

**Impact of Internal Marketing on Organizational
commitment, Market orientation, and Business
Performance of Commercial banks in Nigeria**

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ABSTRACT

According to Christopher (1991), internal marketing was defined as one of the critical tools that is used in creating a customer oriented organization. Furthermore, it can be classified as a major tool used to fortify the internal employees; which helps them to boost their performance and effectiveness. From other researchers, it was suggested that an internal marketing program that is well defined and applied will lead to a good inter-relationship between the employee and the organization's top management which in turn will boost the general business performance. In this thesis, we shall be examining the impact and significance of Internal Marketing on Marketing Orientation (MO), Organizational Commitment (OC) and establishing a justification for Business Performance in some commercial banks in Nigeria. The data used were meticulously collected from 400 bank employees working in different banks (commercial) totaling 15 in number in Nigeria; while adopting a quantitative method for the research work.

The paper will also investigate and measure the degree of impact; and the relationship internal marketing has on Market Orientation, Organization Commitment and Business Performance.

In order to deliver results according to time and also to avoid unnecessary cost factors, a convenient sampling approach and quantitative survey methods were used to collect the primary data from top managers, front line staffs, and other major employees who are part of the successful implementation of banking operations and activities.

Each variable was measured using previously developed components of instruments that have demonstrated good psychometric properties. The study survey consisted of five sections:

1. Demographic information (gender, age, education level, and income level);
2. Internal marketing, measured using 17 items;
3. Organizational commitment, measured using 24 items;
4. Business performance measured using 10 items; and
5. Market orientation, measured using 15 items.

The questionnaire was chosen based on the needs of the research to include a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) to measure the study variables.

Keywords: Organization commitment, internal marketing, Market orientation, Commercial Banks, and Business performance.

ÖZ

Christopher (1991) göre, iç pazarlama mü teriodakl, bir organizasyon olu turmada kullan,lan kritik araçlardan biri olarak tan,mılanm, t,r. Dahas,, onlar,n performans,n, ve etkin art,rımak için onlara yard,mc, olur, iç çal, anlar, güçlendirmek için kullan,lan önemli bir araç olarak s,n,fland,r,labilir. Di er ara t,rımac,lar, iyi tan,mılanm, ve uygulanan bir iç pazarlama program, da genel i performans,n, art,rıacak çal, an ve örgütün üst yönetimi aras,nda iyi ili kinin yolaçaca , önesürüldü.

Bu ara t,rıma, örgütsel ba l,l,k, Pazar yönelimi ve Nijeryada baz, ticari bankalar da , performans, için bir gerekçe olu turma konusunda içsel pazarlama etkisini incelemektir. Kullan,lan veriler titizlikle Nijeryada say,s, 15 toplam (ticari) farklı bankalarda çal, an 400 banka çal, an, toplandı,; ara t,rıma çal, malar, için nicel bir yöntem benimsendi.

Bu ka it inceler ayrıca iç pazarlama ve Pazar yönelimin derecesini ve etkizini ve aynı zamanda örgütsel özveri ve i performansını araştırıyor. Zamana göre sonuçlar sunmak için ve aynı zamanda gereksiz maliyet faktörleri, uygun bir örnekleme yakla ,m, ve nicel ara t,rıma yöntemlerini önlemek için üst düzey yöneticileri, cephe kadrosu ve ba ar,l, parças, olan diğer önemli çal, anlar,ndan gerekli birincil veri toplamak için kullan,lm, t,r. Bankac,l,k i lemleri ve faaliyetleri uygulanmas,.

Her de i ken iyi psikometrik özelliklerini göstermi olan araçlar,n önce geli tirilen bile enleri kullan,larak ölçüldü.

Çal, maAnket, be bölümdeolu uyordu:

1. Demografikbilgiler (cinsiyet, ya , e itimüzeyivegelirdüzeyi);
2. çpazarlama 17 Ö ekullanarakölçüldü;
3. Örgütselba 1,1,k 24 Ö ekullanarakölçüldü;
4. performans, 10 Ö ekullanarakölçüldü; ve
5. Pazaryönelimi, 15 ö ekullan,larakölçüldü.

Bu Anket, ara tirmanın ihtiyacı tusunda 5 nokta likert scale ölçe ine ore, kesinlikle katılmıyorum dan kesinlikle katılıyorum derecelendirilerek ölçülmüştür.

Anahtar Kelimeler: Organizasyon özveri, ç pazarlama, Pazar yönelimi, Ticari Bankalar ve performans,.

DEDICATION

This thesis is dedicated to God Almighty.

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I am most grateful once again to Almighty God for giving me strength, clear understanding, wisdom, knowledge and timely divine help which has sustained me all through this project work. To Him be all the Praise and Glory.

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Chapter 1

INTRODUCTION

1.1 Background to the Study

The term Internal Marketing (IM) first came into being in the desire and drive to deliver better services, enhance quality in terms of goods and services; and to checkmate or augment external marketing (Berry et. al, 1976). Across the globe today, a lot of organizations especially in the service industries; seek new and better methods of combating rivalry and high competition that is on the increase. The main aim of this is to be able acquire more customers as well as retain the ones that they already have. In this view, well-informed organizations try as much as possible to enhance the management/staff relationship between them by ensuring cordiality and employee satisfaction. Thus, employees of any organization are to be first seen as the most important tool or asset that they may have and therefore; there should be a zero tolerance for any form of deficiency in terms of the type of employee, quality, skill, exposure and training that these employees may possess because it will definitely result into a big problem in the nearest future for that organization they represent. Further studies showed that satisfied employees will result into customers that are satisfied thereby leading to loyalty (Khodabakhsh & Gorgani, 2010). Some of the benefits of customer loyalty are the increase in service and product patronage due to the level of satisfaction derived; and a positive word of mouth and recommendation to colleagues and friends (Hart and Smith, 1999). Quite a number of organizations involved with sales and marketing have come to agree that internal related issues are

very important to the success of the external ones; and one of the few ways to satisfy this issue is through internal marketing (Pitt, Bruwer, Nel & Berthon, 1999). To become highly competitive in the market, the organization must understand the need and the practice of satisfying and empowering its staff in order to achieve satisfied customers (Schultz, 2002;Kotler, 2000). Internal marketing is regarded as a major tool for employee (internal customers), should be more prioritized over external marketing regarded as the external customers (Kotler, 2002).

Although, according to Calleya & Caruana (1998), internal and external marketing are equally important if a firm must become successful; but most importantly is the internal marketing which is aimed at making employees feel very important as much like the external customers and possibly treating them as an internal customer (Gronroos, 1981). The process of internal marketing is a continuous one, and is therefore regarded as an organization's philosophy with the aim of promoting the company's policies, goals and objectives through-out the life time of the firm. No organization will drop a policy that best works for them; they will rather increase its efficiency and enforce its use and application in order to achieve results that makes them outstanding among other firms even in the competitive market. Although, one of the main challenges of a number of organization is to be able to make their employees remain loyal and committed to the company. This is so because information is now cheaply accessible and therefore has made a large of number of workers across the world feel that they even though they are a product of another company at the moment; with a little more effort and energy that they put to that job, can as well make them a product of their own established organization. So this leads to a high competition in itself within employees who are now dream filled and aspiring to start their own business someday. Another reason could be that, more

people basically work for the money and other benefits attached to that job rather than work for glory that goes with the work (McGregor, 1956). According to McGregor's renowned X and Y theory, it is said to remain the central of any organizational development and improving organization culture. This theory was developed by him in an effort to manage the employees by the manager. Category X defines individuals who avoid work, unwilling to do task, and are always controlled and monitored while Category Y naturally love work, tasks, and challenges; and are not motivated by material things or money (Schultz, 2010). From this theory, one can deduce the fact that employees attitude to work can tell their level of loyalty. Moreover, category Y people have shown to have a direct link with Organizational Citizenship behavior; an attribute that makes a worker go out of its convenient zone to exhibit extra effort on the job. Internal Marketing ensures that a certain level of loyalty is attained and organizational citizenship behavior is exercised.

1.2 Definition of Internal Marketing

Internal marketing (IM) can be defined as the systematic tool used to influence the organizational orientation of the employees including their attitudes towards their external environment (Stauss & Hoffman, 2000). In another study by Kotler & Armstrong (2010), internal Marketing was said to be a function of giving basics orientations, some measure of empowerment and enough motivation to employees in order to facilitate team work that produces adequate customer satisfaction. Orientations such that carries and portrays the vision and mission of the company; strategies and objectives of the organization been inculcated into the workers of the organization all in the process to foster positive results, and as well as facilitating growth and development. Moreover, the beauty of Internal Marketing is to be able to equip the employees well enough in order to provide the services as been perceived

outside the organization, and also to boost the public image of the organization in terms of the awareness and advertisement which the external customer expects to receive as promised in the cause of the marketing campaign.

