

THE RELATIONSHIP BETWEEN INTERNAL MARKETING AND SERVICE CULTURE IN JORDANIAN COMMERCIAL BANKS

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Abstract

The present study aimed to explore the impact of internal marketing on service culture in Jordanian commercial banks. In order to meet the study's goals, a sample was chosen through the convenience sampling method. It consists from 100 employees. They were selected from the main branches of several Jordanian commercial banks located in Amman. After that, questionnaire forms were distributed to them. The collected data was analyzed statistically. It was found that there is much attention provided to internal marketing in Jordanian commercial banks. It was also found that there is much attention provided to service culture in Jordanian commercial banks. In addition, it was found that internal marketing dimensions jointly have a significant impact on service culture in Jordanian commercial banks. The researcher recommends providing much attention to the recruitment process. He also recommends holding more training courses in the aim of raising employees' performance level. In addition, he recommends engaging employees in the decision making process.

Keywords: Internal Marketing, Service Culture, Service, Banks

INTRODUCTION

Marketing focuses on examining and managing the exchange relationships. The expression (internal marketing) emerged during the early 1980s. It refers to the process through which the organization promotes its goals and policies among employees. Internal marketing aims to meet employees' needs and identify them. Today, there is an intense competition between companies. There are also many companies today that desire to increase their sales volume and market share. Thus, companies today seek making their customers highly satisfied. They also seek improving the quality of their products. They also seek keeping up with the developments and changes. All of that are sought by companies today in order to meet customers' needs and expectations (Gi-Du et al., 2002; Hashem & AL-Nsour, 2012). Internal marketing plays a significant role in companies. Therefore, the present study aimed at exploring the relationship between internal marketing and service culture in Jordanian commercial banks. The significance of the present study arises from the significance of internal marketing and human capital. For instance, human capital plays a significant role in improving the quality of the product or service.

STATEMENT OF THE PROBLEM

Today, banks provide their customers with electronic services. However, bank employees are still playing a significant role in delivering services directly to customers. Therefore, employees significantly affect customers' satisfaction about the provided service. Hence, delivering services to customers efficiently requires having an excellent service culture at banks. Hence, the present study aimed at exploring the role of internal marketing in creating a good service culture in Jordanian commercial banks. To be more specific, the present study aimed to answer the following questions:

1. What is the extent of attention provided to internal marketing in Jordanian commercial banks?
2. What is the extent of attention provided to service culture in Jordanian commercial banks?
3. Do internal marketing dimensions have any statistically significant impact on service culture in Jordanian commercial banks?

Internal Marketing Concept

Through internal marketing, employees are considered as being internal customers and jobs are considered internal products. Through internal marketing, a company focuses on developing and motivating employees in order to meet the goals (Ewing & Caruana, 1999). Rafiq & Ahmed (2000) define internal marketing as a set of marketing-oriented efforts which aim at overcoming the resistance to change, and achieving unity and complementarity between employees. These goals are sought to ensure that the strategies are implemented effectively and customer satisfaction is achieved. According to Gounaris (2006), internal marketing programs involve activities that improve the effectiveness of internal communication. They also involve activities that seek promoting awareness among employees and raising employees' satisfaction level. They involve activities that seek motivating employees (Gounaris, 2006).

The Significance of Internal Marketing:

Internal marketing plays a very significant and effective role in reducing employee turnover rate. It also enables employees to meet their needs. Practicing internal marketing efficiently shall ensure that employees are keen to provide customers with the best services. Rafiq and Ahmed (2000) suggest that practicing internal marketing in institutions shall promote positive interaction between employees and customers. Internal marketing aims to raise employees' involvement in setting goals and strategies with the top management. That is sought to meet the goals efficiently and achieve a high quality level. Internal marketing aims to improve the coordination between employees and front line operators. Improving such a coordination is sought to deliver services efficiently, raise quality and achieve customer satisfaction.

Internal marketing includes the following dimensions:

1. **Recruitment:** It refers to the process of selecting suitable employees to provide customers with services of high quality (Bradley, & Morris, 2000).
2. **Training:** It refers to the process of training employees to refine their technical skills, and empower and encourage them to work within a team. That is sought to provide customers with services of high quality (Ahmed, and Raffiq, 2003).
3. **Stimulating employees:** It refers to the process of encouraging employees to work efficiently and effectively. It also involves the promotion of a sense of loyalty within employees to the organization (Ahmed, and Raffiq, 2003).
4. **Internal Communication:** It refers to the availability of internal support systems that meet employees' needs. Their need are met to encourage them to exert effort for satisfying customers (Zeithaml et al., 2009).
5. **Service Culture:** It refers to the process of encouraging employees and promoting a sense of loyalty within them in order to adopt a customer-centric approach. Creating a service culture shall guide employees about the way they should work and respond in various situation (Brown, 2003). Creating a service culture plays a significant role in creating a customer-focused service company (Craig & Roy, 2004; Zeithaml et al., 2009).

