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Internal Marketing

Practice and Implementation in Nordea

Master's thesis within Business Administration

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INTERNATIONELLA HANDELSHÖGSKOLAN
HÖGSKOLAN I JÖNKÖPING

Intern Marknadsföring

Praktik och Implementering i Nordea

Ekonomie magisteruppsats inom företagsekonomi

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Master's Thesis in Business Administration

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Abstract

Introduction: Based on a number of economical shifts it has become more and more important for companies to differentiate themselves from their competitors by effectively offer a high quality service. This has led to an increased need for internal marketing due to the high extent of human contact that is a reality when dealing with services. Internal marketing aims towards creating a service oriented workforce through recruiting and retaining appropriate employees. However, the concept needs research in how it is implemented due to the fact that there is no unified definition of the concept.

Purpose: The purpose with this thesis is to analyse how internal marketing is implemented in practice in a Swedish bank organisation (Nordea), with focus on the recruitment and retention process.

Method: To conduct this research a qualitative method has been chosen. The research is based on a case study of above mentioned organisation. This organisation has been chosen since the author had the possibility to get in contact with people in valuable positions to collect relevant information.

Conclusions: Through the analysis it has been concluded that the *term* internal marketing is not used as such in the organisation. However, there are signs of different activities and ideas of the concept being implemented. As has been identified in the analysis, the notion that satisfied employees leads to satisfied customers seems understood in the organisation. Further it is identified that there is a close involvement from the marketing department in the recruitment process of the company. This involvement aims towards hiring people that can "*live the brand*". When recruiting, the organisation primarily recruits from within. The retention process of the organisation is concerned with trying to create employee satisfaction which in turn will lead to the retention of appropriate employees and to satisfied customers, something the organisation calls "*the good circle*".

Magisteruppsats inom företagsekonomi

Titel:	Internmarknadsföring: Praktik och Implementering i Nordea.
Författare:	Linus Rydberg
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Sammanfattning

- Inledning** Under de senaste åren har samhällsförändringar inneburit att det har blivit viktigare för företag att differentiera sig från sina konkurrenter genom att effektivt använda sig av ett serviceerbjudande av hög kvalitet. Detta har i sin tur lett till ett ökat behov av internmarknadsföring. Detta på grund av den höga grad av mänsklig kontakt som är avgörande i hantering av tjänster. Internmarknadsföring syftar till att skapa en serviceorienterad arbetskraft genom att rekrytera rätt människor samt till att behålla värdefull personal inom organisationen. Dock behövs det mer forskning angående konceptet internmarknadsföring. Dels behövs en gemensam definition av konceptet samt dels behövs studier av hur intern marknadsföring är implementerat.
- Syfte:** Syftet med denna uppsats är att analysera hur internmarknadsföring är implementerat i praktiken i en svensk bankorganisation, Nordea. I fokus står rekryteringsprocessen samt hur företaget arbetar med att behålla värdefull personal.
- Metod:** För att genomföra denna studie har en kvalitativ metod använts. Studien är baserad på ett praktikfall av den ovan nämnda organisationen. Denna organisation har använts med anledning av att det funnits bra möjligheter att komma i kontakt med personer i värdefulla positioner för att samla relevant information. Informationen har samlats in genom tre personliga intervjuer.
- Slutsatser:** Genom analysen har der framkommit att *termen* internmarknadsföring inte används i företaget. Det finns dock tecken att på vissa aktiviteter och idéer inom konceptet är implementerade. Analysen har visat på att förhållandet mellan nöjda anställda och nöjda kunder är förstått. Det har vidare blivit identifierat att marknadsavdelningen är nära involverad i rekryteringsprocessen. Denna involvering syftar till att anställa personer som kan "*leva varumärket*". Organisationen rekryterar främst internt. Företaget arbetar också med att skapa nöjdhet hos de anställda med syfte att behålla dem samt att skapa nöjda kunder, något som företaget benämner "*den goda cirkeln*".

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1 Introduction

During the last decades there have been a number of economical shifts. Most economies have gone through the industrial age and different stages after that. This has led to people experiencing different needs that have to be satisfied. In order to meet the “new” customer needs that have emerged, marketers need to change their marketing strategies.

1.1 Background

Since the early 1960's, marketers have been using the marketing mix of the four P's, Product, Price, Promotion and Place. However, the four P's approach has proved to be limited in its application of the marketing of services (Dunmore, 2002). During the last couple of decades a more service oriented approach to marketing has emerged. This service revolution can be seen as part of a major shift in the society as well as a shift in the way business is conducted (Irons, 1997) This marketing development is actually quite natural since most societies, especially in the western world, have turned into post industrial economies characterised by high competition, greater access to information and saturated markets with more sophisticated customers. Due to this the actual good or service is no longer enough in order to make the company compete effectively on the market. Instead the organisation must create an offer around the product that explains that the own organisation understands the needs and wants of the customers in a better way than the competitors do (Grönroos, 1996). For example it is not enough for a restaurant to offer well tasting food, the customers want an experience that can either be of gastronomic or social character (Irons, 1996). According to Pine and Gilmore (1998) there is about to be an even further development of the present existing service economy into an experience economy. By this it is meant that instead of selling services we will eventually start to sell experiences that propose an even further development of the offer that has to be created around the actual product. Based on these economical shifts that have occurred the interaction between people within the organisation and the external customers has become more and more important and this is also the reason why the four P's no longer fulfils its original purpose. In other words, services involve direct contact between customers and employees as well as processes to support the delivery of the actual service. The problem lies in the fact that people and processes are not addressed through the four P's mix (Dunmore, 2002).

Today all firms compete with services, not physical products. It is rather natural that service firms have always done so, but today this goes for all firms, with few exceptions (Grönroos, 2000). This phenomenon can be described as service competition and can be defined as a situation where the core solution of a firm, regardless if it is a service or a physical good, is a prerequisite only for a competitive advantage, but where the firm competes with a number of services surrounding the core solution. In order for the firm to be successful in this area the firm has to view its business and its customer relationships from a service perspective (Grönroos, 2000).

The interest of the service marketing started to grow over 20 years ago (Grönroos, 2000). In 1983 Leonard L. Berry introduced a new term into the service marketing literature, relationship marketing. This term came to change the view upon marketing. The term was defined by Berry as “*attracting, maintaining and – in multi-service organizations – enhancing relationships*” (Berry, 1983, cited in Berry, 1995, p. 25). This term introduced a new idea of thinking within marketing since it stressed that the attraction of new customers should be viewed only as an intermediate step in the marketing process. When introducing this term Berry

(1983, cited in Berry, 1995) outlined five strategy elements for practicing relationship marketing:

- developing a core service around which to build a customer relationship,
- customizing the relationship to the individual customer,
- adding the core service with extra benefits,
- pricing service to encourage customer loyalty,
- and *marketing to employees* so that they later on will perform well for customers.

1.2 Problem Discussion

In line with the last strategy element mentioned above, Ahmed and Rafiq (2002) state that *“to have satisfied customers, the firm must also have satisfied employees”* (p.1). Due to the increased importance of service competition in almost every business there has emerged an increased need for the concept of internal marketing. This increased need is a result that derives from the fact that services require more human contact (Grönroos, 2000). Further, Grönroos (2000) mentions that the emerging importance of services to almost every business has led to the recognition that well-trained and service-oriented employees are the most important resources of a company, rather than raw materials, production technology or the actual products.

The internal marketing concept was initially used in the mid 1970's as a tool for achieving consistent service quality (Ahmed & Rafiq, 2002). Further, Ahmed and Rafiq (2002) state that there has been a major development in the concept of internal marketing since the 1970's and the concept is no longer limited to the service area. It has been shown that any organisation can use internal marketing to implement its external marketing or any other organisational strategies internally. Although there has been a development, the concept has not achieved the proportionally right recognition among managers that it deserves (Ahmed & Rafiq, 2002). Instead, in many organisations the popular opinion by managers is that marketing plans and strategies will “sell” themselves to those in the company whose support and commitment are needed. This assumption is according to Hooley, Saunders and Piercy (2004) just as naive as believing that products that are good enough will sell themselves to external customers.

Further, Hooley et.al (2004) argue that success in the marketplace is highly dependent on employees who are far away from the executives creating the marketing strategies in the organisational hierarchy. Employees such as service engineers, customer services departments, production and finance personnel dealing with customers and field sales personnel etc. are called “part-time marketers” and impact directly and heavily on customer relationships. However, they are not part of any formal marketing organisation, at the same time as they are not typically within the direct control of the marketing department. However, since these are the people meeting the external customers and therefore are responsible for the offered service quality they impact heavily on how the organisation is viewed by the customers. The overall purpose of internal marketing is explained by Grönroos (1983) in three steps (see section 2.1.1.).

- To attract appropriate employees as contact persons and in management positions
- to retain good and appropriate employees

- and to influence and motivate employees in order for them to be customer oriented, marketing oriented and thereby make an effort as good as possible in the interactive marketing process.

In line with this Ahmed and Rafiq (2002) state that the focus upon employee satisfaction in internal marketing is due to the fact that in the marketing of services a large part of what customers ask for is in fact labour, or human acts of performance. Consequently, the attraction of appropriate and good personnel becomes a critical factor. Ahmed and Rafiq (2002) explain this by stating that attraction, retention and motivation is especially important in situation where the service is the major differentiating factor between competitors. Finally it should be noted that the internal marketing process should be targeted towards every direction in the organisation, downwards to the producing personnel, upwards and sideways in order to be effective (Grönroos, 1983).

As the literature about this subject has grown rapidly many different ideas of what internal marketing (IM) actually is have been stated. However, these different definitions and explanations might actually have made it harder for organisations to apply the activities and ideas building up the concept. A major contribution of this is the fact that all these definitions and explanations have made it hard to determine a single unified definition of what internal marketing really is. The literature has given us a variety of meanings regarding what IM actually is, what it is supposed to do, how it is supposed to do it and who is supposed to do it. All these interpretations about the concept have led to a wide group of activities being placed under the concept of IM. Further, this has led to difficulties in the implementation of the concept. Finally it can be said that all these different explanations and definitions of what internal marketing really is have led to contradictions making it even harder to define the concept and to make investigations about it (Ahmed & Rafiq, 2002). Further, Ahmed and Rafiq (2002) argue that a clarification of the concept at the definitional level must be done in order for internal marketing to be recognised as a paradigm of organisational change, management and the implementation of strategies. In line with this Gilmore and Carson (1995) state that there is still no single unified notion of what is meant by internal marketing and that it is still an ill-defined concept that offers a *“philosophy for managing the organisation’s human resources based on a marketing perspective”* (George & Grönroos, 1990, cited in Gilmore & Carson, 1995, p. 299). Further, Berry and Parasuraman (2000) state that although internal marketing is not a new idea, it is an idea that often is discussed without discussing necessary characteristics and specifics needed for implementation of the idea. In line with this Carson and Gilmore (1995) state that the lack of clear recognition of which organisational function or department that should have the overall responsibility of the implementation of initiatives has led to difficulties in the implementation of internal marketing. Together with above mentioned difficulties in implementation of internal marketing Carson and Gilmore (1995) finally state that the issue of the implementation is perhaps the most significant aspect of internal marketing that has to be addressed.

Even though Ahmed and Rafiq (1993, cited in Partviyar & Sheth, 2000) recognised that the need for internal marketing is well understood, the reality, unfortunately, shows that very few organisations actively apply the concept in practice.

1.3 Problem Statement and Delimitations

Based on above problem discussion a number of interesting problems regarding internal marketing need to be addressed. As can be seen in the above section it has been identified

by Carson and Gilmore (1995) that perhaps the most relevant aspect of internal marketing that has to be addressed is the implementation of the concept. Due to the fact that there are not a single unified definition of internal marketing the research of the implementation of the concept has been limited. This has led to very few organisations applying the concept in practice due to the fact that these organisations do not know what to apply or implement. (Ahmed & Rafiq, 1995). Further, Ahmed and Rafiq (2002) state that despite nearly 25 years of development internal marketing is well ahead of its time and that this is the major reason for the concept not being recognised and implemented by managers to the extent it deserves. Based on the fact that there needs to be research done regarding the implementation of internal marketing this research will analyse how the different ideas and activities building up internal marketing is implemented in a Nordic bank organisation, namely Nordea

In conversations with Eva Borgström-Carrick, Head of HR, Nordea Sweden (personal communications, 05-03-22) the author has decided to limit this thesis to focus on the recruitment and retention process of internal marketing. The reason for this is that the whole internal marketing process is too complex to analyse based on the limited number of three interviews that has been conducted in this research. By limiting the study in this way the author has the possibility to get a deeper understanding of how internal marketing is used in the recruitment process. However, by recruitment process in this sense it is meant, not only how suitable employees are recruited but also how they are treated and taken care of after the actual recruitment occasion, hence, the retention of suitable employees.

1.4 Company Presentation

Nordea is the leading finance business group in the Nordic countries and the Baltic Sea region. The business group conducts business on three different business areas, Retail Banking, Corporate and Institutional Banking and asset Management & Life. The organisation has the most comprehensive distribution network in the region with 1150 bank branch offices and leading telephone and internet banking services. Nordea also has the largest customer base of any financial group in the region with 9, 6 million personal customers, 930 000 corporate customer and 1000 large corporate customers. At the end of December 2004 the total amount of full time employees added up to about 29 000 (www.nordea.com).

The bank originates from four Nordic Banks, Merita Bank, Nordbanken, Unibank and Christiania bank og Kreditkasse. These banks come from Finland, Sweden, Denmark and Norway respectively. The operations of these banks have been conducted under the name Nordea since 2001. The name Nordea stems from combination of two words, “Nordic” and “Idea” – Nordic Ideas. These words arise from the groups mission statement, which is “making it possible”, which is about helping customers to achieve what they desire. Even though the organisation is as new as being established in 2001 its origin from above mentioned banks go back to the beginning of the 19th century. The first cross boarder merger appeared in 1997 between Swedish Nordbanken and Finnish Merita Bank. This was then followed by the merger between MeritaNordbanken and Danish Unidanmark and the acquisition of the Norwegian bank Christiania bank og Kreditkasse in 2000 (www.nordea.com).

The organisation is the biggest in the region and has gone through a number of transformation processes. The above mentioned mergers and acquisitions and the customer oriented mission makes the organisation interesting to use as a case study regarding imple-

mentation of internal marketing. It must also be noted that the author had very valuable connections within the company in order to conduct this study. Due to these connections the author managed to get three respondents who all have relevant positions in the organisation in order to find out to what extent and how internal marketing activities are present in the organisation.

1.5 Purpose

The purpose of this thesis is to analyse how internal marketing is implemented in practice in Nordea with focus on recruiting and retaining employees.

1.6 Definitions

1.6.1 Services

As well as internal marketing, a service can be defined in a number of ways. However, in order to understand the meaning of the service concept a service must first be defined. Grönroos (2000, p. 48) gives a definition of what a service is as follows:

“A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems”.

In line with the definition above, Westlund and Edvardsson (1998) define a service as more or less intangible and abstract. However, they add to the definition that services are being produced, delivered and used more or less at the same time, might include that the recipient (consumer) acts as a co-producer and that services are unique. An interesting contribution made by Edvardsson and Olsson (1993) is that a service does not exist if the customer does not experience it.

According to Edvardsson and Olsson (1993), the service process can be seen as the chain or the chains of activities, parallel or sequential, that must function in order for the service to occur. These two authors have created a model explaining the service process which shows how the service is being created internally but also by suppliers, co-operating partners and the customer. Further the authors separate from what they call the generic service process and the customer process. The generic service process includes all the value creating processes in the company, both internally and in processes where the customer actively takes part. The generic service process includes a variety of customer specific processes. In this point it is important to notify that all customer processes are somewhat unique, in other words, it is experienced differently by all customers. Finally these two concepts can be separated from each other since the generic service process includes all standardised and possible activities in the customer process, while the activities in the customer process takes place first when the customer has activated the service process (Edvardsson & Olsson, 1993).

1.6.2 The Bank as a Financial Service Organisation

According to Berry (1981) banks are service businesses, which means that what they sell is performance. Furthermore, there are other examples of how a bank can be seen as a ser-

vice organisation. According to Burton (1994), the economic shift from manufacturing to service industries has been of considerable importance in helping financial service organisations to reach non-traditional or under represented customers, such as women and manual workers. Further, Burton (1994) argues that banks can be seen as one of these financial service organisations promoting over 300 services, a much higher number than for example insurance companies. In line with above facts Meidan (1984) argues that the way banks make their product available to their customers must be made in a different manner from that of a traditional industrial goods company since it is not possible to do it the same way with a service such as banking. Since the banks today are no exception of the fierce price and product competition they have attempted to gain competitive advantage through the promotion of service quality (Burton, 1994). To understand the importance of the customer oriented employee Burton (1994) explains that the increased wealth of the population has led to people saving out of their existing income. Hence, an increased demand for investment and advice services. Further, Meidan (1984) argues that the “products” that banks offer are essentially services, therefore, the satisfaction the customer gets from purchasing a product from the bank comes from the performance of the service, rather from the ownership of a physical good.

Bank Employees

The understanding of the importance of the customer oriented employees in banking emerged in the beginning of the 80's when Watson (1982, cited in Burton, 1994) cited a number of reasons for the slow development in the marketing of banking. One of these reasons concerned the fact that most financial service organisations often lacked appropriately qualified staff with a suitable level of both marketing and technical expertise. It was not until these financial service organisations realised that more effective marketing focus was needed for future profitability that financial service firms realised that they lacked staff with the requisite skills and experience. To compensate this many financial service firms have brought in marketing know-how (Burton, 1994).

The complexity

The complexity of the service process in a bank arises from the fact that every customer has a unique need that has to be satisfied (Burton, 1994). Therefore the services offered in a bank are heterogeneous and hard to standardise. The importance of the customer contact has being recognised due to this complexity. In order to improve the interaction between buyer and seller banks have started to focus more on a customer oriented approach in order for the employees to be better at understanding these unique needs of the customers (Burton, 1994). However, the difficulty in standardising the interaction between buyer and seller still remains.

2 Frame of Reference

In this chapter the author will explain appropriate theories to get a deeper understanding of the concept of internal marketing. Since the purpose of this concept is to achieve customer satisfaction and a high service quality these terms will be explained first. Since this thesis has been limited down to focusing on the recruitment and retention process in internal marketing, theories regarding these processes will be explained. The chosen theories will explain the formulated problem statement of this thesis in order to answer the formulated purpose.

2.1 Introduction to Frame of Reference

2.1.1 Internal Marketing

More than 25 years ago, internal marketing was originally proposed as being a solution to the problem of being able to constantly deliver high service quality (Grönroos, 2000). In order to achieve this goal early researchers in the field argued that the focus should be upon the issue of employee motivation and satisfaction (Ahmed & Rafiq, 2002). To explain the origin of this concept Grönroos (2000) writes that in this new concept of developing service orientation, organisations must be aware of the fact that the employees are a first, internal market for the organisation. Further he argues that if goods, services, planned marketing, communication, new technologies etc. can not be marketed into this internal market, external customers can not expected to be successful either.

Therefore, the central part of internal marketing is to motivate the employees in order for them to be customer oriented, marketing- and sales-oriented making their participation in the interactive marketing process as efficient as possible (Grönroos, 1983). Further Grönroos (1983) explains the general purpose of internal marketing in three steps:

- To attract appropriate employees as contact persons and in management positions.
- Retain good and appropriate employees
- Influence and motivate employees in order for them to be customer oriented, marketing oriented and sales oriented and thereby make an effort as good as possible in the interactive marketing process.