Internal marketing is regarded as an inward approach of marketing and therefore concern only the employees making them the first customers. Internal Marketing is expected to equally increase employee involvement and improve the customer service process. When employees understand their role well enough; through programs that enhances training and general staff development, employee involvement is made easy in the marketing process. Take Wal-Mart or McDonalds for instance; there is a purposefully designed customer experience which is communicated by the employees. The employees, who are well informed and trained, empowered with the principles and brand of the organization and therefore have made the internal marketing program become a successful strategy. It is easy to note that internal marketing helps to aid the entire marketing process up and down the supply chain especially with the external customers who are the final users. The concept of internal marketing starts from when employees within the organization including the management treat each other like customers that they will be serving. With this Motive and understanding, a field operation staff would see an IT unit staff as first users of the products and services and therefore treat each other nicely and offer the best support while a procurement manager also will see a customer service officer as the organization's customer and offer the best supports. Other key concepts of internal marketing can be traced to securing a suitable and positive customer experience throughout the business, aligning the organization's aims and objectives with employee behavior through continuous up-skilling processes.

1.3 Basic role of Internal Marketing

1.3.1 Management of Change

Change is the only constant thing; thus effective change is ensured through the process of internal marketing. New working procedures, ideas, policies and technological innovations are introduced to facilitate the process of internal marketing by the organization in order to remain significant in the public and enhance customer retention. For instance, human resource management process such as recruiting and hiring in a particular local subsidiary of a multi organization may take a new dimension by ensuring that more local workers are hired if discovered that there is too much disparity in terms of language and culture in a particular location of manufacturing which in turn is affecting production or output (Arnett et al., 2002).

1.3.2 Building Corporate Image

To a large extent, how a particular firm is perceived in the society by other users goes a long way to show on how its employees are treated importantly as possible. A firm that wants to build a database of loyal customers must first try as much as possible to build loyal staffs that are mandated to pass across the same order of culture within the firm and then to external customers. Internal marketing ensures that there is enough awareness of the company's aim and objectives to the workers who are already seen and treated as brands and products of the company they represent at any point in time. In Nigeria, some few banks have been known for their brand and optimum customer service and thus receive quite a number of job applications and also get a lot of walk-in customers; while on the other hand, some banks are generally known for their poor service and thus have very lower patronage.

1.3.3 Managing Pressures

Fatigue and stress sometimes are not only linked to work measure but also to emotional drag that any individual may experience. Internal marketing plays a major role to ensure that conflicts within inter-department and other functional units are reduced to the barest minimum. Moreover, interdepartmental support received adequately and timely may ease off a lot of pressure to deliver before a deadline, in many banks for instance; where marketing and operations business units are in place and are expected to deliver results always; even though they work separately but for the same bank, there is always a tendency of one to depend on another in order to seal a transaction or conclude a deal and be able to deliver expected results. This can only be achieved easily through the help of internal marketing; an understanding and orientation that each unit staff has been trained on, in order to meet targets and get specified results.

1.4 Benefits of Internal Marketing

- Internal marketing leads to a better employee performance through the process of empowering them; thereby giving them adequate level of self-accountability and responsibility.
- Internal marketing leads to a better market orientation (the ability to be customer focused).
- Internal marketing leads to successful implementation of strategies by the employees of the organization on the external market due to the clear understanding of the business ethics and principles.
- Internal marketing has been proven to lead to customer satisfaction due to the brilliant customer service that is given from the employees.

- Internal Marketing is also beneficial in the business unit coordination and fascinating cooperation among employees.
- Internal marketing has shown to lead to customer retention as a result of level of satisfaction that is derived.
- Internal marketing brings together a judicious vision and mission of the organization, an excellent business culture, and outstanding human resource management process within the organization locally and internationally.

1.5 The Nigerian System

Nigeria gained independence from the British in the year 1960. The country occupies a total landmass of about 923,768 sq. kilometers and shares border with Chad and Niger to the North; and to the south shares border with republic of Cameroon and the Atlantic Ocean, to the west by Benin Republic and the Gulf of Guinea. The climate is tropical. A country with many rivers and forests, also accounting for a very rich wildlife, and rich with abundance of mineral resources such as tin, ore, lead, limestone, coal, among others. Nigeria as a nation can be classified as a mixed economy, middle income and emerging market with substantial and rapid growth in the service, entertainment, communication and technology sector. According to the report of National Bureau of Statistics (2014), agriculture sector is said to be the largest sector contributing about 42% of the total GDP (Gross Domestic Product) followed by wholesale trade and telecommunication sector both estimated at 35%; while the Oil and Gas sector remains a small part of the country's overall GDP said to be contribute about 13.5% to the total GDP as well as industry accounting for 9.5%. The statistics shows that Nigeria has added 89% to her GDP and is growth rate figure at 7.72% as against 6.18% in 2013. Although, agricultural sector has not been growing rapidly with the increasing population rate putting into consideration a past

record of a nation that was once a large exporter of agricultural produce but now overturned to be a large importer of same products. Nigeria said to be producing about 2.7% of the total world's supply while Saudi Arabia is estimated at 12.9%, Russia at 12.7% and USA rated at 8.6%. According to a recent report from the office of the Ministry of Finance, Nigeria, based on the rebased figures of April 2014; is now rated as the largest economy in Africa with the GDP of \$510 billion as against 451 billion in 2013 and now is now ranked 26th in the world against the 30th position as of 2013 and by year 2020 is expected to be among one of the 20 largest economy in the world by 2020. Nigeria's GDP per capita has also improved richly from previous years; from \$1,400 per person in the year 2000 to an estimated \$2,800 in 2012 and now \$3,900 per person; with the overall population estimated at 160million as at 2010 (National Census report, 2010). By the year 2020, all things been equal, it is expected that all these figures will double ranging from GDP rate and GDP per capita according to the National Bureau of Statistics.

1.5.1 Major Challenges

Despite the present state of the GDP said to be the best in Africa, the country's economy still struggles to maximize her potentials, rich minerals and vast wealth in order to combat the high rate of poverty affecting over 45% of her citizens; a status economists around the world categorizes as resource curse. A deeper understanding of a resource curse as widely known; is the sufficient availability of natural resources leading to unwarrantable high competition and corruption among the citizens of the nation where the resources is said to be in abundance. According to a report by the World Bank, corruption is the main problem of Nigeria's inability to combat poverty facing its citizens. It is estimated that only 1% of the entire population benefit from the 80% of the revenue from energy sector while the remaining 79% flows to the government and those in power. Apart from the energy sector, Nigeria's economy is

said to be highly inefficient even though it is said to be robust and springy. The Human Capital is rated as highly underdeveloped and according to the United Nations' development index is ranked 153 among 186 countries that were ranked together. About 68% of the population is stated to be living below \$2 daily, life expectancy is placed at 52 years of age, and adult illiteracy (both gender) is rated at 61%. In a way to resolve this turbulence, Nigeria between the years 2003 to 2007 came up with a program called NEEDS (National Economic Empowerment Development Strategy). The main reason for NEEDS is for the establishment to come up with variety of reforms some of which includes privatization policies, deregulation, and macro-economic stability. Nevertheless, some of the problems NEEDS have to been able to address are poor power supply, un-improving infrastructure, water unavailability and corruption. On the other hand, the initiative on NEEDS from the government's point of view is that NEEDS will be able to create millions of new jobs, boost agriculture sector, improve substantial capacity utilization, and also enhance non-energy exports. This initiative has led to state creation of an arm of NEEDS which is called SEEDS. Another way in which socio-economic challenges are been combated is the introduction of a development program by the United Nations which is called 'Millennium Development Goals'. Although, this program is expected to last until 2015, there are still many more issues to be addressed in the area of poverty alleviation, health, education, infrastructures, and gender equality. Moreover, while there seems to be progress on one of the challenges, there seem to be a worse downing situation on others. For instance, Nigeria is said to be advancing gradually in the provision of primary education and also developing global development partnership but then, the country is also faced with a depreciating state of tertiary education, health and poverty and corruption

(CIA World Fact book, 2012). Also, in a bid to forestall corruption, the former president Olusegun Obasanjo started an initiative which was applauded by the World Bank. It was the establishment of an agency known as EFCC (Economic and Finance Crime Commission); and their main duty is to convict whoever is found or accused of mismanagement or stealing Government funds. So far the government has recovered billions of stolen funds including a \$458million that was stolen by the former military president Sani Abacha and deposited in Swiss bank. With these developments and many more, Nigeria has improved in ranking out of 180 countries measured in terms of corruption perception index.

1.6 Nigeria in Summary

Table 1: showing an overview of Nigerian Economy (Source-NIS, Wikipedia).

