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**UNIVERSITI TEKNOLOGI MARA**

**THE INFLUNCE OF INTERNAL MARKETING ON  
ORGANIZATIONAL COMMITMENT OF RESIDENT AND  
DISTRICT OFFICE, SAMARAHAN DIVISION**

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## ABSTRACT

The research is to determine the level of related internal marketing variables which might have significant effect on the organizational commitment of Resident and District Office, Samarahan Division.

The research also aimed to find the association between the internal marketing variables and the organizational commitment of Resident and District Office, Samarahan Division.

The result of the study reveals that there is significant association between the level of the internal marketing variables and the organizational commitment of employee of Resident and District Office, Samarahan Division.

## CHAPTER 1

### 1.0 Introduction

Accelerated product lifecycles, the instant diffusion of information, and globalization, make it possible for every firm to enter the market and competition between firms has been intensified. Thus, consequently the product and services are delivered according to the customer needs and wants. The role of marketing management is to identify and measure the needs and wants of customer where customer orientation is the essential matters in marketing to be successful. Marketing is a term usually for the process of marketing a product or service to final consumer (Kotler, 2001) outside the firm but marketing also takes place inside the organization. The market is not only the ultimate consumer but also to individual or a group of individuals within the organization. The internal consumers are potentially as important as the external customers. Internal marketing is also mutual valuable system between internal customer and organization which attract and retains employees as a resource of surviving growth and profitability, and tries to pave the way for partnership of employees in promoting quality of product and services for external customers.

In the service sector, quality is closely related to employee performance. An essential feature of any successful organization is motivated employees (Christensen Hughes, 1999). Therefore, the attitude of an employee towards his/her place of work and the extent to which an employer is able to motivate employees may have a direct effect on the quality of those products offered to customers. One of the most important challenges facing managers is the creation of a context within which employees feel motivated and will act in order to achieve the goals of the organization. Managers may, by influencing the context, affect the degree of motivation among the employees.

An important ingredient of strategic planning is the organization's core competency (Green et al., 1994). When properly managed core competency can lead to a competitive advantage for the organization or an increase in

## CHAPTER 2

### 2.0 Literature Review

#### 2.1 Overview of Internal Marketing

Internal marketing is, according to Cahill (1996), presented by Berry and Parasuraman in their book *Marketing Services: Competing Through Quality* (1991): "Internal marketing is attracting, developing, motivating, and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the *philosophy* of treating employees as customers-indeed, "wooing" employees...-and is the *strategy* of shaping job-products to fit human needs" (Cahill, 1996, p. 3).

The internal marketing concept emerged from service marketing and its main concern was "to get everyone who was involved in service encounters – the front line or contact staff – to perform better in the interaction with customer" (Gummesson, 2000, p. 27). The usage of the concept has extended beyond its traditional field and is now accepted in all kinds of organizations. In internal marketing, the internal market consists of the employees in the organization and according to theories of quality management; employees are internal customers to one another. This is summarised by Gummesson (2000):

"An employee's ability to influence and satisfy the needs of others inside the organization is considered an antecedent to external customer satisfaction. Only if internal customer relationships work can the quality of the outcome be excellent, thus creating satisfied, or even better, delighted external customers" (Gummesson, 2000, p. 28).

Some definitions of the concept emphasise customer-consciousness and sales-mindedness among the personnel, such as Johnson and Seymour (1985), which argue that internal marketing activities ought to: "create an internal environment which supports customer consciousness and sales-mindedness" (Johnson & Seymour, 1985, p.226) and Gronroos' (1994) definition of the concept, which states that: "the internal market of employees is best motivated for service mindedness and customer-oriented performance by an active, marketing-like approach, where a variety of activities are used