Internal marketing: perceptions from theory and practice

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Abstract

Internal marketing (IM) continue to hold particular attraction for both practitioners and academic researchers in the field who believe that IM aligns the individual into a collective unit in the organisation. Although research in IM has been developing, very little has been conducted to examine IM from a practice perspective. Much of the IM work has been either anecdotal or case based. Additionally, there has been effort in developing and validating IM construct through quantitative methods. Unfortunately, there has been no work thus far, examining the voice of practitioners. This paper is a start towards giving 'voice' to practitioners and to their understanding and implementation of IM. The paper’s insights are based on a pilot qualitative study of perspectives of two functional areas: Marketing and Human Resources Management.
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Introduction

Twenty-five years after Berry (1981 p.34) described internal marketing (IM) as "viewing employees as internal customers and viewing jobs as internal products", research in IM has continued to grow. The variety of research cuts across public sector management, human resources management, tourism and hospitality management, operations management and the medical research (Ewing & Caruana, 1999; Cahill, 1995; Barnes et al., 2004; Oetjen & Rotarius, 2002). This has resulted in competing views, which in turn, has led to a multiplicity of understanding of IM.

Some studies however, have influenced the research on key issues and challenges that face research in IM as a discipline. These studies include those of Gronroos (1981; 1985), Berry (1984), Flipo (1986), Tansuhaj et al. (1987; 1991), Rafiq & Ahmed (1992; 1993; 2000), Ahmed & Rafiq (1995), Ahmed et al. (2003), and Schultz (2004). Unfortunately, majority of these studies have tended to be normative (Mudie, 2003). Thus, raising the question as to whether the academic community has failed in developing a substantially deeper understanding of the role of IM in business performance. Much of the current academic work in IM is based on lots of anecdotal materials without a singular unified concept of what is meant by IM (Rafiq & Ahmed 2000; Schultz 2004).

Most of the existing studies in IM have not empirically explored the practitioners’ voice and viewpoints thoroughly enough (Ahmed & Rafiq, 1995; Ballantyne, 2003; Schultz, 2004; 2006). Whereas research in IM as an academic discipline is rapidly developing, there is very little scrutiny of how IM works in practice (Rafiq & Ahmed, 2000; Schultz, 2006). This paper aims to address this gap by exploring IM discourse from a combination of theoretical and practical perspectives. Specifically, the paper focuses on the issue raised most recently by Schultz (2006). Schultz identifies that there is little guidance for the manager trying to plan or develop an IM program.

The study therefore, introduces the ‘voice of practitioners' more directly as advocated by Schultz, by exploring IM from two key functional areas, namely: marketing and human resources management (HRM). This paper is based on pilot exploration of viewpoints concerning IM in practice, and as part of a broader programme of study. The paper will form the basis of a more detailed qualitative investigation, which itself will be followed by a quantitative study. It must be noted that this paper does not set out to propose or specify new IM theory. However, the paper builds on developing a better understanding of IM in practice by exploring the voice of practitioners. In particular, it examines:

i. If IM is used in practice, and if so, how it is used?
ii. How do two key functions (marketing and human resources [HR]) perceive IM?
iii. What are the key challenges and benefits of IM in practice?

This paper is organised around three sections. The first section is a synthesis on the underlying theoretical concepts that form the foundation of IM as a discipline as well as its early relationship with HRM. The second section highlights the perspective on IM from a practitioner viewpoint. The paper concludes with implications for managers and future academic research in IM.

IM concept

Early notions of IM are associated with viewing employees’ satisfaction as essential part of the business as well as the need for interactive marketing between employees and customers in order to create marketing opportunities for the organisation (Berry 1981; Gronroos 1985). However, the current stream of thinking that drives IM owes much to the works of Rafiq & Ahmed (1993). In their study, Rafiq & Ahmed propose that IM was inherently difficult to implement as a result of inter-
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Functional conflicts between departments, management and employees and the firm's inherent resistance to change. Consequently, they sought to provide a base for the development of cross-functional integration within the firm by taking insights from extant studies in order to delineate the study of IM. In delineating the scope of IM, Rafiq & Ahmed (2000) traced the major developments of IM since its inception as an organisational practice. Issues emerging from their study include among other things, the role of IM for developing individual creativity and organisational competences (Ahmed & Rafiq, 2003).

Similarly, others have reviewed IM in the light of its emerging inter-disciplinary challenges (see for example: Varey, 1993; Conduit & Mavondo, 2001; Ballantyne, 2000; 2003; Mudie, 2003). They posit that IM practice is crucial to achieving firm performance and organisational effectiveness. Additionally, IM theory initially developed by Berry (1981) suggests that the 'customer' is inside the organisation. Berry contends that the basic premise of IM is that it is necessary to understand the organisation as a market in the same way that marketers consider their traditional marketing environment. Central to understanding marketing inside the organisation is understanding the exchange logic that takes place within it. Berry identifies that the exchange logic between employees and employers is no less different from the exchange logic between organisations and (external) consumers. This claim however, means that IM would be subject to attack from many directions.

For instance, Rafiq & Ahmed (1992) question whether Berry’s notion of 'employees as customer' is workable when there could be some elements of coercion in the internal exchange where the 'products' (jobs) employees are sold may in fact be unwanted, or have 'negative utility'. Critics also claim that an employee’s life is eclipsed by the changing structures and routinised procedures (processes) pervasive in modern day business environment, in which employees lack the characteristics of a traditional customer as we know it (i.e. customer is king) (Mudie, 2003). Nonetheless, Berry (1981) insists that the exchange that takes place between employees and employers is no less real than the exchange that takes place between consumers and organisations. He argues that whereas employees exchange human resources (skills, time, and energy) for jobs that provide among other things, economic resources, consumers exchange economic resources (e.g. money) for goods and services. These studies no doubt, have contributed to IM in a way that has galvanised the campaign for employee satisfaction as pivotal to firm performance.

