



JÖNKÖPING INTERNATIONAL  
BUSINESS SCHOOL  
JÖNKÖPING UNIVERSITY

# Internal Marketing

A study within the Profil Group

Bachelor's thesis within Business Administration

Author: Ann Nguyen 880930-1321  
Eva-Lena Sandlund 790111-2446  
Zhang Xu 890416-5050

Tutor: Hamid Jafari

Jönköping May 2012

## Acknowledgements

The authors of this thesis would like to acknowledge and show gratitude to those who have supported us throughout the working process of this thesis, particularly our families and friends for accepting the physical and psychological absentness during this period.

Mr. Hamid Jafari deserves much recognition and praise for his patience, thoroughness and wise words.

The participants of our seminar group deserve acknowledgment for the reason that they have provided us with feedback and moral support throughout the writing process.

Lastly but not the least the study lounges at the 2<sup>nd</sup> floor at Jibs deserves a special recognition as well, because there we have spent numerous hours while working with the thesis.



*Eva-Lena Sandlund*      *Xu Zhang*      *Ann Nguyen*

Jönköping International Business School

2012-05-18

## Bachelor's Thesis in business administration

Title: Internal Marketing: A study within the Profil Group  
Author: Ann Nguyen, Eva-Lena Sandlund, Zhang Xu  
Tutor: Hamid Jafari  
Date: 2012-05-18  
Subject terms: **Internal marketing**

---

### **Abstract**

**Problem** – The expansion of the service sector in Sweden resulted with more jobs opportunities, which leads to higher employee turnover rate. Moreover the lack of internal marketing within the organization makes the situation even worse.

**Purpose** – The purpose of our thesis is to explore if internal marketing at the Profil group is used to keep the competence of human resources within the organization and in turn lead to a lower employee turnover rate.

**Method** – In order to answer the research questions formed with the purpose in mind, data was collected from Profil group through face-to-face and over-the-phone interviews. Subsequently, a qualitative approach was used to analyze the differences and similarities between the empirical findings and the theory.

**Conclusion** – The strategies and goals the organization is writing about on the company WebPages is just that; strategies and goals. There is in fact a gap in how the internal marketing is perceived by the floor staff and the plant managers. The organization needs to be better at communicating their mission and motivating their staff in order to be able to keep the competence within the organization.

**Keywords** – Internal marketing, motivation, strategic management and Profil group

# Table of Contents

<b>Acknowledgements .....</b>	<b>i</b>
<b>1 Introduction.....</b>	<b>1</b>
1.1 Background .....	2
1.1.1 The restaurant business - now and then.....	2
1.2 Purpose.....	4
1.3 Research question .....	4
1.4 Delimitation .....	4
1.5 Disposition.....	4
<b>2 Methodology .....</b>	<b>5</b>
2.1 Research philosophy.....	5
2.1.1 Ontology - Metaphysics .....	5
2.1.2 Epistemology .....	5
2.1.2.1 Positivism – a perspective of philosophy of science.....	5
2.1.2.2 Hermeneutics - a perspective of philosophy of science.....	5
2.1.3 Inductive vs. deductive .....	6
2.2 Qualitative vs. Quantitative research.....	6
2.3 Data collection.....	6
2.3.1 Literature Review.....	7
2.4 Sample .....	7
2.5 Methods for data retrieval.....	7
2.5.1 Reliability and Validity.....	8
2.5.1.1 Reliability .....	8
2.5.1.2 Validity .....	8
2.6 Research Plan.....	9
2.6.1 Interviews .....	9
2.6.1.1 Interviews over the phone.....	10
2.7 Limitations .....	10
<b>3 Theoretical framework .....</b>	<b>12</b>
3.1 Strategic Management .....	12
3.1.1 Strategic Analysis .....	13
3.1.2 Strategy development.....	15
3.1.3 Strategy implementation .....	15
3.2 Service .....	16
3.3 Internal marketing.....	16
3.4 Why is internal marketing important? .....	18
3.5 Motivation.....	19
3.5.1 Motivation Theory .....	19
3.6 How the authors interpret the relationship of the theories .....	20
<b>4 Empirical study.....</b>	<b>22</b>
4.1 Company Information .....	22
4.1.1 Tastsinn AB .....	22
4.1.2 ProfilEvents AB – ProfilHotels.....	22
4.1.3 ProfilRestauranger AB .....	23
4.2 Company structure .....	23
<b>5 Analysis.....</b>	<b>28</b>