In order to understand the functions of internal marketing Grönroos (1983) explains the different marketing functions in a service company. At first he says that the importance of the functional quality as a competition tool in the marketing process highlights the service company's business contact with its customers – both personal as well as contact through machines and other technological equipment, as important marketing activities. These contacts are usually called *buyer – seller interactions*. Further Grönroos (1983) states that these contacts make up the interface between the production of the company and purchasing and consumption of the market. Unlike the *traditional marketing* that is being taken care of by professional marketers the marketing process in the buyer seller interactions is taken care of both by professional and un-professional marketers and occurs in direct contact and interaction with the customers. These un-professional marketers are called part time marketers (Gummesson, 2002). As a consequence of these interaction characteristics between the company and the customers this type of marketing is called *interactive marketing*. In a service company there are two external marketing functions, the traditional and the interactive marketing functions. The goals of the traditional marketing functions are to evoke an

interest on the market and achieve first time sales. In the interactive marketing function the goals are to make the customer satisfied, achieve more sales and to create a long term committed customer relation.

Since the employees in the buyer-seller interaction fulfils such an important resource in the interactive marketing function it is of high importance for the company to be able to influence and motivate the employees to make them committed to do the best effort possible to increase the functional quality. The concept of internal marketing starts with this assumption, or in other words, the quality of the employees affect the overall quality of the service because of the labour intensive nature of most service provisions (Burton, 1994). If this can not be done there is a high risk that the interactive marketing process will be mistreated leading to a decrease in the functional quality. This, in turn might lead to dissatisfied customers, negative word of mouth and the worst case scenario, a dissatisfied atmosphere among the employees within the company. Besides motivating the existing personnel it is important for the company to be able to recruit suitable co-workers and to retain the already existing appropriate personnel and not loose them to other companies or organisations with more attractive working environments, tasks and terms. Achieving all these goals is the aim of the third marketing function, the *internal marketing* function Grönroos (1983). Hence, this is what this research will focus on.

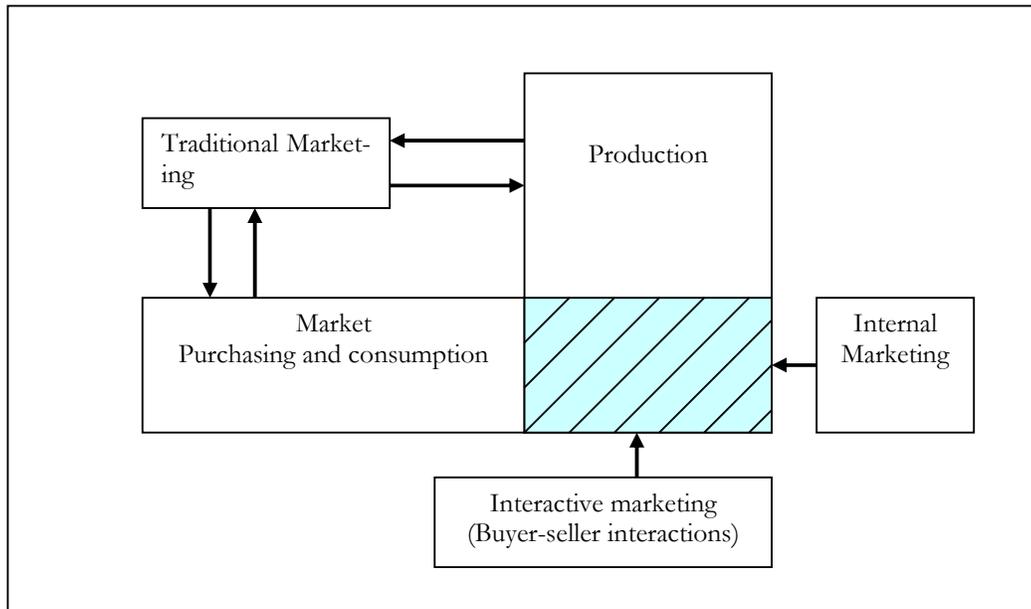


Figure 2.1 The Three Marketing Functions of a Service Company (Grönroos, 1983, p. 13)

2.2 Service Quality

In service quality literature the actual quality of a service is usually defined as “*whatever the customer perceives it to be*” (Grönroos, 2000, p 63). The risk with such a narrow definition is that the actual service quality programme gets too narrow as well. For example, the technical specification of a product is often considered the most important feature of service quality. However, the reality shows that customers often perceive the quality of the service in broader terms with other aspects frequently dominating the quality experience. The importance of understanding these aspects that count for the perceived quality becomes essential within the firm. It should always be remembered that “*what counts is quality as it is per-*

ceived by customers” (Grönroos, 2000, p. 63). In line with this Chakrapani (1998), state that the main focus of service quality should be on the customer. The reason for this is that when a firm that lacks customer focus attempts to deliver quality, it is likely to fall into the trap of delivering quantity rather than quality. An example of this is that increased product features usually result in increased costs, however, these increased features do not necessarily lead to an increased customer enjoyment.

In line with what is said above Zeithaml, Parasuraman and Berry (1990) state that in service marketing the essence is, as the name suggests, service. As most marketing literature stress the importance of the 4 P’s of marketing, Product, Price, Place and Promotion – the service marketing literature stresses the most competitive weapon to be the fifth P – *performance*. It is the performance of the service that separates one service firm from another and it is this performance that creates the perceived service quality that results in true customers who buy more, remain loyal to the firm and remains as customers (Berry & Parasuraman, 1991). Further, Zeithaml et.al (1990) state that a warm and nice greeting of the service provider or a professional handling of a request can help a firm appear very differently in the eyes of the consumer compared to other suppliers of a similar service.

In order to measure customers perceptions of service quality Zeithaml et.al (1990) have built a conceptual definition of service quality that contains ten evaluative dimensions. These evaluative dimensions were matched with two statements, one that measured expectations about firms in general and the other that measured perceptions about the particular firm whose service quality was being investigated. A seven point scale ranging from 7 (strongly agree) to 1 (strongly disagree) was then attached to each statement. After gathering data on the service quality of four nationally known firms, among them a bank, and after various statistical analyses the original ten dimensions of service quality turned into five dimensions in the construction of the SERVQUAL, the conceptual definition of service quality (Zeithaml, Parasuraman & Berry, 1990: Berry & Parasuraman, 1991). These five general dimensions that influence customers evaluations’ of services quality are:

- Reliability: The ability to perform the promised service dependably and accurately.
- Tangibles: The appearance of physical facilities, equipment, personnel, and communications material.
- Responsiveness: The willingness to help customers and to provide prompt service.
- Assurance: The knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy: The provision of caring, individualised attention to customers.

In a survey made by the authors over 1,900 customers of five service companies were asked to relate the relative importance of the five dimensions. The answers suggest that reliability is the essence of service quality. Due to this it can be said that reliability is the very core of service marketing excellence (Berry & Parasuraman, 1991).

The basic foundation of the service literature is that high service quality leads to customer satisfaction. This fact is supported by a large amount of empirical evidence that suggests that service quality is the building block of customer satisfaction in services (Ahmed & Rafiq, 2002). Further, the authors stress the importance of customer satisfaction since it in turn leads to loyal customers that results in less price sensitive customers, reduces costs of

attracting new customers due to positive word-of-mouth promotion, higher reputation of the firm and reduced impact of competitors activities.

2.3 Customer Satisfaction & Internal Efficiency

As stated in the introduction of this thesis the key to have satisfied customers lies in having satisfied employees (Berry & Parasuraman, 1991). Due to the increased importance of services and thereby the increased human contact in the business settings the need for internal marketing has increased (Grönroos, 2002). However, there are other factors contributing to customer satisfaction as can be seen in the following sections.

Customer satisfaction can be determined by the extent to which a product or service perceived performance in delivering value to the customer matches the buyer's expectations. If the performance falls short of the expectations the customer gets dissatisfied, and if the perceived performance exceeds the expectations the customer experiences satisfaction with the product or service (Kotler et.al., 2001).

In order for the company to be able to create customer satisfaction, a customer satisfaction programme must be developed. Such a programme needs to be associated with ongoing measurements of customers' attitudes and behaviours over time if it is about to be meaningful. This responsibility has been given to the internal marketing research functions of different companies (Myers, 1999).

Grönroos (2000) recognised that an improved service quality will lead to customer satisfaction. He also added that this in turn has a two fold effect. Internally this will lead to an improved working atmosphere since increased customer satisfaction is noticed by the employees. This in turn will create obvious positive effects which are supported by the service-oriented strategic direction that is chosen by management. Decisions that are meant to improve the buyer-seller interactions and service quality signals that management is prepared to rely on the employees to generate increased revenue for the company. Strategic decisions like this have a positive effect on the internal environment of the firm and on employee motivation (Grönroos, 2000). This improved internal atmosphere will continue to make the buyer-seller interaction even better which will make the firm continue to invest in these strategies by backing up this trend through generating financial resources (Grönroos, 2000). Following this reasoning it is said that the optimal level of satisfaction has to be found in order for the increased revenues to continue to cover the increased investments. Hence, the relationship between satisfied customers and satisfied employees works in both directions.

Although, customer satisfaction leads to all the above mentioned positive outcomes, researchers have had a hard time trying to come up with evidence supporting the fact that customer satisfaction leads to profitability. The relationship between customer satisfaction and profitability is likely to display decreasing returns. In other words, increased investments in customer satisfaction are likely to lead to a decrease in returns after a specific point. This suggests that there exists an optimal level of satisfaction that the firm should aim for (Ahmed & Rafiq, 2002).

Based on above information it can be concluded that it is the expectations of the customer and how these expectations are met that make up the degree of customer satisfaction. Berry and Parasuraman (1991) studied this relationship and found that the customers' service expectation exists at two levels, the *desired* level and the *adequate* level. The desired service level describes the service that the customer hopes to receive. This level is made up by

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a mix of what the customer believes “can be” and “should be”. The adequate level describes what the customer finds acceptable. This level reflects the customer evaluation of what the service “will be”, or in other words the customers *predicted* service level. Between these two levels there is a *zone of tolerance*, which is a range of service performance that the customers finds satisfactory. A level below the zone of tolerance will lead to customer frustration and decrease customer loyalty, hence dissatisfaction. A level above the tolerance zone will lead to positively surprised customers and strengthen the loyalty, hence satisfied customers. To illustrate this Berry and Parasuraman (1991) describes a customer at a bank. The customer wishes to have a check cashed in three minutes (desired service level). However due to past experiences the customer knows that factors such as number of customers in the waiting line, time of day etc. might increase the number of minutes to be served. This results in the customer being willing to tolerate a total transaction time of ten minutes (adequate service level). This means that the customer will be satisfied with the speed of the service if the total transaction time is between three to ten minutes (zone of tolerance). Based on this Kotler et.al. (2001) state that smart service companies aim to pleasure customers by only promising what they can deliver, then delivering more than they promise.

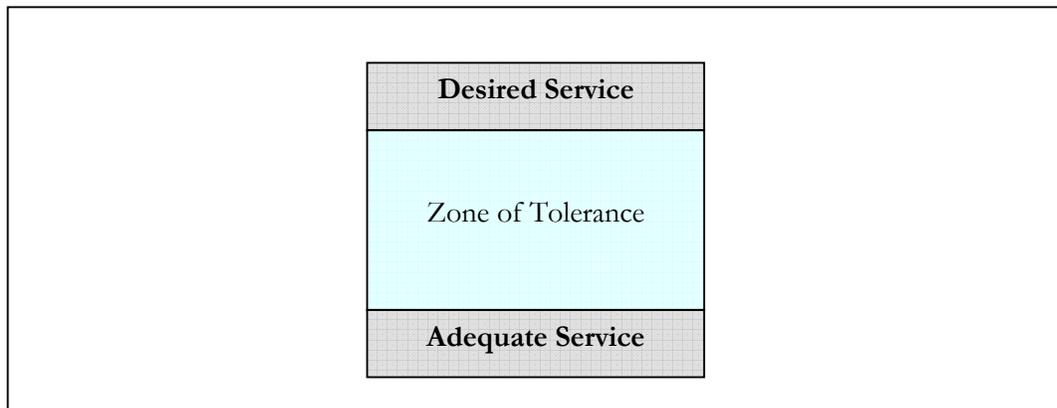


Figure 2.2 The Two Levels of Expectations (Berry & Parasuraman, 1991, p. 58)

2.4 The Role of Marketing and HRM in Internal Marketing

One very important question mark of internal marketing is where to draw the line between marketing and Human Resource Management (HRM). Some internal marketers have argued that important functions that traditionally have been seen as the core functions of the personnel department of a company should be overtaken by the marketing functions of the same company (Ahmed & Rafiq, 2002). In a definition of internal marketing made by Berry and Parasuraman (1991, p. 151) this fact gets illustrated:

“Internal marketing is attracting, developing, motivating, and retaining qualified employees through job-products that satisfy their needs. Internal Marketing is the philosophy of treating employees as customers...and it is the strategy of shaping job-products to fit human needs”.

While some marketers applaud this new marketing strategy of employees as customers some doubt whether marketers are best placed to control the internal marketing strategy. According to Wood, chief executive of strategic branding consultancy Corporate Edge (cited in Simms, 2003, p. 24) *“There is no role for marketers in internal marketing because it is about people, so should be handled by HR”.* The above definition of internal marketing can be com-

pared to a definition made by Williams (cited in Ahmed & Rafiq, 2002, p. 59) regarding HRM:

“Human Resource Management is concerned with the set of decisions and policies through which the organizations attract, recruit and motivate, reward and develop their employees. In addition it is concerned with the ways in which employment is terminated”.

Despite the many similarities of these two definitions, Ahmed and Rafiq (2002) explain that there is a big difference between them which is explained by the fact that there is a relatively small amount of HRM literature written regarding the fact that services require different types of HRM practices compared to those required in the production of physical/manufactured goods. The services marketing literature has highlighted this fact and also that it is of high importance to have the right personnel at the point of delivery, due to their impact on the quality perception of the service delivery as well as the fact that the actions taken by the personnel form a vital part of the offered product. As a consequence of these service marketing characteristics marketing departments must be present and closely involved, together with the HRM department in the recruitment, training and rewarding of employees (Ahmed & Rafiq, 2002). In order to describe the importance of these departments working together Grönroos (2000) state that job descriptions, recruitment procedures, career planning, salary, bonus systems and incentive programmes as well as other HRM tools should be used by organisations in order to achieve internal marketing goals.

2.5 The Recruitment Process

2.5.1 Recruiting the Right Employees

It is noted that a key factor in internal marketing and in performing a service is to hire the right employees (Berry & Parasuraman, 2000). In line with this Grönroos (2000) states that successful internal marketing starts with recruitment and hiring. However, even though this is well known the truth tells that many service companies have ill defined and low standards for the personnel they hire (Berry & Parasuraman, 2000). These companies involve few employees in the recruiting, interviewing and selection process. In fact these companies sometimes make these important processes a matter only for the personnel department. Further, these companies tolerate very high employee turnover rates and explain these rates as natural assuming that they can not change it since it is a natural way of life (Berry & Parasuraman, 2000).

One of the key reasons for a company offering poor service quality origins from the fact that the company is hiring the wrong people to perform the service. In an empirical study made by Berry and Parasuraman (2000) the result showed that employees who felt that their business units did not perform the service according to company standards also felt that their company was not hiring people qualified to do the job. The recruitment process is by many managers seen as a troublesome, time consuming and difficult process which is partly true. However, it is important not to let these feelings control the process. Instead managers should view this process as an opportunity to stimulate, develop and push the organisation forward (Friman, 1983).

One reason that organisations hire the wrong people to carry out their mission arises from the fact that it might be hard to act like a marketer when it comes to Human Resource Management (HRM) issues (Berry & Parasuraman, 1991). To explain this a little bit further the authors state that marketing is usually used to compete for *sales* market share but not

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for *talent* market share. However, due to the increased need for good service employees there has never been a more appropriate time for service firms to start to compete for talent. Given the increasing competition of highly talented employees it is tempting to lower hiring standards. However, smart internal marketers ignore these temptations and instead work harder than competitors to find the right employees (Berry & Parasuraman, 1991).

Further, Berry and Parasuraman (1991) state that smart internal marketers should aim high and develop ideal candidate profiles for each type of position based on consumer service expectations, and use these in recruiting candidates. Multiple candidates should be interviewed for each position with multiple employees in the interview process. Finally should the more promising candidates be interviewed on multiple occasions. In short it can be said that smart internal marketers are very determined and thorough in their search for talent. By using a variety of methods to reach prospective employees it is meant that firms can not only use advertising in newspapers. Examples of how firms can use other methods are company sponsored career fairs, tuition assistance for students that work during college, and employee-recruiting-an employee programmes with compensation for finding a suitable employee for a vacant position (Berry & Parasuraman, 1991). According to Dale (2003) it is suggested that open advertisement in as many media as possible is the best way to attract a broad range of candidates.

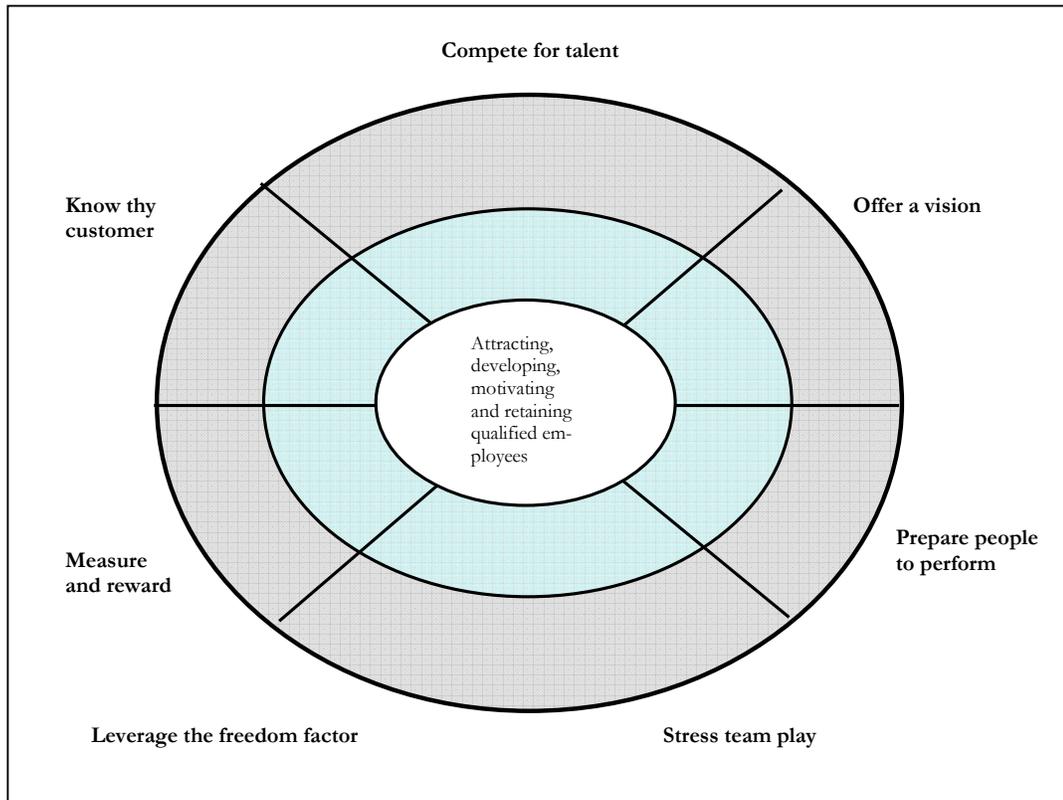


Figure 2.3 Essentials of Internal Marketing (Berry & Parasuraman, 2000, p. 178)

2.5.2 Internal Recruitment

When a company is about to recruit a new employee for a vacant position one should always start with trying to recruit internally (Friman, 1983). Further the author state that

companies should by routine announce vacant positions internally due to the fact that most people/employees view it as positive and developing to work in organisations that primarily offer the own personnel the chance to climb up the career ladder (see section 2.3. regarding internal efficiency). Internal recruitment offers the possibility to take advantage of un-used capacity/resources of existing employees. In interviews with these already existing employees a positive outcome can appear in restructuring the work related tasks of the job applicant or the department with an increased total effect as the result (Friman, 1983).

