Introduction

Hotel industry has been transformed itself to one of leading industries of the world. It has got quick developing market share. Managers of this industry should provide effective utilisation of potential opportunities for themselves with intelligence and improve their organisational performance. In this instance the market is not only the final consumer but also an individual (employee) or a group of individuals (employees), within the organisation. Customer delight cannot be achieved without fundamental contribution of the employees who deliver the service. Selling of any service, there is needed to shape relationship with customer. For shaping a relationship there is a need for knowing the behaviour of employees and their satisfaction criteria? Without commenting on this aspect, discussion is just depletion of time.

This paper is to understand the employees’ satisfaction through internal marketing and resultant commitment to their tasks or assignments. The survey has been done in hotels. Reliability test (Chronbach’s Alpha), Correlation, Regression, Cross-tabulation and Chi-Square (test of independence) was applied and discussed throughout the paper.

This research article found strong correlation between the practices of internal marketing and organisational commitment. Regression analysis has explained well the criteria of relationship. Cross-tabulation has supported that medium practices of internal marketing elucidate more organisational commitment. This paper reported some directions to next researchers also.

Keywords: correlations; cross-tabulation; Gwalior; hotels; internal marketing; organisational commitment; regression

Paper type: Scientific paper

Abstract

Hotel industry market is developing rapidly, that is why only industry has been transmuted to one of the biggest fields of professional activities in the world. Managers belongs with the industry should provide the option of utilization of potential opportunities for themselves with intelligence and improve their organisational performance. In this instance the market is not only the final consumer but also an individual (employee) or a group of individuals (employees), within the organisation. Customer delight cannot be achieved without fundamental contribution of the employees who deliver the service. Selling of any service, there is needed to shape relationship with customer. For shaping a relationship there is a need for knowing the behaviour of employees and their satisfaction criteria? Without commenting on this aspect, discussion is just depletion of time.

This paper is to understand the employees’ satisfaction through internal marketing and resultant commitment to their tasks or assignments. The survey has been done in hotels. Reliability test (Chronbach’s Alpha), Correlation, Regression, Cross-tabulation and Chi-Square (test of independence) was applied and discussed throughout the paper.

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Paper type: Scientific paper
maintaining such relationship empirically, which is very less in context of service industry especially in hotels of India.

Today’s world of shorter service (product) lifecycles, the instant transmission of information, it is possible for every company to enter the market and make a competition. The organizations have pertained the role of marketing management towards identification and fulfillment of needs and wants of the customer. Customer orientation has been identified as ethos adopted by organizations for success. It has become increasingly difficult for the organizations in present to maintain their market leadership. Increase in the services and aggressive competition has also been major contributor towards the cause. The resources and technologies used by the organizations should be combined with internal and external customers to develop competency and organizational commitment among employees.

Hotel services as one of oldest commercial activities have large market share in delivering various levels of services quantitatively and qualitatively to various levels of external customer (individuals and companies) successful organizations are those that integrate efficient and effective management in internal and external dimension through external customer relationship management and enhancement of organizational commitment among internal customers.

External customer satisfaction cannot be achieved without fundamental contribution of the customer-contact, employees who provide the service. Selling of any service, there is prime importance to build relationship with customer. For building a relationship there is need for knowing the employees behaviour and how they will be satisfied? This project is undertaken to know the employees satisfaction through internal marketing practices, to their works in hotels and restaurants in Gwalior. The market survey has done in hotels and restaurants.

- This research will be of use for managers of hotel to know the dimensions which can be useful for providing better experience, through employees, to customers.
- Internal marketing can help in creating superior experience for customers, in the environment of competition. Therefore, it is found to be important for the purpose of filling gap between industry and academia.
- Organizational commitment has indirect relations with overall performance. That is why only it was an important issue before researcher. Therefore, it was thought to understand this phenomenon for in depth exploration.

**Internal Marketing Conception and the Concept of Organizational Commitment in the Literature**

**Internal marketing**

Internal marketing is considered as attempt of organization for education, reward and general management of human resources for motivating them to provide better service offerings. It is believed that employees constitute as a major tool of better performance to the organization. The internal marketing of the products in service section which need to satisfy employees’ needs and demands and result in recognizing of the organization’s purposes and employees are considered as primary customers of the organization.

