



The Relationship among Internal Marketing, Satisfaction and Organizational Commitment: Moderating Effect of Economic Performance Change of Business*

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Abstract

Purpose– This research's purpose is to give implications on how to increase employee satisfaction and organizational commitment of Korean employees using internal marketing. To do that this study analyzes relationships among variables and analyses mediating effect of satisfaction. Also, this study wants to analyze economic performance change of business as a moderator so group comparison between an economic slump and economic recovery is included.

Research design, data, and methodology– To analyze relationships among internal marketing, employee satisfaction and organizational commitment of Korean employees, this study used the 7th KRIVET's HCCP data of employee and firm's financial statements data. And conducted CFA, SEM and group comparison analysis by using AMOS 21.

Result– According to the empirical results, employee satisfaction mediates between internal marketing and organizational commitment. However, trust was the only significant antecedent that give a positive influence on employee satisfaction. And employee satisfaction increases organizational commitment. Also, economic performance change of business does significantly deteriorate relationships.

Conclusion– Based on this study result, implications to manage the organizational commitment of Korean employees are discussed. Especially, the effect of employee satisfaction and trust discussed. Also, economic performance group which is an economic slump and economic recovery differentiation is highlighted. Therefore the cautious approach is needed in managing employee attitude to job and organization is needed

Keywords: Internal Marketing, Employee Satisfaction, Organizational Commitment, Economic Performance Change

JEL Classification Code: M 12, M14, M19

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1. Introduction

In this pressing and uneasy economic condition, the business encounter with threat of survival. Generally, it is difficult for a company to change its environment, so companies operate in response to a given environment. And businesses are doing what they can do. One is that if they can't change or affect outside, they try by inside. Business stretches the meaning of customer and marketing from outside to inside. So business tries to manage an internal customer who is an employee. The concept is that employee who is satisfied and supported with there internal marketing may motivate employee and conduct positively to outside customer which may increase outside customer's satisfaction which naturally increases business performance. Therefore company tries to manage an internal customer to increase employee satisfaction, organizational commitment, customer orientation and in ther end business performance. Traditionally internal marketing concept started in service and still mainly focused on service (Caruana & Calleya, 1998; Hwang & Chi, 2005; Tsai & Wu, 2006; Panigyrakis & Theodoridis, 2009; Awwad & Agti, 2011; Al-Hawary et al., 2013; Bailey et al., 2015) but now begin to include manufacturing (Ahmed et al., 2003) and governmental(Suk, 2013) area but still, limited studies have persued in non-service area, therefore, need to expend study area.

This research anlyze relation among internal marketing, employee satisfaction and organizational commitment of Korean employees in manufacturing and service using KRIVET's 7th HCCP data of 397 employees employed in 24 companies. This study focused on internal marketing as an antecedent and include three constructs; talent preference, communication and trust. And this study includes analyzing the mediating effect of satisfaction between internal marketing and organizational commitment. Also, this study considers the economic performance change of business to verify the need of considering economic conditions while managing employees. To do that moderating effect is analyzes as a group comparison between an economic slump and economic recovery. To analyze synthetical relation among variables and economic group differentiation, this study used Structural Equation Medel (SEM) analysis by AMOS 21.

Results of this study could give implications on how to increase employee satisfaction and organizational commitment of Korean employees using internal marketing. Also could give an appropriate insight of relationship considering their economic performance of the business. Results of moderating effect of economic performance could give implication to business whether they need a different way of managing employee in a slump and recovery. Therefore results could give detailed implications in managing employees in economic status.

2. Literature Review and Hypotheses

2.1. Internal Marketing

Traditionally marketing is for the customer who is at an outside company. Berry (1981) started the concept which is marketing for the employee who is the inside company which meanted the company considers the employee as a customer so the company needs to manage and implement marketing to the employee. This marketing for the customer is external marketing and marketing for the employee is internal marketing. Internal marketing concept started in the service area where employee's direct contact quality with the outside customer have a supreme influence on company's performance. Due to this service area's feature, an internal marketing concept is built. The employee who is satisfied or supported with their internal marketing may motivate employee or conduct positively to outside customer which lead to outside customer's satisfaction which also could lead to greater company performance. Scholars and studies have used similar and conscientious concept and meaning of internal marketing. However, constructs and dimensions were diverse. In Caruana and Calley (1998)'s study, internal marketing dimension included reward development and vision. Ahmed et al.(2003) include three dimensions; top management support mix, business process support mix and cross-functional coordination mix and each dimension included three to four construct. Top management support mix includes empowerment, senior leadership, strategic reward and physical environment. Business process support mix includes staffing, selection and succession, process changes and incentive system. Cross-functional coordination mix includes internal communication, inter-functional co-ordination and training and development. Hwang and Chi (2005) measured internal marketing with a market survey, market segregation, product portfolio, trading price, promotion and communication. Tssai and Wu (2006) measured vision and development and human resource management. Panigyrakis and Theodoridis (2009) included formal interaction, reward systems, internal procedures, feedback, and internal customer orientation. Al-Hawary et al. (2013) include motivation, empowerment, communication and training & development. Others measured as a single

