Internal Marketing Activities in Educational Hospitals of Yazd, Iran

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ABSTRACT

Background: Internal marketing is defined as "the process of attracting, developing, motivating, and retaining the qualified employees through job-products that satisfy their needs". Internal marketing practices in hospital make a positive work environment, which in turn, leads to the provision of higher care quality. This study was aimed to investigate the internal marketing practices in two educational hospitals of Yazd City, Iran.

Methods: In this quantitative cross-sectional study, we used a valid questionnaire of internal marketing (Sarah May Lubbe, 2013) in two educational hospitals of Yazd, Iran. A total of 156 clinical and non-clinical employees selected from the studied hospitals participated in the study. Stratified random sampling method was applied and data analysis was done using SPSS. We used descriptive statistics in data analyses.

Results: The mean score of internal marketing was 2.78 ± 0.60. Furthermore, employee satisfaction and benchmarking obtained the highest and lowest scores among the internal marketing dimensions with 3.22 ± 0.64 and 2.27 ± 0.86 scores, respectively.

Conclusion: Our results showed the weakness of internal marketing practices in educational hospitals, which should be improved. For this, the results of our study should be prioritized to improve the activities.

Keywords: Marketing; Internal marketing; Hospital

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Introduction

Health systems face enormous challenges in this century around the world. Growth of costs, challenges of access to healthcare, health professions’ education, quality of the provided care, increased public knowledge and expectations, as well as the competition pressures are among the most important of these challenges. Due to these challenges, some business concepts, which previously had no place in the healthcare, have entered into the healthcare literature in recent decades. Marketing defined as the activities of a company associated with buying and selling a product or service, is among these concepts (1).

In the other words, marketing includes any activity performed to increase the company’s market share. In business marketing, these activities are categorized under four main titles, named product, price, place, and promotion (marketing 4P), which is called marketing mix. In service marketing, this mix is expanded to 8 Ps including product (service), place and time, process, productivity and quality, people (human force), promotion and education, physical facilities, and price due to the differences of services and goods. Synchronization of production, consumption of services, and the need for consumer participation in service production are among these differences. The different nature of services from goods leads to a more important producer (provider)-consumer relationship in service sector (2,3). Therefore, in marketing literature, it is said that service marketing includes 3 type of marketing: external marketing, internal marketing and interactive marketing (4).

The concept of Internal Marketing, a customer-oriented approach, came up in marketing literature at the end of the 1970s and to date different definitions have been proposed for it. The underlining idea of internal marketing is application of the marketing concepts initially developed for the external market turned towards the internal market (5).

Hult, Hurley, Giunipero, and Nichols (6) defined internal marketing as consideration of the internal employees as internal customers. Their aim was to concentrate on improving the internal customers’ satisfaction. Cooper and Cronin (6) defined internal marketing as the organization’s effort to train and motivate its employees to provide better services. Furthermore, Huang (6) considered that internal marketing was meant to employ, train, and motivate the internal employees and induce them to know and accept the concepts and importance of the customer satisfaction. It also supports and cooperates with the marketing department to provide excellent customer service.

Berry and Parasuraman (5) defined internal marketing as attracting, developing, motivating, and retaining qualified employees through job – products that satisfy their needs. Grönroos (7) also defined internal marketing as “the behavior of selling firm to its internal customers or employees” that is treated as the internal customers. Kotler and Armstrong (8) refer to the internal marketing as motivating its employees to work as a team to provide top quality service. In Berry’s definition, employees are viewed as the internal customers and jobs are considered as the organization’s product, which satisfy the needs and wants of the internal customers while addressing the organizational goals (9). From these definitions, it is obvious that employees are the object of internal marketing as Bak et al. said in their interpretation of internal marketing that internal marketing was to treat employees as customers in an effort to generate satisfied internal customers (8,9). Du Plessis, Jooste, and Strydom (5) believed that the objective of internal marketing was to create relationships between management and employees and by between organizational functions, while management has the responsibility to train and motivate the employees.