Ahmed and Raffia (1995) introduced internal marketing as execution of the organization’s strategies and used the combined word as internal marketing. Price or payments, promotion or progress (education, empowering, and communications), working place or environment and processes (job products) are applied as indexes of internal marketing by them in their study. Performed a study in the field of internal marketing in Malaysia and has applied indexes of organizational plans in the form of, strategic rewards, internal communications, education and development, employment, reward systems, empowerment and processes in order to measure and evaluate internal marketing. Foreman & Money, in 1995 have utilized internal communications, education, creating of motivation, empowerment, guidance and organizational incentives as indexes while consider internal marketing synonymous with human resources management. Lings (2004) has performed a study about the relation between internal marketing and job satisfaction in Greece. He has used organizational dynamic structure, participatory decision making, empowering, and being aware of the circumstancess of the working market, internal relations among managers and employees, existing of job descriptions in the organization, education and organizational rewards indexes in order to evaluate internal marketing.

The definitions reviewed within the literature highlight the ability possessed by internal marketing to improve service quality through an organizational effort. The definitions encountered within the literature can be categorized according to three perspectives, the internal customer, and the development of a customer orientation and the theory of internal marketing as an implementation mechanism. For the purpose of this paper the group will focus on the customer orientation perspective as it is relevant in the context of high contact service employees. According to Fill (1999), internal marketing communications takes different roles in different settings.

An example of competitive understanding would be the behaviour of employees (directly involved in sales related activities) when sharing competitive information with other functions and using them to take advantage of competitor weaknesses (Grönroos, 1981).

Ahmed and Rafiq (1995) proposed IM as a management implementation methodology that is suitable for a diverse range of contexts. Recapitulating the involvement of IM in the field of strategy implementation this section ones again expands the broader scope if IM. Having dealt with employee relations first and secondly with market orientation the third pillar explicitly does also focus on non-contact employees who influence the customer service capabilities through back-office excellence. The wider approach in terms of employees and functions and the suitable link towards strategic changes requires a more generalist approach from managers and enterprises. Considering the integrative approach between changes and functions IM can reach success factors like market orientation, performance, service quality and collaborative support for new strategies. Referring to Wilson and Fook (1990) the sustainable implementation of IM tools that facilitate the change process leading to competitive advantages requires “to market the marketing concept” and function.
Varey (1999) has identified a number of themes offering a contribution to the development of a more sophisticated and valuable conception of internal marketing:

- Marketing-oriented service employee management
- The scope, nature and purpose of marketing
- Marketing as exchange
- The political economy paradigm
- Organization as a “domesticated” (internal) market
- The internal market paradigm
- Internal marketing as a social process
- The individual person in an internal market
- A relational perspective on communication
- Empowerment and
- Internal marketing as a new form of industrial relations.

Varey (1995) concludes that internal marketing as such can no longer be understood as a specialist functional approach but as a holistic model for market-oriented management that permits a variety of internal change management approaches to enhance the operation of the model. He states “The functional distinctions of marketing, personnel, and quality management are no longer helpful in understanding the complexity of strategic management of adaptive organizations. Internal marketing is not the property of a single functional specialism, but includes organizational behaviour, organizational development, strategic management, and other areas”.

Ahmed and Rafiq authors of the book Internal Marketing: Tools and concepts for customer-focused management suggest that authors have many definitions of internal marketing and from studying the literature they have highlighted five main elements of the concept:

- Employee motivation and satisfaction
- Customer orientation and customer satisfaction
- Inter-functional co-ordination and integration
- Marketing-like approach to the above
- Implementation of specific corporate or functional strategies

**Antecedent of internal marketing**

The review of the literature indicates that there are a number of competing definitions and activates all claiming to address internal marketing. In order to check the validity of these competing claims, what is required is a set of criteria against which to assess each definition. In 2000, Rafiq and Ahmed identified the main element of internal marketing from the analysis of literature.

- Employee motivation and satisfaction.
- Customer orientation co-ordination and integration.
- Inter-functional co-ordination and integration.
- Marketing-like approach to the above.
- Implementation of specific corporate or functional strategies.

Kaurav, 2014, in his doctoral study, about internal marketing and business performance, found following factors (variables), which works as antecedents for practices of internal marketing, in settings of services.

- Customer orientation
- Leadership
- Marketing communication
- Stakeholders empowerment

Kaurav (2014), in his very recent study, about preferences of internal marketing practices, found six factors which works as antecedents for internal marketing.

