An empirical investigation of the impact of commitment and trust on internal marketing

ABSTRACT

This paper seeks to explore the impact of commitment and trust on internal marketing effectiveness within the hospital industry. This study was exploratory in nature and was conducted using the case study methodology; involving ten cases in the hospital industry with a total of 20 interviews being conducted. Results revealed that both commitment and trust played a moderating role to five of the key tasks (i.e. training, motivation, company vision/goals, co-optation and communication) of effective internal marketing.

KEYWORDS: Internal marketing, relationship marketing, commitment, trust, services marketing, service quality

INTRODUCTION

Services play a major role in the world's established economies and are increasingly important in developing economies. In today's increasingly dynamic, deregulated, technologically enhanced and unpredictable business environments, services organizations seek to develop competitive advantage through the delivery of consistently high service quality, to improve customer satisfaction. In order to achieve high level of service quality, Berry, Hensel, and Burke (1976) had some 30 years ago proposed and highlighted the importance and significant contribution of internal marketing in this aspect. For this reason, many hospitals and healthcare service providers nowadays seek to explore ways in which they can better engage and capitalize internal marketing to enhance the service quality provided to their customers/patients (Berkowitz, 2011; Cooper & Cronin, 2000; Peltier, Pointer, & Schibrowsky, 2008).

Despite the extensive literature on internal marketing (e.g. Ahmed & Rafiq, 2003; Ballantyne, 2003; Greene, Walls, & Schrest, 1994; Grönroos, 1994; Rafiq & Ahmed, 2000), there is an apparent lack of research into the importance of commitment and trust on internal marketing and specifically within the hospital industry. Therefore, this paper aims to investigate the impact of commitment and trust on internal marketing. This study draws from both the theory and the preliminary empirical knowledge acquired from interviewing stakeholders who are directly involved in internal marketing at hospitals in Taiwan and Singapore. Hence, this exploratory research will seek to address the question '*What are the impact of commitment and trust on internal marketing effectiveness? Why?*'. The research findings seek to contribute towards the internal marketing theory, specifically in the hospital context by exploring new insights and also with the confirmation or disconfirmation of the impact of commitment and trust as identified in the literature. In addition, the findings can also provide

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practical contributions that are beneficial to hospital managers where their competitiveness in the industry can be further enhanced through the development of effective internal marketing that help to deliver consistently high service quality in improving customer satisfaction.

This paper begins by reviewing the literature relevant to the research issue and then discusses the methodology used in investigating this issue. Next the research findings will be presented. These are followed by the conclusions drawn from the research, the implications from these and finally suggestions for future research are drawn.

LITERATURE REVIEW

While there are several different definitions for internal marketing (e.g. Berry & Parasuraman, 2004; Grönroos, 1985; Han, Hsu, & Sheu, 2010; Piercy & Morgan, 1989), but there is no one single agreed concept of what it is meant. However, there are five key components that should be considered when setting the boundaries of the internal marketing concept, namely (1) customer orientation and customer satisfaction (Arnett, Laverie, & McLane, 2002; Grönroos, 1981, 1985; Lee, Song, Lee, Lee, & Bernhard, 2013; Robledo & Arán, 2014); (2) employee motivation and satisfaction (Esfahani, Amirosadat, Rahimi, & Marandi, 2013; Yao, Chen, & Cai, 2013); (3) marketing-like approach to employee and customer satisfaction (Cervone & Pervin, 2009; Grönroos, 1994; Han et al., 2010; Keelson, 2014; Wu, Tsai, & Fu, 2013); (4) inter-functional coordination and integration (Al-Hawary, Al-Qudah, Mash'al Abutayeh, Mash'al Abutayeh, & Al-Zyadat, 2013; Farzad, Nahavandi, & Caruana, 2008; Ferdous, Herington, & Merrilees, 2013; Han et al., 2010); and (5) implementation of specific corporate or functional strategies (Karlíček, Chytková, Tyll, & Mohelská, 2014; Keelson, 2014; Papasolomou & Vrontis, 2006). With this in mind, internal marketing can be broadly referred to as "A planned effort using a marketing-like approach to

overcome organizational resistance to change and to align, motivate and inter-functionally co-ordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer orientated employees." (Rafiq & Ahmed, 2000, p. 454).

