INTERNAL MARKETING, JOB SATISFACTION AND EMPLOYEE COMMITMENT OF HOTEL INDUSTRY IN MANDALAY, MYANMAR

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ABSTRACT

The study aims to explore the role of internal marketing practices and their effects on job satisfaction and employee commitment. The essence of internal marketing is to treat employees as internal customers of the organizations to improve their abilities and to effectively provide better services to external customers. As internal marketing, training and development, motivation and rewards, employee empowerment and internal communication were tested to have the effects on job satisfaction and employee commitment. The study focused on the employees of hotel industry in Mandalay, Myanmar. 380 structured questionnaires were distributed to the respondents. 314 complete set of questionnaires were included in the analysis. As the main analysis, Structure Equation Modeling (SEM) with Linear Structural Relationships (LISREL) 8.72 was utilized. The results revealed that the internal marketing practices (training and development, motivation and rewards, employee empowerment and internal communication) have significant direct effects on job satisfaction of employees and indirect effects on employee commitment. Additionally, job satisfaction has significant direct effect on employee commitment. Job satisfaction fully mediates the relationship between internal marketing and employee commitment. Without job satisfaction, internal marketing practices alone cannot create employee commitment. The hotel industry in Mandalay needs to practice the internal marketing to yield job satisfaction and employee commitment.

Keywords: internal marketing, job satisfaction, employee commitment, banking industry, Myanmar

INTRODUCTION

In the current competitive business environment, business organizations have changed their practices related to employees and customers including service organizations. Service organizations offer excellent services to customers than competitors. Human resources that provide services create competitive advantage. The better services of employees are the key for customer satisfaction. The survival of the organizations need to promote satisfaction of both employees and customers. Thus, organizations try to build job satisfaction of employees in every aspect of their job. In the human resource management literature, job satisfaction is created by different practices. Internal marketing is one of the best human resource practices of service organizations to build employee job satisfaction. Berry and Parasuraman (1991, p.151) defined internal marketing as the process of handling staff as internal customers and projects as internal products that satisfy the needs and desires of the customers and adhere to the company’s goals. Rafiq and Ahmed (2000) defined internal marketing as ‘a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate and inter-functionally coordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer-orientated employees’ (p 454).

The study focused on the employees of hotels in Mandalay. Mandalay is located in the middle part of Myanmar. Mandalay is one of the ancient cities in Myanmar and it has many tourist attraction places. The national and international visitors want to stay in Mandalay. Hotels in Mandalay are important for visitors. The main problem is that there is a strong competition among hotels in Mandalay and the hotels try to build customer satisfaction through their excellent services. The services of hotels provided to customers depend not only on facilities provided to customers but also on the knowledge, skills and abilities of employees. Employees are the key persons to fulfill customer needs and to shape positive customer perception. The employees with job satisfaction will provide better services to attract and retain customers. The hotels in Mandalay try to retain the skillful employees through their job satisfaction. To be satisfied, hotels need to consider the requirements of employees at job. Besides, employees are seen as the internal customers for hotels. The satisfaction of internal customers plays an essential role to be a successful business. The importance of internal marketing to build job satisfaction of internal customers was explored in previous studies especially based on service organizations. The internal marketing practices focused on hotel industry in Mandalay were not explored as previous studies. The research gap is needed to be fulfilled. In the present study, training and development, motivation and rewards, employee empowerment and internal communication are regarded as significant internal marketing practices and are tested to explore benefits for the hotels through job satisfaction of employees and commitment.

The objectives of this research are to analyze the effects of internal marketing (training and development, motivation and rewards, employee empowerment and internal communication) on job satisfaction and employee commitment of hotel industry in Mandalay and to analyze the mediating effect of job satisfaction in the relationship between internal marketing and employee commitment. The practice of internal marketing will provide better working environment for employees. The results are expected to gain better knowledge about the effective practice of internal marketing and to treat employees as important internal customers to create success of hotel industry in Mandalay.

LITERATURE REVIEW

Berry (1981) originally defined internal marketing as “viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization” (p.25).
The core concept of internal marketing is that employees must be regarded as internal customers of the organization (Varey, 1995). Tansuhaj et al., (1988) model included internal marketing with five aspects: training, communication, keeping employees, incentives and recruitment. In the present study, as internal marketing practices, training and development, motivation and rewards, employee empowerment and internal communication were focused.

