Internal Marketing Strategy, Employee Performance, and Organizational Commitment in Selected Public Universities in Nairobi County, Kenya

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Abstract

It is expected that committed employees perform better in their tasks and therefore deliver better services which affects customer confidence positively and contributes to achieving customer loyalty and ultimately enhanced organizational performance. Internal marketing strategy is emerging as a central theme of increasing importance in both academic and practitioner discourse, as a key strategy in enhancing employee commitment for satisfied clientele and assured organizational performance. Against this background, the present study set out to investigate the effect of internal marketing strategy on employee performance and the moderating role of employee commitment among selected public universities in Kenya. The study targeted a total of 384 employees from both administrative and academic staff positions, employing stratified random sampling in sampling individual respondents from across the departments in these institutions since internal marketing strategy is ideally directed to all employees regardless of the department. These were sampled proportionately from the 4 institutions. The study used primary data which was largely quantitative, collected by use of questionnaires. Descriptive and inferential analyses were conducted. Findings reveal that internal marketing strategy significantly influences employee performance; the study also established a significant relationship between employee commitment and employee performance among selected public universities in Kenya. The study however established no significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya was however established. Discussion, conclusion, and recommendations are provided based on the results of this study.

Key Words: Employee Performance, Internal Marketing Strategy, Employee Commitment

1.0 Introduction

If an organization is to achieve its goals, it must not only have the required resources, it must also use them effectively (Saul, 2010). While human resources (HR) have always been critical to the success of any organization, they have assumed an increasingly greater importance that is being recognized inside and outside work organizations. Spurred on by increasing competition, fast paced technological change, globalization, and other factors; corporations are seeking to understand how one of the last truly competitive resources, their human resources, can be managed to perform to their best and therefore enhance employee performance and competitive advantage (Boxall et al., 2007). Universities and higher education systems across the globe are particularly taking leading roles in their states’ economic development efforts, through among other avenues, innovation, and Knowledge transfer that helps businesses grow and prosper.

As such, staff competence in the academia is particularly often in the center of attention in high educational institutions (Akuezuilo, 2010; Davenport, 2013; Kaczyński, 2013). The challenges experienced by universities currently, such as large student enrollments, globalization of education with inherent competition for staff and students has called for competence in delivery of quality education with a view to produce competence, world-class graduates in the wake of highly dynamic economic growth driven by science and fast paced technology (Maičibi, 2013, McNamara, 2014). The emerging issues of brain drain have further placed pressure on academic staff to perform and improve the status of the university in the global academia (Kaczyński, 2013).
Thus, university staff, both administrative and academic, is required to prove their credibility and continued retention in university employment based on the strength and magnitude of their research activities, teaching and consultancy services among other capabilities (Ng’ongah, 2012).

Inspired by the foregoing, IMS is emerging as a central theme of increasing importance in both academic and practitioner discourse as a platform upon which organizations can get their human resources to understand and commit to the value proposition of the organization and improve their performance. First introduced by Berry et al. (1976), the main concept of IMS is to count employees as internal clientele, and work as a product, a product that should meet the needs and requirements of clientele to achieve organizational goals (Robertson and Cooper, 2010). It is probable that committed workforce achieves better results in their tasks and therefore delivers better services (Halil and Cem, 2010) which in turn affects client confidence positively and contributes to realizing client loyalty. Employee Commitment (EC) is widely described in the management and behavioral sciences literature as a key factor in the association between individuals and corporations. For example, Robertson and Cooper (2010) and Gilbert and Ivancevich (2009) all describe EC as the factor that promotes the attachment of the individual to the corporation.

Higher education institutions in the continent in general and particularly in Kenya are expected to play a critical role in the development of human resources and in the overall social development and transformation of the continent through the production of knowledge and high-level person power (Omanga, 2008; Maicibi, 2013). While such expectations bring fresh hope for Africa’s renaissance, the success of higher education institutions in fulfilling them is contingent upon many factors, although, more importantly, it is dependent on a cadre of academics that can utilize research, teaching/learning, as well as community engagement to identify and solve problems, in addition to harnessing the full economic potential of the continent (Akuezuiolo, 2010). In the Kenyan higher education context, all these imperatives undoubtedly pose major implications for attracting/recruiting and retaining expert staff, as well as the for development and performance management of academic staff (Omanga, 2008).