5.1	Strategic management with internal marketing point of view	28
5.2	Internal Marketing.....	30
5.3	Lack of Motivation .....	32
<b>6</b>	<b>Conclusion .....</b>	<b>34</b>
6.1	Discussion.....	35
6.1.1	Reliability .....	35
6.1.2	Further studies.....	35
	<b>List of references .....</b>	<b>36</b>

## Figures

Figure 2-1	the relationship between theory and research (Source: National Service-Learning Clearinghouse) .....	6
Figure 2-2	Validity & Reliability Source: <a href="http://www.experiment-resources.com/validity-and-reliability.html">http://www.experiment-resources.com/validity-and-reliability.html</a> ) .....	9
Figure 3-1	the prescriptive and emergent strategic approaches. Source: Lynch (2009, p. 19).....	13
Figure 3-2	Essentials of Internal marketing. Source: Berry et al. (1991, p. 152). .....	18
Figure 3-3	Maslow's Hierarchy Pyramid Source: Poston, 2009. ....	19
Figure 3-4	The authors visualization of the connection of the theories .....	21
Figure 4-1	Tastinn AB Company Information (Tastinn AB, 2010).....	22
Figure 4-2	Profil group company structure (Authors contribution from conducting the interviews) .....	23

## Tables

Table 1	Interviewee information .....	<b>Error! Bookmark not defined.</b>
---------	-------------------------------	-------------------------------------

## Appendix

Interview questionnaire .....	40
Interview 1 .....	41
Interview 2.....	45
Interview 3.....	48
Interview 4.....	50
Interview 5.....	51
Interview 6.....	54
Interview 7.....	55
Interview 8.....	56
Interview 9.....	58

# 1 Introduction

---

*In this chapter the topics and issues of the thesis will be presented and to make it easier for the readers, certain terminology and general knowledge of the subject would be included.*

---

The service business sector in Sweden is growing larger, which results in more job opportunities, a increased competition and that in turn leads the employees to find other employments if they were not satisfied with their current positions. The restaurant business is one of those businesses that has the highest growth rate in Sweden since 1995 and have since long exceeded the manufacturing sector in both turnover and number of employees (Turismens Utrednings Institut, 2010). The strong growth rate is expected to develop (Svenskt Näringsliv, 2010) and the restaurant revenue continues to increase (SCB, 2011).

In the service sector and in the restaurant business in Sweden in particular is one of the sectors where high staff turnover is considered normal practice. Based on figures from Statistics Sweden-Statistiska Central Byrån (SCB, 2001), one can see that only 67.4% stay in the same employment from one year to another within the restaurant business. The employee turnover rate is high within the restaurant business today as well, but there may be several different reasons for leaving ones position and workplace. In may be due to the long working hours, the work pressure, or just a change in working environment.

How then could an employer influence its employees to stay in their current jobs?

In order for a manager to alter the culture of an organization there is a need for a different course of action which is called internal marketing.

***Internal marketing or IM:*** is about the interaction within the company, mostly between the managers and employees (Grönroos, 2004).

The service sector in Sweden is experiencing increasing competition; therefore there is a pressing desire of many companies to create a competitive advantage. This often involves changes in the way the company is conducting their business. Internal marketing guides the organization in how to increase employee satisfaction and motivation through different processes which in turn will lead to increased customer satisfaction and loyalty and with that profitability (Heskett, Jones, Loveman, Sasser & Schlesinger, 1994).