**TRAINING AND DEVELOPMENT**

Organizations realize that they have to invest in training activities to improve the knowledge, skills, and attitudes of the employees and the organizational performance (Bhatti and Hoe, 2012). All internal marketing practices emphasize the importance of training because frontline employees need knowledge and ability to recognize and solve problems and to ensure high-quality products or services (Pfeffer, 1998). Training is the systematic application of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily (Armstrong and Taylor, 2014, p.284). Training is the most significant influence on human resource development to increase productivity, to satisfy employee development and retention requirements, and to create technological and organizational improvement (Martin, 2010). Al-Hawary et al., (2013) studied the impact of internal marketing on employees’ job satisfaction of commercial banks in Jordan. They found that training and development has the highest impact on employees job satisfaction followed by motivation, empowerment, and communication respectively.

H1(a): Training and development has direct effect on job satisfaction.
H1(b): Training and development has direct effect on employee commitment.

**MOTIVATION AND REWARDS**

An essential feature of a successful organization is motivated employees and the motivation may have a direct effect on the quality of products or services offered to customers. Rewards should be clearly linked to the firm’s vision and employees should understand the reasons behind the reward system. According to Berry and Parasuraman (1992), rewards should be the force to sustain commitment of employees. Organizations that provide pay-for-performance incentives will enjoy greater-than-industry-average levels of affective commitment, job satisfaction, and trust in management (Bansal et al., 2001). According to Kale (2007), if employees feel that the measurement of their performance is fair, their loyalty to the organization is reinforced. Additionally, performance-based evaluation and rewards are sure to provide employees to perform their tasks more than their effort. The motivation and reward system of organizations are sure to upgrade the job satisfaction of employees.

H2(a): Motivation and rewards have direct effect on job satisfaction.
H2(b): Motivation and rewards have direct effect on employee commitment.

**EMPLOYEE EMPOWERMENT**

Empowerment involves giving employee discretion (or latitude) over certain task-related activities (Bowen and Lawler, 1992). According to Zeithaml and Bitner (1996), many organizations accept that front-line staff need to be empowered to fulfill customer requests in order to be responsive to customer needs and to recover on the spot when errors are faced by customers. For empowerment, front-line employees are allowed to exercise a degree of discretion during the service delivery process (Ahmed and Rafiq, 2002). Empowerment is a personal experience in which individuals take responsibility for their own actions (Pastor, 1996). Employee empowerment is one of the ways to influence employee attitudes and behaviors and to promote the quality of service provided to the external customer (Goode et al., 1997). As companies empower staff to build stronger customer relationship, internal marketing underpins the drive for greater involvement, commitment, and understanding (Mishra, 2010). Previous studies explored the effect of employee empowerment on job satisfaction, lower employee turnover rate and positive employee attitudes. Empowerment is demanded to be practiced by organizations to gain benefits through job satisfaction.

H3(a): Employee empowerment has direct effect on job satisfaction.
H3(b): Employee empowerment has direct effect on employee commitment.

**INTERNAL COMMUNICATION**

Communication is one of the most common internal marketing applications (Ahmed and Rafiq, 2003). According to Dwyer (2005), communication is defined as “the process whereby people within an organization give and receive messages”. Another critical reason for sharing organizational information is to ensure that people are better able to make important decisions when getting full information which influence those decisions (Pfeffer, 1998). The potential benefit of sharing information is enhancing frontline employees’ ability to provide customers with better service (Bansal et al., 2001). Thus, organizations have to be able to openly share the strategy, objectives, performance and financial situation of the organizations with their members (Dessler, 1999; Pfeffer and Veiga, 1999; Bansal et al., 2001). Without effective communication among people, the coordination among departments cannot be expected and better decisions will not be the results. Two-way communication between middle and top managers and employees provides appropriate feedback to employees, thus, improving their job performance (Gronroos, 1990). Thus, internal communication between departments and people is needed to be implemented by organizations. People have shared knowledge and experiences among them through internal communication.