construct with various items (Awwad and Agti, 2011; Bailey et al., 2015). As the measure of internal marketing is still diverse and use in managerial means increase a firm, more research needs to be studied and sustain.

2.2. Employee Satisfaction and Organizational Commitment

Employee satisfaction and organizational commitment are one of the widely researched organizational outcomes in managing employees. However, definitions and meanings differ from scholars. Generally, job satisfaction means positive feelings toward one's job. Locke (1076) defined it employee's pleasant feeling from the perception of implementing job or job value. Arnold & Feldman (1982) define job satisfaction as personnel and total positive emotion or feeling and Smith et al. (1999) define it as attitude from one's total job-related experience good and bad. Schermerhorn et al. (1997) define it as the attitude toward emotional reaction of work and job related physical and social condition. As for organizational commitment, generally, favorable attitude toward one's organization and implication to remain with the organization. Which include the meaning of identifying organization problem as their own and involve and participate actively. There are two most widely researched organizational commitment concepts. First, Perter et al. (1974) researched organizational commitment as a unidimensional concept and proposed measurement. Second, Meyer and Allen (1984) suggest a multidimensional concept as affective, continuance and normative commitment. Another study like Tsai and Wu (2006) used organizational commitment with trust & honor and royalty. As definition and measure of employee satisfaction and organizational commitment is still diverse and it is used as managerial means and to increase firm performance more research need to be studied and sustain.

2.3. Hypotheses

Employee satisfaction with their jobs is one of the important organizational outcomes and focus of research interest. And studies support the expectation that internal marketing give a positive impact on satisfaction. Hwang and Chi (2005) analyze the relationship among internal marketing, job satisfaction and organizational performance of international hotels in Taiwan. They measured internal marketing with a market survey, market segregation, product portfolio, trading price, promotion and communication. And measures employee job satisfaction with fair remuneration, job conditions, general concept. Organizational performance measured with financial, service and internal performance. Their SEM results show that internal marketing gives a positive influence on both employee job satisfaction and organizational performance also employee job satisfaction gives a positive influence on organizational performance. Al-Hawary et al. (2013) examined internal marketing on employee job satisfaction of commercial banks in Jordan. They examined internal marketing with motivation, empowerment, communication and training & development. And according to their regression results, all internal marketing increased job satisfaction. Therefore, this study expects the following outcomes.

Hypothesis 1: Internal marketing has a positive impacts on employee satisfaction

Organizational commitment has been the focus of research in different cultures and industries. Caruana and Calleya (1998) analyze the effect of internal marketing on the organizational commitment of retail bank managers. They analyzed internal marketing with reward, development and vision also internal marketing as total. As for organizational commitment, analyzed affective commitment and organizational commitment as total within affective, continuance and normative. Their regression results show that internal marketing as total, reward, development and vision give a positive effect on organizational commitment as total and affective commitment. Tsai and Wu (2006) analyzed the relationship among internal marketing, organizational commitment and service quality of district hospitals in Taiwan. They measured internal marketing with vision & development and human resource management, organizational commitment with trust & honor and royalty. And measure service quality with tangible, trust & response and Guarantee & concern. Their SEM results show that organizational commitment fully mediates between internal marketing and service quality and all relations were positive. Awwad and Agti (2011) examined the effect of internal marketing, organizational commitment, organizational citizenship behaviors on the market orientation of commercial banks' employees in Jordan. Their study internal marketing was measured with 7 survey items, organizational commitment with 5, organizational citizenship behaviors with 6 and market orientation with 6 survey items. According to their SEM result, all relations were positive and organizational commitment and organizational citizenship behaviors mediate between internal marketing and market orientation. And organizational commitment mediate between internal marketing and organizational citizenship behaviors. Therefore, this study expects the following outcomes.

