

The Effects of Internal Marketing on Customer Orientation in Nigerian Banking Industry

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Abstract: *The Contribution Of Banking Sector To The Overall World Gross Domestic Product (Gdp) Cannot Be Over Emphasised. This Explains Why Banking Institutions Occupy A Very High Pedigree In The World's Economy And Also Why They Are Highly Regulated. Consequently, Banks' Employees Are Considered To Be Highly Skilful And Command Respect Among Their Peers. However, As Important As The Roles Of Employees In A Banking Institution Are, Their Capabilities And Potentiality Towards The Organizational Commitment Are Often Undermined By The Management. Many Banks Therefore Neglect The Satisfaction Of Their Employees Who Double As Their Internal Customers. Literatures Have However Established That Internal Marketing Is A Potent Business Strategy Towards The Success Of An Organisation Especially Banks. Internal Marketing Is Particularly Geared Towards Perceiving The Employees Of An Organization As Internal Customers Thereby Contributing Meaningfully To Their Welfare In All Ramifications. Besides, One Other Method To Achieve The Goal Of An Organization Is Through Customer Orientation Which Is Focused Primarily On Satisfying The Needs And Desires Of The Customers Based On Their Demands And Needs By The Organization. Therefore, This Paper Examines The Relationship Between Internal Marketing And Customer Orientation In Nigerian Banking Industry. The Paper Employs The Library Method To Collect Information And Thereby Subject This Information To Analysis By Adopting Comparative, Deductive And Inductive Methods. The Findings Of This Paper Reveal That There Are Four Components Of Internal Marketing As Follows: Training And Development; Reward And Communication; Internal Communication And Empowerment. Also, The Findings Of This Paper Indicate That All The Components Of Internal Marketing Have Effects On Consumer Orientation. In Other Words, The Paper Finds That Internal Marketing Has Significant Impact On Customer Orientation. The Paper Therefore Concludes That Employees' Job Satisfaction Is Crucial In Attracting And Maintaining Lifelong Relationship With Customers.*

Key Words: *Internal Marketing, Customer Orientation, Job Satisfaction*

I. Introduction

Internal Marketing Has Continued To Draw Attention From Both The Professional And Academic Realms. This Explains Why Most Studies Have Been Centred On Both Anecdotal And Case Based Aspects Of The Subject. Several Other Papers Have Been Concentrated On The Relationship Between Internal Marketing And Market Orientation With Respect To Different Studies Including Those Of Banking. Examples Of Such Are Bound In The Literature And Include The Works Of Gounaris, (2008); Awwad And Agti, (2012); Shahsavani, Dolatabadi And Ranjbarian, (2012) And Oyeniyi, (2013). Be That As It May, Internal Marketing Is Very Important With Respect To Nigerian Banking Industry. This Is Because It Remains One Of The Tools By Which Organizational Commitment Of Employees Within An Organization Is Assessed. Therefore, The Need For Internal Marketing In Organizations Especially Financial Institution Such As Banks Cannot Be Overemphasized. It Is No News That The Banking Sector Has A Crucial Role In The Overall Economic Development Of A Nation; However, In Nigerian Context, The Banking Industry Has Been Characterised By Certain Factors Which Include And Not Limited To Macroeconomic Instability, Slow Growth In Real Economic Activities, Corruption And Of Course Fraud (Olaoye, 2009).

These Aforementioned Factors And Many More Are What Generally Generate The Issue Of Internal Marketing In Banking Industry. For Instance, We Understand That Fraud And Other Corrupt Practices Have Eaten Deep In The Banking Industry In Nigeria. These Anomalies Are Usually Being Perpetrated By Many Nigerian Bank Managers And Employees. It Could At Times Be A Collaborative Effort Or Even At Other Time It Could Be Individually Perpetrated Owing To Greed And Selfishness Being Exhibited By Individuals Who Are Entrusted With People's Fund. In Fact, This Kind Of Menace Is Not Peculiar To Nigerian Financial Institution Alone; It Has Become A Norm All Over The World With No Singular Exception. It Could Be Recurred That The Collapse Of Lehman Brothers Based In The US With Branches Across Europe Was Occasioned By Greediness And Corrupt Practices On The Part Of The Management Of The Company.