H3(a): Internal communication has direct effect on job satisfaction.
H3(b): Internal communication has direct effect on employee commitment.
JOB SATISFACTION

Locke (1976) defined job satisfaction as the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job value. Lawler (1973) defined job satisfaction as “a person’s affective reaction to his total work role”. Spector (2003) defined job satisfaction simply as “the extent to which people like their jobs” (p. 210). Employee job satisfaction is derived from the mental and physical satisfaction they experience in their work environment and from the work itself and the satisfied employees determine the quality of the services provided to the customers (Tadeka et al. 2005). Gounaris (2008) found that the practice of internal marketing orientation and satisfaction of job are positively related. Günlu et al. (2010) analyzed the effects of job satisfaction on organizational commitment among the hotel managers in Turkey and the findings proved that as job satisfaction levels increased, organizational commitment increased as well. The job satisfaction level of employees vary according to their personal and environmental factors. There are many ways to seek satisfaction and different people use different ways to search for job satisfaction (Salem, 2013).

H5(a): Job satisfaction has direct effect on employee commitment.
H5(b): Job satisfaction mediates the relationship between internal marketing practices and employee commitment.

EMPLOYEE COMMITMENT

According to Steers (1977), “highly committed” employees have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Durkin and Bennett (1999, p. 124) defined employee commitment as a mindset that ties the individual to the organization. Commitment refers to attachment and loyalty and it is associated with the feelings of individuals about their organization (Armstrong and Taylor, 2014, p. 185). Employees with high commitment consider their company as a place in which it is worth working and they are proud of working (Alfalla-Laque et al., 2012). Ahmad and Al-Borie (2012) examined the impact of internal marketing on job satisfaction and organizational commitment of the teaching hospitals in Kingdom of Saudi Arabia. As internal marketing factors, selection and appointment, training and development, organizational support, incentives and motivation, and retention policy are considered. The findings showed that internal marketing had a positive effect on Saudi teaching hospitals physicians’ job satisfaction, and organizational commitment. On the other hand, lack of commitment from employees can be harmful to an organization and organization gained poor performance, inferior service offerings and higher costs (Caruana and Calleja, 1998). Hogg (1996) has suggested that internal marketing is practiced to gaining employee commitment. By practicing internal marketing, it is sure for organizations to have committed employees.

METHODOLOGY

RESEARCH INSTRUMENT AND KEY RESPONDENTS

In this study, questionnaire was used to collect primary data. Except for the general information of employees, all variables were measured with five-point Likert scale (six items each for training and development, motivation and rewards, employee empowerment and internal communication and seven items each for job satisfaction and employee commitment). 38 measured variables or items were included in questionnaire. All measured variables or items were adopted from previous empirical studies. The study focused on employees of hotel industry in Mandalay. There are 30 hotels with 51 to 100 rooms in Mandalay. Among them, ten hotels were selected. The selected hotels with the same rooms were expected to provide similar internal marketing practices to employees than the hotels with under 50 rooms or over 100 rooms. According to Kline (2011), the required sample size should be at least ten times of measured variables or items. Thus, three hundred and eighty employees from the selected hotels were the respondents of the study. Employees were selected proportionately from the hotels. 314 complete set of questionnaires were included in the analysis of the study. Data collection period was in December, 2019 and January, 2020.

ANALYTICAL TOOLS AND PROCEDURE

Structural Equation Modeling (SEM) with LISREL was used to test the proposed model. Before the main analysis, descriptive statistics was used to explore the demographic factors of the respondents and their perception on variables with the mean values. The distribution of all variables was checked whether they violate the assumption underlying the chosen analytical procedures. As factor analysis, confirmatory factor analysis (CFA) was carried out. CFA is an inseparable part of the SEM technique because it provides a way to test a measurement model or the relationship of observed variables to understanding constructs (Yamkovenko and Holton, 2010, p.396). Cronbach’s alpha with the minimum acceptable level of at least 0.70 (Cronbach, 1951) was tested to sure the internal consistency among the variables. The structural equation modeling (SEM) with LISREL was used to check the statistical significance of proposed hypotheses.