We chose to focus on Profil group as our main service chain to do our research on, specifically their restaurant SofieHof, which has a history of a high employee turnover rate. There has been a substantial employee turnover for its service personnel in the last two years. Another reason for choosing this company was because of the convenient location and prior familiarity about the company and its employees.

Profil Group is a generic name that the authors used to name the organization this thesis analyses, this because of the many different parent companies and subsidiaries that are within the organization.

When starting the writing process the names of the organizations that were used in the analysis was Profil Events and Profil Restauranger, hence the generic name became Profil Group.

## **1.1 Background**

### **1.1.1 The restaurant business - now and then**

The restaurant business have since long been known for its long working hours and the high workload. The profession has had a low status and bad reputation for a long time.

#### **Historical view**

In the 1800's most restaurateurs demanded that their employees worked extremely long shifts and long work weeks, which were combined with a poor physical work environment with cramped, wet and unhealthy premises (Jarnhammar, 2005). The employees were considered to be lazy, indecent, and dishonest alcoholics by the guests and were therefore a subject of their screaming and yelling on a daily basis and because the customer was considered to always be right, the restaurateurs never protected their employees. The workforce was taken advantage of by their employers through low pay and poor and unattractive working hours, most often the employees was only offered food and simple lodging without any salaries (Jarnhammar, 2005 pp. 18 -28).

#### **First trade union – until the turning point**

The first trade union was created in the 1890's in Sweden, but this did not lead to better conditions for the restaurant employees. It was not until 1917 when the union Gothenburg Hotel and Restaurant association was established and with that the first collective agreement (Jarnhammar, 2005), that the future of the employees in the restaurant business seemed a little brighter. Though the working conditions and working hours did not improve drastically in the coming years, the employees were able to create a strong cohesion during the 1930's and 1940's. In the aftermath of World War II, there were a boom in Sweden and there were a more serious attempt to improve the working conditions in the restaurant sector, four weeks' vacation and shorter working hours was introduced.

It was also during this period that they started to offer educational courses in hotel and restaurant. But it was not until the 1980's that the restaurant business experienced major changes (Jarnhammar, 2005), the status of the chefs in the business was changed and the salaries increased. The focus was moved from the front of the house, waiters, to the back of the house, the chefs. During the 1990's there was an increasing interest and with that increasing publicity round cookery competitions, cooking shows and chefs (Jarnhammar, 2005).

#### **Present era**

The restaurant business is still dominated by low base salaries and slow wage developments, if compared to other business sectors. Despite the low basic salaries and the slow wage development research shows that the restaurant businesses are growing. Statistics show that the number of employees in the restaurant sector in-

creased by 62 % between 1994 and 2004 and at the same time sales increased by 65 % (Gustafson, Öström, Johansson, Mossberg, 2006).

There have been a large number of restaurants since long and there is constantly an overcrowding with fierce competition and small margins as a result (Jarnhammar, 2005). The competition leads to that the prices of the goods and services becomes a greater mean of competition, rather than the competence of the employees, this makes the skill requirements of employees to remain low. The low demand for skills is, according to Englund and Fierro (2006) that both employers and employees see the industry as a traversal branch.

In the end this leads to a lack of motivation at the employer to invest in training its employees, since they assume that the investment will not be profitable in the long run and a vicious circle arises (Hähnel & Rudehill, 2005).

### Realizing the importance of employees

Stewart (1997) says that in today's society where knowledge is of great importance the employers need to be aware of the fact that employees, *the human capital*, are the core of the service company success instead of *management by numbers*, in which financial goals such as return on assets were considered the key to success. Human capital is tied to company employees and consists of their abilities, knowledge, skill, experience, motivation, creativity, and innovation (Ax, Johansson & Kullén, 2001, p. 686). Hence the human capital is what the employee brings to work and takes with them when they leave, therefore it is important for the employer to lure, attract and keep these persons within the company. According to Stewart (1997) it is not only financial compensation that matters but also interesting work missions, stimulations and a good work environment.