Realizing The Position Of Finance In General And Banking Service In Particular In The World's Gross Domestic Product (GDP), All Hand Must Be On Deck Toward Sanitising The Sector And Making It

Conform With The International Standard Under Which It Is Regulated. The Banking Sector Cannot Be Toiled With As It Remains A Financial Institution That Is Heavily Regulated Nationally And Internationally. Therefore, Internal Marketing Together With Its Intricacies Is Viable Tool To Exploit And Adopt To Be Able To Achieve The Objectives For Which Banks Are Generally Set Up. It Must Nevertheless Be Mentioned At This Point That Based On The Study Of Extant Literature; The Theory Of Internal Marketing Is All About Welfare Packages For Employees Whose Actions And Inactions Are Necessary Prerequisite For Any Sustainable Development Of Such Organization.

Meanwhile, In The Face Of Numerous Challenges Confronting Banks Especially As It Concerns The Employees Which Include Uncertainty, Threat And Job Insecurity Among Employees (Adenugba And Oteyowo, 2012), It Is Imperative To Not Only Attract Best Personnel But Also Motivate Them To Be Able To Deliver And Give Their Best While Being Enthusiastic About What They Do. Thus, One Essential Way Of Actualising This Is For The Management To Take Into Cognizance Active Business Operations. In The Contemporary World, However, Internal Marketing Remains A Viable Business Orientation Approach That Can Be Adopted By Bank Management To Improve The Level Of Employees' Commitment To The Organization As Well As Improve The Effectiveness Of Service Delivery By Employees Of The Banks To Their Customers.

Internal Marketing

The Term Internal Marketing Means Differently To Different People. The Scholars And Writers Have Also Given Their Perceptions About This Term. So, The Term Has Been Defined Various By Different Scholars Over The Ages. With Particular Reference To A Study Conducted By Papasolomou-Donkakis And Kitchen (2004), Unanimous View On The Appropriate Definitions Of Internal Marketing Was One Of The Challenges Facing Internal Marketing. The Study Therefore Concluded That The Conflict In The Definitions Was A Key Factor That Contributed To The Divergent Perceptions Of The Fundamental Principles Of Internal Marketing.

This Singular Scenario Has Further Resulted In Varying Degrees Of Formats Utilized In Practical Implementation Coupled With The Disagreement On A Conceptual Framework That Best Explains The Managerial Scope Of Internal Marketing. However, For The Sake Of The Current Study, Some Definitions Would Be Examined. Taylor And Cosenza (1997) Had Defined Internal Marketing As A Mechanism Adopted By Top Management To Cut Down Employee Turnover And Other High Costs That Are Related To Turnover. The Authors Maintained That The Internal Marketing Remained A Strategy Through Which Marketing Philosophy And Principles Are Applied To People Whose Task Is To Serve The External Customers. The Purpose For Which Internal Marketing Is Actually Embarked Upon Is To Employ And Retain The Best Possible Personnel While They Perform The Best Possible Work.

Meanwhile, Papasolomou-Donkakis And Kitchen (2004) Had Posited That Internal Marketing Evolved From The General Opinions That Employees Within A Particular Organization Are Main Sources Of Internal Market For The Organization. Realizing The Important Positions Occupied By The Employees Within The Rank And File Of An Organization, They Cited Varey And Lewis (2000) That Such Important Internal Market Needed To Be Properly Trained; Educated; Informed; Rewarded And Of Course Motivated. This, They Believed, Will In The Long Run Help The Organization To Meet The Needs And Expectations Of The Customers. Further, Seyedjavadin, Rayej, Yazdani And Estiri (2011) Agreed With The Extant Literature That Internal Marketing Was An Inevitable Potent Element That Could Be Adopted To Improve Employees' Behaviour Which Could As Well Be Used To Polish Employees' Interactions With The Customers.

More So, Employees Are Undoubtedly Customers Themselves Because They Were Potential Customers Before They Became Employees. Hence, It Follows That The Organization Has To Take The Needs And Interests Of The Employees Into Cognizance So That They Can Attain Market Orientation And Organizational Commitment. In The Same Token, Quester, Kelly And Amanmda (1999) Considered Internal Marketing As Being A Constituent Of A Decisive Interface Between Marketing And Human Resource Management Which Is Very Crucial In Any Service Rendering Industry Including Financial Institutions.

