

Internal Marketing Practices and Employees Participation in Management Functions: A Dyadic Study on Private and Government Management Institutions of Assam

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ABSTRACT.

Elevation in the level of competition among Management Education Institutions spurred them to espouse generally agreed best practices to deliver quality service, since the business of management education lays in quality of service. But the management education service is delivered by employees. Hence the best practice should involve employees. Research suggest that the generally agreed best practices lays in Internal Marketing Practices which empower employees [Internal Customers] through participation in management activities to deliver quality service to the students [External Customers]. Hence, execution of Internal Marketing Practices deserves special attention.

This research attempts to explore whether the internal marketing practices have significant contribution to deliver quality service to the external customers. This research conducted a survey in 5 management institutions of Government and Private each. The primary data were collected from 100 employees both Government and Private Management Education Institutions of Assam .Of which 59 were from private and 41 were from Government.

The considered hypotheses were tested and it was observed that there is a variation between Internal Marketing Practices and Employees Participation in Management in respect of Private and particularly in Government Management Institutions. These results are observed due to poor implementation of Internal Marketing Practices and less involvement of employees in management functions. These shortcomings need to be addressed by the concerned players to deliver quality management education.

Key Words: *Internal Marketing, External Marketing, Internal Customers, External Customers, Management Education Service Providing Organizations.*

Introduction: Spurred by the elevation of competition among the Management Education Institutions, efforts are initiated to deliver quality service to the students (External Customers). This is possible with the effective involvement of employees [Internal Customers], since they deliver service directly to the external customers. Hence, any strategies adopted that should involve employees to bring desired results and set goals. But the achievement of goals found to be effective in the optimum utilization of human resources and best practices (Saul, 2010). The best benchmarks are lays in Internal Marketing Practices rather than best rules, regulations and policies which emphases on effective employees' participation in management functions.

Every organization has responsible governing body to address the issues of operations, empowered to take strategic decision according to needs. In case of management institutions, chairman, sponsoring society members, experts in the field of management education, faculty members and government representatives constitute this body. This body formulates strategies for various issues pertaining to the organizational development. Here, employees' participation plays a vital since they work for the welfare of the internal and external customers.

Meaning of Internal Marketing

Internal Marketing is a new field of marketing which focus on the development of employees. According to **Berry (1981)**, internal marketing is the process of “ **viewing employees as internal customers, viewing jobs as internal products that satisfy the**

needs and wants of those internal customers while addressing the objectives of the organization.” This concept clearly indicates that the internal customers have to serve in such a way to accomplish the objectives and goals of the organization. Internal Marketing has number of components to be practiced to ensure quality service. These components are as follows:

Component of Internal Marketing Practices

Berry and Parasuraman (1991) are the first one to develop the concept on internal marketing. According to them, “Internal marketing as the process of **“attracting, developing, motivating and detaining qualified employees through job-products that satisfy their needs.”** It fails to explain the involvement of employees. But this research considered employees participation as one of the components of Internal Marketing. This is supported by **Kuye and Sulaimon (2000)** in their research advocated that the involvement of internal customers in decision making process develop required strategies. Hence, this research considered participation as one of the components of internal marketing practices. Moreover, **Naude et al (2003)** also identified the determinants of internal marketing but it fails to explain the component of 7Ps. But **Zeithaml et al (2006)** has taken 7Ps of marketing mix which includes four traditional Ps of the marketing mix- Product, Place, Price and Promotion and three more Ps of service People, Process and Physical Evidence as Internal Marketing Practices. The detail of these components as follows:

[a] Product in the form of Service Pack

It refers to the item actually being sold. This includes variety of services attached to single services as viewed by **Zeithaml et al (1993)**. The service should be endowed to external customers a package of both tangible and intangible product.

[b] Pricing of Service

It refers to the value put for a product [**Sanchez et al (2006)**]. The pricing of service depends on the cost of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors. **Hale (1998)** states that the best reward system brings the best output in service industries.

[c] Promotion of Services

This refers to all the activities undertaken by the external customers to make the product or services known to the users (**Kotler, 1972**). This includes advertising, word of mouth, press reports, incentives, commissions and awards.

[d] Place of Services

This refers to the point of sale. **Dülgeroğlu & Taşkin (2015)** in their research emphasis on place of service which could be neat and clean and hygienic working place, adequate technological instruments, physical conditions, and internal customers' safety. It should be conducive to access by external customers.

[e] People of Services

Right people are essential for business success (**Jawet.et al 2010**). The involvement of these people in every functions of management is necessary as well as essential in service delivery and strategy formulation.