This “employees as customers” concept in internal marketing shows that similar to the external customers; internal customers also have a desire to have their needs which should be satisfied. Fulfillment of the employees’ needs improves their motivation and retention. As a consequence increases their job satisfaction and commitment which in turn affects many organizational achievements. Additionally, from the organizational
Despite the importance of internal marketing practice, many researchers in recent years have tried to study various aspects of this concept in service organizations (8). Hadi Marandegani & Shafiee Roodposhti (10) identified that internal marketing in hospitals had 39 components including 6 sub themes and 2 main themes (personal factors and organizational factors). Due to the diversity in the definition of the internal marketing, a variety of measurement scales have been proposed for measuring this new concept by different authors. In some of these scales, internal marketing has been viewed as a construct, which includes dimensions of development (developing employees), reward and recognition system (rewarding employees), vision (giving employees something to believe), informal information generation, formal face to face or written information generation, information dissemination, responsiveness, management support from employees, human resources management, external and internal effective communication, as well as the communication between managers and employees, upward communication, employee-customer interaction and communication formality, employees’ education and training, employees’ motivation and empowerment efforts, participative decision making, empathy and consideration, benchmarking, job quality, value sharing between organization, promotional activities, providing feedback for employees, internal procedures, establishment of a service culture, and development of a marketing approach to human resource management (10). In fact, internal marketing is a human resource management tool used by organizations to successfully educate, train, and motivate employees to provide better services to customers (11). In hospital services, Chang and Chang (2009) indicated that hospital managers were required to recognize the importance of internal marketing for staff retention and the survival of their organizations by increase of the competitive pressure (8).

Iranian health system is a combination of public-private providers. In this system, different types of public, private, and charity hospitals are providing the health services (12). This type of health system creates a potential and encourages the competition between different hospital types, which in turn encourages the hospital managers to use marketing mechanism as internal marketing in their practices. Nevertheless, based on our knowledge, a few studies attempted to investigate the marketing practices in Iranian hospitals. Bahrami et al. (13), investigated the brand image of some Iranian public and private hospitals in the customers’ minds. In another study, Bahrami et al. (14), studied the customer loyalty in hospitals and Zarezade et al. (15), studied the market share of hospitals in Yazd. Moreover, Yunesifar et al. (16,17), studied the situation of internal marketing in 2 Iranian educational hospitals. Although much research has been conducted on some concepts related to the internal marketing, its antecedents, and consequences such as studies on hospitals’ responsiveness (18,19), employees’ organizational commitment (20-25), and service quality of hospitals (26-29). However few investigations were conducted on internal marketing, as a whole comprehensive construct in our health system, especially in hospital sector. Therefore, this study was aimed to investigate the status of internal marketing practices in two educational hospitals of Yazd City.

**Materials and Methods**

In a quantitative, cross-sectional, descriptive study, we investigated the situation of internal marketing at two educational hospitals of Yazd City, Iran. Sample size was calculated as 168 persons considering the 95% confidence interval, standard deviation equals to 1.4, and minimum difference of 0.22 among average scores using the following formula:

$$n = \frac{(\bar{X} + 2d)^2}{(\frac{SD}{\bar{X} - \alpha/2})^2}$$

A total of 185 questionnaires were distributed, from which 156 questionnaires were completed and returned. We used the stratified-random sampling method. The sample size for each
hospital was calculated based on multiplying the number of hospital beds by the average annual occupancy rate. For sampling, stratification was done based on the nature of work in each hospital and all study population was divided into two subpopulation including clinical and non-clinical personnel. Therefore, a total of 112 clinical and 44 non-clinical employees participated in the study. The required data were collected using Sarah May Lubbe (30) questionnaire of internal marketing investigation. This questionnaire was made by composition and adjustment of two internal marketing questionnaires by Jou et al. (31), and Yee et al. (32). The used questionnaire included 30 items with seven dimensions of internal marketing including employee satisfaction (five items), benchmarking (two items), empathy and consideration (five items), job quality and reward system (five items), promotional activities (four items), upward communication (three items), and value and information sharing (six items). The respondents of this questionnaire were asked to indicate their agreement or disagreement with the questionnaire items on a 5-point Likert scale (from strongly agree to strongly disagree): the scores of 5 to 1 were allocated to direct questions and 1 to 5 to indirect questions. The higher scores in each dimension reflect better situation of the organization in performing that practice of internal marketing. The reliability of Persian version of this questionnaire was obtained prior to study with Cronbach’s alpha of 0.92. Moreover, validity of the applied version of the questionnaire was approved by seven experts’ opinion.

