



## INTERNAL MARKETING – AN ESSENTIAL CONDITION FOR IMPROVING THE QUALITY OF INDIAN HIGHER EDUCATION?

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### ABSTRACT

*Teachers in India have always been held in high esteem mostly as it is a noble profession. It was more of self-actualisation in the Maslow's hierarchy. However, in the modern times, with involvement of corporate and private players in the dissemination of education teaching has undergone a tremendous change and it has altered the equation between the students and the teachers. This empirical research examines the role of extrinsic factors in higher education with a special focus on internal marketing and emphasized the impact of internal marketing on the work engagement of the teachers in higher education in India. The data was collected during Sept-November 2016. Factor analysis is used to explore the major dimensions of Internal Marketing in education sector. A path analysis is done to check the relation between Internal Marketing and work engagement and it is found that 66% of the variation of work engagement is caused by Internal Marketing factors.*

**Keywords:** Internal Marketing, Indian Higher education System, Extrinsic Motivation,

Work Engagement, Exploratory and Confirmatory Factor Analysis, Structural Equation Modelling, Management Concern & Empowerment, Communication between Employee and Next level Manager, Training & Development, Competitive Remuneration.

## **INTRODUCTION**

Teachers in India have always been held in high esteem mostly as it is a noble profession. Nobel, because it was done in a selfless manner. It was more of self-actualisation in the Maslow's hierarchy and less of any other motivational factors that motivated teachers to teach. However, in the modern times, with involvement of corporate and private players in the dissemination of education, teaching has undergone a tremendous change. The competition among the academic institutions has altered the equation between the students and the teachers. There arises questions such as - have these factors impacted the value system of teachers? Besides intrinsic motivation what are the extrinsic factors that play important roles in motivating the teachers? This empirical study examines the effect of internal marketing on the work engagement of the teachers in higher education in India. Market orientation as a strategic tool for gaining competitive advantage in service sector is strongly suggested by Academicians and Practitioners for past few decades. It helps any service firms to gain customer satisfaction and loyalty (Kohli & J.Jaworski, 1990). Internal marketing is the development of marketing programme with the objective of creating an internal market place within the organisation. The main thrust of internal marketing is to make employees feel important to the organisation and the management should takes care of their need. Internal Marketing includes all those activities of successfully hiring, training and motivating employees so that they can serve customers at the best possible manner (Kotler, 1991). It is an ongoing process needs to follow by an organisation to align, motivate and empower employees at all levels to deliver a satisfying customer experience. (Behunin, 2011). It is basically a sales technique used by corporate that looks at employees as customers with the objective of making parts of the system work in congruence to deliver a clear message and attain the organization's goal.

## **EVOLUTION OF EDUCATION IN INDIA**

Indian education has evolved significantly in the last two millennia. There were four major epochs in the Indian educational system – the Vedic, Buddhist, Medieval and the British periods. Starting around the 3<sup>rd</sup> century B.C, it mostly focused on religious education and imparted knowledge orally. Education was free but there was no state involvement; normally well off students used to pay their Gurus in cash or kind as a token of respect and appreciation. In the ancient & Buddhist period, Indian higher education system flourished

with renowned universities like Nalanda, Takshila, Ujjain & Vikramshila universities attracting students across globe. Teachers or Gurus, with high level of intrinsic motivation and knowledge were highly respected in society; teaching profession was a highly esteemed selfless profession and it was not influenced by commercialization led by market forces. The third epoch, middle ages starting from the 10<sup>th</sup> Century AD to the middle of 18<sup>th</sup> marked the eventual rise of the Islamic rule including the reign of the Moghul rulers. Primary education was offered “Makhtabs” and secondary and higher education was in the “Madrasas”. The purpose of education was developing love for Muslim culture and religion, enabling the individual for Islamic way of life, training and preparing the students for a vocation or running administration. State involvement was minimal.

The fourth epoch is the British rule; about one and half century ago the modern university system modelled after British universities started in India with the establishment of Calcutta, Madras, Bombay and some other universities between 1857 to 1902. As of 2014, there are 677 universities, 37,204 colleges and 11,443 stand-alone institutions in India. According to

Kapil Sibal, ex-union HRD minister, India needs 800 new universities to be established by 2020 to meet the massive demand of India because of its aspirations of emerging as a global knowledge hub. But at the same time several recent studies have revealed that the overall condition and quality of Indian higher education is dismal and except one or two, none of the Indian universities feature among top two hundred in global ranking. Hence, question arises where exactly did the Indian higher education go wrong?

## **REVIEW OF LITERATURE**

Education sector demands very high level of personal engagement and the quality of educational sector is highly dependent on the contribution of the teachers. A “Balanced score card approach” in managing and improving quality of higher education in India was discussed in a research done by Dutta, (2007) and they have followed the original model developed by Kaplan and Norton (2001). Throughout the world universities are facing challenges in coping with the demand for accommodating large number of students, disciplines and specialisations. Educational institutions are pressurized to maintain quality in teaching as well as research (Smeby, 2003). In the open market system, to compete with foreign institutions, Indian institutions should focus on the measurement factors which will improve the quality and they should apply modern management techniques to measure the

overall performance of the universities and other higher educational institutes. Many of our eminent universities and colleges have failed to sustain their position under the tremendous pressure of globalisation and socio economic changes. Government and private players should rethink about the content, structure and delivery mechanism followed in educational institutions. V. Umashankar & Kirti Dutta (2007) have proposed a balance score card approach on how to improve quality in higher education sector. According to them, the four perspectives of balance score card in Indian Higher education program are – Financial perspective (Revenue growth and Productivity), Customer perspective (Quality academic advising, quality instructions, effective students placement), Internal process perspective (Service facilities, service development, unique curriculum and internship programme), Learning and growth perspective (Professional growth, strategic technologies, Organisational citizenship).

In educational institutions students are considered as primary customers and again they are reshaped into final products as prospective employees. Therefore the role of teachers in higher education is very challenging. Teachers in higher education should consider teaching and research in a complementary way. Special emphasis should be given on assessment orientated teaching. Involvement of the teachers in higher education institutions also plays an important role in achieving success of the institute. Again, a teacher would be able to secure and retain the coveted place only by fulfilling the needs of his or her students. In order to accomplish all of these, he or she has to find satisfaction in his or her work. In other words a teacher needs to have high degree of work engagement.