It is thus imperative, based on the foregoing realization, that employee performance in the academia be assessed with respect to what constitutes superior performance among institutions of higher learning. The foregoing literature points to IMS an EC as probable determinants of employee performance, yet literature on the same remains scanty both internationally and locally. It is against this backdrop that this study was based, with a view to investigate internal marketing strategy, employee performance, and organizational commitment in selected public universities in Nairobi County, Kenya. More specifically, the study sought to examine the effect of internal marketing strategy on employee performance among selected public universities in Kenya; examine the effect of employee commitment on employee performance among Selected public universities in Kenya; and to establish the moderating role of employee commitment on the effect of internal marketing strategy on employee performance among Selected public universities in Kenya. The foregoing objectives informed the study hypotheses: H01: There is no significant relationship between internal marketing strategy and employee performance among Selected public universities in Kenya; H02: There is no significant relationship between employee commitment and employee performance among Selected public universities in Kenya; and H03: There is no significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among Selected public universities in Kenya

2.0 Literature Review

2.1 The Concept of Employee Performance

The performance of an employee is that, how well a staff performs their task duties and responsibilities. Employees’ performance is also crucial. Because the achievement of goals and objectives of the corporation is assessed by performance of its resources, employees’ performance should be assessed and maintained periodically. In the view of Putterill and Rohrer (2011), job performance is defined as it focuses directly on staff productivity by assessing the number of units of acceptable quality produced by a staff within a specific time period. The success of business depends on employees’ performance. One of the most effective ways to increase business performance and profit is to increase the performance of employees, from the lowest levels of the corporation to senior management (Heskett et al., 2008). Performance improvement is not only a result of well-functioning system but also depends on effective human resource strategies that succeed in recruiting and maintaining a committed and motivated workforce (Al-Ahmadi, 2009).
The resource-based view of the firm (RBV) and the resultant resource-based theory (RBT) provide an important framework for explaining and predicting the basis of a firm’s competitive advantage and performance (Barney et al., 2011; Vorhes and Morgan, 2005). In the past decade, the applications of resource-based logic in marketing have grown exponentially; in the 1990s, only 19 articles in marketing explicitly referenced the RBT or RBV, but in the 2000s, that number increased to 104. In just 2012–14, more than 50 published conceptual and empirical marketing articles drew on RBT. This upward trend indicates the growing importance of RBT to marketing. While top management journals have dedicated special issues solely to RBT (issues 17(1), 27(6), and 37(5) of Journal of Management), there is a need to synthesize the fragmented applications of RBT in marketing (Ramaswami et al., 2009).

2.2 The Concept of Internal Marketing Strategy

Following the resource-based approach (Opoku et al., 2010), IMS could be used as a strategy for developing inside competencies for outside success. The growing strategic importance of IMS in business management is well documented. Although IMS is a concept in evolution, one of the most comprehensive definitions, which emerged from a synthesis of the most important contributions over recent years, is proposed by Ahmed and Rafiq (2002): “Internal Marketing Strategy is a planned effort using a marketing-like approach directed at motivating staffs, for implementing and integrating organizational strategies towards customer orientation”.

Clearly, the scope of IMS activity is much wider than simply the motivation of staffs. This conceptualization emphasizes the need to generate cross-functional coordination efforts to accomplish client-satisfaction objectives. In fact, the essence of IMS is based on those activities which improve inside communications and client-consciousness among staffs, and the link between these activities and outside market performance (Papasolomou, 2011). Broadly speaking, the overwhelming purpose of IMS is to involve staffs in the corporation’s mission and strategic direction, and to help them understand and value corporate objectives (Gilmore, 2010).

Using social exchange theory and commitment theory framework (Cropanzano and Mitchell 2005 Vandenberghe et al., 2007; Riketta, 2012), the study examines the importance of rewards (extrinsic and intrinsic), as part of IMS, in influencing employee attitudes (three-component model of organizational commitment) and service performance (service quality, productivity and turnover intentions).

Social exchange theory (SET) is among the most influential conceptual paradigms for understanding workplace behavior. Its venerable roots can be traced back to at least the 1920s (Malinowski, 1922; Mauss, 1925), bridging such disciplines as anthropology (Homans, 1958), social psychology (Gouldner, 1960), and sociology (Blau, 1964). Although different views of social exchange have emerged, theorists agree that social exchange involves a series of interactions that generate obligations (Emerson, 1976).

Within SET, these interactions are usually seen as interdependent and contingent on the actions of another person (Blau, 1964). SET also emphasizes that these interdependent transactions have the potential to generate high-quality relationships, although this only will occur under certain circumstances.

2.3 Internal Marketing Strategy and Employee Commitment

Kelemen and Papasolomou-Doukakis (2004) established the fact that firms can satisfy external customers effectively, if there is successful exchange with its employees (Lu et al, 2007). Some scholars have also found an extrinsic link between the satisfaction of internal employees and that of external customers (Palmatier et al, 2006; Heskett et al, 2008). At the heart of the internal marketing concept is the notion that employees represent an internal market within an organization (Ahmed and Rafiq, 2003; Lu et al, 2007). This internal market can be regarded as a segment of employees that needs to be informed, developed, and motivated in order to elicit their commitment to organizational goals (Papasolomou-Doukakis, 2002).

