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Internal Marketing Practices, Job Satisfaction and Service Quality in the Airline Service Industry: A Case Study of Entebbe Handling Services, Uganda

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Abstract: There are limited studies on the relationship between internal marketing and service quality in Uganda though in the west interest in internal marketing seems to have intensified from 2006 onwards^[1]. Customers no longer simply pay for services: they co-produce with the contact employees at the time of transaction and therefore the customer buying experience has to be understood from both the employees' and customer perspectives,^[2]

The purpose of this study was to establish the relationship between internal marketing, employee job satisfaction and service quality. Survey research method was used with the primary data being collected from 91 employees and 96 clients of one selected firm in the aviation industry in Uganda. The study results showed that Internal marketing has a strong positive correlation with service quality ($r=0.723^{**}$, $p\text{-value}< 0.01$) while internal marketing and employee job satisfaction are significantly correlated ($r=0.871^{**}$, $p\text{-value}< 0.01$) and are strongly positively correlated. Employee job satisfaction showed a significant positive correlation with service quality ($r=0.895^{**}$, $p\text{-value}<0.01$).

The practical implication of our study is that internal marketing has a fundamental contribution in the delivery of service quality. The study findings inform managers, who have hitherto tended to put more emphasis on the external customer, to change their perspective as taking the internal customer for granted may result in negative outcomes for their organizations.

Key words: Internal marketing, job satisfaction and service quality.

1. INTRODUCTION

Internal marketing views employees as the internal customers of a business, and considers the job of employees as a type of product, with the organization adopting practices that meet employee needs and wants,^[3]. It is in this context that the management of Entebbe Handling Services, Uganda (ENHAS), following increased transit traffic, are focusing on improving the competences of their staffs with the objective of impacting positively on the quality of services rendered to clients. This follows the unpredicted occurrence of events at ENHAS, characterized by a high labor turn over, increasing dissatisfaction of some airline operators with the quality of service, negative employee attitudes, an increase in fraud cases, threats of strikes from employees and passenger complaints,^[4].

Marketing scholars have tended to focus more on the service expectations of external customers and yet in services where production and consumption often occurs simultaneously the importance of internal marketing needs to be more appreciated. This is because internal customers play a crucial role in delivering to external

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customers the quality of service promised by management. Mohammad ^[5] investigated the relationship between internal marketing and organizational commitment while a recent study ^[6] showed a positive relationship between internal marketing and service quality. In the case of Uganda this is the first study of the said variables. There is therefore room for our study on internal marketing, job satisfaction and service quality to make a contribution to the growing body of knowledge.

1.1 Statement of the Problem

The quality of the aviation ground handling services in Uganda appears to be below international standards ^[7]. This may be due to the lack of internal marketing within the monopoly handling company ENHAS. Internal marketing ensures that all employees provide the best representation of the company and successfully handle all interactions with the final customer ^[8]. At ENHAS, these processes often seem to lack or function unsatisfactorily, judging from the high resignation rates of staff, dissatisfaction with the quality of services by some airlines, negative employee attitudes, a rise in fraud cases and passenger complaints, ^[9].

1.2. Informing literature and development of hypotheses

Internal marketing practices, employee job satisfaction and service quality.

The main objective of the study was to establish the relationship between internal marketing practices and service quality. Internal marketing involves creating an organizational climate in general, and job-products in particular, which lead to the right service personnel performing the service in the right way. When internal customers achieve high performance, the likelihood of external customers continuing to buy is increased ^[10]. When the conduct of the various staffs is in line with the corporate vision then the organizational goals and priorities become clearer, thus helping to impact positively on organizational outcomes like service quality. This leads to the first hypothesis:

H1: Internal marketing practices are positively correlated to service quality

The second objective was to determine the relationship between internal marketing and employee job satisfaction. Employee job satisfaction could be viewed as the difference between the amount of reward workers receive and the amount they believe they should receive, ^[11]. However, though the Job Description Index (JDI) ^[12] is the most frequently quoted scale when measuring job satisfaction the Job Satisfaction Survey ^[13] is preferred for employees in the service sector. Research suggests that through internal marketing satisfied employees believe that appropriate behavior will be rewarded by the organization.

One of the dominant themes of service oriented research has been service quality, ^[14]. During its infancy, service quality research based its foresight on consumer behaviors and the confirmation/disconfirmation paradigm, ^[15]. Based on this paradigm, when customers consume a product, they compare the quality they have experienced to that of their previous expectations, leading to an emotional reaction manifested in satisfaction or dissatisfaction with the products or services purchased. SERVQUAL measures five basic dimensions of service quality considered salient by consumers of service businesses, including: tangibles, reliability, responsiveness, assurance, and empathy, ^[16]. All these dimensions rely on the service encounter between a consumer and an employee. Dissatisfied employees are more likely to offer an encounter less desirable to both the employer and the consumer.

