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Impact of Internal Strategic Marketing, Job Satisfaction and Organizational Commitment toward Employee Performance of Thai Private Hospitals

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Abstract

Qualified and experienced employees were valuable resource of any medical service organization and impacted greatly on medical care quality. Based on the literature reviews on marketing and human resource management, Internal Marketing (IM) was a useful management tool which was originated in the market research fields and enterprises should motivate their employees by also treating them as internal customers. Consequently, the promoting of job satisfaction among staff and organizational commitment would enhance the level of service quality provided to external customers. This research aimed to propose the conceptual model focus on the impact of internal strategic marketing, job satisfaction, and organizational commitment toward employee performance of Thai private hospitals. The research sample consisted of 520 hospital employees of private hospitals in Thailand. The research methodology employed both quantitative and qualitative approach. The instrument consisted of 7 point Likert scales questionnaires and semi-structured interview. The impact of internal strategic marketing, job satisfaction, organizational commitment on employee performance is examined using Second Order Model Analytical for Structural Equation Modeling.

Keywords: Internal Strategic Marketing, Job Satisfaction, Organizational Commitment, Employee Performance

1. Introduction

Private hospitals played significant roles to Thailand's economy. According to the strengths of high quality medical professional workforce, high quality standard of medical care,

hospitality and service mind, variety of alternative medicine services as well as the reasonable medical cost when compared with Singapore and Malaysia. In addition, Thailand was a major tourism destination worldwide [1] Therefore, Thailand became the leading medical business in Asian and worldwide. However, the forthcoming of Asian Economics Community (AEC) in 2015 would intense competition among domestic and international medical sectors. Private hospitals need to review and apply effective strategies in order to generate strong potential for continue business growth. Since healthcare service was a highly contact service [2] [3] and needed special professional skills [4], so qualified and experienced employees were valuable resource of any medical service organization [3] [5] and would impact greatly on medical care quality. The crucial role of medical staff contributed to the survival and created the sustainable competitiveness advantages [5][6]. Therefore, human resource management should reconsider and view their employees as organization's customer [1] as well as emphasized to be able to satisfy their employees first, before they can satisfy external customers [7]. Service firm should take care of their employee needs and ensure that they had effective human resource policies and management reflected the top management's concerns in order to motivate their employees to perform their jobs with utmost satisfaction [3]. The application of internal strategic marketing had positive effect on the job satisfaction among hospital staffs [8], associated with increased employee's organizational commitment [9] and promoted level of employee performance [10]. This research paper proposed the conceptual model demonstrating the relationship among internal strategic marketing, job satisfaction, organizational commitment and employee performance. The research hypothesis and the research methodology were also discussed.

2. Literature Review

2.1 Internal Strategic Marketing

In 1970, the concept of internal marketing had introduced [11] and proposed that employees should be considered as internal customers and their jobs could be viewed as the organization's products. The organization should treat their employees with market-like approach which practiced satisfying and motivating employees. Additionally, Gronroos [12] stated that employees were an important part of the overall product or service delivered. Therefore, employees should be trained so that they would be the enabler in building the ongoing customer relationships and achieving satisfaction of external customers. Berry and Parasuraman [13] proposed that internal marketing referred to the development of products that meet employee needs in order to attract, develop, inspire, and retain qualified employees. Rafig and Arhmed [14] identified the key elements of internal marketing as employee motivation and satisfaction, customer orientation and satisfaction, inter-functional co-ordination and integration, marketing-like approach and implementation of specific corporate or functional strategies. Kotler [15] stated that the recognition of internal marketing was more important than marketing activities directed outside the company.

The tasks of internal marketing were hiring, training, and motivating employees to serve customers well. Motivated employee with internal marketing would lead to job satisfaction and strengthen the business competitive advantages [16]. Furthermore, Javadein et al [17] concluded that internal marketing enhanced job satisfaction and promoted employee's service oriented. Then employee would provide a good service and contributed customer satisfaction and business competitive advantages. Therefore, internal marketing should apply in health care services with an attempt to establish the needs of diversified health care staffs [18].

2.2 Job Satisfaction

Job satisfaction was critical to any service organization. Employee's job satisfaction was derived from the mental and physical satisfaction they experienced in the work environment and from the work itself [19]. Porter and Lawler [20] stated that job satisfaction included 1) internal satisfaction refers to the facets directly related to the job itself such as sense of achievement, growth, self-esteem, independence and sense of control, 2) external satisfaction refers to the facets indirectly related to the job itself such as working environment, salary, welfare, and promotion. Herzberg [21] concluded that job satisfaction and dissatisfaction must be separated into two different continuances. Berry and Parasuraman [22] pointed out that the service enterprises must promoted employees first and allowed them pleasure in work before providing the effective service to external customers. Previous researches illustrated that successful application of internal strategic marketing could be resulted in job satisfaction. According to Chang and Chang [23] found that implementation of internal strategic marketing (management support, human resource management, external communication, internal communication and education training) had a positive effect on employee's job satisfaction. Iliopoulos and Priporas [8] found that internal marketing had a positive effect on the job satisfaction of hospital staff. Therefore, hospital administrators should recognized that internal marketing could be very helpful by improving the job satisfaction of healthcare employees. Ahmad and Al-Borie [24]found that internal marketing (selection and appointment, training and development, organizational support, incentives and motivation, and retention policy) had a positive effect on hospitals' job satisfaction, as well as Pantouvakis [25] found that internal marketing had direct effect on medical staffs' satisfaction.

As described above, researchers proposed the research hypothesis as follows:

H1: Internal strategic marketing has a positive effect on job satisfaction.