According to Breugh (1992) it is of highest importance that a firm that is about to recruit first answers the question of whether or not you should recruit internally or externally. Except for above mentioned advantages of internal recruitment, compared to external, there are a number of other advantages of internal recruitment. Breugh lists these advantages as follows:

- Considerably more information about internal candidates is available compared to external candidates resulting in easier evaluation processes of qualifications of internal candidates. Thus, better hiring decisions may result
- Internal recruiting is generally less expensive.
- Important job openings can be filled more quickly with internal recruitment.
- Internal job candidates are generally more familiar with organisational policies, procedures, norms, logistics, products and key decision makers. This results in the internal candidates needing less transition time to become effective in the position(s) being filled.
- If vacant positions are being filled internally by candidates that deserve the positions this can motivate other employees to work harder since they realise that hard work is rewarded.

2.5.3 Employee Turnover and Retention

Branham (2001) has identified what he calls different truths, about employee turnover. At first he states that to some extent employee turnover is natural and will always be a reality within organisations. The importance lie instead in trying to keep those workers you can least afford to lose. In achieving this, companies should start with identifying past reasons for the loss of such employees and how they can be prevented in the future. Secondly, Branham (2001) states that some turnover is desirable for a couple of reasons. First, if all employees stay in an organisation this will drive up the salary expenses to an extremely high level, secondly, new employees usually bring new ideas, approaches, abilities and attitudes and keep the organisation from being stagnant. Thirdly, employee turnover is very costly. The fourth truth of employee turnover is that it is not largely about money. This is motivated by the fact that if employees are paid a fair salary compared to what other employers pay and when they have an interesting and meaningful work, performed in acceptable working conditions, and is supported by good management practices the prospect of making more money in another company, where these work related factors are unknown is usually not enough to pull workers away from the organisation. Further, Branham (2001) states that it is the actions of the managers that determine whether or not employees stay in, or leave the organisation. In one study it was determined that 50% of what counted as reasons for job satisfaction arose from the relationship the typical worker had with its im-

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mediate supervisor. Finally Branham (2001) states that employee turnover demands commitment from the management of the organisation in reducing unwanted turnover.

If the above mentioned truths are dealt with, employee turnover is likely to decrease which automatically leads to an increase in the degree of employee retention. However, Branham (2001) also lists a couple of key activities that will lead to the retention of good employees. The first key is to *be a company people want to work for*. By this is meant that the organisation's leaders must build a culture that models, encourages, and rewards commitment and attracts prospective employees by creating a reputation as a good employer in the community. Secondly, *select the right people in the first place*, which means that the talent needed must be clearly defined which will allow the organisation to effectively implement its business strategies successfully. Thirdly, *Get them off to a great start*, which implies the importance of integrating new employees in a way that makes them feel welcomed, valued, prepared and challenged. Finally, *coach and reward to sustain commitment*, which means that performance agreements must be managed, results recognised and career growth and advancement must be facilitated.

Berry (1981) states that internal marketing can help a bank to attract and retain its best possible employees and to get the best possible work out of them. In other words, by satisfying the needs and wants of the internal customers, a bank upgrades its possibility to satisfy the needs and wants of its external customers. Unfortunately the reality shows that a common phenomenon in many service organisations such as banks or fast food chains is to fill up their customer contact positions with employees being willing, at least temporarily, to work for wages marginally above minimum regulations. Further, these positions are usually designed based on simplified, repetitive and boring tasks that require minimum training. Companies like this make little effort in developing either dedication to work or loyalty to the company. The result of implementing such a strategy is often quite predictable and disastrous with the result of high employee turnover and customer dissatisfaction (Schlesinger & Heskett, 1991).

The traditional management response to the above mentioned negative characteristics unfortunately expands the problems the organisation is facing. Reality shows that high employee turnover often leads to managers spending less time and money in selection, training and commitment-building activities. The question managers in situations like these are trying to answer is why they should invest in people who are not going to stay within the organisation? This process that is explained in the paragraph above is described by Schlesinger and Heskett (1991) as *the cycle of failure*. The cycle produces indifferent attitudes towards customers and poor service which in turn leads to poor service perceptions by the consumer and lower sales. Further, this leads to customer dissatisfaction which in turns expands the feeling of employee dissatisfaction, thus encouraging employee turnover. High employee turnover then affects the service quality in a negative way, especially in situations where continuity of customer-service relationships is important.

However, fortunately there are organisations that take a long term focus on financial performance and invest in people. For these organisations, Schlesinger and Heskett (1991) have created the *cycle of success*. Similar to the cycle of failure, success applies to both the customer and the employee. Job designs in these companies are broader and offer training and empowerment practices to the employees that allow front-stage personnel to control the quality. In these organisations the recruitment is more focused, training more intense and the wages better and the result of this is that the employees are likely to be happier in their work, hence increased employee retention, which in turn results in them performing a higher quality customer-pleasing service, and hence, increased customer satisfaction. Fur-

ther, the authors state that regular customers appreciate the continuing service-relationships which are a result from the lower employee turnover, and are therefore more likely to remain loyal to the firm. Profit margins tend to be higher, and the organisation can focus its marketing strategies to retain the existing customers, which is less expensive than attracting new ones.

Berry (1981) has identified that in a homogeneous business such as retail banking it is of highest importance to train and retain good people since good employees that offer high quality service is one way of distinguishing the own bank from competitors. The reason for this is that the services banks offer has become more and more associated with “helping yourself” through electronic machines, this offers an opportunity to position the bank as one that has good people, not good machines.

2.6 Employee-/Job Satisfaction

According to Ahmed and Rafiq (2000), employee satisfaction can be seen as a function of adequate training, employee discretion and participative management. Based on the statement in the introduction to this thesis that to have satisfied customers, the firm must also have satisfied employees (Berry, 1981) it is of highest importance for a firm to put high emphasis on creating this employee satisfaction. Employee satisfaction has often been referred to as job satisfaction (Miller, Pielack, Rust & Stewart, 1996). This last statement is to provide the reader with an understanding that these two terms mean the same thing in order to follow the beneath theory.

Job satisfaction refers to feelings and attitudes an employee has towards various aspects of their job as well as the job in general (Lawler & Porter, 1967, cited in Clow et.al., 1994). Two factors that contribute to low job satisfaction are high *role conflict* and low *role clarity*. The former term refers to the degree an employee receives contradictory demands and thereby engages in inconsistent behaviour. The later term refers to the degree employees or individuals receive and understand information that is necessary for them to perform their jobs (Clow et.al, 1994). If low job satisfaction is experienced this will then in turn lead to increased absenteeism and employee turnover (Lawler & Porter, 1967, cited in Clow et.al., 1994). In line with this Miller et.al (1996) state that improving employee satisfaction is an instrument of reducing employee turnover. By stressing the importance of creating job satisfaction in service business Bitner (1990) states that low job satisfaction has the potential of causing low quality service performances by the employees experiencing the phenomenon.

In the 1960's and the 70's a large number of experiments were conducted in order to study work design concerning finding ways to make work more meaningful by motivating workers in order to improve the job satisfaction and productivity of the workers (Dale, 2003). Due to this statement it gets interesting to describe a number of motivational theories in order to understand factors driving and affecting employee motivation, hence job satisfaction.

Hackman, Oldham, Janson & Purdy (1975) have come up with a number of states that are likely to affect motivation and job satisfaction. First the authors state that the employee must experience that the work is *meaningful, worthwhile or important* by some system of values he/she accepts. Secondly, the employee must experience that he/she personally is accountable for the outcome of his/her effort end thereby experience *responsibility*. Thirdly, the employee must to some extent be able to determine, on some regular basis, if the outcomes of

the work done are satisfactory and thereby experience *knowledge of results*. When these three states are high the result will be high internal work motivation, job satisfaction and work quality, at the result of low absenteeism and turnover.

Maslow (1954) explains that human motives can be organised in hierarchy of priorities. The basic assumption that Maslow made in this theory was that as one base need was satisfied this would automatically lead to the fact that the individual would be motivated to satisfy the next need in the hierarchy. The five needs that Maslow identified are the *psychological-, safety-, social-, esteem-, and self actualisation* needs (Maslow, 1954). Interesting is that the final need in the hierarchy, the *self actualisation need* refers to the fact that an individual has to do what he/she is fitted for. Even if the previous four needs are satisfied a sense of discontent and restlessness will soon develop if the individual does not do what he/she is intended to do. This need is summarised by Maslow in the sentence "*what humans can be, they must be*" (Maslow, 1954, p. 22).

An interesting assumption made by Maslow (1954) is that a human being is never satisfied, except for a short period of time. As one desire gets satisfied another desire will shortly arise in the mind of the individual. (Maslow, 1954). This assumption is very important in an organisational context since it requires a regular monitoring of employees in order to find out what needs they want satisfied.

Further, Herzberg (1959) developed a theory called the *dual factor theory* which is based upon work related needs. These needs are divided into two separate groups, *hygiene factors* and *motivational factors*. The hygiene factors describe working conditions that can trigger dissatisfaction if they are not satisfying the needs of the employees to a certain extent. These factors can be seen as external factors or job context factors such as working environment, interpersonal relationships or adequate payment. The important aspect of these factors is that if they are satisfied they do not contribute to a feeling of job satisfaction, if they are satisfied they simply produce neutral feelings towards work. On the contrary, the motivational factors originate from the work itself and might create job satisfaction. These factors can take the form of job challenge, responsibility and recognition etc. and provide feelings of job satisfaction if they are present at the work.

2.7 Internal & Employee Communications

One of the key components of the internal marketing strategy is internal communications. If an organisation is about to have a change in its vision, mission and values and if these changes are to have a chance in being adopted by its employees then these changes must be effectively communicated within the organisation (Dunmore, 2002). Applying the marketing concept internally includes that several target groups can be reached and several marketing instruments can be taken into consideration. Of these, employees and the instrument of an internal communication policy are of highest importance (Hoffman & Stauss, 2000). In line with this Schneider and Bowen (1985, cited in Clow, Kash & Rogers, 1994) state that without effective communication employee job satisfaction will suffer as well as the quality of the service encounters between the company customers and the company employees. This lack of communication will in the worst case eventually lead to a decrease in role clarity, an increase in job tension and a decrease in job satisfaction (Clow et al., 1994). This decrease in job satisfaction will then automatically lead to a decrease in employee retention.

Ahmed and Rafiq (2002) explain the importance of internal communication when describing this internal marketing tool as the P for *promotion* of the internal marketing mix. Translated into internal marketing terms the aim of promotion (internal communications) is to motivate and influence employee attitudes which is obviously an important aspect of internal marketing. In line with this, Berry and Parasuraman (1991) state that the attraction, retention, development and motivation of quality employees require a clear vision which must be communicated to the employees. People that are delivering services need to have an understanding of how their work fits into a broader perspective of the business operations, in other words, how their work contributes to the success of the firm. Further, the employees need to understand and believe in the organisational goals to which they contribute and they need to have a cause of serving others since it is too demanding to continue doing this without having one. Companies with great internal marketing strategies stand for something worthwhile and they communicate this vision to employees with passion. These great internal marketing companies are able to create a strong commitment to the goal oriented values of the organisation, helping the workers to understand their contribution in achieving them (Berry & Parasuraman, 1991).

The internal communications policy covers a new extensive area in business matters since it covers all measures with an impact on knowledge, attitudes and behaviours of what is called the internal customers on different hierarchical levels. By internal customers in this sense it is meant current, former, potential employees, departments etc. (George, 1990, cited in Hoffman & Stauss, 2000). The part of an internal communication policy that is targeted towards employees is called employee communication. The purpose of employee communication is to systematically align it in order to influence employees to attain business goals. Employee communications should be targeted towards all current employees in the sense that no target group should be excluded in principle (Hoffman & Stauss, 2000). In line with this last statement Ahmed & Rafiq (2002) state that it is essential that the organisation identifies these different target groups in order to send differentiated messages to each target group. If companies do not identify these different groups or segments and their different needs they will continue to communicate messages that hold little or no meaning to the targeted segments. It is also important to notify that employee communication does in no way imply that it should be managed from the top-down. It can also be planned in a way that includes feedback from the bottom up in terms of feedback and lateral communication on the same hierarchical level (Hoffman & Stauss, 2000). It is said that communication can directly affect knowledge, attitudes and behaviours of the employees to which this form of communication is targeted. On the knowledge level it is of high importance that the employees are informed about customer requirements, products and services, marketing concepts and strategies as well as about important aspects of the business matters (Bühler, 1997, cited in Hoffmann & Stauss, 2000). When it comes to the attitude level of high concern is the development of customer-oriented and service-oriented attitudes. Further, this level is also concerned with winning the understanding of and contribution to management decisions, identification with the company and establishing a strong attitude towards economic and social issues of the company. The behavioural level is strongly related to the knowledge and attitude level in the sense that the behavioural level becomes proven when employees act responsibly and independently to find customer-oriented solutions, to actively gather and pass information, and to contribute to internal dialogue of the organisation (Hoffman & Stauss, 2000).

Knowledge	Attitudes	Behaviour
<ul style="list-style-type: none"> ▪ Customer requirements ▪ Products, product innovations and variations ▪ Marketing concepts and strategies ▪ Changes within the company 	<ul style="list-style-type: none"> ▪ Customer-oriented thinking ▪ Understanding for management decisions ▪ Identification with the company ▪ Attitude towards overall economic questions 	<ul style="list-style-type: none"> ▪ Customer oriented behaviour ▪ Self-sufficiency ▪ Responsibility ▪ Commitment ▪ Active informative feedback

Figure 2.4 Examples of goals of employee communication (Hoffman & Stauss, 2000, p. 144)

The above section has explained the importance of a well implemented internal communications strategy. According to this section the advantages and importance of such a strategy seem well documented and understood by organisations operating in different business fields. However, the reality looks a little bit different. According to Simms (2003) it is estimated, by internal marketing agencies Enterprise IG Business and Brand Engagement, that companies devote less than 1% of their marketing and branding budget on internal communication.

2.8 Organisational Culture

Internal marketing can be used to create a shared system of beliefs, for instance, this might mean the implementation of a service oriented organisational culture among employees (Ahmed & Rafiq, 2002). In order to create a high quality service, cultural aspects need to be taken into consideration. The roles played by the cultural values of the society in general, of different reference groups to which consumers relate and industry specific cultures all influence the quality perception in a certain context of a specific company. The point with this is that in order to create a high quality service not only the customer's cultural contexts but also the cultural context in which the organisation operates must be taken into consideration (Edvardsson & Gustavsson, 1988).

A firm's corporate culture is used to describe a set of common norms and values that is shared by people within an organisation. In other words, the culture of an organisation is an overall concept that describes why people do certain things, think in a common way, appreciate similar goals, routines and jokes due to the fact that they are members of the same organisation. A strong culture enables people in an organisation to act in a certain manner and to respond to different actions and situations in a given and common way. Clear cultural values are essential in guiding employee behaviour, especially in service organisations (Grönroos, 2000).

In a study made by Pappasolomou-Doukakis (2002) the UK retail Bank sector was investigated regarding the role of employee development in customer relations. Part of the result in this research showed that these banks used internal marketing in order to create an organisational culture where service mindedness and customer orientation became essential. In line with this Irons (1997) state that internal cultures govern external performances and that strategic cohesion internally is an essential factor in the effective marketing of a service. According to Wilson (1997), the behaviour of the staff is a key input to the service organisations identity. These behaviours together with norms and values make up the corporate culture. In order to highlight the importance of developing an organisational culture Irons (1997) state that service organisations with a clear identity and self awareness linked to their objectives are likely to be successful and that it is actually the decisive factor in service success.

Grönroos (2000) explain that internal marketing should be used when *creating a service culture* and a service orientation among personnel. Important to notify is that internal marketing alone can not be used in order to establish a service culture. However, internal marketing can be a very powerful tool of developing a service culture in connection with other activities. In general it can be said that the goals of internal marketing in this situation are to:

- Getting employees, managers, supervisors, customer contact employees, support employees etc. to understand and accept mission, strategies and tactics of the company as well as the goods, services, external marketing campaigns and processes.
- Help in order to create strong and positive relationships between people within the organisation.
- In order to develop service oriented management and leadership styles among the managers and supervisors of the company.
- To teach all employees within the organisation service oriented communications and interaction skills.

In concluding the relative importance of each above point Grönroos (2000) state that it is essential to achieve the first goal since employees can not understand the importance of service, service orientation and customer orientation and their important responsibility as part time marketers unless they are aware of what the organisation wants to achieve.

2.9 Summary of Frame of Reference

The frame of reference is started with a very general explanation of internal marketing. According the Ahmed and Rafiq (2002) one of the basic foundations of internal marketing is the push towards high service quality in the service sector. Due to this the frame of reference continues with describing how theories view the creation of a high quality service. Different theoretical contributions regarding this matter are investigated, among other the conceptual definition, SERVQUAL, which is constructed by Berry and Parasuraman (1991).

Further the internal marketing concept is to a wide extent built upon a notion of an interaction between customer satisfaction and employee satisfaction (Ahmed & Rafiq, 2002). Hence theoretical suggestions on how customer satisfaction is built in an internal marketing context are then described. Due to the fact that satisfied customers is such an impor-

tant aspect of internal marketing the author believes it is important that the reader is provided with an insight in what theory suggests about this topic. Further, it is important for the research to identify how the organisation works with building customer satisfaction in order to identify how internal marketing is present in the organisation. Due to the link between customer satisfaction and employee satisfaction this section (3.3) also deals with what effects customer satisfaction has on the internal efficiency.

These first three sections of the frame of reference, summarised above, can be seen as introductory sections that aims towards providing the reader with an understanding of the basics of the concept and to provide a basis in analysing, on a more general level, how the concept is present in Nordea. After this the theories are narrowed down towards the recruitment and retention process. Initially the role of HRM in internal marketing is discussed. This is done in order to identify the respondents opinions on having marketers present in the recruitment process of the organisation.

As is noted by Berry and Parasuraman (2000) a key factor in performing a service is to hire the right employees. Recruitment is also a key factor in internal marketing and a key factor in answering the formulated purpose of this thesis. Hence, theoretical suggestions of recruiting the right employees and internal recruitment are described and discussed. This is done order to analyse to what extent internal marketing activities are implemented in the recruitment process of the organisation accordingly to the theory.

Besides recruiting the right employees a major part of the internal marketing function is to retain the already existing appropriate employees (Grönroos, 1983). As stated in the purpose, together with the recruitment process this is what this research will focus on. Hence, theory regarding employee turnover and employee retention is essential in analysing how internal marketing activities are present in the retention of employees.

