Internal Marketing Elements’ Influence on Employee Performance: A Case of Harare Institute of Technology in Zimbabwe

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Abstract. A considerable number of organisations in the service industry are realising the significance of internal marketing as they address and respond to the changing environment in order to obtain competitive advantage. The purpose of this paper is to evaluate the internal marketing mix elements vital for employee performance at Harare Institute of Technology. Most government institutions have remained rigid due to their bureaucratic structures and this has caused them to adopt slowly new techniques like internal marketing that foster innovation and productivity. In order to make a break through to this problem, most European state based institutions have marketised their operations. 106 questionnaires were distributed to both academic and non-academic staff. The relationships of the variables in the proposed model and the properties of the scale were analysed using the Statistical Package for Social Sciences. The findings of the study show that there existed strong relationships between training and innovation, empowerment and motivation. However, internal processes were not related at all to employee productivity. Based on the results, a considerable number of recommendations and suggestions were made.

Key words: Marketing, Internal Marketing Elements, Employee Performance, Harare Institute of Technology.
1. Introduction

The notion of ‘internal marketing’ has received considerable coverage in the literature, but even its most ardent and arduous supporters have noted problems in translating the concept into reality (Papasolomou-Doukakis, 2002:89). The present study provides a plausible explanation for the mechanism through which internal marketing elements enhance human capital performance through innovation, productivity, and motivation. Innovative organisations offering unique services to customers have succeeded in markets where established organisations have failed (Lovelock and Wirtz, 2004). Many service organisations are beginning to realise that providing customer satisfaction begins with providing good service to employees, therefore marketing techniques should be used by management to market itself to its own employees (Kurtz and Clow, 2002). Organisations that recognise the importance of internal marketing orientation create an organisational culture which takes into account the interest of employees in all its activities.

Research has indicated that the implementation of internal marketing has been rocked by opportunities and challenges (Papasolomou-Doukakis, 2002; Ahmed - 2003) Why is internal marketing important? Although external marketing remains the most important business development task, it is essential to sell inwardly toward a company’s employees and when the employees understand and commit to the value proposition of the company and its brands, external marketing becomes more effective, because the employees become product champions (BNET Editorial, 2010). By implementing internal marketing the university will benefit from higher employee satisfaction and retention, a student-oriented workforce, enhanced external business relationships, a better flow of information internally, empowered employees, increased compliance with standards and protocols, and improved brand reputation, and obviously profits. Employee also benefit in that they can make decisions within certain guidelines and begin to feel more respected and valued for their contributions. This feeling leads to a greater sense of belonging to the “team” as well as responsibility and accountability to employers as well as being motivated, innovative and productive. “The firms that do not or will not embrace the issues of internal
marketing and incorporate those ingredients into their strategic marketing plan will see their market share and profit base erode” (Walter et al., 1994; pp 5)

This paper extends the analysis of the relationship between internal marketing variables and employee performance in a service setting by exploring the internal employee perceived internal marketing elements of work productivity, innovation, and motivation in tertiary educational service. The study will contribute to understanding of marketing as it is applied and understood in practice and will provide a ground for further research in internal marketing. The measurement of the impact of internal marketing on employee performance at HIT was done according to two constructs that were developed from literature and these include the people, and processes.

2. Literature review

2.1 An Overview of Internal Marketing and Employee Performance

2.1.2 Internal Marketing

Internal marketing is the management philosophy of promoting the firm and its policies to employees as if they are the (internal) customers of the firm. Internal marketing views the employee as an internal customer, jobs as internal products and holds the view that all employees in an organisation serve both a customer and a supplier even in the event where one or both of these are internal colleagues (Zeithaml and Bitner, 2003). Baker et al., (1998) believe that the logic followed by an increasing number of companies is that building effective relationships with customers and alliance partners will depend largely on the strengths and types of relationships built with employees and managers inside the organisation.

