**Investigating the effect of internal marketing on the loyalty of academic staff in top restaurants in Iran**

Elnaz MesbahZadeh

Master's student in Business Administration, Tabriz University, Tabriz, Iran.

**Abstract**

The purpose of this research is to develop a better understanding of the effect of internal marketing on the loyalty of academic staff in top restaurants in Iran. This research is of applied type in terms of purpose and descriptive-correlational in terms of method and working method. The statistical population of the research is all academic staff (chefs) of top restaurants in Iran. The library method was used to develop theoretical foundations and the survey method was used to collect data. The data collection tool is a questionnaire, and in this research, 385 chefs were selected as a sample from the best restaurants in the country through simple random sampling. The conceptual model of the research has been analyzed using structural equation model by AMOS software. The results showed that internal marketing has a positive and significant effect on employee loyalty with a path coefficient of 0.305. Therefore, it is suggested that restaurant managers prioritize internal marketing measures to improve the loyalty of skilled employees (cooks).

Keywords: internal marketing, employee loyalty, chef, restaurant.

**Introduction**

In recent decades, businesses around the world have experienced extensive changes in all aspects of competitiveness. The key success factor for businesses is not more money but human capital (Khazaei-Poul et al., 2017). A business may be managed with a number of average employees, but competent employees can raise the level of the business and its development. In the same way, incompetent employees can bring a big business empire to collapse and destruction. In the current tight and competitive market, maintaining competent employees as well as developing employee loyalty to the organization has become increasingly important and has become a permanent challenge (Lai Wan, 2013). Employees are considered the most important factor in the service industry due to the role they play in the process of providing services to meet the needs of customers (Morat Yildiz and Kara, 2017). Therefore, the most important source of competitive advantage in organizations are motivated, committed and expert employees (Boxel, 1996). Good organizations understand that loyal employees ultimately lead to better business performance (Omar et al., 2010). The feeling of loyalty to the organization makes the employees work with more motivation and enthusiasm, and as a result, the output will be much better and the productivity of human resources will be higher. Employee loyalty means the desire to continue cooperation with the company, the feeling of belonging to the organization and the effort to achieve the goals of the organization. The basis of the concept of employee loyalty is emotional attachment (Mehta et al., 2010). Employee loyalty is the extent to which people feel that they are a part of the organization, employees who have more organizational loyalty work more and are committed to the organization. Employee loyalty consists of six dimensions of hard work, advice, cooperation, proactiveness, public interest and obedience (Chen and Lin, 2013). The main concept of internal marketing is to create conditions so that business management pays attention to the needs of employees and motivates employees (Ahmrinejad et al., 2016). Internal marketing is based on two main parts. First, it is necessary to pay attention to satisfying the needs of employees before satisfying customer needs. Second, the same rules applied in the trade market should be applied in the domestic market. In general, it can be said that the implementation of internal marketing in the service sector can increase the capability and competence of organizations, which can lead to the improvement of customer performance and organizational performance (Khazaei-Poul, 2017). Internal marketing has been widely studied in previous research and its concept is essential for organizations in the service industry because it is related to job satisfaction and organizational commitment among employees.

Considering the importance of the loyalty of knowledge workers, this research seeks to find out how to retain capable employees in restaurants and more importantly make them loyal to top restaurants. According to the studies carried out, no research has been done in this field in Iranian restaurants, so this research aims to investigate the effect of internal marketing on employee loyalty in top Iranian restaurants. In this research, the importance of internal marketing to achieve employee loyalty has been discussed, that is, through internal marketing, emotional commitment is created and through this emotional bond, employees become loyal.