Work engagement is characterized by vigour, dedication, and absorption (Wilmar B. Schaufeli A. B., August 2006 ). Vigour is described by the energy level of an employee at his work and how he handles difficult times in the organisation. Dedication is the amount of involvement in one's work, the enthusiasm, pride, inspiration experienced by one in his work. Absorption is nothing but how much anyone is engrossed in his work that he never realizes the passage of time.

Education sector definitely need much attention in internal motivation. With passage of time teaching has evolved as any other profession and organisations play a large role in motivating the teaching professionals. Consequently “Internal Marketing” comes in the picture of higher education sector. Internal marketing seems easy to understand but mostly

forgettable by the companies as they are more focused towards external marketing and creating a brand. In an institute where exactly does it fit, in HR, Strategic plan or in Marketing? In a simple term “Internal Marketing” is the application of all theories and practices of marketing to the firm’s employees so that best people are employed and retained by the organisation and ultimately they provide quality services to the customers. IM places people centre stage in the effort for organisational success. (Papasolomou, 2006) Success of any service organisation is dependent on the firm’s ability to create competitive advantage. Service organisation should emphasize on internal marketing by focusing on employees who are the service providers. Only making promises to external customers through advertising may not be sufficient as in case of physical products. Rather service organisations should be able to fulfil those promises through superior performances by satisfied employees. In a service organization the “employee-customer” interaction is a critical factor in the customer’s perception of the service quality. (Turkoz & Aklyol, 2008). Generally in service organisation customer satisfaction or dissatisfaction occur during the time of moments of truth, when customers come to a contact of a front line service provider (Lewis and Entwistle, 1990). Customer contact employees in any service organisation should be empowered with immediate decision making power and accessed with required information to serve the customers. Also they should be continuously trained on how to handle service recovery situations and make customers happy. Service organisations find it difficult to create brands because of its intangible nature. Problems linked to the branding of intangible offerings can be overcome through an emphasis on the effective implementation of IM. Employees and IM play a valuable role in the delivery and strengthening of corporate service brands (Papasolomou, 2006). Relationship between internal marketing and service quality on customer satisfaction was studied among employees and customers of the Jordan banks by (Dr. Abdelmoti Suleiman Aburoub, May 2011). The study confirmed the measurement of internal marketing was positive and high. IM was measured in terms of service culture, human resource development, marketing data publishing, motives and reward system. Banks in Jordan gave sufficient importance on human resource development for their employees. Banks’ service quality expressed in terms of tangibles, readability, responsiveness, credibility, empathy was high. Result also supported a positive relation between internal marketing practices, service quality and customer satisfaction. (Dr.

Abdelmoti Suleiman Aburoub, May 2011). Similar studies done by (Al-Hawary, January 2013) on impact of internal marketing on job satisfaction on commercial bank employees of Jordan. Dimensions of Internal marketing were measured with the help of exploratory factor analysis and they were motivation, empowerment, communication and training. With the help of multiple regression analysis it was found that Training and development has the highest impact on employees job satisfaction followed by Motivation, Empowerment, and Communication respectively. Previous research among managers of retail banks of Malta also established significant relationship between internal marketing and organisational commitment (A Caruana and P Calleya, 1998). Three dimensions of Internal Marketing- Vision, Reward and Development and four dimensions measuring Organisational commitment -Effective commitment, continuance commitment, normative commitment and organisational commitment were identified. With the help of eight models and orthogonal regression technique, relationships between internal marketing and organisational commitment were established. Finding of the study supported earlier findings of (Tansuhaj *et al.*, 1991) who had claimed that one of the important consequences of internal marketing is to improve organisational commitment.

Service marketing gurus Berry and Parasuraman (1992) have defined “Internal marketing as attracting, developing, motivating and retaining qualified employees through job products that satisfy their needs”. Number of companies practicing marketing internally remains relatively small as they lack of a holistic approach of encompassing the entire organisation (Rafiq and Ahmed, 2000). In the absence of a strong IMO it is probably unlikely that the company will assign a systematic internal role to the marketing function and consequently, the practice of marketing internally will be minimal or erratic. This situation would basically resemble a company practicing marketing for its customers while lacking a market orientation. (Gounaris S. , 2008). Market orientation starts with market intelligence, understanding customers’ needs and preference and tracking external changes in market in terms of technology, government’s regulations and other environmental factors (Kohli A. K., 1990). Even the emotional development, personality and experiences of employees must be considered when developing internal marketing initiatives. (Roberts-Lombard, 2010). Internalmarketing expressed as internal market orientated behaviour, has impact on Market orientation, which consequently influence organisational performance and finally lead to firms’ financial success.(Lings, 2009).Unfair treatment by the

management is one of the reasons for dissatisfaction among the employees (Budhwar, Varma, Malhotra, & Mukherjee, 2009)

A research work done by (Kale, Sept 2006) has proposed “Internal Marketing” as a strategic tool to be used to assist Macau casinos in attracting and retaining best qualified employees. Macau is having severe shortage of employees for the gaming stations. Enhancing the image of the gaming stations as best preferred employer, and implementing internal marketing policies in terms of employees’ involvement in company’s vision, continuous training, appreciation, recognition of their work and regular communication between management and employees will make casinos truly service-oriented and employee friendly.

Internal marketing is the application of Marketing, Human resource, Organisational Behaviour and allied theories and principles which motivate and manage employees at all levels so that they can serve the external customers and each other in a better way (W. Binoy Joseph, 1996). Based on the research on front line employees of health care industry, he has concluded that effective internal marketing serves both employees and customers and is able to bring a high level of organisational performance. Internal Marketing can strengthen Organisational Commitment and improve Service Quality, indicating that the greatest goal of IM should be the proper use of salary compensation systems. (Tsai & Wu, 2011) Market research, market segmentation, communications, perspectives, development and rewards are five structural aspects measuring internal marketing- concluded by (Chuan Lee and W J Chen 2005) after conducting a research on Knowledge management in Information Technology industry in Taiwan. Internal marketing and knowledge management should get serious consideration for the sustainability of high tech industries.