As a body of academic discipline and management practice, IM encompasses all marketing activities aimed at achieving overall organisational success (Rafiq & Ahmed, 1993). IM seeks to satisfy internal and external customer needs as a basis for achieving firm performance (Christopher et al., 1991; Ahmed & Rafiq, 1995). IM aims to motivate and influence employees towards customer-consciousness and sales-mindedness using marketing-like techniques internally (Gronroos, 1985). Rafiq & Ahmed (1993) argue that the essential role of IM is to encourage and motivate employees towards the cross-functional implementation of organisational objectives. Through proper IM programmes, organisations can attract, recruit, and retain the right mix of employees in order to deliver superior value at all times (George, 1990; Collins & Payne, 1991; Berry & Parasuraman, 1991). Kotler (1991) also believes that the major task of IM is to successfully hire, train and motivate qualified employees in order to serve the customer well.

Essentially, IM involves all activities, actions and managerial directions that an organisation implements in order to encourage and generate employee and other stakeholder support for marketing programmes within the firm (De Bussy et al., 2003; Schultz, 2004).

Interrelationship between IM and HRM

IM is believed to be useful in the management of the organisation’s human resources based on a marketing perspective (George, 1990). Critics suggest however, that IM’s claim to any relationship with HRM has yet to be clearly established, as IM is little more than a 'new label' for HRM (Money & Foreman, 1996). In contrast, Glassman & McAfee (1992) emphasise that the fundamental role of IM is integrating the marketing functions and the HRM functions to the extent that HRM becomes a
resource tool for the marketing function in order to guarantee effective organisational behaviour. Similarly, Sasser and Arbeit (1976), and Collins and Payne (1991) believe that effective organisational behaviour is a direct consequence of having integrated management framework. Achieved via the use of IM to attract and retain the right level of skills the organisation needs in order to achieve requisite behaviour.

In particular, Sasser and Arbeit (1976) argue that employees should be the first market of any service organisation. This means that organisations must first seek to satisfy employees (as internal customers), in order to provide an atmosphere for effective marketing behaviour (Ballantyne, 2000). Collins & Payne (1991) contend that the use of marketing ideas must not be narrowly confined to products and markets. But, an expectation that people who buy goods or services are also involved in the same type of exchange logic as people who seek employment that is satisfying. In other words, just as an organisation creates goods/services in order to earn profits, the buyer-seller relationship between employers and employees is such that employees sell labour (exchange resources) in order to earn income (Collins & Payne, 1991).

Research method

A study of a qualitative nature was conducted via semi-structured interviews among randomly selected middle-level managers across business sectors. Sectors targeted include banking, construction, transportation, Local Government, manufacturing and telecommunications. Overall, a total number of seven respondents participated in the study. All the participants interviewed work in UK based companies. Participants have been selected based on a twelve-month minimum experience in both marketing and human resources management. The aim was to uncover their viewpoints and experiences as well as gauge their level of awareness of IM either as individuals or as part of their organisational practice.

Human resources participants

Three HR practitioners were interviewed. Each has been in full time managerial position spanning two to six years. The respondents work in their various corporate head/quarters located in the West Midlands, United Kingdom. Respondents were educated at a graduate level and were drawn from the telecommunications sector, Local Government and the transportation sector. The interview for these respondents was conducted in two different locations. One was in Compton Campus of the University of Wolverhampton, UK, while the remaining two respondents were interviewed in their individual offices based in Birmingham, UK.

Marketing participants

Four marketers drawn from the financial services sector, construction management, event management, and the manufacturing sector were interviewed. Each, except one of the respondents is of a full managerial cadre and department head spanning two to eight years. All respondents were university graduates. The interview for these respondents was conducted in Compton Campus of the University of Wolverhampton, UK. Each interview session lasted between thirty and thirty-five minutes. The study was carried out between April and May 2006.

Data collection

The interview schedule was developed from detailed critical review of the literature, and designed to verify participants’ awareness or ignorance of IM. The schedule was semi-structured i.e. certain set-questions were specified and in-depth probing proceeded along a course directed by the participants’ answers. The methodology adopted in this paper builds around developing and stimulating discussions through data generation and analysis (Mason, 1996). According to Mason, theoretical propositions or explanations of data are developed in a way in which it is possible to move form particular to general.
In order to preserve the anonymity of respondents, certain codes were used to differentiate between the HR respondents and the marketing respondents. The introduction of coded items is to help in understanding the perceptions of IM among each category of respondents. Therefore, 'HR1', 'HR2', and 'HR3' represent respondents from the HR background, while 'MK1', 'MK2', 'MK3', and 'MK4' represent respondents from the marketing background. Excerpts are taken from a transcription of the various interviews conducted for this study.

Findings and discussion

Discussion on findings are organised around a number of key theoretical themes that have been debated upon within the research discourse of IM. Such as 'role of IM in business performance', 'IM awareness', 'IM as motivation', 'views on IM as a term', 'management commitment and support for IM', 'IM as change mechanism' and 'benefits of IM'.

Awareness of IM

One of the issues with IM is whether organisations are aware of the concept. This section examines whether IM is known among participants as well as the extent to which IM is known. The following excerpts from select interview transcripts provide insights into the different levels of IM awareness among participants, and in large part among practitioners.

HR practitioners

Yes, as an individual, and slightly within the organisation.

Internal marketing from what respect, respect of relationships and how we build relationships within employees and so forth, in that case yes.

Marketing practitioners

I’ve come across the concept of internal marketing in courses that I’ve been on. I’ve done an MBA, and I’m doing XYZ course at the moment. So it’s talked about in theoretical concepts, but at my place of work, I’d say not really. It’s not something that is talked about.