It has been evident that there exists continual internal resistance to marketing in many organizations, but unless employees' needs are satisfied, the delivery of high level service quality to external customers is not possible (Ballantyne, 2003; Han et al., 2010; Malhotra, Mavondo, Mukherjee, & Hooley, 2013; Wu et al., 2013). Thus, internal marketing plays an important role in achieving and improving customer satisfaction through a process of motivating and satisfying employees who will be committed and supportive towards the implementation of customer-oriented strategies (Arnett et al., 2002; Fang, Chang, Ou, & Chou, 2014; Fu, 2013).

The literature indicates that there are several activities and/or tasks that a company undertakes in its internal marketing and the extent to which these activities and/or tasks are being conducted can potentially influence the effectiveness of internal marketing. Therefore, a detailed understanding of these activities and/or tasks can further enhance the success of internal marketing, and leading to improved service quality and a greater level of customer satisfaction. Although the literature has revealed empirical investigation into the different categories of activities and/or tasks which can be broadly classified as follow: (1) recruitment (Akroush, Abu-ElSamen, Samawi, & Odetallah, 2013; Feist & Feist, 2009; Han et al., 2010; Rafiq & Ahmed, 2000); (2) training (Ahmed, Rafiq, & Saad, 2003; Conduit & Mavondo, 2001; Piercy & Morgan, 1989; Wu et al., 2013); (3) motivation (Chow, Lai, & Loi, 2015; Han et al., 2010; Rafiq & Ahmed, 2000); (4) communication (Ahmed & Rafiq, 2003;

Ballantyne, 2003; To, Martin, & Billy, 2015); (5) company vision/goals (Hartley & Trout, 2015; Kale, 2012; Tsai & Tang, 2008); and (6) co-optation (Martinez, Stinson, & Jubenville, 2011; Nyongesa, 2014; Peltier et al., 2008), but there is limited evidence of such studies being conducted to provide greater insights about the impact of commitment and trust on internal marketing, which is the key focus of this study.

While the commitment-trust theory of relationship marketing proposed by Morgan and Hunt (1994) was widely documented, the focus has been mainly on external suppliers and customers (Brito, Brito, & Hashiba, 2014; Eddleston & Morgan, 2014; Friman, Gärling, Millett, Mattsson, & Johnston, 2002; Gao, Sirgy, & Bird, 2005; Mukherjee & Nath, 2007), and very few studies were conducted internally within the organization, specifically on employees and functional departments (Georgiades, 2015; Podsakoff, MacKenzie, & Bommer, 1996; Ruekert & Walker Jr, 1987). As such, this research study attempts to bring the two themes together by applying the commitment-trust theory in the context of internal marketing within the hospital industry.

A preliminary framework (Figure 1) is developed and derived from Morgan and Hunt (1994) for this study to investigate the potential impact of commitment and trust on the effectiveness of internal marketing. Each of these drivers of commitment and trust will be addressed in turn.

Insert Figure 1 about here

Commitment is regarded as one of the most important variables in relationship marketing where exchange partners believe that an ongoing sustainable relationship with one another is

critical, has significant mutual benefits that requires maximum efforts to maintain (Cullen, Johnson, & Sakano, 2000; Jap & Ganesan, 2000; Morgan & Hunt, 1994; O'Donnell, Brown, & Marsh, 2014). Commitment also plays a critical role in determining between 'stayers and leavers' where such commitments to the learning processes and investments are evident to the continuity of the valued relationship (Dwyer, Schurr, & Oh, 1987; Handfield & Bechtel, 2002; Jain, Khalil, Johnston, & Cheng, 2014). Furthermore, commitment can ensure future value and benefits to businesses that are involved in the relationship (Caceres & Paparoidamis, 2007; Macht, 2014; Ng, 2012).

On the other hand, *trust* is seen as a fundamental element in developing successful relationships and signifies the willingness to rely on and confidence that exchange partners have on each other (Grudinschi, Sintonen, & Hallikas, 2014; MacMillan, Money, Money, & Downing, 2005; Morgan & Hunt, 1994; Wong & Sohal, 2002). Trust encourages open communication, exchange of ideas, knowledge and sharing of resources between exchange partners that improve the relationship (Cowles, 1997; Ratnasingam, 2005; Schnackenberg & Tomlinson, 2014). The level of trust between exchange partners serves as a key indicator to the continuity of the relationship as well as their success (Dahwa, Al-Hakim, & Ng, 2013; Doney & Cannon, 1997; Sharma & Patterson, 1999). It is also important to highlight that trust influences commitment since relationship characterized by a high level of trust are highly valued by exchange partners that will have a stronger desire to commit themselves to such a relationship (Goodman & Togna, 2014; Kwon & Suh, 2005; Morgan & Hunt, 1994; Rodríguez & Wilson, 2002).