Hoffman and Batson (2007) argue that the growing emphasis on competing through superior service quality relies ultimately on the behaviour and effectiveness of the people who deliver the service, rather than the people who craft the strategy. Internal marketing is therefore an ongoing process that occurs strictly within a company or organisation whereby the functional process is to align, motivate and empower employees at all management levels to consistently deliver a satisfying customer experience. Internal marketing was
proposed initially as an approach to services management which entailed the application of traditional marketing concepts within the organisation in order to improve corporate effectiveness and it suggest that the employees should be treated as customers in order to improve the quality of service offered to external customers. Internal marketing requires the involvement of a number of departments working in unison to improve performance (Ahmed and Rafiq, 2002:57).

While there was extensive research on internal marketing in private service industry, little research if any has been done about how public institutions understand and practise internal marketing in Zimbabwe. A case study by two Ljubljana downtown schools in Slovenia shows that principals and teachers have different, often opposite attitudes towards marketing education, although they practise and use some techniques and tools related to marketing of schools (Trnavcevic, 2003). Again, it is understood that there is a thin line between internal marketing and human resources management. Trnavcevis (2003) notes that Human Capital Management is a well researched discipline but little has been done on internal marketing.

Many discussions that are done by Vice Chancellors in State Universities reveal the perception of lecturers and other employees are seen as sources of university success and not as customers of university who need to satisfy their needs in order to satisfy the students and other university stakeholders. Kotler and Fox (1985) focused on marketing education institutions, mostly in higher education and transfer of principles of marketing into education. However, the evaluation of internal marketing has been put at the top of the agenda of both academics and managers especially in this current era of technological development and lack of a relevant theory definition and implementation of internal marketing and the discord on its use exacerbates the confusion and vagueness in tertiary institutions.

Rafiq and Ahmed (2000, 453) noted five needs of internal marketing which are the need to take an interest in teacher motivation and satisfaction, the need to be oriented towards teachers and the satisfaction of customers, the need to promote internal coordination and connection, the need to adopt marketing
thinking, and the need to present the specifics of an organisation and a formal strategy.

In this paper we consider internal marketing customers as lecturers and non-academic staff of the Institute and it therefore means that universities should pay attention to the employees’ needs, attitudes, values, and to satisfy them for improved productivity.

2.1.2 Employee Performance

Gartner Research (2011) defines it as a process for establishing a shared workforce understanding about what is to be achieved at an organisation level. It is about aligning the organisation objectives with the employees’ agreed measures, skills, competency requirement, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and create a high performance workforce.

For the purposes of this study literature is reviewed about the influence of empowerment on motivation, the effect of training on innovation and the influence of processes on productivity job satisfaction.

2.1.3 Empowerment and motivation

Stoner et al (1996) define empowerment as the act of delegating power and authority to subordinates so that the goals of the organisation are accomplished. Empowerment refers to authorising and assigning responsibility or transfer of authority (Tutar et al., 2011). However, empowerment has to have some aspects of motivation. The empowerment of employees starts from the top management and cascades down to low level management and continues with the understanding of vision, mission and values of the organisation and the applications which enables the employees to feel themselves responsible, free and competent for the organisation, but consist of taking risks, development and change (Tutar et al, 2011). Empowerment is a process by which influence is shared among individuals who are otherwise hierarchy unequal (Locke and Schweiger, 1979; Wegener, 1994). Empowerment has been described as a venue to enable employees make decisions (Bowen and Lawler, 1992) and as a personal experience where individuals take responsibility for their own actions (Pastor, 1996).
Conger and Kanungo (1998) accept that empowerment is a motivational tool and define empowerment as the improvement of employee’s self competence. The main purpose of employee empowerment is to reinforce the achievement motive of employees and therefore increase the performance with devices such as fertility, efficiency, work satisfaction and organisational dependence. Research has shown that the individuals with high involvement motive give much more importance to the individual development, have strong desire of reflecting the inner enterprises and performance (Can, 1985). Thomas and Velthouse (1990) argue that the employee should understand the meaningfulness of the job objectives, should show competence, self determination (defining alternatives and choosing between them), impact (believing that the individual has the ability to make a difference), achievement motive.