As a result of its perceived benefits, there has been an increased interest among marketing scholars and practitioners alike, seeking to understand the antecedents of employee commitment (Mishra et al., 2010; Ting, 2011). For instance, Chang and Chang (2009) found that internal marketing was positively related to job commitment of nurses in Taiwan. However, an extensive review of the extant literature suggests a dearth of research linking internal marketing practices and employee commitment especially in the financial services industry. Moreover, the reviews also revealed that marketing scholars have not been consistent with the conceptualization of the dimensions of internal marketing. For instance, Chang and Chang (2009) conceptualized internal marketing into employee-oriented measures, internal communication and external activities.
2.4 The Concept of Employee Commitment

EC has been defined as a psychological state that characterizes a staff’s association with a corporation and has implications for the decision to continue membership of the corporation (Le and Agnew, 2003). There are three components of EC: affective commitment refers to staff’s identification, or strong emotional attachment and involvement in the corporation; continuance commitment refers to an awareness of the costs associated with leaving the corporation; and normative commitment reflects an obligation to continue with the corporation (Budhwar, et al., 2009). Staffs with strong affective commitment remain with the company because they see their goals and values to be congruent with that of the corporation. Staffs with strong continuance commitment remain in the company because they need to do so. Strong normative commitment in this situation is where staffs feel they ought to remain with the company based on a sense of duty, loyalty or moral obligation (Riketta, 2012). The Meyer and Allen three-component model of commitment arguably dominates organizational commitment research. Meyer and Allen's (1997) three-component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. Meyer and Allen created this model for two reasons: first "aid in the interpretation of existing research" and second "to serve as a framework for future research." Their study was based mainly around previous studies of organizational commitment. Meyer and Allen’s research indicated that there are three "mind sets" which can characterize an employee's commitment to the organization:

Affective Commitment is defined as the employee's positive emotional attachment to the organization. Meyer and Allen pegged Affective Commitment as the “desire” component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization (Weiner & Vardi, 2005). Continuance Commitment is the “need” component or the gains verses losses of working in an organization. “Side bets,” or investments, are the gains and losses that may occur should an individual stay or leave an organization. An individual may commit to the organization because he/she perceives a high cost of losing organizational membership. In Normative Commitment, the individual commits to and remains with an organization because of feelings of obligation, the last component of organizational commitment. These feelings may derive from a strain on an individual before and after joining an organization (Buchanan, 2005).

2.5 Employee Commitment and Employee Performance

Studies emanating from the human resources management literature (Rashid et al, 2003; Lu et al, 2007; Yiing and Ahmad, 2009) show that having committed employees in organizations leads to better employee performance because employees with greater commitment to their organizations perform better on their jobs as compared to those who have lower commitment. Similarly, other scholars also found that commitment of employees to the organization leads to job satisfaction (Lings, 2004; Lings and Greenley, 2007) and organizational citizen behavior (Farzad et al, 2008; Hung and Lin, 2008). Before this, Caruana and Calleja (1998) urged management in organizations to build a sustainable personnel base that is strongly committed and has intentions of staying with the organization into the foreseeable future.

Kanter (1968) describe affective commitment as the attachment of an individual’s found of affectivity and emotion to the group. An individual who is affectively committed or emotionally attached to the organization, believe in the goal and values of the organization, works hard for the organization and intend to stay with the organization (Mowday et al.,1982). Somers (1993) suggest that continuance commitment develops when an individual recognizes that he or she lose investments, and/or perceives that there are no alternatives or other course of action. Normative commitment develops on the basis of earlier experiences influenced by, for example family-based experiences or cultural experiences (Allen & Meyer, 1997). Normative commitment can increase through beliefs that the employees have that employers provide more than they can give. The normative aspect develops as individuals’ perception of their moral obligation to remain with a specific organization, irrespective of how much status improvement or fulfillment the organization gives the individual over the years (March & Mannari 1977). So normative commitment/obligation seen as a result of the receipt of benefits, and/or acceptance of the terms of a psychological contract.

2.6 Internal Marketing Strategy, Employee Commitment, and Employee Performance

A number of scholarly works have linked the concept of internal marketing with employee commitment and performance.
According to Ting (2011), the logic behind internal marketing is that, by satisfying the needs of internal customers, they would be committed to reciprocate and deliver the quality of service desired to satisfy external customers. Chang and Chang (2009) observes that fulfilling employee needs enhances employee motivation and retention, and as a consequence, the higher the degree of employee satisfaction, the higher their commitment towards the organization and ultimately the more efficient the service delivery. Later, a customer-centric view also emerged in the literature on internal marketing.

In an empirical study Tansuhaj, Randall, and McCullough (2010) found out that through improved job satisfaction, internal marketing enhances employee performance. Ahmed et al. (2012) revealed a positive relationship between the Internal marketing practices and employee performance. Hwang and Chi’s (2005) research on international hotels in Taiwan also support internal marketing’s positive impact on employee performance. Chang and Chang (2007) in their study on hospitals observe that internal marketing has a positive influence on employee performance. Gounaris (2008) in his study on observes that employee job satisfaction is partially a function of internal-marketing actions like empowerment, participative decision making and informality of communication.