- Trainings of employees
- Performance of organisation
- Strategy of organisation
- Encourage employees
- Vision of organisation
- Roles of organisation

**Organizational commitment**

Definitions of the concept organizational commitment include the description by O’Reilly (1989), “an individual’s psychological bond to the organization, including a sense of job involvement, loyalty and belief in the values of the organization”. Organizational commitment from this point of view is characterized by employee’s acceptance of organizational goals and their willingness to exert effort on behalf of the organization (Miller & Lee, 2001). Cohen (2003) states that “commitment is a force that binds an individual to a course of action of relevance to one or more targets”. This general description of commitment relates to the definition of organizational commitment by Arnold (2005) namely that it is “the relative strength of an individual’s identification with and involvement in an organization”. Miller (2003) also states that organizational commitment is “a state in which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization”.

Steers (1977) conducted a study to look into the antecedents and the outcomes of organizational commitment. He found that the antecedents (as he proposed) were important and significantly related of organizational commitment, for both samples. These antecedents were divided into three groups, which were as follows: personal characteristics, job characteristics and work experience. As for the outcomes of the organizational commitment, it was found that commitment was strongly and positively related to the intent to remain in the organization for both samples.

Kaurav (2014), in a very recent study found following five factors (variables) works as antecedents for organisational commitment:

- Consultations of employees
- Team work of employees
- Educations of employees
- Desire of customers
- Needs of customers
Research Methodology

The major objectives for pertaining this research project were:
1. To develop, standardize and validate the questionnaire on internal marketing, which measures the effect of IM on OC for employees working with hotels.
2. To identify the impact of internal marketing on level of organisational commitment.

Population for this study was the employees working in hotels and restaurants of Gwalior. As a list of employees working with hotels and restaurants was not available with the researchers, therefore, it was difficult to utilize a framework for selecting samples. Employees who were working with the same hotel for minimum last 2 years was preferred for data collection as sample units. Total sample targeted was 200 individuals from hotel and 187 responses were found completely filled and suitable for data analysis. Sample technique adopted for the study was convenience sampling method for data collection. Data collection was done from first week of January 2014 to Last week of March, 2014 in total three month to complete the survey.

A self-designed structured and tailored questionnaire was utilized to conduct the survey. The questionnaire was designed on the basis of literature review. Questionnaire was consist of 3 Sections, where Section A was having 14 questions of organizational commitment, Section B consisted of 15 questions of internal marketing. These questions were asked on 5 point Likert type scale where 1 stands for strongly disagree and 5 stands for strongly agree. Towards the end of questionnaire Section C was asked 6 demographic questions from respondents.

For the purpose of data analysis summed scale was utilized. Correlation and regression analysis was performed on the mean scores of IM and OC. Ranking was done on high, medium and low experiences of IM and OC and independency of data was checked through cross-tabulation and chi-square test.

The Impact of the Use of Internal Marketing on Organizational Commitment of Employees – Results in Gwalior Hotels

Sample profile

There was the designated sample size, which is the number of sample units selected for contact or data collection.

In totality 187 respondents were investigated in the study. 135 males and 52 females participated in the survey. They belong to the age group of >18–30, >30–50 and >50 was 129, 30 and 28 respectively. 97 out of them were single and 90 were married. Out of total respondents 22 were having qualification till school, 123 having UG, 42 having PG degrees in their hand. 161 individuals were working for 2–5 years and only 26 individuals were working in the same hotel for 5–10 years. Majority of respondents, that is, 82 were having 3–5 member in their family as dependents, 42 were having 1–3 and 63 were having more than 5 members in their family as dependents.

Measure of reliability

Nunnally (1978; 1988) indicated that new developed measures can be accepted with an alpha value of 0.60; otherwise, 0.70 should be the threshold. However, considering the use of these scales for the first time in a new culture, the cut off value for the alpha coefficient was set up for 0.60 for all the scales (self-developed scales).

Table 1. Cronbach’s Alpha reliability coefficient statistics for total scale

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Commitment</td>
<td>0.711</td>
<td>14</td>
</tr>
<tr>
<td>Internal Marketing</td>
<td>0.717</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: on the basis of research results, computed by researchers.

It is considered that the reliability value more than 0.6 is good and it can be seen that most of the important reliability methods applied here, reliability value was higher than the standard value, therefore, all the items in the questionnaire were found highly reliable (refer table 1).

Does IM and OC have relationship?

The first interest of the researchers was to identify whether practices of IM have any relationship or association with organisational commitment at any point of time. Therefore the decision has been taken for identifying correlation between value between IM and OC. Table 2, reports about the parametric correlations value. A hypothesis was formed based on this relationship.