DATA	CURRENT ESTIMATES
GDP	\$510 billion (2013)
GDP growth rate	7% (June, 2012)
GDP(Composition by sector)	Agriculture - 30.9%, Industry - 43% Services - 26% (2012)
GDP per capita	\$3900 per person(2014)
Overall Population	165million (NBS, 2013)
Population below poverty line	55% (2009)
Budget	\$28 billion (2014)
Budget Revenue	\$47.5 billion
Labor Force	50.21 million (2010)
Inflation Rate	7.90% (2014).
Currency	1 Naira(NGN) = 100 Kobo
Exchange rate	1 US\$ = 160Naira(April, 2014)
Economic Aid	\$250million from IMF (1998)
External Reserves	\$50 billion (2012)
Unemployment Rate	24% (2011)
Labor Force by occupation	Agriculture -70%, Industry - 10%, Services 20% (1999)
Industries	Crude oil, Coal, Tin, Peanuts, Cotton, Rubber, Cement, textiles, and chemicals.
Oil production	2.5million barrels/day (2014), (Africa's largest producer of oil)

Oil consumption	310,000 barrels per day(2013)
Exports	\$72.16 billion f.o.b (2005)
Export commodities	Petroleum products, cocoa, rubber & cassava.
Export Partners	USA – 47.4%, Brazil – 11%, Spain 7%
Imports	\$45.95billion f.o.b (2005).
Import Commodities	Chemicals, live animals, food & Machines.
Import Partners	China, USA, UK, Holland, France & Germany.
Agriculture Products	Cocoa, palm oil, rice, yams, cassava, sheep, millet, goat, cattle, sorghum, maize, fish and many more.
Electricity Production	18.9 billion kilowatts (2009)
Electricity Production by source	Fossil fuel: 61.69%, Hydro: 38.31%, Nuclear: 0% Others: <.1% (1998 est.)
Electricity Consumption	17.7 billion kilowatts (2009)
Electricity exports	40 million kilowatts (2003)

1.7 Overview of the banking system

1.7.1 History of the Nigerian banking system

It is highly fundamental to note that for any nation to achieve a significant socio-economic stability, its financial system will always play important roles in the effort. Thus, the nature of the financial regulations guiding a country and the supervision and monitoring of its banking sector will determine the scope and extent of its economic challenges and how it survives them. Taking a look at the current global financial crisis and its effects on all other sectors, one can tell that corporate governance such that allows banks to carry out their activities in a way that is customer-oriented is an important factor for the general financial system. Another major reason is that it determines and enhances the level of financial strength and development by regulating the nation's market mechanisms. The supervisory body under the corporate governance concept requires that all the banks comply with

established laws (rules and regulations) provided towards the betterment of the entire populace.

The history of banking can be dated as far back even before Nigeria got her independence when it started with the activities of Elder Dempster and Company limited of Liverpool-United Kingdom in 1892. Other notable organizations that are known in those early times include the Nigerian Mercantile Bank Limited, Nigerian Farmers and Commercial Bank Limited, British Bank and French Bank which later renamed to be United Bank for Africa (UBA) down to the era of the Agbonmagbe Bank in 1945 which also later transformed to WEMA Bank and African Continental Bank consecutively. However, most of these highlighted banks above were blighted by the challenges of poor managerial skills, foreign rivalry, poor capital base, and the recession of the 1930s. In 1947, the Nigerian Farmers and Commercial Bank also came into existence while in 1949, Dr. Nnamdi Azikwe established the African Continental Bank due to the fact that the foreign banks discriminated against him and his group of companies with all of them liquidating. Due to the worrying state of these indigenous banks, the Government in 1948 then appointed an official of the bank of England named Mr. G.D. Paton. From another point of view, another major factor that led to such massive bank challenges was due to the absence of a distinctive regulatory platform, thus making existing banks to operate freely. As a matter of fact, from the year 1892 to 1952, it was regarded as the 'free banking era' such that registering according to the company ordinance act and running a bank was made very free and open. Mr. Paton was to enquire generally into the business of banking in Nigeria and make recommendations to the Government on the form and extent of control which should be introduced. The report of Mr. Paton which he submitted in 1952 formed a platform for the establishment of the first Banking

ordinance Act in that same year. The Banking ordinance Act was designed to regulate and maintain order among commercial banks, and prevent the future establishment of unworthy banks and unregulated banking transactions; thus leading to the establishment of the central Bank of Nigeria in 1958. With the creation of a centralized body for financial supervision, there seemed to be lot of improvement and orderliness. Another major benefit was the innovation of People's Mortgage Banks which was called Primary Mortgage Institutions. Furthermore, in a bid to assist the CBN to ensure financial reforms and formulation of policies, the government established a company called Nigeria Deposit Insurance Corporation (NDIC) in 1988. The major work of the NDIC was to ensure safe and sound banking services as well as insuring bank deposits through effective supervision. The CBN took responsibility for nurturing the money and capital markets. In support of this, the CBN introduced treasury bills in the year 1960, facilitated the establishment of Lagos Stock Exchange in 1961, treasury certificate in 1968, the Securities & Exchange Committee in the early 1970s formerly called the capital committee in 1961.

The Central Bank of Nigeria (CBN)

The Central Bank of Nigeria started its operations on the 1st July; 1959 after it established by the CBN Act of 1958 following Mr. G.D Paton's reports about his inquiry on the banking practices in Nigeria. The major objectives of the bank as stated in the CBN act of 1958 are to;

- Maintain Nigeria's external reserves, issue financial advice when needed and issue legal tender,
- Promote and stabilize monetary policies as in line with the national budget,

- Create a substantial and regulated financial environment to the entire banking sector of the country.

The CBN Act Of 2007

This is the current legal framework with which the CBN now operates till date. The Act which repealed the CBN Act of 1991 and all its amendments provides that the CBN shall be a fully autonomous body in the discharge of its functions for the Banks and Other Financial Institutions in Nigeria. The ACT was developed with the objective of promoting stability and continuity in economic management.

Listed below are the governors of the central bank of Nigeria from year 1958 till May 2014.

Table 2: showing the list of CBN governors. Source (Secondary Data) ó CBN, NIS.

CBN GOVERNORS	YEAR OF SERVICE
ROY PENTELOW FENTON	24 July 1958 - 24 July 1963
ALIYU MAI-BORNO	25 July 1963 ó 22 June 1967
CLEMENT NYONG ISONG	15 Aug 1967 ó 22 Sept 1975
ADAMU CIROMA	24 Sept 1975 ó 28 June 1977
OLA VINCENT	28 June 1977 ó 28 June 1982
ABUDULKADIR AHMED	28 June 1982 ó 30 Sept 1993
PAUL AGBAI OGUNMA	1 Oct. 1993 ó 29 May 1999
JOSEPH OLADELE SANUSI	29 May 1999 ó 29 May 2004
CHUKUMA SOLUDO	29 May 2004 ó 29 May 2009
SANUSI LAMIDO SANUSI	3 June 2009 ó Incumbent.

Commercial banks in Nigeria

The commercial banks in Nigeria perform various functions that are highly significant to the socio-economy and the entire populace. These functions can be classified into 3 namely Primary, Agency and Utility functions (Secondary functions).

The primary functions are thus highlighted below:

- Accepting various types of cash and cheque deposits (saving account deposits, Fixed Deposits, and Recurring) from its customers.
- To provide loans for small and big enterprise; including bank overdrafts, cash credit, advance payments, mortgages as well as bill discounting. Private businesses such agriculture, communication, manufacturing, and other sectors are beneficiaries.
- For most commercial banks in Nigeria, the style of credit is such that the loan is deposited into the customer's account and with an agreed interest and sometimes against collateral. The collateral can be in form of cash, physical assets, or other personal property.

Also, the secondary functions which are also known as the agency and utility functions can be said to include:

- Collection of cheques for clearing, dividends and other interest warrants.
- Making payments of rents and insurance premium to clients.
- Help in concluding foreign transactions in terms of business facilitation or other foreign exchange transfer.
- Commercial banks also act as trustee; referee, purchase and sell securities.
- Collection of company/individual tax proceeds and other bills as applicable e.g. light bill.

Here is a list of all the commercial banks in Nigeria in no particular order.

Table 3: showing commercial banks in Nigeria

1. Ecobank Nigeria which acquired Oceanic Bank recently.
2. Mainstreet Bank which was formerly known as Afribank
3. Access Bank which acquired Intercontinental Bank.
4. Guaranty Trust Bank.
5. United Bank for Africa (UBA).
6. Sterling Bank which acquired Equitorial Trust Bank.
7. Fidelity Bank.
8. Stanbic IBTC Bank.
9. First City Monument Bank which acquired Finbank recently.
10. First Bank of Nigeria
11. Zenith Bank of Nigeria
12. Heritage Bank
13. Keystone Bank which was formerly known as BANK PHB.
14. Standard Chartered Bank.
15. Unity Bank.
16. Union Bank.
17. Skye Bank.
18. Enterprise Bank Limited which was formerly Spring Bank
19. Zenith Bank.
20. Diamond Bank and
21. Jaiz; the only Non-Interest Bank in Nigeria.

Source ó Central Bank of Nigeria.

