SCHOOL OF HEALTH SYSTEM STUDIES

# UNDERSTANDING THE EFFECTS OF INTERNAL MARKETING PRACTICES ON BOTH EMPLOYEES’ AND PATIENTS TOWARDS ORGANIZATIONAL COMMITMENT IN HEALTHCARE IN INDIA.

### Submitted by:

**Name: JAVED KHAN**

### Enrolment no:M2021HO010

**Master of Hospital Administration**

The COVID19 pandemic is arguably the biggest challenge healthcare companies have faced in recent years. As the world enters the third year of the pandemic, the health sector faces many ongoing challenges. Changes in care delivery, staffing shortages, cyberattacks and value-based care reimbursement top the list of growing challenges in 2022. Care health is a combination of tangible and intangible aspects, the invisible aspect dominates the visible aspect. In fact, we can say that it is completely immaterial, insofar as the services (consultations) that the doctor provides are completely immaterial. Tangible things can include beds, decorations, etc. In the healthcare industry, as in most other service industries, the interaction between patients and healthcare providers is an integral part of the service process.

##### “Individuals are more apt to seriously consider a job change if they feel they are not appreciated, not seeing the growth they desire or simply aren’t enjoying their position/work environment due to burnout. Today, it is becoming increasingly important for companies to focus on being as proactive as possible in retaining top performers. Some top employees are contemplating leaving for better offers or more fulfilling challenges, making the proactive role of management and human resources more vital.”

***SHERRIE WHATTON, PRESIDENT/CEO, STAFFING SOLUTIONS***

Health Leaders reports that the industry has lost 20-30% of its workforce since 2019. Their studies also show that among workers still employed, many are actively seeking new roles or considering leaving the healthcare field altogether. It is not surprising that healthcare organizations see talent acquisition and retention as not only a major challenge but also a top priority. Strategies to attract and retain financial talent include flexibility in work arrangements followed by salary increases. Much of 2021 has been spent putting in place the right human resource

plans. As we continue to grow, business owners and leaders should consider which positions are best suited to continue working remotely and how to provide more flexibility to team members who must work remotely. in place. The Department of Health is continuing its strategy to help providers transition to value-based care reimbursement models for groups of Medicare patients. Physicians and health systems will face increasing pressure to participate in Medicare's "alternative payment models" and "hospital value-based purchasing plans". Active healthcare systems and providers will now embrace this change by selecting the right consulting service partner to receive additional reimbursement based on value before they have to. incur loss of service fee revenue in the future.

There are many definitions of marketing in use today. Some related items these are:

The father of marketing Phillip Kotler defined it as "the science and art of discovering, creating, and delivering value to satisfy the needs of a for-profit target market." Marketing identifies unmet needs and wants. It identifies, measures and quantifies the size of the identified market and profit potential. It identifies the segments the company can best serve and it designs and promotes products and appropriate service. According to the American Management Association, marketing is “the activity, totality of institutions and processes for creating, communicating, delivering, and exchanging services that have value for customers, clients, partners, and society as a whole”. The situation of the marketing function in the service sector is different from that of traditional companies. Marketing no longer takes place in a single department but is separated into functions and distributed throughout the organization.

Three forms of marketing used in the industry help create the perfect combination for the success of any service.

**Outbound Marketing:**

The four key components of outbound marketing for goods are four Ps (Price, Product, Place, and Promotion) for goods and the other three Ps in the service industry. (Physical evidence, people and processes) are added. This marketing is mainly aimed at customers who pay for the services they use. This marketing has defined the promises that an organization is expected to keep. Some examples of external marketing tools are advertisements, posters, etc. With its external marketing activities, the organization fulfils its promises to customers about its services, products and the value of its profits.

## Interaction Marketing:

Interaction marketing refers to the environment, systems, and habits used by employees for customers. Along with interactive marketers, communicate with customers to deliver the promised service or product.

## Internal Marketing:

Internal marketing is work those businesses do themselves to educate, motivate and satisfy employees. Internal marketing is marketing internally with targeted programs that empower employees and help them to better connect with the organization. In the service sector, employees of organizations play an important role because they are dealing with the customers.

