

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013

The Effect of Internal Marketing on Employees' Customer Orientation in Social Security Organization of Gilan

Dr. Shahram Gilaninia¹. Dr. Bijan Shafiei². Rashid Shadab³

- 1. Department of Industrial Management, Islamic Azad University, Rasht Branch, Rasht, Iran
- 2. Department of Public Management, Islamic Azad University, Rasht Branch, Rasht, Iran
 - 3. M.A. of Business Management, Islamic Azad University, Rasht Branch , Rasht, Iran (Corresponding Author)

Abstract: with increasing the competition among state and private insurance companies and social security organization as the biggest insurer in the country, in order to maintain and keep more shares from insured people, the organization's managers have to find ways to obtain more consent and loyalty of their customers. From among this, the role of staff in maintaining and keeping and increasing insured people isn't covered for any one. Internal marketing is a concept that can help to social security organization to obtain their goals. So the recent research has been done with the aim of examining the effect of internal marketing on costumer orientation staff of Guilan social security organization. In this research, internal marketing is dependent variable and costumer basis is independent variable and organizational commitments has intermediate role. Sampling method in research is simple ..and the method of collecting field information and collecting data is by questionnaire.

Keywords: Internal Marketing (IM), Organizational Commitments, Customer Orientation, Social Security

I. INTRODUCTION

WITH INCREASING EXPANSION OF SERVICE ECONOMY, ORGANIZATIONS IN ORDER TO GAIN AND MAINTAIN STABLE COMPETITIVE ADVANTAGE, ARE SEEKING NEW SOLUTIONS FOR ABSORBING AND KEEPING COSTUMERS (11). ONE OF THE MOST IMPORTANT FACTORS FOR SEARCHING THIS GOAL ESPECIALLY IN SERVICE ORGANIZATIONS IS THE QUALITY OF SERVICES. THE QUALITY OF OFFERED SERVICES DEPENDS TO VARIOUS VARIABLES LIKE PLACE OF OFFERING SERVICES, SERVICING PROCESS. THE MOST SIGNIFICANT VARIABLE THAT EFFECTS ON SERVICES' OUALITY ARE ORGANIZATION'S STAFF. IN SERVICING ORGANIZATIONS, THE VITAL AND IMPORTANT VARIABLE TO OBTAIN STABLE COMPETITIVE ADVANTAGE ARE COMPETENT AND SERVICE-BASE STAFF(HUMAN CAPITAL). (3)THE RELATED STUDIES IN THIS FIELD IMPLY THAT INTERNAL MARKETING ACTIVITIES THROUGH INFLUENCE AND MOTIVATION IN STAFF, IMPROVE COMPETITIVENESS AND PROMOTES COMPETENCE, SO IT CAN OBTAIN HIGHER DEGREE OF JOB SATISFACTION AND COSTUMER BASED BEHAVIOR OF THE EMPLOYEE. (2) THE LOGIC INTERNAL MARKETING CONCEPT IS THAT PROVIDING THE NEEDS OF INTERNAL COSTUMERS (STAFF), CAN INCREASE OFFICE WORKER'S MOTIVATION TO CONTINUE ACTIVITIES IN THE ORGANIZATION AND SO IT OBTAINS THE HIGHER DEGREE OF OFFICE WORKER'S SATISFACTION AND COSTUMER BASED BEHAVIOR (12). STUDIES IN THE CURRENT RESEARCH AFTER REVIEWING INTERNAL MARKETING LITERATURE AND ITS EFFECT ON CUSTOMER FOCUS OF SOCIAL SECURITY ORGANIZATION STAFF, EXAMINES THE PRESENT STATUS OF INTERNAL MARKETING OF SOCIAL SECURITY ORGANIZATION.