1.8 Motivation and Objective of the study

The current decline in pursuit of a career in the banking sector of Nigeria has pushed for this research. The purpose or main objective is to look for a lasting solution that is adequate in area of Human Resource Management (HRM) processes especially in the approach that will enhance employee attraction, acquisition, and retention toward boosting organizational commitment and in return enhance overall banking business performance in Nigeria.

1.9 Structure of the study

Chapter 1 is introductory part while chapter 2 reviews the relevant literature on Internal Marketing, Organizational Commitment, Business Performance and Market Orientation of commercial banks. Also, chapter 3 shows the data; methodology, the theoretical model and instrument been used in this study. Chapter 4 presents the regression model and empirical results; while Chapter 5 gives the concluding remarks as well as giving some recommendations and suggestions for further studies.

Chapter 2

LITERATURE REVIEW

2.1 Overview of Internal Marketing

According to Berry et. al; (1976), was the first time internal marketing came into limelight and the announcement was cordially supported by other researchers known as George(1977); and Thompson (1978).

Although, there were no acceptable definitions from these researchers about what internal marketing is all about, what it is actually supposed to do and by who (Rafiq & Ahmed, 1995; 2000).

Internal Marketing was assumed to have developed directly from the conventional type of marketing (Woodruffe, 1995) and based on this assumption, the marketing concept and functions from the gathered knowledge are been used within the organization to achieve its goals and gain high competitiveness among rivals of the same market scope. However, according to Kotler and Keller (2008, 2012), the general marketing assumptions of Internal marketing are concerned with:

- Understanding the nature of employees' needs and wants, including how these needs can be satisfied by the organization.
- Understanding how different groups of employees differ; and

- Deciding how the organization can distinguish itself among other competitors and to position itself to become a choice of many employers as well as attracting and retaining the best talents that are available in the labour force.

From previous studies according to Bansal, Mendelson & Sharma 2001; Arnett, Laverie & McLane (2002); the definition of internal marketing as related to corporate responsibility purposes can be said to be any planned effort by the organization's management to motivate, align and integrate employees towards the effective implementation organization's sustainability strategies. Based on this definition, it can be said that internal marketing has the dynamics capabilities to develop defined resources into useful sources of high competitiveness (Teece, Pisano & Shuen, 1997).

2.2 Service Marketing

Service according to Vargo & Lusch (2004) was defined as the application of special knowledge and skills involving processes, activities and performances for the benefits of another body or character. Services are activities and are therefore classified as intangible (things that cannot be seen or touched). However, service marketing is regarded as a new concept can be said to be a sub-division of general Marketing which encompasses both goods and services.

Goods refer to consumer goods and durables while service marketing has to do with marketing of both businesses to consumer and business to business services. Service marketing came into limelight around the end of the 20th century; although it was first introduced in the year 1980 when there was an argument as to whether marketing of products is different from marketing of services and if it should be

classified as a separate discipline because before then, service marketing was not regarded to have a separate relevance of theirs; and only existed as an aid to production of marketing of goods. Examples of where service marketing are found are health care industry, telecommunications industry, airlines industry, hotel industry and all types of hospitality services including professional services. The end result of service rendered in exchange for time, effort and money is value creation. The service sector has grown in importance in many countries and has been seen to contribute immensely to those nations' GDP and other financial performances.

2.2.1 Four characteristics of Service Marketing

Heterogeneity

This can also be called variability due to its subjective nature (Berry, 1975). It is said to be that no each service encounter are the same anywhere in the world. The difference can be said to be due to situational factors like weather conditions or personal factors like fatigue, or laziness (Berry, 1980), (Regan, 1963). Therefore, the situation or the personality of the person offering the service will determine the outcome of that particular service as either good or bad. On the other hand, different individuals or people will always react to different situations in different and unique ways. Customer satisfactions are the only way to judge the exigencies of heterogeneity. Due to this, employees are taught to be able to cope with an array of responses within and outside the organization (Zeithaml, 1981).

Intangibility

This is said to be the most important of all the fundamentals in service marketing because of its close relation with service. Managers have to create tangibility due to the lack of physical evidence that the customer will receive, especially in related cases such as what is called 'pure services' (Bitner, 1992). For instance, legal services

rendered to clients cannot be touched or seen but has been classified as a product type which is paid for.

Perishability

Due to the distinct nature of services, it is said to be that when services are not used up immediately after production; they cannot be reused, returned or even resold again because they are time-bound unlike what is peculiar to product-based companies (Regan, 1963).

Simultaneous Production and Consumption

Because of the peculiarity attached to service, the customer is said to play a vital role in determining production of service at any given because production and consumption takes place at the same time. Due to the inseparability, the customer is regarded as a co-producer in the service chain production while the employee is also very important in determining service outcome (Berry, 1983; Zeithaml, 1981).

2.2.2 References listing on characteristic of marketing

Table 4: showing reference on characteristics of marketing

CHARACTERISTICS	RESEARCHERS' CITATIONS
Intangibility	Bateson (1977, 1979); Berry (1975, 1980, 1983); Bessom & Jackson (1975); Booms & Bitner (1981, 1982), Carmen & Langeard (1980); Davis et. al (1979); Eiglier & Langeard (1975, 1980), Eiglier et. al (1977); Gronroos (1977, 1978, 1983); Johnson (1981); Rathmell (1966); Regan (1963); Thomas (1978); Zeithaml (1981).

Perishability	Berry (1975, 1980, 1983); Rathmell (1966); Regan (1963); Thomas (1978); Uhi&Upah (1980).
Heterogeneous	Berry (1975, 1980, 1983); Bessom& Jackson (1975); Carmen &Langeard (1980); Davidson (1978); Johnson (1981); Regan (1963); Thomas (1978); Zeithaml (1981).
Production and Consumption	Bateson (1977, 1979); Berry (1975, 1980, 1983); Booms &Bitner (1981, 1982), Carmen &Langeard (1980); Davidson (1978); Eiglier et. al (1977); Gronroos (1983); Johnson (1981); Rathmell (1966); Regan (1963); Thomas (1978).

Source: Zeithaml (1985).

2.3 The 7 P's of Service marketing

Just like the traditional marketing mix, the 1st four elements (Product, Price, Place and Promotion) remain the same in the service marketing mix are the same but with the inclusion of 3 more elements which are people Process and Physical evidence.

Product: In the case of service marketing, the product is regarded as intangible (cannot be touched or seen), perishable and heterogeneous. To a large extent, the customer determines how the service will be rendered while the employee is also left with the job of knowing how to offer the service as well as satisfying the customer ultimately because production and consumption are simultaneous and inseparable in which care has to be taken so that quality is not compromised.

Pricing: In services, pricing could be tougher than pricing of goods. It is a lot easier to cost goods provided so far you are able to evaluate the cost of production and raw

materials; but in the case of services, a lot of costs are considered but are not measurable. It is difficult to cost an attendant's duty by how much has been contributed as labor in a restaurant regardless of whether the organization's goal is successful or not.

Place: The location of service delivery is very important since delivery is simultaneous with production which cannot be resold or stored. The major reason for this is to be able to maximize delivery and returns in order to avoid unnecessary wastage or service failure. It will make a lot of sense to have a hotel somewhere in the city and having it close to the airport will be an added advantage.

Promotion: In order to differentiate service offerings in the minds of the customers, the service industry invest so much on adverts to distinguish their service style from other service providers that have identical offerings (e.g. Banks, Hotel, Healthcare and Airlines).

The last 3 elements of the service marketing mix that is unique from the conventional marketing concepts are:

People: This element is categorized as the defining factor in the service delivery process. Since it is impossible for service to provide itself and use itself. It involves the people who will provide the service including the people who will use the service that has been provided. For instance, even though a bank is known for its unique and excellent service, one must have it in mind that definitely some set of people are the brains behind the excellence regardless of the department or the unit. The people factor is very crucial in the establishment of an outstanding service. This is the

reason why many banks and other service providers now invest so much in customer service.

Process: Since service is said to be replicated, the process is very important because consistency has to be ensured throughout delivery to the customers. The process is crucial in order to avoid service failures. Although there may be a good service recovery, it is nothing compared to getting it right the first time.

Physical Evidence: Since most services are intangible in nature, some service provider always try as much as possible to incorporate certain tangible (can be seen and touched) elements into their offerings to enhance the customer experience. For instance, some banks in Nigeria provide a comfortable seat, water and media channels just to make customers more relaxed while they wait to be attended to. The same concept cuts across all service providers, such as airlines, health care and even hotels.

2.4 Organizational Commitment (OC)

It can be said to be the degree to which an individual or an employee is loyal to an organization; or the degree at which an employee is willing to give to the organization even in the nearest future (Cha & Kim, 2009). Basically, an employee with an adequate measure of commitment will possess a high level of sense of belonging. This level of commitment goes a long way to show how much an individual is psychologically and emotionally attached to their job and the organization as a whole. From past studies, organizational commitment was linked to organizational citizenship behavior (a goodwill and extra positive effort that an employee shows on their job), Job turnover, Job security, and job efficiency and

performance (Parasuraman 1987). In the case of job turnover, committed employees are less likely to quit their jobs or go elsewhere rapidly in search of other opportunities due to the high employee engagement that is been experienced.