Yeah, I’ve come across it in my courses…I have also come across it in my marketing team. Within my company we do quite a lot of internal marketing…just in various ways…

Yeah, we have internal marketing…within the organisation…where we have things like the XYZ T-junction, which is a communication tool, we have XYZ World, which is our employee magazine…

I am familiar with the term, it’s not something that we practice particularly well, and it’s not something that is a priority where I work.

From the above, it evident that there is a wider but superficial awareness of IM among participants that comes from multiple sources. Some of the sources cut across professional courses taught in schools as well as from actual organisational practices. There is also some evidence to suggest that other sources of IM awareness among participants come from external training courses organised by top management in order to enhance customer service within the organisation. MK1 indicates that IM was hitherto not known among a large number of employees in his organisation until recently, when an ad hoc training course was organised by management in order to improve customer service. The participant says that employees became aware of IM only after employees from his (sales) department have attended one of such customer service courses:

MK1: Well, what we’ve done recently to the guys in my sales office…we’ve sent them on customer service courses. They were just day courses run by a local management
company, and they did actually learn about internal marketing on that. The concept is new to them [sales team], because they actually came back and said...oh! yes our customers are XYZ…and they were talking about internal people inside the business, and I said yeah I know…and they [sales team] were like...I didn’t know this...

Whilst the feeling of surprise and excitement among the sales team who have gained awareness of IM from external training course is understood, it can be argued that their level of awareness is still mainly at very early stages of maturity. Nevertheless, this indicates that IM is gaining ground not only in academic research but also in organisational practice. This is consistent with Rafiq & Ahmed (2000) who point out that IM is an area of vibrant academic activity and management practice. Schultz (2004) also believes that given the increasingly competitive global marketplace, IM is becoming more and more important to all types of organisations. Therefore, it seems possible to suggest that IM is now not only being taught in schools, but also infused into corporate practices. Previously, IM would have been only known through teaching and not through organisational practices or considered an organisational strategy.

Lack of support for IM

One of the reasons why IM has yet to firmly take root in corporate practice is blamed on the lack of proper support from top management. Schultz (2004) identifies that IM often gets very little visible senior management support. Whilst many top managers agree that IM is important, there appear to be very few who actually champion the cause in their everyday management activities. From this study, it emerged that IM practice is still peripheral in most organisations and simply not viewed as a top management agenda. Views emerging from participants reveal that support for IM was simply not enough to draw any serious attention to its importance from top management.

Commenting on the issue of management support for IM, participants expressed concern over what they consider top management’s ad hoc approach towards supporting IM. Participants were also emphatic in pointing out that IM gets very little 'buy-in' from lower level employees because top management has yet to put IM high on its priority list. Therefore, participants were unequivocal in suggesting that IM must be given top-level priority by top management in order to make its practice more effective within the business. One participant summarises current managerial support for IM thus:

MK2: I think a lot of the time it’s [IM] not seen as important from management, so it’s not a big ‘buy in’. It’s priority level is not very high, and in a way it’s quite a priority that needs to be up there, so that if you got all the information internally, then it could be spread to external customers etc. But it’s not internally a high priority for management, which I think it’s a resistant, because obviously it gets pumped down.

It has been identified that the responsibility for the development of IM initiatives has been largely pushed to middle-level managers who often use it to get tacit approval of top management programmes (Schultz 2004). This raises the question as to whether top management consider IM an effective way of satisfying the external market given that there are only few examples of success. This view is evident from this study. According to participants, IM seems to be considered a 'necessary evil' by top management and seen as something that would 'satisfy employees, but not necessarily satisfy the external customers'. As this participant expresses:

MK2: I don’t think they [top management] realise that that’s [IM] what they need to do, but think they can see the benefits of it [IM] happening…they don’t think if I do this now it would satisfy the customers, but they think it would satisfy my employees. So it’s kind of a replica almost.

From the above, it is possible to argue there seems to be very little faith among top managers in terms of what IM can achieve. Participants revealed that the reason for this lack of faith in IM among top management could be that top managers themselves lack external knowledge of what IM means,
which perhaps, explains why there seem to be very little support for practice. Commenting on possibility of lack of knowledge of IM among top-level managers, MK1 says:

MK1: …the company I work for is…what you class as SME company…We’ve got 42 people working for us, and there is four directors there, and they…don’t really have the external knowledge themselves of internal marketing. They haven’t done an MBA, so that is probably why it’s never been looked at…

If top-level managers themselves lack proper knowledge of IM, it is difficult, if not impossible, for them to view IM as anything more than another corporate programme that demands corporate resources but provides very little corporate returns (Schultz, 2004). This poses a number of problems. There could be a danger of sending weak signals to lower-level employees regarding the usefulness of IM in strategic management thinking. Also, if senior managers have no idea themselves of what value or return is on IM programmes, there could be difficulty in convincing them of any need to develop IM programmes that demands corporate resources. As MK2 expresses, then top management’s *ad hoc* posture towards IM practice will continue to be ‘a replica almost’. Therefore, a fundamental first step is to get top-level managers to buy into the idea of IM by educating themselves on IM agenda, before it can then be successfully passed down to everyone else in the organisation. Majority of the participants seem to share this view as expressed by MK1:

MK1: …I think to start off with… it’s the actual directors of the company who needs to understand the basics of internal marketing before it’s then passed down to everyone else. So everyone knows what we’re getting.

The need for top-level managers to first imbibe and adopt the principles of IM before it can attract the required level of support from every employee seems legitimate. This is because top management are generally perceived to have the right kind of authority to push any agenda forward throughout the organisation. This is, in fact, an argument that should be taken seriously if IM is to succeed in playing a useful role in all functional areas and operations of the organisation. Importantly, if IM must succeed as a means of enhancing business effectiveness and functioning, then top managers who wish to use it must themselves, first build a deeper understanding of IM (Ahmed & Rafiq, 2003).

