The Applicability of Internal Marketing Factors to Boost Internal Service Quality

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ABSTRACT

The purpose of this paper is to examine the applicability of Internal Marketing (IM) factors in relation to the Internal Service Quality (ISQ) of the company. In this study, Pos Malaysia Berhad, a Malaysian postal company, was selected to investigate how the Internal Marketing element and the anticipated Internal Service Quality was implemented in the company. The research applies six internal marketing practices namely, employee motivation, effective communication, employee selection, employment development, support system and healthy work environment. A total of 103 respondents were surveyed as well as a series of interviews were conducted. The data collected was analysed quantitatively by using the factor analysis and multiple regression analysis. The results indicated that there was a positive relationship between the elements of the Internal Marketing and the anticipated Internal Service Quality in variable magnitude. Research findings showed that the support system brought about the most changes in Internal Service Quality.

Keywords: Internal Marketing, Internal Service Quality, Pos Malaysia, Marketing Practices

Introduction

Internal marketing (IM) is an emerging concept or discipline that has been practised by several companies. The term Internal marketing has been defined by Berry (1981) 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”.

In this study, the researcher aimed to examine the significance of the Internal Marketing on the internal service quality in a Malaysian postal company, Pos Malaysia Berhad. Service organizations are fundamentally important to the economy of a country in contributing to the gross domestic products (GDP). Several previous studies have contributed to the literature on internal marketing issues and its impact on organization. Meanwhile in this study, the research objectives are to confirm which factors included in Internal Marketing and Internal Service Quality, to explore the relationship of the Internal Marketing (motivation, communication, employee development, support system and work environment) and the extent of changes in internal service quality and to identify which of the factor that really effect the changes in internal service quality.

There are several instruments that can be used to measure the service quality. However, as in the case of this research, the instrument used was SERVQUAL. Many studies
have applied the SERVQUAL instrument to measure the internal service quality, for instance, Reynoso & Moore (1995). SERVQUAL is a multi-item instrument established by Parasuraman et al. (1985; 1988) to measure consumers’ perception of service quality. SERVQUAL measures five basic underlying dimensions of service quality considered essential by consumers of service businesses. The five underlying dimensions as explained mainly by Parasuman, et al. (1988), (Lovelock (1999) and other scholars (e.g. Reynoso & Moores, 1995; Asubonteng et al., 1996; Kang et al., 2002) are:

i) Tangibles - relates to the physical facilities, equipment and appearance of personnel of the service provider look like and how the service providers offer modern equipment, comfortable and healthy working environment and professional personnel appearance.

ii) Reliability- relates to the company's ability in providing services as promised dependably and accurately in addition to how co-workers can handle problems, be reliable, provide accurate information, and provide promised service.

iii) Responsiveness - relates to the employees' willingness in helping the customers and provides prompt service. By this, it including on how co-workers are helpful in answering any question, and help with any request and the level of communication in terms of clear and accurate.

iv) Assurance - explains the employees’ courtesy, knowledge, polite in addition to the way they inspire confidence and trust. This indicates the level of the co-workers politeness, trustfulness and knowledgeable with each other.

v) Empathy - shows the way employees care and give individualized concern between each other. In this case, co-workers have each other’s best interest, give the employee attention, and understand the work related needs in addition to see to what extent the working hours are comfortable and convenient.

Theory and Hypotheses

According to Papasolomou (2006), motivation is an important factor which improves the performance of the employees. As such, many companies set a systematic reward system in order to motivate their employees to improve their service quality and delivery. However, each individual has a different motivational element that make him/her to work hard. For instance, some might like appreciation and some might consider financial rewards. Performance of the employee will reflect the quality of the service. Hence, management need to identify the motivational elements of their employees, in order to motivate the employees to deliver excellent performance and quality of service.

The next factor considered is effective communication which can result in employees’ better understanding within the organization. Effective communication will most likely result in good value shown by the employees toward the organization and resulting in high performance and quality of service rendered to external customers. An effective internal communication is treated as a very important tool for internal marketing as it helps the management to ensure that service is delivered with high level of satisfaction and build employee trust, respect and loyalty (Lovelock, 1999:248). An effective communication will create an environment where there is mutual respect, concern and trust between the company and the employees.