**Theoretical foundations and research background**

**internal marketing**

The concept of internal marketing was first proposed in 1976 by Berry et al. as a way to achieve service quality. They expressed the concept of internal marketing based on the 4Ps of traditional marketing, including: product, price, place and promotion. The basic premise of Barry et al.'s (1976) definition was that employees are the organization's internal customers and their jobs are the organization's products. In the early eighties, Gruneros (1985) introduced employees as an important part of delivered products and services, who should be trained as marketers with customer retention skills so that they can establish continuous and effective relationships with customers (Imani et al., 2014). Following that, in the early nineties, internal marketing was defined as: "viewing employees as internal customers and their jobs as internal products and meeting the needs and desires of these customers when they address the organization's goals". Although the concept of internal marketing is related to human resource management, these two concepts are actually separate from each other (Bermudez-Gonzales et al., 2016). The generally accepted definition of internal marketing is that internal marketing is a cultural framework and tool for achieving strategic alignment between frontline and marketing employees. More specifically, internal marketing is a set of human resource policies and procedures that treat employees as members of an internal market who need to be informed, trained, nurtured, and motivated to serve customers more effectively (Huang & Randall Thiel, 2014). ). The basic premise of Barry et al.'s definition (1976) was that employees are internal customers of the organization and their jobs are the organization's products (Imani et al., 2014). Welfare systems are generally defined as employee benefits in addition to their wages, which are provided by a company to improve and stabilize the status of employees, health and standard of living of its employees (Kim et al., 2016). Also, employee training is an urgent critical activity that enables a company to mobilize employees to acquire the necessary skill sets and knowledge to improve job performance (Bosso et al., 2018). Communication usually refers to the company's activities or efforts to share, present, and exchange information, ideas, feelings, and opinions among employees to achieve company goals. Compensation refers to a company's strategy to motivate employees to adopt customer-oriented (market-oriented) behaviors and to reward employees' performance and efforts through incentives. Management support specifically refers to various efforts and processes of the top management team to help employees solve job-related problems and create an atmosphere for two-way information flow (Kim et al., 2016).

**Employee loyalty**

Researchers have different views on the concept of employee loyalty. From the point of view of Ellen and Mayer (1997), loyalty can be identified with three factors: 1. Strong belief in the organization's values ​​2. Great effort to achieve the organization's goals 3. Great desire to stay in the organization. In this model, a person's loyalty to the organization is due to the commitment that the person has towards the organization and its goals (Savarikin, 2009). H. Becker (1960) has described loyalty in the form of a process, this researcher believes that if a person refuses to accept that job in order to keep his current job despite being aware of the better conditions of a job, more pay and more suitable conditions, then loyalty An individual is considered an organization. Loyalty is defined in the form of expressions that include active behaviors with pride and prejudice and organizational support, including defending the organization against criticism, emphasizing the positive points of the organization, and refraining from complaining and complaining about the organization (Soleimani Beshli, 2013). In Rachel Yi et al.'s research (2009), employee loyalty is attributed to continued cooperation with the organization. Indicators for employee loyalty have been considered, which include: 1. Willingness to continue working with the organization 2. Doing more work 3. Feeling of belonging to the organization 4. Accepting more responsibilities.

**The empirical background of the research**

There have been several studies on the relationship between internal marketing variables and employee loyalty, which are mentioned in the following table:

|  |  |  |
| --- | --- | --- |
| The subject of research | writers | Research findings |
| Does internal marketing have an effect on employee loyalty? Research subject: Ghana's banking industry | Narte and Adam (2015) | The results of this research show that internal marketing is related to internal communication, reward systems, empowerment, organizational culture, training, and organizational commitment, and since all of these things are related to employee loyalty, as a result, internal marketing, except organizational culture, has a significant relationship with employee loyalty. |
| Internal marketing, job satisfaction and  Loyalty: Validation of the cultural cycle in US and German nurses | Dehl and Pelletier (2014) | Internal marketing efforts should be aimed at increasing employee satisfaction and loyalty. |

**Conceptual model and development of research hypotheses**

According to the theoretical and experimental background of the research, in order to clarify the relationship between the research variables, the conceptual model of the research is presented in Figure 1.

The hypothesis of the research is as follows:

1. Internal marketing has a positive effect on employee loyalty.

A study conducted by Martio and Zajak (1990) showed that employees who perceived themselves to be well trained and competent were more committed and loyal than employees who perceived themselves to be less competent. Other studies have also shown that employee training leads to employee loyalty to the organization (Harris, 2002; Wass et al., 2004). Awad and Egti (2011) in their banking study stated that fair reward system creates loyal employees (more loyalty) for banks. In addition, Ecker (2004) showed that salary satisfaction has a positive relationship with employee job satisfaction and performance. Furthermore, research has shown that most employees want to stay with an organization that also takes care of their needs (Kim et al., 2009). Narte and Adam (2015), shows that internal marketing is related to internal communication, reward devices, empowerment, organizational culture, training and organizational commitment, and since all these things are related to employee loyalty, as a result, internal marketing, except organizational culture, is related to employee loyalty. It is significant. As a result, referring to previous studies, the desired hypothesis was confirmed.