Besides, There Have Been Many Studies On The Various Elements Or Constituents Of Internal Marketing. For Instance, Quester And Kelly (1995) Found In Their Study That Internal Marketing Consisted Communication, Training, Education And Information. In Contrast To This, Foreman And Money (1999) Held That The Components Of Internal Marketing Included Rewards, Development And Provision Of Vision. In Broad Sense, Internal Marketing Has Four Components. This Was The Outcome Of The Study Conducted By Narteh (2012) That Came Up With The Classification Comprising Training And Development; Reward And Recognition; Internal Communication And Empowerment. All Of These Have Been Proven In The Literature To Contribute Significantly To Employees' Commitment In The Organizations.

Banking In Nigeria

The Banking Industry In Nigeria Is Usually Regulated By The Central Bank Of Nigeria. This Industry Plays An Important Role In The Overall In National Economic System. The Banking System Is So Critical That Every Other Segment Including The Real Sector And The Government Relies Heavily On It For Effective And Efficient Operation. The Banking Industry In Nigeria Comprises The Deposit Money Banks Which Is Otherwise Referred To As To As Commercial Banks; Development Finance Institutions And Other Financial Institutions Such As The Micro-Finance Banks, The Finance Companies, The Bureau De Changes, The Discount Houses And Of Course The Mortgage Institutions.

According To The Library Of Congress Of The Federal Research Division (2008), 29.3 Percent Of The Gross Domestic Product Is Accounted For By The Service Sector. This Service Sector Employed An Estimate Of About One In Five Workers In 2006. It Is However Evident That The Most Important Element Of A Sector In Any Economies Is The Popular Banking And Finance Industry. The Financial Sector Of The Nigerian Economy Was Hurt Due To The Global Financial And Economic Meltdown Arising From Several Factors That Specifically Affect The Country. It Will Be Recurred That The Global Financial Meltdown Began In 2007 In The Us Owing To Devastating Effect Of Subprime Mortgage And Spread Across The Whole World Like Wild Fire.

As A Consequent Of The Us Subprime Mortgage, There Was Dwindling Of International Credit Line, Shrinking Of Capital Markets And Devaluation Of Nigerian Currency (Soludo, 2009). Specifically, The Stock Markets Collapsed By 70% In 2008-2009 And Many Nigerian Banks Were At The Brinks Of Collapse But For The Timely Intervention Of The Central Bank They Were Rescued. Furthermore, The Cbn Had To Inject Six Hundred And Twenty Billion Naira (N620bn) Of Liquidity Into The Banking Sector So As To Stabilize The System And Of Course Return Confidence To The Markets And Investors. In The Same Vein, The Apex Bank Of The Country Also Took A Giant Stride By Replacing The Management Of Eight Banks And Consequently The Banking Sector Could Be Adjudged To Be Relatively Stable.

The Impact Of The Global Financial Meltdown Affected Nigeria Greatly Due To A Number Of Several Factors Who Were Serious On Their Own And Their Combination Gave The Country The Entire Banking And Financial System In Nigeria A Colossal Loss. These Factors Included: Macroeconomic Instability As A Result Of Large And Sudden Capital Inflows, Certain Key Failures Banks' Corporate Governance, Dearth Of Investor And Consumer Sophistication, Poor Disclosure And Transparency In Reporting Financial Position Of Banks, A Wide Range Of Gap In The Regulatory Framework And Regulations, Irregular Supervision And Enforcement Strategies, Amorphous Governance And Management Processes At The Level Of The Central Bank Of Nigeria And Last But Not The Least Was Flaws In The Business Environment. Each Of These Factors Was Serious On Its Own Right. The Combination Of All These Factors Meant A Devastating And Colossal Loss To The Entire Financial System Of Nigeria Which Contributed In No Small Measure In Bringing The Economy To The Brink Of Collapse.

Meanwhile, In Further Explanation Of The Steps Taken To Combat The Financial Crisis, The Central Bank Governor At The Time Had Taken The Initiative To Introduce Measures So As To Restructure And Strengthen The Banking Sector. Apart From The Injection Of Funds Into Banking Sector And Replacement Of Managements Of Certain Banks, One Of The Other Measures That Were Put In Place Was The Imposition Of Mandatory Higher Minimum Capital Requirements.