Iliopoulus and Priporas (2011) also observe a positive effect of internal marketing on employee performance in their study on hospital staff. Al-Hawary et al. (2013) with their study on banks in Jordan empirically proved that internal marketing practices were positively correlated with employee performance. Aamir Ali Chughtai & Sohail Zafar (2006) examined the influence of organizational commitment on two—turnover intentions and on job performance. Rajendran Muthuveloo and Raduan Che Rose (2005) study explores that organizational commitment, leads to positive organizational outcomes. Komal Khalid Bhatti, Samina Nawab (2011) said that job satisfaction has the highest impact on high employees’ commitment and productivity. Paunonen et al. (2011) examined facts of a positive correlation between organizational commitment and job performance. Low commitment has also been associated with low levels of morale (DeCotti & Summers, 2010) non-committed employees may depict the organization in negative terms to outsiders thereby inhibiting the organization’s ability to recruit high-quality employees (Mowday et al., 2009) and decreased measures of altruism and compliance (Schippe, 2008).

Caruana et al. (2010) found that there is a direct link between market orientation and organizational commitment and more direct link between the employee responsiveness dimension of market orientation and organizational commitment. Jones et al. (2003) believe that a firm’s market orientation, a function of internal marketing, as perceived by salesperson, would increase the salesperson’s organizational commitment. Lings (2004) also suggested that aspects of organizational performance (employee satisfaction, employee retention and employee commitment) have a direct effect on external market orientation among employees, based on internal marketing buy-in by employees thereof.

2.7 Conceptual Framework

To achieve the study objectives, the various aspects under study are conceptualized in figure 2.1 below. From the conceptual framework, two gaps can be clearly noted: How IMS (independent variable) influences employee performance (dependent variable) among selected public universities in Kenya; and how this influence is intervened by employee commitment (moderating variable). The study therefore endeavors to address the gap.
3.0 Research Methodology

3.1 Philosophical Orientation

This study is approached from a positivism philosophy point of view. According to Ashley and Orenstein (2005), the positivism school of thought is grounded on the philosophy that only one reality exist though can only be known imperfectly due to human limitations and researchers can only discover this reality within the realm of probability. Hanson (2008) adds that according to the school of thought, the researcher and the subjects were independent; didn’t influence each other or outcome. This study achieved this by applying scientific research approaches from sampling to analysis and interpretation.

3.2 Research Design

The study was carried out through a census survey. Census survey research design collects data from every member of the population being studied rather than choosing a sample. Census is completely accurate with no element of probability and is exhaustive. Survey research is often used to assess thoughts, opinions, and feelings.

3.3 Target Population

The target population for the study comprised all the public universities currently in Kenya, totaling to 31 as per the Taskforce on Organization Reforms Report (2013). Public universities with their main campuses in Nairobi County were however targeted as respondents, with an employee population of 13,873. The study specifically targeted employees from both administrative and academic staff positions.

3.4 Sample Size and Sampling Design

Owing to the anticipated large number of employees (13,873), the study employed the Fisher et al. (1983) formula for determining sample sizes in large populations. This is as shown below:

Where \( n \) = the required sample size, when the target population is more than 10,000

\[
Z = \text{standard normal deviate at the required confidence level, 0.05, which gives 1.96}
\]

\[
p = \text{the proportion of the target population estimated to have the characteristics being measured when one is not sure, so one takes middle ground (0.5)}
\]

\[
q = 1 - p \ (1 - 0.5 = 0.5)
\]

\[
d \text{ is the level of statistical significance, which is a standard set at 0.05}
\]

Therefore \( n \) =

The study thus reached a total of 384 employees, equally distributed across the selected public universities. In order to reach employees across the various departments, the researcher approached respective study areas’ human resource departments from which the organization’s structure was acquired.
This enabled the researcher determine the number of employees from various departments across the selected institutions. This included both the administrative and academic staff.

The study purposively narrowed down the scope to all public universities with their main campuses in Nairobi County in order to have an adequate size of units of analysis per respective institution, which gave a total of 4 institutions, including: University of Nairobi, Kenyatta University, Multimedia University College and the Technical University of Kenya. For representativeness purposes, the study targeted employees from both administrative and academic staff positions, employing stratified random sampling in sampling individual respondents from across the departments in these institutions since internal marketing strategy is ideally directed to all employees regardless of the department. These included Academic, Finance and Development, Administration, Research, Innovation and Outreach corporate affairs or their equivalents in the event that these departments are inexistent in a study area.

3.5 Data Collection

The study used primary data which was largely quantitative and descriptive in nature. The questionnaire was designed to solicit data on constructs pertinent to establishing the interrelationship between the three study variables including internal marketing strategy, employee commitment and employee performance. The study employed the use of structured questionnaire with close-ended questions. This helped guide respondents’ answers within the choices given to ensure they stay in focus with the study objectives. To this end, respondents were presented with descriptive statements in a 5-point Likert scale on which they were required to rate by scoring the extent to which they perceived a particular statement is descriptive of the force in the corporations.

At the data collection stage, in order to reach the 384 respondents from across the selected public universities in Kenya at the required timeframe, the study utilized a total of 10 research assistants to aid in the exercise. They were taken through the study objectives, how to go about collecting the data and from whom, what to expect in the field and how to handle the same as well as the ethical considerations to observe when in the field. The study administered the questions to the relevant respondents in an effort to achieve the necessary information. The questionnaires were administered through a drop and pick later method because of the busy schedule of the target respondents. This reduced the level of interference with the daily duties and operations of the organization.