II. PROBLEM STATEMENT

NOWADAYS, THE SERVICE INDUSTRIES HAVE A CRUCIAL AND IMPORTANT ROLE IN THE GROWTH AND DEVELOPMENT OF COUNTRIES AND FROM AMONG THIS, INSURANCE AS A PROTECTIVE INDUSTRY PLAYS A SIGNIFICANT ROLE. IN SERVICE



International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013

ORGANIZATIONS, THE STAFF THAT ARE IN RELATION WITH COSTUMERS, HAVE A VITAL ROLE IN THE PROCESS OF OFFERING SERVICES. IF OPPORTUNITY IS GIVEN TO THESE STAFF TO KNOW THEMSELVES AND SIMULTANEOUSLY, GET FAMILIAR WITH THE PERSPECTIVE OF THE ORGANIZATION, THIS RECOGNITION HAS EFFECT ON THE SERVICE BEHAVIOR OF EMPLOYEES AND LEADS TO ENHANCE THE QUALITY OF OFFERED SERVICES TO FOREIGN COSTUMERS (8). GENERALLY, IT CAN BE SAID THAT EXECUTING INTERNAL MARKETING IN SERVICE SECTION, EQUIPS ORGANIZATIONS WITH CAPABILITIES AND COMPETENCIES THAT ITS RESULT IS COSTUMERS' SATISFACTION (4). THIS RESEARCH TRIES TO STUDY THE EFFECT OF INTERNAL MARKETING ON COSTUMER ORIENTATION AMONG GUILAN SOCIAL SECURITY STAFF AND THIS RAISES THE OUESTION THAT IF INTERNAL MARKETING HAS ANY EFFECT ON COSTUMER ORIENTATION OF THIS ORGANIZATION STAFF.

III. PREVIOUS RESEARCH

- 1. In the researches that Rahmani did as "the effect of internal marketing on organizational performance in transportation service companies, there is a meaningful relationship between internal marketing and organizational performance. (15)
- 2. Liao"(2009) in his research called" the effect of internal marketing on costumer orientation in banking industry" examined the effect of internal marketing on organizational commitment, job satisfaction and costumer orientation: The results of his research showed that internal marketing has a positive effect on organizational commitment, job satisfaction and costumer orientation of the staff(13)
- 3. In the research that has been done by Abzari and colleagues in 2010 as "the effect of internal marketing on citizen organizational behavior among Isfehan Melli bank staff" they observed a positive relation between internal marketing and organizational citizenship behavior (1)
- 4. CARUANA & CALLEYA,1988 IN THEIR RESEARCH CALLED" THE EFFECT OF INTERNAL MARKETING ON ORGANIZATIONAL COMMITMENT AMONG BANK MANAGERS" EXAMINED THE EFFECT OF INTERNAL MARKETING AND ITS DIMENSIONS. THE RESULTS OF THEIR RESEARCH SHOWED THAT THERE IS MEANINGFUL RELATION BETWEEN INTERNAL MARKETING AND ORGANIZATIONAL COMMITMENT. ALSO INTERNAL MARKETING HAS THE STRONGEST RELATION WITH EMOTIONAL COMMITMENT. (6)
- 5. MORADI (2006) IN A RESEARCH NAMED" EXAMINATION THE AMOUNT OF AFFECTION OF INTERNAL MARKETING VARIABLES IN THE IMPROVEMENT OF MOBILE COMMUNICATIONS STAFF SERVICE TO CUSTOMERS" SHOWED THAT IN THE DIMENSION OF MATERIAL ENVIRONMENTAL FACTORS, THE FACTORS OF TOOL AND WORK EQUIPMENT, EXPERIENCE AND IMMATERIAL MOTIVATIONAL FACTORS OBTAINED FIRST TO FIFTH GRADES IN THE IMPROVEMENT OF SERVICE OFFERING RESPECTIVELY. (14)



