Invisible Forces: Towards a Reconceptualisation of Internal Marketing through its Dyadic Interactions. Authors: David Brown (presenting); Helen Woodruffe-Burton; Anders Wäppling (all Northumbria University).

Purpose.
To reconceptualise Internal Marketing by researching the ways in which dyadic, interpersonal transactions at diverse hierarchical levels within organisations contribute to the delivery of Internal Marketing strategies and influence their success – particularly by ascertaining the extent to which accepted dyadic theory from Channel Management literature is applicable within the internal environment.

Theoretical Background.
Internal Marketing has been assigned many roles: (i) to bring the advantages of Marketing approaches to an organisation’s dealings with its employees (e.g. – Christopher, Payne & Ballantyne, 1991); (ii) to improve staff performance levels (Berry & Parasuraman, 1991; Christopher et al, 1991; Ballantyne, 1997; Ballantyne, 2000; Sanchez-Hernandez & Miranda, 2011); (iii) to facilitate relational networks and interactivity (Varey, 1995; Voima, 2001; Lings, 2004); (iv) to recruit, satisfy and retain staff (Berry, 1984; Glassman & McAfee, 1992; Quester & Kelly, 1999; Gounaris, 2006); (v) to orient staff towards their customers (Grönroos, 1981; George, 1990; Christopher et al, 1991; Ballantyne, 1997; Awwad & Agti, 2011; Day, 2012); (vi) as a conduit for, or a constituent of, Human Resources strategy (Collins & Payne, 1991; Hales, 1994); (vii) to encourage the treatment of colleagues as internal customers and/or the consideration of jobs as internal products (Berry, 1984; Berry & Parasuraman, 1991; Greene, Walls & Schrest, 1994; Ballantyne, 1997; Caruana & Calleya, 1998; Lings, 2004); (viii) to motivate staff towards the achievement of organisational goals (Grönroos, 1981; Berry & Parasuraman, 1991; Rafiq & Ahmed, 1993; Conduit & Mavondo, 2001); (ix) to encourage internal market research and exchange, and to facilitate the transmission of organisational knowledge and the growth of organisational competencies (Ballantyne, 1997; Ballantyne, 2000; Ahmed & Rafiq, 2003; Gounaris, 2006; Lindner & Wald, 2011); (x) to instigate effective internal communications (Varey, 1995; Hogg, Carter & Dunne, 1998; Rafiq & Ahmed, 2000; Kale, 2012); (xi) as an agent for organisational change (Reardon & Enis, 1990; Christopher et al, 1991; Rafiq & Ahmed, 1993; Varey, 1995; Varey & Lewis, 1999; Winston & Cahill, 2012); (xii) to streamline internal processes, act as an integrative mechanism and discourage silo mentality (Reardon & Enis, 1990; Christopher et al, 1991; Rafiq & Ahmed, 1993; Varey, 1995; Varey & Lewis, 1999; Winston & Cahill, 2012); (xiii) to manage the organisational culture (Gummesson, 1987; George, 1990; Piercy & Morgan, 1991; Kelemen & Papasolomou-Doukakis, 2004).

Situated within the Relationship Marketing paradigm (Christopher et al, 1991), Internal Marketing is widely conceptualised as ‘relational’ rather than ‘transactional’ in its underpinning values (Grönroos, 1981) – a dialectical marketing approach striving for exchange (Voima, 2001), rather than the unilateral ‘top-down’ imposition of strategy by organisational diktat. Whilst this relationalism has been thoroughly explored within the extant literature at the macro level between ‘the organisation’ and ‘employees’ (e.g. – Ahmed & Rafiq, 2003), and less frequently at the meso level between line managers and employee subsets or departmentalised staff (e.g. – Hume & Hume, 2014), micro-level Internal Marketing exchanges conducted through interpersonal transactions have been largely neglected. This is problematic for a number of reasons: (i) the subsequent operationalisation of Internal Marketing is made along lines which hinder its integrative role, reinforcing the interdepartmental and hierarchical barriers which it is intended to dismantle; (ii) this
operationalisation neglects the widely accepted view that Internal Marketing is differentiated from Human Resources Management by its persuasive approach and avoidance of coercion or contractual enforcement (Rafiq & Ahmed, 1993), thus undermining its position as a separate field using ‘Marketing approaches’; (iii) if one accepts that modern Marketing should seek to understand customers as individuals to address their specific needs and wants, this conceptualisation of Internal Marketing ignores its role in satisfying employees and facilitating effective, individualised communication with them – risking implementation of strategies which are more likely to be rejected, and even derided, by employees (Wallace, de Chernatony & Buil, 2013). Whilst the need for dyadic perspectives to inform Internal Marketing has previously been made by Gremler, Bitner & Evans (1995), then by Yang & Coates (2010), whose research sought to address this deficiency, no attempt was made to reinterpret within an Internal Marketing context the rich, dyadic marketing perspectives which inform almost all channel literature. Likewise, when Lings (2000) explored the role of Internal Marketing within supply chain management, his objective was to distinguish between the service expectations of internal customers per se and wider internal customer groups which include channel intermediaries, and to extend Internal Marketing principles to customers within the supply chain. Therefore, this paper contributes to the theoretical understanding of Internal Marketing through examination in that context of dyadic marketing perspectives drawn from channel and supply chain literature.