The interest for internal marketing increased during the 1990s and has thereby given us new insights and perspectives. This attention lead to employees today is being considered *relationship partners*, which is all about getting the staff to feel that they are working toward a common goal at the same time as getting rewarded for it. A stimulating work environment, development opportunities and good salaries are examples of this. In the cases where the staff is unmotivated, uninformed and have an unpleasant attitude, a bad atmosphere is created, which makes it difficult to properly deliver corporate messages to the customer (Grönroos, 2004 p. 367).



## **1.2 Purpose**

The purpose of our thesis is to analyze how internal marketing at the Profil group is used to keep the competence of human resources within the organization and in turn lead to a lower employee turnover rate.

Managerial implications will be given if the research result allows it.

## **1.3 Research question**

In order to achieve our purpose we decided to limit our research to whether the internal marketing at the Profil has any effect on the motivation and wellbeing in the workplace, which might lead to a decrease in the employee turnover rate. Thus, we will use the following research questions:

- How is the internal marketing currently being conducted within the Profil group?
- Is the internal marketing being perceived differently by the employees and the managers?

## **1.4 Delimitation**

Due to lack of resources, we were unable to travel around Sweden to the cities where Profil had located their hotels and restaurants to conduct face-to-face interviews. Thus our sample size contains mostly of former- and current employees of their Jönköping branch, as it was the only branch that we could conduct face-to-face interviews. However we were able to get over the phone interviews with plant managers from other branches.

## **1.5 Disposition**

This heading is used to describe the structure of the thesis and its composition; this is done by explaining what each chapter will deal with.

Chapter two is about methodology and information retrieval. The chapter describes the selection and methods of theoretical and empirical material. It also outlines how the interview process has been completed.

Chapter three will outline the relevant theories in internal marketing, strategic management and motivation. The purpose is to create a theoretical framework that can be used in the remaining chapters.

The fourth chapter presents the conducted interviews. This chapter will also present background information about the organization Profil as well as the management structure within the organization.

In chapter five analyses the findings and compare them to the theoretical framework in order to draw conclusion for chapter six. Chapter six is where the analysis is concluded and suggestions for improvements are made.

Chapter seven is the discussion chapter where suggestions for further studies are mentioned and also an evaluation on the choice of methods for this thesis.

## 2 Methodology

---

*The research philosophy will be introduced at the beginning of the chapter to give the reader an overview of why the authors chose the methods as they did. This chapter also includes the ways of retrieving data and the essential reasons for the collection process. Moreover it is presented in a way so further research can be conducted.*

---

### 2.1 Research philosophy

There are two basic concepts of the philosophies of science, ontology and epistemology.

#### 2.1.1 Ontology - Metaphysics

Ontology is about the nature of being and existence. The term is used in many different senses, but basically, ontology is a branch of metaphysics that specifies fundamental properties and relations of existence, the very elementary categories of the world (Mathison, 2012b). To clarify; ontology is the principle of what **is** and answers the question of whether there is a reality independent of the beholder.

There are two aspects of ontology; objectivism and constructivism. Objectivism is that the reality appears to be the way it is, whether we consider it or not. It is an objective reality independent of the observer. Constructivism is that our perception of reality depends on how we think about it and how we communicate with each other about it. It is a subjective reality where the reality is created by the observer.

#### 2.1.2 Epistemology

Epistemology is one of the core areas of philosophy along with metaphysics and ethics and is concerned with the nature, sources, and limits of knowledge (Mathison, 2012a). Epistemology which is also called the “science of knowledge” says firstly that reality can be studied and explained in a neutral and objective manner and/ or secondly that reality is interpreted by those who study it, and all knowledge thereof is subjective.

##### 2.1.2.1 Positivism – a perspective of philosophy of science

Positivism is “an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond” (Bryman & Bell, 2007, p. 16). Positivism is a theory which only recognizes certainties and observable phenomena.