In order to further understand how internal marketing is implemented in the retention of appropriate employees, the relationship between employee satisfaction and employee turnover is investigated. Hence, theories regarding employee satisfaction are discussed in the frame of reference. Dale (2003) state that in order to increase job satisfaction workers need to be motivated, therefore this section is also concerned with theory discussing motivational aspects. These theories are added in order for the author to be able to analyse how the organisation works with creating employee satisfaction in order to retain their suitable employees from an internal marketing perspective.

According to Berry and Parasuraman (1991) should internal communications be used to explain how the individual contributes to achieving the company goals. The result of knowing how your individual contribution helps to achieve the company goals would then lead to the retention, attraction, motivation and development of employees. Based on this the author believes that in order to analyse how internal marketing is implemented in the retention and recruitment of employees theoretical propositions of internal communications is essential.

Finally, the frame of reference contains theoretical suggestions regarding the role of an organisational culture in internal marketing. Since the culture should work as guidelines for the employees of an organisation it is interesting to use these theoretical propositions to analyse how the culture of Nordea is expressed and used in the recruitment and retention process in Nordea, and how this is connected to the use of internal marketing.

3 Method

In this chapter the author will describe how the empirical investigation has been conducted. First, the chosen qualitative method will be discussed and then a description of the selection process will be done. Further, the author will describe how the data has been gathered, or in other words, the interview technique that has been used. Finally, this chapter ends with a discussion regarding the trustworthiness of the thesis.

3.1 Choice of Method

To conduct this research the author has chosen a qualitative research method. The qualitative method has been chosen since the purpose of this thesis is to, through in-depth interviews, analyse how internal marketing is implemented in practice in the recruitment and retention process of Nordea. According to Holme and Solvang (1991), is the central theme of the qualitative method to gather information through different ways in order to get a deeper understanding of the formulated problem you wish to investigate and in order to describe the broad context in which the problem can be found. Along with these interviews, contact in terms of telephone and E-mail conversations has been held with each respondent prior to and after the interviews in order to get this deeper understanding. This has led to the author being familiar with each respondent before the actual interview occasion making it possible to dig deeper into certain areas during the interview that matched each respondents' core area of competence.

In qualitative methods it is the opinion or interpretation of the researcher that is of highest importance. These interpretations share the common characteristics of not being able to be transformed into numbers (Holter, 1982, cited in Holme & Solvang, 1991). Since this research is founded on interviews concerning social processes within a particular organisation the information given to the author has not been transformable into numbers, hence a qualitative approach has been chosen. Instead the result has been interpreted by the author based on relevant theories in order to put the result into a relevant context.

According to Easterby-Smith, Thorpe and Lowe (2002) the most fundamental of all qualitative methods is in-depth interviews. Due to this statement the choice of a qualitative method seems obvious when conducting this research. These in-depth interviews help the researcher to get a close relationship with the interviewed person which is essential in order to be able to understand that very situation that individuals, groups or organisations find themselves in. In this research it is essential to get close to the interviewed person since analysing such a complex process as internal marketing requires a deep understanding of a wider context than only answers on different questions. As described above, besides the interviews, there have been contacts between the author and the respondents by telephone and E-mail prior and after the interview occasion and there has therefore been a close relationship between the respondents and the author making it easier to understand the wider context of each answer.

One disadvantage of the qualitative method regards the fact that the researcher needs to have *preunderstanding* which means that the researcher needs to have insight into a specific problem and social environment before they start a research programme. The researcher also needs to have an *understanding* which refers to the insights gained during the research, this in turn will act as preunderstanding before the next task. Unfortunately the preunderstanding of academics usually consists of theories and models (Gummesson, 2000). Another disadvantage of qualitative research methods is that the interpretations of the obtained information might not lead to objectivity but rather personal and subjective interpre-

tations (Gummesson, 2000). Further, Davidsson (2004) state that it is a disadvantage of the qualitative method that the researcher selects and interprets the result in a subjective manner. This might lead to the result becoming merely interpretations or reflections of the researchers' thoughts, instead of the existing reality. However, since this research needs to be based on the in depth interviews in order to analyse and understand how internal marketing is implemented the advantages of a qualitative method outweighs the disadvantages. Hence, the qualitative method offers the best solutions of conducting this research despite the mentioned disadvantages.

3.1.1 Case Studies

During the last couple of years there have been a number of developments in organisational research which have led to a wide range of fieldwork methods which provide intermediate positions between the two extremes, qualitative and quantitative methods. One of these methods that occupy an intermediate position is the *case study*. Basically it can be said that the case study looks in depth at one or a small number of organisations generally over a period of time (Easterby-Smith et.al., 2002). Further it can be said that case studies should be used when the researcher is trying to answer "how" or "why" questions, when the researcher has little control over events and when the focus is on a contemporary phenomenon within some real-life context (Yin, 2003). Since this thesis aims towards analysing the implementation of the internal marketing concept in the recruitment and retention process in one organisation and the fact that the thesis is built upon a "how" purpose, the case study approach seems natural to follow based on the above mentioned facts.

Important to notify is that a case study is not a methodological choice, but a choice of how an object is about to be studied. An object can be studied in many ways, hence case studies can be of both qualitative and quantitative nature. As a research form the case study can be defined by "*interest in individual cases, not by the methods of inquiry used*". (Stake, 1994, p. 236). Further, Stake (1994) mentions that the name *case study* brings attention to us since it draws attention to the question of what can be learnt from the single case. To understand why the case study approach is important and useful in this research the following definition is appropriate:

"The essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result" (Schramm, 1971, cited in Yin, 2003, p. 12).

One feature of the case study that has witnessed a lot of criticism is the fact that they provide very little basis for scientific generalisation. The popular question is how one can generalise from a single experiment? The short but clear answer to this question is that case studies are generalisable to theoretical propositions and not to populations or universes. The goal with the case study will instead be to expand and generalise theories and not to count frequencies (Yin, 2003). Since this thesis does not aim towards a generalisation of how internal marketing is implemented in all organisations, but to get a deeper understanding for how it is implemented in Nordea, and to test how the different chosen theories are applied in the recruitment and retention process of Nordea, this offers a good way of reaching the result. Further it can be said that since the problem with internal marketing is that the concept has been given much theoretical notion but not as much practical notion it is important to test and expand the theories explaining the concept.

Generalisation is not a central purpose in qualitative research methods. However, the selection process of suitable individuals to investigate is a crucial part of the investigation or research. If the wrong individuals are selected this can lead to the whole investigation becoming worthless in relation to the original point of departure (Holme & Solvang, 1991) As a criticism of the selection process the author has not himself been able to choose what individuals to interview. Instead the chosen respondents have been selected by Kurt Gustafsson (Senior Vice President at Nordea). During the first contact the author had with Kurt Gustafsson the research area was explained to him accordingly to relevant theories. After Kurt Gustafsson was given a basic understanding of the aim of the research he found two additional respondents which he believed possessed the relevant knowledge of the studied matter. These two respondents were Eva Carrick-Borgström, Head of HR Sweden and Andrew Oldfield, Head of Brand Platform and Online Communications.

This is a criticism that the author is aware of. However, the criticism is something that has to be accepted in this research. The reason for this is that the author does not have enough information or knowledge about the organisation to select appropriate employees to interview. Since Kurt Gustafsson possesses greater knowledge about the chosen respondents and their knowledge areas the author believes that this is the best way of selecting the respondents. Additional criticism of not being able to select the respondents myself might be that respondents are being selected in order to give favourable answers for the organisation at the cost of objectivity. However, the author does not believe that this is of high importance in this research since the purpose is to analyse how internal marketing is implemented in the recruitment and retention process of the organisation. Therefore the need for the respondents to answer in a manner that makes the organisation appear positively is of limited use.

3.2 Interview Technique

The main reason for conducting qualitative interviews is to understand:

“how individuals construct the reality of their situations formed from the complex personal framework of beliefs and values, which they have developed over their lives in order to explain and predict events in their world” (Easterby-Smith, 2002, p. 87).

The importance of conducting an interview therefore lies in the development of it in order for these insights to be gained by the researcher. In order to achieve these insights the researcher needs to be sensitive enough and skilled enough to make sure that he/she understands the interviewed persons view and assists the interviewed person in order for him/her to explore and understand their own beliefs and opinions (Easterby-Smith, 2002). One way of conducting an interview in an appropriate manner is to use the “funnel technique” (Andersson, 1994). This technique implies that the researcher first asks more general questions and later on asks more specific and detailed questions. This can be done for a number of reasons, for example it can be done since you do not want the interviewed person to get tied to answers in a way that makes it impossible for him/her to change the answer later on when he/she is given more time to think the question through.

During the interviews of this research the respondents were first asked to give a description of themselves, what current positions they have and what positions they have had earlier in the company (see Appendix A). They were also informed about the possibility to be anonymous, something none of the respondents had a trouble with. Further they were informed about the fact that the interview was about to be recorded in order to not make the

Mini Disc a disturbing device during the interviews. Before the actual interview started, the respondents were also asked introductory questions regarding the subject of internal marketing in order to loosen up the tension and to further along narrow the questions down in accordance with the frame of reference. The interviews were scheduled to last for an hour with each respondent, hence three interviews were conducted. However, the first interview with Kurt Gustafsson, senior vice president, lasted approximately 90 minutes. The following two interviews with Eva Carrick-Borgström, Head of HR Sweden and Andrew Oldfield, Head of Brand Platform and Online Communications lasted for the scheduled time of one hour. The interviews were held in the Nordea headquarters in Stockholm on, April 12, 2005.

When conducting an interview it is important for the interviewer to remain non-judgemental to the responses that is given by the interviewee in order to reduce the potential biasing effect of the interviewer (Johnson & Turner, 2003). Further it is important to be aware of the degree of standardisation and the structure that is being used in the interview. A very structured interview implies that every question or question area are determined in advance. In other words, the interviewer only needs to read the question from an already made questionnaire and take notes of the given answers. In many cases this technique can give a forced feeling both to the interviewer and the interviewee in the sense that they are limited by the possibility to interact in a natural contact and in a natural conversation (Andersson, 1994). On the contrary, an interview that is symbolised by a low degree of structure implies that the interviewer does not have an opinion about appropriate questions to answer or knowledge regarding the interview subject before the interview (Eriksson & Wiedersheim-Paul, 1999). A high degree of standardisation or a completely standardised interview means that each interviewee is confronted with the exact same questions, in the same way and in the same order. The standardised interview minimizes the biased interviewer effect since the same questions are asked to each respondent, this in turn leads to a reduced need for interviewer judgement. Further it can be said that the standardised interview makes data analysis easier since it is easy to locate each respondents answer to the same question quite quickly and to organise questions and answers that are similar (Patton, 2002). However, according to Holme & Solvang (1991) are standardised questionnaires not used when conducting qualitative interviews. The reason for this is that you do not wish to direct or force the interviewee to answer in a certain way. You would rather have answers that arise from personal opinions of the respondent and in order to obtain these answers the respondent should him-/herself be allowed to decide in what direction the interview is going.

In this research the interviews were of a semi-structured and semi-standardised nature. The original idea was to use a structured and standardised approach. Based on this original idea the questions were based on a questionnaire that had been developed prior to the interviews in line with the frame of reference. However, answers given by different respondents were of great variety making it interesting to sometimes give following up questions in order to broaden the understanding before asking the next question on the questionnaire. Hence, questions that were not written on the questionnaire sometimes needed to be posted in order to understand the given answer and its context. Due to this it can be said that the questionnaire more functioned as a base for the interview in the sense that it was used to drive the interview in the right direction. However, during the interviews the questionnaire was always followed to the highest possible extent.

3.2.1 The Processing of Empirical Data

As mentioned earlier, the interviews that have been conducted in this research have been recorded on minidisks. In order to make the analysis as easy as possible the recorded interviews have been written down separately and the given answers pasted under their relevant areas in the frame of reference. According to Holme and Solvang (1991) this approach is called a systematic analysis.

According to Flick (2002) it is necessary in analysing and understanding statements to take into account the context in which they occur. Since the interviews are being recorded and written down it has been rather easy for the author to recreate the context in which the answers were given, hence this has provided the author with a basis for the understanding and analysing of appropriate statements. Writing down interviews on paper is according to Holme and Solvang (1991) something you should do if the author wants a broad analysis of the gathered data as possible. As identified by Patton (2002) this made the analysis easier since it was easy to identify each answers under their relevant theoretical area.

According to Pratt (2000) many researchers use quotations to highlight the experiences of the informants. In line with this, this research will use quotations in the analysis to illustrate important aspects pointing at implementation of internal marketing, with focus on the recruitment and retention process. Further, Pratt (2000) states that it is important that the quotes stick and support the storyline. In this research the questions that were posted during the interviews stem from the frame of reference. Since the analysis builds upon and will hold the same structure as the frame of reference the quotations used are closely linked to the analysed theories, hence following the story line. In line with this, Holme and Solvang (1991) state that the usage of quotations help in visualising the result with the content of what has been said and that the result is reflected in a good way. In order to analyse how the ideas and activities of internal marketing are implemented with focus on recruitment and retention, quotations that describe how these ideas and activities are present in the organisation, based on theoretical suggestions are pasted in the research. The quotations are then interpreted and described by the author. However, as a criticism it should be noted that the interviews were held in Swedish and has then been translated into English in order to fit in this research.

Holme and Solvang (1991) also state that it is important that the researcher does not use too many quotations. Regarding this, the author feels that the analysis of this research is concerned with a rather high number of quotations. However, the author is aware of this criticism but feels that the quotations used all have relevant meanings. Even though some of the quotations can be seen as containing the same information the author has decided to include them due to the fact that the quotations highlight different important aspects of the same scenario, different aspects that are crucial in trying to find signs of how activities and ideas of internal marketing are implemented in the organisation.

3.3 Trustworthiness

Qualitative methods are often met more doubtfully than their counterpart, the quantitative method. Researchers that use the qualitative method usually have to motivate their methodological choice. Further, they usually have to argument for the fact that their results are accurate and trustworthy (Broch et.al, cited in Holme & Solvang, 1991). In this research the choice of the qualitative method is motivated by the fact that in order to analyse how internal marketing is implemented it requires an understanding of the different activities and ideas making up the concept and how these are implemented. This understanding needs to

arise from personal interviews. The arguments for the trustworthiness of this research can be seen in below validity discussion.

In order to make sure whether or not the researcher measures what he/she is intended to measure the term *validity* is used (Eriksson & Wiedersheim-Paul, 1999). Maxwell (1992, cited in Maxwell & Loomis, 2003; Johnson & Turner, 2003) has identified four main categories of validity in qualitative research methods. These categories are:

- *Descriptive validity*: Refers to the degree of accuracy that the researchers have been able to determine of the collected data. In order to ensure the accuracy of the collected data it is important that the researcher carefully collects and confirms descriptive information during the process of data collection in order to establish its accuracy. In this research the data has been gathered through interviews. Since the author has been in contact with the respondents in more occasions than only on the actual interview the author has been able to talk to the respondents and discuss the different questions when problems with understanding the content of the answer has occurred. This has been done in order for the author to assure that the answers have been understood correctly.
- *Interpretive validity*: This is the validity of statements about meanings and statements made by the participants. It refers to the degree the researcher is able to portray respondents' opinions and meanings of the studied subject. In order to establish a high interpretive validity it is important that the researcher collects data that highlight the views of the respondents. In this research the data has been gathered through three interviews. These interviews have been recorded and used throughout the empirical framework and analysis. By having access to the interviews it has been easy to recreate different feelings and emotions that was expressed during the interviews. However, the difficulty lies in the fact that it is hard to recreate these emotions on paper, therefore making it hard for the reader of this research to understand how different answers include different emotions, feelings, meanings etc.
- *Theoretical (explanatory) validity*: This refers to the degree of the theoretical relevance. In other words it refers to the degree of how the theoretical explanations in the research fit the collected data. In this research the theoretical frame of reference has served as a basis for developing the questionnaire used at the interviews. Due to this the analysis and interpretations of the given answers have been easier to conduct since these answers can be connected to the theory.
- *Generalisability*: This category of validity refers to the degree it is possible to transfer the conclusions of a study to other similar studies or situations. This category has been divided into *internal* and *external generalisability*. The internal generalisability refers to the generalisability of a conclusion within a particular group, setting, time or context. This internal generalisability is according to Maxwell (1992, cited in Onwuegbuzie & Teddie, 2003) of higher importance for qualitative studies compared to the external validity. Since this study has been done in one single organisation the result will be impossible to adapt to other similar studies. However, as stated above by Yin (2003), the generalisability of case studies is not supposed to be generalised to other populations but to theoretical propositions. Due to the fact that internal marketing needs research on the implementation aspect it might be interesting to witness how the concept is implemented based on theoretical propositions for other organisations as well. However, the aim of the study is not to generalise the result to other populations.

4 Empirical Findings and Analysis

In order to present the empirical findings the same structure that was used in the frame of reference will be used. I will start with different aspects contributing to perceived service quality, after that the role of HRM in internal marketing will be analysed followed by the recruitment and retention process. Finally the importance of a strong organisational culture will be analysed based on the gathered information. In this chapter the focus will be on analysing how internal marketing is implemented with focus on recruitment and retention process in Nordea.

4.1 Introduction to Analysis

Due to the importance of service quality in this study Nordea has been defined as a service organisation that deals with financial services. In order to find out how internal marketing is implemented in the recruitment and retention process it might be little just to look at one organisation. However, this is a criticism that the author is aware of. As a response to this criticism it should be noted that the aim of this research is not to generalise how internal marketing is used in organisations as a whole but to test and expand relevant theories. Due to this and the fact that not much research has been conducted regarding the implementation of internal marketing the author believes that this research will contribute to a deeper understanding of the concept outside the particular organisation of Nordea.

Due to the fact that no one of the interviewed persons had problems with their name being printed in this research the respondents will be identified by their name and position in Nordea. The persons that have been interviewed are Kurt Gustafson, Senior Vice President, Eva Carrick-Borgström, Head of HR Sweden and Andrew Oldfield, Head of Brand Platform and Online Communications. In the analysis below each quotation will be linked to the respondent in order for the reader to easily follow which respondent said what. However, the respondents will only be mentioned by their position following their quotations. Further it should be noted that all quotations come from personal communications on 2005-04-12, however this will not be written after each quotation in order to give the text an easier flow.

4.2 Service Quality

Grönroos (2002) states that the reality shows that customers often perceive the quality of a service in broader terms than the product specific features and that understanding these characteristics, that count for the perceived service quality, becomes essential within the firm. In order to describe how Nordea views this standpoint the Senior Vice President states that:

“High service quality must be the essence of whatever you are doing, that is what it is all about. It doesn’t matter if you take us or anyone else or whatever it is, it is the total quality, high service quality” (Senior Vice President, Nordea).

This statement shows that the respondent is aware of the importance of service quality. This further symbolises that this particular organisation identifies the offered service as an important factor for the organisations existence and something worthwhile investing in. Having this in mind and as a background the author will further go on and analyse how Nordea works in order to make sure that the offered service is of high quality and what

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precautions that is being made, in an internal marketing context, in order to develop this high service quality.

As Chakrapani (1998) describes should be the main focus of companies, trying to develop a high quality service, be on the customer and not on adding product features. As seen by the below statements the respondents have different views on how this is expressed in the organisation and in the banking world in general.