Relationship termination costs refer to all anticipated losses from the termination of the relationship that result from the perceived lack of similar potential alternative partners

(Morgan & Hunt, 1994). These costs can be financial (e.g. switching and opportunity costs, dissolution expenses) and non-financial (e.g. loss of reputation, unnecessary stress) in nature that have a significant impact on the level of commitment towards an on-going relationship (Liao, Wang, & Yeh, 2014; Sharma & Patterson, 2000; Tähtinen & Vaaland, 2006). Therefore, it is the expectation of total costs that influences commitment where higher costs involved are likely to generate a higher level of commitment. This study posits that relationship termination costs will impact on the level of commitments from employees and the management, which in turn influence the effectiveness of internal marketing.

Another key driver of commitment is *relationship benefits*. In order to attain a long-term sustainable relationship, there needs to be perceived values derived from a relationship that are mutually beneficial to the exchange partners (Hohenthal, Johanson, & Johanson, 2014; MacMillan et al., 2005; Palmatier, Dant, Grewal, & Evans, 2006). Furthermore, businesses that deliver superior benefits are highly valued, and in return exchange partners will be more willing to commit themselves to developing and maintaining such relationships (Edvardsson, Klaus, Payne, & Frow, 2014; Friman et al., 2002; Wetzels, De Ruyter, & Van Birgelen, 1998). Thus, this study suggests that higher relationship benefits for employees and the management will lead to greater commitment from both parties towards the development and maintenance of the relationship, which can have an impact on the effectiveness of internal marketing.

Shared values are the extent to which exchange partners agree and/or disagree towards the understanding and beliefs about the behaviors, goals and policies that they have in common (Danchev, 2005; Morgan & Hunt, 1994; Zineldin et al., 2015). Shared values also play a critical role in facilitating business relationships by contributing to the development of

commitment and trust between exchange partners (Battisti & Perry, 2015; Dwyer et al., 1987; Friman et al., 2002; Mukherjee & Nath, 2007). This study proposes that a higher degree of mutual acceptance of shared values will contribute to increased commitment and trust between employees and the management, which can affect the effectiveness of internal marketing.

One of the key drivers of trust is *communication*, which can be broadly referred to the formal and informal sharing of valuable information between businesses (Lages, Lages, & Lages, 2005; Shipilov, Gulati, Kilduff, Li, & Tsai, 2014). Regular communications in a relationship can help minimise and resolve disputes and ambiguities, increase frequency on the exchange of accurate and critical information, and align perceptions and expectations (Cason & Mui, 2014; Koza & Dant, 2007; Ryssel, Ritter, & Gemünden, 2004). Through communication, trust and openness between exchange partners can be enhanced and leading to mutual benefits. This study posits that communications between employees and the management will have adverse effects on the level of trust they have on one another, which can influence the effectiveness of internal marketing.

Opportunistic behavior refers to self-interest seeking with guile and can result in extensive violation of rules and information distortion that affects the trust between exchange partners (Mastilak, Matuszewski, Miller, & Woods, 2014; Mukherjee & Nath, 2007). In addition, where exchange partners lack the means to deal with opportunism, relationship risk will be perceived as high, and resulting in the relationship being terminated (Brown, Dev, & Lee, 2000; Kwon & Suh, 2005; Nooteboom, Berger, & Noorderhaven, 1997; Wiengarten, Humphreys, Gimenez, & McIvor, 2015). This study proposes that when employees and/or the management believe that the other party engages in opportunistic behavior, such perceptions

will lead to decreased trust and subsequently impact on the effectiveness of internal marketing.