International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013

IV. MODELS OF RESEARCH

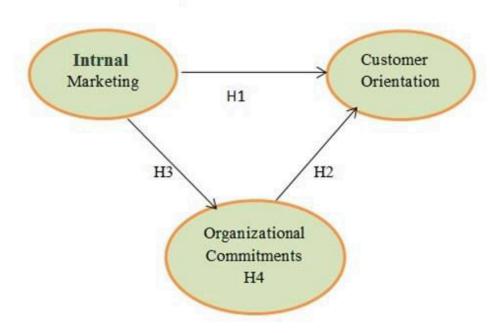


FIG1: ANALYTICAL MODEL OF RESEARCH

V. THE RESEARCH HYPOTHESES

THE MAIN HYPOTHESIS: INTERNAL MARKETING HAS AN EFFECT ON THE COSTUMER ORIENTATION OF SOCIAL SECURITY STAFF.

THE FIRST SUB-HYPOTHESIS: THE COMPREHENSION OF INTERNAL MARKETING HAS AN EFFECT ON ORGANIZATIONAL COMMITMENTS.

THE SECOND SUB-HYPOTHESIS: ORGANIZATIONAL COMMITMENTS HAVE IMPACTS ON COSTUMER ORIENTATION.

THE THIRD SUB-HYPOTHESIS: IN THE RELATION BETWEEN UNDERSTANDING INTERNAL MARKETING AND COSTUMER ORIENTATION, ORGANIZATIONAL COMMITMENTS HAVE THE ROLE OF MODERATOR.

VI. THEORETICAL RESEARCH

INTERNAL MARKETING : MARKETING ACCORDING TO INTERNAL COSTUMERS(STAFF) ARE CALLED INTERNAL MARKETING (5)

Organizational Commitments : Are people positive or negative attitudes to the whole organization (not Job) in which they work. (10)

COSTUMER ORIENTATION: IT IS CALLED TO EMPLOYEES TENDENCY IN ORDER TO PROVIDE COSTUMER'S NEED IN THAT JOB. (9)

SOCIAL SECURITY: IT IS RESPECT AND RESPONSIVENESS TO ADDRESSED PEOPLE AND EXPAND THE NEGOTIATIONS WITH THEM IN ORDER TO INFORM AND RECOGNIZE MUTUAL RIGHTS IS ONE OF THE MOST IMPORTANT APPROACHES OF THE ORGANIZATION. (7)



International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013

VII. RESEARCH METHODOLOGY

THE APPLIED RESEARCH METHODOLOGY IS DESCRIPTIVE —SURVEY TYPE. SAMPLING METHOD IN THIS RESEARCH HAS BEEN SIMPLE RANDOM AND THE METHOD OF COLLECTING DATA IS FIELD METHOD AND THE RESEARCH POPULATION IS GUILAN SOCIAL SECURITY STAFF THAT ITS NUMBER IS 672 PEOPLE. SAMPLE SIZE WAS CALCULATED BY SAMPLE SIZE FORMULA THAT WAS CHOSEN BY STRATIFIED RANDOM SAMPLING FROM AMONG ORGANIZATIONS' BRANCHES ALL OVER THE PROVINCE. THE COLLECTION INSTRUMENTATION IN THIS RESEARCH IS QUESTIONNAIRE.

VIII. VALIDATED OF QUESTIONNAIRE

THE MOST USUAL TEST OF INTERNAL CONSISTENCY RELIABILITY, IS THE CRONBACH'S ALPHA COEFFICIENT WHICH IS DONE FOR MULTI MEASURE QUESTIONS OR CLASSIFICATIONS (9). ALPHA CRONBAKH RESULTS AS THE FOLLOWING:

TABLE 1: CRONBACH'S ALPHA OF QUESTIONNAIRE

Coefficients	CRONBACH'S ALPHA		
INTERNAL MARKETING	0.907		
Organizational Commitments	0.918		
CUSTOMER ORIENTATION	0.919		

IX. METHODS OF DATA ANALYSIS

IN THIS RESEARCH IN ORDER TO ANALYZE THE OBTAINED DATA FROM DESCRIPTIVE AND ALSO INFERENTIAL STATISTICS ,SPSS AND LISREL HAS BEEN USED.