For ethical considerations, informed consent were obtained from all participants and their personal information were kept confidential. Data analysis was done using SPSS19 (SPSS Inc, Chicago, IL). We also used descriptive statistics (percentage, average and standard deviation) in data analysis.

Results
This study was aimed to examine the internal marketing situation in two educational hospitals of Yazd City. A total of 156 clinical and non-clinical employees contributed in the study. Demographic characteristics of the participants are presented in Table1.

As presented in Table1, majority of participants had the ages between 30 and 40 years. Moreover, more than two third of the participants were women. The majority of participants were married and more than 85 % of them had BSc degree. Table 2 and diagram1 present the mean scores of internal marketing and its dimensions in studied hospitals.

As specified in Table 2 and diagram1, internal marketing practices in the studied hospitals are done in moderate range and can be improved. Furthermore, the highest and the lowest scores in the studied hospitals were attributed to the employees’ satisfaction and benchmarking with 0.64 and 0.45 of the total scores in these dimensions.

Moreover, mean scores of all internal marking items are presented in Table 3.

As specified in Table 3, the studied hospitals had low to moderate scores in all items of the internal marketing. Regarding the quality of the relationships between employees (employees’ interactions), the supervision of supervisors and availability of promotion opportunity gained the highest scores among the internal marketing scales. As the provided descriptions show, although improving the status of all aspects of internal marketing in the studied hospitals is critical, improvements in some areas including benchmarking, job quality, reward system, and upward communications are more urgent.
Table 1. Demographic characteristics of the participants

<table>
<thead>
<tr>
<th>Variable</th>
<th>N (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>&lt; 30</td>
<td>47 (30.1)</td>
</tr>
<tr>
<td>30-40</td>
<td>68 (43.6)</td>
</tr>
<tr>
<td>&gt; 40</td>
<td>29 (18.6)</td>
</tr>
<tr>
<td>Missing</td>
<td>12 (7.7)</td>
</tr>
<tr>
<td>Total</td>
<td>156 (100)</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>106 (67.9)</td>
</tr>
<tr>
<td>Male</td>
<td>49 (31.4)</td>
</tr>
<tr>
<td>Missing</td>
<td>1 (0.7)</td>
</tr>
<tr>
<td>Total</td>
<td>156 (100)</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>23 (14.7)</td>
</tr>
<tr>
<td>Married</td>
<td>132 (84.6)</td>
</tr>
<tr>
<td>Missing</td>
<td>1 (0.7)</td>
</tr>
<tr>
<td>Total</td>
<td>156 (100)</td>
</tr>
<tr>
<td>Profession</td>
<td></td>
</tr>
<tr>
<td>Clinical</td>
<td>112 (71.8)</td>
</tr>
<tr>
<td>Non-clinical</td>
<td>44 (28.2)</td>
</tr>
<tr>
<td>Total</td>
<td>156 (100)</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>14 (8.9)</td>
</tr>
<tr>
<td>Associate degree</td>
<td>5 (3.2)</td>
</tr>
<tr>
<td>BS&lt;sub&gt;c&lt;/sub&gt;</td>
<td>134 (85.9)</td>
</tr>
<tr>
<td>MS&lt;sub&gt;c&lt;/sub&gt;</td>
<td>2 (1.3)</td>
</tr>
<tr>
<td>Missing</td>
<td>1 (0.7)</td>
</tr>
<tr>
<td>Total</td>
<td>156 (100)</td>
</tr>
</tbody>
</table>

Table 2. Mean scores of the internal marketing dimensions in the studied hospitals

<table>
<thead>
<tr>
<th>Internal marketing dimensions</th>
<th>Mean ± SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee satisfaction</td>
<td>3.22 ± 0.64</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>2.27 ± 0.86</td>
</tr>
<tr>
<td>Empathy and consideration</td>
<td>2.96 ± 0.94</td>
</tr>
<tr>
<td>Job quality and reward system</td>
<td>2.55 ± 0.82</td>
</tr>
<tr>
<td>Promotional activities</td>
<td>2.61 ± 0.76</td>
</tr>
<tr>
<td>Upward communication</td>
<td>2.82 ± 0.81</td>
</tr>
<tr>
<td>Value and information sharing</td>
<td>3.00 ± 0.76</td>
</tr>
<tr>
<td>Internal marketing</td>
<td>2.78 ± 0.60</td>
</tr>
</tbody>
</table>