3.6 Reliability

The study conducted a pilot study across five organizations to pre-test the questionnaire prior to the main data collection exercise with a view to check for errors and test the tools for reliability. Cronbach alpha, which is a measure of internal consistency, was used to test the internal reliability of the measurement instrument.

The higher the score, the more reliable the generated scale is. (Nunnaly, 1978) has indicated 0.7 to be an acceptable reliability thus it was considered adequate for this study. Based on the feedback from the pilot test, the questionnaire was modified and a final one developed. All scales were found excellent as table 3.1 presents.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Initial Cronbach’s Alpha</th>
<th>Final Cronbach’s Alpha</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee performance</td>
<td>.891</td>
<td>.891</td>
<td>21</td>
</tr>
<tr>
<td>Internal Marketing Strategy</td>
<td>.582</td>
<td>.701</td>
<td>15</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>.703</td>
<td>.703</td>
<td>25</td>
</tr>
</tbody>
</table>

3.7 Measurement of Variables

To examine the effect of internal marketing strategy on employee performance among Selected public universities in Kenya, the study adopted, owing to their practicability to the present study, Lings and Greenley’s (2007) Internal Market Orientation Pattern Matrix as adopted from Jaworski’s and Kohli’s (1993) Market Orientation Scale. Five dimensions of Internal Market Orientation are hereby identified. These are: formal written information generation, formal face-to-face information generation, informal information generation, communication, and dissemination of information, and responding to this internal market information. In examining the effect of employee commitment on employee performance among Selected public universities in Kenya, the study adopted the perceived degree of employee performance measure encompassing three dimensions including Trait-based information, Behavior-based information, Result based information as developed by Opatha (2002); Duraisingam and Skinner (2005); and Mathis and Jackson (2003).
Finally, to establish the moderating effect of employee commitment on the effect of internal marketing strategy on employee performance among selected public universities in Kenya the study adopted a 12 item questionnaire themed around three components namely Affective Commitment, Continuance Commitment and Normative Commitment, as adopted from the organizational commitment questionnaire (OCQ) by Mayer et al. (1993).

3.8 Data Analysis and Presentation
After data collection, the data obtained from the field was filled-in and returned questionnaires were edited for completeness, coded and entries made into Statistical package for social sciences (SPSS version 21). Screening was then performed for the following; levels of measurements, sample size, assumptions of normality, linearity, independence of errors and homoscedasticity. Further screening covered outlier detection and establishing presence of multicollinearity. Testing for compliance with statistical assumptions of multivariate analysis provided a pillar for making statistical inferences and results.

This ensured that the data are accurate, consistent with other information, uniformly entered, complete and arranged to simplify coding and tabulation. With data entry, the data collected was captured and stored. Descriptive and inferential analysis was conducted. Descriptive analysis involved the use of frequencies in their absolute and relative forms (percentage). Mean and standard deviations were also used as measures of central tendencies and dispersion respectively. The purpose of conducting descriptive statistics was to reduce, summarize data and analyze items and constructs. This provided insights into the characteristics of the samples. Descriptive statistics provided a basis for inferential statistics using correlation and multiple regressions.

Inferential analysis was done to determine the effect of internal marketing strategy on employee performance and moderating role of employee commitment, thus, testing the hypotheses of the study. Linear Multiple Regression and correlation analysis were used to assess the strength of the relationships between the specified variables.

The Linear Multiple Regression analysis was conducted, with the assumption that: variables are normally distributed to avoid distortion of associations and significance tests, which was achieved as outliers were not identified; a linear relationship between the independent and dependent variables for accuracy of estimation, which was achieved as the standardized coefficients were used in interpretation. Various statistics were extracted and interpreted with respect to the various models.

The following multiple regression model was used:

\[ Y = \alpha + \beta_1X + \beta_2M + \epsilon \]  

Whereby:
- \( Y \) = Employee performance
- \( \alpha \) is the y-intercept or model coefficient;
- \( \beta_1 \) – \( \beta_4 \) are the coefficients of the independent variables;
- \( X \) = Internal Marketing
- \( M \) = Employee Commitment
- \( \epsilon \) is the error term established from heteroscedasticity test;

The moderated regression model is as shown below:

\[ Y = \alpha + \beta_1X + \beta_2M + \beta_2 (X^* M) + \epsilon \]  

In the third model, some extent of moderation is supported if the effect of M remains significant after controlling for X. If X is no longer significant when EC is controlled, the finding supports full moderation. If X is still significant (i.e., both X and M both significantly predict Y), the finding supports partial moderation. To check for normality, the study employed both Skewness and Kurtosis to check for symmetry and peakedness of the distribution thereof. The values for asymmetry and kurtosis between -2 and +2 are considered acceptable in order to prove normal univariate distribution (George & Mallery, 2010). The present study performed a multicollinearity test with a view to identify variables with a high correlation among themselves. All variables were found to be optimally correlated.