According to Khan et al. (2010:4), selection is the dominant and the first factor which plays an important role in quality service. This is followed by the job itself that fit with the candidate because if he/she does not has the capability or interest towards his/her job, this will certainly has an impact on the company. As cautioned by Cook et al. (1992):
The final selection decision must match the ‘whole person’ with the ‘whole job’. This requires a thorough analysis of both the person and the job; only then can an intelligent decision be made as to how well the two will fit together ... stress should be placed on matching an applicant to a specific position.

Therefore, management have to play an important role in matching the suitable job to the right employees in order to achieve high performance and high quality of service.

Effective employment development is important in making sure that the employees deliver the needed service quality. In order for the employees to keep developing in terms of the skills and expertise, (other than training), empowerment is seen as a critical part of employee development. However, the empowerment depends on the enablement of the employees and the resources they required and use them at their own discretion confidently and effectively (Lovelock, 1999). According to Zeithaml and Bitner. (1996), many organizations have accepted the fact that in order to be responsive to customer needs, the front-line staff need to be empowered in order for the employees to accommodate the customer requests, and to recover on the spot when something go wrong. This decision making is not only being made by the upper management, but more important, the decision making process is also determined by the employees due to their closeness to the customers.

The support system is also seen as an important element to be considered in order to deliver high quality of service. According to Pride (2000) in Elsamen and Alshurideh (2012):

The main role of a marketing system is how to retrieve and save data at the required time, using new technologies such as the internet, VOIP, Mobile phones and video conferences to help the employees and teams to interact regionally and to break the boundaries between the organization branches to act inter-functionally, inter-functionality means how the organization is effective in transforming strategies, knowledge, information, and abilities within the organization without barriers and how to integrate them together to accomplish the organization strategies and objectives.

This is not just helping organizations to work more efficiently and effectively, but also to minimize the borders among the upper management and employees. By using this support system, the upper management can simply connect with employees faster, build good relationship with them and can result in quick decision making.

According to Hesket et al. (1994), the final element which is the internal quality of the working environment also contributes to employees’ satisfaction. This is measured by the feelings that employees have towards their job, co-worker and the company.

To undertake this study, several hypotheses were postulated as follows:

H1: There is a positive relationship between employees’ motivation to perceived Internal Service Quality.

H2: There is a positive relationship between effective communication to perceived Internal Service Quality

H3: There is a positive relationship between effective employee selection to perceived Internal Service Quality.
H4: There is a positive relationship between effective employment development to perceived Internal Service Quality.

H5: There is a positive relationship between effective support system to perceived Internal Service Quality.

H6: There is a positive relationship between healthy work environment to perceived Internal Service Quality.

**Data and Methodology**

This study utilised the 5-point Likert scale survey design to collect the primary data. The researcher applied a simple random sampling method in selecting the respondents. According to Hair et al. (2008), ‘every sampling unit has a known and equal chance of being selected’. By using the determining sample size as proposed by Christensen et al. (2014), a total of 103 respondents was randomly picked from the total workforce of 138 employees. The Internal Marketing and Internal Service Quality were measured using questionnaires developed by El Samen, & Alshurideh, (2012). The items for Internal Marketing and Internal Service Quality is as shown in Table 1.

The statistical analysis was undertaken using the IBM SPSS version 20. The validity of this research has been pilot tested on 30 respondents selected randomly. The pilot test result was based on the Pearson product-moment correlation coefficient. By using the pilot test, it showed that all the 33 items of the initial questionnaires were all valid where the value indicated above the critical value 73 of 0.349 for 30 respondents based on the Pearson product-moment correlation coefficient. In addition, the reliability test was carried out to test whether the data collection technique will result in a consistent findings. Reliability test is important test in order to make sure that the data collected yield the same result. Reliability is
observed from Cronbach alpha (α), α = 0.70 to indicate reliable (Malhotra, 2013). The results showed that the reliability statistics for the 33 items were 0.933. This meant that the set of structural questions proved to be highly valid as the values were over 0.60. The statistical tools used in this research are Factor Analysis and Multiple Regression Analysis.

