is what the customer wants, I will still try my best to make him/her accept my service. | .857 | 0.571 | 1.398 | 12.711 | 63.931 |
| | 03.I will only provide what customers will accept even though there are better deals for them in long run. | .721 | | | | |

4.4 Comparison of Internal Marketing Perception between Internal Marketing Satisfaction, Job Satisfaction, and Customer Orientation

In order to understand how employees with different levels of internal marketing perception might react differently to each of the other three constituents. Internal marketing perception has been classified into three levels – high, medium, and low. One-way ANOVA analysis and Scheffe’s test was carried out.

The results revealed that different levels of internal marketing perception did have different levels of internal marketing satisfaction, job satisfaction and customer orientation. The greater the internal marketing perception, the higher the internal marketing satisfaction and job satisfaction will be.

However, comparison with internal marketing perception and customer orientation showed no significant differences in ‘selling orientation’ and ‘customers first’. It was interesting that employees with low level of internal marketing perception did place emphasis on short-term benefits as shown in Table 7.

Table 7 Analysis of Internal Marketing Perception on The Other Three Constituents

| | | Internal Marketing Perception | | | F-value | P-value | Scheffe test |
|---------------------------------|---|-------------------------------|---------|----------|---------|---------|--------------|
| Internal Marketing Perception | | Low (1) | Med (2) | High (3) | | | |
| Internal Marketing Satisfaction | Supervisor’s Leadership | 2.720 | 3.323 | 3.751 | 64.162 | 0.000 | 3>2>1 |
| | Communication | 2.890 | 3.421 | 4.085 | 69.677 | 0.000 | 3>2>1 |
| | Intangible benefit | 3.106 | 3.571 | 3.924 | 41.159 | 0.000 | 3>2>1 |
| | Salary | 2.603 | 3.200 | 3.434 | 45.407 | 0.000 | 3>2>1 |
| | Interaction Between Company and Employees | 2.517 | 2.992 | 3.562 | 38.706 | 0.000 | 3>2>1 |
| | Intermediary | 2.700 | 3.259 | 3.847 | 32.636 | 0.000 | 3>2>1 |
| Job Satisfaction | Benefits that Come with Work | 2.830 | 3.418 | 3.729 | 62.171 | 0.000 | 3>2>1 |
| | Nature of Work | 2.683 | 2.935 | 3.056 | 4.963 | 0.008 | 3>2>1 |
| | Public Relation at Work | 3.433 | 3.438 | 3.703 | 3.437 | 0.034 | 3>2>1 |
| Customer Orientation | Selling Orientation | 3.347 | 3.368 | 3.171 | 1.283 | 0.280 | NS |
| | Customers Come First | 4.075 | 3.978 | 4.140 | 2.006 | 0.138 | NS |
| | Short-term Benefits | 3.242 | 2.920 | 2.873 | 4.815 | 0.009 | 1>3 |

4.5 Correlation Analyses

We use the correlation analyses to verify the relationship between these constructs. According to Table 8, a positive relationship seems to exist between internal marketing perception and internal marketing satisfaction. The result is similar to the findings as discussed. The higher the internal marketing perception, the greater the internal marketing satisfaction will be and vice versa.

Second, high level of internal marketing perception also has greater job satisfaction. Third, short-term benefits relates negatively to internal marketing perception and job satisfaction, which means that employees with high level of internal marketing perception do not place their emphasis on short-term benefits. No relationship seems to exist between job satisfaction and customer orientation. Details of these various relationships are shown in Figure 2.

Table 8 Correlation Analyses Table

| | | IMP | IMS | JS | CO | CO_1 | CO_2 | CO_3 |
|------|-----------------|-----------|----------|-------|---------|---------|--------|-------|
| IMP | Pearson related | 1.00 | | | | | | |
| IMS | Pearson related | **0.87 | 1.00 | | | | | |
| JS | Pearson related | **0.65 | **0.68 | 1.00 | | | | |
| CO | Pearson related | -0.12 | -0.12 | 0.12 | 1.00 | | | |
| CO_1 | Pearson related | -0.09 | -0.10 | 0.09 | **0.88 | 1.00 | | |
| CO_2 | Pearson related | 0.03 | -0.00 | 0.12 | **0.49 | 0.12 | 1.00 | |
| CO_3 | Pearson related | ** -0.218 | * -0.176 | 0.036 | **0.561 | **0.282 | *0.152 | 1.000 |

Note 1: * means P<0.05; * * means P<0.01

Note 2: IMP – Internal Marketing Perception; IMS – Internal Marketing Satisfaction; JS – Job Satisfaction; CO – Customer Satisfaction; CO-1 – Selling Orientation; CO-2 – Customers Come First; CO-3 – Short-term Benefits.