4.0 Data Analysis, Presentation, and Interpretation
4.1 Internal Marketing Strategy and Employee Performance correlation
The study sought to examine the effect of internal marketing strategy on employee performance among selected public universities in Kenya.
This informed the first null hypothesis of the study (H1) that there is no significant relationship between internal marketing strategy and employee performance among selected public universities in Kenya. This hypothesis was tested through Pearson product moment correlation (r) to show the extent of the relationship, guided by the model: \( Y = \alpha + \beta_1X + \beta_2M + \) where \( \alpha \) is the constant (intercept), \( Y \) = Employee performance, \( \beta_1 \) and \( \beta_4 \) are the beta Coefficients while \( X \) and \( M \) represent Internal Marketing and Employee Commitment and \( \varepsilon \) is the Error Term. The results of the correlation are presented in table 4.1 below.

**Table 4.1: (H1) No significant relationship between internal marketing strategy and employee performance**

<table>
<thead>
<tr>
<th>Employee Performance</th>
<th>Internal Marketing Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>319</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.722**</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

Table 4.1 above presents the Pearson correlations for the relationships between internal marketing strategy and employee performance among selected public universities in Kenya. From the findings, a very strong and positive correlation was established (\( r = .722; P \text{ value} = .000 \)) that was statistically significant at either 0.01 level or 0.05 level of confidence. The positive correlation is of the implication that as internal marketing strategy is enhanced, employee performance increases significantly. The study thus fails to accept the first null hypothesis of the study that states that there is no significant relationship between internal marketing strategy and employee performance among selected public universities in Kenya and accepts the alternative hypothesis that states that there is a significant relationship between internal marketing strategy and employee performance among selected public universities in Kenya.

### 4.2 Employee Commitment and Employee Performance correlation

The study also sought to examine the effect of employee commitment on employee performance among selected public universities in Kenya. This informed the second hypothesis of the study (H2) that there is no significant relationship between employee commitment and employee performance among selected public universities in Kenya. This hypothesis was tested through Pearson product moment correlation (r) to show the extent of the relationship, guided by the model: \( Y = \alpha + \beta_1X + \beta_2M + \) where \( \alpha \) is the constant (intercept), \( Y \) = Employee performance, \( \beta_1 \) and \( \beta_4 \) are the beta Coefficients while \( X \) and \( M \) represent Internal Marketing and Employee Commitment and \( \varepsilon \) is the Error Term. The results of the correlation are presented in table 4.2 below.

**Table 4.2: (H2) There is no significant relationship between employee commitment and employee performance**

<table>
<thead>
<tr>
<th>Employee Performance</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>319</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.198**</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

Table 4.2 above presents the Pearson correlations for the relationships between employee commitment and employee performance among selected public universities in Kenya. From the findings, a positive correlation was established, that was statistically significant (\( r = .198; P \text{ value} = .000 \)) at either 0.01 level or 0.05 level of confidence. The positive significant correlation is of the implication that as employee commitment is increased, employee performance meaningfully increases as well.
The study thus fails to accept the second null hypothesis of the study that states that there is no significant relationship between employee commitment and employee performance among selected public universities in Kenya and accepts the alternative hypothesis that states that there is a significant relationship between employee commitment and employee performance among selected public universities in Kenya.

4.3 The effect of employee commitment and internal marketing on employee performance

To establish the the effect of employee commitment and internal marketing on employee performance among selected public universities in Kenya, a regression analysis was conducted, with the assumption that: variables are normally distributed to avoid distortion of associations and significance tests, which was achieved as outliers were not identified; a linear relationship between the independent and dependent variables for accuracy of estimation, which was achieved as the standardized coefficients were used in interpretation.

The regression model was as follows:

\[ Y = \alpha + \beta_1 X + \beta_2 M + \varepsilon \]

Where
- \( Y \) = Employee performance
- \( \alpha \) is the y-intercept or model coefficient;
- \( \beta_1 \) – \( \beta_4 \) are the coefficients of the independent variables;
- \( X \) = Internal Marketing
- \( M \) = Employee Commitment
- \( \varepsilon \) is the error term established from heteroscedasticity test;

Table 4.3: The effect of employee commitment and internal marketing on employee performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.722\textsuperscript{a}</td>
<td>.522</td>
<td>.519</td>
<td>6.56496</td>
</tr>
<tr>
<td>a. Predictors: (Constant), Employee Commitment, Internal Marketing Strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

ANOVA\textsuperscript{a}

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>14859.380</td>
<td>2</td>
<td>7429.690</td>
<td>172.388</td>
<td>.000\textsuperscript{b}</td>
</tr>
<tr>
<td>Residual</td>
<td>13619.178</td>
<td>316</td>
<td>43.099</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28478.558</td>
<td>318</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Dependent Variable: Employee Performance
B. Predictors: (Constant), Employee Commitment, Internal Marketing Strategy

Coefficients\textsuperscript{a}

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-5.497</td>
<td>6.798</td>
<td>-.809</td>
<td>.419</td>
</tr>
<tr>
<td>1</td>
<td>Internal marketing strategy</td>
<td>1.505</td>
<td>.084</td>
<td>.725</td>
</tr>
<tr>
<td></td>
<td>Employee commitment</td>
<td>-.013</td>
<td>.055</td>
<td>-.010</td>
</tr>
</tbody>
</table>