“The obvious answer here, in order for the customer to experience, is that we have an understanding of the customers’ needs and the situation and that we can understand the customers’ viewpoints” (Senior Vice President, Nordea)

“If there is not really something good in the offered products, what will I do then, that is when you step forward with service degree and customer orientation, that we can do something in somewhat another way in order to do something good. You usually do not think like that in the banking world” (Head of Brand Platform and Online Communications)

My interpretation of these statements is that the respondents share the view that the customers should be of main focus when developing a high service quality. During the interviews the essence of understanding the customers needs and wants came up for discussion various times and in different contexts. This might imply that the organisation has an understanding of the importance of the customers’ needs. However, the problem seems to lie in the fact that it is not the obvious or traditional way to do business or to reach the customer. As can be seen in the above quotation, the banking industry is more concerned with the actual products and the lack of compromising with the customer in order to suit the needs and wants of the customer seems to be a problem that to some extent needs to be reduced. What can be said from the above quotations is that it seems rather clear that the organisation shares the view of Chakrapani (1998) that the customer should be in focus when developing a high quality service, however, it seems like the organisations view, or the banking world in general can improve the way this is implemented in practice.

One example on how the organisation seems to be moving in the right direction, and puts higher emphasis on developing a service that satisfies the needs and wants of the individual customer can be seen below:

“Given that everything changes faster and faster in the society, new products are being developed and new services exists, the support and the way you are expected to act must be updated in order to offer the right service level all the time” (Head of Brand Platform and Online Communications).

By being aware of the fact that behaviours and actions must be adapted to the societal changes this implies that the organisation has an understanding of the fact that these changes shape the individual preferences of what they want to have satisfied by the offered service.

By putting the customer in focus of developing high service quality the performance of the employee meeting the customer is a decisive factor in how the customer experiences the service. As explained by Zeithaml, Parasuraman and Berry (1990) it is the performance that separates a good service from a bad service. Further the authors state that such a performance can take the form of a warm and nice greeting from the service provider or how skilful the service provider is in handling a request. How this is viewed by the respondents is explained in the following quotations:

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“The actual products and services physical appearance are so standardised so what makes the difference if you enter SE banken or Handelsbanken or Nordea is the person you meet when you get your counselling...if you look at the reasons why you change bank it is not due to the price or the fact that the product has been bad, instead it is the fact that a person has treated you unworthy, then you will change” (Head of HR Sweden, Nordea).

“Unfortunately we do not differ that much from any bank...what separates us is the personnel and the products” (Senior Vice President, Nordea).

“If you wish to discuss something with someone you want a discussion partner that has skills regarding the topic, that can give you guidance and counselling, I guess that is what you expect” (Head of Brand Platform and Online Communications)

These quotations show that all three respondents seems to have a clear understanding of the importance of the performance of the service provider and how it affects the perceived quality from the customers' point of view. By stating that it is the personnel that makes the difference this implies that the idea that successful service marketing starts from within seems well understood and implemented. Further, as all three respondents give the same answer to the posted question, this might imply that the view of the importance of the performance is something that is implemented. However, realising that the performance is important for high service quality is not enough if nothing is done to create these good performances. Fortunately, the organisation is aware of this which can be seen in the following statement:

“If you are customer oriented I usually say that you should be a world champion in delivering products to your customers... we work with that in different ways and that is what I guess you mean with internal marketing” (Senior Vice President, Nordea)

This statement shows that the senior vice president's opinion is that Nordea intends to work actively with creating a performance that meets the expectations of the customer. Further, an important aspect of this statement is that the internal marketing concept seems to be understood. This implies that the internal marketing concept is applied in the organisation and that it takes the form of different activities that aims towards delivering products to customers in a way that is concerned with identifying customer needs. Based on what is written above this shows that Nordea actually do tailor their offerings to the individual human being and in other words to some extent has been able to reduce the traditional way of the banking sector of only offering the actual product without putting high emphasis on the delivered service.

Berry and Parasuraman (1991) state that the essence of service quality is the reliability of the service, in other words, the ability to perform the promised service dependably and accurately. This view is not entirely supported by the respondents who give the following answers on the question, what characteristics of a service do you think is the most important for developing high service quality?

“...so that Nordea acts in a similar way, to some extent anyway, no matter what office you enter, otherwise it can be a huge difference depending on who you happen to meet, that is why I would like to say that it is a key that you know about, given a certain problem situation, as customer, that the Nordea person he/she meets knows how to act” (Head of Brand Platform and Online Communications).

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“...that you feel that we can see the answers to different problems the customer had not thought of him/herself, and that we have a nice appearance... and it that sense contribute to something” (Head of HR Sweden, Nordea)

“I think it is empathy, understanding, and the ability to understand the customers needs, that is absolutely the most important, if I do not have that but everything else, it will still be crap since I can not deliver if that is the case” (Senior Vice President, Nordea).

“It is also what attitude you have, if you work in a service company you will meet the customer and then it is really important how you behave and act” (Head of HR Sweden, Nordea).

As can be seen from the above statements the opinion of reliability being important is there. All three respondents stress that it is important that you deliver what you promised accurately and that the personnel meeting the customer know how to act when they are facing different requests and problems from the customer. However, interesting to note is that they all also talk about empathy. As can be seen in the statement from the Senior Vice President, he believes empathy to be the single most important criteria for offering high service quality. Of course you also need to have the knowledge and skills to solve different problems and thereby offer a reliable service. This view is also shared by the Head of Brand Platform and Online Communications who states that it is important that the customer is given the same service no matter what person he/she meets when entering a Nordea office. This is interpreted by the author as being able to give individualised attention to the customer which is related to what Berry and Parasuraman call *empathy*. However, this can also be a sign of *assurance* since it can be seen as the ability to convey trust and confidence. If different service providers at Nordea offered different solutions to the same problem this would not convey the message of trust and confidence. Besides being able to see answers to different problems and thereby offering a reliable service the Head of HR Sweden, Nordea, is strongly recognising the importance of *tangibles* when developing high service quality. This is expressed in the way she speaks of the importance in the appearance of the personnel. Based on these statements the author's interpretation is that the respondents agree with reliability being the single most important factor for developing high service quality. However, the respondents seem to believe that reliability alone is not enough to develop this high service quality, it must be a mix of all the above mentioned factors if it is about to be experienced.

4.3 Customer Satisfaction & Internal Efficiency

Grönroos (2002) argues that the need for internal marketing has increased during the last couple of years since the business settings are to a higher extent recognised by human contact due to the fact that services require more human contact. Due to this interaction between service provider and customer Berry and Parasuraman (1991) state that to have satisfied customers the firm must also have satisfied employees. As can be seen in the below quotation this view is shared by Nordea:

“The good circle in a way, if the employees are satisfied we will do a good delivery” (Senior Vice President, Nordea).

This implies that it is understood within the organisation that in order to offer something externally one have to start from within and promote the same thing internally. Further, this statement explains the relationship between employee satisfaction and customer satisfaction and the fact that customer satisfaction is a result of satisfied employees. However,

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interesting to note is that the banking industry has actually become more and more recognised by automatically performing your own services through media such as the internet as can be seen in the below statement.

“I think that younger persons such as you and I use the Internet to a wider extent, and therefore do not have the same need of discussing with people” (Head of Brand Platform and Online Communications).

This would then imply that the bank sector does not move in the same direction as is explained by Grönroos (2002). However, this might have a two fold effect in the organisation. First, this might actually mean that it is time to put high emphasis on the development of creating employee satisfaction in order to create satisfied customers. If this is done it might offer a possibility to differentiate yourself from the competitors in the standardised banking world. This is also in line with what is noted by Berry (1981) that the fact that banks have become more and more associated with “helping yourself” technology and that this offers an opportunity to position the bank as having good employees or people, and not good machines. Secondly, if more and more people choose to perform the service themselves, a customer that physically enters the office probably have a very complex problem. Then the personnel must possess great knowledge and skills in order to help the customer and thereby create customer satisfaction. It therefore gets even more important that the service provider knows how to act accordingly to the company values etc.

Kotler et.al (2001) argue that customer satisfaction is determined by the perceived performance of a service and how that performance matches the expectations of the customer. This is something that is recognised by Head of Brand Platform and Online Communications in his answer to the question how he views the relationship between service quality and customer satisfaction:

“It should be rather strong, however, I believe that it is all about the expectation of the customer, if it is close to the expectation level nothing will probably happen with customer satisfaction, but if it is significantly lower or significantly higher than the expected level something will happen with customer satisfaction, in relative direction of course” (Head of Brand Platform and Online Communications).

An interesting note regarding this is made by the Senior Vice President who develops this way of thinking in a broader way which is seen below:

“I mean what you expect from the offer increases, that might not be service quality in itself but it has become, your expectation level increases, what ones created satisfaction becomes hygiene factors that you just assume to be there, but this will still lead to the correlation between high service quality and customer satisfaction to be high” (Senior Vice President, Nordea).

What can be seen from this statement is that it is not enough to develop customer satisfaction through service quality at a given time. The customer expectations will gradually increase over time and therefore it gets important to constantly work with ways to improve the service quality and to find out how these expectation levels changes. This, in line with the assumption made by Maslow (1954) leading to the development of his hierarchy of needs. In order to measure how these levels change Myers (1999) state that there has to be a programme measuring the attitudes and behaviours of the customers. In Nordea this programme takes the form of a customer satisfaction index as is described by the Senior Vice President:

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"We measure on a yearly basis plus both on a monthly and quarterly basis but not as extensive as on the yearly basis. On a yearly basis we have customer satisfaction index or service, we have a CSI that we have been following since 92-93...the important factor is to get it down to the offices, then we are doing action plans that we look at" (Senior Vice President, Nordea)

"It strikes me now that it is almost the most difficult part, internal marketing that is, as I said before, the actual report is worth nothing, but it is the action plan from a report, if we conduct a customer investigation it is nothing worth...instead it is what you do with the answer that is the essence" (Senior Vice President, Nordea)

First it is interesting to see how well the quotations describe the chosen theories. Further, it is interesting to see how much the organisation values the importance of conducting this customer satisfaction index (CSI) and that they have ongoing evaluations of the result. This clearly shows that there is an awareness of the fact that the attitudes and behaviours of the customers constantly change and that it therefore is not enough just to evaluate the CSI once every year. However, the most striking note is that it is not enough to conduct the actual CSI unless you create action plans in order to do something about the negative aspects the CSI identifies. Finally the latest statement is interesting in the sense that it can be interpreted as the concept of internal marketing is not that well implemented in the organisation. What is meant by this is that the different processes and activities discussed in theory seem to be understood and implemented in the organisation. However, these processes and activities are not named internal marketing activities and it might therefore be a need to integrate them in order to understand how they are related and that the action plans are followed through.

Grönroos (2002) argues that customer satisfaction also has an effect on internal efficiency. Satisfied customers will lead to an improved working atmosphere and the service personnel will feel that the management relies and trust them to generate revenues to the organisation which in turn will lead to employee motivation. The following statement explains how this is viewed by the respondents:

"In the same way as if it becomes bad they will feel that it is on us it depends, so I think that a high customer satisfaction is a huge motivator for the co-workers" (Head of HR Sweden, Nordea).

"It is not the most positive atmosphere when you have been in an office with a customer satisfaction below 5 on a scale from 1 to 10, then you will have a low employee satisfaction index as well, or a bad internal attitude...if the delivery is not good enough and the customers will react negatively, this will in turn create a bad atmosphere, then you have to, THEN you have to have internal marketing, or well, action plans on what we will do and how we will correct this, because then we have the negative circle" (Senior Vice President, Nordea)

These quotations imply that the view of Grönroos (2002) that customer satisfaction leads to internal efficiency seems to hold. It also suggests that the view is understood and that the organisation has an implemented way of dealing with what is named *"the negative circle"*. As stated in section 2.3., to have satisfied customers the firm has to have satisfied employees. However, these quotations, together with Grönroos' opinion imply that this statement can be broadened. What is meant by this is that satisfied employees will lead to satisfied customers, which in turn will lead to even more satisfied employees. In the above quotation the Senior Vice President talks about the negative circle, in the same way might increased customer satisfaction lead to a good circle which triggers, employee satisfaction. Another interesting note with this quotation is that internal marketing is identified as a tool

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which can contribute to solve problems arising from unsatisfied customers, and that the concept is used as a synonym to the action plans aimed towards improving service quality.

Berry and Parasuraman (1991) studied the relationship between the expectations of the customer and the fact that it is how these expectations that make up the degree of customer satisfaction. These expectations are met at two levels, the desired level and the adequate level. These levels are to some extent identified in Nordea, as can be seen below. This quotation is the answer to the question whether or not Nordea has measurements/routines of how long time it should normally take to serve a customer.

“In a way you can say so, we have customer promises and we have internal service goals...in offices you have queue thinking, how long queue can we accept and how long should it take before we answer an E-mail, how long should it take before you get informed if you have applied for a loan, we have developed standards on everything like that, regarding phones it is even more simple, we shall answer within a given amount of seconds when the phone rings” (Senior Vice President, Nordea).

As can be seen from the above statement, there are clear definitions of what is expected from the customer. In order to create customer satisfaction the organisation has developed standards that are calculated to fit the needs of the customer. This is interpreted by the author as an example of practical measures to enhance customer satisfaction being implemented. On the question how these standards are determined?, the following answer was given:

“It is a mix, standards, what is common within the industry, what is possible, Here you can really say that, we say like this, service degree 90%, this means that 90% of all people that calls should be given an answer within 60 seconds...then we staff after this and here we have technical formulas with which you can calculate very exactly, it is interesting to know that on the 25th there will normally be this many calls and then I will need 38,6 people on average...we have put this in relation to the costs, if we are ready to increase to 100%, the last might cost enormously more” (Senior Vice President, Nordea).

Here we can see that the levels are calculated based on different factors interfering with the normal standards, such as the 25th each month when most people get their monthly salary. This fact will lead to more people entering the bank, increasing the tolerance zone of the customer. However, in order to decrease the waiting time, more staff is brought in, in order to meet the expectations of the customer. Further it is interesting to view the reasoning whether or not it is worth to increase the service degree to 100% due to the increased costs. This suggests that there *is* an optimal level of satisfaction that the service should aim for. In other words, will the remaining 10% lead to higher revenues or will they be associated with costs exceeding the extra revenues?

Finally, Kotler et.al (2001) state that smart service companies aim to pleasure customers by only promising what they can deliver then delivering more than they promise in order to create customer satisfaction. This is a strategy that seems to be implemented in the organisation, based on below statement:

“You should try to create a “wow”-experience that is perceived by the customer...and how do you do that within a bank, that is what we are thinking about...in other words, what we are talking about is to try to exceed the expectations you have by promising a little less in order to deliver more than we promise” (Senior Vice President, Nordea).

This statement shows that the organisation is smart in the sense that it understands the factors contributing to customer satisfaction. By promising less they decrease the customer expectation level and therefore will be able to create satisfied customers due to the fact that the given service will exceed the customer expectation.

In summarising this section there are signs of internal marketing activities being implemented in creating customer satisfaction in the organisation. However, it does not seem to be a common opinion among the respondents what internal marketing really is and what activities make up the concept. However, there are signs of internal marketing being implemented such as the aim towards having satisfied employees in order to create satisfied customers.

4.4 The Role of Human Resource Management in Internal Marketing

As described by Ahmed and Rafiq (2002) some internal marketers have argued that important functions that traditionally have been seen as the core functions of the personnel department should be overtaken by the marketing departments of that same company. Further, Ahmed and Rafiq (2002) state in their definition (see section 2.4) that internal marketing “...is the strategy of shaping job-products to fit human needs”. If we compare this to the beneath statement it seems like internal marketing is well understood and implemented in the organisation:

“What I talk about is external offerings but it then lies in how we are trying to shape our employees or ourselves to deliver this” (Senior Vice President, Nordea)

This statement implies that there is an understanding of the importance of shaping the employees towards the same direction as the external marketing offer in order to deliver what the external offer is promising. This can be interpreted as a sign of internal marketing being implemented in the organisation. However, even though this is a sign that activities take place in order to shape the employees towards a unified direction, in line with the external offerings, this does not necessarily mean that *all* activities and ideas building the concept of internal marketing is implemented. What is meant by this is, in line with above section, that it seems like Nordea uses different activities that has the same purpose as internal marketing. However, the organisation does not seem to have the different activities integrated into one internal marketing programme. This is in fact described in the following statement:

“I think it would backfire in a big organisation anyway, that is, especially since there is often a top-down thinking. If you then say that this is our new internal marketing programme, well, what are they going to fool me with this time, that is not what you want to get, you are sort of not getting the commitment with that term, instead I think that it is a lot of little things that build up the concept, internal marketing” (Senior Vice President, Nordea).

This statement implies that it might be hard to implement an internal marketing programme in such a big organisation as Nordea. However, it might be more true to state that it is hard to develop an actual department that only specialises in internal marketing. What is meant by this is that in such a large organisation as Nordea it might be hard to integrate and implement all these “*little things*” that are mentioned in the above statement into one department, even though they seem to exist at different levels in the organisation and together build up the implementation of internal marketing.

Further, the respondents do not seem to agree on the fact that marketers should overtake the core functions of the HRM department, as can be seen below:

“I can feel that marketers working with promoting Nordeas’ profile externally through profile ads, I do not know actually how much they can contribute in the recruitment...the recruitment process is all about evaluating human beings, that is to know about behavioural science, and that is not something marketers are professionals at” (Head of HR Sweden, Nordea).

“I think that is theoretical...I further believe that marketers...should do what they do best and not do other things besides that. I believe that marketers that are evaluating people from an HR perspective are to far from their core competence area...isn’t it better if the marketers define to HR how this will work, we will do like this, then it is up to HR to make sure that this person can actually do what you have told us, then both departments will do what they do best” (Head of Brand Platform and Online Communications).

“Marketers is a term that we are not calling us, instead we call it the business department...we have developed those requirements or described the profile we are looking for to the respective position, I would say that it is the business department that are recruiting...we are not calling it marketers but it is marketing activities or the market needs that decide what we recruit” (Senior Vice President, Nordea).

As can be seen from the above statements the opinions whether or not marketers should be present in the recruitment process differ quite extensively. Although, in one way these statements can be interpreted as the respondents having the same opinion. What is meant by this is that it seems like the respondents do not wish to have physical appearance of marketers in the actual recruitment process, in other words, during the interviews. However, it seems like the respondents all agree on the fact that marketers should be involved in designing requirements and profiles of the employee the company wishes to find. As a matter of fact the Senior Vice President goes so far in his reasoning that he states that these requirements and profiles that come as a result of the close involvement of the business department are actually what recruits the employees. Since Nordea does not seem to have an outspoken internal marketing programme it becomes difficult to analyse what role HRM have in the process. However, what can be seen is that much of what is said in theory regarding the use of HRM tools in the internal marketing process seems to be true for Nordea. The difficult part lies in the fact that internal marketing seems to be a function of different activities in different departments. Based on this I believe that the internal marketing programme must be more clearly defined in order to understand how these activities are related to the activities of the HR. However, as stated in the second quotation in this section, it might be hard to do this in such a big organisation as Nordea. However, based on the statement of the Senior Vice President, it can be interpreted that the close involvement between the business department and HR implies signs of internal marketing being implemented in the recruitment process. The problem seems to lie in the fact that all respondents do not seem to be aware of the fact that the requirements of the business department decide who to recruit.

4.5 The Recruitment Process

4.5.1 Recruiting the Right Employees

Berry and Parasuraman (1991) noted that a key factor in internal marketing is to hire the right employees. Unfortunately the reality shows that many service companies have ill de-

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defined standards for the personnel they hire. In the case of Nordea it seems like the organisation actually separates itself from the theory since the organisation seems to have put high emphasis in creating standards for the personnel they hire. As can be seen from below statement the organisation has also an understanding of hiring the right employees from the beginning:

“I think it is important what you demand from a newly hired employee because it is too late when you have hired someone if they do not fit in the organisation, that is in fact the idea with the brand...they should be able to live the brand and that is to be a good advisor to the customer” (Head of Brand Platform and Online Communications).