2.3 Organizational Commitment

The concept of organizational commitment had become an important research topic in the field of organizational behaviors [23]. Organizational commitment referred to the level of an individual's identification with and involvement in his or her organization [26].

According to Meyer, Allen and Smith [27], they proposed that organizational commitment consisted of the following three constructs: affective commitment referred to the emotionally attached to organization, continuance commitment referred to the existence based on the consideration of costs occurred when employees leave an organization and normative commitment referred to the employee's loyalty to an organization. The relationship of internal marketing and organizational commitment had been generally elaborated by numerous marketing scholars. Chang and Chang [23] revealed that nurse perceptions of internal marketing had positive influence on organizational commitment. Tsai and Wu [28] found that internal marketing had an impact on organizational commitment. Moreover, Ahmad and Al-Borie [24] discovered that internal marketing had a positive effect on Saudi teaching hospitals physicians' organizational commitment. Gulnur and Fatma [29] found that internal marketing activities were influential on affective commitment and normative commitment. As described above, researchers proposed the research hypothesis as follows:

H2: Internal strategic marketing has a positive effect on organizational commitment.

Employees having a high job satisfaction were expected to be committed to the organization [30]. Job satisfaction had an obviously positive influence on organizational commitment [23]. It could be stated that a higher level of job satisfaction indicated that an employee was more likely to recognize organizational values and goals, to remain with the organization, and to dedicate more effort toward accomplishing organizational objectives in order to assist the organization development and success. There was a significant relationship between job satisfaction and organizational commitment among professional physicians [31]. As well as Ahmad and Al-Borie [24] concluded that physician's job satisfaction was a key mediating factor in the organizational commitment. However, there were two opinions related to the relationship between organizational commitment and job satisfaction. The first opinion quoted that job satisfaction was a significant predictor of organizational commitment and the second opinion quoted that the organizational commitment was a significant predictor of job satisfaction. As Adekola [32] proposed that organizational commitment was being proven as the catalyst for enhancing level of job satisfaction. According to Omidifar [33], the study results revealed that organizational commitment led to job satisfaction similar to Susanty, Miradipta and Jie [34] discovered that the organization's commitment had positive and significant effect on job satisfaction and employee performance. As described above, researchers proposed the research hypothesis as follows:

H3: Job satisfaction has a positive effect on organizational commitment.

H4: Organizational commitment has a positive effect on job satisfaction.

2.4 Employee Performance

Performance was described as the attained result of skilled workers in some specific situations [35]. Koopmans et al [36] proposed the frequently used dimension to describe individual work performance: (1) task performance, (2) contextual performance, (3) counterproductive work behavior and (4) adaptive performance. However, the importance of the four dimensions, and their exact indicators, might differ on the basis of the specific context. At present, service sectors focusing on quality of service delivered to their customers. In healthcare context, quality of service was depended on skills and knowledge of the service provider. SERVQUAL [37] was widely used to measure the quality of service, but mostly in the customer perception aspect but with limited used in the employee viewpoint. The dimension of SERVQUAL was reflected the employees attributes during services process [38]. Based on these notions, this study employed the five dimensions of SERVQUAL model in measuring employee performance. The empirical study of Yee, Yeung and Cheng [39] suggested that employee satisfaction was an important consideration for operation managers to boost the service quality. Devie, Tarigan, and Widjaja [40] found that employee satisfaction had a positive and significant influence on service quality. As described above, researchers proposed the research hypothesis as follows:

H5: job satisfaction has a positive effect on employee performance.

The evidence revealed the importance of organizational commitment in the achievement of a good organizational performance. According to Susanty, Miradipta and Jie [34] found that the organization's commitment had positive and significant effect on employee performance. Furthermore, Asiedu, Sarfo, and Adjei [41] suggested that organizational commitment influenced and improved employee performance. Researchers also proposed the similar research hypothesis as follows:

H6: organizational commitment has a positive effect on employee performance.

2.5 Conceptual Model

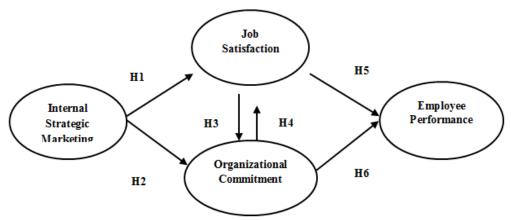


Figure 1 Conceptual model of Internal Strategic Marketing, Job Satisfaction and Organizational Commitment toward Employee Performance of Thai Private Hospitals

2.6 Research Methodology

The research methodology employed both quantitative and qualitative approach. The research sample consisted of 520 employees from 104 private hospitals in Thailand. The questionnaire was divided into four parts. The first part was internal strategic marketing (develop and training, communication, work environment, reward, and empowerment). The second part was job satisfaction (supervision, promotion, job security, pay, co-workers, autonomy, and job nature). The third part was organizational commitment (affective, normative, and continuance) and the fourth part was employee performance (tangibles, reliability, responsiveness, assurance, and empathy). The 7 Likert Scale was adopted and the samples were required to fill in their perceptions (strongly agree to strongly disagree). The qualitative approach via semi-structure interviews was conducted. The impacts of internal strategic marketing, job satisfaction, organizational commitment on employee performance were examined using structural equation modeling while content analysis was applied for qualitative data.

3. Conclusions

Employee was recognized as key critical factor on the success of medical care business. The concept of internal strategic marketing had an aimed to motivate employee to have their readiness and willingness in delivering their services and in generating satisfaction among their external customers. The internal strategic marketing had correlation with job satisfaction and organizational commitment and had effect on the employee performance.

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