##### 2.1.2.2 Hermeneutics - a perspective of philosophy of science

Hermeneutics is a theory that emphasizes empathy and understanding it is originally a science of textual interpretation. It is an epistemological position which is the opposite of positivism in that the view of the element of social sciences, that is people and institutions are fundamentally different from natural sciences, hence social sciences cannot take the same stance as natural sciences (Bryman & Bell, 2007, p. 17).

### 2.1.3 Inductive vs. deductive

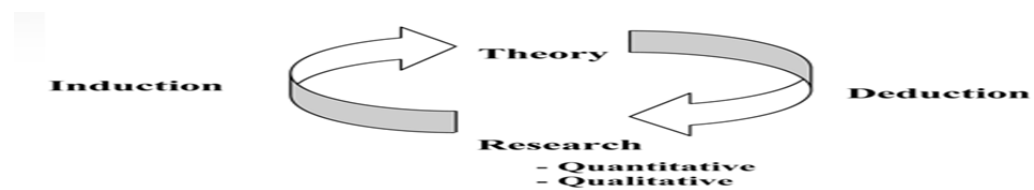


Figure 2-1 the relationship between theory and research (Source: National Service-Learning Clearinghouse)

Inductive method is a method that start out by having empirical data from researches, one will then use those data to detect patterns of regularities or irregularities, subsequently hypothesis are developed to explore those patterns, and at the end general conclusions or theories will be created (Trochim WM 2006, deduction & induction)

Deductive method means that existing theories is used to illustrate the analysis and hence no new theories are created (Hartman 1998, pp. 129-141), one moves from theory to empirics by developing hypothesis and test them on the empirical findings.

This thesis will mainly be based on the inductive approach, as the purpose of the thesis heavily relies on whether the internal marketing theory is working or not in real life based on the interview result, though no new theories will be created, the authors also use some deductive method as theory is used to testify the findings about the organization.

## 2.2 Qualitative vs. Quantitative research

Qualitative research involves quite few research objects and/or situations with a relatively limited scope, like interviews. Quantitative research on the other hand has a tendency to account for a larger-scale research with a larger quantity, more like surveys (Denscombe 2000, pp.205 -206).

## 2.3 Data collection

When starting with the thesis the authors had assumptions of how the internal marketing situation looked like and that is the only truth. With that the authors assumed that they were positivistic. However after interviewing the employees of the organization, a new picture of the internal marketing was formed. Consequently, the authors decided that having a constructivist point of view will be more appropriate for this research. As the analysis and conclusion of this research will vary depending on how we interpret our empirical findings, and how the interviewees responded.

Both deductive and inductive methods have been used in the data collecting process, using the qualitative research approach. By using the qualitative approach, the authors will focus the collection of primary data solely on interviews, both with face-to-face and over-the-phone method, the concept will be explained later on. The authors have decided to make the structure of the interviews semi-structured meaning that there will be a interview questionnaire that include all the necessary questions, however open-end questions are also welcomed. With open-end ques-

tions the interviewees will be able to provide us with their own perspective, which provides the possibility of a more profound research. The collected data, in this case the interviews, was then recorded and transcribed in order to make sure that it is easy to compare. Furthermore, this is also to make sure that there is no missing information or bias of understanding during the interview process.

The empirics in the thesis consist of the primary data collected. Existing theories and other research articles are a part of the secondary data that are being used as a tool to obtain primary data.

### **2.3.1 Literature Review**

A literature review discusses published information in a particular subject area, and sometimes information in a particular subject area within a certain time period (UNC, 2010). Literature review provides the function of information seeking and critical appraisal on the study topic. With a literature review one can easily provide readers the knowledge or ideas that we absorb from the literature and which part of these would be helpful in the research study. One can analyze the strengths and weaknesses of the authors' thoughts and make use of them.

During our research, we collect numerous literature materials from Journals, websites, scientific publications and previous thesis relative to the topic.

Key words used: Internal Marketing, Strategic Management, Motivation, Human Resource Relationship Management and Service Management. The database we mainly use is from our university's article resource database, assisted by articles and information from Google scholar, Jstor, Business Source Premier, Emerald and ABI/Inform.