H1: There is a positive and significant correlation between internal marketing and employee loyalty of top restaurants.

Welfare systems

Teaching

reward

Relationship

Management support

Figure 1: Conceptual model of the research

**Research Methodology**

The current research is based on the use of statistical data of the type of quantitative research, and since the findings of this research can be used scientifically and its purpose is to develop a better understanding of the effect of internal marketing on the loyalty of knowledge workers in top restaurants in Iran. It is practical. On the other hand, due to the fact that in this research, a questionnaire was used, in terms of collecting information, it is a descriptive-correlational research and is based on structural equations. The target community is Iran's top restaurants, where the effect of internal marketing on employee loyalty is more evident than in other organizations. . Content validity and Cronbach's alpha coefficient were used to determine the validity and reliability of the questionnaire, respectively. Validity determines to what extent the questions of the questionnaire measure the desired characteristics (Sarmed et al., 2019). The final values ​​of the content validity index for the questions were all higher than 0.79 and the content validity index has been confirmed. Considering that the number of experts is ten people, the value of the acceptable reliability ratio is 0.62 and above. In the questionnaire of this research, because the CVR of all the questions was higher than this value, all the questions were accepted. Reliability is a measure that determines to what extent the questionnaire gives similar results in repeated tests (Sarmed et al., 2019). Cronbach's alpha coefficient is used to check the internal consistency of questionnaire items and its range is between 0 and 1. In many sources, if Cronbach's alpha coefficient is more than 0.7, the test has acceptable reliability, so the variables of this research also have reliability. are acceptable. Data analysis was done through Emos software.

**Research findings**

Demographic data shows that out of 385 respondents, 9% (34 people) are women and 91% (351 people) are men. In terms of age, 3% (13 people) of the respondents are between 19-25 years old, 15% (57 people) between 26-30 years old, 38% (146 people) between 31-35 years old and 44% (169 people) of the respondents are over 35. were years In terms of work experience, 6% (24 people) of the respondents have less than 5 years of work experience, 26% (100 people) 5 to 10 years, 36% (139 people) 10 to 15 years and 32% (122 people) have more than They had 15 years of work experience. Regarding the level of education, 89% (341 people) of the respondents have a diploma or postgraduate degree, 10% (40 people) have a bachelor's degree, 1% (4 people) have a master's degree, and none of the respondents have a doctoral degree. In terms of marital status, 80% (308 people) were married and 20% (77 people) were single.

**Measurement model test**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Research variables | | | | Indicator | factor load | | | Cronbach's alpha |
| internal marketing | Welfare system | Providing good benefits to employees | | | 0/828 | 0/926 | |
| Providing good welfare facilities | | | 0/814 |
| Providing good vacation systems | | | 0/814 |
| Has a good leave system for employees | | | 0/899 |
| Teaching | Has regular educational services | | | 0/797 |
| Having enough training programs | | | 0/745 |
| Training sessions to understand customer needs | | | 0/569 |
| reward | Providing fair rewards for employee performance | | | 0/875 |
| There is a match between performance and salary | | | 0/768 |
| Receive rewards for close relationships with customers | | | 0/518 |
| Relationship | freedom of opinion | | | 0/715 |
| Sufficient information exchange in the organization | | | 0/744 |
| Providing sufficient information about the job descriptions of people | | | 0/712 |
| Management support | Proper management guidance in solving problems | | | 0/829 |
| Encouraging two-way information flow at management levels by management | | | 0/852 |
| Encourage clear communication | | | 0/786 |
| Employee loyalty | | | | absence | 0/415 | | | 0/882 |
| Continue working in the organization | 0/796 | | |
| Double effort towards the goals of the organization | 0/877 | | |
| I consider myself a part of the organization | 0/876 | | |
| Rejection of higher paying jobs | 0/806 | | |
| Accepting anything to stay in the job | 0/726 | | |