Factor analysis is aimed at simplifying the complex sets of data using a number statistical techniques (Kline, 2014). Principal component analysis is used in this research to answer the research questions in addition to achieve the first objective of the research. Principal Component Analysis is used to determine the number factors of the internal marketing in order of ranking and number factors of the internal service quality in order of ranking. Other than that, the factor analysis is also used in this research to obtain the highest factor of Internal Marketing and Internal Service Quality. Factor analysis consists output such as correlation matrix, factor extraction and factor rotation. By using factor analysis, one can determine the number of factors from the number of interrelated variables.

The next output is the Kaiser-Meyer-Olkin (KMO) and Bartlett’s Test shown in Table 4. The Kaiser-Meyer-Olkin (KMO) measures the sampling adequacy that tests how small the partial correlation among other variables, relative to the original (zero-order) correlation. The KMO measures the sampling adequacy which should be greater or above 0.5 to be acceptable. Furthermore, according to the interpretation of the KMO as characterised by Kaiser, Meyer & Olkin (1974), values above 0.9 are considered marvellous, values between 0.8 and 0.89 are meritorious, values between 0.7 and 0.79 are middling, values between 0.6 and 0.69 are mediocre, values between 0.5 and 0.59 are miserable and values below 0.5, do not factor. Meanwhile, for these data, the value was 0.842, in which the values fall into the range of 0.8 and 0.89. Hence, it was considered as meritorious and this showed that factor analysis is appropriate for these data. Next, Bartlet’s test of sphericity, which test whether the correlation matrix is an identity matrix, or not, where if it is identity matrix, it will indicate that the factor model is inappropriate. Therefore, in this research, a significant test shows that the R-matrix is not an identity matrix as the observed significance level is 0.000, which is highly significance value (< 0.005).

Table 1: Variable Indicator

<table>
<thead>
<tr>
<th>Construct 1: Internal Marketing (IM)</th>
<th>Source(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2.1: Information is easy to get within the Company.</td>
<td>ELSamen, A. A., &amp; Alshurideh, M. (2012)</td>
</tr>
<tr>
<td>X2.2: Management arranges regular meetings to listen to the employees.</td>
<td>ELSamen, A. A., &amp; Alshurideh, M. (2012)</td>
</tr>
<tr>
<td>X3.1: The Company applies training programs to enhance your current skills and develop new ones.</td>
<td>ELSamen, A. A., &amp; Alshurideh, M. (2012)</td>
</tr>
<tr>
<td>X4.1: Using helpful methods and equipment to communicate and interact such as (Internet &amp; Video conferences)</td>
<td>ELSamen, A. A., &amp; Alshurideh, M. (2012)</td>
</tr>
<tr>
<td>X4.3: Availability of IT department to provide technology support (creating, fixing, devolving software).</td>
<td>ELSamen, A. A., &amp; Alshurideh, M. (2012)</td>
</tr>
</tbody>
</table>
X5: Employee Selection
X5.1: The company is willing to have an extra number of candidates and keep them as backup for any future requirements.
X5.2: Qualified, well-educated and innovative employees have a priority to work at Pos Malaysia BHD
X5.3: Company matches job requirements with the employee skills.

X6: Healthy Work environment
X6.1: The company has a safe working environment.
X6.2: Dangerous materials are kept in a separate place.
X6.3: Safety instructions are followed during the work

Construct 2: Internal Service Quality (ISQ)