RESEARCH METHODOLOGY

This research was exploratory in nature and conducted using the case study methodology, which was aimed to confirm or disconfirm the impact of commitment and trust in the preliminary framework, as identified in the literature reviewed (Parkhe, 1993; Yin, 2014). The adoption of the case study approach is justified on three grounds. Firstly, the approach for this research focused on exploring the complexity and dynamism of the context within organizational settings and events such as the impact of commitment and trust on internal marketing in the Taiwan and Singapore hospital industry (Carson, Gilmore, Perry, & Gronhaug, 2002; Perry, 1998; Yin, 2014). Next, case study research focuses on an organization or industry with the aim to rigorously explore and analyse thoroughly the contemporary real-life experiences and events while retaining the holistic and meaningful characteristics of these experiences and events. This helps to capture the richness and depth of contextual meaning (such as the reasoning on how the key drivers of commitment and trust can potentially influence the effectiveness of internal marketing) that can give raise to possible new insight (Yin, 2014). Lastly, case study research provides a more informed basis for theory building than surveys and is considered appropriate for new research areas or research areas where existing theory is inadequate (Eisenhardt, 1989; Patton, 2002; Yin, 2014). As evident in this research, there are limited research studies in this area, particularly in the Taiwan and Singapore hospital industry context. Through case studies, this research will attempt to investigate the complex business environment in the hospital industry that provides a real-life account of the research issue raised in this research and builds on theory for further conclusive research.

Ten cases within the hospital industry were selected judgmentally based on the criteria that they have operated in the industry for a minimum of 10 years and practiced internal marketing for at least three years. For each case, two interviews were conducted with the relevant director or equivalent (who is involved in managerial activities) and a lower-middle level manager or operational staff (who is involved in the daily operational activities), to determine if significant differences existed between management versus operations perspectives.

In this research, replication logic in multiple case studies was used to achieve external validity, while the construct validity of this study was achieved with the use of multiple sources of evidence through secondary sources (such as the hospital's development plans, service charters and other relevant documentations) which were used to further triangulate the results. These interviews were semi-structured in nature and conducted in a flexible and informal manner that provided a greater sensitivity to misunderstanding by interviewees and also to reveal in-depth understanding and information about feelings and emotions toward commitment and trust that were considered influential to the effectiveness of internal marketing. Furthermore, a case study protocol was developed and used throughout the interviewing process, in order to enhance the reliability of the study and also to ensure all relevant issues were consistently addressed and conveyed to the interviewees. The duration for each of the in-depth interview lasted approximately 60 minutes.

Data analysis

This study has adopted the content analysis procedures that began with the coding of themes in the interview questions, which assisted in organizing the data for easier retrieval (Berg, 2012; Miles, Huberman, & Saldana, 2014; Neuman, 2011). In this analysis, data in each

interview was coded in terms of the actual questions on the interview protocol, which could assist in revealing relationships and new ideas or areas for coding (Berg, 2012; Neuman, 2011). The coded interviewing questions within each interview were then compared and contrasted to identify the major issues and derive some form of generalization (Berg, 2012; Neuman, 2011). In addition, narrative text and quotations from case studies were used to enhance the credibility of data analysis and also to add qualitative insights to the research issues (Patton, 2002). The findings of this research will be discussed in the next section.

RESULTS

A total of 20 in-depth interviews were conducted with 10 hospital cases (i.e. eight from Taiwan and two from Singapore) with the majority of the interviewees (12 out of 20) being females while the remaining eight were males. Seventeen of the 20 interviewees had 10 or more years of experiences in the hospital industry, while other interviewees had at least five years of relevant experiences. All interviewees had direct involvement in activities related to internal marketing. A summary of the interviewees' profile is presented in Table 1.

Insert Table 1 about here

The findings were generally consistent across the interviewees who agreed that commitment and trust identified in the literature as being influential to the effectiveness of internal marketing. Results revealed that both commitment and trust played a moderating role to five of the key tasks (i.e. training, motivation, company vision/goals, co-optation and communication) of effective internal marketing. In addition, the study found no major differing opinions between interviewees from the management and operational perspectives with regards to the impact of commitment and trust on internal marketing effectiveness.

Relationship termination costs. All interviewees agreed that relationship termination costs could impact on the effectiveness of internal marketing, particularly through tasks related to training, motivation and co-optation that company undertakes. Interviewees revealed that high termination costs would lead to an on-going employer-employee relationship being regarded as important since there were much higher stakes involved, and as a result both the employer and employee giving greater commitment to the relationship that would enhance internal marketing effectiveness.