Table 3. The mean scores of internal marketing items in studied hospitals

<table>
<thead>
<tr>
<th>Internal marketing items</th>
<th>Mean ± SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees satisfaction</strong></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the salaries offered by my organization</td>
<td>2.48 ± 1.09</td>
</tr>
<tr>
<td>I am satisfied with the promotion opportunities offered by my organization</td>
<td>3.50 ± 1.05</td>
</tr>
<tr>
<td>I am satisfied with the nature of my job</td>
<td>2.73 ± 1.00</td>
</tr>
<tr>
<td>I am satisfied with the relationships I have with my fellow workers in this organization</td>
<td>3.81 ± 0.84</td>
</tr>
<tr>
<td>I am satisfied with the supervision of my supervisor</td>
<td>3.57 ± 1.04</td>
</tr>
<tr>
<td><strong>Benchmarking</strong></td>
<td></td>
</tr>
<tr>
<td>My organization regularly investigates and collects information on what salaries are provided by organizations in the same industry as ours</td>
<td>2.25 ± 0.90</td>
</tr>
<tr>
<td>My organization regularly investigates and collects information on what fringe benefits are provided by organizations in the same industry as ours</td>
<td>2.30 ± 0.96</td>
</tr>
<tr>
<td><strong>Empathy and consideration</strong></td>
<td></td>
</tr>
<tr>
<td>My direct supervisor always discusses our future career developments in this organization with us</td>
<td>2.70 ± 1.14</td>
</tr>
<tr>
<td>My direct supervisor tries to understand what his/her subordinates think about the way he/she leads</td>
<td>3.02 ± 1.13</td>
</tr>
</tbody>
</table>
My direct supervisor often pays attention to the family life of his/her subordinates 3.03 ± 1.08
My direct supervisor makes effort to become fully familiar with his/her subordinates work performance 3.21 ± 1.07
My direct supervisor makes voluntary effort to know whether we encounter problems at work 2.83 ± 1.18

**Job quality and reward system**

My organization tries to make our work content interesting 2.46 ± 0.99
My organization offers good fringe benefits 2.32 ± 0.92
My organization offers many opportunities for promotion 2.41 ± 0.98
My organization respects its employees 2.91 ± 1.12
My organization is kind to its employees 2.79 ± 1.87

**Promotional activities**

My direct supervisor always gives us a feeling that we should work our best for him/her 3.09 ± 1.07
My organization often supports employees in their informal organization such as social clubs in an attempt to raise all employees commitment to the organization 2.48 ± 1.02
My organization often tries to raise our commitment to this organization through various activities such as live video links and organization events 2.32 ± 0.89
My organization often hold organization-wide events to increase chances of interaction between its employees 2.54 ± 0.92

**Upward communication**

When we have any thoughts on our organization’s actions or our work we can always express those opinions officially to our manager via email or a suggestion box 2.88 ± 1.07
My organization provides us with good official channels of appeal 2.77 ± 0.96
My organization has sufficient channels of vertical communication 2.82 ± 0.95

**Value and information sharing**

My organization manager often utilizes organizational meetings to deliver to us work-related corporate policies 3.11 ± 0.97
We often can gain understanding on our organization policies and activities through participating in formal meeting such as department or divisional feedback sessions 3.03 ± 0.93
My organization often announces new policies to us by means of explanatory seminars 3.01 ± 1.00
My organization often uses educational training to express to us its organizational values and goals 2.94 ± 1.04
My organization uses regular meetings that honor high-performance employees to send out messages to us 3.17 ± 0.99
My organization often holds organization contests in an attempt to improve employee performance 2.93 ± 2.62

**Figure 1.** The mean scores of internal marketing dimensions in studied hospitals
Discussion

This study investigated the situation of internal marketing and its dimensions in two educational hospitals of Yazd City. In this study, a marketing model of the internal marketing including 7 dimensions of employee satisfaction, benchmarking, empathy and consideration, job quality and reward system, promotional activities, upward communication and value, and information sharing was used. In this study, the studied hospitals obtained the highest score of internal marketing dimensions in employee satisfaction. So far, many studies were conducted to assess the satisfaction level of hospital employees. Sarah May Lubbe (30) in South Africa reported that the employees’ satisfaction score was moderate. In addition, Monjamed et al. (33), surveyed 4000 nurses from Iranian hospitals and concluded that majority of the Iranian nurses had moderate job satisfaction. Moreover, our studied hospitals obtained the lowest score of internal marketing in benchmarking dimension. This finding is in contrast with the results of Sarah May Lubbe (30), who reported that benchmarking obtained the highest score among all dimensions of the internal marketing.