2.4.1 Classification of Commitment

Meyer and Allen (1997) did a study which was developed based on previous studies of organizational commitment. Their research indicated that 3 mentalities will characterize an employee and determine the level of commitment. These components are:

1. Affective commitment.
2. Continuance commitment.
3. Normative commitment.

Affective commitment

Affective can be characterized by employee's emotional attachment towards the organization's goals and objectives such that there is a strong sense of belonging, and a desire to remain a part of the organization (Mowday et al, 1997). Out of the 3 Components of commitment, affective commitment has been shown to be more strongly connected to positive work behaviors such as organizational citizenship behavior, lowest absenteeism, and less report of conflict (Meyer et al; 2002). Porter et al. (1974) characterized affective commitment under three factors which are:

1. Employee's acceptance and belief in organization's goals and values
2. Employee's willingness to focus effort that will help the organization achieve its goals and objectives and;
3. Employee's desire to retain their membership in the organization.

Continuance commitment

Continuance commitment is largely related to the willingness shown by a staff of an organization to remain or continue with the organization may be due to personal needs. This kind of commitment could be due to some lack (e.g., lack of alternatives, lack of source of income); and it can also be due other benefits that is attached to the job or in terms of the relationship that is been experienced with other members of staff. This kind of commitment makes it difficult for the employee to leave the organization due to the fulfillment in needs that the organization may promise.

Although, in one study that was conducted to measure the commitment levels of employees, results and findings showed that affective commitment is higher than continuance in some certain situations (Van Breugel, Van Olffen, 2005). It is regarded that for a temporary staff who only works in an organization out of need; sooner or later may pollute the work group or team.

Normative commitment

This is a kind of commitment that has risen as a result of the feelings of obligations you have towards your organization rather than to fulfill a need or affections you have towards the company. Such individuals in this category can be said to be experiencing a deeper sense of commitment because they feel it is the right thing to do. People in this category do not consider it to leave the organization no matter how bad their experience may be. Moreover, employees hide under the guise of the level of investment that the organization has put upon them over the years or a particular reward that has been placed on them in advance. Therefore in a bid to pay back the good will, they consider it as a moral right to put their effort on the job and remain in such establishments. A typical example is that of a footballer called "Lionel Messi"

who plays for Barcelona FC. Lionel Messi enjoyed a healthcare benefit from the football club when he was diagnosed for growth hormone deficiency at age 11; a condition his family could not afford to pay for. This goodwill from the club has made Lionel Messi stay committed with the club since that time till now and from all indications will remain till he probably resigns from professional football (Wikipedia, 2014).

On the other hand, normative commitment may be as a result of family background or upbringing that sees low/half commitment as a reprobate. Although, Meyer and Allen who were earlier researchers of this case study based their research more on the theoretical evidence rather than empirical approach; which probably may explain the lack of depth in this section of their study compared to the others who drew off Wiener's (2005) research for this commitment component.

2.5 Market Orientation (MO)

Market orientation can be defined as a philosophy that emphasizes clearly the importance of an organization that is customer oriented and focused. Market orientation gives a clear interpretation of a business that put its external customers first and creates superior value to their customers who will in return add to the sustainable business performance of the organization (Naver & Slater, 1990). Some other scholars also argued that market oriented behaviors has positive effect on customer satisfaction as well as loyalty, and employee satisfaction (Twaites & Lynch, 1992, Deshpande et al, 1993, Rapp et al, 2008). For a desired sustenance to be achieved, the organization is not only expected to focus all its effort on the customers but also on the major external stakeholders that affect business activity in order to have a dependable competitiveness. From different market research, studies

concludes that a market oriented organization always perform better in terms of costs and profits gained in the long run than organizations that are not market oriented (Jaworski & Kohli, 1993).

There are 3 basic components that are very important when it comes to the subject of market orientation and they are Customer orientation, competitor orientation and lastly coordination of resources among functions (innovation and profit) (Narver & Slater, 1994; Jaworski & Kohli, 1990; Hunt & Morgan, 1995). For organizations that are customer oriented, their main focus is to provide products and services based on the needs and expectations of their customers; whereas a non-market oriented organization only focuses providing goods and services which will have to be marketed and sold to customers who may not buy it willingly. Competitor orientation has to do with taking advantage and maximizing the strength of the company as well as mitigating the threats and weaknesses encountered both in the short term agenda and for the long term purpose. This concept is for both of the present competitors and the potential ones in the coming future. Coordination of resources is necessary in order to create superior value for the customers; such that everyone within each function in the organization shows a substantial level cooperation and contribution towards the creation of value for the buyers. The market orientation concept also focuses on 3 main activities which are; to generate business intelligence; secondly to disseminate and thirdly is to be responsive to market information in order to effect quality decision making (Sundqvist et al, 2000; Megickes & Warnaby, 2008; Kohli & Jaworski, 1993). The concept is also concerned with issues including organizational culture, innovation, human resource planning and organizational learning (Narver & Slater, 1990; Ruekert, 1992; Baker & Sinkula, 1999; Greenley, Cadogan & Fahy, 2005; Keskin, 2006; Hooley, 2005).

2.6 Business Performance (BP)

Business performance can be described as the idea of putting together the financial and operational performances in any particular organization at any particular point in time (Venkatraman & Ramanujam, 1986). On the other hand, it can also be said to be the evaluation of all the efforts exerted to achieving the business objectives. The idea of business performance has become so widely practiced by both professional executives as well as academicians especially in the area of strategic management to ascertain that decisions are not based on assumptions or emotionally based but only on real evaluations (Parker, 2000). A yardstick to measure that a company is doing quite well as planned in the labour market is to check their status to know where they are in terms increase in financial and operational functions. According to Panigyrakis & Theodoridis (2009), to evaluate the real banking performance, the entire business performance can be said to be evaluated thorough estimation of the non-financial (general activities) and the financial (returns on investment and assets).

Moreover, according to Venkatraman & Ramanujam (1986), they argued that since financial indicators are not enough to measure business performance, non-economic indicators including product development and quality, customer loyalty and satisfaction, market share, service quality.

2.7 Hypothesis

2.7.1 Internal Marketing and Organizational Commitment

The concept behind IM and OC relationship is to be able to make employees become more satisfied with their job thereby making them more committed to their organization (Hogg 1996). A successful application of the internal marketing concepts such as decrease in employee turnover, enhancing service quality and

employee commitment in any organization will amount to a higher degree of organizational citizenship behavior which brings about organizational commitment including work motivation, job involvement and job satisfaction (Tansuhaj et al., 1986). The absolute concept of IM on OC is such that employees generally have this positive feeling that the management cares so much about their well-being or welfare. Among some service marketing studies, it was discovered that IM and Service quality have a significant relationship (Richardson & Robinson, 1986); and also between internal marketing and customer satisfaction (Tansuhaj et al., 1987). Kyriazopoulos et al. (2007) also examined some bank's branches in order to measure the relationship between IM and employee commitment.

The direct explanation will mean that internal marketing will aid employees to give their maximum effort in their roles thereby leading to customer satisfaction and loyalty (Berry, 1981). Therefore we conclude that internal marketing has a significant; and is positively related to organizational commitment.

H₁: Internal marketing significantly and positively influence organizational commitment.

2.7.2 Internal Marketing and Market Orientation

According to Groonroos (1990), Internal Marketing can be categorized to be a function of MO. It can also be considered as a management philosophy and a framework for employees' management towards their external customer. The management supportive culture and the human resource activities practiced by an organization will determine the kind of orientation the employees have and also carry out in response to the customer's needs and wants (Mcclure, 2010). Thus, internal marketing has a direct relationship with service improvement and customer

orientation (Pierce and Morgan, 1991, Voola et al., 2003). Internal marketing programs have become more significant as they help the employees' attitudes by staying more up to date with the market situations especially with the customers and competitors. Furthermore, from another study carried out by Kyriazopoulos et al., (2007) under the same context, the result also shows a significant relationship of IM on MO. Another study carried out by Souchon and Lings (2001) indicates that in order to achieve a maximum customer satisfaction, retention and a good return in terms of profit, a good IM program must be in place. Moreover, Kim (2003) a researcher from England carried out another study; in which the relationship between internal marketing, market orientation and organizational performance was emphasized. Kim used organization's customer-orientation, competitor orientation and inter-functional coordination components to measure market orientation in the study and it was concluded that internal marketing has a significant and a positive impact on market orientation.

H₂: Internal marketing is significantly and positively influence to bank's market orientation.

