

The Influence of Internal Marketing Practices in the Banking Sector: A Systematic Review Approach

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Abstract

This article aims to establish the literature trends on internal marketing in the banking sector from 2012 to 2021. The main objective of this endeavor was to shed light on the influence of internal marketing practices on bank employees' job satisfaction. Our systematic review analysis of 6,223 published articles from the Scopus database yielded the top ten cited articles, as well as overall trends, theoretical frameworks, research methodologies, and potential constructs directly connected to internal marketing and the banking sector. Finally, we develop two practical implications for senior organizational managers to redesign their relationship with employees via internal marketing practices that enhance employees' job satisfaction through consideration of organizational culture and learning.

Keywords: Internal Marketing, Banking Sector, Employee Job Satisfaction and Motivation, Organizational Culture

Introduction

Dynamic human capital consistently enhances service sectors' productivity and performance (Chang and Chang; 2009; Qiu, 2021) and supports competitive advantages (Alhakimi and Alhariryb, 2014). Several service sectors like education, banking, aviation, and hospitality are thus focusing on improving employees' comprehensive experience with the firm by enhancing their job satisfaction, motivation, strategic facilitation, and communication (Filp et al., 2019). In this regard, scholars have investigated the impact of internal marketing practices on employees' satisfaction and motivation in different contexts (Nittala and Kameswari, 2009; Papasolomou-Doukakis, 2003; Kelemen and Papasolomou, 2007; Ahmad et al., 2012; Sarker and Ashrafi, 2018; Marques et al., 2018; Mainardes et al., 2019; Nemteanu and Dabija, 2021). Initially, internal marketing practices were developed to educate senior management on treating employees as internal customers, facilitating employees' work in their current job environment, and motivating employees to deliver higher service quality

(Papasolomou-Doukakis, 2003). In the words of Qiu (2021), “internal marketing research primarily focuses on how organizations can improve frontline employees’ performance and render them more customer-conscious to generate positive customer outcomes such as increased customer satisfaction and loyalty” (p.2).

Prior studies in the service sector have highlighted various benefits for employees from internal marketing practices, such as maximized job satisfaction, a better understanding of organizational goals, and the motivation to achieve those goals (Huang and Rundle-Thiele, 2014; Ozuem et al., 2018). Recently, internal marketing practices in the service sector is still a relative novelty; as such, limited research has attempted to investigate its impact on employees’ satisfaction in the banking industry in Gulf Cooperation Council (GCC). In fact, Sahibzada et al (2019) reported that it is difficult to examine the influence of internal marketing practices on employees’ satisfaction and motivation in the banking sector, especially in developing countries. Therefore, this research addressed two main challenges surrounding the implementation of internal marketing: 1) the underdevelopment of theoretical underpinnings and 2) the lacking internal marketing literature. A well-developed body of literature would support the understanding of the unpredictable concept of internal marketing and its underlying practices in the banking sector. Additionally, a wide range of internal marketing work remains unknown from the aspect of dynamic theoretical frameworks.

The current concept of internal marketing mainly advances the service sector by ensuring the dominant perspective of value-added practices and looking into how employees can actively participate in value addition activities (Metabis and Al-Hawary, 2013; Kelemen and Papasolomou, 2007; Qaisar and Muhamad, 2021; Nemteanu and Dabija, 2021). In this regard, the evolution of employees’ job satisfaction and performance could be more flexible and bridge a dynamic relationship between the organization's leadership and its employees, particularly frontline employees (Lee et al., 2015). On the other hand, internal marketing practices restrict leadership from understanding and acting on market challenges and opportunities. Further, Bhatti et al. (2020) mentioned that COVID-19 has changed the trends of business operations. Consequently, the leadership of an organization should understand the realities and implement human resource policies accordingly.

In response to the above discussion, the present study aims to deliver a timely systematic review of internal marketing practices in the banking sector by analyzing 6,223 published articles on this concept since 2012. The main purpose of this systematic review of internal marketing research is to understand the motivations for implementing internal marketing practices in the banking sector. This review also seeks to identify the theoretical limitations in the current internal marketing literature, based on which recommendations can be made for future research.

Objectives

The main objective of the present study is to highlight and discuss the scholarly work on the field of internal marketing practices in the banking sector and its impact on employees’ job satisfaction. As recently, several empirical studies have been conducted on internal marketing practice and its role in shaping employees’ job satisfaction in the banking sector. Thus, due to the novelty of internal marketing practices in GCC countries, the banking sectors

are still not more advanced in strategies and implementation the internal marketing practices within organizations.