Hypothesis 2: Internal marketing has a positive impact on organizational commitment

It is natural for the employee to be organizationally committed if they are satisfied with their job. Literature support job satisfaction increases organizational commitment (Myere et al., 2002; Suma & Lesha, 2013). Therefore internal marketing's influence on satisfaction would lead to organizational commitment. Bailey et al. (2015) researched the role of internal marketing, job satisfaction, organizational commitment on the identification of Saudi Arabian bank employees. Their research measured internal marketing with 13 survey items, job satisfaction with 4, organizational commitment with 4 and identification with 5 survey items. In their SEM result, all influence was positive and job satisfaction and organizational commitment mediated between internal marketing and identification. Also, job satisfaction is mediated between internal marketing and organizational commitment. Ahmad and Al-Borie (2012) research five internal marketing influence on physician job satisfaction and internal marketing influence on organizational commitment also job satisfaction influence on organizational commitment in Saudi Arabia of teaching hospitals. In their regression result, all four internal marketing give a significant and positive influence on job satisfaction. And total internal marketing gives a positive influence on organizational commitment also job satisfaction give positive influence on organizational commitment. Therefore, this study expects the following outcomes.

Hypothesis3: Employee satisfaction mediate between internal marketing and organizational commitment

2.4. Economic Performance

To the organization, especially to a commercial organization, pursuing the growth of economic performance is important and critical. In the employee attitude and psychology research area, the majority of research studied economic performance as a dependent variable (Hwang & Chi, 2005; Panigyrakis & Theodoridis, 2009) or control variable. However, from the perspective of a real-life company, the achievements of the company so far is a given situation which it is impossible to change. If so, they need to deal with the given situation. Therefore, this study questioned don't companies need to deal with the situation according to the given performance. And as for measurement of economic performance in employee attitude and psychology research, the majority of research measured economic performance by surveying financial performance (Hwang & Chi, 2005; Panigyrakis & Theodoridis, 2009) or nonfinancial performance (Hwang & Chi, 2005; Panigyrakis & Theodoridis, 2009) only few measure with accounts information performance (Kim & Cho, 2019). Hwang and Chi (2005) analyze the relationship among internal marketing, job satisfaction and organizational performance of international hotels in Taiwan. They measured internal marketing with six 6 constructs. And measured employee job satisfaction with 3 constructs and organizational performance with 3 constructs. Among the 3 constructs of organizational performance financial performance was one of them and all measures were by questionnaire. Panigyrakis and Theodoridis (2009) analyze the impact of internal marketing on the business performance of supermarket chains in Greece. They measure internal marketing with 5 constructs and measured performance with 2 constructs financial and nonfinancial. However, both financial and non-financial performance was measured by respondents to determine their business performance in comparison to their major competitors for the last three years in the following.

Hypothesis 4: Economic performance difference situation differentiate relationships among variables

3. Methodology

3.1. Research Model and Measurement

Based on the literature review this study's research model is shown in Figure 1. This study focus on three research questions. First, does internal marketing affect employee satisfaction and organizational commitment? Which is in the research model as A and B. And in this study, internal marketing includes three constructs: talent preference, communication and trust. Second, does employee satisfaction mediate between internal marketing and organizational commitment? is it complete mediation or partial mediation? In the research model shown as A and C or A, B and C. Third, does variables relationship differ or similar base on economic performance change of business? In which in this research economic performance change is counted as a year-on-year downturn as a slump or year-on-year upturn as a recovery of the business.

To analyze synthetical relation among variables: three internal marketing variables (talent preference, communication, trust), employee satisfaction and organizational commitment, this research used Structural Equation Model (SEM) analysis by AMOS 21. The literature review shows that SEM research analysis internal marketing as one variable even though the internal marketing concept was measured with the multi construct (Hwang & Chi, 2005; Tsai & Wu, 2006; Panigyrakis & Theodoridis, 2009). If research wanted to analyze each internal marketing construct's impact they used regression analysis (Caruana & Calleya, 1998; Ahmed et al., 2003; Al-Hawary et al., 2013). In this study, three internal variables are analyzed independently even though this study uses SEM.