2.7.3 Market orientation and Organization commitment

A highly significant area where market orientation is said to have more influence is on organizational commitment. Previous studies showed that organizations that are market oriented (customer oriented) had a higher degree of organizational commitment (Micheal, 2009). This antecedent and consequence of organizational commitment have relied on a limited, often dimensional, and conceptualization of the construct and thus may need to be reassessed because it is based on an affective commitment conceptualization measured by Organization Commitment

Questionnaire (Siguaw et al., 1993) and by a similar five-item, predominantly behavior, in which Jaworski and Kohli, (1993) also confirmed. Although, another research using the expanded organizational commitment construct has also indicated that market orientation is only significantly related to the affective component of organizational commitment (Caruana et al., 1997). Hence, we can say that market orientation is significant and positively influencing Organizational Commitment.

H₃: Therefore, market orientation is significant and positively influencing Organizational Commitment.

2.7.4 Internal Marketing and Business Performance

Technically, IM is said to helpful in the entire workforce stay motivated and help them participate completely in the fundamental driving functions that will bring about high profitability (Carlsen, 2003). Another study also revealed that motivations driven internally (within the organization) can be said to be a function of a well implemented internal marketing approach and thus will enhance employee routines (Payne & Helman, 1992). Also, according to Tyagi (1982), the organization's management participation in the way that internal marketing programs are offered indicates a direct relationship on employees' level of motivation. Management motivation techniques on the staffs is said to enhance the performance of the employees more than normal in terms of delivery of tasks and other functions (Rudolf & Kleiner, 1989). Internal Marketing ensures that resources needed to make a company progress in its objectives are made available to its employees who are seen as internal customers (Joesph, 1996). Some organizations invest so much in training of their front line staffs which is basically to boost and promote their customer consciousness level since they usually have a direct(one to one) interface with the external customers who are the major source of the profit that is been

acquired in the organization (Ahmed, Rafiq & Saad, 2003). Therefore, we conclude that internal marketing is significant and has a positive impact on Business Performance.

H₄: Internal marketing significantly and positively influence to Business Performance.

2.7.5 Market orientation and Business performance

An organization that is market oriented (customer focused) will directly lead to customers who will be happy, satisfied; and will spread a positive word of mouth to other potential customers who will also patronize and then carry on the same trend of character to other customers (Kohli & Jaworski, 1990). This cycle of event if continued will amount to a build-up of huge customer satisfaction; and a group of customers who will remain loyal to their organization and lead to greater profits and overall revenues (Anderson & Sullivan, 1993; Reichheld & Sasser, 1990; P. Williams & N. Earl, 2011; Zeithaml et al., 1996). In another study by Srivastava et al. (1998), whenever customers are satisfied, there is an increase in the volumes of cash-flow and transactions thereby reducing the risk that may involved with business collapse. Hence, market orientation has a positive effect on business performance. It is therefore hypothesized as:

H₅: Market orientation significantly and positively influences business performance.

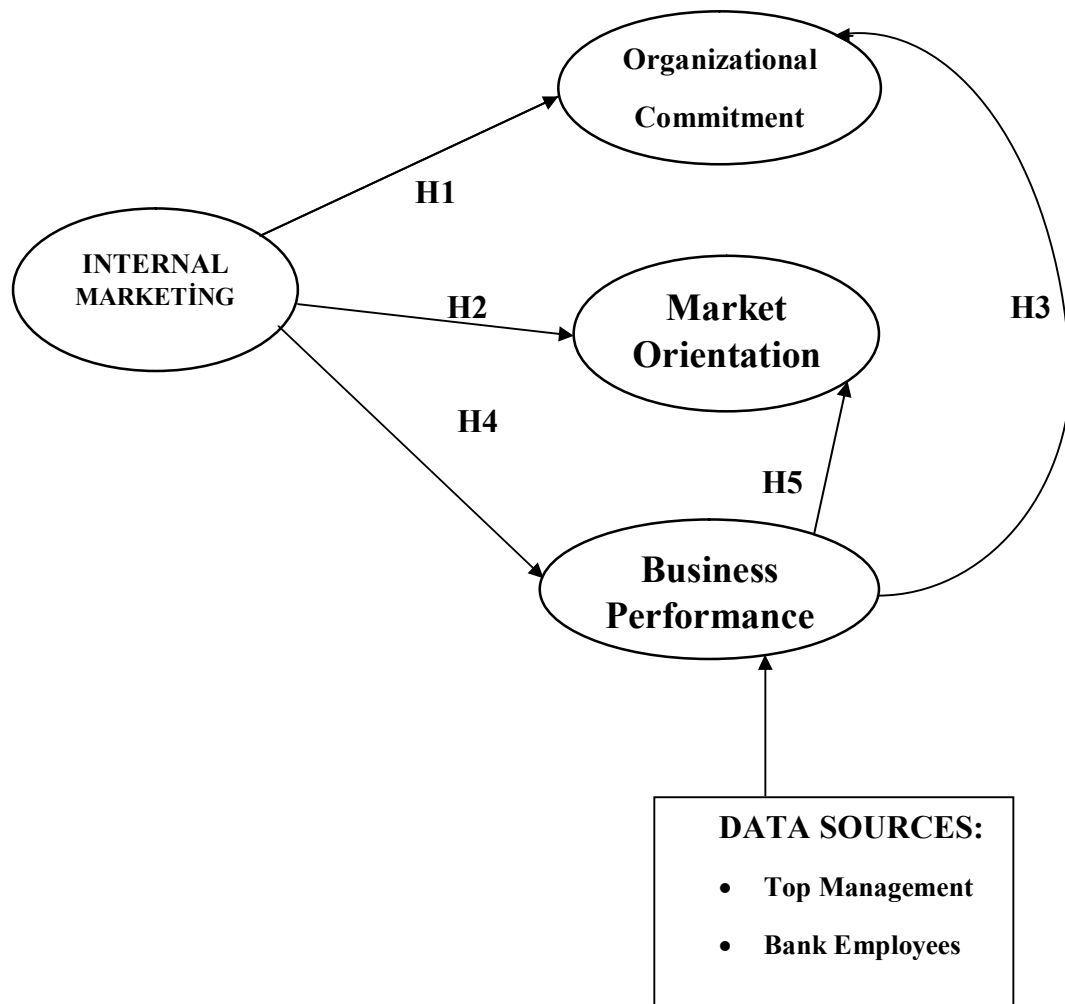


Figure 1: Conceptual Model of Internal Marketing

Chapter 3

METHODOLOGY

3.1 The Research Case study

The system of banking in Nigeria can be said to be the type that plays a very significant role in the economy of Nigeria and is regarded as one of the most important among the service industry due to its direct impact on the lives of the citizens of the country in terms of financial support. According to 2006, it was estimated that about 12.6% (20million) of Nigerians have a bank account; a figure which is said to be about 13% as of today and is expected to double by year 2020. Although the figure is very small; but its nothing compared to the positive impact the banking sector has had on an average Nigerian. Due to its direct connection with well meaningful number of Nigerians, we decided to choose this field of the service industry in order to measure the significance of the programs of internal marketing in relation to Organizational commitment, Market orientation and Business performance. Therefore, our focus was on 12 leading commercial banks out of 20 that operate at present in Nigeria due to 2 major reasons.

- One: these 12 banks have the largest pool of customers, have more networks of branches and engage in a large scale with Nigerian citizens.
- Two: these 12 banks have the largest share of financial services and turnover in the Banking industry.

3.2 Method of Sampling

A field study was conducted by focusing on mainly on 15 representing commercial banks having put into consideration and fully utilized the little time frame and the cost implications that might be incurred unnecessarily. For collection of data from the respondents, questionnaires were administered with the help of a convenience sampling method used as top managers, front line staffs and other major employees selected across the different branches of the 15 commercial banks. Different branches of the commercial banks across the major Cities in Nigeria were put into consideration such as Jos, Lagos, Ibadan, Kano, Port-Harcourt, Enugu, Bauchi, Abuja, Ilorin, Owerri and Ogbomosho. The data collection was carried out between February 2014 and April 2014. Moreover, in relation BP, 2 sources of data were considered and they were the employees which served as the primary data and also the use of secondary sources such as Bank's annual reports and statements. The questionnaire was properly checked to avoid any form of ambiguous, typographical error, measurement or random errors before been distributed to precisely 472 bank staffs that were willing to fill out the survey. After the collection of the questionnaire from the respondents, proper screening was carried out in order to eliminate response error and a total of 374 was found to be adequately filled to desired expectations and were alright for analysis. From the analysis of respondents, it was observed that a total of 200 males and 174 females were finally picked for thorough analysis. By a mere random observation, one could deduce that the proportion of males against females in the banking system all over the 15 selected banks is some-how balanced even though these banks prefer to employ more males than females due to the low turnover and absenteeism from males because females are seen as a class of people who take more time out of job duty.

3.3 Questionnaire design, Variables and measurement

Since it is a banking sector, the respondents appointed are foreseen to be leaned and as such were placed with the solo responsibility of interpreting the terms that were utilized in the questionnaires except otherwise, few cases made the researcher to be present during filling in order to explain terms used. The formulation of the questionnaire was adopted from previous studies due to the validity even though there were some slight modifications.