From the management perspective, they were more likely to commit and engage in activities and tasks that would motivate (e.g. performance incentive programs) and co-opt (e.g. career advancement opportunities) their employees so that they were satisfied and remain loyal to the hospital, which could contribute positively to the effectiveness of internal marketing. This was supported by an interviewee (C1) stating that: "*We cannot afford the significant costs (related activities and training with new recruitment) involved if we were to lose them. We would rather invest to retain them, making them feel motivated and valued as part of the team so that they are happy in their jobs and willing to deliver high quality service to the patients. Happy staff means happy patients.*" Another interviewee (E1) also supported this by commenting: "*We have monthly service excellence award for employees who demonstrate exceptional level of service delivery. This gives them a sense of achievement and recognition by others of what they have done well. This award also aims to motivate others to excel. Through this, we hope that good staff will continue to stay on with the hospital.*"

On the other hand, interviewees from operational roles also indicated that they would engage more seriously to understand, adhere and align their performance to the hospital's service delivery standards and culture, to avoid hefty termination costs. In order to enhance their performance, they would seek to improve their knowledge, skills and abilities through

attending relevant training programs provided by the hospital, which could have a positive impact on internal marketing. This was supported by comments from interviewees (D2 and K2) stating: "*I will do whatever it takes to secure my job, this includes attending additional training courses and seminars. I suppose this will only benefit me if I intend to stay on at this hospital.*" "*It will be silly of me not to take advantage of the training courses to improve on my knowledge and skills, this at least shows that I am keen to meet the hospital's performance requirements and will not lose my job.*"

Relationship benefits. Interviewees indicated their support for relationship benefits being influential to the effectiveness of internal marketing. They suggested that employees and employers who were capable of delivering superior benefits would be highly valued, and therefore more committed to the on-going development of such relationships. As a result, internal marketing effectiveness could be improved.

From the management perspective, they were incline to commit themselves in developing and maintaining the relationship with the employees, specifically through tasks such as training, motivation and co-optation. This could motivate employees to attain greater job satisfaction, improving their performance, and also retaining them as valuable assets to the hospitals, which could contribute positively to the effectiveness of internal marketing. In supporting this, an interviewee (H1) commented that: "*We provide advance training programs to our employees whom we see great potential in them. Not only that their skills and knowledge can be further developed but also giving them career advancement opportunities. By doing this, we can retain and capitalize our employees' know-how, valuable experience, and newly acquired skills and knowledge to the benefit of our hospital.*" Another interviewee (D1) also stated: "*We have reward programs (e.g. recognition of*

performance, long service awards, and customer service excellence) that seek to recognize the employees' contributions made towards the hospital. We believe that without these valuable employees, our hospital will not be as successful."

Interviewees from operational roles also suggested that their commitment to the hospitals would greatly increase as a result of substantial benefits arises from the relationship. They regarded the benefits (e.g. performance incentive) as key motivating factors for them to remain loyal working at the hospital and played an important role in stimulating job satisfaction, which in turn impact on the effectiveness of internal marketing. Interviewees (A2 and E2) who supported this stated: "*Given that the hospital provides some great benefits (e.g. pension, health-related entitlements) to me, I will be very reluctant to quit my job. I will do my best to help in any way that I can for the hospital to avoid losing these benefits." "I am committed to working at this hospital because I feel that my efforts are being recognized and well compensated. The rewards and performance incentives given are good and I am encouraged to perform better the next time round."*

Shared values. Interviewees revealed that shared values could impact on internal marketing effectiveness. They believed that commitment and trust between employees and the management would be enhanced through a better alignment of their beliefs and understanding toward the appropriateness of behaviors, goals and policies that existed in the hospital. Consequently, this would contribute to the effectiveness of internal marketing.

Interviewees from management roles suggested that a higher level of commitment and trust between employees and the management could occur when there were evidences of agreement by both parties about the goals and vision (e.g. service philosophy) of the hospital.