[f] Process of Services

A systematic process involves logical steps that can be broken down to increase efficiency. Management education service too involves a particular flow like the supply chain management.

It starts with preparation and ends with result. Under the most commonly perceived process involves: [a] Goals/Objectives—[b] Syllabus—[c] Lesson Preparation – [d]

Teaching – [e] Testing --- [f] Evaluation – [g] Result – [h] Employment. Here in each stage internal customers are involvement is required.

[g] Physical Evidence of Services

Any services are delivered should create evidence. **Griffin (2002)**, in his research identified the components which provide evidences for service delivery such as bill etc. In case of management education, the physical facilities, class rooms, materials provided to the teachers becomes physical evidence for service delivery. These are considered as the component of internal marketing.

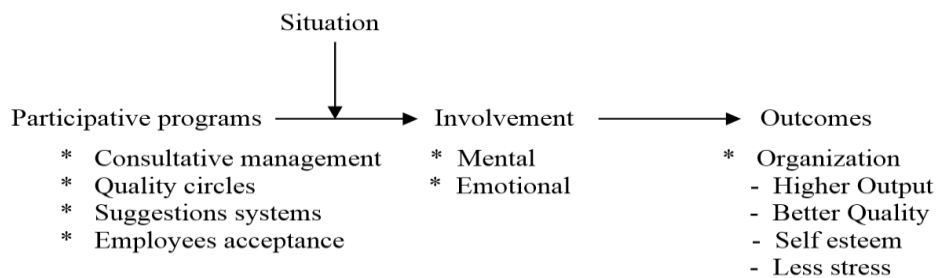
Employees Participation in Management

Participation means involvement of internal customers in the organization’s management. Internal customers’ participation in management provides opportunity to share their views for the development of the organization as a whole and the development of the external customers. The democratic system of administration ensures quality of service through appropriate feedback system. Internal Customers participate in the management process enable the participants to take necessary actions and decisions according to the requirement of internal and external customers. **Kuye and Sulaimon (2000)** found the involvement of internal customers in decision making process, are closely associated with all those activities which are meant for external customers. **Horsford (2013)**, also advocate that the participation of employees have been deemed as a key element in securing employees acceptance of new policies and proposed changes. It is also supported by **Owolabi et al (2011)** in their research reveals that the firms which involve employees in the management functions perform well rather than the firms which does not. **Dodi W. Irawanto, (2015)** in his study found that there is a positive relationship between employee participation in decision-making and their motivation. Thus, employee’s participation motivates the employees to provide best quality of services.

Participation of Employee’s in day-today functions of organization play vital role in providing quality services. Best practices develop disciple in function of management in planning, organizing, directing and controlling which enable them to achieve the set vision. According to **Davis and Newstrom(1997)**, Participation increases employee motivation, because the contribution toward organization goals is realized.

Fig:1

Participation process



Source: Davis & Newstrom (1997)

Literature Gap:

This literature review shows that sufficient amount of research work is done on internal marketing in different field of corporate business. But no research work has been done in the context of Internal Marketing Practices and its effects on Employees Participation in Management Functions. Hence it is proposed to undertake a study under the title “**Internal Marketing Practices and Employees Participation in Management Functions: A Dyadic Study on Private and Government Management Institutions of Assam.**”

Statement of the Problem

Internal Marketing is new field of study which keeps employees in front, in deliver quality service. Many research scholars considered many variables such as attracting; developing, motivating, coordinating, training, communicating, program, planned efforts as internal marketing practices (**Berry 1981, Woodruffe, Helen,(1992), Al.Hawary et al 2013, Guven et al 2012, Kameswari et al 2012, Gronroos 2007**). But they have not considered employees participation as one of the practices in internal marketing. This research attempts study the role of internal marketing practices and employees participation in management functions in delivering quality service to the external customers. This also reviews the impact of internal marketing practices on employees' participation in management functions and compares the impact between private and Government management educational institutions.

Objective of the Study

Given the survey of literature and scope, the following objective established for the purpose of the study is:

1. To understand the role of Internal Marketing Practices on Employees Participation in Management Functions.
2. To review the impact of Internal Marketing Practices on Employees Participation in Management Functions.
3. To compare the impact of Internal Marketing Practices on Employees Participation in Management Functions of Private and Government Management Educational Institutions.

Hypotheses:

Given the objectives, survey of literature and scope, the following hypotheses are established for the purpose of the study is:

H₁: There is no significant difference between **Internal Marketing Practices** and **Employees Participation in Management Functions** as perceived by the teachers.