Table 5: showing the variables

VARIABLE	ITEM	REFERENCE	SCALE
Internal Marketing	15	Money & Foreman, (1996).	5 point Likert scale
Organization Commitment	24	Allen & Meyer, (1990).	5 point Likert scale
Business Performance	10	Venkatraman & Ramanujam (1986).	5 point Likert scale
Market Orientation	17	Narver & Slater (1990).	5 point Likert scale

Therefore, the questionnaire contained five major sections:

1. Internal Marketing section which consists of 15 items previously used by Money and Foreman, (1996).
2. Organizational Commitment section which consists of 24 items previously used by Allen and Meyer, (1990).
3. Business Performance section which consists of 10 items previously used by Venkatraman & Ramanujam (1986).
4. Market Orientation, measured by using Seventeen items adopted from Narver and Slater (1990).
5. Demographic information Gender, Age, Position/Post, Annual Income, education Level and languages spoken.

The survey consisted of five sections: and the four variables consisted of 66 Items and scale measurement (Likert) ranged as *Strongly Disagree (1), Disagree (2), Neutral (3), Agree(4), Strongly agree (5)*.

3.4 Reliability and Validity of Instrument

This research used a significance level of a 0.05 valid point and all tests were performed using the SPSS version 20. The reliability testing is conducted using the alpha coefficient in internal consistency commonly known as the Cronbach's Coefficient Alpha. The validity testing is by the internal consistency approach to obtain the validity of items/higher value of the items. According to Malhotra (2009), measuring instrument is said to be reliable when coefficient value is > 0.6.

3.5 Data Analysis Technique

In accordance with the purpose of research, data analysis is done using Multiple Regression Analysis model which is one of statistical techniques used for predicting the unknown value of a variable from the known value of two or more variables. In a nut shell, we are using the multiple regression model because this study has one dependent variable (Predicted) and 3 independent variables (exploratory) whose known values were used for prediction.

More precisely, multiple regression analysis helps us to predict the value of Y for given values of X1, X2, ..., Xk. Structural equality model has the equation:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + \dots + b_k X_k + \zeta_1 \text{ where}$$

Y = Internal marketing

X1 = Organizational commitment

X2 = Market orientation.

X3 = Business performance.

ζ_1 = error factor.

However, the appropriateness of the multiple regression model in general can be tested by the F-test in the ANOVA table. A significant F indicates a linear relationship between Y and at least one of the X's.

Chapter 4

DATA ANALYSIS, RESULT AND DISCUSSION

4.1 Descriptive Sample Characteristics

Table 6: showing the descriptive sample characteristics.

VARIABLE		N	Percentage (%)
GENDER	Male	200	53.5
	Female	174	46.5
AGE	20 ó 25	22	5.9
	26 ó 30	202	54
	31 ó 35	138	36.9
	36 ó 40	12	3.2
	Others	0	0
EDUCATION	High School	4	1.1
	Bachelor	262	70.1
	Masters	72	19.3
	Professional	11	2.9
	Others	25	6.7

Source: survey data

The table above shows that majority of the employees of the commercial banks are males ranking at 53.5% and females at 46.5%(although, there is no large gap ultimately) while a largest age category of employees fall within 26-30yrs(54%). This is true because majority of the banks hire more people within this age bracket

annually. In-fact, this age category is a criterion for job application in most of the banks in Nigeria. Also, it can be seen that the level of education for most employees in the bank seem to be very efficient; with the highest category having at least a Bachelor degree. This is true also because almost all the commercial banks in Nigeria give a lot to discrimination among the type of degree people might have earned; and also in the kind of position they can allow you to function. Other degree types apart from Bachelor and Masters have very menial roles with little or no job empowerment.

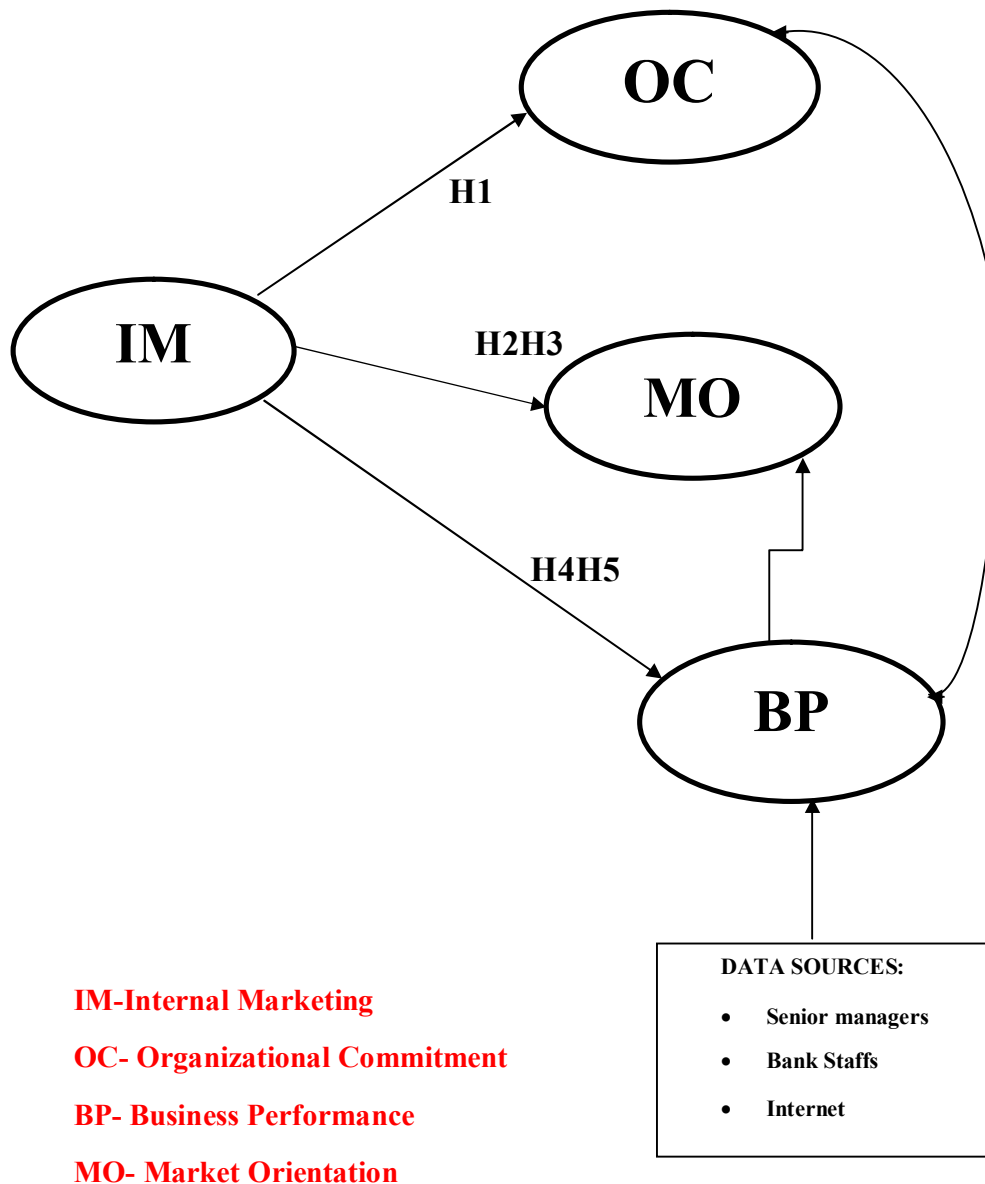


Figure 2: Conceptual Model of Internal Marketing

4.2 Pearson Correlation Analysis

Table 7: showing the Pearson correlation of analysis. Where N=374.

VARIABLE	M.value	SD	IM	OC	BP	MO
IM	3.7241	.49465	1.000			
OC	3.1654	.31612	.211**	1.000		
BP	3.7930	.49621	.619**	.122**	1.000	
MO	3.4926	.49188	.519**	.157**	.511**	1.000

Source: The Survey Data

**Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

The table shows that employees of those 12 commercial banks in Nigeria perceived business performance to be the most dominant of the entire banking processes having had the highest mean scores of Mean = 3.7930. This is followed by internal marketing with the mean = 3.7241; Marketing Orientation with Mean = 3.4926; and lastly with Organization commitment with M = 3.1654 respectively. Moreover, the Pearson correlation says coefficient values are in range of -1 to 1, while the weakest linear relationship is indicated by a correlation coefficient equal to 0. This is to say that when a positive correlation of a variable gets bigger, the other variable will also get bigger as well; the same principle applies to a negative correlation. From this analysis as shown in table (7), N represents the number of respondents which is 374.

The Pearson correlation result as shown above predicts a low significance and positive relationship between the IM and OC(.211**); also, a high significance and positive linear relationship between IM and BP (.619**); while internal marketing

and Marketing orientation has a medium but positive and significant correlation at $r=.519^{**}$.