They believed that employees played a critical role in the success of the hospital and needed to be a part of the hospital's mission and vision statements. This would enable employees to appreciate how their work would fit into the hospital and its goals, as well as understanding the rationales behind them. Furthermore, it offered employees the feeling of being an integral part of the hospital and thus leading to greater job satisfaction. Through this, internal marketing would be more effective. In supporting this, interviewees (B1 and G1) commented: "*When the two (hospital and the employee) see eye to eye, they agree with each other and will be committed to working together in order to achieve their common goals.*" "*Our mission statement reads 'Employees will be given similar respect and caring attitude within the hospital that they are expected to demonstrate externally with every patient.' Our employees are important to us and we have to ensure that they feel being part of the big family where they will commit to doing their best and trusting us to do the same in return.*"

From the operational perspective, interviewees also agreed that their commitment and trust towards the management would increase when they share the values and beliefs of the hospital. They indicated a higher level of performance and enthusiasm in assisting the hospital to achieve its goals if they concur with them. However, any discrepancies would only result in their half-hearted effort that would be detrimental and counter-productive. Therefore, the effectiveness of internal marketing could be affected by co-optation in which employees seek to foster and support the philosophy and culture of the hospital that their values coincide with. An interviewee (B2) supported this by commenting that: "*I go beyond my duties to provide good service to the patients as I like to see them being happy. The hospital that I work for has placed great emphasis on service quality. I embrace this type of service culture and it makes working here so enjoyable.*" Another interviewee (J2) also commented: "*The hospital actually does what it says on its mission (Providing healthcare*

services to patients regardless of you being rich or poor) and provides patients with healthcare services even though they cannot afford the expenses. I am very supportive of this important societal value and am proud to be a part of it where I can contribute to this belief."

Communication. Interviewees suggested that the effectiveness of internal marketing could be affected by the extent and nature of communications between employees and the management. They also indicated that regular communications could enhance trust and openness in their relationship, and more importantly align perceptions and expectations, to avoid unnecessary disputes and misunderstandings. Therefore, the use of appropriate communication channels and techniques could impact on internal marketing effectiveness.

From the management perspective, interviewees revealed that it was important for them to maintain regular communication via different channels, to effectively convey the hospital's visions and goals to the employees. Through this, the hospital would generate a greater level of employees' attention to its service quality standards and therefore delivering quality service to the patients, and subsequently improving the level of satisfaction. An interviewee (K1) who supported this commented: "*By having regular communications (e.g. daily section and fortnightly departmental meetings) with my staff, there will be no ambiguity in terms of what our goals are and how we are going to achieve them. Everyone knows their roles and focus on the tasks to be accomplished.*" Furthermore, the hospital could also attract, develop and retain employees who share its visions and goals, and the level of trust between them would increase as they gained better mutual understandings. This was supported by an interviewee (F1) who stated: "*If we have effectively communicated the hospital's visions and missions to the employees, those who share these similar values and beliefs are more likely to take ownership of their work and stay on in the hospital.*"

Interviewees from operational roles also agreed that communications played a critical role in the effectiveness of internal marketing. In fact, they argued that the lack of effective communication from the management, together with inappropriate channels and techniques used were one of the key factors that led to many internal marketing failures. This was supported by an interviewee (C2) stating: "*I don't feel like I am an employee working at this hospital. Often I only get to know about important policy decisions from outside sources, and this is embarrassing for me. I like to hear it from the management first instead.*" Furthermore, interviewees also criticized the occasional provision of inaccurate information to them that led to unnecessary confusions, anxieties and misunderstandings, which had adverse effects to their trust on the management. An interviewee (F2) supported this by commenting: "*I appreciate the management's willingness to share information about the hospital's plans and decisions with us, but this information needs to be correct. Inaccurate information can cause chaos and anxiety among us. This affects my level of trust on them.*"

Opportunistic behavior. Interviewees revealed their support for opportunistic behavior as being influential to the effectiveness of internal marketing. They admitted that opportunism has damaging effects on the relationship between employees and the management. As a result, their trust for one another would decline and subsequently leading to a decreased relationship commitment. Interviewees believed that this self-interest seeking attitude had no or little consideration and respect for the other party (employee or the management) and would hinder the effectiveness of internal marketing.