Methodology

This paper aims to systematically search, synthesize, and evaluate the existing literature on internal marketing practices in banking and in doing so, address theoretical and empirical gaps. An exhaustive search of the internal marketing literature was conducted using several key terms in an advanced search in the Scopus database, specifically, we used (Article title, Abstract, Keywords) (“Internal Marketing”) OR (“Internal Marketing Practices”) AND (“Banking Sector”) OR (“Banking Industry”) as keywords in the Scopus database, powered by Elsevier. Our search spanning the years from 1943 to 2021 revealed a total of 16,066 articles published in different journals, reviews, book chapters, notes, short surveys, letters, errata, conference papers, and conference reviews.

To ascertain the accuracy and quality of articles for the systematic review, first, we only included articles published in the English language. Second, we only considered articles published in scientific journals and excluded reviews, book chapters, notes, short surveys, letters, errata, conference papers, and conference reviews. These steps critically conceded the inclusion of new information (Qiu, 2021). After these screening steps, 6,223 articles on internal marketing practices in the banking sector remained in our final dataset (Retrieved from: <https://bit.ly/3bCZl66>).

From this dataset, we extracted the data and sorted out the articles in four manners: 1) the impact and profile of the publications (i.e., journal, publication date); 2) identified research scope (i.e., countries and unit of analysis); 3) key content (i.e., main terms, research models and theories); and 4) activities and outcomes (at the organization and employee level). We then integrated the impact, scope, theories, conceptualizations, recognized practices, and empirical developments in internal marketing research. Finally, we graphically presented the publications by year and top countries that published the most articles on internal marketing.

Results

This study obtained specific findings on internal marketing practices in the banking sector, which is still an area of high demand in the academic field. However, several studies concluded the impact of internal marketing practices on employees’ satisfaction and motivation in different sectors, such as pharmaceuticals, courier, and aviation. According to Qiu (2021), the first study on internal marketing was conducted by Berry (1981). Initially, the subject struggled to gain attention in the academic literature. Nevertheless, there were 383 research studies published in 2012 and 811 studies in 2021, with an “average of less than 565 articles per year,” published in different journal categories. The highest number of papers (i.e., 923) was published in 2020. Figure 1 presents the total number of articles published from 2012 to 2021.

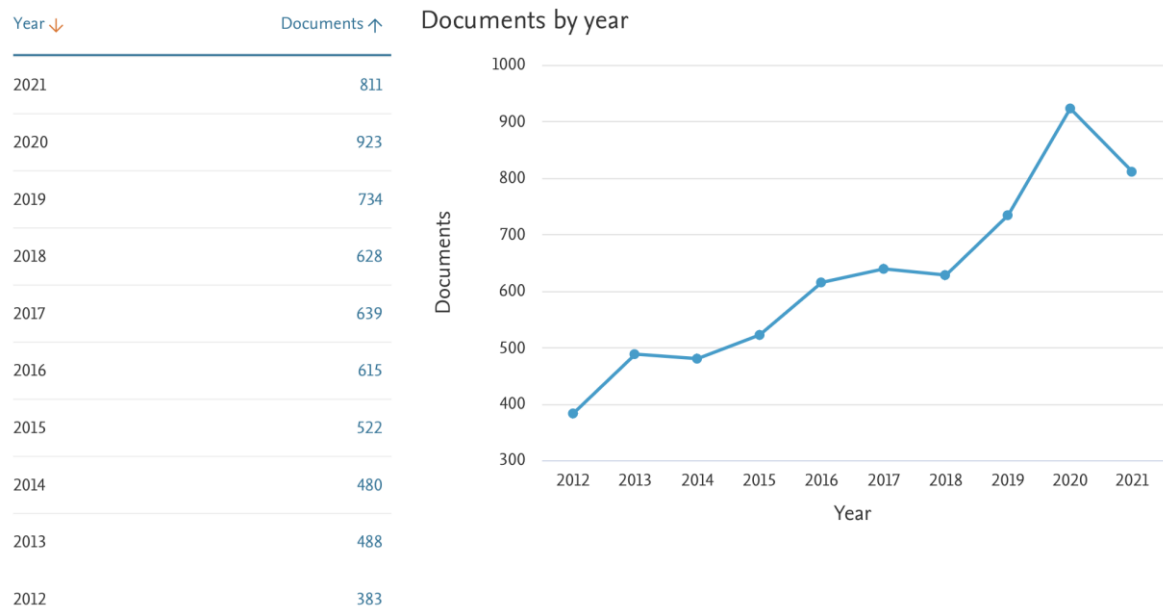


Figure 1. Publications on internal marketing practices in the banking sector by year
 Source: Developed by authors
 Retrieved From: Scopus database

A majority of the 6,223 articles on internal marketing practices in the banking sector were published in The United States of America; nonetheless, scholars from other countries have also actively researched this concept. Figure 2 presents the countries with the highest number of publications.