<table>
<thead>
<tr>
<th>Source(s)</th>
<th>Tangibility</th>
<th>Reliability</th>
<th>Responsiveness</th>
<th>Assurance</th>
<th>Empathy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELSamen, A. A., &amp; Alshurideh, M. (2012)</td>
<td>Y1.1: The company facilities are clean and visually appealing.</td>
<td>Y2.1: Coworkers provide the service that is promised.</td>
<td>Y3.1: Coworkers are sincerely interest about any problem and in solving it.</td>
<td>Y4.1: Trust and honest exist between coworkers and employees.</td>
<td>Y5.1: The working hours are convenient</td>
</tr>
<tr>
<td></td>
<td>Y1.2: The Working environment is comfortable and happy</td>
<td>Y2.2: Coworkers perform the service right the first time, to avoid later correction.</td>
<td>Y3.2: Coworkers are willing to help each other.</td>
<td>Y4.2: Colleagues are polite, kind, and respectful.</td>
<td>Y5.2: Coworkers have each other’s best interest in mind.</td>
</tr>
<tr>
<td></td>
<td>Y1.3: The parking place is adequate compared with employees’ number.</td>
<td>Y2.3: Coworkers are reliable to provide the correct information.</td>
<td>Y3.3: Coworkers respond quickly and efficiently to my requests.</td>
<td>Y4.3: Colleagues have good knowledge and skills.</td>
<td>Y5.3: Coworkers give me individual attention and concern.</td>
</tr>
</tbody>
</table>

Table 2: Descriptive Statistics (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Analysis N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
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<td>0.64035</td>
</tr>
<tr>
<td>Communication</td>
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<td>0.70556</td>
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<tr>
<td>Development</td>
<td>3.835</td>
<td>0.7015</td>
</tr>
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<td>Support System</td>
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<td>0.77573</td>
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<td>Employee Selection</td>
<td>3.7961</td>
<td>0.71892</td>
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<tr>
<td>Work environment</td>
<td>3.835</td>
<td>0.74224</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Analysis N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
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<tr>
<td>Reliability</td>
<td>3.8544</td>
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<td>3.9029</td>
<td>0.66443</td>
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<td>Assurance</td>
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<td>0.60912</td>
</tr>
<tr>
<td>Empathy</td>
<td>3.8544</td>
<td>0.71958</td>
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</table>
Table 3: Correlation Matrix (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th></th>
<th>Motivation</th>
<th>Communication</th>
<th>Development</th>
<th>Support System</th>
<th>Employee Selection</th>
<th>Work environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>1.000</td>
<td>.572</td>
<td>.441</td>
<td>.358</td>
<td>.357</td>
<td>.293</td>
</tr>
<tr>
<td>Communication</td>
<td>.572</td>
<td>1.000</td>
<td>.543</td>
<td>.490</td>
<td>.600</td>
<td>.400</td>
</tr>
<tr>
<td>Development</td>
<td>.441</td>
<td>.543</td>
<td>1.000</td>
<td>.589</td>
<td>.438</td>
<td>.286</td>
</tr>
<tr>
<td>Support System</td>
<td>.358</td>
<td>.490</td>
<td>.589</td>
<td>1.000</td>
<td>.551</td>
<td>.335</td>
</tr>
<tr>
<td>Employee Selection</td>
<td>.357</td>
<td>.600</td>
<td>.438</td>
<td>.551</td>
<td>1.000</td>
<td>.377</td>
</tr>
<tr>
<td>Work environment</td>
<td>.293</td>
<td>.400</td>
<td>.286</td>
<td>.335</td>
<td>.377</td>
<td>1.000</td>
</tr>
<tr>
<td>Tangibility</td>
<td>.209</td>
<td>.349</td>
<td>.334</td>
<td>.307</td>
<td>.242</td>
<td>.383</td>
</tr>
<tr>
<td>Reliability</td>
<td>.196</td>
<td>.342</td>
<td>.334</td>
<td>.325</td>
<td>.352</td>
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</tr>
<tr>
<td>Responsiveness</td>
<td>.229</td>
<td>.307</td>
<td>.260</td>
<td>.309</td>
<td>.287</td>
<td>.325</td>
</tr>
<tr>
<td>Assurance</td>
<td>.266</td>
<td>.244</td>
<td>.260</td>
<td>.201</td>
<td>.116</td>
<td>.333</td>
</tr>
<tr>
<td>Empathy</td>
<td>.243</td>
<td>.252</td>
<td>.243</td>
<td>.296</td>
<td>.169</td>
<td>.340</td>
</tr>
</tbody>
</table>