X. HYPOTHESIS TEST RESULTS

ACCORDING TO RESEARCH MODEL, THE RESULT OF STRUCTURAL HYPOTHESIS TEST HAS BEEN SHOWN AS A FORMAT OF TABLE 2.

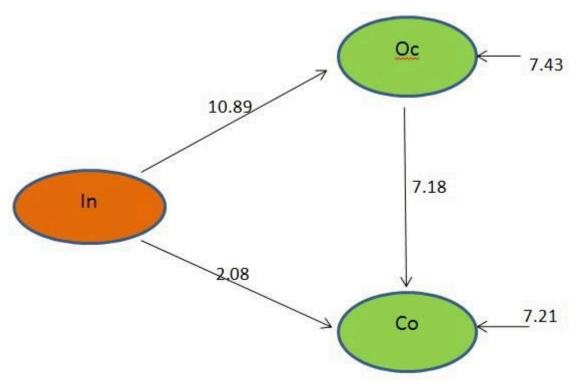


CHI-

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013



SQUARE =3554.86, DF= 942, P-VALUE=0.0000, RMSEA=0.064

TABLE 2: STRUCTURAL MODEL HYPOTHESIZES

Hypothesis	STANDARD ESTIMATION	Т	TEST RESULT
THERE IS A MEANINGFUL RELATION BETWEEN INTERNAL MARKETING AND COSTUMER ORIENTATION.	0.16	2.08	Ассерт
THERE IS A MEANINGFUL RELATION BETWEEN INTERNAL MARKETING AND ORGANIZATIONAL COMMITMENTS	0.67	10.89	АССЕРТ
THERE IS A MEANINGFUL RELATION BETWEEN ORGANIZATIONAL COMMITMENTS AND COSTUMER ORIENTATION.	0.63	7.18	Ассерт
IN THE RELATION BETWEEN INTERNAL MARKETING AND COSTUMER ORIENTATION, ORGANIZATIONAL COMMITMENTS HAVE ROLE OF MODERATOR	0.42=0.67*0.63		Ассерт

The ratio of each parameter to its standard error is shown with Z statistics. When Z is bigger than 1.96 in the plane of 0.05 and when its value is bigger than 2.56, it will be meaningful in the plane of 0.01. As the estimation of non-standard parameters follows variable scales, so the estimation of standardized



International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013

Parameters provides the possibility to compare model parameters with each other because it frees variables from scale. According to table 9-4, it can be observed that all value of t quantity is bigger than 1.96 and it can be said that all of the hypothesis were approved.

XI. CONCLUSIONS

EFFECT INTENSITY DIMENSIONS OF BANKING SERVICES QUALITY ON THE BANKING RESOURCE Mobilization IS EQUAL TO %52.3. According to Beta direction of this impact is straight. Also the coefficient of determination BETWEEN TWO VARIABLES IS EQUAL TO 0.274. EFFECT INTENSITY TANGIBLE FACTORS FROM DIMENSIONS OF BANKING SERVICES QUALITY ON THE BANKING RESOURCE Mobilization IS EQUAL TO %28.4. ACCORDING TO BETA DIRECTION OF THIS IMPACT IS STRAIGHT. ALSO THE COEFFICIENT OF DETERMINATION BETWEEN TWO VARIABLES IS EQUAL TO 0.081. EFFECT INTENSITY DEPENDABILITY FROM DIMENSIONS OF BANKING SERVICES QUALITY ON THE BANKING RESOURCE Mobilization is equal to %45.1. According to Beta direction of this impact is straight. Also the coefficient of determination between two variables is equal to 0.212. Effect intensity accountability from DIMENSIONS OF BANKING SERVICES QUALITY ON THE BANKING RESOURCE Mobilization IS EQUAL TO %48.8. ACCORDING TO BETA DIRECTION OF THIS IMPACT IS STRAIGHT. ALSO THE COEFFICIENT OF DETERMINATION BETWEEN TWO VARIABLES IS EQUAL TO 0.238. EFFECT INTENSITY RELIABILITY FROM DIMENSIONS OF BANKING SERVICES QUALITY ON THE BANKING RESOURCE Mobilization IS EQUAL TO %40. ACCORDING TO BETA DIRECTION OF THIS IMPACT IS STRAIGHT. ALSO THE COEFFICIENT OF DETERMINATION BETWEEN TWO VARIABLES IS EQUAL TO 0.16. EFFECT INTENSITY EMPATHY FROM DIMENSIONS OF BANKING SERVICES QUALITY ON THE BANKING RESOURCE Mobilization IS EQUAL TO %50. ACCORDING TO BETA DIRECTION OF THIS IMPACT IS STRAIGHT. ALSO THE COEFFICIENT OF DETERMINATION BETWEEN TWO VARIABLES IS EQUAL TO 0.25. IN GENERAL, THE RESULTS OBTAINED ALL RESEARCH HYPOTHESES WERE CONFIRMED.