## **2.4 Sample**

There are two methods used to select the sample from a population; probability and non probability approach (Bryman & Bell, 2007, p. 182). Probability sampling is when the researchers select a random sample to give an equal chance to every unit of the population. Non probability sampling is when the researcher does not select a random sample because they might want to select some particular unit in population more than others (Bryman & Bell, 2007, p. 12).

The sampling of choice is the non probability approach and more specifically, convenience sampling, where the participants are chosen mostly on the basis of convenience, the participants should be easy to have access to (Bryman & Bell, 2007, p. 197).

## **2.5 Methods for data retrieval**

At the beginning we considered to make this paper with the properties of a quantitative research, meaning that we wanted to send out large scale e - surveys for everyone within Profil. However after few attempts of sending email to their CEO and regional manager, in order to ask for the permission to conduct interviews with them and asking for email addresses to the employees', without receiving a reply.

The authors realized that even if permission and email addresses of the employees were given, sending out email surveys was not an option, as it tends to be more time consuming to get a reply. Moreover the authors felt that the questions in mind were not suited as survey questions as they require more explicit replies from the employees than a number ranking from one to ten could explain.

To conclude a qualitative research approach is the one best suited for this research, both when it comes to the time frame and answer wise, decision was made to conduct personal interviews with current managers and employees of the Profil, together with former employees and managers in order to be more objective and to avoid any biasness in the data. The interviews will be conducted and recorded in Swedish, and then translated to be used in appendix.

## **2.5.1 Reliability and Validity**

### **2.5.1.1 Reliability**

*"...The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable." (Joppe, 2000)*

To make it short, reliability is the inherently repeatable and consistent results that are accurate and can be retested over time under a certain circumstance with similar methods. The reliability takes an important role in the research process since without reliability one cannot satisfactorily come up with proper conclusions. Reliability can offer the proof that makes people believe that the hypothesis or results are trustworthy and that they can redo the research themselves end up with the same results.

### **2.5.1.2 Validity**

Based on Mehrens and Lehman's (1987) definition of validity, validity basically defines the truthfulness of the research, it includes the concept of the experiment and decides whether the research process meet the requirement of the research method. Like Joppe says in his research paper,

*"Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" of your research object? Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others." (Joppe, 2000)*

When conducting research, the external and internal validity are the two kinds of validities needed to care about. The external validity is about whether the study results are transferable or understandable to your audience, while the internal validity refers to the rigor and strict way to which the research is conducted. Understanding the importance of validity helps authors know whether the test result is trustworthy since it means whether the research process met the basic requirements of carrying it out.

To conclude once knowing what reliability and validity is, there is a need to keep control of them thus the research is more valid and more likely to get accepted by our audience. As shown in figure 2-2, our research aims to have a result that is both reliable and valid. There are some factors throughout the study that might have biased effects on the

results, for example, because of the employees' fear of losing their job, some information might be hidden instead of being told which will make the study result less reliable than expected. Other limits that may be encountered during the research will be discussed in the limitation section. However, to avoid this kind of situation the interviews will be easier and comfortable thus to reach our goal of a reliable of valid result.



Figure 2-2 Validity & Reliability Source: <http://www.experiment-resources.com/validity-and-reliability.html>)

## 2.6 Research Plan

Setting up a good research plan can help the authors work smoothly and steadily in the further research process. In this case, the authors decided to make contact with the interview company, the Profil group with the formal research. Since, the internal marketing is not only from the workers' perspective; including interviews with managers can diversify the research object and give a more comprehensive result. Main strategies are face-to-face and over the phone- interviews. The authors decided to contact some of the employees within the Profil group and extend the research with "connect-research".

To make the most of the interviews the decision to give the interviewee the option to be anonymous was given, this so that the interviewees would feel free to speak their mind.

### 2.6.1 Interviews

Regarding interviews as a mean for researchers to collect data, there are three different types of interviews.