Another emerging theme from the study suggests that the problem associated with disseminating information to geographically dispersed employees is equally responsible for lack of support for IM. It was revealed that although management do sometimes have a clear vision of what they aim to achieve using IM initiatives, passing down the message to a large number of geographically dispersed employees could sometimes prove difficult. This means that the lack of support for IM is not only perceived to lie with top management’s inaction, but also disseminating IM principles among a large number of employees that are geographically scattered. This possibility was acknowledged in the interview with participants:

HR2: Yeah I think the problem [lack of support] is not really with the management because the management all work together and, say for example today is our management conference, so all the managers …have been to one place, so they get spoken to by the MD and all the directors about the business, where its going, its vision, its values, and what’s important for it over the next six months, however, two thousand two hundred employees don’t know anything about that and I think that the management have seen that it’s through this internal marketing perhaps, they can cascade that message out to the employees because they are the people who would impact that business on a daily basis.

MK4: I think it should be made more clear what we’re working to and what we’re all working for. I think...at the director level it’s quite clear, but within my organisation filtering through to sort of...everyday office staff I think it kind of gets a bit lost... I think the directors they are sort of people who implement, well they plan the strategies, and they’ve got good intentions, but what makes it hard as well is that we’re based in three different areas: Scotland, London and Birmingham. So implementing them [IM] at the
same time at the same pace, or trying to do that is quite hard throughout the three offices because you’ve got very different, sort of, geographical market…

Importantly, top-level managers must have a responsibility not only in terms of supporting IM, but also in terms of ensuring proper internalisation of IM principles throughout the organisation in order to make its use more effective within the business. George (1990) identifies that the single most important component in the implementation of IM is continuous management support, which must be provided by every single manager as a normal part of everyday duty. Essentially, managers need to educate themselves within what IM aims to achieve, and how its activities can be effectively deployed within the business. This will give IM the heightened managerial support and commitment that is necessary for its effective implementation across the board.

**IM as change mechanism**

One of the key issues facing IM as an area of academic discipline is its relationship with organisational change. Researchers have linked IM to successful change management and implementation process within the organisation (see for example: Rafiq & Ahmed, 1993). They argue that IM can be a useful tool to overcome internal resistance during a major change process in an organisation. Similarly, participants believe that IM has indeed proven useful as a change mechanism. They revealed that IM is being used to encourage employees to align efficiently during a major change process. Participants suggest that management should in fact use IM to gain support from people within the business during a change process in order to get everyone to be familiar with the new system. A participant says, for example:

MK2: They [senior management] need to use it [IM] to gain 'buy in' from everybody else, especially, from the employees. So people who aren’t keen on certain things…say change management …or a new process…can move in more efficiently.

Using IM as a change mechanism is possible in a wide range of contexts and not just in one sector (Harrell & Fors, 1992). Rafiq & Ahmed (2000 p.453) were among the first to argue "IM involves a planned effort to overcome organisational resistance to change". This means that any change in strategy is likely to require an IM effort in order to deal with possible organisational breakdown and to make employees understand the reasons and benefits behind the change. Participants present two contrasting cases of IM as change mechanism.

One, the use of IM to drive and manage change is revealed to be useful in organisational practice, especially, among HR practitioners. An illustration is given below from a human resource participant who acknowledged that HR practitioners use IM to drive and manage change in the organisation. He provides us with a recent example of how he used IM in his organisation to pioneer a change process in order to streamline the shift patterns of employees. It is worth mentioning that the participant was directly involved in this change process as the HR manager. Citing employee involvement as an essential element of IM used to manage change, the participant says:

HR3: Well, the way we operate here is we will introduce a change, start the change and will have consultative forums by employees, so that they get involved in the change as well, then promoting it, then pushing it forward going through the channels and so forth, which means you get a buy-in, a proper buy-in, and then when the change is actually made, everyone is involved, everyone is happy, and then you can take it from there. Recently we changed the shifts…this is a 24 hour contact centre. So it works 24 hours 7 days a week… So the shift patterns wasn’t working right so we went through a motion of change in the shift to make sure we had cover, so that we could provide the service externally…we decided getting the shift forum involved, motivated…getting information from the outside staff, and bringing in information of what could be involved, what couldn’t be involved, what’s good, what’s bad and taken that on board, and then working to that getting action, getting action points and working towards
it….the system is working fine, in fact, perfectly. But the best thing about it [IM] is that when you get a buy-in from everyone, that’s the best thing about it.

This is a clear evidence of the effective use of IM as a change mechanism via employee involvement. Employee involvement is identified here as one of the distinctive features of IM, and has been deployed effectively to manage change. Involvement in this context means seeking out employees’ opinions and ideas towards achieving a particular organisational goal. This entails giving employees prior information as to what the organisation aims to achieve, and taking their opinions and suggestions on board in order to ensure a smooth implementation process. IM programmes can generate the desired level of involvement and support from employees during a change process. Pertinent perhaps, is to add that employee involvement is the pre-requisite for much needed coherence and focus that are ultimately required in order to produce successful outcomes (Ahmed & Rafiq, 2003).

On the other hand, where there is lack of employee involvement due to absence of IM, the organisation is likely to have difficulties during change management. A participant (manager) corroborates this view. According to the manager, some of his employees felt unhappy during a major change in his department because the employees felt that they have not been fully informed and involved during a change process. From the participant’s viewpoint, IM is something that would have been very useful under such a circumstance in order to effectively manage the change process and avoid the difficulties they encountered. The manager says:

MK1: I mean, first of all, it’s to get external marketing to do better, but then internally, yes! I agree. It’s key. Because if anything, just to keep people informed of what’s going on,…then people actually know what they’re working towards. If they don’t appreciate what’s going on they feel let down. It’s simple as that. I mean, I’ve had an example today whereby we’ve been implementing a change, which is part of our sales team. We’ve had to do it…quite secretly, the directors knew about it, and I knew about it, but nobody else in the business knew about it…And rumour started, and people got to be annoyed… This is what is actually happening…We’re in a situation where we have one less field sales person…and we gone to take in somebody internally…and so we’ve actually employed somebody from inside the business, and moved them up into this internal technical sales role as a support for the guys out on the road, but nobody in the sales team knew it was happening…laughter. And so it’s all being done behind their back. And of course because this person was promoted internally, rumours kept going on…and people disappeared off for interviews…It’s a strange way to do it, but I can’t believe that we’re the only XYZ that doesn’t do it this way…So that’s an example. If we’d started our action….say, this is what we’re doing, stage 123…then people would have been happier, and sort of felt more involved with the business…

In the two illustrations, note that employee involvement and information sharing amongst them were revealed as two key intervening functional processes through which IM can be used as a change mechanism. The interpretation of MK1 (participant) narratives demonstrates that IM would have been useful and can actually be used as change mechanism, while the opposite experience signifies that IM was useful and effectively deployed in that context as a change mechanism.

IM as motivation

It emerged from this study that employees can be motivated by a combination of various factors including their needs, their responsibilities, their development and the perceived fairness and equity that pervade the work environment. Participants strongly believe that there is motivation within the business that is derived from IM practice. Citing employee consultation, employee involvement and information sharing, participants suggest that IM is the 'key thing for motivation' :

MK1: I think it [IM] is the key thing for motivation…because that is what it comes down to.
However, different facets to motivation that is derived from IM practice that have emerged from this study include:

1. Motivation via employee involvement
2. Motivation via consultation
3. Motivation via information
4. Motivation via awareness

Motivation via employee involvement
Participants suggest that employees are motivated if they think that management involves them and take their opinions on board in key business decisions. Some of the participants revealed that they enjoy their work because they are being kept involved with what goes on in the business. One participant says IM practice is all about motivation, and that he feels personally motivated if he is kept involved with what goes on in the company:

MK1: I mean that is what it [IM] is all about, involvement in what’s going on in the business…I personally I enjoy it more if I’m kept involved with what’s going on…it just makes you feel better that people trust you with…information, and that you’re an important part of the business.

In contrast, participants indicate that they were demotivated and less effective in their jobs when they were alienated during key decision-making process in their organisations. Therefore, they strongly suggest that involvement on a wider scale is good for motivation. In the words of one participant:

HR2: We’re going through transition period at the moment…rather than having a big kind of work placed strategy whereby somebody from each department is picked out and getting involved with what’s going on, we’re kind of just told what’s happening. We’re not involved, and that’s a big demotivation, because people would just think well, why are my bothering…and feel less effective in their job, and less motivated to do anything…

This is suggestive that management must not only inform employees about key strategic decisions in the business, but get employees to be fully involved in the decision making process as well. This is necessary in order to ensure that employees are happy and motivated in order to carry forward organisational programmes.

Motivation via consultation
Participants identified that genuine consultation with people within the business through the use of proper IM programmes is another motivation factor. They suggest that consultation signals to employees that management cares about them, and also creates a feeling of involvement among employees. As consultation affords employees the opportunity to give their opinions and also raise concerns, if necessary, regarding what objectives management aims to achieve. HR1 probably got to the crux of the matter when she says that:

HR1: To motivate employees, I think from my organisations’ point of view that genuine consultation would be the best tool that they could effectively utilise…because there are a lot of people…and their opinion isn’t necessarily sought, and it’s not necessarily taken into account …So I think consultation on a greater level would be the best thing.

Motivation via information
Effective sharing of information is crucial to successful implementation of any organisational objectives. Participants believe that IM encourages and supports information sharing among individual organisation members, which in turn motivates them to carry out their jobs effectively. Participants revealed that through information sharing, they became empowered, as they fully understood what was required of them in terms of everyday performance. They also suggest that where employees are hardly informed about what the company aims to sell to the customer or achieve
in the long run, it is unlikely that the customer would get what the organisation intends to offer. One participant has the following to say:

MK1: I think it [IM] is the key thing for motivation...because that is what it comes down to...it has to be....It all comes back to the sort of thing you learn on marketing concepts, and part of that is internal marketing...And it all starts from the top...they've got to keep everyone informed all the way down the line, and everyone has got to be one big team in a way...That's the way it has to be. At the moment we still haven't got there...we definitely! haven't...In my view, the more people know and you empower people and keep them involved, the more likely it will come round...and you've got to convince the guys inside we are selling a quality product, this is what we want for our customers. If you don't help us to achieve that quality, then you won't be able to offer what we're telling the customer...and so the cycle isn't in itself completed...

Motivation via awareness

Participants were of the view that ensuring internal and cross-functional awareness of organisational programmes within the business improves motivation. They strongly believe that IM has the ability to create internal and cross-functional awareness within the organisation, since employees are made aware of the organisation’s goals and objectives through IM initiatives. Participants also revealed that they became motivated by being aware of what goes on in the business including inter-departmental activities within their organisations:

HR1: Yes...if it was that great awareness of one department with another employees’ motivation is increased...and their awareness of how they affect the customers. I think that in itself would motivate the individuals that are actually in the workplace...

Benefits of IM

It is without doubt that proper IM programmes potentially have a number of significant benefits for both the individual and the organisation. At the individual level, IM enhances and improves work motivation as it links peoples’ goals to the organisation’s goals. At the organisational level, IM ensures effective implementation of cross-functional activities by creating inter-departmental awareness among people within the business (Rafiq & Ahmed, 1993). One of the ways participants believe IM has proven hugely beneficial to the organisation is through employee (internal) survey. Employee survey has been identified as one of the benefits of IM (see for example: Berry, 1981; Rafiq & Ahmed, 1993). One participant offers a recent example of how his organisation benefited from IM via employee (internal) survey:

HR2: We have an employee survey for the organisation ...and also within the group of companies within which we work. So all the groups get employee survey, from that we survey people’s attitudes towards their positions, towards their roles, to the company they work for...We ask them how they feel about their position, but we ask them specific questions which is training, do they get relevant training, do they have the skills to do the job, do they feel motivated to do the job, and then we analyse that to look at what improvement we can make over the next twelve months to improve motivation, and hopefully improve performance within the company itself.