## Internal Marketing in Healthcare

Internal marketing (IM) refers to selling a service concept to an internal audience before it can be sold externally. IM refers to all actions that an organization (i.e., healthcare organizations, hospitals) must take to develop, train and motivate its staff to improve the quality of services provided to its customers. It also improved the productivity of employees and improved customer satisfaction, which increased revenue. It was introduced as a concept by Berry et al. in 1976. However, after realizing its importance, it was not widely used in organizations. Marketers realize that marketing activities inside the company can be more important, if not more, than marketing activities outside the company. It makes no sense to promise great service before company employees are ready to deliver.

***Kotler*** says internal marketing is successful recruiting, training and motivating employees to improve customer service. ***Conduit and Mavondo***, divided internal marketing practices into five categories: employee training, management support, internal communications human resources, and employee involvement in external communications.

Building on all of this, internal marketing has been defined as "a planned effort that uses a marketing-like approach to overcome an organization's resistance to change and imminent arrival." align, motivate, coordinate and cross-functionally integrate employees to function effectively and the company strategies for customer satisfaction through the creation of motivated employees force, focus on customers”.

## Internal Marketing, Employee Satisfaction, & Retention

IM can be viewed as an internal tool or process that can be used to improve service quality and external marketing campaigns, but Its influence on these concepts is divided by the influence of IM on employee satisfaction. The importance of IM as an essential tool lies in service quality. Service organizations such as hospitals, banks, and restaurants focus on continuously providing high-quality services

assigned by staff and employees are not always consistent. This has raised the question of how to ensure that the quality of service provided by employees is of a consistently high standard. The solution to this problem was suggested by ***Berry*** as ***Employee Satisfaction and Motivation***

## Objectives:

* To examine the internal marketing elements as the predictors of employee satisfaction.
* To understand the profile (socio-economic status, demographic) of employees who are affected more with internal marketing.
* To understand the effect of internal marketing on patient satisfaction.
* To calculate the economic difference if any due to internal marketing and change in perspective of employees and patients.

## Research Questions/ Hypothesis:

* How do different employees of the hospital realize the concept of Internal Marketing?
* What are the tools and methods used in the hospital industry for internal marketing?
* What programs are run for internal marketing in private and public hospitals.
* What is the demographic profile of the employees who relate to these campaigns and how it helps them?
* What is the difference in patient satisfaction or referrals after internal marketing?
* What is the total out of expenditure incurred by the hospital?
* Does internal marketing and job satisfaction or patient satisfaction have any viable relationship

## Statement of the problem

Service organizations like hospitals are focused on consistently delivering high- quality services. These services like OPD, IPD, diagnosis, examination, surgery, etc. provided by health care workers at each service point. But employees cannot expect consistent delivery of quality care because many factors affect consistency. Healthcare services involving human contact at each of the delivery points make employees an important part of the system. In providing healthcare services, internal marketing is a lesser-known concept that has a direct impact on employee’s satisfaction, workability and retention.

* Does internal marketing and branding effect employee’s perspective towards job

satisfaction?

* What changes do patients feel when a hospital creates an environment of brand recognition?
* Do better internal marketing lead to low attrition rates in grade 3 and grade

4 employees?

* Do patients recommend hospitals more which invest in internal marketing?

***LITRATURE REVIEW***

Internal Marketing is a powerful tool available to service organizations when wanting to improve determinant of customer`s perception of service quality with their interaction of service staffs, leading organization to acknowledge the importance of employees in service delivery. ***(Zeithaml and Bithami 2009).***

***Berry (1981)*** pioneered the term internal marketing and originally defined it 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”. Since this time authors, practitioners, and researchers in this area have developed different definitions in order to explain their version of this idea ***(Rafiq and Ahmed, 2000).***

***Grönroos (1985)*** was the first to mention specifically that “IM is about motivating the employees by active marketing-like activities, ...an organization’s internal market of employees can be influenced most effectively and hence motivated to customer-consciousness, market-orientation and sales-mindedness by a marketing-like approach and by applying a marketing-like internal approach and by applying marketing-like activities internally.” ***Kotler and Armstrong (1993)*** refer internal marketing as a motivating tool which helps in quality improvement.