<table>
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<td>.169</td>
</tr>
<tr>
<td>Work environment</td>
<td>.383</td>
<td>.352</td>
<td>.325</td>
<td>.333</td>
<td>.340</td>
</tr>
<tr>
<td>Tangibility</td>
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<td>.378</td>
<td>.389</td>
<td>.549</td>
</tr>
<tr>
<td>Reliability</td>
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<td>1.000</td>
<td>.575</td>
<td>.580</td>
<td>.498</td>
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<tr>
<td>Responsiveness</td>
<td>.378</td>
<td>.575</td>
<td>1.000</td>
<td>.572</td>
<td>.380</td>
</tr>
<tr>
<td>Assurance</td>
<td>.389</td>
<td>.580</td>
<td>.572</td>
<td>1.000</td>
<td>.591</td>
</tr>
<tr>
<td>Empathy</td>
<td>.549</td>
<td>.498</td>
<td>.380</td>
<td>.591</td>
<td>1.000</td>
</tr>
</tbody>
</table>

The next output is communality as in Table 5, where the value before and after the extraction is shown. The initial communalities are 1.0 because the principal components analysis is work under the initial assumption that all the variance is common. Meanwhile the column extraction in the communalities table shows the common variance in the data structure. On the other words, it can also be define as the estimation of variance in each variable accounted for, by the extracted factor or factor in the factor solution. For example, over 70% of the variance in the communication is accounted for while 38% of the variance in the work environment is accounted for. The extraction communalities for this solution are acceptable, even though the lower values of extraction communalities like Motivation and Work Environment shows that they do not fit as well as the others. If the communality value is low, it indicates that the variable has little in common with other variable in the research.
Table 4: Kaiser-Meyer-Olkin (KMO) and Bartlett’s Test (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th>KMO and Bartlett’s Test</th>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>Bartlett’s Test of Sphericity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.842</td>
<td>Approx. Chi-Square 445.396</td>
</tr>
<tr>
<td></td>
<td></td>
<td>df 55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. 0.00</td>
</tr>
</tbody>
</table>

Table 5: Communalities (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th>Communalities</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>1</td>
<td>0.46</td>
</tr>
<tr>
<td>Communication</td>
<td>1</td>
<td>0.702</td>
</tr>
<tr>
<td>Development</td>
<td>1</td>
<td>0.584</td>
</tr>
<tr>
<td>Support System</td>
<td>1</td>
<td>0.592</td>
</tr>
<tr>
<td>Employee Selection</td>
<td>1</td>
<td>0.617</td>
</tr>
<tr>
<td>Work environment</td>
<td>1</td>
<td>0.375</td>
</tr>
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<td>Tangibility</td>
<td>1</td>
<td>0.522</td>
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<tr>
<td>Reliability</td>
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<td>0.662</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>1</td>
<td>0.54</td>
</tr>
<tr>
<td>Assurance</td>
<td>1</td>
<td>0.691</td>
</tr>
<tr>
<td>Empathy</td>
<td>1</td>
<td>0.615</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Table 6: Total Variance Explain (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>4.668</td>
<td>42.439</td>
<td>42.439</td>
</tr>
<tr>
<td>2</td>
<td>1.691</td>
<td>15.374</td>
<td>57.813</td>
</tr>
<tr>
<td>3</td>
<td>0.792</td>
<td>7.202</td>
<td>65.015</td>
</tr>
<tr>
<td>4</td>
<td>0.751</td>
<td>6.827</td>
<td>71.842</td>
</tr>
<tr>
<td>5</td>
<td>0.727</td>
<td>6.611</td>
<td>78.453</td>
</tr>
<tr>
<td>6</td>
<td>0.561</td>
<td>5.097</td>
<td>83.55</td>
</tr>
<tr>
<td>7</td>
<td>0.495</td>
<td>4.5</td>
<td>88.05</td>
</tr>
<tr>
<td>8</td>
<td>0.418</td>
<td>3.8</td>
<td>91.85</td>
</tr>
<tr>
<td>9</td>
<td>0.344</td>
<td>3.127</td>
<td>94.976</td>
</tr>
<tr>
<td>10</td>
<td>0.29</td>
<td>2.636</td>
<td>97.613</td>
</tr>
<tr>
<td>11</td>
<td>0.263</td>
<td>2.387</td>
<td>100</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Next is the list of eigenvalue associated with each linear component (factor) before and extraction and after rotation. Based on the Table 6, it shows that before the extraction, there are 11 linear components within the data set. Then after the extraction, it shows that there are only two factors of the initial solution have the eigenvalues larger or greater than 1,
where together the accounted for almost 58% of the variability in the original variables. Then, the eigenvalue for these two factors is displayed again under the section label, Extraction Sums of Squared Loadings. The value in this section is still the same as the initial, only the difference here is that the extracted factor is being viewed. The table shows that, the first factor has an eigenvalue of 4.668. Since the value is larger than 1.0, it shows that it is 4.668 times more variance than a single variable. The percent variance explained 4.668 divide by the 11 units of variance, then multiply with hundred and will result to percentage of 42.44%. Next, the second factor, which has an eigenvalue of 1.691, which is greater than 1.0, and therefore have more 1.691 times more variance than the single variable. The percent variance explained 1.691 divide by the 11 units of variance, then times with hundred and will result to percentage of 15.37%. Meanwhile, for the factors 3 to 11 have eigenvalues that less than one and therefore it explains that the value is less variance than a single variable. Then, for the cumulative percentage of variance for the first two factors are 57.813. Next, the last part or section of this table is labeled Rotation Sums of Squared Loadings, where in this section, the eigenvalue of the factors after rotation is shown. The first factor explains 42.4% of the overall data variability, where after the rotation; this percentage falls to almost 29%. Meanwhile, the second factor explains 15.4% of the overall data variability, where after the rotation; this percentage increase to almost 28.9%. This initial solution suggests that the final solution should not extract more than two factors.

