

**ROLE OF EMOTIONAL INTELLIGENCE IN IMPLEMENTING INTERNAL MARKETING  
THROUGH EMPLOYEE MOTIVATION**

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***ABSTRACT***

*Did you ever spend a thought of identifying the causes as to why do employees drift from your organization to ally with your competitors; why do customers pick on sales of other brands: what can keep them intact to your organization?*

*This paper is an attempt to seek answers to a set of questions that prevail across all industries and all levels in organizations. A few of these questions that need to be ploughed for answers are: why employees have a laid back attitude to challenging tasks and mosaic set of responsibilities; why they feel insecure and fluctuate in their commitment to organizations: why are their psychological contracts so unstable; why the managers and leaders who hired them and framed a team out of them perceived unfavorably; why is it that when we applied for the same job we had been recruited for, found ourselves to be equipped with all necessary knowledge and skills but now seem to be on the crossroads and wishing to be rescued due to high levels of stress and anxiety.*

*This thought-provoking paper is aimed at delving deep into the emotional tangents of the respondents and shall end with solutions to be proposed to the honchos of organizations operating in industries of any shape and size.*

***Keywords: Employees, Emotional Intelligence, Millennial, Employee Motivation, Internal Marketing, Social Intelligence***

**Introduction:**

Services are characterized by intangibility, heterogeneity and perishability. The delivery of the services is highly person-specific and time-bound.

**Internal Marketing(IM):** requires implementation at two tier levels: first, to satisfy needs of internal customers (employees) before needs of external customers and secondly and significantly to promote

Managing customer expectations is a highly complex task because use of the word 'delay' in this sector is considered to be fatal for any organization. Service organizations are fundamentally important to any developing country especially banks which circulate flow of money in the economy. Banks have undergone complex changes since past few years and had been in much stress due to 'demonetization'. It is crucial for bank front-line employees to facilitate transactions for customers who might be in different age groups and cohorts. Employees of private sector are pressurized to perform and excel in performance appraisal sheets, enhance business contacts and inflate the account openings and loan sanctions. Treating employees exactly on the same format of customer would improve the business relationships of managers with its employees.

In today's highly competitive era, it is quintessential to manage both employees and customers alike. While many of the organizational honchos after all theories and massive years of rich experience have been confused with the art and science of governing top performers with zero turnover intentions it is rather more important and challenging than ever in today's digital era to acquire customers. It is preliminary to the concept of IM that employees are undoubtedly customers themselves because they were potential customers or existing customers before they became employees.

It is essential to satisfy needs of internal customers to

products and services in the same format and rigor as the 4ps of marketing of (product, price, place and promotion) are practiced outside the organization:

**Gounaris (2008)**

**Employee Motivation:** Employees are motivated to perform when they apprehend a scar on their jobs. Motivation is a psychological positive reaction to a foreseeable danger. The same proposition is a problem and hence a demotivating tool. On the other hand, a positive outlook may trigger higher levels of motivation and subsequently high productivity and achievements. Both Physiological and psychological need and deficiency leads to a behavior or a drive that is aimed at accomplishing goal or an incentive."--- Luthans (1989). According to the above definition, two sources of motivation can be highlighted:

- Primary Motives or intrinsic drivers which are physiologically or psychologically oriented. Such motives are also termed as biological or unlearned motives. Secondary Motives are more significant motives. These are essentially the learned drives that become secondary motives. Passion, prestige, achievement, ego, fame etc fall under this category.
- Extrinsic motivation is dependent on facilitating factors such as pay, peers, location, etc.

People who are motivated by the latter category are less result-oriented whilst when a person is self driven.

On the other hand, financial benefits, perks, fame,

deliver the quality desired by external customers. Internal marketing is an effective enabling tool for implementation of strategic plans and inter-functional coordination. It is imminent for an organization to collate both department and employees that are characterized by mosaic of skills set and work responsibilities and functions.

This study explores the intertwining of three concepts of emotional intelligence, employee motivation and internal marketing. The knot of this tripod concept is to ensconce employees so staunchly that making the decision to turn the leaf for an employee, which is to commit a fraud or to drift away to their competitors rather tough. Thus it is crucial to implement internal marketing as a concept and in practice to craft a mutually beneficial nature of establishing long-term relationships.