Dyadic interactions have been proposed as a determinant of satisfaction towards service provision (Solomon, Surprenant, Czepiel & Gutman, 1985) – an idea which influenced the later conceptualisation of Service-Dominant Logic (e.g. – Vargo & Lusch, 2004). Although internal service themes and patterns were categorised early in the evolution of Internal Marketing theory and expanded thereafter (e.g. – Sayles, 1964; Albrecht, 1998; Davis, 1993; Strauss, 1996), the notion of ‘Internal Service Encounters’ as conduits to Internal Marketing was not explained until Gremler, Bitner & Evans (1995) applied Solomon et al’s (1985) theory to the internal market. Subsequently, Kang, James & Alexandris (2002) categorised such encounters as being between ‘customer-contact employee and manager’, ‘customer-contact employee and back-office employee’ or ‘back-office employee and manager’, exploring the ways in which contexts, needs and objectives differed from one to another, but without interrogation of their dyadic characteristics, either collectively or specifically. Whilst numerous studies (e.g. – McHugh, 1968; Blumer, 1969; Hewitt, 1976; Solomon et al, 1985; Guirguis & Chewning, 2005) have utilised the theoretical framework of Symbolic Interactionism to posit that the role of actors within service encounters should evolve alongside the situational factors of the organisation, there has been a lack of research into how this occurs in practice, seemingly brought about by a relative lack of postmodern perspectives of organisational flux within Internal Marketing literature, and certainly by the absence of dyadic perspectives (Yang & Coates, 2010).

In transferring dyadic perspectives from channel literature, it has been important to consider the different reasons for forming cross-dyadic relationships in the internal market compared with the supply chain, and particularly the hierarchical nature of many internal dyadic encounters (Hales, 1994), their often more significant barriers to dissolution or exit (Zeithaml, Bitner & Gremler, 2006) and the limited freedom to avoid or reject such interaction (Rafiq & Ahmed, 1993; 2000; Doherty & Alexander, 2006; Palmatier, Dant & Grewal, 2007). Moreover, relationship potential within dyadic parties in sales channels has been ascertained by gauging supplier and distributor characteristics (Ghosh, Joseph, Gardner & Thach, 2004), the extent of supplier-distributor power asymmetry (e.g. – Lusch, 1976; Crook & Combs, 2007), prior organisational performance and economic impact of each party (Gassenheimer, Baucus & Baucus, 1996; Gassenheimer, Houston & Davis, 1998) and interorganisational expectations of relationship rewards and benefits (Ghosh et al, 2004). Notably, the benefits of
interorganisational dyadic partnerships are considered not simply relational, but also psychological to the individual boundary personnel, their employee sub-sets and to the collective psyches of the respective organisations – although the relationships between individuals have been identified as being potentially divergent from those of their firms (Sweeney & Webb, 2007).