Although studies have suggested that employee empowerment has a motivational effect on organisational commitment, the conceptual explanation and factors that influence relationship have remained unexplored (Kim et al, 2012). Some have argued that empowering employees has a motivational effect on individual outcome such as job satisfaction (Laiden, Wayne, and Sparrow, 2000) and organisational commitment (Bhatnagar, 2007; Laiden et al, 2000). While several studies have examined the direct link between empowerment and motivation, a few have looked at the variables at the workplace that influences their relationship. However, basing on the aforementioned studies, the following hypothesis is proposed.

\[ H1: \text{Internal employee empowerment positively influences employee motivation.} \]

### 2.1.4 Training and Innovation

Bauernschuster et al, (2008) argue that successful innovation depends on both incumbent workers’ knowledge, based on experience and knowledge about the latest technologies, along with the skills needed to implement them. Aghion et al. (2006) argue that innovation is the only way to prevent entry or belt out the competitors. Becker (1964) observed that firms will only invest in specific training if they can appropriate the future rent of training. Bauernschuster et al, (2008) assert that training enables workers to experiment with the latest
technologies in such a way that something new is created and this adds to the firm’s overall knowledge stock.

When an organisation’s training is poor, it will find it difficult to keep pace with technological progress and presumably will be unable to prevent entry of leading edge competitors. Aghion et al, (2005) believe that innovation is the organisation’s weapon against entry and competition, training is the ammunition. However, the link between training practices and organisational innovation performance has largely been ignored (Nguyen, Trung and Buyens, 2010) since many studies have focused much on the effects of training on productivity (Barrett and O’Conell, 2001), financial performance (Glaveli and Karassavidon, 2011) and employee motivation (Castellanos and Martin, 2011).

Lan and Ngo (2004) in Sung and Choi (2013) note that training investments of an organisation create a climate of constant learning that facilitates the exchange of knowledge and ideas among employees, thereby promoting the generation of new knowledge and innovation. This current study attempts to explain the relationship that exist between training and innovation therefore it is proposed that the link between learning and innovation is strengthened under an organisational climate that supports and promotes innovation (Choi, 2007; West and Richter, 2008). Learning and knowledge management processes can be facilitated through corporate training and development by exposing workers to broad perspectives, skills, expertise and additional insights through which they can expand their reservoir of new and useful ideas of innovation. Given the above discussion the following hypothesis is formulated.

\textbf{H2: Internal training positively influences employee innovation.}

\textit{2.1.5 Internal processes and employee productivity}

Productivity increase is seen as one of the most critical goals in service industry but unfortunately internal marketers rarely accept that this is legitimate mandate. Sullivan (2011) notes that while most internal marketers acknowledge that their job entails establishing policy, procedures, and programmes governing people management few attempt to connect such elements to increasing productivity. Focusing on the internal processes improvement is going to close this gap after this research. Productivity measures how efficiently production
inputs such as human capital and technological equipment are being used in an organisation to produce a given level of output. Productivity directly affects the organisation’s profits and when employees are unproductive, they take longer to complete their projects or achieve their objectives, which may cost employers more money due to the lost time.

The most parts of the previous research on productivity has focused on the manufacturing sector (Black and Lynch, 2001; Batt, 2002; Appelbaum et al., 2000). Little research in the service sector has been done in Zimbabwe. Service operations based strategies usually relates improvements of productivity to introduction of new tools, technologies and methods of production as well as advances in the productivity of worker (Zemguliene, 2012). Kurtz and Clow (1998) argue that labour productivity improvement could be achieved by rationalisation of manual work motions, managing capacity, substituting automation for labour, and restructuring service processes. (Zemguliene, 2012) asserts that technological innovations also contribute to improvement in work stations. In analysing the ways of improvement of employee performance in tertiary education sector, researchers have agreed that the employee is the main target of action. Accordingly, the following hypothesis is tested.

**H3. Internal processes positively influence employee productivity.**

### 2.1.6 Conceptual framework and research hypotheses

For the purposes of establishing the impact of internal marketing elements on employee performance the following conceptual model was developed basing on the three hypotheses written below.
H1: Internal empowerment positively influences employee motivation.
H2: Internal training positively influences employee innovation.
H3: Internal processes positively influence employee productivity.