IM, in its currently accepted concept, is a philosophy for managing the organization’s human resources based on a marketing perspective ***(Norizan M. Saad, 2002). Jooste and Strydom (2005),*** the goal of internal marketing, in relationship marketing, is to create a relationship between management and employees, and between functions while Management is responsible for training and motivating employees, this implies that frontline staff, who interact with external customers, must manage service exposure well and demonstrate greater independence.

Internal marketing is “a planned effort to overcome organizational resistance to change and to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies” ***(Ye Chen, 2010)***

## Requirement of internal marketing in literature

The company’s culture and understanding of the internal marketing and its need. Senior manager’s involvement.

Proper communication aid within the organization so that the mode of communication is accessible and understandable to all.

### Benefits of internal marketing in literature

* + Employees clarify what a company or organization represents and provide services that meet their expected needs.
  + Employees who know the mission, vision, goals, and objectives of an organization can get a clear picture and adapt their work to the work of the company.
  + Employees are not only financially, but also emotionally connected and motivated by the organization.
  + Employees know what to offer to their customers, reducing wasted resources such as time and money.
  + It empowers employees and gives them responsibility and accountability.
  + It decreases the competition within the departments and encourages to follow common goal and thus sets the goal more aligned.
  + It encourages good coordination and cooperation between various departments
  + It helps the employees to provide excellent services to the clients by appreciating their valuable contribution. It helps in continuous improvement of the product and services of the organization

## Common barriers to internal marketing

* + Protection of traditional departmental boundaries.
  + Inter departmental competition for owning the internal marketing activities.
  + Misconception of internal marketing concept is only applicable in hotel and other service industries.
  + Groupism.
  + Lack of Ownership.

## Techniques used for internal marketing

There are various techniques that any organization can undertake to imply the concept of internal marketing which will be discussed further. The most common practice upskilling the workforce. Creating a brand identity in the minds of the employees in turn resulting to brand loyalty is what the common objective of these techniques.

## METHODOLOGY

##### Methodology:

A mixed research approach will be followed in the research with a minimum sample size of at least 80 from 1 hospital with a mix and match of patients, staff and third parties of the hospital varying from doctors to nurses, technicians and also the staff working in the support services that may not directly interact with the patients but act as a second line of command to the employees in the clinical services.

Qualitative data to be purposely collected from the HR and Marketing managers of the hospital for knowing their perception for IM.

**Universe/Frame:**

Initial hospital survey will be done to document employees and patients at different hospital. Sampling frame will consist of all the people who will answer questionnaire sent to them via physical or digital platform.

#### Sample Size: Around 80 per hospital

For Objective 1: 1 Public and 1 Private hospital.

For objective 2,3,4,5: Depending on the number of responses gathered after questionnaires, complete coverage or random sampling will be done.

#### Sampling Procedure:

Hospital administration will be selected. The sample for objective 2, 3, 4, 5 will be selected randomly, if their total enlisted answers exceed 150.

#### Data Collection Tool(s):

Questionnaires will be sent electronically or using digital platform asking hospital administration and common patients to gather relevant data samples.

#### Data Collection Method:

Primary data through (if possible) interview with hospital administrator or staff.

Secondary data through questionnaire consisting of Google form or other digital data gathering tools.

Semi structured Interview (Purposive sampling Technique) & Questionnaire (Random sampling)

#### Number of Cases:

2 hospitals for objective 1. For objective 2, 3, 4, 5 depending on the number of answers it may be complete coverage or random sampling of 150 members.

#### Tentative Aspects of the Case:

Internal marketing and job satisfaction has been a research topic around the world but not in healthcare. Hardly studies have been done to understand or put this in numbers to verify the impact created by positive brand recognition campaign across health care.

#### Sources of Data (as much as can be anticipated):

Primary data will be collected through survey and structured questionnaire.