The foregoing discussion leads to two additional hypotheses:

H2: Internal Marketing practices are positively correlated to employee job satisfaction.

H3: Employee Job satisfaction is positively correlated to service quality.

2. METHODOLOGY

Survey research methodology was used involving a cross-sectional study that was carried out with the employees of Entebbe Handling Services Limited, and clients who included staffs of airlines, and the Civil Aviation Authority. The study population comprised of 190 ENHAS employees, 62 airline staff and 80 Civil Aviation Authority employees. Civil Aviation staffs were included because the airport is managed by the Civil Aviation Authority which is responsible for setting the minimum service standards at the airport. The study utilized a stratified random sampling approach based upon involvement within the organization. ENHAS had 91 respondents, 52 respondents were got from the Civil Aviation Authority while 44 respondents were from airline representatives making a total of 187 respondents. Most of the respondents 38.5% were in the 26 – 30 years age bracket followed by those in the 31 – 35 years age bracket with a category percentage of 16.6%.

Primary data was obtained directly from the airport premises by use of interviews, and questionnaires while secondary data was sourced from a review of related literature from journals, aviation journals, airlines' newsletters, surveys reports by the Civil Aviation Authority, the internet and passenger service records.

Measuring instruments were adapted from pre-validated measures developed by scholars in the respective fields. Internal marketing was measured by a 25 item instrument (with a 7 point anchor) consisting of five dimensions: employees, organization, external customer satisfaction, external marketing techniques and knowledge transfer adapted from validated scales^[17; 18]. Employee job satisfaction was measured by the Minnesota Satisfaction Questionnaire^[19] which assesses 20 dimensions of job satisfaction. Respondents were asked to rate their satisfaction with various aspects of their work along a 5-point Likert-type scale, ranging from 1 = *not satisfied* to 5 = *extremely satisfied*. Service quality was measured using tested instruments^[20] and SERVQUAL a multiple-item scale for measuring consumer perceptions of service quality,^[21]. The instrument items represent three different dimensions: service information, interaction quality, and valence.

A correlation analysis established the significance of the relationship between internal marketing, employee job satisfaction and service quality while multiple regression analysis was used to analyze data to measure the degree of association between the variables. The data was processed using SPSS Trends 13.0 package.

The study limitations include it being industry specific thus calling for further research in other industries and the airport environment was full of passenger and cargo transit / arrivals activity which sometimes distracted the interview process.

3. RESULTS AND DISCUSSION

To investigate the relationships among the constructs a Zero-order correlation was used. We return the results for Pearson Correlation Coefficient, for each of the three hypotheses as follows:

H1: Internal marketing practices are positively correlated to service quality.

Internal marketing revealed a strong positive correlation with service quality ($r=0.723^{**}$, $p\text{-value}< 0.01$). This implies that if internal marketing was practiced, then service quality is likely to be enhanced. This finding echoes the view that internal marketing by a service firm involves training and effectively motivating its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction,^[22]. Similarly, previous research determined that internal marketing impacts service quality,^[23]. This finding has far reaching implications for management the minimum being that the relationship between an organization and its workers must be strategically managed so as to impact positively on service quality.

H2: Internal Marketing practices are positively correlated to employee job satisfaction

The results revealed that internal marketing and employee job satisfaction are significantly correlated ($r=0.871^{**}$, $p\text{-value}<0.01$) and are strongly positively correlated. This indicates that if internal marketing is prevailing within an organization, then employee job satisfaction is likely to be realized. This is in line with many scholars [24; 25; 26] who hold the view that internal marketing should consider jobs as products and employees as customers.

H3: Employee Job satisfaction is positively correlated to service quality

Employee job satisfaction showed a significant positive correlation with service quality ($r=0.895^{**}$, $p\text{-value}<0.01$). This finding is in line with recent findings which posit that “external customer satisfaction cannot be achieved without the fundamental contribution of customer contact employees who provide the service,” [27]. This finding informs managers, who have hitherto tended to put more emphasis on the external customer, to change their perspective as taking the internal customer for granted may result in negative outcomes for their organizations.

Multiple regression was carried out and the results show that service quality and internal marketing can significantly predict employee job satisfaction explaining 86% of the observed variance in employee job satisfaction (Adjusted R Square = .0.858). The significance of the F statistic of 270.249 $p\text{-value} = 0.000$ shows that these variables have a strong combined predictive strength. Our study established that internal marketing is the best predictor of employee job satisfaction (Beta = 0.665, Sig. = 0.043), against service quality.

4. CONCLUSION

The practical implication of our study is that internal marketing has a fundamental contribution in the delivery of service quality. Service firms are therefore expected to train and effectively motivate their customer contact employees and all the support staffs to work as a team to provide the level of service quality that meets customer expectations.

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