The measurement model defines the relationship between the manifest and latent variables of the research. In other words, based on the measurement, the researcher determines which of the manifest variables can be used to measure the latent variables. The following table shows the general fit indices related to the measurement model (confirmatory factor analysis).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | CMIN/DF | IFI | CFI | GFI | RMSEA |
| internal marketing | 3/756 | 0/929 | 0/929 | 0/894 | 0/085 |
| Employee loyalty | 5/913 | 0/967 | 0/967 | 0/953 | 0/113 |

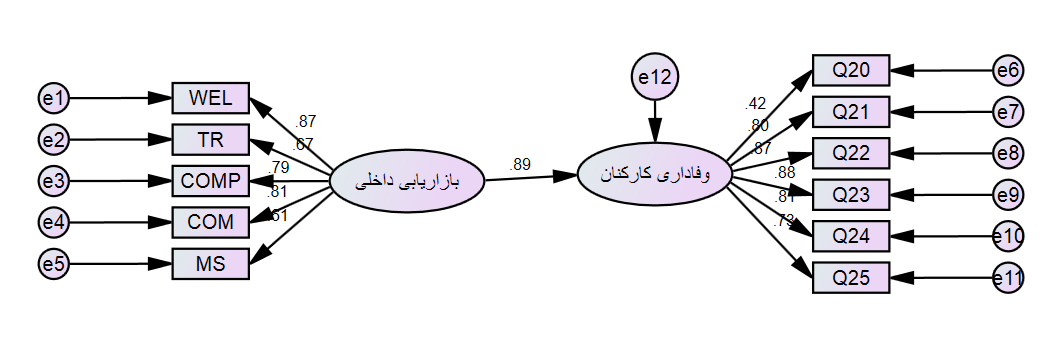
Considering that the fit indices of the model are in the acceptable range in at least 3 indices, and as a result, it can be said that the model has the desired fit.

**Conceptual model test and research hypotheses**

Structural equations were used to test the conceptual model and research hypotheses. The figure below shows the output model of AMOS software.

Hypothesis) Internal marketing has a positive and significant effect on employee loyalty.

The direct effect of internal marketing on employee loyalty (H1) has a path coefficient of 0.305, which states that with an increase of one unit in internal marketing, employee loyalty increases by 0.305, provided that other factors are kept constant. Since the p-value of this test is (\*\*\*), it shows that this relationship is significant with 99.9% confidence. Therefore, the hypothesis (H1) about the effect of internal marketing on employee loyalty is positive and significant, and this hypothesis is confirmed.



**Assessment of model fit**

Every designed conceptual model faces the question of how well it corresponds to reality. This key question is the issue of fitting the research conceptual model. The following table shows a number of important indicators related to the evaluation of the conceptual model of the research.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fit indices | Abbreviation | Acceptable value | Calculated value | Result |
| Kai two is normal | /df2X | Between 1 and 3 | 2/936 | confirmation |
| goodness of fit index | GFI | 0/9< GFI | 0/922 | confirmation |
| Comparative fit index | CFI | 0/9<CFI | 0/963 | confirmation |
| The root mean square index of the estimation error | RMSEA | 0/08<RMSEA | 0/071 | confirmation |

Based on the information in the table above, it can be concluded that the conceptual model of the research has a good fit. After checking and confirming the conceptual model of the research, the research hypotheses were tested using the critical ratio (CR) and P indicators, and the relevant results are shown in the table below. It should be noted that checking the significance level of 0.05, the critical value should be more than 1.96. Also, values ​​smaller than 0.05 for the P value indicate a significant difference between the calculated value for the regression weights (factor loadings) and the zero value at the 0.95 confidence level.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Hypothesis symbol | hypothesis | Path coefficient | Critical value | P | Result |
| H1 | internal marketing ---> Employee loyalty | 0/895 | 8/261 | Meaningful | confirmation |

According to the results of the table above, the hypothesis of the research is confirmed at the confidence level of 95%.

**Conclusion**

This research aims to develop a better understanding of the effect of internal marketing on the loyalty of knowledge workers in top restaurants in Iran. The results of the confirmatory factor analysis model indicate the appropriateness of the model to investigate the relationship between the observed and unobserved variables of the research. In this research, the importance of internal marketing to achieve employee loyalty has been discussed. With many researches carried out in the studies of other researchers and authors, it was concluded that there is a positive and significant relationship between internal marketing and employee loyalty. The questionnaire of the current research was taken from the standard questionnaire provided by Simon L. Alberk and Andromarti (2017), Jang Sun Kim, Hak Jan Sang, Chung K. Lee (2016) and Russell Y. Y., Andy C. L. Yang, TC Edwin Cheng (2010). ) is. After collecting data and performing statistical analysis, the state of rejecting or confirming the hypothesis was investigated, the results of which showed that our hypothesis was confirmed.