#### Data Analysis Plan

Excel, Tableau Public or python programming depending on the Hospital. Process mapping may be needed to understand the procedure followed before approving a particular campaign.

**Employee Satisfaction Survey**

Please rate from 1 to 5 to the following questions to provide feedback/suggestion to help us improve. Please tick the appropriate boxes applicable

|  |  |
| --- | --- |
| **5** | **STRONGLY AGREE** |
| **4** | **AGREE** |
| **3** | **NEURAL** |
| **2** | **DISAGREE** |
| **1** | **STRONGLY DISAGREE** |

Tenure:(Tick Whichever applicable)

Less than 6 months: \_\_\_\_\_\_

6 months – 1 year: \_\_\_\_\_\_

1 year – 3 years: \_\_\_\_\_\_

Above 3 years: \_\_\_\_\_\_

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Hospital makes work environment  healthy and interesting |  |  |  |  |  |
| My manager discusses my career growth  with me |  |  |  |  |  |
| New ideas for work are encouraged and  can be expressed officially via email or feedback |  |  |  |  |  |
| I know my responsibilities clearly |  |  |  |  |  |
| Work related policies are  communicated through meetings timely |  |  |  |  |  |
| Hospital provides good feedback  System |  |  |  |  |  |
| Manager tries to understand me & my  thoughts on leadership. |  |  |  |  |  |
| I am satisfied with promotional  opportunities provided by management |  |  |  |  |  |
| I have the necessary tools, training  to perform my tasks fully. |  |  |  |  |  |
| I can communicate vertically without  hesitation. |  |  |  |  |  |
| My manager often tries to raise us  commitment towards patient care through updates. |  |  |  |  |  |
| I am satisfied with nature of job |  |  |  |  |  |
| My manager makes effort to become fully familiar with subordinates'  work performance. |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| I am respected and it helps me in  performing my duties |  |  |  |  |  |
| Hospital often uses training sessions  to express corporate values and goals |  |  |  |  |  |
| Interdepartmental interactions are  encouraged via various events on a regular basis |  |  |  |  |  |
| I am satisfied with relationship I  have with fellow workers |  |  |  |  |  |
| I would recommend employment here |  |  |  |  |  |
| My hospital keeps track of  performance in attempt to improve it |  |  |  |  |  |
| Any special comments or Suggestions? |  | | | | |

**PATIENT FEEDBACK FORM**

Please rate from 1 to 5 to the following questions to provide feedback/suggestion to help us improve. Please tick the appropriate boxes applicable

|  |  |
| --- | --- |
| **5** | **STRONGLY AGREE** |
| **4** | **AGREE** |
| **3** | **NEURAL** |
| **2** | **DISAGREE** |
| **1** | **STRONGLY DISAGREE** |

Is this your 1st visit

YES NO

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Was the staff knowledgeable to understand your  needs? |  |  |  |  |  |
| Was your experience in the department patient  friendly? |  |  |  |  |  |
| Was the staff helpful in guiding you throughout  the complete procedure? (OPD, IPD, ADMISSION, DISCHARGE) |  |  |  |  |  |
| Were you clearly talked about your diagnosis? |  |  |  |  |  |
| Was the staff courteous & communication of  the staff was polite and clear |  |  |  |  |  |
| How well staff kept you informed about the  your progress? |  |  |  |  |  |
| Was the privacy of the patient maintained at?  all times in the department? |  |  |  |  |  |
| Were you informed about any or all?  complications before any diagnosis or surgery? |  |  |  |  |  |
| Attitude and promptness of Ward boys/nurses |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Availability of ward boys/ Nurses |  |  |  |  |  |
| Attitude and communication of doctors |  |  |  |  |  |
| Cleanliness of bed sheets/ pillow covers |  |  |  |  |  |
| Cleanliness of bathrooms, toilets and rooms |  |  |  |  |  |
| Overall hygiene |  |  |  |  |  |
| Was the discharge process easy |  |  |  |  |  |
| Any Recommendation |  | | | | |