RESULTS

According to the demographic factors of the respondents, female respondents were more than male respondents. 75 per cent of respondents were the age between 28 and 47 years of age. Most of the respondents gained bachelor degree and some gained master degree. 42 per cent had the working experience of 1 to 3 years and 44 percent had 4 to 6 years. 62 per cent of respondents had 3 to 4 times training experiences and all respondents attended at least one training program. The results of the employee perception on latent variables (mean values), reliability and correlation of variables are shown in Table 1.
Table 1 Means, reliability and correlations of variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>T&amp;D</th>
<th>MR</th>
<th>EE</th>
<th>IC</th>
<th>JS</th>
<th>EC</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>T&amp;D</td>
<td>4.20</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.814</td>
</tr>
<tr>
<td>MR</td>
<td>4.31</td>
<td>.576**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.705</td>
</tr>
<tr>
<td>EE</td>
<td>4.19</td>
<td>.572**</td>
<td>.467**</td>
<td>-</td>
<td>.528**</td>
<td>.709**</td>
<td>.868</td>
<td>.788</td>
</tr>
<tr>
<td>IC</td>
<td>4.08</td>
<td>.716**</td>
<td>.544**</td>
<td>.520**</td>
<td>.709**</td>
<td>-</td>
<td>.808</td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>4.13</td>
<td>.524**</td>
<td>.532**</td>
<td>.408**</td>
<td>.556**</td>
<td>.618**</td>
<td>-</td>
<td>.764</td>
</tr>
<tr>
<td>EC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed)

T&D = Training and development, MR = Motivation and rewards, EE = Employee empowerment, IC = Internal communication, JS = Job satisfaction, EC = Employee commitment

The multiple fit indexes were used to check the model fit such as the values of χ²/df; comparative fit index (CFI); incremental fit index (IFI); Non-normed fit index (NNFI); root mean square error of approximation (RMSEA) and standardized root mean square residual (SRMR) (Bentler, 1990; Hair et al., 2010; Williams et al., 2009). The model was measured with thirty eight measured variables for all latent variables. The model fit statistics are presented in Table 2 and the direct, indirect and total effects of the variables are shown in Table (3). The structural model with results is shown in Figure 1.

Table 2 Models and fit statistics

<table>
<thead>
<tr>
<th>Models fit</th>
<th>χ²</th>
<th>df</th>
<th>CFI</th>
<th>IFI</th>
<th>NFI</th>
<th>NNFI</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final model</td>
<td>69.84</td>
<td>37</td>
<td>1.00</td>
<td>1.00</td>
<td>0.99</td>
<td>0.98</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>Suggested values</td>
<td>χ²/df &lt; 2</td>
<td>≥ 0.95</td>
<td>≥ 0.95</td>
<td>≥ 0.95</td>
<td>≥ 0.95</td>
<td>≤ 0.08</td>
<td>≤ 0.05</td>
<td></td>
</tr>
</tbody>
</table>

All χ² values are significant at p < 0.05. df = degree of freedom, CFI = comparative fit index; IFI = incremental fit index; NFI = normed fit index; NNFI = non-normed fit index; SRMR = standardized root-mean-square residual; RMSEA = root-mean-square error of approximation.

Table 3 Summary of effects

<table>
<thead>
<tr>
<th>Variables</th>
<th>Job satisfaction</th>
<th>Employee commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DE</td>
<td>IE</td>
</tr>
<tr>
<td>Training and development</td>
<td>0.71**</td>
<td>-</td>
</tr>
<tr>
<td>Motivation and rewards</td>
<td>0.58**</td>
<td>-</td>
</tr>
<tr>
<td>Employee empowerment</td>
<td>0.40**</td>
<td>-</td>
</tr>
<tr>
<td>Internal communication</td>
<td>0.68**</td>
<td>-</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*p < .01; DE = Direct effect; IE = Indirect effect; TE = Total effect

The direct, indirect and total effects of the variables were explored. According to the results, training and development had significant direct effect on job satisfaction (γ = 0.71, t = 5.523). Motivation and rewards had significant direct effect on job satisfaction (γ = 0.58, t = 3.872). Employee empowerment had significant direct effect on job satisfaction (γ = 0.40, t = 3.196). Internal communication had significant direct effect on job satisfaction (γ = 0.68, t = 5.446). Hypothesis 1(a), 2(a), 3(a) and 4(a) were supported. On the other hand, there was no significant direct effect of internal marketing practices (training and development, motivation and rewards, employee empowerment and internal communication) had no significant direct effects on job satisfaction. Hypothesis 1(b), 2(b), 3(b) and 4(b) were not supported. Job satisfaction had significant direct effect on employee commitment (β = 0.89, t = 13.907) and thus, hypothesis 5(a) was accepted. According to the results of hypotheses, job satisfaction fully mediated the relationship between internal marketing practices and employee commitment. Thus, hypothesis 5(b) was accepted. The results revealed that the objectives of the study were met. According to the results, the practice of internal marketing was really important for hotel industry to yield job satisfaction and employee commitment.
In figure (1), training and development, motivation and rewards, employee empowerment and internal communication were regarded as internal marketing practices. Employee job satisfaction and employee commitment were the expected results through the practice of internal marketing. The study explored significant direct effects of internal marketing practices on job satisfaction and job satisfaction had significant direct effect on employee commitment. Without job satisfaction, employee commitment was not the outcome of hotel industry in Mandalay.