ACCORDING TO THE RESULTS OBTAINED FROM THE TEST RESULT INDICATED THAT THERE IS SIGNIFICANT RELATIONSHIP AMONG ALL OF THE HYPOTHESIS INCLUDING BETWEEN internal MARKETING AND CUSTOMER ORIENTATION, BETWEEN internal MARKETING AND ORGANIZATIONAL COMMITMENTS, BETWEEN ORGANIZATIONAL COMMITMENTS AND CUSTOMER ORIENTATION AND ALSO ORGANIZATIONAL COMMITMENTS HAS MODERATOR ROLE IN RELATION BETWEEN internal MARKETING AND CUSTOMER ORIENTATION AND ACCORDING THE T QUANTITY OF THE HYPOTHESIS IS 2.08, 10.89, 7.18 AND ALL OF THEM ARE MORE THAN 1.96 THE HYPOTHESIS OF THIS RESEARCH ARE ACCEPTED IN CONFIDENCE LEVEL OF 0.95.

XII. SUGGESTIONS OF RESEARCH

- 1. IT SUGGESTS THAT ORGANIZATION ALLOCATE A CONSIDERABLE REWARD FOR THE STAFF THAT TRY TO OFFER THE BEST SERVICES TO COSTUMER.
- 2. IT SUGGESTS THAT ORGANIZATION PAY ATTENTION TO STAFFS' INFORMATION AND APPLY THEM IN ORDER TO IMPROVE THEIR JOB AND DEVELOP THE ORGANIZATION'S STRATEGIES.
- 3. It is necessary that organization's goals and for the best and the most efficient educations are offered to staff.
- 4. IT SUGGESTS THAT ORGANIZATION MUST BE AS FLEXIBLE AS POSSIBLE TO ADJUST STAFF DIFFERENT NEEDS AND THE REASON OF DOING THE WORK MUST TEACH TO STAFF PLUS HOW TO DO THE JOB.
- 5. IN RELATION WITH THE EFFECT OF ORGANIZATIONAL COMMITMENT WITH ON CUSTOMER BASE BEHAVIOR, IT SUGGESTS THAT WE ALREADY CREATE ENVIRONMENT IN THE ORGANIZATION THAT SO THAT STAFF FEEL JOB SECURITY AND DON'T LEAVE THE ORGANIZATION.
- 6. THE MANAGERS SHOULD TRY IN A WAY THAT EMPLOYEES FEEL JOYFUL FROM STAYING IN THE ORGANIZATION AND ENJOY SPEAKING ABOUT THEIR ORGANIZATION WITH OTHERS.
- 7. IT SUGGESTS THAT WE SPECIFY EMPLOYEES 'JOB ROUTE AND THEY CAN SEE THEIR PROGRESS IN THE ORGANIZATION AND ALSO ORGANIZATION SHOW RESPECT TO THEIR LOYALTY.