### **Relevance of the concepts**

**Emotional capital:** More often than not, employees are considered to be mere cogs in the wheels and are subjected to be compliant to all policies of the organization. It is crucial to understand emotions and intellect of employees to keep employees engaged to the organization. Research reports that it costs 125% additional costs to engage a new incumbent than to retain an existing employee. Moreover, studies report that it costs 89% of an additional cost to the organization to retain a disengaged employee. Thus, it is essential to manage employees as individuals in the

bonus, responsibilities, fear and other external factors play an important role in motivating people externally. Extrinsic motivators are efficient but the influence doesn't last long. Intrinsic motivators tend to have a longer effect as they are inherent and not imposed from outside. Armstrong (2004) states customized solution for goals, incentives and need is to be designed. There is no 'one-size fits all approach'. With a pressure to increase financial inclusion from bottom-of-pyramid, employees need to be willing to be compassionate, accommodate and educate rural people.

<p>same format as each customer is handled with due care for the customized delight schemes to them. Till the emotional chord is struck, the objective decision to waft may be significantly simple. An emotionally-charged conversation is more memorable than a logical one.</p>	
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### **Section I: Literature Review**

Banking has been known to operate in a relatively steady environment for decades. But the recent changes such as demonetization, digitization and ease of approval of loans, more informed customers are churning new and rather multifaceted environment that can be attributed to various causal factors such as: changes in the political and economic climate, global financial crisis, fraudulent practices and much more. With centralization of RBI, all banks are forced to build and maintain their own profit margin and market share. Many of the noted banks have discussed that improving service quality and focusing on creating customer value that goes much beyond the core creation itself is the key for combating competition and leading performance (Ahmed & Nahla, 2014).

Bottom line of internal marketing is to engender motivated and customer conscious employees at every level and each department of the organization to ensure high quality of service delivery. Motivated employees are crucial to a company's success, and this philosophy stands for its relevance today more than ever before (Sita Mishra, 2010).

However, obliterating the noteworthy function of internal marketing as a link between organization's external marketing success and internal competencies, very few organizations put this internal marketing to practice (Gounaris, 2006).

Employees are spine of the organization. They form the bedrock to the success of the institution against any turbulence and upheavals. It is quintessential for them to be competent, knowledgeable, motivated and sustained in the organization to shore up development of all skills required to acquire and uphold customers and revenue (Sita Mishra 2010).

## **Service Quality:**

Bouranta and G. Mavridoglou (2003) corroborate that internal marketing is responsible to a very large extent in the enhancement of service quality provided [George (1990), Berry and Parasuraman (1991), Piercy (1995)]. This justified the initial stance of Gummesson (1987) who proposed internal marketing as a solution to consistent delivery of high standards of quality.

Greene et al, (1994) established internal marketing not only as indispensable to all industries but rather a pre-requisite to service delivery meeting the expectations of both service enablers and service consumers. Employees are internal customers of the organization (Berry, 1981, Gummesson, 2000).

IM is a planned management process by which any organization successfully penetrates into its internal customers. Identification of target groups requires a close scrutiny on the consistent development of employees and evaluation of performance (Ioanna, 2002).

Being effective with leadership competency requires focusing attention to the domain of behavior. According to Bowers and James Fenimore (1961), an expert needs to further focus on two-legged approach: maintaining goal emphasis and clarity and facilitating employees' interactions to create efficiency, teamwork and positive feelings.

## **Employee motivation and reward:**

Guay et al., (2010) urge to do something or motivation implies identifying and prioritizing the need to sieve reasons that underlie behavior that are characterized by compliance and choice. Built-in motivation is a format of being enthusiastic that is active by individual delight, curiosity, fervor and passion.

Ahmed and Rafiq (2003) and Gounaris (2008) mentioned internal marketing as a managerial approach to ensure customer satisfaction. Of all the industries in the financial sector, service marketing is the most important of all. Banking industry has been characterized by certain factors which include and not limited to macroeconomic instability, retarded growth in real economic activities, corruption and nevertheless fraud (Olaoye, 2009).

Table 1 provides for a summary of some of the elements of internal marketing mentioned by various experts.