Service employees are critical as they provide performances (Lovelock, 1983). Jan Carlzon (1987) of Scandinavian Airlines was one of the first who referred the employees serving customers as “moments of truth” as they are primarily responsible to create and maintain lifetime relationships with customers. Successful service organisation is able to sell the job to its employees before the external customers (Sasser, 1976). After an extensive literature reviews in HR and Marketing area, H.S. Bansal et al. (2001) have proposed a conceptual model on how internal marketing practices relate to external customer satisfaction and

loyalty. Six internal practices meant by them are – employment security, extensive training, generous rewards, sharing information, and employee empowerment and reduced status distinctions. All of them lead to internal customer attitude development, external service quality, customer satisfaction and loyalty consequently. Even psychological empowerment has a significant impact on both employee loyalty and task performance, which is partially mediated by employee satisfaction. (Yao, 2013)

In a retail context a research done by (Theodoridis, June,2009) in Greece and has identified five constructs of IM and they are formal interaction, reward systems, feedback, internal procedures and policies and internal customer orientation (ICO). Retailers are in a nascent stage of Internal Marketing Orientation. It also empirically tested that there is a positive impact of IM on firm's financial and non-financial performance. Organizational commitment may not fully mediate the relationship of internal marketing with market orientation. (Zaman, Javaid, Arshad, & Bibi, 2012)

In case of high contact services like, banks, health care, restaurant the quality of services are inseparable from the quality of service provider Chase (1978). Employees at contact points virtually shape the service outcome and hence become an essential part of product. Education is of course a perfect example of high contact service where teachers play an important role in service outcome. Four areas in internal marketing where the service organisation should focus are – product/service focus, reward systems, marketing support, and organizational harmony (E. Greene et al. 1994). Internal Marketing has become a centralised theme of importance among academicians and service organisations. Considering organisation as an internal market and employees as internal customers, organisations would be in a position to deliver quality services to its external customers (Chuan Lee, Wen-Jung Chen, 2005). A research was done by (Martensen & Grønholdt, 2006) to develop a model on employee loyalty and to find its determinants and consequences. A qualitative research (focus group study) and afterwards a survey from employees of hotel chains of Sweden, six determinants of employee loyalty were identified which were Leadership, Human relations and values, Personal development and competencies, Job contents, Creativity and innovation and Customer orientation. Among all the determinants leadership had most profound impact on employee loyalty. Factors related to individual employee like personal and competence development, job content and creativity showed almost 50% impact on employee loyalty. A priority map to describe



impact of each determinant of employee loyalty on company's performance was developed. Another study (Rolf Van Dick et al, 2009) also suggested internal marketing is basically a process in which leaders instil into the followers a sense of openness within the organisation, formerly known as "Organisational identification (OI)". Beginning with a conceptual model on the cascading effect of the leader's OI to the follower's OI, the researchers collected data from two countries, in USA relationship based pharmaceutical industry with less direct supervision and in Germany encounter like travel agencies with much close supervision are considered. The first stage of research has shown that when managers have shown a high level of OI, the frontline sales people also exhibit a high level of organisational identification and they performed effectively and achieved sales target. To check the generalization of the result obtained in first case the study was replicated in another selling context in another country and the result was found consistent with the previous finding. (Jan Wieseke, March 2009) The role of culture, in a particular establishment of a service culture was acknowledged as a major dimension for initiation and support of implementation of internal marketing programs (Tag-Eldeen & El-Said, 2011). A research taking cultural congruence (the degree to which an organisation meets an employee's cultural need) as a moderating variable was done to see its impact on both internal marketing and employees' satisfaction. Data was collected in Australia from both Taiwanese, the highest migrated skilled population and Australian people who worked in tourism and hospitality industry. Australian employers may not meet the cultural requirements of the Taiwanese as well as they meet for Australians. With Structural equation modelling technique the research established that all three dimensions of Internal Marketing, namely internal communication, training, and internal market research influence employee satisfaction. At the next level, analysis showed that degree of relationship between internal marketing and employee satisfaction was greater for high cultural congruence group than for low group (Yu-Ting Huang, 2013). Another study conducted in Tourism and Leisure industry of Taiwan by (Cheng-Ping Chang, December 2008) has shown that there is a correlation between internal marketing practices and the employees' turnover intentions. Internal marketing is becoming increasingly important and growing recognition as an implementation tool for adoption by all organizations. (Mishra, 2010)

## **RESEARCH OBJECTIVES**

R.M. Harden & J. Crosby (2000) have identified twelve roles of teachers in higher education which can be grouped in six areas –

- The knowledge dispenser and information provider
- Act as a role model in formal teaching environment
- Mentor and learning facilitator
- Assessor and evaluator of students
- Curriculum planner
- Study guide.

Almost all the above roles demand a direct interaction among teachers and students. Therefore higher education is an industry where internal marketing plays a very important role. Many researcher have stated that promoting organisation and its products to its employees is called “Internal Marketing”. But this definition is partially true in education sector where knowledge is the part of the product and students are the final products. As definite dimensions of internal marketing are not available, researchers were interested in knowing the various dimensions of “Internal Marketing” which influence the academicians as extrinsic motivators in higher education sector. Ideally, top management should generate the idea of internal marketing and should communicate to the bottom.

The present study makes an effort to explore various dimensions related to internal marketing in higher education sector, to check whether internal marketing practices are integrated in college and universities and does they impact the commitment of teachers towards organisation and his jobs. In other words, the interrelationship of Internal Marketing practices and work engagement are investigated. Also an attempt was made to analyse the impact of demographic factors like age, gender, types of institutes, salary level etc. on internal marketing and work engagement dimensions.