Creating a service culture is a prerequisite requirement for achieving success (Bowen & Pugh, 2008). This is because service companies can't supervise staff directly while communicating with customers face to face. Therefore, it is not possible to address the shortcoming in service delivery before contacting the end customers (Ueno, 2012). In other words, management can't directly control the conduct of the service personnel when dealing with customers. However, such a conduct has a significant impact on the efficiency of the service delivery process. Therefore, organizations should create service culture. That is because a service culture guides employees about the way they should act and respond to situations. It also ensures that employees shall act properly with customers (Zeithaml et al., 2009). In short, a service culture shall be present when all employees are highly concerned in providing a high quality level. Employees must seek achieving customer satisfaction in a daily manner (Zeithaml et al., 2009). That shall turn the company into a customer-oriented company

(Beitelspacher et al., 2011). The expression (service culture) was proposed by Grönroos (1990). The latter researcher defines service culture as the delivery of good services for external and internal customers and encouraging employees to adopt a customer oriented approach (Grönroos, 2007, p.418). That means that service culture involves values and behaviors adopted by the organization and its staff. Creating a service culture shall motivate employees to deliver excellent services.

Principles of Service Culture:

The service culture of an organization must be based on the following principles:

1. Recruitment, training and remuneration:

Recruitment, training and remuneration are integral elements of human resources management. They participate in meeting the organization's strategic goals (Chen, 2005; Little & Dean, 2006)

2. Promoting customer-focused values:

A good service culture must be created through instilling customer focused values within employees. That shall be reflected positively on employees' behaviors when interacting and dealing with customers (Bitner & Brown, 2008)

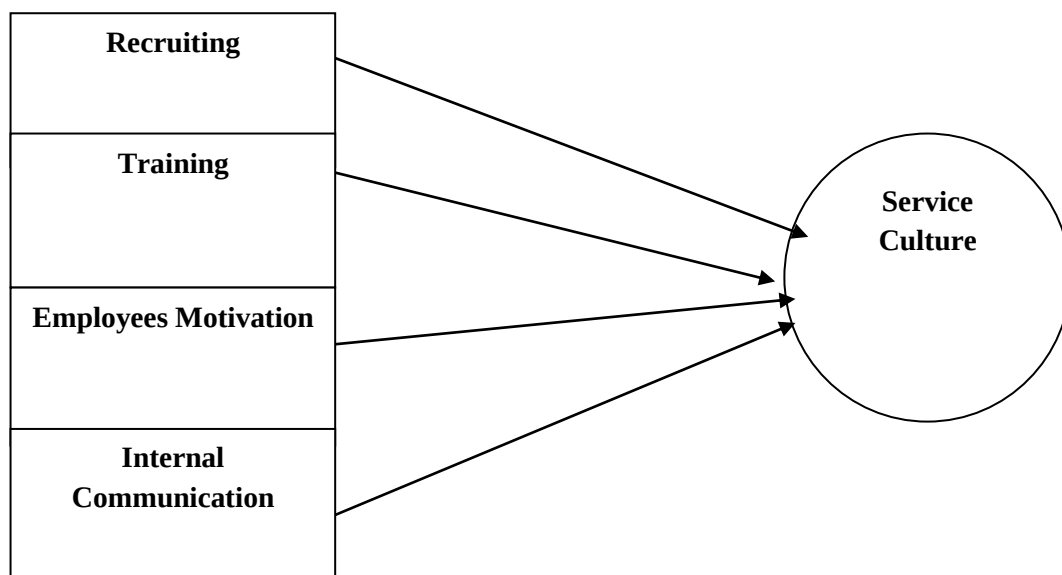
3. Raising and employing the knowledge of employees and customers:

Service delivery is a process that involves providing customers with a value. Its efficiency depends on the way individuals and organizations coordinate activities (Ostrom et al., 2010).

4. Seeking growth and development:

Creative leaders must encourage employees to achieve growth and development. Leaders should serve as a model to their employees in terms of providing services (Liao & Chuang, 2007)

Study Model



Source: (Bradley, & Morris, 2000; Ahmed, and Raffiq, 2003; Zeithaml, Bitner, & Gremler, 2009)

The Study's Hypotheses:

H0.1: There isn't any attention provided to internal marketing in Jordanian commercial banks.

H0.2: There isn't any attention provided to service culture in Jordanian commercial banks

H0.3: Internal marketing dimensions jointly do not have any statistically significant impact on service culture at Jordanian commercial banks.