CONCLUSION

FINDINGS AND DISCUSSIONS

The main objectives are to explore the effects of internal marketing on job satisfaction and employee commitment and the mediating effect of job satisfaction. Firstly, according to descriptive statistics, the mean values of the variables showed the agree level of respondents except motivation and rewards which showed the strongly agree level (Best, 1977). The employees accepted the practice of internal marketing in their hotels and they accepted the importance of these internal marketing practices to meet their needs. Among them, motivation and rewards were the most important for them. They preferred bonus, rewards for excellent services to customers, the rewards based on their performance and recognition of the hotel. Additionally, the regular training programs and the skill-based training programs to fit the assigned jobs were also essential for employees. Employee empowerment and internal communication were the requirements of employees to gain job satisfaction. The correlation results revealed that the more the internal marketing practices were implemented by the hotels, the more the job satisfaction and employee commitment were yielded by the hotels. The positive correlation between job satisfaction and employee commitment meant that the employees had job satisfaction about their work, the strong commitment of employees was gained as the benefit for the hotels.

The LISREL results provided the main findings of the study. All internal marketing practices had positive significant direct effects on job satisfaction of employees. The effective practice of internal marketing in hotels created job satisfaction. The results supported the findings of Al-Hawary et al. (2013) and Ahmad and Al-Borie (2012). They explored that internal marketing was the significant factor for job satisfaction and employee commitment. The results also proved that training and development had more direct effects on job satisfaction than the other three variables. The training programs implemented by the hotels provided the required skills of employees and employees performed their tasks and services to the customers with confidence. The trained skills provided employees to do the assigned jobs to have a few or no mistakes. As the second important variable, internal communication provided employees to understand the priority of the hotel, the changes in policy or tasks, the latest information about hotel and customers and the ideas sharing among managers, supervisors and employees. The internal communication was
important to have the knowledge transfer among the staffs. The hotels practiced motivational factors and rewards to recognize employee performance. The rewards were based on the qualification and performance of employees. The employees preferred those rewards and they were motivated to do the tasks with high job satisfaction. Employee empowerment had the least effect on job satisfaction. Making decision by employees, performing the tasks and solving problems by own decision of employees and participating in decision making by employees were allowed by the hotels but a weak condition in employee empowerment.

The significant direct effect of job satisfaction on employee commitment was explored in this study. Because of job satisfaction, employees had a strong desire to remain in the present organization and to discuss their job with other people. Moreover, the committed employees were not easy to move to another job. Without job satisfaction, employee commitment cannot be seen as the result. Job satisfaction through internal marketing was essential to shape employee commitment. Thus, hotel industry in Mandalay can increase the job satisfaction and employee commitment by paying sufficient attention to internal marketing practices.

SUGGESTIONS AND RECOMMENDATIONS

The results of the significant direct effects of internal marketing practices on job satisfaction was essential for hotel industry in Mandalay. The practice of internal marketing should not be ignored by the hotels. If the hotels expect job satisfaction of employees, they need to effectively practice internal marketing. Additionally, employee perception on internal marketing should be emphasized. The job satisfaction depends on the strengths and weaknesses of internal marketing practices. The essence of internal marketing is to ensure that employees receive enough care from management to meet their needs and satisfaction. Furthermore, training and development was the most important practice for employees. The usefulness of training for employees and the application of training outcomes should be evaluated by hotels after any training programs. The expected returns after training will be yielded by hotels. The hotel industry in Mandalay should put more emphasis on the results of internal marketing to gain more benefits and to remedy some weaknesses.