3. Research Methodology
The main purpose of this quantitative research was to find out the deeper motivations of the workforce towards the impact of internal marketing mix elements on employee performance. The questionnaire was designed based on a rigorous review of the related literature on internal marketing to ensure content validity. It was then reviewed by academic researchers with expertise in internal marketing and survey methodology. The questionnaire was also pre-tested on organization’s employees with more experience at Harare Institute of Technology. The feedback from the pre-test was used to improve the readability and the quality of the questions in the instrument. The questionnaire is shown in the appendix, and the design of the measurement items is described. 106 questionnaires were distributed to both academic and non-academic staff. The relationships of the variables in the proposed model and the properties of the scale were analysed using the Statistical Package for Social Sciences (SPSS). Construct reliability was tested so that the results would be reliable and consistent. Cronbach’s alpha coefficient was used to test the reliability of the factors used. Moola and Bisschoff (2012) assert that Cronbach’s alpha measures the internal consistency by indicating how a set of items are closely related as a group. However, Hair et al. (1998) indicate that a Cronbach’s alpha values of all factors should be 0.7 and figures below 0.6 show a weak reliability of the research instrument.

Table 1: Cronbach’s alpha

<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal empowerment</td>
<td>0.710</td>
</tr>
<tr>
<td>Internal training</td>
<td>0.874</td>
</tr>
<tr>
<td>Internal processes</td>
<td>0.837</td>
</tr>
<tr>
<td>Total</td>
<td>0.744</td>
</tr>
</tbody>
</table>
Table 1 above indicates that all measures employed are above 0.7 demonstrating a good internal consistency and hence the study considered a reliable measurement instrument.

4. Data Analysis and Results

In analysing data, this research used both correlation and regression analysis to test the three hypothesis formulated.

4.1 Influence of internal empowerment on employee motivation

Table 2. Correlation results for H1

<table>
<thead>
<tr>
<th></th>
<th>Empowerment</th>
<th>Motivation of tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.356**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Motivation of tasks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
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<td>.000</td>
<td>106</td>
</tr>
<tr>
<td>N</td>
<td>106</td>
<td>106</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed). Source: SPSS output.

The results show that work empowerment positively influence motivation. H1, Internal empowerment positively influences employee motivation is therefore accepted.

4.2. The Influence of internal training on employee innovation

Table 3. Regression model summary results for H2

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.479a</td>
<td>.229</td>
<td>.222</td>
<td>.841</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Training. Source: SPSS output.
Table 4. Regression results for H2

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.878</td>
<td>.321</td>
<td></td>
<td>5.849</td>
</tr>
<tr>
<td>Training</td>
<td>.517</td>
<td>.093</td>
<td>.479</td>
<td>5.559</td>
</tr>
</tbody>
</table>


A close look at table 4 above a standardised beta coefficient and p-value of (Beta=0.479, p=0.000<0.05 indicates that training is a good predictor of innovation. Therefore there is a positive influence of internal training on employee innovation and the hypothesis is accepted.

4.3 The influence of internal processes on employee productivity

Table 5. Regression results for H3

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.218</td>
<td>.390</td>
<td></td>
<td>8.255</td>
</tr>
<tr>
<td>Internal Processes</td>
<td>.092</td>
<td>.219</td>
<td>.041</td>
<td>.422</td>
</tr>
</tbody>
</table>


Regarding Hypothesis 3, the regression results shows that internal processes do not influence significantly the level of productivity given that Beta=0.041 and p>0.05. It therefore implies that internal processes at Harare Institute of Technology are not a good predictor of employee productivity.
4.4 The relative Importance of Internal Marketing Constructs

Importance of empowerment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid most important</td>
<td>56</td>
<td>52.8</td>
<td>52.8</td>
<td>52.8</td>
</tr>
<tr>
<td>more important</td>
<td>47</td>
<td>44.3</td>
<td>44.3</td>
<td>97.2</td>
</tr>
<tr>
<td>less important</td>
<td>3</td>
<td>2.8</td>
<td>2.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

These results show that the majority of respondents, 52.8% rated empowerment to be most important with 44.3 indicating that empowerment is more important whereas only 2.8% considered it less important. Overall, 97.2% of employees felt that empowerment was important.