The Study's Methodology:

1. The Study's population: The study's population involves all the employees working at Jordanian commercial banks.
2. The Study's Sample: A sample was chosen through the convenience sampling method. It consists from 100 employees. They were selected from the main branches of several Jordanian commercial banks located in Amman.
3. Data collection resources: The researcher of the present study used two types of data; primary and secondary data. Primary data is represented in the data collected through using the questionnaire. As for the secondary data, it is represented in the data collected through reviewing studies, journals, and books.

Based on the table above, there is a statistically significant correlation between each internal marketing dimension and service culture in Jordanian commercial banks. For instance, the values of the correlation coefficient between the marketing dimensions and service culture are within the range of (0.201-0.405). It was also found that the motivation is the dimension that has the strongest correlation with the service culture in Jordanian commercial banks. As for recruitment, it has the weakest correlation with the service culture in Jordanian commercial banks.

Sample Characteristics:

Frequencies and percent were calculated to show the sample characteristics as follows

Table 1. Sample demographic characteristics

Variable	Category	Frequency	Percent
Gender	Male	55	55
	Female	45	45
Age	Less than 25 years	45	30
	25- 35	43	40
	36-45	12	30
	46+	=	==
Education Level	Bachelor's degree	86	85
	MSC	14	14

Table (1) indicated that 55% if the research sample is males while 45% are females. With respect to age 45 % of the sample is less than 25 years old, 43% of the sample is between 25-35 years old and the rest of the sample is between (36-45 years). 86% of the sample have bachelor's degree, while 14% of the sample have Master's degree

Study Results

Means and standard deviations were calculated to describe the sample responses towards the following responses

Table 2. Means and standard deviations of recruitment statements

No.	Statement	Mean	S. Deviation
1	The Bank's management attracts highly experienced employees.	3.76	1.156
2	The gifted and distinguished staff are selected	3.77	1.221
3	Staff with the required skills and abilities are selected to provide excellent service	3.66	1.224
4	The Bank's management is keen to take into account the specialization in the recruitment process	3.85	1.029
	Total	3.7600	0.918

Table (2) indicates that sample has positive trends towards the above mentioned paragraphs because their means are more than virtual mean (3). It also indicated that (The Bank's management is keen to take into account the specialization in the recruitment process) was the most widely agreed while statement (Staff with the required skills and abilities are selected to provide excellent service) is the least used statement

Table 3. Means and standard deviations of training statements

No.	Statement	Mean	S. Deviation
5	The Bank's management is keen to train employees to improve their technical and interactive skills	4.23	.874
6	The Bank's management is keen to provide employees with the skills of dealing with customers	4.03	.658
7	The Bank's management is keen to delegate staff to make the necessary decisions to perform the work	3.78	.970
8	The Bank's management is keen to prepare and implement training programs for employees on a regular basis	3.91	1.026
	Total	3.9875	.60918

Table (3) indicates that sample has positive trends towards the above mentioned paragraphs because their means are more than virtual mean (3). It also indicated that (The Bank's management is keen to train employees to improve their technical and interactive skills) was the most widely agreed while statement (The Bank's management is keen to delegate staff to make the necessary decisions to perform the work) is the least used statement

Table 4. Means and standard deviations of employees' motivation statements

No.	Statement	Mean	S. Deviation
9	The Bank's management involves staff in decision-making	3.93	.924
10	The Bank's management is keen to satisfy its employees	3.84	.896
11	The Bank's management motivates its good staff	3.78	.970
12	The Bank's management evaluates employees (thanks and appreciation certificates and moral incentives).	3.74	1.088

13	The Bank's management provides financial and moral incentives to employees.	3.82	.936
14	The Bank's management publishes the names of outstanding employees, which increases the motivation of the business.	3.82	.821
15	The bank's management is based on open door policy in dealing with its employees	3.81	.940
16	The Bank's management appreciates the employee's work and encourages him to provide the best.	3.74	1.097
17	Bank management provides job security	3.48	1.049
	Total	3.7733	.60918

Table (4) indicates that sample has positive trends towards the above mentioned paragraphs because their means are more than virtual mean (3). It also indicated that (The Bank's management involves staff in decision-making) was the most widely agreed while statement (Bank management provides job security) is the least used statement

Table 5. Means and standard deviations of internal communication statements

No.	Statement	Mean	S. Deviation
18	The Bank's management uses the self-assessment method of performance	3.49	1.049
19	The Bank's management uses the self-assessment method of performance	3.93	.891
20	The company provides employees with modern means of communication	3.88	.913
	Total	3.7667	.75285