Prominent within channel literature has been the exploration of dyadic strategies used by one organisation or boundary personnel member to elicit gains from the other (e.g. - Boyle & Dwyer, 1995), and their effects upon the relationship (e.g. – Frazier & Summers, 1984). These include non-mediated approaches such as recommendations, promises and information exchange, which are usually noticed in high-power relationships (Lusch, 1976; Dant & Schul, 1992; Boyle & Dwyer, 1995), and mediated approaches such as threats, requests and legalistic pleas, which are coercive and compensatory strategies often used by the weaker party (Andersen & Weitz, 1989; Gassenheimer et al, 1996; Gelderman, Semeijn & De Zoete, 2008), or displayed but not used by either party in order to avoid negative side-effects of exercised power (Kumar, 2005). The adoption within many supply chain studies of French & Raven’s (1959) categorisation of power as ‘expert’, ‘legitimate’ or ‘referent’ is more problematic in the internal market due to the influence of employment contracts upon interpersonal relationships and the employee necessity of accepting hierarchical authority (e.g. – Rafiq & Ahmed, 1993), although these factors cannot be said to be absent from channel dyads either. Moreover, to unpack such concepts as ‘trust’ (e.g. – Jap, 1999; Payan & McFarland, 2005; Palmatier et al, 2007), ‘commitment’ (e.g. – Jap, Manolis & Weitz, 1999; Sharma & Patterson, 2000) and ‘satisfaction’ (Hadjikhani & Thilenius, 2005; Davis & Mentzer, 2008) and explore their interrelationships appears more problematic at an interpersonal than at an interorganisational level due to a differently nuanced mix of ‘economic’ and ‘noneconomic’ factors (Geyskens, Steenkamp & Kumar, 1999). Of particular commercial interest to Internal Marketing practitioners and strategists are the insights achievable by exploring in the context of the internal market ‘classical’ supply chain issues such as conflict (e.g. – Rosenberg & Stern, 1970; Lusch, 1976; Etgar, 1976; Kale, 1989; Gaski, 1989) and the antecedents of relationship decay and dissolution (de Hildebrand e Grisi & Puga Ribiero, 2004).

**Design, Methodology and Approach.**

This inductive research has been conducted using semi-structured phenomenological interviews (Neuman, 2013) and diary entries to give participants freedom of expression (Kvale, 1994), and to explore abstract emotions and perceptions (Guba & Lincoln, 1989). A purposive, snowball sample of 12 participants were selected for their recent, independent experiences of Internal Marketing at work, their breadth of roles within the Internal Marketing process and their differing hierarchical levels.

The pilot interview was conducted to check a priori themes and shape questions in subsequent interviews (King & Horrocks, 2010), to mitigate against any previously unidentified problems (Gomm, 2000), to collect contextual information (Hammersley & Gomm, 2000) and to address any shortcomings in the area of ethics and validity (Bloor, 2001). It was subjected to Template Analysis (King, 2004; King & Horrocks, 2010) to identify themes for further exploration. Subsequent interviews were analysed using Voice Centred Relational Method (Mauthner & Doucet, 1998), in which transcripts were read to analyse (i) the plot, in which the actors and actions, objects and subjects, events, language, time and imagery are established (Cunliffe, 2008; Corlett, 2012); (ii) the voice of ‘I’, in which participants represent themselves verbally and build a narrative of their experiences and self-concepts (Mauthner & Doucet, 1998; Ahrens & Khalifa, 2013); (iii) relationships between the participants and others, whether inside or outside the organisation; and (iv) the wider context within which the
participants exist, such as belief systems, religions, societal mores, laws, expectations, social units and cultures – all of which may be enabling and liberating or restrictive and inhibiting (Mauthner & Doucet, 1998).

Peer Debriefing was employed to enhance validity and credibility (Lincoln & Guba, 1985; Weiss, 1995; Maxwell, 1992; Creswell, 2013) or the “truth value” (Lincoln & Guba, 1985, p.301) of the research, addressing the subjectivity of the qualitative researcher-as-instrument (Lincoln & Guba, 1981; Patton, 1990; Janesick, 2001; Spillett, 2003), giving critical analysis to the research process (Alvesson & Sköldberg, 2009), instilling researcher reflexivity (Freels & Onwuegbuzie, 2012), and to address researcher bias and ‘posture’ towards data (Lincoln & Guba, 1985; Scandura & Williams, 2000). Member Checking through follow-up interviews was utilised to provide ‘consensual validation’ (Zilber, Tuval-Mashiach & Lieblich, 2008), to guard against misrepresentation of participants (Lincoln & Guba, 1985), to collect previously overlooked data and to crystallise or clarify points made in the initial data collection (Silverman, 2013).

