

UNIVERSITI TEKNOLOGI MARA

**MODELLING THE RELATIONSHIP
OF INTERNAL MARKETING AND
EMPLOYEE PERFORMANCE IN
THE OIL AND GAS INDUSTRY**

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ABSTRACT

This study examines the relationship between internal marketing (IM) and employee performance (EP) dimensions, mediated by employee satisfaction (ES), organisational commitment (OC) dimensions and employee motivation (EM). Data was collected by questionnaire from 264 employees of the oil and gas industry, Malaysia. The measurement and structural model assessments were undertaken using SmartPLS 3.0. Direct, indirect and total effects showed that only learning and development (LD) and empowerment (EW) as parts of IM dimensions had a significant relationship with both EP dimensions: in-role (IR) and extra-role (ER), when mediated by EM. The results showed that organisational cultural beliefs (CB), terms and conditions (TC) and internal communications (IC) were not predictors of EP, likewise ES and OC had no mediating effects in the proposed model. Predictive relevance showed ES, LD and TC had a medium f^2 effect, therefore merit management's focus. The current research provides IM initiatives that have effects on EP from employees' perspectives. Using ES, OC and EM as mediators provides further theoretical contributions to IM and EP literature. Predictive relevant assessment allows management to focus their time and investment on things that really matter. IM as an influencer of EP emphasises the importance of satisfying the internal market in order to improve external conditions such as customer satisfaction. It is recommended for management to find the best IM mix that suits their own unique culture, characteristics and working conditions. The model can be used in different study settings with minimal modifications where necessary to cater for the research objectives.

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