Employee survey enables management to see the bigger picture in terms of employees’ needs as well as provide the means of identifying issues of policy violations and other organisational breakdowns that may not be visible in normal working conditions (Berry, 1981). Through employee survey, organisations can monitor the impact of organisational policies and the degree of internal satisfaction among employees within the business (Collins & Payne, 1991). More importantly, management must show that appropriate actions are taken over issues uncovered from the survey in order to clearly demonstrate that survey findings are taken seriously.
Secondly, participants suggest that IM has the benefit of educating and bringing people together within the business, which in turn, enhances the strategic alignment and the performance of cross-functional roles within the business. According to a participant:

MK2: Yeah ...everyone is very proud to work at XYZ...So through bringing us all together, bringing different departments together through IM…it [IM] educates us what different departments are doing…I think that’s a great benefit for business.

Another key benefit of IM according to participants is in keeping people issues at the heart of its agenda. Participants revealed that IM programmes are seen as people-friendly, and therefore, has the potential to align and integrate the individual goals with the organisation’s goals. Rafiq & Ahmed (1993) believe that the key benefit of IM lies in its ability to align and integrate the individual to the effective implementation of cross-functional and corporate objectives. Participants point out that IM ensures that the individual goals are reflected in corporate objectives by making sure that 'the people and the organisation talk'. MK3 expresses that:

MK3: Internal marketing…comes across as being 'people friendly'…or whatever you want to call it. I think it’s more…making sure that the organisation and the people talk.

Role of IM in business performance

Theoretically, IM is purported to play a crucial role towards achieving business performance and organisational effectiveness. This is reflected in practitioner viewpoint. Participants strongly believe that without IM, it is impossible for an organisation to function effectively. In particular, they suggest that IM is crucial to achieving business success, as IM essentially builds on getting everyone in the business to understand the purpose of the business in order to be able to achieve desired objectives. According to participants, the absence of IM means the absence of business success:

MK2: I think if you don’t have internal marketing, then you can’t get it…If you don’t have internal marketing everybody in the company doesn’t know where the organisation is going or heading, then they can’t properly satisfy customer needs and achieve what we’re setting out to achieve.

IM is also believed to play a significant role in terms of improving attitudes and perceptions of different teams within the business. It was revealed that IM helps people to understand that other people within the business also have challenges of their own. Understanding people’s challenges means that it will be much easier to help them as well as create the right level of cohesion required for the success of the business. Participants believe that if there is lack of cohesion, and members work in isolation, it is highly unlikely for customers to get what the organisation is offering:

MK2: In a positive way it [IM] improves attitudes and perceptions of different teams because you can’t work isolated in your own function, and you don’t understand that everybody else’s...that they’ve got challenges of their own. So it’s very positive because you’ve got your eyes on the different functions of the business. And people’s attitudes are more accepting to helping people out and more into sort of culture of integrity and wholeness.

Another participant voices a similar sentiment. MK3 believes that through IM, employees can coordinate their individual activities more effectively in order to help and complement others in achieving overall business success. Effective co-ordination is fundamental to helping individuals to see the 'bigger picture' in terms of where help is needed in other areas of the business and how resources can be pulled together for greater efficiency. This is evident in practice. Participants suggest that as they got to know and understood what every other person was doing on a daily basis, it was easier to pull out and work with other people within the business:

MK3: Yes, I think internal marketing… do play an important role because we can see as a department a cross-section of the whole business, and where the business is in silo structures we can pull out and work with those people internally and oversee everything that is happening within the business.
Internal marketing: perceptions from theory and practice

Interdepartmental conflict in IM implementation

Theoretically, it is argued that implementing IM in an organisational could result in inter-departmental conflict, especially, between marketers and the HR team (see for example: George, 1977; Berry & Parasuraman, 1991; Rafiq & Ahmed, 1993). This is because both the HR team and marketers often lay claim to full responsibility for IM implementation in the organisation. Whist marketers have long ascribed to itself the traditional role of implementing any marketing functions in the organisation including IM, HR claim that it is their responsibility to implement IM because of its wider emphasis on employees.

Nevertheless, the themes emerging from this study reveals the contrary, as the purported conflict between marketers and HR practitioners in the implementation of IM is not evident in practice. Participants appear to indicate that the responsibility for IM implementation is broadly defined in terms of the cohesive inter-relationship that exists within the business. In particular, marketing practitioners strongly suggest that the HR (practitioners) department has a useful role to play in terms of defining how IM is practiced throughout the business. They revealed that the activities of the HR team within the business ultimately contribute in shaping the success/performance of IM. Specifically, it was revealed that the HR team uses IM as a communication tool around the business. Marketing participants highlight the complementary role of HR team in terms of how IM is practised within the organisation:

MK2: Yes! I think they [HR] do, they really do a good role. They really get involved in it, use it as a good communication tools around the business, so they’ve got a good representation of their functions, and also a good representation of activities that are going on, the things that are happening within the business. I think they’ve got a major role to play in internal marketing.

MK3: Yes…HR will work with the people, the internal customers within the organisation …we have appraisal and development system every six months where we review individuals’ objectives to make sure they’re on target to what they need to achieve, and how they need to develop, and it’s all about the training as well. HR would make sure that in order for those employees to develop that…they have the training that they require, and by doing that it would all reflect how as individuals we carry out what we want the organisation to be i.e. how we reflect it to the customers.