From the management perspective, interviewees suggested that employees who demonstrate opportunistic behavior were less cooperative to work with the management in achieving the

hospital's visions and goals. They also revealed that employees driven by opportunism were more reluctant and less enthusiastic to participate and attend training programs and workshops. This could have a significant impact on the effectiveness of internal marketing. This was attested by interviewees (A1 and J1) who stated: "*There are a few of my staff that does not cooperate because they do not see the direct benefits for them. And this makes my job a lot more difficult to bring the department together in order to achieve the hospital's goals.*" "*I have a few staff in particular that often look restless and reluctant to attend those training sessions. When I ask them why, they mention that there are no monetary benefits involve and instead will delay their time from going home.*"

On the other hand, interviewees from operational roles also agreed that they were unwilling to cooperate if the management (managers or supervisors) had only been motivated to attain their personal interest (e.g. career promotion) and was not genuine in leading the employees towards achieving the hospital's goals. In addition, they revealed that in some instances the management would display opportunistic behavior at the expense of the employees. This had resulted in severe criticism by the employees and also losing their trust and faith in the management. With this, the effectiveness of internal marketing would be greatly affected. In supporting this, interviewees (G2 and H2) had commented: "*Some managers will tell the staff that the directives are coming from higher up in the hospital and they are required to adhere to the instructions so that the hospital's missions can be achieved. However, I noticed that this is not always true since the managers have their own agenda and for obvious personal gains. How can I trust someone like this? To be cooperative and doing my best will be out of the question.*" "*Quite often, some managers will tell their staff to improve on their performance and do more, but this usually only benefit the hospital and the managers themselves. We are not necessarily rewarded and there is nothing in it to motivate us to do*

so. But instead, many of us have to sacrifice our other personal commitments and spend more of my own time, for the benefits of others (management and the hospital). How is this fair?"

CONCLUSIONS, IMPLICATIONS AND LIMITATIONS

In conclusion, this study has investigated the impact of commitment and trust on internal marketing effectiveness and provided insights into the current practices of 10 hospitals in Taiwan and Singapore from 20 in-depth interviews. Using the commitment-trust theory, the findings have highlighted the support of commitment and trust as being influential to the effectiveness of internal marketing. Results have also revealed that both commitment and trust have played a moderating role to five key tasks (i.e. training, motivation, company vision/goals, co-optation and communication) of effective internal marketing.

Theoretical and managerial implications

This research has several theoretical and managerial implications. First, this study brought together two themes by applying the *commitment-trust theory* on *internal marketing*, which had not been adequately researched collectively in the past. The findings from this research have added new knowledge to the existing literature about the commitment-trust theory and internal marketing, but more importantly the provision of new insights into the impact of commitment and trust on internal marketing effectiveness. Second, the results led to the development of an extended theoretical model (Figure 2) for examining internal marketing effectiveness in a service oriented industry. This provides a more comprehensive framework to be considered not only by services organizations (e.g. hospitals) but also businesses that intend to capitalize internal marketing to enhance their service quality provided to their customers. Third, in addition to the six key tasks of effective internal marketing, managers also need to be aware of the role that commitment and trust play towards internal marketing

effectiveness. Managers have to take into consideration the impact of the various key drivers (i.e. relationship termination costs, relationship benefits, shared values, communication and opportunistic behavior) of commitment and trust, and in turn how they can affect the tasks in developing effective internal marketing plans and strategies. Their understanding and appreciation of the roles that commitment and trust play in internal marketing will contribute towards enhancing service quality and customer satisfaction.

Insert Figure 2 about here

Limitations

This study is exploratory in nature and only investigated the impact of commitment and trust on internal marketing effectiveness in Taiwan and Singapore hospitals, and therefore the findings cannot be generalized to other geographical areas and/or population at large. Further conclusive explanatory research is required in order to allow generalization of the findings. Future studies can also be investigated into other industries and countries, to provide comparisons and determine their similarities and differences.

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Figure 1: Preliminary framework for the impact of commitment and trust on effective internal marketing
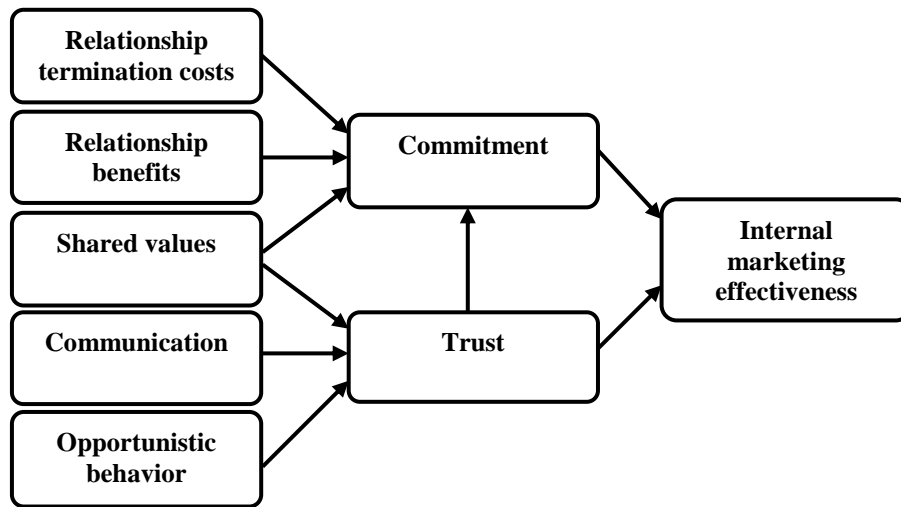
Adapted from: (Morgan and Hunt, 1994)