Regression analysis produced the coefficient of determination and analysis of variance (ANOVA). Analysis of variance was done to show whether there is a significant mean difference between dependent and independent variables. The ANOVA was conducted at 95% confidence level. According to Katz (2006) Regression analysis generates an equation to describe the statistical relationship between one or more predictor variables and the response variable. Regression analysis was used to establish the strengths of relationship between employee performance (dependent variable) and the constituents, that is, Internal Marketing and Employee Commitment (independent variables). The results showed a correlation value (R) of 0.722 which depicts that there is a good linear dependence between the independent and dependent variables.
With an adjusted R-squared of 0.519, the model shows that Internal Marketing and Employee Commitment explain 51.9 percent of the variations in employee performance while 48.1 percent is explained by other factors not included in the model. According to Howell (2002), measures of goodness of fit typically summarize the discrepancy between observed values and the values expected under the model in question. The P-value of 0.000 implies that Employee Commitment has a significant joint relationship with Internal Marketing Strategy, which is significant at a confidence interval of 0.01 level to 0.05 level. This also depicted the significance of the regression analysis done at 95% confidence level. This implies that the regression model is significant and can thus be used to assess the association between the dependent and independent variables. Gelman (2006) provides that ANOVA statistics analyzes the differences between group means and their associated procedures (such as "variation" among and between groups).

The data in table 4.3 reveals that internal marketing strategy has a positive on Employee Performance, while Employee commitment affects Employee Performance negatively. Taking the regression model: \[ Y = \alpha + \beta_1X + \beta_2M + \varepsilon; \] where, \( Y \) = performance of public universities; \( \alpha \) = Constant; \( \beta_1 \) – \( \beta_2 \) = coefficients of the independent variables; \( X \) = Internal Marketing \( M \) = Employee Commitment and \( \varepsilon \) = being the error term established from heteroscedasticity test, the established regression equation was:

Employee performance = .725 (Internal marketing strategy) + -.010 (Employee commitment)

A unit change in Internal marketing strategy would thus lead to a 0.725 change in Employee performance ceteris paribus and a unit change in Employee commitment would thus lead to a -0.010 change in Employee performance ceteris paribus. This further implies that Internal marketing strategy significantly and positively determines Employee Performance in public universities. It can also be deduced that Employee commitment negatively affects Employee Performance in public universities, albeit not significantly.

### 4.4 The moderating effect of employee commitment on the effect of internal marketing strategy on employee performance among selected public universities in Kenya

The study sought to determine the moderating effect of employee commitment on the effect of internal marketing strategy on employee performance among selected public universities in Kenya. This informed the third null hypothesis of the study (H3) that there is no significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya. This hypothesis was tested through the Baron and Kenny approach guided by the equation:

\[ Y = \alpha + \beta_1X + \beta_2M + \beta_2 (X \times M) + \varepsilon \]

Where
- \( Y \) = Employee performance
- \( \alpha \) is the y-intercept or model coefficient;
- \( \beta_1 \) – \( \beta_4 \) are the coefficients of the independent variables;
- \( X \) = Internal Marketing
- \( M \) = Employee Commitment
- \( \varepsilon \) is the error term established from heteroscedasticity test;

To aid in the moderation analysis, a z –score was computed to specify the precise location of each value within the distribution by indicating whether the score is above the mean (positive) or below the mean (negative). The numerical value of the z-score specifies the distance from the mean by counting the number of standard deviations between X and \( \mu \). The resultant scores give a distribution that has a mean score of zero and a standard deviation of one.

The z –score is calculated as:

\[ Z = \frac{X - \mu}{\sigma} \]

Where:
- \( Z \) = the standardized score
- \( X \) = the X value
- \( \mu \) = the mean of the distribution
- \( \sigma \) = the standard deviation of the distribution.
There will be a significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya (hence supporting the alternative hypothesis) if the interaction between internal marketing strategy, employee commitment and employee performance is statistically significant. The results yielded are as presented in table 4.4 below.

Table 4.4: (H3) Regression results for the moderating effect of employee commitment on the effect of internal marketing strategy on employee performance among selected public universities in Kenya

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Moderator, Employee Commitment, Internal Marketing Strategy

<table>
<thead>
<tr>
<th>ANOVAa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Moderator, Employee Commitment, Internal Marketing Strategy

c. Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>7.447</td>
<td>7.053</td>
<td>1.056</td>
<td>.292</td>
</tr>
<tr>
<td>Zscore: Internal marketing strategy</td>
<td>1.527</td>
<td>.087</td>
<td>.736</td>
<td>7.572</td>
</tr>
<tr>
<td>Zscore: Employee Commitment</td>
<td>.009</td>
<td>.055</td>
<td>.007</td>
<td>1.68</td>
</tr>
<tr>
<td>Moderator</td>
<td>.373</td>
<td>.360</td>
<td>.042</td>
<td>1.036</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

The results presented in table 4.4 indicates that there is no significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya even though (R Square = .523, F = 115.309, p < 0.05). The β depicting the coefficient for the interaction (XZ) was however not significant (β = .042, t= 1.036, p = 0.301), therefore the condition for moderation which states that there will be a significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya if the interaction between internal marketing strategy, employee commitment and employee performance is statistically significant is not supported. The null hypothesis that there is no significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya was therefore supported.