**Practical suggestions**

According to the results of the hypothesis that shows the positive and significant effect of internal marketing on employee loyalty, it is suggested that organizations provide benefits, welfare facilities and good holiday systems to employees and provide regular training services, adequate training programs to employees and also training meetings. To understand the needs of customers and provide fair rewards for the performance of employees, provide rewards for employees who establish a close relationship with customers and create an atmosphere of freedom of opinions and exchange information sufficiently in the organization and provide a clear description of people's duties. and accurate, providing appropriate guidance to management in solving work problems, increase internal marketing in the organization.

**Limitations and suggestions for future research**

In every research, there are factors that limit the research findings and their generalizability. This research also had the following limitations:

1.The data collection tool was a questionnaire, and although this method had many merits and was the most suitable method for conducting this research, the use of private interviews with academic staff and observation could have provided valuable and complementary information, which, unfortunately, due to time and place limitations This was not possible because in some restaurants direct contact with the chefs who were part of our research staff were not allowed and for this reason, because the questionnaires were given to them through an intermediary, some respondents have answered some conservative questions, which could have been done if these conservatisms If not applied, different results would have been obtained.

2. Use of cross-sectional data.

3. Another limitation of this research is the small number of studies in this field.

4. Another important and basic limitation in this research was the lack of accurate statistics of the top restaurants in the whole country of Iran, because no accurate source of the statistics of the top restaurants in the country was available, so there is a possibility of error in conducting this research.

5. Non-cooperation of most restaurants.

In this research, we examined restaurants. Since internal marketing can be used for the loyalty of knowledge workers in any trade and industry, it is suggested to conduct this research in different work areas such as hospitals, hotels, pharmaceutical industry, oil industry, petrochemical industry, etc., each of which has different results. And they will be interesting.

In this research, we studied only the best restaurants in the country, and the same research can be extended to regular restaurants as well as regular and luxury coffee shops and the results are checked.

It is also suggested to conduct the same research using consultation and face-to-face conversation with academic staff to eliminate the possibility of error that may occur due to the presence of an intermediary.

**References**

Ahmrinejad, Mezhgan; Ahmrinejad, Mojdeh; Rizkian, Hamid and Kwannati, Mohammad (2016), Investigating the effect of internal marketing on organizational commitment in Arak Quds Hospital, Journal of Arak University of Medical Sciences, 20(3):1-11.

Imani, owner; Gaskeri, Rayhane and Qetani, Alborz (2014); The effect of internal marketing on employee performance: the mediating effect of organizational innovation in subordinate offices of Aghajari Oil and Gas Exploitation Company, Journal of Business Management 7(2):315-338.

Rostami, Reza; Akbari, Payman; Vismradi, Akbar and Mohammadi Najafabadi, Abdul Majid (2014), analysis of the mediating role of job satisfaction and organizational commitment in the relationship between internal marketing and customer orientation of employees (case study: pharmaceutical and food distribution companies), Journal of Marketing Management, 10(26):158 -139.

Soleimani Beshli, Ali. (2011). The importance and function of internal marketing in the banking industry, Research Journal of Bank and Economy 121: 24-29.

Saberi, Mohammad Karim; Soltani Nejad, Nima; Rashid, Ali Asghar and Mazloum, Jalal (2017), "The mediating role of job attachment and emotional commitment in the relationship between internal marketing and customer-oriented behavior", Kerman province public library librarians, Information Research and Public Libraries, 24(1):81-102.

Mohammadi, Jiran; Nadaf, Mehdi; Safarian, Sara (2016); Explaining the effect of trust and organizational health on employees' resistance to change in government organizations with regard to the mediating role of organizational commitment (case study: Ahvaz Municipality), Public Administration, 9(1): 85-106.

Becker, H.S., (1960), Notes on the concept of commitment, *The American Journal of Sociology*, 66(1), 32-40.