This further means that Internal marketing program has a direct impact and positive significance on all of the 3 dependent variables even though varying.

4.3 Regression Analysis

Table 8: Analysis of regression statistics

VARIABLES	Beta	t-value	p- value	Adjusted R ²
ORGANIZATION COMMITMENT	0.211	4.156	.000	.420
MARKET ORIENTATION	0.619	15.201	.000	.381
BUSINESS PERFORMANCE	0.519	11.433	.000	.268

The Hypothesis deduced in this study test for the impact of each dependent variables (OC, BP & MO) on the independent variable(IM) in terms of significance and relationship. In view of this, multiple regression analysis was adopted using the SPSS v20 to analyze the data collected. The proposed model as seen above was adequate as the F-statistics (p-value = 0.000) was significant at the 5 percent level ($p = 0.05$). This indicated that overall model has a statistical and significant relationship between internal marketing program and all the three dependent variables.

4.3.1 Simple Regression Analysis

Table 9: showing the simple regression model.

MODEL	Unstandardized coefficient		Beta	t-value	p- value	Adjusted R ²
	B	Std. Error				
IM → OC	.135	.032	0.211	4.156	.000	.420
IM → MO	.619	.041	0.619	15.201	.000	.381
MO → OC	.100	.033	0.157	3.046	.002	.022
IM → BP	.518	.044	0.519	11.674	.000	.268
MO → BP	.516	.045	0.511	11.433	.000	.260

Source: Derived from the Survey Data

Every Hypothesis was tested separately by using the Simple multiple regression analysis. From the table above, the variance observed in OC related to IM and therefore supports our Hypothesis 1 showing a positive; significant linear results that can be explained with the results shown at 42% with Beta value = 0.211, t = 4.156, B= .211 & p = .000. In the same measure and explanation of regression for the number 2 Hypothesis which is IM and MO showing a positive; significant linear results that can be explained with the results shown at 38% with Beta value = 0.619, t = 15.201, B= .619 & p = .000; these values acknowledge the acceptance of Hypothesis 2. Also, the third measure shows a linear relationship between Marketing Orientation and Organizational commitment with beta = .157, t = 3.046, B=.100 and p = .002. Furthermore, regression table explains the variability in business performance with internal marketing and it can be shown that 26.8% while beta is .519, p = .000, B= .518, and t= 11.674, and therefore puts Hypothesis four on the acceptance level. Lastly, the Hypothesis Five is justified with a linear correlation

between MO and BP and it is shown as 45% variability and; $\beta = .511$, $p = .000$, $B = .516$ and $t = 11.433$ respectively.

4.4 Discussion

This research work is study examines the significance of IM on MO, OC and BP of commercial banks in Nigeria and based on the statistical results as analyzed above, we can conclude the following for the hypothesis below.

4.4.1 Internal Marketing and Organization Behavior (H1)

The result shows that there is a significant and positive linear impact of internal marketing on organization commitment thereby supporting the previous studies as discussed in the chapter 2. Therefore, we may proceed to conclude that the internal marketing program adopted by the management of the banks involved by showing concern for their employees' need and wants, and also provide a good rewards system has a huge impact on how the employees see themselves in the banks and how long they will remain committed. Just like previous studies, a committed employee is highly likely to have job satisfaction and will also give back a good service to the organization's customers and in turn bring about profits (Wu & Tsai, 2006).

4.4.2 Internal Marketing and Market Orientation (H2)

From the empirical results, it was found that internal marketing has a linear relationship and has a significant impact on market orientation. It shows that the managements of those banks invest much in training and development which in return makes the employees to become competitor and customer conscious of the external customers. The ultimate of the internal marketing is to ensure that employees are well treated and therefore put customer service functions as their priority. In addition, the findings and results can be related to previous studies which

suggests that internal marketing is good enough to boost the awareness of the employees as regards their rivals and customers (Awwad & Agti, 2011; and Lings, 2000)

4.4.3 Market Orientation and Organizational performance (H3)

From the analysis of the study, although there seem to be a weak but positive correlation, market orientation (independent Variable) has got a positive relationship and influence on OC (dependent variable). Although, organizations that are more market oriented always have a significantly higher level of organizational commitment (Michael, 2009). Also, based on previous studies that suggested that market orientation has a high significance on organization commitment; have only used Affective commitment as their yardstick to measure commitment level and then concluded that market orientation is only significant to affective commitment (Caruana et al., 1997). Based on this result, it is possible to have bank employees in Nigeria among a large number who are customer focused but are not still totally committed to the organization. The employee that fall within this category may have only a normative commitment only while affective and continuance is totally missing.

4.4.4 Internal Marketing Practice on Business Performance (Hypothesis 4)

From the current study, it was found that IM is significant and is positively influencing BP of the banking sector in Nigeria. As a matter of fact, it had the highest correlation among all of the other dependent variables. This means that a good internal marketing program will bring about a higher competitive advantage, market share and profit. Also, a significant and positive result will definitely amount to a significant result for business performance since the whole essence of the organization is to make profit and to be a market leader. Furthermore, the findings

and result from this study relates with the previous research work, such that employees who are first treated as internal customers through the banks' internal marketing programs will be more ready to boost the company's performance. Management motivation, effective training, job empowerment and effective communication among employees and management are said to be the tools of a good internal marketing program; and all of these contribute towards the organization's business performance (Joyal & Rhee, 2011; Panigyrakis & Theodoridis, 2009; Tortosa, Moliner, & Sanchez, 2009).

4.4.5 Market Orientation and Business performance (H5)

Based on the analysis of the study, we can deduce that market orientation (independent Variable) has a significant and positive influence on business performance (dependent variable). This means that when an employee of a bank is customer oriented, it will always translate into a high level of BP and also as related to the organization's competitive advantage. Relating this with other previous studies, they also suggested that market orientation has a high significance on business performance because there will be a build-up of satisfied customers who will remain loyal to the bank as well as helping to pass a positive word of mouth to prospects thereby leading to greater returns of profit and market share (Reichheld & Sasser, 1990; P. Williams et al., 2011; Zeithaml et al., 1996).

Chapter 5

CONCLUSION AND FURTHER RECOMMENDATION

5.1 Conclusion

Based on the analysis from this research work, one can conclude that internal marketing indeed plays a big role in any service organization such as we did for commercial banks in Nigeria. From a well detailed internal marketing program and concept, there is usually a highly profitable company. In order to have employees who are more willing to stay committed, contribute immensely to the growth of the establishment, and remain with your organization, your approach of internal marketing will go a long way to determine this. Nevertheless, the results from this study provide more information on areas where more attention is needed.

Internal marketing although has a linear relationship and positive impact on organization commitment at (.211**); there is still a lot to be done in that aspect. A proper, justified and rich internal marketing program should also indicate a very strong organization commitment by the employees. An employee, who is well catered for, highly paid, recognized as a top priority in the bank, receives other allowances and bonuses, well trained and developed among other benefits will have little or no intentions of leaving their jobs talk-of of joining a rival bank or another financial institution. More-so, organization commitment on business performance seems to be the least among the 3 dependent variables at (.122**) also indicates that a poorly implemented internal marketing program will affect organization

commitment and will in turn affect the entire business performance of the Bank. The same thing applies as we look in organization commitment and market orientation (.157**). An employee that is not totally committed to the bank may also not be customer oriented. An absolutely poor customer relationship management is an indication of also a collapsed and poor level of organization commitment.

5.2 Recommendations

- Management of the Bank should ensure a policy that grants job empowerment and also mandate a condition that allows employees to participate in the decision making process. By doing this, they truly have a sense of belonging and not seeing themselves as been used.
- Bank's Managements who are definitely willing to improve their external customer's satisfaction must develop employee competence at all cost in order to boost the image of the bank.
- Putting into consideration that Human Resource is the greatest asset Nigeria possesses, managers and business owners must insist on a rich internal marketing program for their organization. It is one of the essential tools to a successful establishment.
- An effective management style should be the type that focuses on encouraging and developing the different skills of the employee through further trainings of interest and at no extra cost.

5.3 Limitations

A major limitation for this study was the concern of time and cost issues encountered. This restricted the sampling method to convenience sampling; and this may not give a better result as desired in terms of strength of generalization.

Although the study was carried out using Nigeria as a case study, respondents were still subject to just fewer percentages of people living in the cities, and other big towns.

5.4 Future Research

Therefore, future research can go further into the small towns, villages and communities where banking operations are carried out.

Also, since this study was focused mainly on Nigerian banking sector, therefore the conclusion needs to be tested again through more research works in other economic sectors in order to be established if these results can be generalized.

More-so, this study was conducted on a small number of respondents; a future study can use the same model on larger respondents in order to get a solid findings and results.

Lastly, future efforts should continue to advance our understanding of the concepts Internal Marketing. This is important because practitioners and researchers must have new ideas about the understanding of Internal Marketing and most importantly on how to measure it.

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