<b>Ahmed,</b>	<b>Barnes,</b>	<b>Burma</b>	<b>Gounaris</b>	<b>Keller,</b>	<b>Papasolo</b>	<b>Piercy</b>	<b>Ahmed</b>	<b>Jou,</b>
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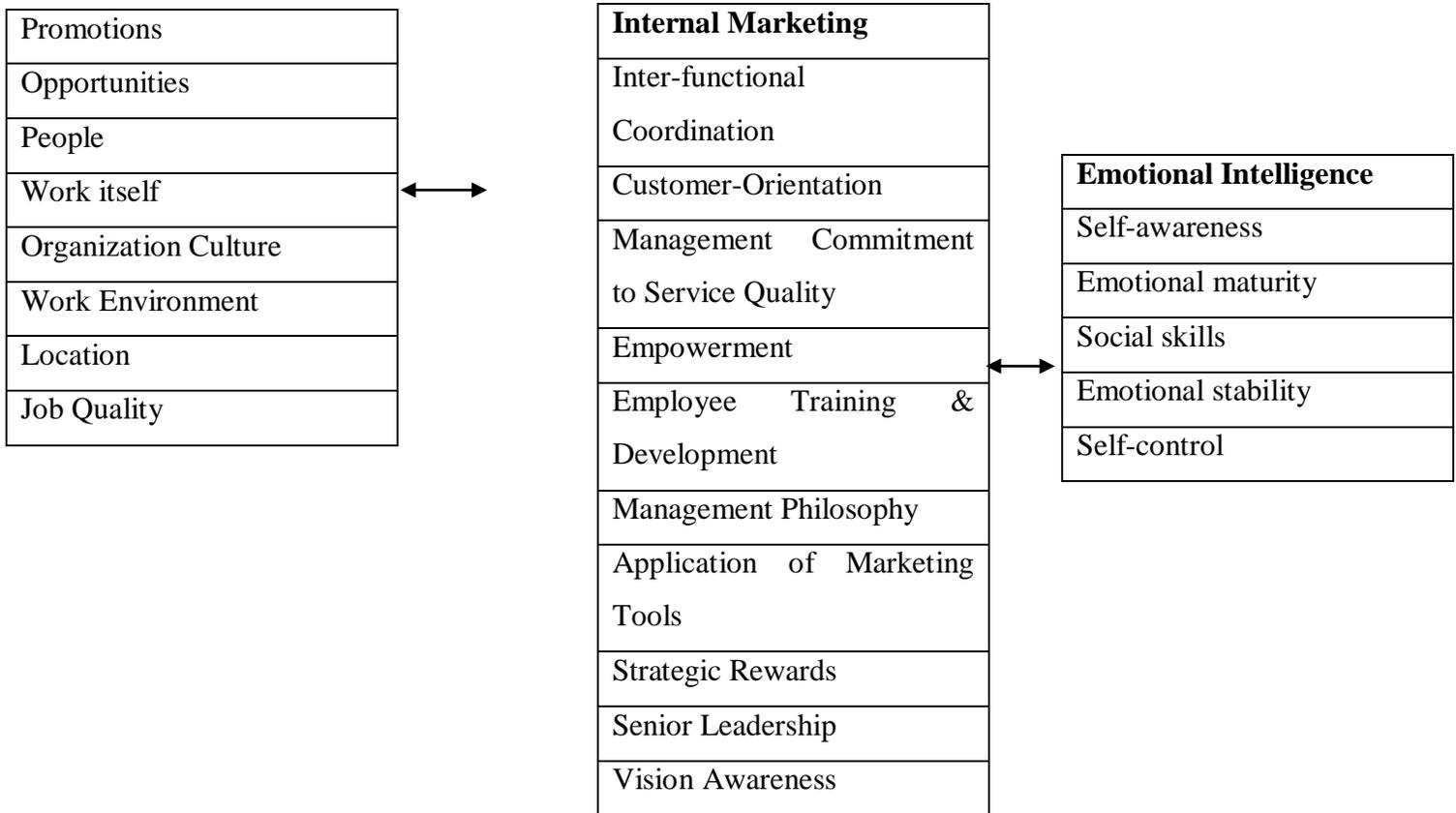
Rafiq and Saad (2003)	Fox and Morris (2004)	nn and Zeplin (2005)	(2006)	Lynch, Ellinger, Ozment and Calantone (2006)	mou and Vrontis (2006)	and Morgan (1991)	and Rafiq (2002)	Chou and Fu (2008)
Organisational structure	Knowledge management	Corporate culture, mission, vision and values	Labour market conditions and job descriptions	Internal place	Employee as customer	Product	Product	Job quality and rewards
Physical Evidence	Communication	Infrastructure and resources	Segmenting the internal market	Internal price	Service quality standards	Place	Price	Upward Communication
Inter-functional coordination	Training and staff retention	Behavioural guidelines	Identification of exchange value	Internal promotion	Education and Training	Price	Place	Value and information sharing

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Executory Wing	Results and Gains	Communication	Communication		Reward system	Communication	Promotion	Empathy and consideration
Internal communication	Leadership and management	HR activities	Training			Distribution	Participants	Benchmarking
Training and development		Reward System	Remuneration system				Tangible Evidence	Promotional Activities
Strategic Reward and incentive system		Management and employee relationships	Management concern				Process	

### Research Model:

<b>Employee Motivation</b>
Power
Prestige
Pay



Source: Author's own

**Employee Empowerment:**

Empowerment can be defined as a concept which a successful amalgamation of rights, prudence, autonomy and decision is making power. Empowerment of customers' centric employees is quintessential to award and manage their expertise and loyalty. Further, a continuous research on skills and training which employees require will strengthen the bonds of both employees and customers with the firm. 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. Internal marketing maintains a viable business orientation approach that can be adopted by management team of bank ameliorate and accelerate the level of enthusiasm and commitment for organization as well as improve the effectiveness of service delivery to both the types of customers of the bank: internal and external.