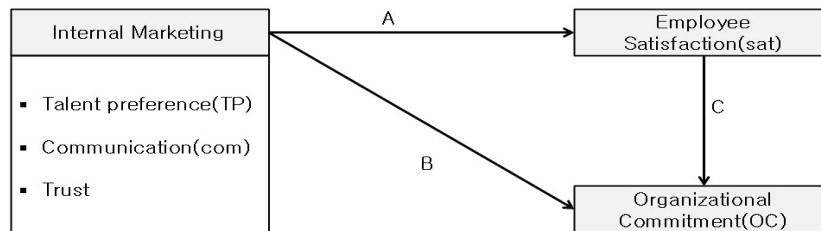


Figure 1: Research Model

As for the measurement of this study used 7th HCCP (Huma Capital Corporate Panel) of KRIVET(Korean Research Institute for Vocational Education & Training) was published in 2018. All survey items are measured by a five-point Likert score and self-measured. In this research, the independent variable is internal marketing which includes three constructs: talent preference, communication and trust. Talent preference (TP) is measured by four survey items like a preference for talented human resources, have a clear vision for human resource development, highlighting the importance of human resources and seek diverse ways of education & training human resource development. Communication (com) is measured by three items like inform employees about the company's situation in detail, communicate freely with supervisor and good interdepartmental communication. Trust is measured by three items like trust coworker, fair evaluation and compensation and firm management are trustworthy to follow. In this research, employee satisfaction (sat) is the mediator between internal marketing and organizational commitment. Employee satisfaction is measured by four items like current work satisfaction, current compensation satisfaction, current job's human relation and overall job satisfaction. Also in this research, the dependent variable is the organizational commitment which is measured by four items like consider turnover if better conditions are offered, feel company's problems as my own, if I leave the company, I'll lose a lot and worth loyal to the company. Lastly in this research economic performance change base on accounts information performance and considered year-on-year downturn as a slump and year-on-year upturn as a recovery of the business. Two constructs of economic performance are considered. First, quantitative performance as total assets, equity, sales and employee number. Second, qualitative performance as operating profit and net profit. In this study, all six economic performance change of business is measured as a dummy variable. The economic performance change variable was coded 0 as a year-on-year downturn (slump) when business decreased compare to the previous year. And coded 1 as a year-on-year upturn (recovery) when business increased compared to the previous year.

3.2. Research Data

To analyze relationships of variables, this study used the 7th HCCP (Huma Capital Corporate Panel) of KRIVET (Korean Research Institute for Vocational Education & Training) published in 2018. HCCP includes financial data and surveyed data. And survey data included the company's HR-related status, system data which is surveyed from the HR manager and employee cognition survey data. Among the 7th data of HCCP, this study only included valid financial data and employee data. Therefore this study includes 397 employees who are employed among 24 company.

24 company characteristics show that, by industry, 7 is in the service industry (finance and nonfinance) and 17 is in the manufacturing industry. By firm size, 10 is a small and medium enterprise (SME) which employees less than 300 employees, 8 is a small but strong enterprise (SSE) which employees 300 to 999 employees and 6 is a middle and big enterprise (MBE) which employees more than 1000 employee. By firm type, 11 is listed company, 7 is KOSDAQ and 6 is Financial Supervisory Service (FSS) /external audit and others.

397 employee's demographic characteristics are summarized in Table 1. By gender, 78 are Female (19.6%) and 319 are Male (80.4%). By education, 91 are under High school graduate (22.9%), 38 are College graduate (9.6%), 232 are University graduate (58.4%) and 36 are more than Graduate school graduate (9.1%). Employee age is minimum 22, middle 39, mean 39.95 and maximum 65 years old. Employed years of current company is minimum 1, middle 10, mean 11.42 and maximum 51 years.

Table 1: Demographic Characteristics

Employee total: 397			No.	%	
Gender	Female		78	19.6	
	Male		319	80.4	
Education	under High school graduate		91	22.9	
	College graduate		38	9.6	
	University graduate		232	58.4	
	more than Graduate school graduate		36	9.1	
	Mean	(S.D.)	Middle	Minimum	Maximum
Age	39.95	(8.90)	39.00	22.00	65.00
Employed Year	11.42	(8.49)	10.00	1.00	51.00
Industry	Service industry(finance and nonfinance)		126	31.7	
	Manufacturing industry		271	68.3	
Firm Size	SME which employees less than 300		184	46.3	
	SSE which employees 300 to 999		107	27.0	
	MBE which employees more than 1000		106	26.7	
Firm Type	listed company		193	48.6	
	KOSDAQ		107	27.0	
	FSS /external audit and others		97	24.4	