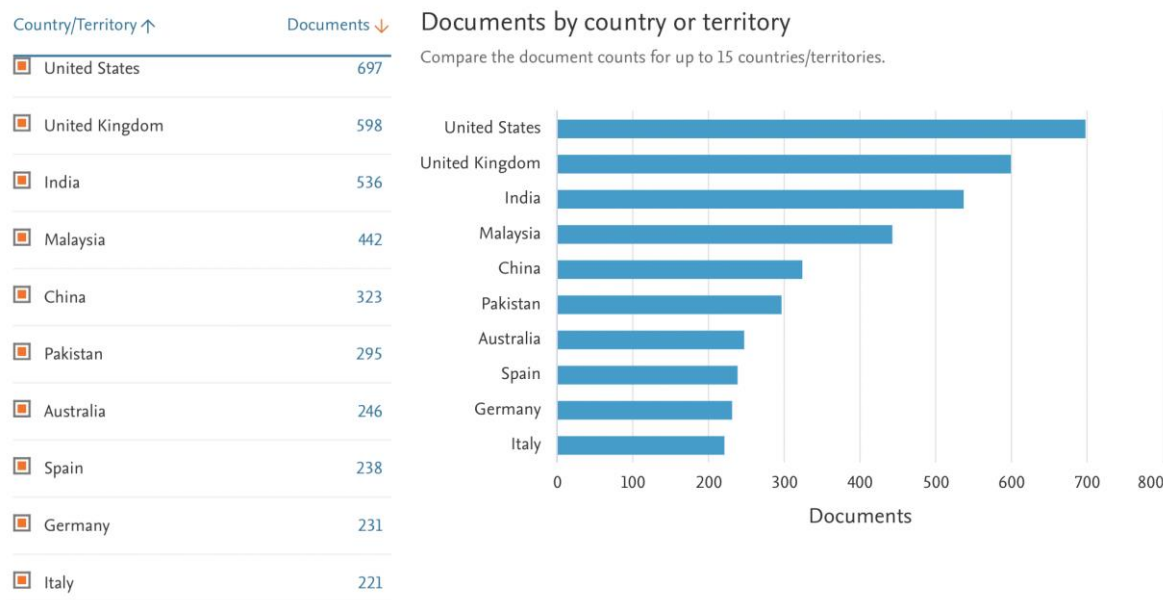


Figure 2. Publications on internal marketing practices in the banking sector by country
 Source: Developed by authors
 Retrieved From: Scopus database

Additionally, most articles were published in different business management, banking management, and marketing journals, as seen in Figure 3.