In This Instance, A Whole Consolidation Programme Was Successfully Completed In 2006 Under The Administration Of The Central Bank Of Nigeria. This Consolidation Programme Did Not Only Launch A Regulatory Authority Of The Entire Financial Sector In The Country But Pegged The Number Of Existing Banks To Twenty Five (25) And Later To Twenty Four (24) Through Mergers And Acquisitions By Raising The Banks' Capital Base From Two (2) Billion Naira To Twenty Five (25) Billion Naira. The Total Number Of Banks At The Time Was Eighty Nine (89); Many Of Which Were Marginal, But On Completion Of The Consolidation Programme Only Twenty Five Banks Could Survive. These Banks That Were Able To Emerge Were Banks That Were Well Relatively Capitalized Deposit Banks.

It Must However Be Mentioned That Long Before The Consolidation Programme, Loan Assets And Deposit Liabilities Had Been Vastly Concentrated. Besides The Deposit Banks, Nigeria Could Boast Of Hundreds Of Community Banks With Some Specialized Development And Mortgage Banks. In 2007, The Defunct Intercontinental Bank And Guaranty Trust Were The First Set Of Nigerian Banks To Benefit From Significant Foreign Investment. Consequent Upon The Global Financial Crisis Of 2008 And Its Implications On Nigerian Economic System, The Central Bank Of Nigeria Formulate A Blue Print Referred To As "The Project Alpha Initiative".

This Project Was Introduced To Reform The Nigerian Financial System In General And The Banking Sector In Particular. The Objectives Of This Project Were To Remove All The Inherent Weaknesses And Disintegration Within Nigerian Financial System, Integrate The Several Ad-Hoc And Progressive Reforms And Of Course Unleash The Vast Potential Of Nigeria. In Contemporary Banking System In Nigeria, However, Many

Financial Transactions Are Conducted On Cashless Policy Which Restricts The Individuals And Corporate Bodies From Carrying Large Amount Of Cash About.

The Effects Of Internal Marketing On Consumer Orientation

According To Ruizalba, Et Al., (2014) Customer Orientation Is The Principle That Addresses The Significance Of Considering Customer Needs And Wishes Throughout The Organization. Based On The Study Of Awwad And Agti, (2011), Customer Orientation Is Said To Be The Principle Of Readiness To Meet And Respond Promptly To The Needs And Wants Of Customers. Meanwhile, Auhandmagie, 2007 Summarised The Meaning Of Customer Of Customer Orientation As Being Total Packages Of External Customers' Welfare Within An Organization. It Is Believed That A Right Approach To Customer's Orientation Is Likely To Facilitate Better Performance And Quality Delivery Services By Employees. This Opinion Was Held By Brady, Cronin And Joseph(2001) In Their Research.

Besides, A Study Of Previous Studies On The Subject Reveals That Customer Orientation In Most Organizations Is Also Referred To As Market Orientation (Chen, Et Al., 2012; Ruizalba, Et Al., 2014). So, We Can Say That Customer Orientation Can Be Used Interchangeably With Market Orientation. Consequently, Before We Can Conclude That An Organization Is Customer Centred Or Oriented, It Must Have Been The Employees Of Such Organization Are Customer Oriented (Neill And Richard, 2012; Stock And Watson, 2012). The Question Of Employee Customer Orientation Can Be Perceived From Two Perspectives Including One That Focuses On Attitudes And Beliefs And The Other That Focuses On Actual Behaviour (Stock And Hoyer, 2005).

From The Point Of Views Of Attitudinal Perspective, Zabliah (2012) Described Customer Orientation As "An Employee's Tendency Or Predisposition To Meet Customer Needs In The Job Context." As A Belief, Customer Orientation Is Held By Employee And Entails The Need To Satisfy Customer Needs (Kirca Et Al., 2005) And (Wieseke, 2007). Riketta Et Al. (2005) Asserted That Customer Oriented Beliefs And Attitudes Are Regarded As An Antecedent To Related Behaviours, Thereby Making The Perspectives To Be Interconnected. In The Mean Time, In A Study Conducted By Stock And Hoyer (2005), Both Customer Oriented Attitudes And Customer Oriented Behaviours Influenced Customer Satisfaction Even Though That Of Behaviour-Satisfaction Link Was Found To Be The One That Influences Stronger.

However, The Beliefs Of The Employees Make Differences In Terms Of Quality Services Delivery, The Moment They Result In Actual Employee Behaviour. Still, Certain Barriers Or Challenges Confronting The Organization Such As Lack Of Empowerment May Prevent An Employee With Customer Oriented Attitudes From Behaving In A Customer Oriented Way (Kralj And Solnet, 2010).