Interesting with this statement is the opinion that it is too late after you have hired someone to make him/her fit into the organisation. This might be one reason why it is important to hire the right person from the beginning. If the wrong person is recruited it will be too time consuming and costly to develop a job position that fits that very person's needs. This fact seems well understood and due to this it seems like the organisation develops these standards to recruit the right persons from the start. Further, it is interesting to see that an important aspect when recruiting is that the recruited individuals should be able to “live the brand”. This implies that the organisation has developed standards of what they seek in an appropriate employee. By wanting the employees to live the brand it can also be seen that the organisation seems aware of the importance of integrating what is communicated externally with the internal behaviour of the employees, in order to offer a consistent service. To strengthen this argument the following statement is of interest.

“You can really say that it is about hiring the right employees, and that they have the right objectives so to speak, so they know what we aim for” (Senior Vice President, Nordea).

This statement can be interpreted in the same way as the above mentioned statement. It shows that it is important to make sure that the company objectives are well understood by the hired person and that they fit with the individual. However, as noted in section 4.3 the importance is not that the view is understood but how it is taken into action. How this is done in Nordea gets explained by the following statements:

“You can say that when you are about to recruit, you have a clear requirement profile which you recruit against, this is what we demand from this person. Here there are aspects such as, of course you should have the ability to, in a positive way, deliver solutions to the customer” (Head of HR Sweden, Nordea)

“We have a job description which means that there is documented what competences and personal characteristics you should have in order to be successful on this job, these exists on all positions, including those who work with customers” (Head of HR Sweden, Nordea).

As can be seen from these statements the persons that are about to be recruited has to fit with a job description of that very position. By doing this it seems like there are standards of what every position require from the individual. This implies that the risk of hiring the wrong person is reduced since the person that possesses these standards also seems to fit the job. By doing this the organisation does not to the same extent have to design the jobs in order to fit the person, instead the applicants are selected in order to fit the job right away. A further interesting note that has been made through these interviews is that the interaction between marketers and the recruiters actually are present, as can be seen below:

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“You’re building a brand, we are building Nordea...on the one hand you should work with the profile, that is what the external marketers are doing to a high extent, you are also working with the identification, that is how we are identifying ourselves with Nordea and what is said in the ads we go out with, and if we don’t identify ourselves with that it is bad because we are the brand, the people that work at Nordea” (Head of HR Sweden, Nordea).

“The marketers and the marketing department are present when we decide how the ad is about to look, in terms of the content and the visual appearance and stuff like that...this job description that we have, is where you highlight that we are searching for a person with customer contact and then we emphasise important characteristics in that position, they are present in the ad. This is to get the feeling that the requirements of the job are consistent with the content of the ad” (Head of HR Sweden, Nordea)

These statements, in line with section 4.4., imply that the interaction between the two departments is highly integrated in the recruitment process. By identifying that the brand Nordea is being alive through the employees we can see that the importance of recruiting the right employees to carry out the company objectives as goals is recognised. It is also noted that the external marketers are the ones communicating how these objectives should be communicated in order to attract appropriate applicants. This can also be seen as following the reasoning in section 4.4. that the importance of the integration between the two departments is well understood and implemented even though the physical appearance of marketers in the actual recruitment process is not wanted. Further, it also explains the statement of the Senior Vice President in a wider sense that is actually the “business department” that recruits since they are the ones communicating the company objectives and how they are present in the available position. Berry & Parasuraman (1991) state that it might be hard to act like a marketer when it comes to HRM issues. However, what is said above implies that in the HRM activity of recruitment, marketing thinking is present to a high degree. What is meant by this is that the marketers are actually deciding in what directions the HRM department should think and by developing these job descriptions they also decide what characteristics the HRM department should look for. Hence, a sign of internal marketing being implemented.

According to Berry and Parasuraman (1991) there has never been a more appropriate time for service firms to search for talented employees. This opinion arises from the fact that the need for good service employees has increased. On the question how Nordea competes for talent, the following answer was given:

“My answer would be that we do that through our trainee programme...or that it is an interesting company in the sense that...we are the only bank organisation in the Nordic countries that has business activities in four countries plus Poland and the Baltic Nations...in other words it is an international organisation, I do not think that we completely have that image yet, or I feel that we do not have that but that is what we have used in order to attract people, that we have business activities which makes it possible to attract talents, then you have to find a boss that attracts the talents” (Senior Vice President, Nordea).

Due to this it can be said that Nordea competes for talent through trying to attract employees early in their career through their trainee programme. In order to attract other employees that might be a little older they compete for talent by having identified how they separate themselves from their competitors, in this case, by being the only international bank organisation. However, more interesting is that it seems like the organisation has understood the increased need to search for talent that has developed over the last couple of years. What I mean with this gets explained by the following statements:

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“During the 70’s we employed people to be cashiers, that is why it eventually turned out to be old ladies that were cashiers, it was nothing wrong with the old ladies but they were limited to be cashiers, that does not work, you must be able to handle pretty much everything, if we take a bank of-fice as an example, you must have the potential, be mobile” (Senior Vice President, Nordea).

“Somehow it concerns corporate identity, both internally and what we build up externally, what we create around that can attract, if we look at where university students would prefer to work we are not popular enough, I think we are currently on the 15th place or something like that in Sweden” (Senior Vice President, Nordea)

“In that area we work with...that we are showing our presence at Stockholm School of Economics, that we show our presence at the Universities and our student package is one form of internal marketing and to let people know that we are profiling us here and let people go out and visit the Universities and stuff like that” (Senior Vice President, Nordea).

These statements give indications that Nordea is competing for talent and that they compete for talent to a wider extent today than in the 70’s. Or in other words, compared to how former Nordbanken did during the 70’s. What I mean is that the organisation has realised that recruiting employees for one specific task does not seem to attract employees with the potential to move further up in the organisational hierarchy. Further, it seems like Nordea has realised that talented workers must have this possibility to develop their own intellectual mind in order for the organisation to take advantage of their talent. It is also interesting to see that the organisation is aware of the fact that they are not viewed as one of the most attractive companies by students. However, in order to improve this reputation they are present at the different universities in hope of eventually attracting these talents. This actually suggests that the organisation has increased their hiring standards, compared to the 70’s. Being present at the different universities does also imply that the organisation is not only using advertisements in newspapers to reach prospective employees. This is in line with what is said in theory that you should use a variety of media to reach prospective employees. However, in this sense the organisation could actually improve the way they are using a variety of methods to reach out to their target, as can be seen in the following statement:

“In that sense we are pretty conventional...we mostly use newspapers and the web, that is what we do” (Head of HR Sweden, Nordea).

Together with being present at the different universities these are the media Nordea uses. Hence, this might actually be one area that the organisation can improve in order to reach a larger target audience of prospective employees. It is also interesting to notice that being present at the different universities is not mentioned by the Head of HR, Sweden. This might then imply that there needs to be an integration of these different activities if all employees are to know what is done to reach prospective employees.

Berry and Parasuraman (1991) suggest that multiple candidates should be interviewed on several occasions with multiple employees in the interview process. This view is not entirely shared by the respondents or implemented in the organisation, as can be seen below.

“I would say that you are maximum two when doing interviews...this is my personal opinion but I do not want to be more, it is really one-to-one it is all about, to sit three or four feels like some kind of American Senate interrogation...it should be a comfortable experience...the ones that did not get the position should promote the positive message as well, there you have both internal and external marketing in what we stand for and how that message will be communicated” (Senior Vice President, Nordea).

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“But as you hear, it is several steps and most often different persons that meet this person in the different steps” (Head of HR Sweden, Nordea).

However, as can be seen from the statements, the recruitment process consists of different steps. My interpretation is that what the Senior Vice President means is that it should only be two interviewers present in each step. If these steps are added together the number of interviewers adds up to a total number increasing the number of two. By having different steps implies that the recruitment process is very thorough and that a number of different employees have to be unified in terms of whether or not this individual is appropriate for the vacant position. Further it is very interesting to see that the company is concerned with how they appear in the eyes of those who get rejected in the interview process. This signals that Nordea realises the importance of word of mouth since the recruitment process can actually be seen as consisting of low or high quality. In that sense the Senior Vice President, really describes the process in a good way when stating that the recruitment process is concerned with both internal and external marketing. By designing and having this *“comfortable experience”* in the interview processes this might make Nordea more attractive in their search for prospective employees, if the individuals that got rejected promote the company with positive word-of-mouth. This is further in line with what is said by Branham (2002) that creating a good reputation as a good employer in the society in turn creates a reputation of *being a company people want to work for*, which in turn leads to employee retention.

Having realised the importance of putting high emphasis in recruiting the right personnel from the beginning to carry out the company objectives and the various methods the organisation is using to achieve this, implies that the organisational thinking is in line with theoretical suggestions regarding internal marketing. However, again, it must be noted that even though activities contributing to this seem implemented it does not seem like the activities are implemented and integrated together in a unified sense.

4.5.2 Internal Recruitment

When a company wants to recruit a new employee the company should always start with trying to recruit internally. One reason for this is that employees usually view working in an organisation that primarily offers the own personnel the possibility to climb up the career ladder as positive and developing (Friman, 1983). On the question where the organisation first turns when looking for a new employee the following answer was given:

“Then we go out with an internal ad...it lies in our interest that all positions shall be advertised internally, then we turn externally if we can't find anything internally” (Head of HR Sweden, Nordea).

As can be seen from this statement this opinion is well implemented in the organisation. This might actually be a sign on what is described in section 4.5.1 that the company wants employees with the capability of being mobile. As described in section 4.5.1 the organisation recruited employees with the intention of being cashiers during the 70's. However, today they want employees with the knowledge and skills to have different positions in the company, hence an increased possibility to recruit internally. Further the respondents seem to agree on the fact that internal recruitment leads to a better and more positive atmosphere within the organisation, leading to satisfied employees which results in satisfied customers, as can be seen below:

“Well, that is the way it is, you can really see that right away when an available position is not announced, which is seldom since then the employees are not given the possibility, they are not given

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the possibility to declare their interest, instead all of the sudden there will be a statement that this person has been given this position, where the hell did he come from, or she, that is the largest motive that you can see the possibilities...it is a clear correlation there” (Senior Vice President, Nordea).

“Another advantage is that if you are at Nordea, if we assume that you are a co-worker here, you might think that it feels rather fair that they don’t take someone externally when I am here and want the job. In other words I think it is a motivator for the employee as well, that you are aware of the fact that you can make a career internally, you don’t have to change company to do career” (Head of HR Sweden, Nordea).

These statements both imply that there seems to be a relationship between internal recruitment and a positive feeling concerning individual development possibilities. As noticed by the Head of HR, Sweden, internal career possibilities is a motivator for the employees. This in turn will then lead to the above mentioned positive atmosphere within the company, leading to satisfied employees which in turn leads to satisfied customers in a *good circle* as is mentioned by the Senior Vice President in section 4.3. On the contrary, the Senior Vice President, describes in above quotation, the negative aspects of not trying to find the solution internally before you recruit externally. Then this positive atmosphere will be replaced by a negative atmosphere, arising from the opinions and attitudes that someone comes into the company from the outside and steals the job that was meant to be for someone that was already in the company. This fact might then lead to a bad circle with decreased employee satisfaction resulting in dissatisfied customers. The decreased employee satisfaction that arises from the feeling of limited career possibilities might then also spread a feeling that it is necessary to change company to do career, hence higher employee turnover. By primarily recruiting internally for the purpose of achieving satisfied employees this signals that the organisation again has an implemented view of internal marketing and its effects.

Further, Friman (1983) states that internal recruitment offers the possibility to take advantage of un-used capacity/resources of existing employees. This is also one reason for why Nordea actively tries to recruit internally before turning to the external labour market:

“On the one hand it is the individuals’ developing possibilities, but it is also very good to benefit from someone that has a background or the right background that can improve even further, in order for us to not be forced to start from zero in the learning process” (Senior Vice President, Nordea).

What can be seen from this statement is that one reason for the organisation to recruit internally is the idea that the employees can improve even further, hence taking advantage of and trying to find the un-used resources of existing employees. Further it is interesting to see that another reason for recruiting internally is the fact that it is not wanted to start from zero in the learning process. This might imply that the organisation is aware of the importance of having the right person in the right position, in order to make the company objectives alive through that employee. This might also imply that it is too time consuming and cost consuming to recruit externally. A view that is strengthened with the following statement:

“The big costs in a bank, except IT is the personnel...that is also one reason why we work with internal recruitment” (Senior Vice President, Nordea).

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This is in line with the advantage of internal recruitment being generally less expensive than external recruitment listed by Breaugh (1992). A further reason for why internal recruitment is used can be seen below.

“...we want to use the already existing resources primarily” (Head of HR Sweden, Nordea).

As can be seen here one of the major reasons identified by the respondents is that it is less expensive to recruit internally compared to externally. The other major reason identified by the Head of HR Sweden above is in line with what I said previously in this section regarding taking advantage of un-used resources. Recalling the advantages listed by Breaugh (1992), in section 2.5.2., we can thereby see that the advantages that are mostly highlighted by Nordea, regarding internal recruitment, are the facts that it is less expensive than external recruitment, internal candidates need less transition time to become effective in their positions and that positions being filled by internal candidates might motivate other employees to work harder, realising that hard work pays off. Even though the organisation seems aware of the advantages of internal recruitment the reality of why the organisation recruits internally must be explained by one more factor:

“The reality is that we pretty much have a stoppage in recruiting, that we are a business sector that has, say decreased by 50% during the last 15 years” (Senior Vice President, Nordea).

This statement implies that even though the organisation is aware of these advantages the reality shows that they are more or less forced to recruit internally. If times were glooming and external recruitments were possible the extent of external recruitments might have been higher. However, the respondents' answers suggest that the theoretical foundations and their associated advantages are well understood. By using these already existing resources there seems to be something gained in terms of effective solutions to available positions that have positive effects inside the organisation, these effects might in turn lead to positive effects outside the organisation with more satisfied customers, the good circle. Hence, again it seems like theoretical assumptions regarding internal marketing are implemented in the organisation and their way to recruit appropriate employees to available positions.

4.5.3 Employee Turnover and Retention

Branham (2001) state that to some extent employee turnover is natural and will always be a reality within organisations. This statement gets explained by the following quotation given by the Head of HR, Sweden:

“...those who don't feel that that is right should leave, I don't believe that everything is status quo, that everything looks the same, that does not exist, no one is that good that you can recruit completely right all the time, there is always a natural employee turnover, that is what I believe is healthy” (Head of HR Sweden, Nordea).

This statement might imply that the Head of HR, Sweden, is familiar with the fact that it is of highest importance to have the right personnel at the right place in the organisation. Those who do not feel that it is right to perform the required working tasks should leave the organisation. This explains that employee turnover is natural and a reality within organisations. It also suggests, in line with internal marketing theories that the organisation has an implemented view that it is necessary to have the right person at the right place in order to create high service quality and customer satisfaction.

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Further, Branham (2001) state that the importance of employee turnover is to try to keep those workers you can not afford to loose. In achieving this one possible way to go is to find out past reasons for the loss of such employees in order to prevent these in the future. According to the Head of HR, Sweden, this could be done better in Nordea as is illustrated below:

“We ought to do it better than what we currently are, we do have exit interviews or we conduct exit interviews but not as systematically as we ought to, the background to that is that we have a low employee turnover, which might lead to a feeling of false security that every thing is good as it is...so we can improve that” (Head of HR Sweden, Nordea).

This statement gives indications that the organisation might need to improve the evaluation of people leaving the organisation. It is interesting to see that one reason for not conducting these exit interviews to the extent they should is due to the low employee turnover. However, due to this low employee turnover it might actually be more interesting to analyse why a certain individual decides to leave the organisation. What is meant by this is that the reasons the individual has can probably easier be identified and corrected to a lower cost compared to a company with high employee turnover. If this cost can help in identifying the reasons for an important employee leaving the company the revenue of correcting these will probably cover the costs. However, even though it can be done better the organisation has an implemented programme for monitoring and identifying reasons for loosing valuable employees. Further, Branham (2001) states that new employees usually bring new ideas and prevent the organisation from being stagnant and employee turnover is therefore wanted to some degree, this opinion is shared by the respondents:

“I think we have too low employee turnover...on the one hand you get new ideas into the company, it is a constant process of change within the organisation, that is why I think you have to have a mix between the more experienced with continuity with the new, you need some fresh blood...we must have some new knowledge, and that is why you have to have some employee turnover” (Head of HR Sweden, Nordea).

Here we can see that the head of HR, Sweden, believes that some employee turnover is wanted. The reason for this is that there seems to be a belief that existing workers together with new ones can move the organisation forward and together come up with new solutions resulting from a mix of experience and new knowledge. This might also imply that the extent of internal recruitment might have been a little lower if the organisation did not have a stoppage in recruiting. Further, Branham (2001) state that employee turnover is not largely about money. Instead an interesting and meaningful work is what motivates employees, if these conditions are fulfilled an increase in salary is not usually enough to pull away the worker to another company. In order to find out how their employees view this Nordea uses an employee satisfaction index:

“We are measuring this in the employee satisfaction index as well...one of the questions is formulated as if you were offered X % more, would you leave the bank? We are pretty loyal and I have learned that it is like that in all banks” (Senior Vice President, Nordea)

By doing such an analysis the possibility of identifying factors for their valuable employees leaving the organisation improves. If the answer on this question is yes the organisation probably has a problem with something in its working environment that needs to be improved since employees are willing to switch company due to the increased salary despite having little or no knowledge about the working environment in the other company. Once again it is interesting to see that this employee satisfaction index is not mentioned as a tool

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for identifying reasons for employees leaving the company in the first quotation of this section. This might again, imply that internal marketing activities are implemented in Nordea, but they are not very well integrated. Different activities in the company make up the concept but these activities need integration to make the overall internal marketing more effective.

Branham (2001) also states that the relationship between the typical worker has with its immediate supervisor decides whether or not the employee stays in the organisation and that it takes commitment from the management to reduce unwanted turnover. Regarding the first statement of Branham (2001) the following quotation provides an explanation.

“We are measuring two parts, we are higher than our competitors both when you rank your closest boss, one of them we are equal with our competitors, but where you rank your closest boss I think we score higher than the other comparable competitors, regarding the general satisfaction with Nordea we score rather equal with the other banks.” (Head of HR Sweden, Nordea).

As can be seen here Nordea scores high on how the typical worker evaluates the closest supervisor. This fact can then be a reason for the high retention rate in the organisation. This fact can then again be seen as having internal efficiency benefits for the organisation in terms of increased employee satisfaction. When analysing the role of managers and their commitment to reduce the unwanted employee turnover the current situation in Nordea is a little reverse. What is meant by this is illustrated below:

“It is rather the other way around, we want to increase, they are more active in how we are about to increase since it is too low employee turnover. In that sense they are more active in and make sure that we work with, what we call exchange of competence, we need to get some new competence, a form of competence that does not exist...the initiative the management take is to make sure that it is every leaders' responsibility to make sure that they have the right resources by their side” (Head of HR Sweden, Nordea).