International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 2, Issue 10, October 2013

XIII. SUGGESTIONS FOR FUTURE RESEARCH

- 8. Doing the current research in other companies and organizations.
- 9. Doing the current research with more samples and other statistical populations and comparison of results.
- 10. RECOGNIZING EFFECTIVE FACTORS ON CUSTOMER ORIENTATION EXCEPT APPLIED FACTORS IN THIS RESEARCH.

XIV. LIMITATIONS OF RESEARCH

- 11. LACK OF SIMILAR RESEARCHES
- 12. THE CURRENT RESEARCH IS CONCENTRATED ON GUILAN SOCIAL SECURITY ORGANIZATION AND ITS RESULTS CAN'T BE GENERALIZED TO OTHER COMPANIES AND ORGANIZATIONS THAT HAVE A DIFFERENT COMPETITIVE ATMOSPHERE.
- 13. One of the limitations of this research is applying questionnaire as measurement tool. Usually qualitative tools that measure behavior or attitude of tester by questionnaire or Likert scale have problems including lack of accuracy of responder, conservatism in responding and quantitative scales have less of these cases.

REFERENCES

- 1. Abzari & associates," The effect of internal marketing on citizen organizational behavior among Isfehan Meli bank staff. 2010
- Ahmed PK, Rafiq M, Saad NM. Internal Marketing and the Mediating role of Organizational Competencies. Eur. J. Mark. 37(9): 1221-1242.
- 3. Allen, N. and Meyer, J.p." The measurement and antecedents of affective, continuous and normative commitment to the organization", Journal of occupational psychology, Vol.63 No.1, pp.1-18. 1990
- Ballantyne, D. "Reframing Internal Marketing for Relationship Marketing," in Proceedings of in AMA International Marketing Educators' Conference: Marketing in a Global Economy, Buenos Aires, Argentina, June 28-July I, pp. 1-12. 2000
- 5. Berry, L.L." The employee as a customer", Journal of Retail Banking, Vol. 3'No.1' pp. 33–40. 1981
- 6. Caruana & Calleya, "the effect of internal marketing on organizational commitment among bank managers". 1988
- 7. Danaeefar, Mehdi, Alvani, Azar, Adel, Quantitative methodology of research in management, Tehran: Safar publications. 2008
- 8. Gilaninia, Shahram. Study of Effective Factors on Customers Trust in Electronic Banking Services (Case study: Melli Bank in Ardabill City). INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH IN BUSINESS. No. 8. Third Years. PP472-478. 2011
- 9. Gounaris SP, Avlonitis GJ, Papastathopoulou P. "Managing a firm's behavior through market orientation development: some empirical finding" European Journal of Marketing, 38(11/12): 481–508. 2004
- 10. Gronroos, C, Internal marketing theory and practice in services marketing in a changing environment, American Marketing Association Chicago, In Bloch, TM, UpAh, G & Zeithaml, V (Eds.), Services Marketing in a Changing Environment, pp. 41-47. 1985
- 11. Gronroos, C 'Relationship approach to marketing in service contexts: the marketing 14. Hewitt, F. and Clayton (1999); "Quality and Complexity: Lessons from English Higher Education"; International Journal of Quality & Reliability Management, Vol. 16, No. 9, pp. 838-8581000
- 12. Gummesson E. "Lip service—a neglected area in service marketing" Journal of Service marketing;; 1(1):19-24. 1987
- 13. Liao, JF, The effects of internal marketing on customer orientation in the banking industry, Dissertation, Golden Gate University, United States California. 2009
- 14. Moradi,, "Examination of the amount of internal marketing factors' effectiveness in improving the service of mobile communications company staff to customers. 2006
- 15. Rahmani,, "The effect of internal marketing on organizational performance of Tehran transportation services company. 2011