The failure, according to participants, is in being able to effectively carry through IM principles in relation to employee developmental initiatives. It was however, revealed that the HR team sometimes prefer to bring in new personnel from outside the business, rather than develop and train people within the business in order to take up new responsibilities. Participants identify that the theoretical principles underlying IM as a concept is a good initiative, but point out that whether such initiatives are transported to practice remains to be seen, especially, among HR practitioners. In particular, participant HR1 appears to be concerned with how IM is being implemented in her organisation by her HR colleagues.

According to her I think the principles behind it [IM], the thoughts in the first place, it’s probably a good initiative, but what it means is…to be able to implement it efficiently and effectively. That’s one thing we don’t seem to be able to do.

It was revealed that HR practitioners sometimes do a ‘joined up thinking’ in terms of the way they deal with employee issues. For instance, participant HR1 point out that her colleagues sometimes cut back on employee training, citing budgetary constraints. Instead of them encouraging the training and development of in-house employees (skills) using their career development plan, they prefer to employ people from outside the business. Thus, heightening the risks associated with employee turnover including attendant costs. She points out that carrying out employee related plans in terms of training and development is hardly ever the case in practice:

HR1: We go through what we need to up skill ourselves that fits into our operational plan, which then feed up into the corporate plan, which ultimately is serving the residents of
XYZ. So yes, we are kind of joined up in a way, however, that’s theoretical, whether that happens in reality is a different thing all together. Again, from an employee’s point of view, there is this thing, they call it PDR, (Personal Development Review) it is about the development of the individual. The aim is to motivate the individual so that they provide a bit more effective service ultimately…We have access to quite a lot of training. Particularly, we have access to CIPD programme…But there are departments who should have access to this kind of things, they don’t…and I know for a fact that although it’s identified on their PDR that they need training to up-skill, the money isn’t there to actually fund it. So these people can actually stay unqualified, and then we either recruit from externally to get a qualified person which, you know taken into account the actual recruitment process, and how much it’s cost to advertise, to bring someone in, you may as well invest that money in the individual that is already in that organisation in the first place. So it’s joined-up thinking that we [HR] don’t…seem to have the logic.

However, participants’ viewpoints seem to indicate there is a common ground for both marketing practitioners and HR practitioners to complement each other in implementing IM. Whereas marketing participants believe that HR uses IM programmes to communicate with people within the business, HR participants on the other hand, point out that marketing activities complement HR practice in terms of information sharing and internal communication.

Views on IM as a term

The term 'IM' tend to suffer from negative overtones carried over from the concept of marketing because of the word 'marketing' in its phrase. This has drawn serious concern from both practitioners and academic researchers in the field who have began to express the need to rename IM. Generally, people’s attitudes towards 'marketing' programmes tend to be less enthusiastic, as well as the perceived notion that most marketing initiatives sometimes deliver less than it promises. Researchers argue that it is difficult to sell the gains of IM principles in the organisation because the term might put people off, especially, those who view IM as another marketing gimmick (Schultz, 2006). Schultz argues that the word 'marketing' in the term IM resonates an act of trying to sell something to the employee audiences.

It emerged from this study that IM do suffer from negative overtones carried over from the perceived notion of marketing. According to participants, such terms as 'buzz word', 'management initiative' and 'brainwash' are being used to describe IM, which perhaps, explains why practitioners can sometimes view IM negatively. Participants revealed that the first hindrance to IM implementation within their organisations stems from resistance by employees who view the term as 'brainwashing' or 'bribery technique'.

Participants offer some examples of the negative views about IM:

MK2: It’s [IM] almost categorised as the same as marketing…marketing to external people can be seen as sort of persuading them or brainwashing them or making them do certain activities…whereas it can probably actually be carried over to internal marketing…I mean you get a lot of the time, it can be sort of almost like a ‘bribery’ technique due to high competition or certain things you use in the business to try and get people to ‘buy in’. It’s almost like sort of a ‘brainwashing’, which of course you can see why people can think that...

HR2: It [IM] may…not be seen as being particularly truthful or it may be seen as putting a spin on things rather than just presenting facts. It may well be some employees don’t perceive it [IM] you know, in a positive light...

MK1: I think the problem with the phrase internal marketing is that a lot of people think about marketing as advertising….And they don’t appreciate that marketing isn’t just advertising. It’s all about this whole concept of customer satisfaction…Yeah actually…
From this study, it is evident that there is cynicism towards the phrase IM as well as its avowed benefits. For instance, there is a perception among frontline employees in the rail transportation sector that IM has no direct impact upon their daily lives. Therefore, they hardly see IM as something they should do or that could improve their situations. The divorce between management and frontline staff in terms of physical working conditions in the rail transport sector is revealed particularly responsible for such cynicism amongst staff. According to a participant:

HR2: Different people have viewed it [IM] in very different ways. I think very cynical people have viewed it as another management tool. As just something that doesn’t actually have an impact on their daily lives. So a lot of our employees work in frontline positions, so they work in stations that are very dirty, and, quite hostile environments, and they see that management who sit in nice offices, and have good surroundings are not really having any impact upon their sort of conditions.

Consequently, some organisations have resorted to using terms other than 'IM' in order to sell IM programmes. One participant offers some insights:

MK3: I think as an organisation within the construction industry we have a very negative view anyway to marketing generally. Marketing is always being seen as…advertising…and there is a lot more to it than that obviously, I think internal marketing is another arm to marketing. However…when we have an initiative like the 'customer first' initiative we brand it with a name so that really it doesn’t always refer back to internal marketing. It’s just the way in which the organisation wants to work.

This means that IM practice is being embedded in organisations via programmes such as 'customer first' initiative. This is to avoid the word 'marketing' in any such initiative or activity championed by the management.