4. Empirical Findings

4.1. Validity and Reliability Result

Before analyze the synthetical relation among internal variables (talent preference, communication, trust), employee satisfaction and organizational commitment, this research construct validity and reliability analysis and results are summarized in Table 2. Construct validity and reliability analysis results are analyzed by confirmative factor analysis (CFA), composite reliability (CR), average variance extracted (AVE) and Cronbach's alpha (α). As shown in Table 2, all survey item's standard factor loading (St.Es.) is larger than 0.5, C. R. is larger than 2.0 and statistically significant ($p < 0.001$), is discriminant validity is confirmed (Fornell & Larcker, 1981). And as all variable's CR is larger than 0.7 and AVE is larger than 0.5, convergent validity is confirmed (Bagozzi & Yi, 1988). Also in Table 3 results show that each construct AVE is greater than the squared correlation between constructs therefore convergent validity is confirmed (Bagozzi & Yi, 1988). And for reliability, the results of Cronbach's coefficient α are larger than 0.6 therefore reliability of the measures is acceptable in this study. Lastly, goodness-of-fit statistics result show $\chi^2=367.245$, $DF=125$, $P=.000$, $\chi^2/DF=2.938$, $RMR=.037$, $GFI=.902$, $NFI=.930$, $CFI=.952$, $RMSEA=.070$ in Table 2. As χ^2/DF is smaller than 3.00, GFI, NFI and CFI larger than 0.90 and RMSEA between 0.05 to 0.08 this study's unidimensionality construct validity and this study's research model explains the observed data (Lia et al., 2007; Albright & Park, 2009). In the end, results of construct validity and reliability show that this study's model has a satisfactory model fit and implicates a good representation of underlying constructs.

Table 2: Validity and Reliability Analysis Results

		Es	St.Es.	S.E.	C.R.	p	CR	AVE	Cronbach's α
TP	TP1	1.000	.850				.989	.957	.925
	TP2	1.053	.856	.048	21.963	***			
	TP3	1.041	.894	.044	23.703	***			
	TP4	.986	.876	.043	22.826	***			
com	com1	1.000	.820				.982	.948	.826
	com2	.911	.796	.051	17.739	***			
	com3	.923	.737	.058	16.000	***			
trust	trust1	1.000	.864				.986	.954	.867
	trust2	1.007	.849	.046	22.042	***			
	trust3	.806	.777	.042	18.987	***			
sat	sat1	1.000	.822				.982	.933	.842
	sat2	.929	.654	.067	13.849	***			
	sat3	.788	.698	.052	15.063	***			
	sat4	.975	.888	.047	22.676	***			
OC	OC1	1.000	.538				.957	.850	.779
	OC2	1.051	.699	.107	9.862	***			
	OC3	1.186	.681	.122	9.715	***			
	OC4	1.1341	.862	.123	10.887	***			
$\chi^2=367.245$, $DF=125$, $P=.000$, $\chi^2/DF=2.938$, $RMR=.037$, $GFI=.902$, $NFI=.930$, $CFI=.952$, $RMSEA=.070$									

Note: talent preference=TP, communication=com, trust, employee satisfaction=sat, organizational commitment=OC, regression weights estimate (Es.) and standardized regression weights estimate (St.Es.)

***: $p < 0.001$, **: $p < 0.01$, *: $p < 0.05$, + : $p < 0.1$

Table 3: Correlation Results

	Mean	S.D.	1	2	3	4	5
1. TP	3.275	0.921	.957				
2. com	3.300	0.812	.733*	.948			
3. trust	3.403	0.788	.783*	.806*	.954		
4. sat	3.538	0.685	.676*	.666*	.737*	.933	
5. OC	3.300	0.718	.621*	.562*	.648*	.721*	.850

Note: talent preference=TP, communication=com, trust, employee satisfaction=sat, organizational commitment=OC

***: $p < 0.000$, **: $p < 0.01$, *: $p < 0.05$, + : $p < 0.1$

4.2. Hypothesis Result

To analyze synthetical causal relationships among internal marketing(talent preference, communication, trust), employee satisfaction and organizational commitment, this research employs SEM approach. However, to choose employee satisfaction's mediating role between internal marketing and organizational commitment, model fit is compared between complete mediating model and partial mediating model and the result is shown in Table 4. Both model fit indices show overall goodness-of-fit. However, in comparison, the complete mediation model seems better, therefore, causal relationships analysis continues with the complete mediation model. Therefore the direct effect of internal marketing on organizational commitment is not included in this study later on, only through employee satisfaction. For that hypothesis 2 is rejected.

Table 4: Model Fit Comparison of SEM Model

Model	χ^2	DF	P	χ^2/DF	RMR	GFI	NFI	CFI	RMSEA
Complete Mediation	306.353	126	.000	2.431	.036	.918	.942	.965	.060
Partial Mediation	367.245	125	.000	2.938	.037	.902	.930	.952	.070

Due to the complete mediation model, for each endogenous construct, squared multiple correlations (R^2) of employee satisfaction is 0.684 and organizational commitment is 0.746. R^2 measures explained model construct variation (Wixom & Watson, 2001) which means 68.4% of employee satisfaction and 74.6% of organizational commitment is explained. This implies that this study's research model explains and predicts employee satisfaction and organizational commitment strongly.