## **RESEARCH METHODOLOGY**

An empirical research was done to identify various factors influencing “Internal Marketing” in higher education sector and to establish the relationship of internal marketing and work engagement of teachers of higher education. To measure the

dimensions of “Internal Marketing” in higher education, an earlier research termed as “Internal-market orientation and its measurement” done by Spiros P. Gounaris at Greece (2006) was considered. Similarly, for measuring the work engagement a previous research titled “The Measurement of Work Engagement with a Short questionnaire” was studied (Schaufeli, Bakker, 2006). At an initial level, to check the reliability and validity of the research instrument a pilot test was done among a selected group of senior level professors and they were encouraged to give their suggestions. Reliability of the questionnaire was checked through Chronbach Alpha test and the value was obtained as 0.917, which is above the threshold value. Since the study has used measures already used in previous research, validity of the measures were already built in. Even many suggestions given at the time of pilot study were incorporated in the questionnaire to enhance the content validity and legibility of the research instrument, the questionnaire. The final questionnaire was sent to all the faculty members in the higher education via email personally and was put on google docs. A total of 79 responses were received across India. The data was collected during Sept-November 2016.

## DATA ANALYSIS & INTERPRETATION

**Table1. Demographic Profile of respondents**

Group	Respondents' Characteristics	Number of Respondents	Percentage
Gender	Male	46	58.2
	Female	33	41.8
Age in years	22-30	15	19.0
	31-40	40	50.6
	41-50	17	21.5
	51-60	6	7.6
	More than 60	1	1.3
Salary Range	Less than 3.5	30	38.0
	Less than 6	24	30.4
	Less than 9	19	24.1
	Less than 12	3	3.8
	More than 12	3	3.8
Designation	Lecturer	6	7.6
	Assistant Professor	57	72.2
	Associate Professor	10	12.7
	Professor	6	7.6

Type of educational institution	Pvt. University	12	15.2
	Govt. University	5	6.3
	Pvt. Institute	52	65.8
	Govt. Institute	10	12.7
Institute located	Rural Area	21	26.6
	Urban Area	58	73.4

**Exploratory factor analysis to find dimensions of internal marketing which motivate the employee behaviour in higher education sector**

**Factor Analysis:**  
This mechanism is used to extract the components or the dimensions that each of the variables or questions is focusing at, in order to confirm if it is in line with the predefined dimensions. It is also used to gauge the factor loadings for each of the variables or questions associated with each of the factors so that the factor loadings are multiplied with each of the variables for every respondents and the average to be taken for each dimension thus showcasing the true measure for each dimensions and ultimately the total construct.

The first step for using factor analysis starts with KMO and Bartlett’s Test which tells about the data sufficiency.

**Table 2. KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
	Approx. Chi-Square	1064.622
	Df	210
Bartlett's Test of Sphericity	Sig.	.000

The Kaiser-Meyer-Olkin Measure value of 0.886 showcases the strong sample adequacy depicting that the samples are sufficient and adequate in carrying out this mechanism. From Bartlett’s test of Sphericity, it is observed that the high significance (since the significance value of .000 is less than 0.05, the accepted and benchmarked 5% significance level) propels that at least there is one component or factor that can be extracted. To find the various internal marketing factors motivating employees, twenty two statements related to IM screened from various literatures were used.

**Table 3.**

<b>Rotated Component Matrix</b>	<b>Component</b>				<b>Communalities</b>
	<b>IM1</b>	<b>IM2</b>	<b>IM3</b>	<b>IM4</b>	
q15. Our individual needs are systematically assessed in this organization.	0.768				0.770
q29. The Senior Management is really considering about our individual needs and makes policies that reflect it.	0.826				0.837
q26. The Senior Management is resolved to solving our problems and giving us all required support necessary for our job.	0.762				0.746
q24 This organization pays as per statutory norms	0.736				0.670
q27 My income and the annual increases are very closely tied to my qualifications and my performance	0.712				0.683
q9 Every important decision regarding human-resource policies is always as adapted according to our individual needs.	0.706				0.721
q10 When I do something extraordinary I know that I will receive some financial bonus/reward	0.665				0.549
q14 At least once per year we fill in questionnaires regarding our needs and wants from the organization.	0.663				0.633
q4 Before any policy change our individual characteristics are considered in advance	0.614				0.557
q21 My HOD is sincerely listening about the problems I have doing my	0.515				0.757

job.					
q30 My HOD is sincerely concerned about personal problems I have that may affect my performance.		0.799			0.629
q16 Nothing has ever assigned to me unless my HOD and I had agreed that I could really do it		0.655			0.666
q20 Assessing our job satisfaction is an important task for our HOD.		0.653			0.691
q5 Before any policy change, my HOD informs me phase-to-phase in advance.		0.529			0.600
q2 This organization always encourages me to attend conferences/seminars/MDP			0.806		0.790
q1 My job description allows me to satisfy my personal needs and goals through my work.			0.652		0.533
q13 the organization regularly conduct Conferences/seminars/MDP			0.662		0.616
q8 This organization emphasizes on understanding our needs.			0.569		0.730
q23 The tasks I am assigned with help me to advance my career with this organization.			0.495		0.599
q6 Everyone gets an annual bonus regardless of their performance				0.854	0.773
q7 This organization is aware about new jobs created in other competing institutions				0.616	0.676
<b>Eigen Values</b>	<b>10.462</b>	<b>1.466</b>	<b>1.274</b>	<b>1.026</b>	
<b>Total Variance Explained</b>	<b>30.146</b>	<b>14.712</b>	<b>14.206</b>	<b>8.690</b>	<b>67.754</b>

**Interpretation** -- In the above table, most of initial communalities are quite high indicating that all the variables share a good amount of variance with each other, an ideal situation for factor analysis. The value in each row (ignoring sign) indicates that the respective variable belongs to the respective factors. For example, in the first row the value is 0.768 which is Component IM1; this indicates that the item statements q15, q29, q26, q24, q27, q9, q10, q14, q4 and q21 contributes to one common factor, component IM1. Seeing the nature of the item statements IM1 was named as “**Management Concern & Empowerment**” (Dr. Abdelmoti Suleiman Aburoub, May 2011). Similarly the component IM2 can be called as “**Communication between Employee and Next level Manager**” (Yao, 2013), IM3 as “**Training & Development**”(Al-Hawary, January 2013). and IM4 as “**Competitive Remuneration**” (Tsai & Wu, 2011).