A reinterpretation of auto-netnography (Kozinets, 2010) was used in which participants re-read old electronic communications and online interpersonal transactions prior to interview, making brief, reflexive notes on the content and their initial interpretations, especially where the communications acted as direct conduits to Internal Marketing or commented specifically on the process. Participants used these bullet points to channel their thoughts within the interviews, helping to empower them and democratise the research process, and also used them after transcription and analysis as part of the Member Checking process to ensure ‘rigour’ (Lincoln & Guba, 1985; Cooper, Brandon & Lindberg, 1998). This process was particularly useful in its facilitation of participant reflexivity and interview fluency (King & Horrocks, 2010), in legitimising the research by sharing the responsibility for indentifying a priori themes between the researcher and participants, in exploring the boundaries between researcher, field and participant, and in addressing imbalances of power between researcher and participants (Oliver, 1997; Barnes, 2003; Karnieli-Miller, Strier & Pessach, 2009).

Findings.

A recurring theme within the data is the impersonal nature of much Internal Marketing. The tendency of many organisations to transmit it dismissively or without due effort leads them to “bung it on an email and hope that people have enough time after all their other jobs to get round to reading it”, thereby failing to communicate the message to those employees likely to need most contact and persuasion (Wallace, de Chernatony & Buil, 2013), neglecting to observe the need for Internal Marketing to be dialectical (Ahmed & Rafiq, 2003), and inadvertently suggesting to internal stakeholders that a lack of relationalism is acceptable in their dealings with customers and each other – a phenomenon noted within marketing channels by McFarland, Bloodgood & Payan (2008) as ‘Supply Chain Contagion’.

The derision with which Wallace, de Chernatony & Buil (2013) stated many employees treat Internal Marketing appeared strongest within Public Sector employees, regardless of position. This seems partially due to a lack of continuity or opportunity to implement strategies, as a result of wholesale changes being imposed arbitrarily after every general election, but also by the faceless, institutionalised and impersonal way in which strategy is conceived and trickled down. One senior manager, discussing Internal Marketing strategies, commented that “I’ve never seen any strategy successfully implemented within the timeframe in which it was supposed to be achieved…it was every five years. There was a five year plan and they never reached any of their targets then. So you can imagine how, across the organisation, that’s kind of soul destroying because all that middle management has been told to implement these plans which have never achieved anything”. 

In this instance, the critical power imbalance is not between two directly communicating dyadic parties, but between strategic leaders and a higher, remote policy-setting body. Unsurprisingly, many junior employees feel beleaguered in their interpersonal encounters with superiors in which Internal Marketing is on the agenda, seeking safety in numbers, closing ranks and preparing contrived responses. One government officer explained that “we’ve got more protective, so it can become a little bit ‘them against us’ sort of thing...we don’t want to make our weaknesses too bad, and they use it as an excuse to get rid of us, so we try and present the positive things about our site”.

Clearly, creating such a defensive environment deprives Internal Marketing approaches of the openness, bilateral discussions and cooperation required. However, within this adversarial landscape – even one in which older, more ‘expensive’ employees appear the victims of concerted Internal Demarketing campaigns (Vasconcelos, 2008) as part of a cynical ‘rank-and-yank’ process, unpopular Internal Marketing messages can be blunted by effective dyadic interactions and genuine employee concern for those managers charged with delivering the strategy face-to-face, with the same government officer admitting that “it creates a lot of sympathy...it’s a balancing act for our managers...our organisation at the moment because... they don’t want to market these reforms....”

Despite the widespread belief expressed in the literature that senior management participation and visibility is key to the credibility of Internal Marketing campaigns, the data suggests a caveat to this, based on employee resentment of the leader’s comparative income (especially during rounds of redundancies and pay freezes). One academic commented that “I slightly object to some of the people who are talking...because I think they get paid far too much. I don’t like that. There was one individual high up, and he gets paid an obscene amount, and he got an obscene pay rise a few years ago, and the ground people – the people who are doing all the grafting - did not. And there was one and he was doing the address, and I just thought, “Screw you! I’m not going to support you getting your 11% pay rise or whatever when we didn’t get that – like, that’s not right.”