Liao (2009) Submitted That Internal Marketing Played Significant Role In Enhancing Job Satisfaction, Commitment Of Employees And Customer-Oriented Behaviour In An Organization. From The Outcome Of The Study We Can Conclude That Those Employees 'Perception Of And Application Of Internal Marketing In Banks Have Resulted In Satisfaction Of Primary Level Employees Which In Turn Is Effective In Employees' Tendency Toward Customers. In Other Words, Adoption And Application Of Internal Marketing In Operational Activities Of An Organization Especially In Financial Institutions Such As Banks Would Change The Perception And Attitude Of The Employees Of Such Organization.

The Employees Now Have Total Positive Change Towards Their Organization And Would Be Ready To Sacrifice Anything Within Their Disposal To Be Able To Uphold The Values Of Their Organization And Contribute Meaningfully Towards The Actualization Of Its Mission And Vision Statements. Once The Employees Are Satisfied, Consumers' Orientations Are Already Positively Channelled. Consequently, The Manifest Of This Will Be Exhibited In Their Dispositions With The Customer. In The Same Vein, Amangala And Amangala (2013) Also Supported The Perception That That All Dimensions Of Internal Market Orientation Such As Internal Communication, Empowerment, Training And Development And Of Course Reward And Recognition Had Positive Relationships With Customer Orientation And Can Aid In Realizing The Goals Of Banking Industry In Nigeria.

In A Related Development, Shekary, Moghadam, Adaryany And Moghadam (2012) Understudied The Impact Of Internal Marketing On Employee Organizational Obligation Within A Banking Industry. The Results Of Their Analysis Revealed That The Position Of Internal Marketing Steps In Banking Industry Was Inappropriate. This Might Be What Is Responsible For The Current Multifaceted Challenges Confronting Banks In This Contemporary Age. To Solve All These Inherent Challenges In The Industry The Banks' Management Have Got No Option Other Than Implement Internal Market Policies In Their Institutions. Hence, Internal Marketing Is Found To Have A Significant And Positive Effect On Organizational Obligation.

II. Methodology

This Present Study Employs A Qualitative Research Methodology To Find Out The Impacts Of Internal Marketing On Consumer Orientation Within The Banking Industry In Nigeria From Theoretical Point

Of View. It Applies The Content Analysis Method To Investigate The Relationship Between Internal Marketing And Consumer Orientation In The Banking System In Nigeria. The Study Is Principally A Library-Based Research. The Exploratory Study Was Done By Assessing The Relevant Literature Within A Variety Of Sources Of Knowledge. It Explicitly Reviews And Analyses Literature Which Academic Journals, Articles From Online Databases, Conference Papers And Statutes, Working Papers, Books, And The Likes.

III. Conclusion

The Image Of Banking Industry In Nigeria And Among The Comity Of Nations Is Evidently Important That It Has To Be Protected And Sustained Irrespective Of Whatever Challenges Confronting It. Internal Communication Is A Mechanism That Can Be Exploited By The Top Management Of The Institutions To Keep This Image And Achieve The Objectives For Which Banks Are Set Up. This Could Be Adopted On Regular Basis To Address Different Kinds Of Concerns. It Is Thus Imperative For The Banking Sector To Provide Up To Date Information On Key Decisions, Sustain Values, Mobilise Staff And Of Course Render Support And Reassurance.

Meanwhile, Given The Current Trend In The Nigerian Banking Sector, The Onus Lies On All The Stakeholders Particularly Within The Financial Institutions Vis-A-Vis The Top Management, The Employees And Others To Make Concerted Effort Towards Reforming The Nigerian Financial System. Good Policies, Blueprint Formulations, Corporate Governance And Code Of Ethics Are Not Enough To Bring About The Desired Change In Our Banking Industry, Particular Attention Has To Be Paid On Utilising Internal Marketing And Its Components For A Worthwhile Result. The Management Of Each Bank Has To Adopt And Adapt Internal Marketing In Their Banking Operations So As To Enhance Quality Banking System, Establish Financial Stability, Enable Evolution Of Healthy Financial Sector And Of Course Ensure That The Banking System Is Able To Contribute To The Real Economy.

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