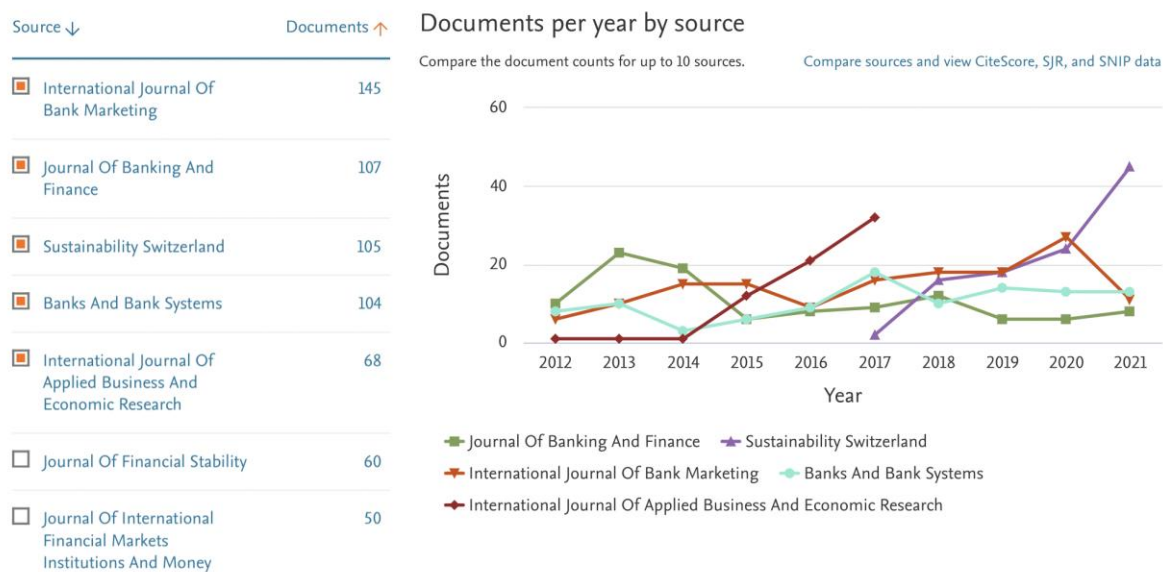


Figure 3. Publications on internal marketing practices in the banking sector by journal

Source: Developed by authors

Retrieved From: Scopus database

Based on these findings, we observed that numerous scholars have examined the influence of internal marketing practices on the performance of employees and customers in the banking sector (Papasolomou and Vrontis, 2006; Mainardes et al., 2019; Ismail and Sheriff, 2017; Yusuf et al., 2016). Therefore, scholars appear to be increasingly familiar with the concept and are significantly contributing to building the literature on employee job satisfaction through internal marketing practices in the banking sector.

Additionally, it is critically important to acknowledge the contribution of internal marketing research in other fields, such as the manufacturing sector. However, we delimited our analysis to only articles in the banking sector. Due to the novelty of this area, we identified that there is a lack of scholarly debate on this topic from different perspectives, as well as a limited theoretical underpinnings. Moreover, we gathered empirical evidence from the existing literature on the potential constructs (i.e., value exchange, internal market segmentation, internal communication, management concern, training, staffing, hiring and selection, and work balance) that may bridge internal marketing practices to employees' and customers' satisfaction in the banking sector. Table 1 presents the top-cited articles on internal marketing practices in the banking sector.

Table 1

Top Cited Articles on Internal Marketing

Authors	Country	Theory/Model	Method	Objectives	Cited
Chen and Liao (2011)	Greece	Life-cycle consumption model	Quantitative	To know the quantitative effect of macroeconomics and bank-specific non-performing loans on different loan categories	398
Khan et al (2013)	USA	Agency theory	Quantitative	To examine the relationship between corporate social responsibility and corporate governance	340
Wu and Shen (2013)	China	Heckman model	Quantitative	To investigate the link between financial performance and corporate social responsibility and the driving motives of banks to engage in CSR.	303
Bruno and Shin (2015)	USA	Vector autoregression	Quantitative	To find empirical evidence of “monetary policy spillovers on cross-border bank capital flows” and the US dollar exchange rate through the banking sector.	298
Kim et al (2016)	South Korea	Social identity theory	Quantitative	To examine the impact of corporate social responsibility and internal marketing on	265

Authors	Country	Theory/Model	Method	Objectives	Cited
				employees' organizational commitment and turnover intention	
Fang et al (2014)	Taiwan	N/A	Quantitative	To investigate the influence of internal market orientation and external market capabilities on the organizational performance of service companies	206
Makanyeza and Chikazhe (2017)	Zimbabwe	Expectation-disconfirmation theory	Quantitative	To obtain the impact of service quality, customer satisfaction, and corporate image on customer loyalty in the banking sector	187
Kaura et al (2015)	India	N/A	Quantitative	To examine the association between service quality, service convenience, perceived price and fairness, customer loyalty, and customer satisfaction in the retail banking sector	178
Sharma et al (2016)	China	Affective events theory	Quantitative	To use "positive organizational behavior" and "transformative service research" to understand "employee well-	175

Authors	Country	Theory/Model	Method	Objectives	Cited
				being” by which internal service quality influences commitment, performance, and employee satisfaction	
Huang and Rundle-Thiele (2014)	Australia and Taiwan	Cultural congruence theory	Quantitative	To investigate the influence of internal communication, internal marketing research, and training on employees’ satisfaction through the mediating role of internal marketing practices and culture as a moderator variable	153

Source: Composed by authors

From our analysis, we noticed empirical gaps whereby due to the novelty of internal marketing practices in GCC, limited scholars have developed models to test the impact of potential constructs (i.e., value exchange, internal market segmentation, internal communication, management concern, training, staffing (hiring and selection), and work balance) on employees’ and customers’ satisfaction, either through quantitative or qualitative methods in most of the GCC countries. We also identified some recent studies that conclude the trends of theoretical development based on the potential constructs that link internal marketing to the service sectors.