The result of the causal relation using SEM by Maximum Likelihood Estimation (MLE) is summarized in Table 5. The result shows that among internal marketing only trust (.708) gives a positive significant effect on employee satisfaction at a significant level of 0.001. Communication is statistically not significant and talent preference (.190) give positive effect on employee satisfaction at significant level 0.1 which needs cautious approach, therefore need additional analysis. Therefore H1 is partially supported or rejected. Lastly, employee satisfaction (.864) give a positive significant effect on organizational commitment. Therefore H3 is partially supported as trust is the only significant factor affecting employee satisfaction.

Table 5: SEM Results

		β	St. β	S.E.	C.R.	p	Outcome
H1(+)	TP→sat	.149	.190	.077	1.934	.053	Rejected
H1(+)	com→sat	-.049	-.057	.176	-.279	.780	Rejected
H1(+)	trust→sat	.613	.708	.207	2.967	.003	Supported
H3	sat→OC	.710	.864	.071	10.046	***	Partially Supported
$\chi^2=306.353$, $DF=126$, $P=.000$, $\chi^2/DF=2.431$, $RMR=.036$, $GFI=.918$, $NFI=.942$, $CFI=.965$, $RMSEA=.060$							

Note: talent preference=TP, communication=com, trust, employee satisfaction=sat, organizational commitment=OC

***: $p < 0.000$, **: $p < 0.01$, *: $p < 0.05$, + : $p < 0.1$

4.3. Economic Performance Group Differentiation Result

As mentioned above, in this research economic performance change is considered as moderator and analyze whether the relationship differs comparing economic slump and recovery. Therefore this study measured the economic performance change of business by the year-on-year result. As for year-on-year downturn as a slump or year-on-year upturn as a recovery of the business. And two construct of economic performance is considered. First, four quantitative performances with total assets, equity, sales and employee number. Second, two qualitative performances with operating profit and net profit.

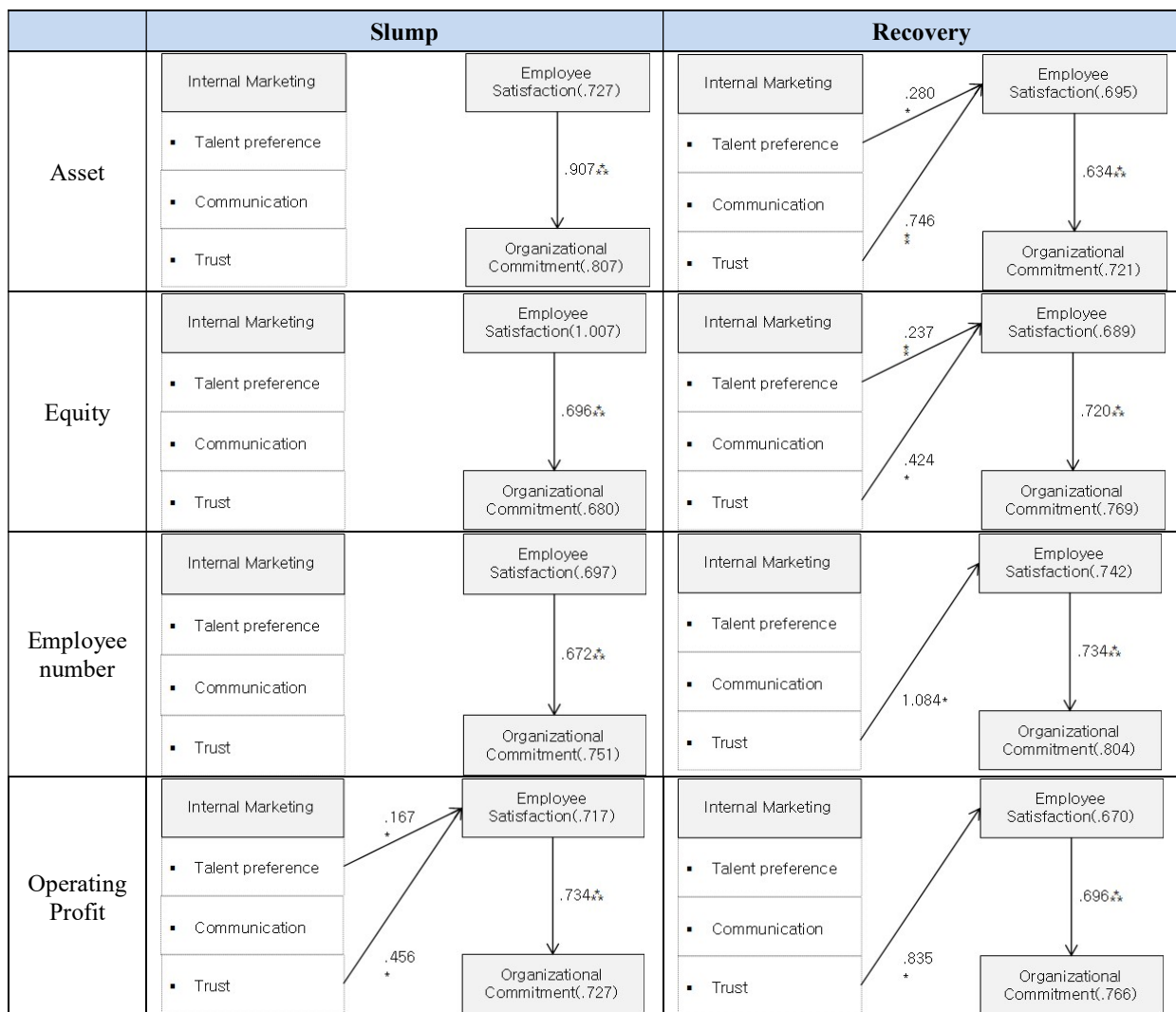
To Verify economic performance change as moderator and identify the difference/similarity of relationship, in this study multigroup comparison was analyzed and the results were summarized in Table 6 and Figure 2. Table 6 show χ^2 of Unconstrained Model and Measurement Weighted Model, χ^2 difference ($\Delta\chi^2$) and p-value of $\Delta\chi$. This result explains whether group comparison analysis meaningful or not. As results of the p-value of $\Delta\chi$ show that asset, equity, employee number, operating profit and net profit are larger than 0.1 which means group homogeneity is confirmed therefore group comparison is possible. Only in sales, the p-value of $\Delta\chi$ is 0.048 which is lower than 0.05 therefore group homogeneity is not confirmed means comparing sales groups not significant. Therefore hypothesis 4 is mostly supported.