Table 2. Correlations

<table>
<thead>
<tr>
<th></th>
<th>Organisation Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Marketing</td>
<td>Pearson Correlation 0.762**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>187</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

A Pearson product-moment correlation coefficient was computed to assess the relationship between internal marketing and organizational commitment. There was a positive correlation between the two variables, \( r (185) = 0.985, p < 0.001 \) (two-tailed). A scatterplot summarises the results (Figure 1) Overall, there was a strong, positive correlation between internal marketing and organizational commitment. Increases in practices of internal marketing correlated with increases in organizational commitment in the employees of hotels in Gwalior.

H_0 1: There is no significant relationship between internal marketing and organisational commitment.

H_1 1: There is positive relationship between internal marketing and organisational commitment.

Hypothesis Rejected \( P = 0.000 \)

Failed to Reject Hypothesis \( P = 0.000 \)
How IM influences OC (Regression analysis)?

Before proceeding for regression analysis, a thought of satisfying all the assumptions was accepted by the researchers.

Assumption 1: Measurement of variables: Both variable (IM and OC) of this study has been measured on continuous scales.

Assumption 2: Linear relationship between variables: Figure 1 of the correlations has proved that the variables have linear relationship between them.

Assumption 3: No significant outliers: Outliers detection was already done and figure also indicate that there was no significant outlier in this study.

Assumption 4: Independence of observations: The observations of both variables were independent enough. As the value of Durbin-Watson is very near to 2, which is 1.87. It indicate the independence of observations utilized for this study.

Assumption 5: Homoscedasticity of data: Correlation figure 1, have shown the homoscedasticity of the variable with UCL and LCL.

Assumption 6: Residuals (errors) of the regression line: Two types of diagram Histogram (with a superimposed normal curve) and normal p-p plot were drawn and found that residuals of the regression line were approximately normally distributed.

It was found the data collected for this study is satisfying all the assumptions, therefore, linear regression is interpreted further. Table of model summary has come up with one model where $R=0.762$, it suggests about correlations, which has been discussed in details. $R^2=0.580$, indicated that internal marking explains 58% of variance of organisational commitment, which is satisfactory in this case.

Table 3. Model Summary $^b$

<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>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.762$^a$</td>
<td>0.580</td>
<td>0.578</td>
<td>0.32921</td>
<td>1.866</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), mean_im

b. Dependent Variable: mean_oc

Source: on the basis of research results, computed by researchers.

ANOVA table indicated the statistical significance of the regression model, which is good, $P=0.000$, which is less than 0.01, and indicated that, overall, the regression model statistically significantly predicts the outcome variable (organisational commitment).

Table 4. ANOVA $^a$

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>$F$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>27.745</td>
<td>1</td>
<td>27.745</td>
<td>255.995</td>
<td>0.000$^b$</td>
</tr>
<tr>
<td>Residual</td>
<td>20.050</td>
<td>185</td>
<td>0.108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47.795</td>
<td>186</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$^a$ Source: on the basis of research results, computed by researchers.

$^b$ Source: on the basis of research results, computed by researchers.
Coefficient table indicated prediction of organisational commitment from internal marketing. It also determines how IM contributes significantly ($p < .01$) to the model.

Organisational Commitment = 0.53 + 0.78 \text{ (Internal Marketing)}

Table 5. Coefficients 

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>0.529</td>
<td>0.139</td>
<td>3.820</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>mean_im</td>
<td>0.781</td>
<td>0.049</td>
<td>.762</td>
<td>16.000</td>
</tr>
</tbody>
</table>

A. Dependent Variable: mean_oc

Source: on the basis of research results, computed by researchers.

Internal marketing significantly predicted organisational commitment, b = 0.76, t(185) = 16, $p < .001$. Internal marketing also explained a significant proportion of variance in organisational commitment, $R^2 = 0.58$, $F(1, 185) = 256, p < .001$.

How important is IM for OC?

Researchers did classification of respondents for their high, medium and low organisational commitment against internal marketing practices. Interestingly no respondent were observed with high IM and low OC, means low is not possible with high IM practices. Similarly with low IM practices none of the respondents were felt low and high organisational commitment. Out of 187 respondents, majority 157 were observed medium IM practices and have medium organisational commitment.

Table 6. Rank total IM * Rank total OC Crosstabulation

<table>
<thead>
<tr>
<th>Rank for total Internal Marketing</th>
<th>Total</th>
<th>High OC</th>
<th>Medium OC</th>
<th>Low OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>High IM</td>
<td>14</td>
<td>8</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Medium IM</td>
<td>1</td>
<td>152</td>
<td>5</td>
<td>163</td>
</tr>
<tr>
<td>Low IM</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>167</td>
<td>5</td>
<td>187</td>
</tr>
</tbody>
</table>

Source: on the basis of research results, computed by researchers.