Conclusions and Recommendations

Overall, in the present study, we highlighted the scholarly gaps in the key dimensions of internal marketing practices (i.e., internal market, internal communication, management concern, training, staffing, hiring, and selection) that influence employees’ and customers’ satisfaction in the banking sector. Thus, we opine that internal marketing in the banking sector is a promising area of research that should be investigated in more depth. We further noted some academic implications, as discussed below.

First, this study developed a research concept to examine the influence of internal marketing on the banking sector using a systematic review approach. We identified overall trends in the subject area regarding implementations, influences, theoretical framework development, methodologies, and potential constructs (i.e., value exchange, internal market segmentation, internal communication, management concern, training, staffing (hiring and selection) and work balance) that strongly link internal marketing to employees' satisfaction and motivation in the banking sector. Thus, we believe that this study contributes to the rich literature on the influence of internal marketing practices in the banking sector and recommends future research work to deliberate on any limitations that arise.

Second, this study addressed empirical gaps by identifying the lack of theoretical frameworks and methodological development for implementing internal marketing in the banking sector. Mainly, we focused on understanding the impact of internal marketing practices on the overall satisfaction and motivation of banking sector employees, considering they are frontline employees. Moreover, there is still room to enhance and add potential dimensions of internal marketing that scholars have yet to cover.

Managerial Implications

The present study can support senior managers in redesigning their relationships and roles with other employees of the organization. As discussed, employees' job satisfaction are agents to maximize the overall performance of employees (Singh and Jain, 2013), which ultimately enhances organizations' productivity and overall performance (Theresia et al., 2018). In addition, Varma (2017) concluded that employee satisfaction is essential in attaining competitive advantages. Accordingly, Bailey et al (2016) reported that internal marketing practices' substantial role is ensuring that employees feel that their organization's management listens to their needs and cares about them. Therefore, this concept's primary purpose is to provide employees with a positive attitude towards their job, which is exhibited in their organizational culture, work involvement, motivation, and job satisfaction.

Within our sample, prior studies concluded that job satisfaction and motivation are the primary responsibilities of internal marketing practices within the scope of organizational culture and learning (Pavlidou and Efstathiades, 2021). According to Narteh and Odoom (2015), dynamic-oriented organizations like banks consistently strive to gain desired goals, for which employees' job satisfaction and motivation should be their priority. That is, the banking sector can achieve business goals and competitive advantages by implementing internal marketing practices (Yusuf et al., 2016).

Furthermore, implementing internal marketing practices without a strong organizational culture is challenging. In this regard, scholars concluded that internal marketing practices are linked to organizational culture (Ullah and Ahmad, 2017), whereby the adoption of internal marketing is based on organizational culture. As Kelemen and Pappasolomou (2007) discussed, organizational culture is vital in developing employees' job satisfaction and motivation. Therefore, it could be another factor to be considered by managers.

Additionally, prior studies have discussed and argued that employees' job satisfaction and motivation are the critical points by which organizations obtain knowledge from internal

and external sources (Hwang and Der-Jang, 2005). Overall, findings from this systematic review support organizations and managers in implementing internal marketing practices to enhance employees' job satisfaction and motivation within the organization's culture. Recently, several studies highlighted that organizational culture is considered the primary point for different types of companies (Janjua et al., 2014; Ullah and Ahmad, 2017). Through the systematic review we also noticed that the organizational culture plays an important role in employees' job satisfaction and motivation in the banking sector. This suggests that banks are likely to implement internal marketing with an innovative culture.

In conclusion, both specific and general findings from the systematic review conclude that it is justified to research the implementation of internal marketing practices in the banking sector. Researcher welcome studies in this area, raising some significant issues and other related factors influencing the employees' job satisfaction.

Limitations

Despite the above-discussed contributions, this study also has some limitations. The present study is completely based on the systematic review, in this regard, we recommend a mixed-method approach for future research to potentially contribute rich findings to the internal marketing practices literature. This will support the generalization of the role of internal marketing practices in employees' job satisfaction in the service or manufacturing sectors. We also recommend using a longitudinal research methodology for future research to understand the dynamic influence of internal marketing practices in different contexts.

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