In empathy and consideration dimension, our studied hospitals were at the moderate level with the scores ranging from 2.96 to 5. In the study by Sarah May Lubbe (30), this dimension’s score was reported as 3.281 ± 1.277. Moreover, based on our findings, job quality and reward system of the studied hospitals was in the moderate range. In this regard, Younesifar et al. (16,17), in two separate studies investigated two educational hospitals of Yazd and concluded that in these hospitals the employees’ job security, their empowerment, and availability of the applied continuous education for employees were poor. Heydari et al. (34), studied the internal environment of 3 educational hospitals of Yazd and reported that the reward mechanism of these hospitals was strong. Nevertheless, Vatankhah & Bahrami (35) and Heydari et al. (2012), evaluated the reward mechanism as the main weakness of three Shiraz hospitals. In other studies, Mohebifar et al. (36), and Abedini et al. (37) evaluated the reward system of their studied hospitals as poor and moderate. Furthermore, in the study by Sarah May Lubbe (30) this dimension obtained a moderate score.

In promotional activities dimension of the internal marketing, our studied hospitals had the mean score of 2.61, which indicated that the promotion of organization to its internal customers should be improved in these hospital. In a similar study, Sarah May Lubbe (30) calculated the mean score of promotional activities as 3.98 ± 1.30. Furthermore, in upward communication dimension, our studied hospitals obtained the moderate score of 2.61. Heydari et al. (34), evaluated the communication situation as moderate in Yazd educational hospitals with the scores ranging from 3.44 to 5. Vatankhah & Bahrami (35), in a study similar to that of Heydari et al., concluded that the communication was at the weak or moderate level in Shiraz educational hospitals.

In value and information sharing dimension, our studied hospitals’ mean scores ranged from 3 to 5, which was relatively better than other dimensions of the internal marketing with exception of the employees’ satisfaction. However, Younesifar et al. (16,17), conducted two studies and in some educational hospitals of Yazd and evaluated their information sharing as weak. Sarah May Lubbe (30) reported the mean score of 3.580 ± 1.98 for this dimension in her studied companies.

In our study, the mean score of internal marketing in studied hospitals was calculated within 2.78 to 5, which shows that the moderate situation of these hospitals with regard to internal marketing practices could be improved. Younesifar et al. (16,17), in their studies over Yazd hospitals reported weakness of these hospitals in implementing the internal marketing practices with the mean scores of 37.35 and 36.74 of a maximum 100 scores.

Overall, our findings showed that the situation of internal marketing activities in studied hospital was poor and improvable. The related literature in this area suggests that implementation of the internal market in hospitals can affect some organizational outcomes such as employees’
organizational commitment (38,39), their satisfaction (39,40), and the quality of delivered services (38). Therefore, it seems that improvement of internal marketing practices in our studied hospitals should be addressed. For this, the results of descriptive studies should be used to identify and prioritize the hospitals’ weaknesses in implementing the internal marketing and designing the improving strategies.

It is also necessary to note that our study had some limitations. First, this study was cross-sectional and thus generalization of findings should be done with caution. Due to the scarcity of the same studies in hospitals, we did a descriptive study as a baseline research, which can be completed with future analytical studies. The inherent limitations of the self-reported data can also be applied to this study.

**Conclusion**

Although internal marketing is a new concept, many companies and organizations used it in order to improve their performance. Studies show that internal marketing plays a key role in enhancing the quality of products and services. This study determined the status of internal marketing implementation in two educational hospitals of Iran. It showed that the studied hospitals should enforce their practices in all aspects of internal marketing. However, some areas of higher priority exist. The findings of this study should be used as a basis to design effective plans in order to address the marketing weaknesses in the studied hospitals.

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**Conflict of Interests**

No conflict of interests exists to be declared.

**Authors’ contributions**

Momahhed ShS and Bahrami MA designed research; Momahhed ShS collected the data; Momahhed ShS and Moeini M analyzed data; Bahrami MA and Barati O wrote the initial version of manuscript; Bahrami MA and Barati O revised the manuscript. All authors read and approved the final manuscript.

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