The reason behind such cynicisms once again, raises a crucial question. Is there a need to rename IM? Renaming IM will depend on a number of crucial factors. Firstly, how will the new term be reconceptualised? Secondly, what defining elements/criteria would constitute the new term? There might be a danger of fragmenting the theoretical principles that underlie IM as a discipline. A difficulty will also arise when a new term fails to address the underlying principles of IM. Schultz (2006) suggests that any new IM term must be holistic, inclusive, and cross-functional, and also involve selling, services and operations. Most importantly, the new term must "…focus on delivery of corporate promises, both internally and externally" (Schultz, 2006 p.6). Clearly, much will hinge on the conceptual legitimacy of a new term, its strengths, aims, and objectives. The key task therefore, is to continue to educate people on the benefits of IM and to make people more aware that IM is different from the perceived notion of marketing. This means that education is crucial in creating a much deeper understanding of IM as well as projecting its underlying theoretical principles. By going back to educate people, responding to people’s concern, or at least explaining what IM aims to achieve will go some way in overcoming the cynicisms. This view is reflected in HR2 suggestion:

HR2: I think one of the views possible is that again it’s the cynical approach that it’s just a management tool and it [IM] doesn’t affect…what they [employees] do on a daily basis, possibly they see that management don’t understand their problems and I think that by successful marketing back to them, it’s a way of demonstrating that people [Management] have listened to what their concerns are, and then have taken that on board and possibly implemented it and/or if not possible at least explained to them the reasons why.
Therefore, it is possible to suggest that people are more likely to change their negative perception towards IM if their concerns were addressed. Unsurprisingly, most participants believe that there is nothing wrong with the term, and suggests quite strongly that the task is to educate people around what IM aims to achieve:

MK2: I think it’s [IM] probably the right term. I don’t think that’s the issue. I think it’s the matter of educating people around what it actually means, and what it stands for.

Again, education is highlighted here as key to changing people’s negative perceptions towards IM. This is pertinent. The academic community should begin to pay more attention to educating people more around what IM aims to achieve than the current clamour to rename the term.

Therefore, in order to assess whether education has any real significance in changing peoples’ negative views towards the term IM, an attempt was made to educate some participants about its underlying theoretical principles. Thereafter, the participants were then asked if they thought IM was useful as an organisational practice. Interestingly, it emerged that the said participants began to view 'IM' very differently. They in fact suggest that IM was the 'missing link' between what their organisations aims to achieve in terms of both employee and customer satisfaction. In the words of this participant:

HR1: My personal opinion is yes, because from what you’ve told me, that [IM] is the missing link that we have at the moment...The missing link from getting from one point to another and understanding how an employee’s motivation, and how effective they are linked with the outputs there are into customer service. So I think it [IM] would be very useful, and it would get the higher level people more aware of the need to have that link.

Furthermore, the participants were also asked if they would recommend IM to their various organisations given what they now know about IM. Some of the following responses were gathered:

MK4: I think, well, I would recommend it [IM]. I’m not sure within my organisation how high up a priority internal marketing would be...At this point...I think would just be a suggestion...You know, if they’re [employees] not aware of that [IM]...if they’re not aware as to what they’re working towards, I think that is sort of, a downhill slide really.

HR1: I think it’s [IM] a complementary thing not on its own...I think it’s something that would be useful...to feed into it yeah, I think immediately they would be very interested in IM.

From the foregoing, it is evident that people are not necessarily antagonistic towards IM as a discipline. Once its underlying principles were explained, any form of antagonism and resistance to the term was significantly reduced. Overall, it emerged that organisations have accepted IM. One participant believes that:

MK3: …as an organisation, the people within it, we’ve kind of accepted internal marketing...we don’t need to worry about the IM concept, I think it’s very much been accepted now.

Summary and implications

The issues emerging from this paper suggest profound implications for both academic research and management practice. Firstly, academic researchers have to pay significantly more attention to the aspects of IM debate that do not fit in or provide practitioners with the guidelines on how to implement IM. From this study, it is evident that practitioners’ understanding of IM is still at very crucially early stages. Therefore, academic researchers should direct their investigation by targeting those aspects of IM principle that require further clarification in terms of its application. Fundamentally, the task is to educate the people around what IM aims to achieve. Evidence from this study highlights the importance of education in essentially creating a better and much deeper
understanding of IM as a discipline. As the study reveals, if people were educated around what IM aims to achieve, there would be a completely positive perception towards the term.

Secondly, it emerged that practitioners can improve upon employee motivation and commitment to organisational goals using IM. Employee involvement, consultation, information sharing and internal awareness were identified as elements of IM that can be useful towards achieving employee motivation. Thirdly, the purported notion of inter-departmental conflict especially, between marketers and HR practitioners was not evident in practice (see for example: George, 1977; Rafiq & Ahmed, 1993; Foreman & Money, 1995). Evidence from this study indicates that both marketers and HR practitioners believe that each has a crucially substantial role to play towards the implementation of IM in the organisation. Particularly, internal communication and information sharing through developing people-focused programmes were among the flashpoints for establishing there is a common ground between marketing and HR practitioners in terms of implementing IM. Fourth, a number of issues emerged from key themes discussed in this study. For example, IM as motivation, IM benefits, and the role of IM in business performance. Some of the above issues would need to be further empirically examined in order to clearly identify their degree of relationship to IM.

Despite the contributions of this paper, its major limitation is the paucity of data. It would be unwise however, to assume that some of the issues uncovered from this study are not relevant to a wider research scope in IM. Investigation directed towards some of the issues discussed would be appropriate in distilling implications for management practice. Perhaps, future research can focus on how to provide practitioners with a platform to understand and distinguish the right balance between what is appropriate level of marketing and the aims of IM. This is vital to avoiding the mix up between the meanings and aims IM and the perceived notion of marketing. Additionally, the argument for IM adoption at the top managerial level provides a good platform for a proper debate on evolving a workable framework in terms of support for IM. Much however, will depend on the sample under investigation, the organisational context, as well as the wider context in which the investigators work.

Finally, it is hoped that the issues raised in this paper reinforces the need to target the research discourse in IM at how practitioners might find the concept more useful. This is crucial if practitioners are to consider any future theoretical discourse in IM relevant.

References