H₂: There is no significant difference between **Internal Marketing Practices** and **Employees Participation in Management Functions by Private Management Institutions** as perceived by the teachers.

H₃: There is no significant difference between **Internal Marketing Practices** and **Employees Participation in Management Functions by Government Management Institutions** as perceived by the teachers.

H₄: There is no significant difference between **the Employees Participation in Management Functions in Private** and **Government Management Institutions** as perceived by the teachers

Research Methodology:

This study adopted empirical method. To investigate the association between Internal Marketing Practices and Employees Participation in Management Functions, a survey was developed and conducted in 5 management institutions of both Govt. and Private of Assam. The data were collected with two sets questionnaire with the help of 5 Points Likert Scale, for Internal Marketing Practices and Employees Participation in Management Functions. The values are allotted for strongly agree, agree, neutral, disagree and strongly disagree in the order of 5,4,3,2 and 1 respectively. Random Sampling Method was adopted to select 100 samples which consist of 59 employees of private and 41 employees of Govt. management institutions of Assam.

Table No: 1 Sample Selected		
SlNo	Name of the Institutes	Teachers
Private		
1	Bosco Institute of Management	10
2	Royal School of Management	10
3	Assam Kaziranga University	12
4	Girijananda Chowdhury Institute of Management	9
5	North Eastern Regional Institute of Management	18
Government		
3	Guwahati University	5
4	Dibrugrah University	11
6	Tezpur University	10
7	Assam Institute of Management	10
10	Assam University	5
	Total	100

Source: Compiled from Survey Data

Latent variable considered for the study

[a] ‘**Internal Marketing Practices**’ - this variable has been considered to measure the degree of Degree or intensity of internal marketing practices adopted by the ‘Management Education Institutions’ for the welfare of internal customers.

[b] ‘**Internal Customers’ Participation in Management Functions**’ - this variable has been considered to measure the degree of Degree or intensity of employees’ participation in management in management functions.

Results & Discussion

A. Internal Marketing Practices and Employees Participation in Management Functions

Table No:2 Internal Marketing Practices and Participation of Employees in Management Functions		
z-Test: Two Sample for Means		
	Internal Marketing Practices	Employees Participation in Management Functions
Mean	3.531538462	3.646363636
Known Variance	0.252327416	0.482660489
Observations	100	100
Hypothesized Mean Difference	0	
Z	-1.339359058	
P(Z<=z) one-tail	0.090226906	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.180453811	
z Critical two-tail	1.959963985	

Source: Compiled from Survey Data

Given the objective, hypothesis and methodology, the difference between the variables are tested with the help of z-test.

P < 0.05 Rejected

Here the calculated the **P** value is **0.18** i.e calculated P value is more than alpha value i.e **P = 0.18 > 0.05**

at 5% level of significance which falls under accepted region, thus the null hypothesis cannot be rejected. Hence it is concluded that there is no significant difference between Internal Marketing Practices and Participation of Employees in Management Functions as perceived by the teachers. It could be one of the practices of Internal Marketing.

B. Internal Marketing Practices and Employees Participation in Management Functions of Private Management Institutions

Table No: 3		
Internal Marketing Practices and Employees Participation in Management Functions by Private Management Institutions		
z-Test: Two Sample for Means		
	Internal Marketing Practices	Employees Participation in Management Functions in Private
Mean	3.531538462	3.517719569
Known Variance	0.252327416	0.37795789
Observations	100	59
Hypothesized Mean Difference	0	
Z	0.146239122	
P(Z<=z) one-tail	0.441866311	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.883732623	
z Critical two-tail	1.959963985	

Source: Compiled from Survey Data

Given the objective, hypothesis and methodology, the difference between the variables are tested with the help of z-test.

P < 0.05 Rejected

Here the calculated the **P** value is **0.88** i.e calculated P value is more than alpha value i.e **P = 0.88 > 0.05**

at 5% level of significance which falls under accepted region, thus the null hypothesis cannot be rejected. Hence it is concluded that there is no significant difference between Internal Marketing Practices and Participation of Employees in Management Functions in Private Management Institutions as perceived by the teachers.

C. Internal Marketing Practices and Employees Participation in Management Functions of Government Management Institutions

Table No: 4		
Internal Marketing Practices and Employees Participation in Management Functions by Government Management Institutions		
z-Test: Two Sample for Means		
	Internal Marketing Practices	Employees Participation in Management Functions in Government
Mean	3.531538462	3.831485588
Known Variance	0.252327416	0.587008668
Observations	100	41
Hypothesized Mean Difference	0	
Z	-2.311353952	
P(Z<=z) one-tail	0.010406656	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.020813312	
z Critical two-tail	1.959963985	

Source: Compiled from Survey Data

Given the objective, hypothesis and methodology, the difference between the variables are tested with the help of z-test.