IM is an inevitable potent element that could be adopted to improve employees' behavior which would positively reflect in the interaction with the customers. Innovative approaches to the off handed projects from employees would not be elusive.

### **Emotional Intelligence**

It is enthusiasm, zeal and passion which make a service personnel distinguished from others at the workplace. This 'just noticeable difference' leads to brand escalation among the industry players. It has been a rare combination to find intelligence and emotions at the same point of delivery. Daniel Goleman is accredited to pioneering the concept of emotional intelligence since 1995. Emotional intelligence has been comprehensively defined by Goleman (2006) as the capability to recognize, classify, comprehend, use and administer both one's and other's emotional states effectively. This necessarily requires being engrossed in an intellectual process that permeates to the deployment of those feelings to motivate with a plan to achieve. Emotional intelligence can be used as a term that refers to the ability to distinguish, handle and manipulate one's and other's emotions (Keating & Harper et al., 2013).

Therefore, emotional intelligence can basically be described as an interconnection between feelings and thinking; Chopra & Kanji (2010) put emotional intelligence in simple terms as an individual's self perceived skills of their emotional abilities. There are four major clusters of emotional behaviors as outlined by Goleman and Boyatzis (2008); self-awareness, self-management, social awareness and relationship management. Emmerling & Boyatzis (2012) felt that emotional intelligence is best understood as a competency.

According to the trait-based model (Petrides & Pita et al., 2007) emotional intelligence can be used to refer to an individual's perception of their own emotional abilities, and encompasses behavioral dispositions and self-perceived emotional capabilities.

'Hard skills can get you hired but soft skills can get you promoted': is the new corporate adage. Individuals who are emotionally intelligent exhibit better skills in people oriented services such as recruiting, sales, management and customer service (Antonakis & Ashkanasy et al., 2009). Studies suggest that EI is highly significant in development of human potential, teamwork, effective leadership, stress reduction, creativity and innovation, customer acquisition and retention (Chopra & Kanji, 2010).

There are multiple intelligences such as interpersonal intelligence which requires competency to both understand and maintain reciprocity to intentions, motivation and desires of others; intrapersonal intelligence: which involves being self-aware of fears and anxieties.

### **Benefits of IM:**

Internal marketing is a new concept that operates at multi-tier level. It aids in clarifying the criteria of job performance and standards of excellence in the role.

**Employees' empowerment:** is all about clearly communicating boundaries of autonomy. Internal marketing grooms personality of all personnel. It inculcates not only customers-consciousness but market orientation too. It is expensive to acquire new customers or as many times noted, to borrow them from competitors by incurring several expenses and costs such as: advertisements through print media and digital forums. Thus, it is essential to promote sales-mindedness in the organization too.

**Be in-charge of 'Change':** Many times organizations are oblivious of changes taking place in business environment. The honchos either have the tendency to ignore reality or to expect market to upsurge due to competitors move.

Strategic need of the hour is change. Not only does internal marketing cultivates a culture of accepting change in the organization but it also forecasts future trends in the industry. But analysis of change not being enough further requires implementation accordingly which cannot happen without sufficient levels of emotional intelligence. Thus, both need to go hands and gloves for the various rules and regulations to be applied.

### **Performance**

Performance is a function of behavior and situation. To enhance performance, there should be strong factors and incentives for the people involved in the work. Everybody loves recognition and likes to be blessed with accolades. Employees' motivation is crucial for the achievement of implementation of principles of organizational learning, inter-functional coordination, consistent internal communication practices and strategic leadership and rewards.

### **Research Methodology:**

This paper is an attempt to delve deep and unearth the causes and project possible solutions for building a healthy and strong team both inside and outside to the organization. An exploratory factor analysis study was undertaken to analyze the criteria on which bank employees base their motivation to their new job roles. Few relevant constructs were selected for this purpose and five factors were sieved namely strategic rewards, senior leadership, vision awareness, training and development and the aspects of taking challenging responsibilities as the keys for employees' motivation.

## Conclusion:

Image of banking industry in India is significantly evident as it must be protected and sustained irrespective of any type of challenges controlling it. Internal communication is a mechanism that can be exploited by the top management of all organizations to upkeep its brand image. Insurance in various categories has added a new dimension to banking. The rationality and prudence with which these products are sold to the customers vows them to the branch. Competition is incredibly increasing multifold. Pressure to convert money lending institutions into banks further increases the urge for present banks to defend their market share.

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