Importance of training

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid most important</td>
<td>75</td>
<td>70.8</td>
<td>70.8</td>
<td>70.8</td>
</tr>
<tr>
<td>more important</td>
<td>31</td>
<td>29.2</td>
<td>29.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

70.8% of respondents considered training to be most important.

Importance of internal processes

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid most important</td>
<td>55</td>
<td>51.9</td>
<td>51.9</td>
<td>51.9</td>
</tr>
<tr>
<td>more important</td>
<td>27</td>
<td>25.5</td>
<td>25.5</td>
<td>77.4</td>
</tr>
<tr>
<td>less important</td>
<td>24</td>
<td>22.6</td>
<td>22.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Internal processes were considered most important by 51.9% of the respondents. 22.6% considered internal processes to be less important. Of the three factors rated, training got the highest score of being most important, 70.8%, followed by empowerment 52.8% and lastly internal process 51.9%. This indicates that
Harare Institute of Technology is placing more emphasis on training at the expense of internally empowering its employees and improving the internal processes upon the service quality and delivery are hinged.

5. Discussion
This paper looked into internal marketing elements at HIT in relation to employee performance. Results confirmed that internal empowerment positively influences employee motivation whilst internal training positively influences employee innovation. Therefore H1 and H2 were accepted. These results close the gap identified by Nguyen, Trung and Buyens (2010) that the link between training practices and organisational innovation performance has largely been ignored. Training is a key component that every innovative organisation needs to embrace. These results explained the relationship between training and innovation and supports Choi (2007), West and Ritcher (2008) argument that learning and innovation is strengthened in an organisational climate that supports and promotes innovation. Training is also a form of empowering employees. Internal empowerment of employees motivates them. A motivated workforce is more productive which is key to performance. Results from this study support findings by Laiden, Wayne, and Sparrow (2000) that empowering employees has a motivational effect on individual outcomes. Empowered employees also get committed to the organisation (Bhatnagar, 2007; Laiden et al., 2000). This is important for every organisation. Committed employees can be a source of competitive advantage. Although this study confirmed internal empowerment to positively affect motivation whilst training to positively influence innovation, there was no evidence that internal processes positively influence employee productivity. Only 51.9% of the respondents considered internal processes to be most important whilst 22.6% considered them to be less important. Positive connection between internal processes and employee productivity could not be established. This could be the reason why most internal marketers according to Sullivan (2011) never attempted to connect internal marketing elements to increasing productivity.
6. Conclusions and Implications

Internal marketing is the key to success in every organisation. Employees need to be empowered and trained so as to improve their performance. Empowered and motivated employees are more productive and perform better. The Harare Institute of Technology must continue working in improving their internal marketing skills. All staff members need to be treated as customers just the same way an external customer is treated. Training programmes must constantly be availed so that employees’ innovative capabilities are rejuvenated. As an Innovative and Technopreneurial university where success is centred on innovation, training cannot be ignored. Indeed, it should be noted that the university should focus more on the current internal processes being used in order to improve its employees productivity. Upgrading the processes and implementing new policies in line with internal marketing may help improve employee productivity.

7. Further Research

Further research is required on the influence of internal processes to performance. Although this study showed no positive relationship between internal processes and productivity, a study centred on the two variables only could reveal interesting results. Therefore it is suggested that future studies focus more on understanding why internal processes were not significant within the service industry yet it is usually important in service delivery and quality. However, despite the meaningful insights emerging from this study, the study has some limitations that need be considered when analysing the results. The survey was conducted at Harare Institute of Technology, so results may not be extrapolated to a national reality from State universities perspective. Therefore further researches may be conducted that cover all state universities in Zimbabwe.


References