Among the internal marketing, employee empowerment showed the lowest effect on job satisfaction. The contribution of employee empowerment to job satisfaction was not strong. The present condition of employee empowerment should be reviewed by the hotels. It may be possible that the authority or freedom and the participation in decision-making given to employees are not enough to perform their tasks, to make the decisions and to solve the customer-related problems. The employees with more work experiences will prefer freedom to do the tasks. Thus, employee empowerment is the area to be focused for more job satisfaction of employees. It is recommended that the balance between motivation and rewards and employee empowerment should be focused by the hotels. The decision makers and managers of the hotels should pay more attention on internal marketing practices for employees to be reliable and valuable internal customers.

The significant direct effect of job satisfaction on employee commitment suggests the hotels to find the best ways to create job satisfaction. The findings of previous studies pointed out the relationship between job satisfaction and employee commitment. According to the results, with job satisfaction of employees, employee commitment will be the result for the hotels because the study explored job satisfaction as a full mediating variable between internal marketing and employee commitment. According to Armstrong (2009), employee commitment depends on the belief of employees that they are genuinely accepted by management as key stakeholders in the organization. Because of employee commitment, hotel industry in Mandalay expects several benefits for both the hotels and external customers and future success. Although, the study focused on the hotel industry in Mandalay, Myanmar, other service organizations such as banking industry should consider the practice of internal marketing in organizations whether it can effectively create job satisfaction and commitment of employees or not. The better services provided by employees are sure to shape customer satisfaction and to retain customers. In manufacturing sector, the human resource is the source of innovation including technology. The satisfied employees will put their efforts more to be the best individual and organizational performance. The practice of internal marketing for employee job satisfaction should not be ignored in both manufacturing and service organizations.

As one limitation of the study was the scope of the study. The study focused on hotel industry in Mandalay. The results cannot represent hotel industry in the whole country and other service industries in Myanmar. Further research should analyze the internal marketing in the other areas which are not covered by the present study. Moreover, the four variables were tested to have the effects on job satisfaction and employee commitment. The other internal marketing practices such as working condition, managerial support, external communication, etc. should be studied by further researchers. Further research will provide different and unexpected results to provide better knowledge about employees to hotels and other service organizations.

CONTRIBUTIONS OF THE STUDY

The first contribution of the study was the exploration of the effects of internal marketing on job satisfaction and employee commitment of hotel industry in Mandalay. These was no previous empirical study that tested these variables in the present scope of the study. As the second contribution, the proposed model tested in hotel industry was the requirement for the hotels because the results fulfilled the importance of internal marketing to be effectively practiced. Another contribution was that the results with the proposed model fulfilled the research gap of the internal marketing literature with the empirical results in Mandalay, Myanmar. Finally, the study used LISREL as the main analysis. The results provided more specific results than the other types of analysis. There was no previous study that applied LISREL to explore the direct and indirect effects of internal marketing practices on job satisfaction and employee commitment. The results were expected to apply not only in the hotels but also in other service organizations in Myanmar. The study provides the human resource managers, policy makers, practitioners of the organizations and researchers to put more emphasis on internal marketing practices, to regard employees as internal
customers and to find the best ways to satisfy the needs of internal customers. Managers have to involve the training and development of employees, because it is proved that when the employees have more chances to attend training, they will get much knowledge for their satisfaction and for providing better services to customers. Internal communication is the second important factor for job satisfaction. Managers have to communicate with their employees effectively in order to make them satisfied about their jobs. Thus, the better the communication with employees is sure for organizations to get the opinions and feedbacks of employees about the job. The good internal communication helps increase employees job satisfaction.

CONCLUSION

The results of the study are essential for hotel industry in Mandalay. The results highlight the important role of internal marketing to foster employee commitment. Managers and decision makers should focus on developing the different skills of employees to be creative and discover their abilities. It is needed in assigning employees in training courses that fit employee skills with the assigned tasks. The hotels should review the present condition of internal marketing and employee perception on the practices of internal marketing. The requirements of employees are needed to be fulfilled to upgrade their skills and excellent services for customers. The satisfied and committed employees will provide better services and customer satisfaction more than competitors. The hotels in Myanmar face strong competition and struggle to gain customers. The more the satisfied customers will bring future success. The job satisfaction and commitment of employees are the essence of internal marketing. Thus, the practice of internal marketing is essential for hotel industry in Mandalay, Myanmar.

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