Table 6: Group Comparison Analysis Results

	Assets		Equity		Sales		Employee number		Operating Profit		Net Profit	
	Un	MW	Un	MW	Un	MW	Un	MW	Un	MW	Un	MW
χ^2	11.116	15.259	12.818	22.559	18.771	27.758	27.363	41.308	472.704	480.118	15.735	17.071
$\Delta\chi^2$	4.143		9.741		8.987		13.945		7.414		1.336	
p-value of $\Delta\chi^2$.577		.164		.048		.182		.265		.450	

Note: Unconstrained Model = Un, Measurement Weighted Model= MW, $\Delta\chi^2 = \chi^2$ difference

The results of each multigroup comparison analysis showed in Figure 2. First for the asset group, in the slump, all three internal marketing was not significant, the only significant relation was employee satisfaction (.907) positively influence organizational commitment.



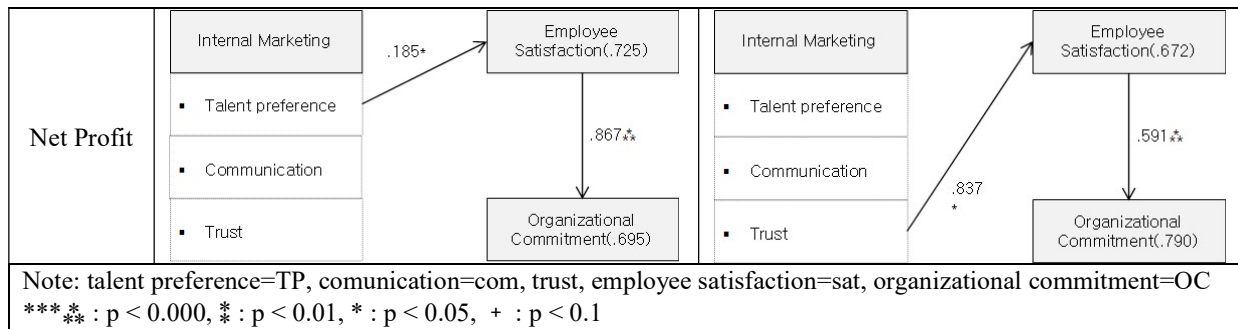


Figure 2: Group Comparison Analysis Results

In recovery, talent preference (.280) and trust (.746) give significant positive influence on employee satisfaction and employee satisfaction(.634) on organizational commitment. Second, for the equity group similar to the asset group, all three internal marketing was not significant, the only significant relation was employee satisfaction (.696) on organizational commitment. In recovery, talent preference (.237) and trust (.424) give positive influence on employee satisfaction and employee satisfaction (.720) on organizational commitment. Third, for employee number group, similar in a slump, all three internal marketing was not significant and the only significant relation was employee satisfaction (.672) on organizational commitment. In recovery, among internal marketing, only trust (1.084) gives a significant positive influence on employee satisfaction and employee satisfaction (.734) on organizational commitment. Fourth, for operating profit group, in a slump, talent preference (.167) and trust (.456) give a significant positive effect on employee satisfaction and employee satisfaction (.734) on organizational commitment. In recovery, among internal marketing only trust (.835) gives a significant positive effect on employee satisfaction and employee satisfaction (.696) on organizational commitment. And the last fifth, for net profit group, in a slump, among internal marketing only talent preference (1.084) give a significant positive influence on employee satisfaction and employee satisfaction(.734) on organizational commitment.

5. Conclusion

5.1. Discussion of the Findings

This research analyze relationship among internal marketing, employee satisfaction and organizational commitment of Korean employees in manufacturing and service. And analyzed mediating effect of satisfaction between internal marketing and organizational commitment. Also, consider the economic performance of the business as moderator so group comparison between an economic slump and economic recovery was analyzed.

This study's findings can be summarized in three ways. First, among three internal marketing (talent preference, communication and trust), trust was the only statistically significant variable to employee satisfaction and give positive influence. And employee satisfaction give a positive influence on organizational commitment. Second, employee satisfaction mediates between internal marketing and organizational commitment fully. Third, the economic performance (economic slump and economic recovery) of business was a significant moderator.