$P < 0.05$ Rejected

Here the calculated the **P** value is **0.02** i.e calculated P value is less than alpha value i.e

P = 0.02 < 0.05

at 5% level of significance which falls under rejected region, thus the null hypothesis can be rejected. Hence it is concluded that there is significant difference between Internal Marketing Practices and Participation of Employees in Management Functions in Government Management Institutions as perceived by the teachers. Government Institutions need to address this issue.

D. Employees Participation in Management Functions of Private and Government Management Institutions

Table No: 5		
Employees Participation in Management Functions of Private and Government Management Institutions		
z-Test: Two Sample for Means		
	Employees Participation in Management Functions in Private	Employees Participation in Management Functions in Government
Mean	3.517719569	3.831485588
Known Variance	0.37795789	0.587008668
Observations	59	41
Hypothesized Mean Difference	0	
Z	-2.179595593	
P(Z<=z) one-tail	0.014643726	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.029287452	
z Critical two-tail	1.959963985	

Source: Compiled from Survey Data

Given the objective, hypothesis and methodology, the difference between the variables are tested with the help of z-test.

$P < 0.05$ Rejected

Here the calculated the **P** value is **0.02** i.e calculated P value is less than alpha value i.e

$P = 0.02 < 0.05$

at 5% level of significance which falls under rejected region, thus the null hypothesis can be rejected. Hence it is concluded that there is significant difference between the Participation of Employees in Management Functions in Private and Government Management Institutions as perceived by the teachers.

Findings

Decision from the Hypothesis Tests applied / conducted

As per the first hypotheses, from the above, given the objective, hypothesis and methodology it is observed that there is no significant difference between [i] '**Internal Marketing Practices**' and [ii] '**Employees Participation of in Management Functions**' both in the sample as well as in the population. In other words, the '**Internal Marketing Practices**' bring enough '**Employees Participation of in Management Functions**'.

As per the second hypotheses, from the above, given the objective, hypothesis and methodology it is observed that there is no significant difference between [i] '**Internal Marketing Practices**' and [ii] '**Employees Participation of in Management Functions**' in private management institutions both in the sample as well as in the population. In other words, the '**Internal Marketing Practices**' bring enough '**Employees Participation of in Management Functions**' in Private Management Institutions.

As per the third hypotheses, from the above, given the objective, hypothesis and methodology it is observed that there is a significant difference between [i] '**Internal Marketing Practices**' and [ii] '**Employees Participation of in Management Functions**' in Government management institutions both in the sample as well as in the population. In other words, the '**Internal Marketing Practices**' do not bring enough '**Employees Participation of in Management Functions**' in Private Management Institutions. It has to be addressed by the concerned institutions.

As per the fourth hypotheses, from the above, given the objective, hypothesis and methodology it is observed that there is a significant difference between [i] '**Employees Participation of in Management Functions in Private Management Institutions**' and [ii] '**Employees Participation of in Management Functions**' in Government management institutions both in the sample as well as in the population. In other words, the '**Employees Participation of in Management Functions**' is different in Private Management Institutions and Government Management Institutions.

Hence, employees' participation could be added in Internal Marketing which strengthens the practices of Internal Marketing Practices. The concerned institutions should address the issues.

Recommendations/Suggestions

Management Education Institutions must allow the internal customer to participate in management functions irrespective of nature of employment and tenure of service. Since the involvement achieve the results of management institutions. Government Management Institutions must utilize the efficiency of internal customers as utilized by Private Management Institutions. Internal Customers (Teachers) views could be taken into account in developing and implementing strategies rather than concentrating on profit. Meanwhile, even the internal customers could to develop their qualities in such way the organizations could seek their services instead they seek job form them. Academician with teaching experience particularly in the teaching field

should be given importance rather than observing employees coming from other field of service back ground

Limitations

This research paper did not collect any feedback from the students and Management Institutions regarding the involvement of teachers in management functions.

Conclusions

Internal Marketing Practices are new benchmark strategies adopted by corporate industries to gain new strength to do business in better way against their competitors. This could be adopted even in management education institutions too. Management Education Institutions are facing new challenges as the level of competitions elevate at higher level as the intake of external customers declining year by year. They are in search of new strategies that could improve the level doing education business. Hence, quality of service delivery becomes inevitable. This ensures efficient utilization of internal customers and their involvement in management function. If these practices are executed while empowering internal customers as required level could gain new strength to serve the external customers in best way.

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