To further continue for next level of research, reliability of each component was analysed through Cronbach Alpha and the results are below.

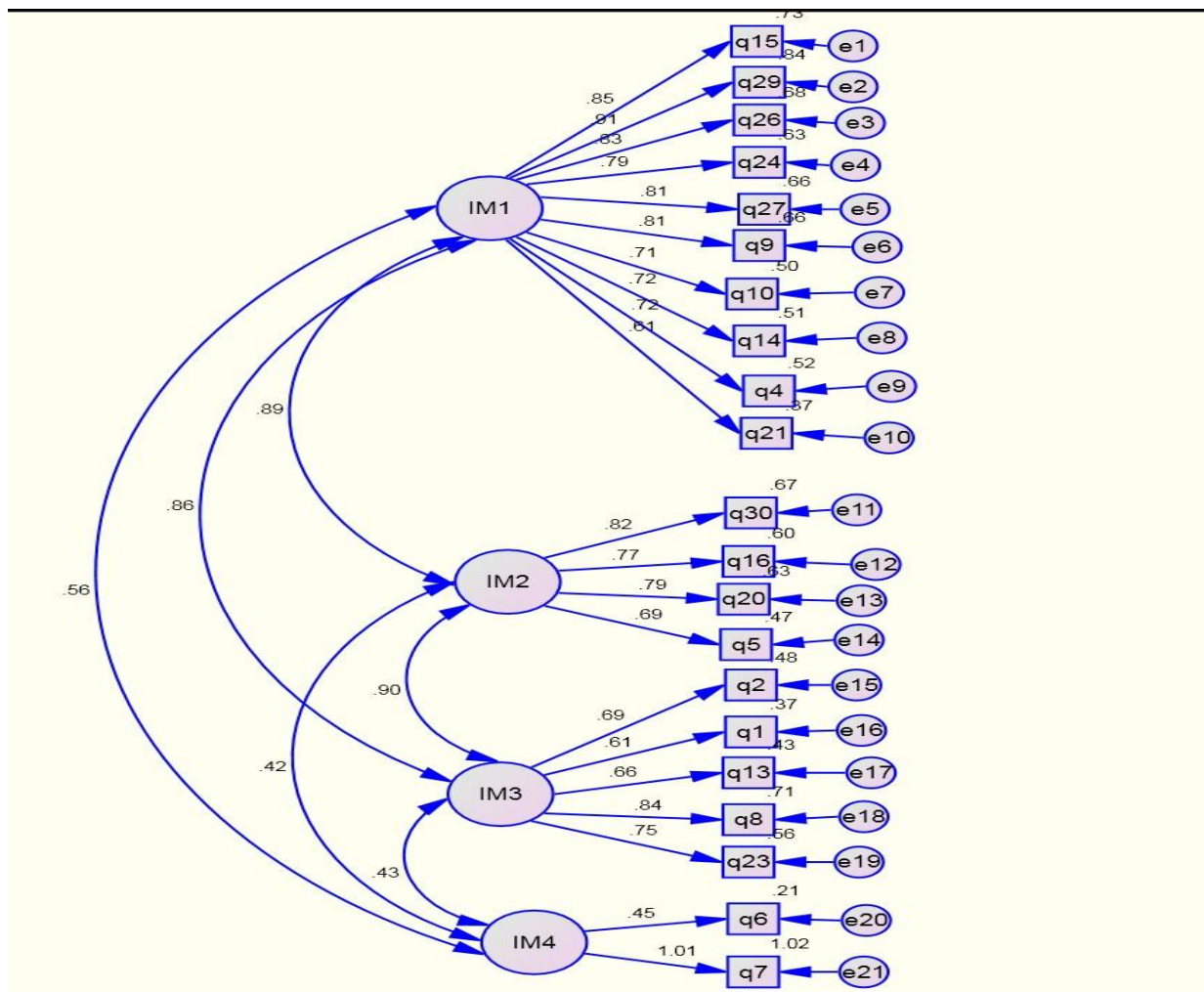
**Table 4. Constructs of Internal Marketing**

<b>Constructs</b>	<b>Cronbach alpha</b>	<b>No of items</b>
IM1	0.937	10
IM2	0.851	4
IM3	0.839	5
IM4	0.613	2

**Interpretation** – Since for all the above four cases the Cronbach Alpha is more than 0.50, these four constructs are considered in our next part of analysis.

**Confirmatory factor analysis (CFA) for internal marketing dimensions –**

Confirmatory factor analysis was applied to each of the dimensions of “Internal Marketing” to measure whether the statements listed under each dimension were in turn intended to measure what it wanted to measure, to check whether the statements of each dimensions load well on their respective factors. The diagram is given below **Figure 1**.