After that is the Rotated Component Matrix in the Table 7. The rotated component matrix table is used to see if each of the variables has a substantial loading on only one factor. So in this table, shows that for each factor, there are several variables that loads or correlates highest on one factor and low on the other factors in addition to the rule of substantial loading 4.0 and above, is bold in the Table. Next, is for the naming of the factor. Table 7, shows that the six variables that have the highest loading in Factor 1 have in common is internal marketing element. Meanwhile, for the Factor 2, the five variables that have the highest loading factor have in common is the internal service quality element. This shows that, all of the eleven variables have been reduced into two factors, which the Factors 1 appear to measure internal marketing; meanwhile the Factors 2 measures the internal service quality. These two factors have the 57.81% of the covariance among the variables. Next, for the work environment, the variable is dropped because of its lowest loading factor. As the rotation confirming there are only two factors (Internal Marketing & Internal Service Quality), there is no necessarily to rename factors.

Table 7: Rotated Component Matrix (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th>Component</th>
<th>Factor 1</th>
<th>Factor 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>.145</td>
<td>.662</td>
</tr>
<tr>
<td>Communication</td>
<td>.199</td>
<td>.814</td>
</tr>
<tr>
<td>Development</td>
<td>.201</td>
<td>.737</td>
</tr>
<tr>
<td>Support System</td>
<td>.202</td>
<td>.742</td>
</tr>
<tr>
<td>Employee Selection</td>
<td>.111</td>
<td>.777</td>
</tr>
<tr>
<td>Work environment</td>
<td>.432</td>
<td>.434</td>
</tr>
<tr>
<td>Tangibility</td>
<td>.677</td>
<td>.251</td>
</tr>
<tr>
<td>Reliability</td>
<td>.777</td>
<td>.241</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>.704</td>
<td>.210</td>
</tr>
<tr>
<td>Assurance</td>
<td>.828</td>
<td>.068</td>
</tr>
<tr>
<td>Empathy</td>
<td>.774</td>
<td>.124</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 3 iterations.
Below in the Figure 2, is the new constructed theoretical framework according to the result of the Factor Analysis where after dropping the work environment. Initially, there are six factors under Internal Marketing, but after the factor analysis, the result shows that only five factors of Internal Marketing can be confirmed.

Next, after the Factor Analysis, the first objective has been achieved. Where after the Factor Analysis, the factor of the Internal Marketing are motivation, communication, employee development, support system and employee selection is confirmed after dropping the work environment because of the lower factor loadings. Meanwhile, the factors of the Internal Service Quality are tangibility, reliability, responsiveness, assurance and empathy is confirmed.