Chi-Square test of independence was applied to understand whether the IM and OC is having some level of association or not and found that the data is not independent, as the result of chi-square was significant at 0.05.

Table 7. Chi-Square Tests

<table>
<thead>
<tr>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>104.707$^a$</td>
<td>4</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>64.041</td>
<td>4</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>73.082</td>
<td>1</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>187</td>
<td></td>
</tr>
</tbody>
</table>

A. 6 cells (66.7%) have expected count less than 5. The minimum expected count is 0.05.

Source: on the basis of research results, computed by researchers.

Bilateral histograms were drawn to know the increasing pattern of IM and OC. It is found that increasing practices of internal marketing lead to increase in organisation commitment in males and females equally.

One interesting point to note that organisational commitment was increased till medium level of internal marketing practices and started decreasing from higher level of practices. This type of observation has never been witnessed in any earlier studies in any context even not in global context. This phenomenon can be explored further.
Conclusions and Summary

The present study aims to examine the impact of internal marketing concept for employees from hotel industry on their organisational commitment. Today, internal marketing has been considered as an approach for making market orientation of employees. Studies related to this background revealed that internal marketing activities improved competitiveness of the organization.

This piece of research testified the level of association between IM and OC and found a strong and positive relationship in them. Study also accompanied with the impact analysis (regression weights) and found 58% of variance with highly impacted OC.

The importance of developing and maintaining relationships with customers of service provider (hotels) is generally accepted in the literature. A key challenge for researchers is to identify and understand how managerially controlled antecedent variables influence important relationship marketing outcomes. The study also expected to make recommendations to business managers on the critical role of marketing relationship in doing business, particularly in competitive markets. External customer satisfaction cannot be achieved without the fundamental contribution of the customer-contact employees who provide the service. The study suggests internal marketing is important for hotel sector to set up good services. The project is useful for the better understanding of the employee’s satisfaction. The project encompasses the various satisfactions of employees and to know role of internal marketing. This project will also be helpful to the manager of hotels in planning a suitable strategy for futuristic development of their enterprise.

Limitations of research

Every study, no matter how well it was conducted and constructed, has limitations. Despite making sincere efforts, the researchers came across some limitations that would have affected the quality of the study. The sample size should be according to availability of respondents in that sector, which was indirectly a problem to researcher how to find out the exact no of respondents to be in sample size. Limitations of the study include the time and cost issues which forced researchers for convenience sampling and may not give results with greater generalizability.

Post note

Researchers have strong statistical evidences to prove that there is casual relationship between practices of internal marketing and resulted organizational commitment. Hence, the researcher has identified various implications for increasing managerial efficiency in hotels. Managerial implication of this research can be improving performance of all the employees by increasing their organisational commitment through implementation of practices of internal marketing.

Implication for academia is that this study have strong evidences of positive relationship and it can be explored further in classes also. By combining managerial and social implications society would definitely have societal benefits and implications.

References:


**Rahul Pratap Singh Kaurav**
PhD, Assistant Professor (Marketing), at Prestige Institute of Management
Gwalior, India
E-mail: rsinghkaurav@yahoo.co.in
Address: Prestige Institute of Management, Near DD Nagar Gate, Airport Road, Gwalior, Madhya Pradesh, India, 474020

**Monika Prakash**
PhD, – IITTM, Gwalior, India
Is an Associate Professor (HR & OB), at Indian Institute of Tourism and Travel Management, Gwalior, India.
She is primarily interested in human resources and tourism industry.
Tel. +91.99774.00882, e-mail: dr.monikaparak@gmail.com

**J. P. Verma**
PhD, – LNIPE, Gwalior, India
Is a Professor (Statistics), at Lakshmibai National Institute of Physical Education, Gwalior, India.
He is primarily interested in sports, physical education, and design of experiment.
Tel. +91.98931.61646, e-mail: vermajp@sancharnet.in

**Nimit Chowdhary**
PhD, – IITTM, Noida, India
Is a Professor (Business Studies), at Indian Institute of Tourism and Travel Management, Noida, India.
He is primarily interested in guiding small business management, marketing of services, destination attractiveness and competitiveness and tourism education.
Tel. +91.98113.92869, e-mail: nimitchowdhary@gmail.com