Bedman Narteh & Raphael Odoom (2015) Does Internal Marketing Influence Employee Loyalty? Evidence from the Ghanaian Banking Industry, *Services Marketing Quarterly*, 36(2), 112-135.

Bermodez-Gonzalez, G., Sasaki, I., & Tous-Zamora, D. (2016), “Understanding the impact of internal marketing practices on both employees’ and managers’ organizational commitment in elderly care homes”, *Journal of Service Theory and Practice*, 26(1), 28-49.

Boxall, P., (1996), "The strategic HRM debate and the resource-based view of the firm, *Human resource management journal*, 6(3), 59-75.

Chen, Y.C. & lin, S. (2013). “Modeling internal marketing and employee loyalty; a quantitative approach, *Asian Social Science*”. May2013, 9(5), 99-109.

Gronroos, C. (1985). Internal marketing-theory and practice. In T. M. Bloch, G. D. Upah, & V. A. Zeithaml (Eds.), *Services marketing in a changing environment.* 41–47. Chicago, IL: American Marketing Association.

Huang, Y. & Rundle-Thiele, S. (2014), the moderating effect of cultural congruence on the internal marketing practice and employee satisfaction relationship: An empirical examination of Australian and Taiwanese born tourism employees, *Tourism Management*, 42, 196-206.

Joung, H.W., Goh, B.K., Huffman, L., Yuan, J.J. & Surles, J. (2015), “Investigating relationships between internal marketing practices and employee organizational commitment in the foodservice industry” International Journal of Contemporary Hospitality Management, 27(7), 1618-1640.

Kara, A. Yildiz, M. (2017). A unidimensional instrument for measuring internal marketing concept in the higher education sector. *Quality Assurance in Education*, 25(3), 343-361.

Kadic-Maglajlic, S. Boso, N. Micevski, M. (2018). How internal marketing drive customer satisfaction in matured and maturing European markets? *Journal of business research*, 86, 291-299.

Khazaei Pool, J. Khodadadi, M. Amirbakzadeh Kalati, E. (2017). Linking internal marketing orientation to balanced scorecard outcomes in small businesses: the case of travel agencies, *international journal of culture, tourism and hospitality research***.** 11 (3), 297-308.

Kim, J., Song, H. J., Lee, C. K. (2016), “Effects of Corporate social responsibility and internal marketing on organizational commitment and turnover intentions”, *International Journal of Hospitality Management*, 55, 25-32.

Lee , J& Fecci, R . (2007). Perceived organization support & affective commitment .the mediating role of organization based self esteem in the context of job insecurity.Journal of organizational behavior , 28(6), 661.

Malhotra, N., Mukherjee, A. (2004). The relative influence of organizational commitment and job satisfaction on service quality of customer- contact employees in banking call centers. *Journal of Service Marketing*, 18, 162-174.

Meyer, J. P & Allen, N. (1997). *Commitment in the workplace: theory research and application*“. Thousand Oaks.CA: sage. 9(3), 309-312.

Mehta, S., Singh, T., Bhakar, S. S., & Sinha, B. (2010). Employee loyalty towards organization—a study of academician. *International Journal of Business Management. Economics and Research*, 1 (1), 98–108.

Omar, R., Ramayah, T., Lo, M.-C., Sang, T. Y., & Siron, R. (2010). Information sharing, information quality and usage of information technology (IT) tools in Malaysian organizations. *African Journal of Business Management*, 4(12), 2486–2499.

Savareikiene, D. Daugirdas, L., (2009), Forms of Expression of Employee Loyalty, available at: [http://www.su.lt/old.su/bylos/mokslo\_lei diniai/soc\_tyrimai/2009\_16/savareikiene. pdf. 89/12/20](http://www.su.lt/old.su/bylos/mokslo_lei%20diniai/soc_tyrimai/2009_16/savareikiene.%20pdf.%2089/12/20), 2(16), 86-93.

Tansuhaj, P., Randall, D., McCullough, J. (1991). “Applying the internal marketing concept within large organizations”, Journal of Professional services marketing, 6) 2(,193-202.

Yamao, S., & Sekiguchi, T. (2015). Employee commitment to corporate globalization: The role of English language proficiency and human resource practices. *Journal of World Business*, 50(1), 168-179.