Instead of being committed to reduce unwanted turnover the management *is* committed to increase it. However, this signals that the management is committed and that there are action plans that are put to action in order to correct the identified problem. Interesting here is the notion that at the same time as the organisation desires a mobile work force, the organisation wants an increased employee turnover. The advantages of having this mobile work force might then be at the cost of too low employee turnover. This then implies that the organisation needs to find some kind of optimal level of the development possibilities of their work force, otherwise they risk not getting enough new people in the company. However, the stoppage in recruiting must also be taken into consideration here. Due to this, the organisation is more or less forced to recruit internally and a mobile work force is then essential.

Schlesinger and Heskett (1991) has identified that the reality shows that service organisations such as banks usually fill up their customer contact positions with people being willing to work for minimum wages, at least temporarily. The common opinion is that these workers will not stay long in our organisation anyway. However, the fact that Nordea stresses the importance of having a mobile work force that is not limited to one repetitive task signals that they are aware of the importance of not falling for the temptation of recruiting for one purpose as a temporary solution. Instead this shows that they are aware of the fact that it is important to recruit the right people in the first place. This is in line with Friman (1983) who state, based on an internal marketing perspective, that the recruitment process should be viewed as a possibility to stimulate, develop and push the organisations

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forward. This would then again imply that internal marketing is implemented in the recruitment process of the organisations. However, due to above mentioned reasons it seems like Nordea needs to find an optimal level of this recruitment strategy.

As mentioned earlier, the key to get satisfied customers lies in having satisfied employees. In line with this Schlesinger and Heskett (1991) have created what they call the cycle of success. This applies to both the customer and the employee. Here the recruitment process is very thorough and the salaries paid to employees usually higher and job designs broader leading to satisfied employees which in turn leads to satisfied customers. In order to explain how this cycle is applied in practice the following statements are of great use:

“Employees and bosses agree on how the employees developing possibilities look at Nordea and what that means for the employee, we also work with payment structures, how does that look, do you have the right salary for the job you are doing, in order for the worker not to feel that we underpay, or overpay, the salary structure should be correct, we also work with different activities stimulating the motivation and the bosses are the ones working the hardest to make sure that this is done, everything from drinking a beer together or play bowling or whatever it might be, or work with something exciting that stimulates the worker” (Head of HR Sweden, Nordea).

“How that affects the customer depends on how good we have been, you can actually say that if Nordea has a strong brand we shall, what can I say, then they should feel that we deliver this no matter who they meet in the customer contact, but it is obvious that if you have a high employee turnover then we will have a harder time to develop these resources that are about to meet the customer, then it is crystal clear that you can have a period when you have a harder time to maintain your service. Because if you have a high employee turnover it can be difficult to find time to introduce and that they should be able to live the values we have on Nordea” (Head of HR Sweden, Nordea).

Due to the first statement it seems like Nordea works with finding good solutions regarding payment structure, motivational activities and meaningful work tasks. This is done in order to create employee satisfaction. As can be see from the second statement negative aspects can arise if this is not done that affects the customer. This implies that in order to not experience the cycle of failure the company works with activities stated in the first quotation. If these activities are put to practices the possibility of experiencing the cycle of success increases rapidly. This further implies that the implementation of these activities signals that internal marketing is to some extent implemented in the retention process of appropriate employees in Nordea.

Even though there seems to be some signs of activities of internal marketing being implemented in the retention process there also seems to be some areas in which this can be improved. As stated by Branham (2002) one important aspect that will lead to retention of employees is to *get them off to a great start* which implies the importance of integrating new employees in a way that makes them feel welcomed, valued, prepared and challenged. In order to develop these feelings of new employees the company uses different activities that can be seen below:

“We work with an introduction in several steps...You start small, learn the job and then we have a very well established introduction programme for how that looks. When you know how that works you start off a little bigger and you learn more about Nordea, then we have something we call the Nordea day, which is an introduction day spread over the whole group of affiliated companies when you will be given information from group executive management, you get the whole picture...if you don't have the whole picture you won't understand how it is linked together” (Head of HR Sweden, Nordea).

This statement can be interpreted as once again the company seems to have an understanding on how things should be done in order to create these feelings of being welcomed and wanted. The fact that they have invested in programmes like this signals that they care about their employees and want them to be satisfied in order for them to do a good job and create loyal and satisfied customers. However, unfortunately the reality shows another side of the coin.

“Practically spoken, you actually have to manage on your own, ok there are services, a little support from HR and information on the intranet, but it is rather independent...Scandinavian culture and, well, you have a lot of intelligent people that work here so you are expected to manage on your own to a great extent, however, I am employed as a boss so that might be a little different, you are expected to get acquainted with the job fast, I guess that the situation of an employee working at the cashier is more structured than that of mine” (Head of Brand Platform and Online Communications).

Due to this it seems like these activities does not really work to the same extent as is wanted. However, it is identified in the statement that the front line employees might be given another structure of their introduction in the company. Since these are the ones having contact with the customers these are the ones building the customer relations. What can be learned from this statement is that the introduction given to new employees might not work as good as the Head of HR, Sweden, thinks. This in turn might imply that newly hired employees should be evaluated thoroughly after a couple of months and then again after a year in order to find out what they think of the introduction programme, in order to come up with these action plans that is highlighted previously in this chapter.

4.6 Employee Satisfaction

As has been described above, employee satisfaction is essential in internal marketing. Employee satisfaction is necessary if the employees are about to offer high service quality and get satisfied customers. Miller et.al (1996) further state that creating employee satisfaction is an instrument to reduce employee turnover, hence increase the retention rate. By looking at the following statement an interesting note can be made:

“You can really say that, partly that we shall, as you noted before have skills in recruiting the right people to perform what we do in order for them to be stimulated by that. Then you can always, that your are trying to make sure, what adjustments can be made in order to motivate the employee, it is obvious that you take that into consideration but honestly spoken you must recall that the core to why we are here is to do the job, that is why we get paid” (Head of HR Sweden, Nordea)

The interesting part here is that a key factor for developing employee satisfaction seems to be to recruit the right person from the beginning. The reason for this is that the right person being recruited gets stimulated by the work itself and therefore does not need the same attention and presence of other activities stimulating employee satisfaction. This is in line with Herzberg (1959) that identified that the work itself is a motivational factor that can stimulate job satisfaction and motivation. It can also be viewed as in line with what Maslow (1954) explain as the self actualisation need. To explain this we can recall from section 2.6 that Maslow (1954, p. 22) states that *“what humans can be, they must be”*. By recruiting the right people from the beginning, people that gets stimulated by the work they are performing, have probably found a way of expressing themselves and feels that they are doing what they are meant to do. This then leads to job satisfaction, however, important to notice is that all the previous needs in the hierarchy have to be fulfilled in order for the employees

to get motivated by this. As noted in section 4.5.3 no one is that good that you can recruit the right people to 100%, the importance of realising this can be seen from this statement as well. What the organisation does in such cases is that they adjust the work to fit the individual needs in order for the employee to feel stimulated by the work itself. However, the work can not be adjusted to the extent that the core functions of the company are being replaced. By doing this the organisation signals that the use of internal marketing is implemented in this step of the process as well. What is meant by this is that in order to put energy in creating employee satisfaction by adjusting different positions the good circle as described in section 4.3 might occur, with customer satisfaction and retention of appropriate employees as the result.

Hackman et.al (1975) state that meaningful work, responsibility and knowledge of results are determinants for employee satisfaction. As can be seen above, Nordea puts high emphasis in trying to make the work meaningful to the individual worker by adjusting the work to the individual's needs as long as these needs can be fulfilled by working accordingly to the company objectives and core business activities. As can be seen below the organisation is also concerned with giving the employees rather high degree of responsibility:

“Responsibility is very, of course we have own responsibility we are a Nordic company and we have Scandinavian culture so it is pretty common that people have a rather big responsibility. However, if you talk about responsibility in personal contact, if you enter a bank office which is a contact centre on the bank, then it is once again, that there must be rules that contributes to the fact that it doesn't really matter who you meet in terms of the help you receive” (Head of Brand Platform and Online Communications).

Here it can be noted that the employees are given responsibility that according to Hackman et.al leads to employee satisfaction. Interesting is also that the importance of not giving the employees too much own responsibility is identified. The actions taken by the employees must be accordingly to rules leading to employees offering the service in a similar way in order to work in line with the company values, objectives and external marketing strategies. This will then ultimately lead to a high service quality that meets the expectations of the customer. As will be described in section 4.7. Nordea uses internal communication to communicate good and bad performances. In terms of employee satisfaction this can then be seen as their way of communicating knowledge of results which is described by Hackman et.al as a determinant for employee satisfaction. The knowledge of results can also be explained by the way the organisation uses its internal communications strategies explained in section 4.7.

In the following statement the process of how employee satisfaction is created in Nordea is explained. In line with Herzberg (1959) hygiene factors are identified in the organisation and the reasoning by Maslow that humans are concerned with different needs that has to be satisfied in order to feel motivated is followed thoroughly.

“It must be this basic part that has to be secured, otherwise you can't feel that you are developing so everything from a decent working environment and that it is nice and clean and everything like that, that is only basic, that is hygiene factors, they must be there. We also believe that if you can feel that you can influence and be a part in moving questions forward this will give you motivation, we also try to be as good as we can in involving the employees in order to make them feel that they are a part of Nordeas' journey. And as I said before, it is obvious that people should have a reasonable salary, they should feel that they are given career opportunities, so that they feel that we are a good and fair employer, and so that they feel well treated by us, you should feel that the employer really values you as a resource” (Head of HR Sweden, Nordea).

This quotation can actually be interpreted as a summary of the studies made by Maslow and Herzberg. Important with this statement is that it seems like the organisation is putting a lot of efforts in developing employee satisfaction. Based on what is written above, that it also seems like the organisation has an understanding of the fact that satisfied employees eventually leads to satisfied customers, this might imply that the organisation has a well implemented understanding of internal marketing. Recalling that Schlesinger and Heskett (1991) stated that employee satisfaction will result in reduced employee turnover, this gives indications of how the organisation works with retaining its employees. This then implies that internal marketing is present in the retention process of appropriate employees in Nordea. However, as noted in section 4.3 the important aspect of programmes like this is to apply them in action. The above can be seen as guidelines and opinions on how things should be done, if these are not put into action they will be nothing worth. In order to put these guidelines into action the organisation uses its employee satisfaction index to find out what needs to be done:

“We are doing employee satisfaction measurements every year, it is a lot that, a wide spectra that you make an inventory of, everything from abstract factors such as salary and also factors such as how you enjoy working here and how you can influence” (Head of HR Sweden, Nordea).

This statement is also in line with Maslow (1954) who states that a human being is never entirely satisfied. By doing this employee satisfaction index the organisation is offered a possibility to identify how their needs change in order to satisfy them, leading to employee satisfaction and higher retention rate.

4.7 Internal & Employee Communications

Dunmore (2002) state that internal communication is one of the key components of the internal marketing strategy. The reason for this is the fact that if an organisation is about to change its vision, mission and values this have to be communicated if they are about to be adopted by the employees. Further, Schneider and Bowen (1985, cited in Clow, Kash & Rogers, 1994) state that without effective communications the quality of the service encounters between the company customers and employees will suffer.

“The key tool in a transformation process is really internal communication” (Senior Vice President, Nordea).

“What we are doing is that we are trying to build a bank, a Nordic bank and internal communications is an important part in the sense that we illustrate how things should work and state good examples of the behaviour we want to promote and that we are not communicating the old behaviour we don't wish to promote...the actual act must be done by the employees but without communication they wouldn't even know the direction” (Head of Brand Platform and Online Communications).

What can be seen here is that Nordea is currently finding themselves in a transformation process. The aim of this transformation process is to build one unified bank in the Nordic countries and that internal communications is playing a vital role in this transformation process. Further it can be seen that by effective communication the organisation is trying to statute examples of appropriate behaviours that should be carried out by the front line personnel in order to be able to offer a consistent service in the whole company. By being able to create this consistency this might actually lead to a competitive advantage due to the fact that the bank operates in different countries but the service will remain the same

whether you enter an office in Denmark, Finland, Norway or Sweden. This will most likely require a cultural change within the offices in the different countries, a cultural change that is managed through effective communication. This can also be interpreted as a sign of the implementation of internal marketing. What is meant by this is that Nordea is trying, through effective communication, to implement the external marketing strategies internally in order to be able to offer this consistent service.

Berry & Parasuraman (1991) state that in order to retain, attract, motivate and develop employees a clear vision must be communicated. Further, the author state that people working in service companies need to have an understanding how their work fits into a bigger perspective and how they contribute to the good of the organisation. This is done by great internal marketing companies in order to create a strong commitment to the goal oriented values of the organisation.

“You can use internal communications to put what we are doing in a relevant context, so you understand the importance of your own actions and how they fit with the company objectives, that is what you can use communications to, so that you feel that your work is valuable and what you contribute with...why it is important to act in a given way in a certain context” (Head of Brand Platform and Online Communications).

Based on the above statement it seem like this is well understood in the organisation. As noted in section 3.5.4., both motivation and the fact that you are given information that explains why employees are performing their jobs will in turn lead to employee satisfaction. Based on this it can be said that internal communication is a key tool in creating employee satisfaction which in turn leads to satisfied customers and the retention of appropriate employees. As also can be seen, the way Nordea uses its internal communication is supporting the fact that internal marketing activities are well understood and implemented accordingly to theoretical suggestions.

According to Hoffman & Stauss (2000) should employee communications be targeted towards all existing employees. However, as noted by Ahmed and Rafiq (2002) it is essential that the organisation identifies the different target groups of the company and sends messages that are differentiated to these different target groups, otherwise the organisation risks that the messages hold little or no meaning to the receiver.

“We are not doing that at the present, that is the whole idea with the intranet that you can target certain information to certain groups, but we do not have that support at the present time...I think that it is good, it might be same information you are communicating but you can stress it in different ways depending on who you are talking with, in order to make sure that we have the most important to every group of people, a boss positioned on the top of the hierarchy might be interested in certain trends and control numbers, while a person that works with customer contact wants to know how do I behave to make this work” (Head of Brand Platform and Online Communications).

“We are not separating, I mean internal communications have different levels, we are a big organisation with 30000 people so we on the communications department work with issues regarding everyone, in other words, we can not separate between a newly hired employee and someone that has been here for 10 years because that will be rather difficult to handle with this amount of people...internal communications targeted towards a newly hired employee should come from the closest boss, they must put the business in a context, that is impossible for us to do, a stab that works with 30000 people...the individual must always turn to the closest boss, anything else would not work” (Head of Brand Platform and Online Communications).

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As can be seen from these statements, it seems like the organisation does not send differentiated messages towards their different target groups. Further the organisation does not seem to separate its internal communication messages between newly hired employees or employees that have been in the organisation for some years. The reason for this is that the organisation is too big and that it therefore is impossible to do this. This implies that as the organisation grows the internal marketing concept gets harder to control. According to Dunmore (2002) is internal communication a key component in the internal marketing strategy, if the organisation grows there will then be some point where the organisation becomes too big and it will then be hard if not impossible to send differentiated messages to the different target groups. As is identified by Schlesinger and Heskett in section 3.5.3 organisations spending little time and money on training and commitment building activities risk falling into the cycle of failure. Since these activities have to be communicated the risk of falling into this cycle of failure would then increase as the organisation grows if it can not find another way to effectively communicate. In this sense Nordea stresses that individualised messages must be communicated from the closest boss in order to reach the target audience. This also suggests, in line with Hoffman and Stauss (2000) that internal communication should not only be managed from top-down. By receiving these messages from someone you work closely with, even though it is your boss, the possibility of giving and receiving feedback increases. This is identified by the Senior Vice President:

“Internal marketing is not one-way, that is what it is all about, it is not only one-way communication, instead it matters to get a two-way communication going” (Senior Vice President, Nordea).

As described by Hoffman and Stauss (2000) can internal communication be used to directly affect knowledge, attitudes and behaviours of employees to which the communication is targeted (See figure 2.4). How this works in the organisation is described below:

“We communicate internally how we want us to treat the customer, we have handbooks for how we want us to treat the customer...the customer oriented bank...that is one way with internal communications...that is our way to strengthen or improve that service delivery” (Senior Vice President, Nordea).

This statement implies that the organisation is trying to affect the attitudes of the employees in terms of customer oriented thinking. The organisation is also trying to create an understanding of management decisions since they create handbooks on how they want the employees to behave in interactions with the customer. By having these handbooks it provides guidelines for how the employees can identify with the company. However, this statement does also imply that the organisation is affecting the behaviour of their employees through their communications strategy in terms of creating customer oriented behaviour. Finally it can also be seen as a sign that the employees' knowledge is affected since this is a way of internally marketing the concepts and strategies of the bank. Further statements imply that knowledge, in terms of customer requirements, is affected:

“When customers have left us due to a bad treatment, then there hasn't been any quality in that service since they have left us, in this matter I believe internal communications can be good in order to tell good things and something that has resulted in customers leaving us” (Head of HR Sweden, Nordea).

A final interesting quote that can be used to interpret how strategies are marketed internally in order for the employees to know how they should act is presented below:

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“Again, we are a big organisation, our way to communicate internally how customer programmes work to have easy access to different aids or to explain why we have a strategy, that helps in creating employee consciousness, that he can communicate this to the customer and again put our values into practice in the delivery to the customer, that is internal communications” (Senior Vice President, Nordea).

Once again, the size of the organisation is identified as something that interferes with Nordea’s way of communicating and something that affects the implementation of internal marketing. However, what can also be seen here is that it seems like it is understood that in such a big organisation it is very important to try to make every worker strive for the same goal and in the same direction, in order to offer a consistent service with what is promised in the external marketing strategies, hence a sign of internal marketing. Even though it has been identified that the size of the organisation has made it hard to communicate different messages to different employees it seems like the organisation has an understanding of the importance of internal communication. Further the organisations realises the importance of having a two-way internal communication. By having this internal communication it seem like the employees are given clear guidelines on how they should act in customer contact in order to offer this consistent behaviour. Finally, the fact that Nordea is spending time and money in their internal communications programme is illustrated below:

“The marketing budget is rather big since we are buying a lot of media space with our campaigns...but is somewhere near 3 % and 97 on the media, roughly estimated” (Head of Brand Platform and Online Communications).

This statement was given on the question how many percent of the marketing budget is spent on internal communications. Compared to 1 % identified as normal by Simms (2003) it can be said that Nordea puts higher emphasis on internal communications than the average. This also implies that the organisation has an understanding of internal communications being one of the key components of internal marketing.

4.8 Organisational Culture

Ahmed and Rafiq (2002) state that internal marketing can be used to create a shared system of beliefs, for example this might mean the implementation of a service oriented organisational culture among employees. Further Grönroos (2002) state that clear cultural values are essential in guiding employee behaviour, especially in service organisations. An interesting statement regarding this was given by the Senior Vice President:

“First of all I don’t think we use the term, in the sense that we are not calling it internal marketing, it’s a way to get, to spread visions to communicate what we stand for, nowadays we are trying to tie the internal message together with the external as well, so that we have, making it possible, as it says here” (Senior Vice President, Nordea).

First of all this is in line with what is written in section 4.4. that it seems like the internal marketing concept is not really used as such, instead it is present in the form of different activities in different departments. So far the analysis has showed signs of different activities and ideas of internal marketing being implemented in the recruitment and retention process. It has also been identified that internal marketing, to some extent, is understood and applied in the creation of a high quality service. However, the term does not exist, this might make it harder for the organisation to explain to employees how these different activities are integrated. This is in line with what is written in section 1.2. that a clarification of the concept at a definitional level must be made in order for internal marketing to be

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recognised or if it is to be implemented in organisational strategies. However, it is also interesting to note that the organisation is trying to spread its visions to the employees by tying internal and external strategies together, which is a key in internal marketing. This then implies that the organisational culture of Nordea is actually created by using internal marketing as a tool even though the actual term does not exist. This signals that the organisation is aiming for internal strategic cohesion as identified by Irons (1997) as a decisive factor for the marketing of a service.