Figure 2: An extended framework for effective internal marketing
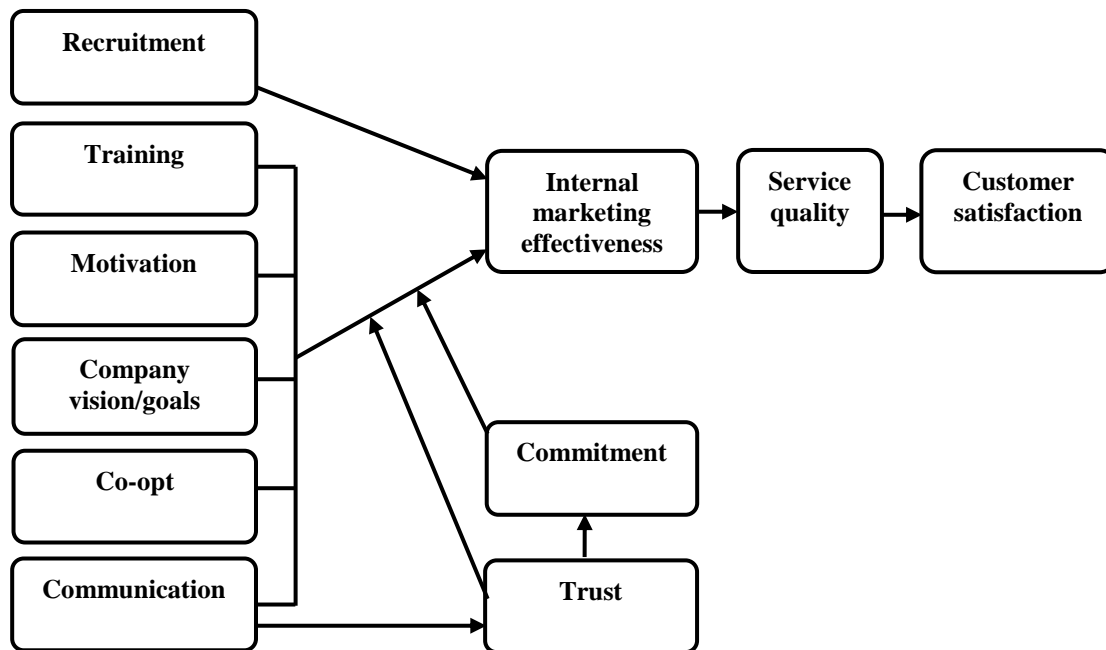
Note: while commitment and trust have not played a moderating role on the recruitment task, it may be explained by the fact that the effects of commitment and trust are only present when a relationship has been established.

Table 1: Profiles of the interviewees

Case / Interviewee	Position / Gender	Years of hospital experience
A1	Quality director (Male)	16
A2	Quality service team leader (Female)	11
B1	Public affairs director (Female)	19
B2	Client service team leader (Female)	14
C1	Development and planning director (Male)	22
C2	Planning officer (Female)	8
D1	HR manager (Female)	15
D2	HR officer (Female)	10
E1	General affairs vice-director (Female)	17
E2	Quality service officer (Male)	7
F1	Senior planning and development manager (Male)	12
F2	Strategic planning officer (Female)	10
G1	HR director (Male)	19
G2	HR team leader (Female)	13
H1	Quality management office director (Male)	24
H2	Quality service manager (Male)	13
J1*	Strategic planning and governance manager (Male)	17
J2*	Senior planning officer (Female)	10
K1*	Senior corporate service manager (Female)	12
K2*	Client service officer (Female)	5

* denotes case hospital from Singapore.