Resentment of leaders’ privilege, and of leaders’ perceived unawareness of the everyday working realities of employees, was a recurring complaint, with most participants preferring to interact with someone closer to their level of seniority and experience. It would appear that many employees would prefer to engage in interpersonal transactions over Internal Marketing issues with someone who is obliged to ‘carry’ the strategy through contractual obligation, rather than someone who may have instigated the strategy as a means to corporate recognition and/or career advancement – perception of a dyadic partner’s motive appears key to the acceptance of the strategy being implemented, and the junior party seemingly does not demand that the senior one is ‘living the brand’ (Ind, 2007). This complicates the transferral to Internal Marketing of channel dyadic concepts of power, interdependence, commitment and trust, which must be analysed in the context of moderating factors.

Analysis, Implications and Impact.
Although the research makes no claim for generalisability, the breadth of perspectives explored, and the rigour with which the research was carried out, suggest that the findings may be typical of a larger population (Guba & Lincoln, 1989).
Within the study, commitment and dependency appeared less influential to the quality of dyadic relationships within Internal Marketing contexts than to interorganisational dyadic relationships explored within channel literature. It could be useful to explore further the differing effects of commitment and dependency on the relationship with a participant’s organisation and with their dyadic partner, as this distinction has been better developed in channel literature than here.
Neither weaker bargaining positions nor limited alternative choices of employment noticeably affected the junior dyadic partners’ acceptance levels of Internal Marketing messages or the extent of their willing co-creation of Internal Marketing. This reinforces the case for strategists adopting a relational paradigm, rather than being informed by microeconomic supply-and-demand factors. Perhaps due to this paradigmatic schism and their location within each other’s external environment, interorganisational dyadic partners appear more tolerant of, and expectant of, changes within the dyadic relationship, and the messages conveyed therein, than do internal stakeholders. Moreover, internal stakeholders appeared more heavily influenced by the perceived or real privileges or seniority levels of their partners in comparison to their own. Therefore, practitioners should consider not just the strategy, message and communication channels to be utilised, and the behaviours and competencies of those charged with spreading Internal Marketing initiatives, but also the perceptions held of those actors by their dyadic partners in the internal market. Failure to do so may undermine the credibility of the strategy, leading to impaired employee and organisational performance, employee dissatisfaction, reduced levels of relationalism and network effectiveness, less market-orientation and customer focus, demotivation, insufficient internal exchanges and communications, a stagnant organisational culture and poor conditions for strategic change.

Limitations, Reflections and Recommended Future Research.

The conceptual nature of much of Internal Marketing literature offers little advice to practitioners on the implementation, maintenance and control of strategies, especially when compared with the later contributions made within channel literature in this respect – a deficiency which this research only begins to address. Whilst the cross-sectional nature of the research, partially necessitated by time constraints, produced a legitimate picture of how a wide variety of stakeholders perceive, receive, transmit and co-create Internal Marketing through their dyadic interactions, studying these areas longitudinally would produce insights into how these factors change as an organisation’s situation evolves – for instance, as a result of a takeover or merger, due to a recruitment or redundancy drive, in reaction to macroenvironmental changes – or even as a result of dyadic partners’ changing roles or personal circumstances. This would facilitate a postmodern line of inquiry, questioning the societal value of the organisation and its Internal Marketing activities through dyadic interactions, placing those activities in the context of cyclical, continual organisational flux. Whilst this research may be deemed ethno-phenomenological, as it partially builds a portrait of a ‘people’ – including previously underprivileged stakeholders within Internal Marketing processes, their work experiences and self-concepts – longer immersion in the field would allow a phenomeno-ethnographic study, in which the phenomena within Internal Marketing are secondary to the construction of a narrative of those whose lived experiences are shaped by Internal Marketing. Alternatively, the knowledge produced in this study could be complemented by quantitative research seeking to establish correlation and causality between variables such as ‘employee commitment to organisation / dyadic partner’, ‘credibility of Internal Marketing messages’, ‘trust between employee and organisation / dyadic partner’, and ‘level of coercion used by dyadic partner’ – although the definition and quantification of such abstract phenomena may be challenging. Whilst relationships between similar variables have been explored in the context of interorganisational, dyadic supply chain relationships through classic positivist inquiry (e.g. – Rosenberg & Stern, 1970; Lusch, 1976; Kale, 1989; Mayo, Richardson & Simpson, 1998), similar studies within the field of Internal Marketing have been much less widespread or have been generic studies including only minor elements within the remit of Internal Marketing.
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