Even though it seems like the organisation uses internal marketing to create their organisational culture it seems like the service orientation could be highlighted more. Creating a service culture and service orientation is according to Grönroos (2002) one situation when internal marketing is called for. As can be seen in the below statement, there is an opinion that the organisation is not doing this to the extent it should:

“At the present state I would say rather bad, you are not thinking, I think banks in general think too little service company, I am new but that is my view, that you think too much on products...while if you turn it around and think of a service culture as a tool box, then I will see you as customer primarily and then I will try to use my tool box consisting of products to see your wishes and needs” (Head of Brand Platform and Online Communications).

This statement implies that the service culture of Nordea is not in fact implemented that very well. Another interesting note is that the statement is given by the Head of Brand Platform and Online Communications who is rather new in the company. This might imply two things. First, it can be the fact that the Head of Brand Platform and Online Communications has not been in the company long enough to learn the culture, second it can mean that the service culture of Nordea does not exist to the same extent that the people that has been in the organisation for a longer time seems to believe. As can be seen in section 4.5.4, one vision of the organisation is to be *“the customer oriented bank”*, and as can be seen in the first statement of this section, another one is *“making it possible”*. These two visions stress service mindedness and customer orientation, as should be essential parts of a service culture (Papasolomou-Duokakis, 2002). However, based on the above statement it seems like these visions are not implemented enough to be used as guidelines for the employees.

In line with what is said above, Grönroos (2000) state that if employees do not understand what the organisation wants to achieve the same employees can not understand the importance of service, service orientation and their important responsibility as part time marketers. Based on this it seems like the organisation needs to create a stronger service culture, otherwise it risks ending up in the cycle of failure. The reason for this is that if the employees do not understand the missions of the organisation they will have a hard time to create a high quality service, leading to dissatisfied customers, dissatisfied employees with high employee turnover as the result. In terms of the recruitment process this might also have negative effects. To explain this a little bit further, it can be said that if the service minded culture is not well understood it will be harder to find the right employees to the right job, which in turn also leads to a cycle of failure. It must be noted that what is written above is the worst case scenario and that Nordea does not seem to have the problem to that extent, however, the organisation might need to investigate how well the employees are aware of the culture since there are indications of the fact that it is not that well implemented as they seem to believe. This fact can also be explained by the current phase of the company as explained below:

“You should actually say that we still are in some kind of transformation process today, as Swedish you might think that Nordea is a Swedish company but it is really not anymore, that is what

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the employees must get to a greater extent” (Head of Brand Platform and Online Communications).

“We are an organisation that comes from several small parts...there is not really a sense of people being used to belong to a big international business group...you are more used to belong to the small, intellectually I believe that people get this, I am convinced that is the case but I don't think we have managed to reach peoples' hearts with it, what it means...I don't believe that you accept that in your heart all the time since you haven't been in that kind of environment before” (Head of HR Sweden, Nordea).

As can be seen here, the organisation is still in a transformation process due to the fact that the company is nowadays operating on an international basis with different cultures being turned into one. Once again it is highlighted that this fact has not yet reached the employees. However, this really offers a challenge to the organisation, a challenge that must be handled with internal marketing activities if the organisation is about to carry out its objectives to the employees and not fall into the cycle of failure. Another interesting note here is that this offers a possibility to create action plans in order to correct this matter, as the Senior Vice President noticed in section 4.3., *“it is what you do with the answer that is the essence”*.

5 Conclusions

Below the conclusions that have been obtained through the analysis will be presented. The conclusions will point at indications for how internal marketing is present in the recruitment and retentions process in Nordea. Further, a concluding discussion will follow and finally suggestions for further research will be added.

5.1 Conclusions

During this research the author has been trying to find signs of how internal marketing is implemented in one organisation, namely Nordea, a Nordic bank organisation. The focus has been towards finding signs of implementation of internal marketing in the recruitment and retention process of the organisation. The analysis has shown that there are in fact signs of internal marketing activities being implemented. Since 2001 the organisation consists of four different Nordic banks and together these banks build up the brand Nordea. This has led to the bank finding itself in a transformation process where new company values and objectives are being communicated to the employees. Further, this has led to the fact that it seems interesting to analyse how internal marketing is implemented in the organisation.

The analysis has shown that the *term* internal marketing is not used or implemented in the organisation. Further the analysis has shown that the organisation does not have a department being responsible for the implementation of internal marketing. Instead different activities in different departments seem to build up the implementation of internal marketing. Another common opinion that the analysis has pointed at, is the fact that the respondents believe that the organisation is too big for having an implemented internal marketing programme. The opinion is that using the term internal marketing does not lead to committed employees.

However, as stated above, the analysis implies that there are different internal marketing activities implemented in the organisation. One of these activities arises from the fact that the organisation is aware of the performance of the service provider being crucial in developing high service quality. In order to create this performance, the importance of the appearance of the personnel is recognised. The analysis has also shown that the organisation believes that it is the personnel that makes the difference in terms of perceived service quality. It has further been shown that the organisation seems to believe that the customer should be in main focus when developing a high quality service. In a more general view the analysis implies that the organisation believes the offered service to be an important factor for the organisations' existence and therefore something worthwhile investing in. It has also been identified that the respondents believe that it is necessary to have the right person at the right place in order to create high service quality and customer satisfaction.

Another activity that symbolises that internal marketing is implemented in the organisation is the fact that the relationship between satisfied employees and satisfied customers is recognised. The analysis has shown that the organisation seems to believe that in order to promote something externally one have to start from within and promote the same thing internally, hence a sign of internal marketing. In order to create employee satisfaction the organisation uses an employee satisfaction index. This index is evaluated on a yearly, quarterly and monthly basis in order to witness how the behaviours of the customers constantly change. The analysis further shows that the organisation is developing action plans to correct factors contributing to employee dissatisfaction leading to customer dissatisfaction. Interesting is the fact that these action plans are used as a synonym to internal marketing. Fi-

nally, regarding customer satisfaction, the analysis shows that there is in fact an optimal level of customer satisfaction the organisation should aim for.

Another interesting aspect that the analysis has identified is how the organisation views the fact that theories stress the importance of having involvement from marketers in the recruitment process. The common opinion is that marketers should not be physically present in the recruitment process. However, marketers, or the business department as the organisation calls it, actually decides what the organisation requires from the applicant in order to make sure that the hired employee can "*live the brand*" and thereby carry out the external messages of the company. This is perhaps the clearest sign of internal marketing being implemented in the recruitment process. Further, the recruitment process involves internal marketing in the sense that the company has very well developed standards for the personnel they hire. The standards are based on these requirements from the marketers. Further the analysis shows that the organisation is competing for talented workers through their trainee programme and by being an international organisation. The analysis has also shown that the organisation is competing for talent to a higher extent today compared to during the 70's in the sense that they are not recruiting for one specific task. Instead they are trying to recruit the right employees directly from the start, employees that are mobile and with the potential to further develop within the organisation, in line with internal marketing theories.

Another interesting note that arises from the analysis is the fact that the organisation is using internal recruitment primarily when trying to find a suitable employee. There seems to be two major reasons for this. First it is due to the cost effectiveness, second it is due to the fact that the organisation is taking advantage of un-used resources making the transition time to become effective in their positions shorter. It is also identified that this also works as a motivator for the other employees, making them work harder, since it seems to pay off. Hence, a sign of internal marketing being implemented in the recruitment process by contributing to a motivated work force that has history in the company, and is being able to understand and "*live the brand*". However, the analysis has also shown that the reality is that the organisation has a stoppage in recruiting resulting in the organisation being more or less forced to recruit internally.

In order to retain their appropriate and good workers the organisation works with different activities aiming for increased motivation. One activity that is used to retain their appropriate workers is the relationship that is created between the employee and its closest supervisor which in turn leads to employee satisfaction. Further, the organisation uses exit interviews to identify reasons for employees leaving the organisation in order to correct these. However, the analysis shows that the organisation should do this to a higher extent than they currently are. The analysis has also pointed on the fact that the organisation actually has too high employ retention and that management thereby is committed to decrease the retention rate rather than the employee turnover as is discussed in theory. Perhaps the clearest sign of internal marketing being implemented in the retention process of appropriate employees is the identification of the good circle that satisfied employees leads to satisfied customers. The organisation works with payment structures, motivational activities and creating a meaningful work to create employee satisfaction and thereby retaining the good employees. Activities that make up the usage and implementation of internal marketing.

Regarding employee satisfaction the analysis imply that the organisation has the opinion that employee satisfaction arises from recruiting the right employee from the beginning. And thereby being able to retain their suitable workers. The reason is that the employee gets satisfied from the work itself and can thereby perform a good job in creating customer

satisfaction. This implies that the intentions of internal marketing of recruiting the right person and retaining the appropriate employees is implemented. Further, the organisation recognises the importance of giving responsibility to the employees in order to create employee satisfaction. Interesting from an internal marketing perspective is that the analysis shows that this is done as long as the actions of the employees are according to the company values, leading to a consistent service offer of high quality.

Another sign of internal marketing being implemented that has been seen in the analysis is the fact that internal communications is partly used to attract, retain and motivate employees. In this sense internal communications is used to put what the individual contributes with in a context in order to explain how he/she helps in achieving organisational goals. By doing this the organisation hopes to receive a higher degree of employee satisfaction leading to satisfied customers and employee retention. Another sign of internal marketing being implemented is the fact that the organisation is trying, through effective use of internal communications, to implement the external marketing strategies internally in order to be able to offer a consistent service.

Finally the analysis shows that it seems like the organisation needs to put more emphasis on creating a service culture and especially, make sure that this culture is understood by the employees. If this is not done the organisation risks that the employees do not understand the mission of the organisation making the recruitment process harder, poor offered service quality, dissatisfied customers, dissatisfied employees and high employee turnover.

5.2 Final Discussion

As can be seen from the conclusions it seems like internal marketing is not implemented as such. However, different activities in different departments are present and together make up the usage and implementation of internal marketing. During the research there has been a feeling of the organisation not being familiar with the term internal marketing and that it therefore is difficult to implement. This is most likely the result of what has been identified in the introduction of this thesis. The concept needs to be given a unified definition if it is about to be implemented to a higher extent by organisations.

Further it seems like the different respondents are not really aware of what activities the organisation works with in order to correct certain situations leading to a problem. Based on this it seems like the organisation needs to integrate their activities aiming for effective service delivery of high quality, recruiting the right employees, retaining their appropriate employees and developing a service oriented work force. The common notion seems to be that the organisation is too big which makes it almost impossible to implement internal marketing in the organisation. In order to reach the employees the organisation uses communication from their closest supervisor. Based on that it is shown that effective internal marketing can be carried out even if the organisation is of the current size. However, I believe that the people in the organisation need to realise that to a higher degree than they currently are. The reason for this is that it might actually be more important in a large organisation to recruit the right employees and to retain the employees that are important for the organisation. This is due to the fact that it gets harder to control and monitor employees in a larger organisation, it might further be harder in a large organisation to understand the aims and objectives of the different departments and the organisation as a whole and internal marketing must then be present in order to push the employees in the right direction.

Another interesting notion is the fact that it might not necessarily include a great cost for the organisation to more effectively implement internal marketing in the organisation. What is meant by this is that activities leading to above mentioned positive outcomes and objectives need to be integrated rather than implemented. As the analysis has shown different activities aiming for recruiting right and retaining the right employees exist. All respondents seem to give answers on how things work accordingly to theory. However, different respondents include important aspects of how a certain situation works while other respondents do not include these aspects when talking of the same situation. Based on this it seems like the activities and aspects of internal marketing need to be integrated in order to make up an effective programme. The reason for this is once again probably due to the fact that there is no unified definition of the concept.

Since there are no real definition of the subject it has sometimes felt like the concept is too complex to analyse. The analysis has shown that there are some activities implemented in the organisation that follow the theories of internal marketing, however, these are not integrated in a programme. This is probably the most obvious conclusion this research can establish. However, due to the fact that the organisation is not really aware of what is meant by internal marketing it also gets hard to analyse how it is implemented.

5.3 Suggestions for Further Research

Based on the above discussion I would say that it would not necessarily be the implementation of internal marketing that is the most important aspect of the concept that has to be studied, on the contrary of what is noted by Carson and Gilmore (1995). Instead I would still say that there must be further research done to find a unified definition. I further believe that definition and implementation are related. What I mean with this is that in order to find out the definition there must be research done regarding how internal marketing is implemented. In the same way there must be a definition of the concept if you are to decide how it is implemented otherwise you do not know what to look for. However, in order for internal marketing to be recognised and applied by organisations definitions and implementations need to be further addressed with research.

In an article from Pappasolomou-Doukakis (2002) the role of employee development in customer relations in UK retail banks is discussed. This article regards the term Strategic Human Resource Management and uses many of the references that have been used in this thesis. In fact this article contains translations of what has been said about internal marketing in this thesis but is there named strategic HR. This is one example of how different definitions make the understanding of internal marketing more difficult. Suggestions regarding further research in this matter would then be to compare internal marketing and strategic HR in order to find out how they differ, if both terms are necessary or if they only contribute to making the activities connected to these two terms more difficult to understand and implement?

As is previously described, the respondents seem to believe that the organisation has become too big to have an implemented internal marketing programme. Due to this opinion it seems interesting to suggest that a further research topic within the field of internal marketing could be to investigate this relationship. In other words, it seems interesting to investigate if there is an optimal organisational size where it no longer is possible to have an internal marketing programme implemented.

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Another interesting approach that a similar study could be founded upon is to take another industry sector to perform the research on. As mentioned in the analysis the bank industry is associated with very loyal employees. Another industry with higher employee turnover might imply that the retention of valuable employees gets even more important, how then can internal marketing in this industry be used to prevent the valuable workers from changing companies?

As is noted in section 6.1 it has been established in this research that it is hard to analyse how something that the respondents have limited knowledge about. Based on this it seems appropriate to analyse how internal marketing is implemented in a number of organisations that have an outspoken internal marketing programme. If this is done this can provide the literature in the topic with an understanding and with guidelines for how internal marketing is implemented and based on that also with a definition of the studied matter, in order to make internal marketing easier to understand and implement.

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Appendix 1

Introduction to questionnaire

- + The author will shortly describe himself and the purpose of the interview
- + A short description of anonymity will be made.
- + Questions regarding recording the interview.

Introductory questions

- + How long have you been working in Nordea, what positions have you had and what is your current position?
- + What does the concept of internal marketing mean to you?
- + Is this documented somewhere?
- + Do you think that such a programme is present in Nordea today?
- + Do you think that such a programme is present to a higher extent today than when you started to work for the organisation.

Service quality

- + What characteristics of a service do you think is the most important for developing a high service quality? Why? How is this expressed in Nordea?
- + Do you have a service quality programme in Nordea, measuring how customers perceive the offered service?
- + What factors drive the customer experience of high service quality, in other words, what service characteristics is demanded from the customers?
- + What part of the offered service differentiates you from your competitors?

Customer Satisfaction & internal efficiency

- + How do you view the relationship between service quality and customer satisfaction?
- + Can you think of any internal effects that come as a consequence of customer satisfaction, explain? (Internal efficiency).
- + Have you experienced that increased customer satisfaction in turn leads to increased profitability? Is there an optimal level of customer satisfaction?
- + Do you have a programme monitoring/measuring customer satisfaction? If so, explain.
- + Do you have measurements/routines of how long time it should normally take to serve a customer, if so, how have you determined this?
- + Do you promise less than you can achieve in order to create customer satisfaction?

The Role of Marketing and HRM in Internal Marketing

- + What differences can you see between internal marketing and HRM?
- + How do you view the concept of including marketers in the processes of recruiting, retaining and motivating employees? Explain.

The Recruitment process

- + Can you think of one factor more important than other factors, when developing high service quality?
- + Does your recruitment process of front line employees include a systematic evaluation of their sensitivity to service quality?
- + Do you have developed standards for the personnel you hire? If so, explain.
- + How many employees are usually present in the recruitment, interview and selection process and from what departments? How many interviews do you hold before hiring?
- + What are important characteristics of an appropriate employee at Nordea?
- + In what way do you find the recruitment process important for the good of the organisation?
- + In what way is marketing thinking present in the recruitment and hiring process?
- + How do you compete for talent? Is the competition more intense today than when you started in Nordea? Explain.
- + How do you advertise vacant positions? Do you stress that service mindedness is important in the advertising?
- + Can you explain the recruitment, hiring and selection process from start to end?

Internal Recruitment

- + When posting an open position, where do you turn first?
- + What are your motives for recruiting internally?
- + What factors decide whether you try to recruit internally or externally?
- + Have you seen any relationships between internal recruitment and effect on motivation of existing employees?
- + Have you had any problems with discrimination acts when recruiting internally?

Employee Turnover and Retention

- + Have you during a certain period of time experienced a high degree of employee retention/turnover? If so, what effect has this had on the organisation, customers and service quality?
- + How do you take care of the newly employed in their beginning phase in the company and what do you do in order for them to stay committed, loyal and dedicated to the work place?

Appendix

- + How high rate of employee turnover/retention do you have?
- + Do you evaluate reasons for employees leaving the organisation in order to prevent this in the future, explain? If so, what are these reasons?
- + Can employee turnover be desirable for some reason, explain?
- + In what way is the management in Nordea committed to reducing employee turnover?
- + How do you do in order to retain good employees?
- + Do you consider Nordea an attractive place to work at? If so, what actions have you taken to develop this feeling among employees?
- + Do you believe that the employees of Nordea are a competitive tool? Explain.

Internal & Employee Communications

- + To what extent and purpose is internal communications used towards newly employed individuals?
- + Do you have someone in your communications department that is specifically in charge of service quality?
- + In what way do you think internal communications can help in order to develop a high service quality? Is this present in Nordea?
- + To what extent and for what purpose do you use internal communications except towards new employees?
- + How many percent of your marketing budget is spent on internal communication?
- + How is internal communications used in order to motivate your employees?
- + How do you communicate the mission and vision to new employees?
- + Have you witnessed a period with bad/good communication? What was the result?
- + Have you made any change in culture during your years in the organisation? If so, how was internal communication used then?
- + How is internal communication used in order to explain how employees contribute in achieving the organisational goals?
- + How do internal communication techniques differ between groups in the company?
- + In what directions is internal communications used?

Employee- / Job Satisfaction

- + What is the single most important factor contributing to having satisfied customers?
- + What effect does job satisfaction have on service quality?
- + What actions do you take to develop employee satisfaction?
- + How are the jobs designed to create meaning to the worker, to what extent are the employees given responsibility in their tasks and how are results followed up?

Appendix

- + How are different employee needs identified and what is done to satisfy them?
- + What is done in the working environment in order to create employee satisfaction?

Organisational Culture

- + Is there a clear definition of values?
- + Are they given when an employee enters the company?
- + What effect does the organisational culture have on service quality?
- + How is internal marketing activities used to create a strong service oriented organisational culture?
- + How is internal marketing used to maintain a strong organisational culture?
- + How is the organisational culture important for newly hired employees?
- + In what way does the organisational culture influence the actions of your employees?
- + How is organisational identity, and self awareness linked to company objectives?