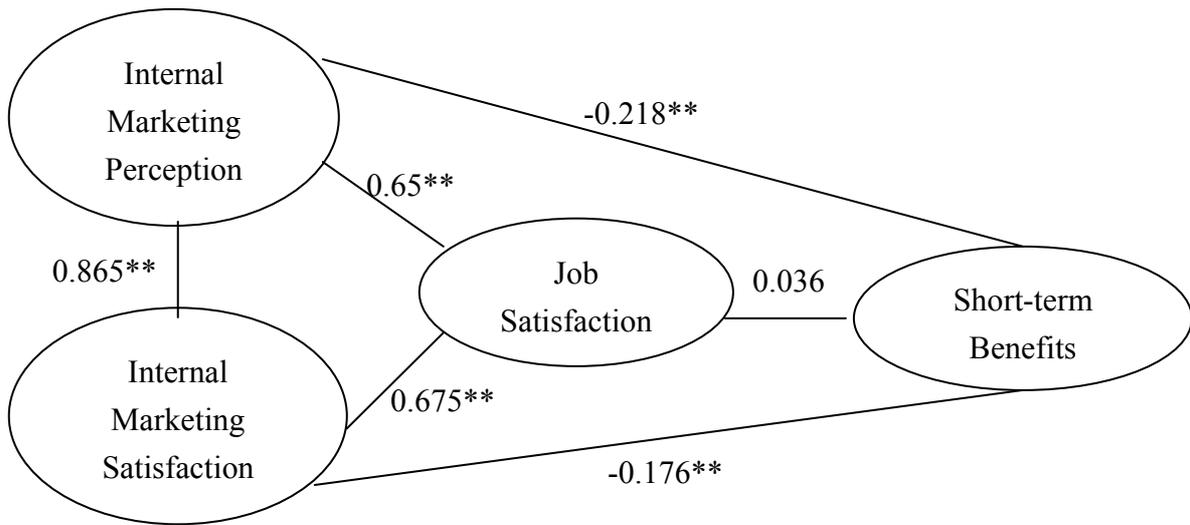


Figure 2 Relevant Relationships

Note: * means $P < 0.05$; ** means $P < 0.01$

5. Conclusions and Discussion

5.1 Conclusion

The results show the same five components for internal marketing perception and satisfaction, namely communication, supervisor's leadership, intangible benefit, salary, and intermediary. Both "communication" and "supervisor's leadership" had the greatest effects on explaining the cause (11%-13%). The results also emphasize that internal marketing perception and satisfaction are two different concepts. The former indicates how strong the staff feel about the action taken by the company, while the latter shows whether they agree to the action taken and the extent of their satisfaction. "Interaction between company and employees" was the factor that appears only in the dimension of internal marketing satisfaction.

Second, there were three components for job satisfaction. They are benefits that come with work, nature of work, and public relation at work. Benefits that come with work had the greatest effects on explaining the cause (25.61%). The three constituents for job satisfaction reflected obviously the real life situation.

Third, the three constituents for customer orientation are selling orientation, customers come first, and short-term benefits. Selling orientation explained the cause the most (27.85%), followed by customer comes first (23.37%), and short-term benefits

(12.71%).

Fourth, the results suggested that the higher the internal marketing perception and satisfaction, the greater the job satisfaction and customer orientation will be. It is interesting that short-term benefits (one factor of customer orientation) related negatively to internal marketing perception and job satisfaction. This finding proved that employees who take the viewpoint of “short-term benefits” will have less internal marketing perception or internal marketing satisfaction. Thus, it would be quite normal to find an employee with high level of internal marketing perception placing his/her emphasis on short-term benefits. This is because heavy pressures coming from the management, who repeatedly told the frontline employees that, “We are responsible for the company’s growth and ultimately profits”. Thus, placing an emphasis on short-term benefits would be a natural reflex even for employees with high internal marketing perception.

Finally, the results also indicate that the relationship between job satisfaction and customer orientation are independent. It is quite different from past studies, which suggested that internal marketing perception will affect job satisfaction, which will in turn affect customer orientation (Joseph, 1996; Jou et al., 2001).

5.2 Discussion

In general, the averages for all constructs are all slightly 3, showing that the bank employees are not very satisfied. Internal marketing focused on the notions that every one in the organization has a customer and that internal customers must be sold on the service and happy in their job before they can serve external customers. The following three points on management strategy are recommended to the foreign bank.

1. Interactions between the company and the employees

According to the analysis, employees were not very satisfied with intermediary and interactions with the company. Therefore, extra efforts should be put in this department.

2. Restructuring the administrative work:

The question “I have to do lots of word processing” in the constituent of nature of work received the worst response. After interviewing with the employees, we discovered that a client has to sign the application form 17 times just to open an account and not to mention the work an employee has to put in afterwards. The procedures should be cut down in order to increase work efficiency and ultimately job satisfaction.

3. Retrospection on Customer Orientation and Short-term Benefits:

The results showed that both selling orientation and short-term benefits had great influences. Foreign banks often put heavy pressures on employees driving to reach the predetermined standard of performance. Thus, emphasis is often placed on short-term benefits in order to reach the standard of performance. Therefore, it is up to the management to determine whether it is more important to form a long-term relationship with the customers, or just to worry about reaching the standard of performance. As we all know, it costs about six times as much to establish a new customer than to keep an old one. Thus, how to find equilibrium between long-term relationships and short-term benefits would also be an important topic for future research.

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