![Figure 2: Newly constructed Theoretical Framework](image)

Table 8: Regression Coefficient (Source: Data Analysis of SPSS)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.949</td>
<td>.408</td>
<td>4.775</td>
<td>.000</td>
</tr>
<tr>
<td>Motivation</td>
<td>0.098</td>
<td>.107</td>
<td>.102</td>
<td>.907</td>
</tr>
<tr>
<td>Communication</td>
<td>0.061</td>
<td>.116</td>
<td>.070</td>
<td>.520</td>
</tr>
<tr>
<td>Development</td>
<td>0.091</td>
<td>.106</td>
<td>.105</td>
<td>.857</td>
</tr>
<tr>
<td>Support System</td>
<td>.192</td>
<td>.097</td>
<td>.245</td>
<td>1.983</td>
</tr>
<tr>
<td>Employee Selection</td>
<td>.033</td>
<td>.104</td>
<td>.038</td>
<td>.314</td>
</tr>
</tbody>
</table>

The second objective was achieved by hypothesis testing where the significance value in regression coefficient in the Multiple Regression Analysis was used. Based on the Table 8, only one hypothesis testing is significance, which is the support system with the highest number in Beta under standardized coefficient is 0.245 with the significance value of 0.050. Next, for the other variables, the significance value is above 0.050 so it is assumed that the variables are not significant. This was because, Pos Malaysia Berhad is one of the Government Linked Companies (GLC), so it is assumed that the GLC employees are less sensitive on the service quality. According to Razak et al. (2011), non-GLCs perform better
than GLCs after examining corporate governance and factors, which influence company performance such as risk, growth and leverage. Other than that, GLC or government companies still lacks in the entrepreneurial culture. According to Sulastini et al. (2014), even though Malaysia has to give more attention to organizational leadership and entrepreneurial culture, it seems that Malaysia is still not ready to adopt the policy of entrepreneurial government.

The final objective was accomplished by using the beta in the unstandardized coefficient in regression coefficient in the Multiple Regression Analysis as shown in Table 8. In this research, the internal marketing factors examine were the motivation, communication, employee development, support system and employee selection towards the dependent variable, Internal Service Quality (ISQ).

In this research, the model derived is:

\[
\text{ISQ} = 1.949 + 0.098 \text{ (Motivation)} + 0.061 \text{ (Communication)} + 0.91 \text{ (Employee Development)} + 0.192 \text{ (Support System)} + 0.033 \text{ (Employee Selection)}
\]

Based on the equation, if there is no motivation, communication, employee development and support system, the Internal Service Quality will be 1.949. Meanwhile, if there is motivation, the Internal Service Quality will increase 9.8% and if there is communication, the Internal Service Quality will increase 6.1%. Next, if there is employee development, the Internal Service Quality will increase 9.1% and if there is support system, the Internal Service Quality will increase 19.2%. Lastly, if there is employee selection, the Internal Service Quality will increase 3.3%. In other words, one can say that the value of Internal Service Quality will change if the independent variables change by 1 unit. So, one can conclude that, the support system is the factor that effect the Internal Service Quality the most, followed by motivation, employee development, communication and lastly employee selection.

Conclusion

As a conclusion, it showed that there were only five factors of internal marketing out of six confirmed to be suitable for this research. The factors were motivation, communication, employee development, support system and employee selection. Meanwhile, for the Internal Service Quality, all of the factors which were tangibility, reliability, responsiveness, assurance and empathy confirmed included in the Internal Service Quality. Next, this research also concluded that the support system was the only factor that has positive relationship towards the Internal Service Quality, where it showed that motivation, communication, employee development and employee selection has no effect to the Internal Service Quality. This was because, the company is a Government-Linked Companies (GLC), so it is assumed that the employees were less sensitive in the internal service quality and still practiced traditional mindset of ‘business as usual’ philosophy. Lastly, in this research, it shows that each of the factor has affected the changes in the Internal Service Quality. The support system has affect the Internal Service Quality the most as compared to motivation, employee development, communication and employee selection.
References