5.0 Discussion

The study established that there is significant relationship between internal marketing strategy and employee performance among selected public universities in Kenya. This agrees with a number of marketing scholars who have shown that internal marketing practices effect positively on employee innovativeness (Hassan, 2010) and improved productivity (Rafiq and Ahmed, 2000). Ting (2011) also argued that the logic behind internal marketing is that, by satisfying the needs of internal customers, they would reciprocate and deliver the quality of service desired to satisfy external customers. The study further established a significant relationship between employee commitment and employee performance among selected public universities in Kenya. This also agrees with findings by Rashid et al., (2003), Lu et al., (2007) and Yiing & Ahmad (2009) that show that having committed employees in organizations leads to better employee performance because employees with greater commitment to their organizations perform better on their jobs as compared to those who have lower commitment.
Also, Fang et al., (2011) stated that stronger commitment could result in less turnover and absenteeism, thus increasing an organization’s productivity. The finding is however in conflict with Bies et al., (2007) whose meta-analysis showed that the confidence interval around the mean correlation between organizational commitment and performance included zero, concluding that commitment has relatively little direct influence on performance in most instances.

The study further established no significant moderating effect of employee commitment on the relationship between internal marketing strategy and employee performance among selected public universities in Kenya. This is in conflict with findings by Chang and Chang (2009) who observe that fulfilling employee needs enhances employee motivation and retention, and as a consequence, the higher the degree of employee satisfaction, the higher their commitment towards the organization and ultimately the more efficient the service delivery. This stage of the development of internal marketing was also recognized by Ahmed and Rafiq (2006) with their definition of internal marketing as a planned effort using marketing-like approach directed at motivating employees for implementing and integrating organizational strategies towards customer orientation.

**Figure 5.1 Revised Conceptual Model**

### 6.0 Conclusions and Recommendations

Internal marketing strategy significantly influences employee performance. With comparably high levels of internal marketing strategy practiced across the institutions and the significantly high employee performance levels thereof, it can be deduced that the internal marketing elements can be enhanced to bring about increased levels of awareness in order to enhance employee commitment and therefore performance. Through the implementation of a formal internal marketing programme in which each of the internal marketing mix elements are understood and communicated to employees, its end is the same that the institution cares about their employees’ needs. Furthermore, just like the external customer, internal customers have become more knowledgeable about internal products and services. If employees are aware of the internal mix, they are able to determine their own level of satisfaction with each of these elements and provide feedback when specific items are not meeting their needs.

Employee commitment significantly influences employee performance among selected public universities in Nairobi County. Employee commitment significantly influences employee performance among selected public universities in Nairobi County. Fostering organizational commitment among the academic staff is important because, as mentioned previously, employees that are highly committed stay longer, perform better, miss less work, and engage in organizational citizenship behaviors. These findings can be generalized to the academic staff as well. Academic staffs that are not committed to their work place are likely to put less effort in the lecture rooms as compared to academic staff with high levels of commitment. This would adversely affect student learning and achievement in particular and standard of education in the country in general. Employee commitment does not have a significant moderating effect of on the effect of internal marketing strategy on employee performance among selected public universities in Kenya.
This is of the implication that for employee commitment to significantly determine whether or not internal marketing strategy influences employee performance, it is upon the organization in question to address other organizational factors that determine the level and productivity thereof, of employee commitment. This includes the organizational culture, especially towards employees’ personal welfare. From the foregoing findings, it is the researcher’s position that committed employees who are highly motivated to contribute their time and energy to the pursuit of organizational goals ought to be increasingly acknowledged as the primary asset available to an organization and be motivated to be productive in their commitment.

The study was anchored on two theories, that is, the resource-based view of the firm and the Internal Fit Model. Whereas RBV proposes that effectively leveraging organizational resources earns the organization competitive advantage, the Internal Fit Model proposes the integration of different HR policies and practices towards superior employee performance. Based on the study findings, it is apparent the employees across various public higher education institutions are the key resources thereof, tasked with the mandate to produce both competitive and marketable graduates. Therefore, to inspire enhanced employee performance, internal marketing strategy by viewing university employees both in the administrative and academic positions as internal customers, is a key strategy towards the improvement of employee performance.

This is because individual performance has become an important issue to the public higher education institutions in their preparations for the realization of the mission towards world-class university. Policy makers ought to derive cue from these university employees by understanding the significance and applicability of internal marketing strategy in universities; it would eventually lead to focusing attention and resources on establishing internal marketing systems in universities. This would be of benefit to all stakeholders of the university service setting, the most important being the students. Public university administration should hire employees who are likely to become linked to the organization and should create clear and realistic job and organizational previews for their employees.

References