## Interpretation

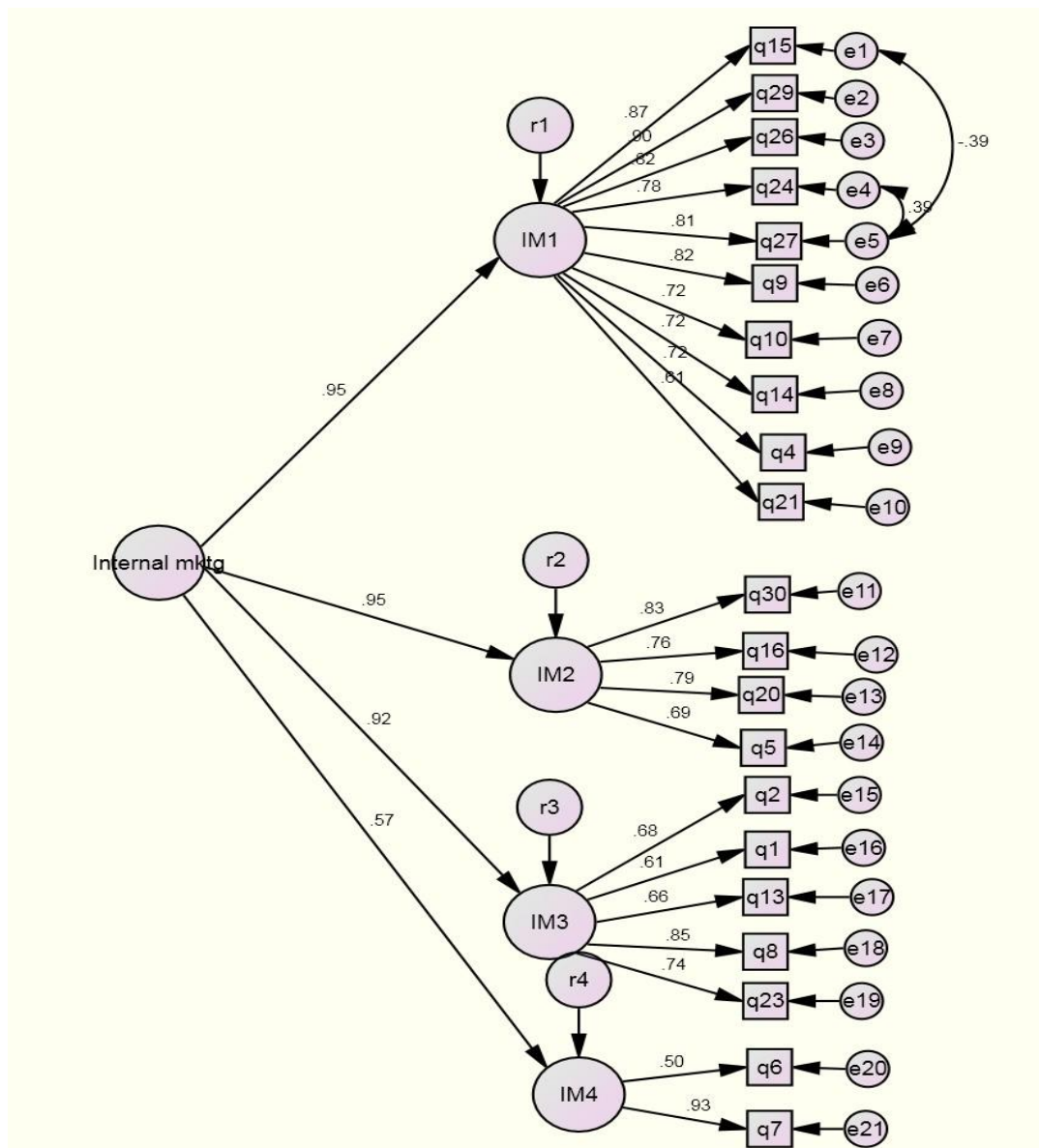
The CFA (Confirmatory Factor Analysis) shown in the above figure, gives the results of relationships between the constructs of Internal Marketing and the observed variables. The values given on the arrows pointing towards the rectangles are the standardised regression weights. All the values of standardised regression weights are more than 0.5 which indicated that each of the observed variables contributes good correlation to each construct of Internal Marketing. The covariance between the constructs are within acceptable ranges. The values above the rectangles are the squared multiple correlations. The values e1 to e21 are the associated error terms for the respective indicator variables and their value can be calculated by subtracting the respective squared multiple correlations from 1. For example value of  $e_9 = 1 - 0.21 = 0.79$

- From “Model Fit Summary” it is observed that the value of CMIN/DF is 1.583 (below 5) and the hypothesized model is a good fit.



- CFI (0.904), TLI (0.890) are almost 0.9 which are in acceptable limits, GFI was 0.762 which is below 0.90. RMR and RMSEA were 0.20 and 0.083 respectively which actually should be below 0.08.
- So far, it can be concluded that based on the goodness-of fit results, our hypothesized four factors Internal Marketing fits the sample data up to a moderate level. Better result could have been obtained in case of larger samples. **Second Order factor Model for Internal Marketing**

**Figure 2.**



## Interpretation

The Internal Marketing is comprised of four constructs and each of them contributes to a large amount for measuring the overall Internal Marketing.

- From “Model Fit Summary” it is observed that the value of CMIN/DF is 1.491 (below 5) and the hypothesized model is a good fit.
- CFI (0.919), TLI (0.907) are above 0.9 which are in acceptable limits, GFI was 0.771 which is below 0.90. RMR and RMSEA were 0.197 and 0.079 respectively which actually should be below 0.08.
- So far, it can be concluded that based on the goodness-of fit results, second order factor fits the sample data up to a moderate level. Better result could have been obtained in case of larger samples.

Internal marketing should be adopted by management at both strategic and tactical level. Internal marketing starts from recruiting and selecting best talents, motivate the employees and retain the best talents. It also focuses on employee satisfaction, treating employees as internal customers. Once internal customers are happy, they bring success to a service firm (Gremier *et al.*, 1994). The major consequence of internal marketing is incremental effect on organisational commitment. (Tansuhaj *et al.*, 1991). Employee’s commitment towards organisation will lead to better performance, higher absorption to work, higher level of job satisfaction and less turnover (Mathieu and Zajac, 1990). To investigate whether internal marketing practices in higher educational institutions have impact on the three dimensions of work engagement viz. vigour, absorptions and dedication, (Schaufeli & Salanova, 2002) different hypotheses are formulated and tested.

### **Research Proposal 1: Internal Marketing does not affect employee’s vigour (amount of energy and mental resilience in work)**

H1a: Internal marketing has no influence on employees’ feelings as strong and vigorous at work. H1b: Internal marketing has no influence on employees’ feelings as bursting with energy at work.

### Result of regression analysis: Internal Marketing vs. Vigour

Independent variables	Dependent Variable	Adjusted R <sup>2</sup>	F value	P value & Significance
IM1 (Management Concern & Empowerment), IM2 (Communication between Employee and Next level Manager), IM3 (Training & Development) and IM4 (Competitive Remuneration).	Feel strong & Vigorous at work	0.240	7.183	0.000; Significant, Null hypothesis (H1a ) is rejected
	Feel bursting with energy at work	0.293	9.074	0.000; Significant, Null hypothesis (H1b ) is rejected

### Research Proposal 2: Internal Marketing does not affect employees' dedication (the amount of involvement and enjoyment at work)

H2a: Internal marketing has no influence on employee's pride about his work.