Based on this study's finding three managerial implications to management could be made. First, to manage and increase the organizational commitment of employees, managing and increasing employee satisfaction is crucial. Therefore managers need to pay attention to how much employees are satisfied with their work, compensation, job-related human relation and overall. And managers need to understand what influence employee satisfaction. Second, to manage and increase employee satisfaction, managing and increasing trust is important. Therefore managers need to increase coworker's trust, evaluation and compensation need to be fair and the firm's management needs to be trustworthy to follow. Third, the manager should recognize that economic conditions (economic slump and economic recovery) need to be reflected and discriminatory management is needed due to economic performance. Results of multigroup comparison show that in quantitative performance (assets, equity, employee number) slump all three internal marketing was not significant on employee satisfaction. However, in quantitative performance recovery, internal marketing was significant in employee satisfaction. This implies that attendant economic

circumstances need to be considered and implementing internal marketing needs cautious differentiation when managing and increasing employee satisfaction. In qualitative performance,(operating profit and net profit), significant internal marketing differ from performance sort and slump to recovery. Therefore cautious approach is need.

This study gives two academic contributions to the field. First, this study extended the internal marketing field of study to manufacturing which only a few researchers have studied outside services (Ahmed et al., 2003; Suk, 2013). The existing literature of internal marketing is focused on the service area, however, this study included both manufacturing and service area. Second, this study applied measurement of economic performance change base on accounts information performance. In existing literature most study measured economic performance by surveying financial performance (Hwang & Chi, 2005; Panigyrakis & Theodoridis, 2009) or by surveying nonfinancial performance (Hwang & Chi, 2005; Panigyrakis & Theodoridis, 2009)

5.2. Limitations and Future research

Despite its managerial implications and academic contributions, this study has three limitations. And based on limitations, future research could be suggested. First, this study analyzed an identical period measurement of economic performance and independent and dependent variables. This method could not reflect the sequential interrelationship of economic performance and variables. Therefore in future research, Latent Curve Models(LCM) analysis could be applied (Assaker et al., 2011). Second, this study used the 7th HCCP of KRIVET pulished in 2018 therefore in future research update of data is in need, maybe for reflecting COVID years or for post-COVID. Third, this study considered three internal marketing (talent preference, communication and trust) therefore in future research expend or another construct of internal marketing analysis is in need. For example, reward-related (Caruana & Calleya, 1998; Panigyrakis & Theodoridis, 2009; Ahmed et al., 2003;), training & development (Ahmed et al., 2003; Al-Hawary et al., 2013), leadership (Ahmed et al., 2003;). Empowerment (Al-Hawary et al., 2013), etc. Particularly in this study, in a slump, none of the talent preference, communication & trust showed significant influence therefore other antecedents of job satisfaction need to be analyzed.

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