



## Effect of management commitment to internal marketing on employee work attitude



W.M. To <sup>a,\*</sup>, E.F. Martin Jr. <sup>b</sup>, Billy T.W. Yu <sup>a</sup>

<sup>a</sup> Macao Polytechnic Institute, Rua de Luis Gonzaga Gomes, Macao

<sup>b</sup> Virginia Commonwealth University, School of Mass Communications, Richmond, VA, USA

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### ABSTRACT

The present study examines the effect of management commitment to internal marketing on employee work attitude through internal marketing practices. Data were collected from 201 full-time employees of four-star and above hotels in Macao SAR, China. The results of structural equation modeling showed that management commitment to internal marketing related to internal marketing practices including formal and informal internal communications, while formal internal communication facilitated informal internal communication. Moreover, management commitment to internal marketing and informal internal communication affected employee work attitude. The current study contributes to a deeper understanding of the internal service-profit chain.

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### 1. Introduction

The tourism and hospitality industry including the hotel sector is an important pillar of the economies of many Asian countries and cities (Lai and To, 2010; Lee and Hung, 2010; Song and Chon, 2012; Song et al., 2011). Macao, known as the gaming center of the world (To et al., 2013), attracts over 28 million visitors per year (DSEC, 2012). With a total land area of 29.9 km<sup>2</sup> and a population of 0.6 million, Macao has 51 three-star or above hotels, 13 of which are four-star hotels and 26 are five-star hotels. The total number of guestrooms is 21,746 (DSEC, 2012). This number is estimated to increase by about 2000 guestrooms yearly because of the opening of one or two five-star hotels per year in the coming years (Kim, 2012). Hence, hotel operators have to provide excellent services to gain and to sustain customer satisfaction in this competitive business environment.

In a contact-intensive environment, Kandampully (2006) suggested that a service organization should adopt internal marketing to promote organizational value to employees and manage its relationships with employees, in parallel with external marketing that focuses on customers. Berry et al. (1976) introduced the concept of internal marketing, and later (Berry, 1981, p. 34) defined internal marketing as “viewing employees as internal customers, viewing

jobs as internal products that satisfy the needs and wants of these customers while addressing the objectives of the firm.” Arnett et al. (2002) argued that internal marketing must precede external marketing because it makes no sense to promote excellent service before employees are motivated to provide it. Kusluvan et al. (2010) indicated that internal marketing views all employees as internal customers, and in order to deliver quality service to external customers, internal customers should themselves be first satisfied and motivated.

Heskett et al. (1994) defined the service-profit chain as an integrating framework that links internal service quality and employee satisfaction to organizational external performance such as customer satisfaction, profit, and growth. Heskett et al. (1994) indicated that the service-profit chain begins with the vision on service excellence of top management. Top management who understands the service-profit chain should develop and maintain a corporate culture that centers on service to employees and customers.

By integrating the organizational aspects of the service-profit chain with the concept of internal marketing, this study examined the relationships between management commitment to internal marketing (MCIM), internal marketing practices, and employee work attitude (EWA). Past research has investigated the effect of management commitment to different aspects such as quality management, environmental management, occupational health and safety, hygiene, technological adoption, and service quality on employee attitudes and behaviors, and organizational performance (Ahire and O’Shaughnessy, 1998; Cascio et al., 2010; Chan

\* Corresponding author. Tel.: +853 8599 3319; fax: +853 2872 7653.

E-mail addresses: [wmt@ipm.edu.mo](mailto:wmt@ipm.edu.mo) (W.M. To), [efmartin2@vcu.edu](mailto:efmartin2@vcu.edu) (E.F. Martin Jr.), [billyyu@ipm.edu.mo](mailto:billyyu@ipm.edu.mo) (B.T.W. Yu).