H2b: Internal marketing has no influence on employee's inspiration level towards his job.

### Result of regression analysis: Internal Marketing vs. Dedication

Independent variables	Dependent Variable	Adjusted R <sup>2</sup>	F-value	P value, Significance & Hypothesis status
IM1 (Management Concern & Empowerment), IM2 (Communication between Employee and Next level Manager), IM3 (Training & Development) and IM4(Competitive Remuneration).	Job inspires him	0.267	8.111	0.000; Significant, Null hypothesis (H2a ) is rejected
	Feel proud about his work	0.130	2.767	0.033 Significant, Null hypothesis (H2b ) is rejected

### Research Proposal 3: Internal Marketing does not affect employees' work absorption (fully concentrated and happily engrossed at work)

H3a: Internal marketing has no influence on employee's getting carried away in his work.

H3b: Internal marketing has no influence on employee's being happy when working intensely.

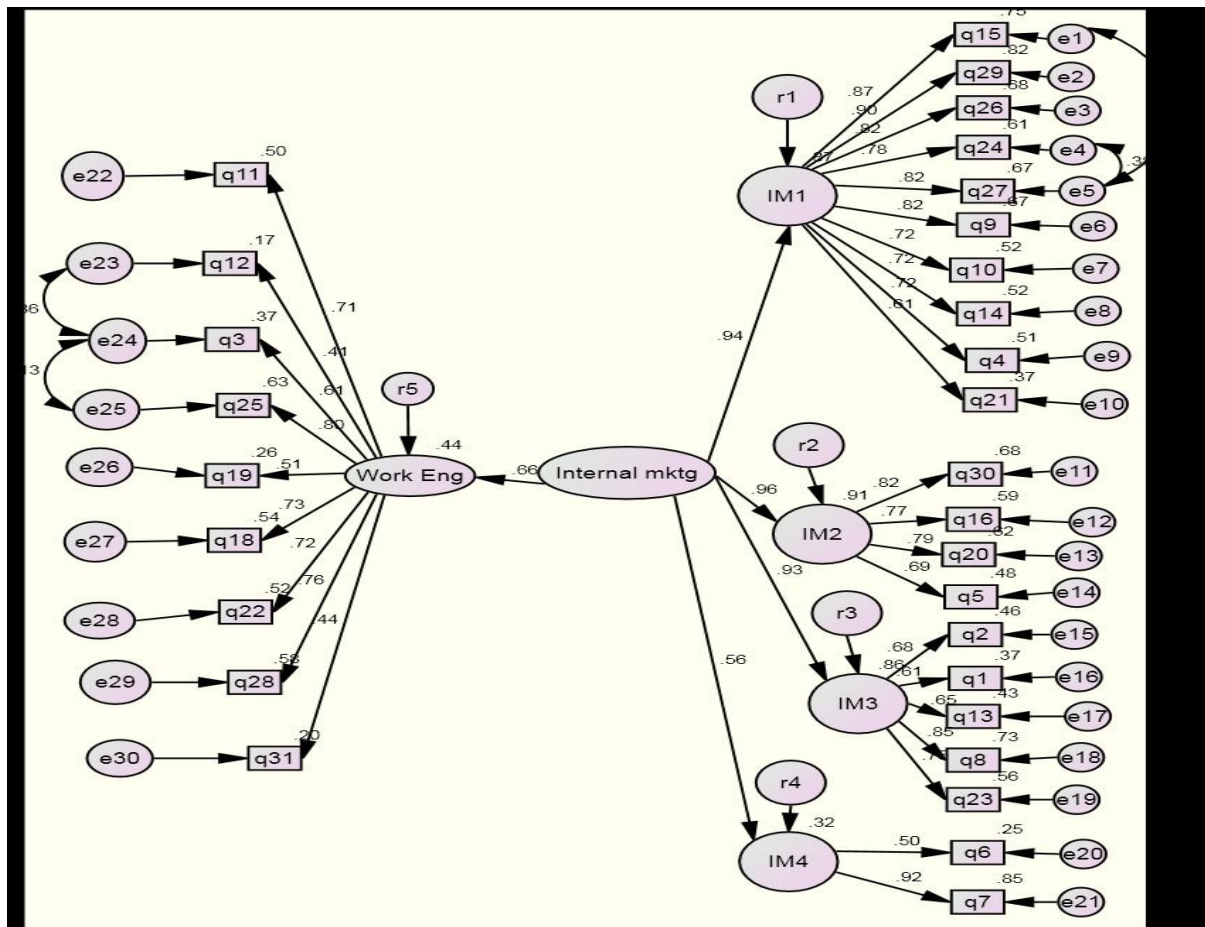
H3c: Internal marketing has no influence on employee's being immersed in his work.

**Result of regression: Internal Marketing vs. Work Absorption**

<b>Independent variables</b>	<b>Dependent Variable</b>	<b>Adjusted R<sup>2</sup></b>	<b>F value</b>	<b>P value &amp; Significance</b>
IM1 (Management Concern & Empowerment), IM2 (Communication between Employee and Next level Manager), IM3 (Training & Development) and IM4 (Competitive Remuneration).	Getting carried away in his work.	0.250	7.488	0.000; Significant, Null hypothesis (H2a ) is rejected
	Being happy when working intensely.	0.050	2.035	0.098 Not Significant, Null hypothesis (H3b ) is not rejected
	Immersed in his work	0.136	4.060	0.005, Significant Null hypothesis (H3c ) is rejected

**Interpretation:** All Internal Marketing dimensions have a significant impact on Employees' Vigour, dedication and absorption at his work. Except on "Being happy while working immensely" all the other cases the values of R<sup>2</sup> are moderate to high, which shows percentage of impact of Internal Marketing on components of work engagement.