Table (5) indicates that sample has positive trends towards the above mentioned paragraphs because their means are more than virtual mean (3). It also indicated that (The Bank's management uses the self-assessment method of performance) was the most widely agreed while statement (The Bank's management uses the self-assessment method of performance) is the least used statement

Table 6. Means and standard deviations of the variable culture of service

No.	Statement	Mean	S. Deviation
1.	Time is sufficient to train staff in the art of service delivery	3.68	.994
2.	Adequate funds are provided for training courses for staff	3.81	.884
3.	Attractive incentives are provided to qualified staff in providing the service	3.80	.899
4.	The management instills the service values of employees	3.17	1.074
5.	Employees work in an atmosphere of cooperation to provide the best level of service	3.87	.917

6.	Staff suggest best ways to improve service deliver	3.66	1.056
7.	Staff are dedicated to the service delivery process	4.18	.672
8.	There is an interest in developing the quality of service provided	4.44	.608
9.	The annual increase in the level of service provided by the employee	4.23	.566
10.	Staff training methods vary in the art of service delivery.	4.37	.506

Table (6) indicates that sample has positive trends towards the above mentioned paragraphs because their means are more than virtual mean (3). It also indicated that (there is an interest in developing provided service quality) was the most widely agreed while statement (management instills service values among employees) is the least used statement

Reliability test

Cronbach Alpha test was used to measure the instrument since alpha value was 87.8%, which is good since it is more than acceptable value 60%.

Testing hypotheses:

Hypothesis (1): There is no interest in internal marketing in Jordanian banks

Table 7. Test results of hypothesis (1)

Mean	HO result	T SIG	T Calculated
3.8125	Reject	0.000	14.613

One sample t test was used. Table (7) indicated that (calculated T = 14.613) is statistically significant at level 0.05, this mean that there is an interest in internal marketing in Jordanian banks

Hypothesis (2): There is no interest in service culture of in Jordanian banks.

Table 8. Test results of hypothesis (2)

Mean	HO result	T SIG	T Calculated
3.92	Reject	0.000	22.624

One sample t test was used. Table (8) indicated that (calculated T = 22.624) is statistically significant at level 0.05, this mean that there is an interest in service culture in Jordanian banks

Hypothesis (3): There is no effect of internal marketing dimensions on service culture of in Jordanian banks.

Table 9. Test results of hypothesis (3)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473 ^a	.224	.191	.36604

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.678	4	.919	6.862	.000 ^a
	Residual	12.728	95	.134		
	Total	16.406	99			

Multiple regression test was used. Table (9) indicates that the value of calculated $F = 6.862$ is statistically significant at 0.05. This means that there is an effect of internal marketing dimensions on service culture in Jordanian banks. The relationship strength is 0.473, which is a medium relationship, and the independent variables account for 22.4% of the change in the dependent variable.

Pearson correlation coefficients between the dimensions of internal marketing and service culture are as follows:

Table 10. Results of Pearson correlation test

Variables	R*
Recruitment	0.201
Training	0.397
Employees motivation	0.405
Internal communication	0.336

*Significant at level 0.05

The above table indicates a statistically significant correlation between each dimension of internal marketing and between service culture ranged between (0.201-0.405). Employees motivation is the most correlated in enhancing service culture in bank while recruitment dimension was the least correlated in enhancing service culture

Results

The present study aimed to explore the impact of internal marketing on service culture in Jordanian commercial banks. In order to meet the goals, a sample was chosen through using the convenience sampling method. It consists from 100 employees. They were selected from the main branches of several Jordanian commercial banks located in Amman.

It was found that there is much attention provided to internal marketing in Jordanian commercial banks. It was also found that there is much attention provided to service culture in Jordanian commercial banks. It was found that internal marketing dimensions jointly have a statistically significant impact on service culture in Jordanian commercial banks. For instance, the value of the

overall correlation coefficient is 0.743 which is moderate. It was found that the independent variables can interpret 22.4% of the change that occur in the dependent variable

It was found that there is a statistically significant correlation between each internal marketing dimension and service culture in Jordanian commercial banks. For instance, the values of the correlation coefficient between the marketing dimensions and service culture are within the range of (0.201-0.405).

It was also found that the motivation is the dimension that has the strongest correlation with the service culture in Jordanian commercial banks. As for recruitment, it has the weakest correlation with the service culture in Jordanian commercial banks. The researcher recommends several recommendations. For instance, he recommends providing much attention to the recruitment process. He also recommends holding more training courses in the aim of raising employees' performance level. He also recommends engaging employees in the decision making process. That should be done to motivate employees and assess the service quality through using several methods.

The researcher recommends instilling customer-oriented values within employees. He also recommends enhancing the service culture at companies. He also recommends conducting other similar studies in other sectors.

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