## Final model of validation to elucidate the relationship between the internal marketing and work engagement



### Interpretation

- Internal Marketing initiatives taken by Institutes of Higher Education have a very strong impact on creating “Work Engagement” – 66% of the variation of work engagement is caused by Internal Marketing factors.
- From “Model Fit Summary” it is observed that the value of CMIN/DF is 1.549 (below 5) and the hypothesized model is a good fit.
- CFI (0.919), TLI (0.907) are above 0.9 which are in acceptable limits, GFI was 0.771 which is below 0.90. RMR and RMSEA all were not below 0.05.
- So model fits the sample data up to a moderate level.

## Internal Marketing & Work Engagement level vs. Demographic variables:

The data was collected from teachers of higher education of different designations and salary level, from private and public institute across gender and from rural and urban area. ANOVA and Independent sample t-test were done to investigate the impact of demographics on internal marketing as well as on work engagement. The result is given below:

Null Hypotheses	Test Statistic s Used	Hypotheses Status	Key Findings
H <sub>01</sub> – Male and female teachers perceive the importance of Internal Marketing in different way.	Independent Sample t test	Null Hypothesis Not Rejected	T value= 1.806 p value= 0.07
H <sub>02</sub> – Male and female teachers show different levels of work engagement	Independent Sample t test	Null Hypothesis Not Rejected	t value= 0.977 p value= 0.334
H <sub>03</sub> – Teachers of different age groups perceive the importance of Internal Marketing in different way.	One way ANOVA	Null Hypothesis Not Rejected	F value=1.401 p value= 0.242
H <sub>04</sub> – Teachers of different age groups show different levels of work engagement.	One way ANOVA	Null Hypothesis Not Rejected	F value= 0.795 p value= 0.532
H <sub>05</sub> – Teachers of different salary levels perceive the importance of Internal Marketing in different way.	One way ANOVA	Null Hypothesis Not Rejected	F value=0.620 p value= 0.649
H <sub>06</sub> – Teachers of different salary levels show different levels of work engagement.	One way ANOVA	Null Hypothesis Rejected	F value= 7.488 p value= 0.044

H <sub>07</sub> – Teachers of different designations perceive the importance of Internal Marketing in different way.	One way ANOVA	Null Hypothesis Not Rejected	F value= 1.249 p value= 0.298
H <sub>08</sub> – Teachers of different designations show different levels of work engagement.	One way ANOVA	Null Hypothesis Not Rejected	F value= 0.382 p value= 0.766
H <sub>07</sub> – Teachers from different types of institutes perceive the importance of Internal Marketing in different way.	One way ANOVA	Null Hypothesis Not Rejected	F value= 0.937 p value= 0.427
H <sub>08</sub> – Teachers from different types of institutes show different levels of work engagement.	One way ANOVA	Null Hypothesis Not Rejected	F value= 1.596 p value= 0.198
H <sub>09</sub> – Teachers of different localities perceive the importance of Internal Marketing in different way.	Independent Sample t test	Null Hypothesis Not Rejected	t value= 1.538 p value= 0.128
H <sub>010</sub> – Teachers of different localities show different levels of work engagement.	Independent Sample t test	Null Hypothesis Not Rejected	t value= 1.327 p value= 0.188

## Interpretation

From the above table it was observed that teachers irrespective of their demographics perceive the importance of internal marketing in the same way. Even the level of work engagement do not vary based on their demographics except in the case of different salary levels.

## CONCLUSION AND MANAGERIAL IMPLICATION

This exploratory study has examined the role of extrinsic factors of motivation in higher education with a special focus on measuring “Internal Marketing dimensions”. Though

internal marketing is an essential service marketing tool, not much research was done in Indian education sector to identify the factors that comprise of Internal Marketing. After the empirical research four major components of Internal Marketing are found- “Management Concern & Empowerment”, “Communication between employees and next level authority”,

“Training & Development” and “Competitive Remuneration”. The result obtained is aligned with previous findings of Albert Carura & Peter Calleyain (1998), (Grönroos, 1990), (Liou, 2001) and Hu (2003), (Bansal, 2001-6(1)). Albert Carura, Peter Calleyain (1998) have studied internal marketing and their research revealed that Internal Marketing consists of three constructs clear goals, feedback and challenging job as well as reward system. Findings of the current study is also falling in line with previous findings of Spiros P. Gounaris (2005), where an empirical investigation was made to measure company’s adoption of Internal Market Orientation. It was pointed out in that study that assessment of internal marketing have evolved a lot and its contribution to organisational commitment also verified but very few educational institutes actually implemented “Internal Marketing” in practice. Similar opinion was carried by Ruben (1999) who indicated that most higher education centres paid little attention to measure students’, faculty and staff satisfaction despite the fact that attracting and retaining best talent/people is the primary goal and critical success factor for institutions of higher learning. As pointed out by numerous researchers that “Internal

Marketing leads to job satisfaction” (Berry et al, 1976; Sassar and Arbeit, 1976, William, 1977; Tansuhaj et al, 1987; Ahmed & Raffiq 2000) and results to knowledge renewal (Ballantyne, 2003). Internal Marketing can strengthen organisational commitment and improve service quality, leading to customer satisfaction. The greatest goal of IM should be the proper use of salary compensation systems. (Tsai & Wu, 2011), (Chuan Lee and W J Chen 2005). Internal Marketing strategies should be adopted by higher educational institutions to align the internal environment of the organisation with the external objectives and finally motivate teachers to excel through competitive performance.

## **LIMITATIONS & SCOPE FOR FUTURE RESEARCH**

The study is not free from limitations. One first limitation is the sample size, to generalize the result obtained from the present study might pose a threat. Secondly though the study was not confined to private educational organisations but majority of the respondents were from private institutions which might reflect certain attitudes and opinions. Current study



was done empirically to find the elements and measurement of Internal Marketing for Higher Education sector, which might differ from other service organisations. Internal Marketing is a top down approach which actually has to be adopted as organisation culture rather than a uni- dimensional measurement. According to our study, even in teaching field, internal marketing practices lead to high level of absorption and enjoyment at anyone's work. As internal marketing leads to extrinsic motivation, many academicians may argue that teaching is a noble profession and intrinsic motivation sometimes plays a larger role in teachers' performance. Further research can be done by addressing any of the issues discussed above.

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