- Structured also called standardized interviews consist of the researcher asking the same type of questions to all the respondents (Bryman & Bell, 2007, p. 210).
- Semi structured – the interviewer prepares a list of questions which is related to the topic at hand, though it is not of importance that the questions are being asked in the order as listed. The order and the phrasing of the questions can be changed and the researcher can also ask follow-up questions in order to retrieve more information (Bryman & Bell, 2007, p. 474).
- Unstructured – is also referred to as informal interview. It is more a conversation than an interview between the researcher and the in-

interviewee. In preparation of the interview there is no need to construct a list of questions to be followed (Bryman & Bell, 2007, p. 474).

For this thesis a semi-structured interview with the managers and other key persons within the organization will be prepared, this because there is always the possibility of more or different questions arising when interviewing a person. In order to retrieve the best information, and ensure that the information retrieved from the interviews will be reliable, the interviewee was asked whether it was acceptable for the interview to be recorded.

#### **2.6.1.1 Interviews over the phone**

Interviews are usually conducted in the face-to-face manner, which is also called personal interviews, however there are cases where that is not an option, as it is usually costly and time consuming, in such cases, interviews over the phone is the next best alternative (Jacobsen, 2002, p. 161).

The interviewees for over-the-phone interviews might be more willing to answer uncomfortable questions as they feel more anonymous than in a face-to-face interview, and also according to Groves and Kahn (1979), the interviewee can avoid the interviewer effect when the interview is being conducted over the phone, due to that they are not able to see to facial expressions or the body language of the interviewer as they answer and therefore they will not in some conscious or unconscious way try to please the interviewer by altering the reply.

## **2.7 Limitations**

There are a few possible limitations of our methodology:

1. The time frame of our research; it is possible to randomly select some of the employees within the ProfilEvents AB to interview rather than a broader research target. Thus the sample population of the research is limited; the authors strive to make the research result reliable in order to be useful for further analysis.
2. Language barriers. There are many different ways to communicate and to interpret what is being said and asked, we ask and get our answer from different perspectives which might be barriers ( Erikkson, L. T. & Wiedersheim- Paul, F., 2006, pp. 97-99). Since interviews are being conducted, there might be a problem in the way the questions are asked, which is based on the needs of the research. Then receive the answers in a different way, their answers might not be from an academic point of view thereby it could be biased in understanding.
3. A third limitation would be whether the answer from the interviewees is reliable. Meaning that one have to double check so that no information, conscious or unconscious been left out by the interviewees (Erikkson & Wiedersheim- Paul, 2006, pp. 97-98). The authors assume that the period of time the interviewees have been working within the company has a great effect on the answers received. Therefore there is a need to separate factors

like this to make the test reliable and worthy. Other factors may include psychological factors, working conditions, and the atmosphere during the interview.

4. Over the phone interview has its advantages, however there are some scholars that argues that it is easier for the interviewees to lie when they are being interviewed over the phone as the interviewer is not able to see their facial expression. Another point being argued, is that sensitive topics are easier to be asked during a face-to-face- than over-the-phone interview as it is easier to get personal contact when two people are facing each other (Jacobsen, 2002, p 161).

The limitations to methodology could be part of the problem during the research, they are also the parts that make the process interesting and attractive, as the authors try to overcome these problems, subsequently, leads to a more reliable research.

The following methods are what have been done to avoid these limitations: Interviews are being conducted through phone calls and face-to-face conversations, which can solve the problem of time limits in some way and allows more time to do more interviews. The questionnaire is designed more from an academic perspective and when the research is done, the authors tried to make the interview environment more comfortable and easier which will in some way erase the nervousness of the interviewees, some of the interviewees are associated with one of the author thus the interview process will go quite smoothly. Furthermore, the interview have been recorded and transcribed to make sure that no bias or missing information will occur during the research, which in some way guarantee the reliability of the interview result.

Table 2-1 Interviewees information

<b>Interviewees</b>	<b>Title</b>	<b>Date</b>
Interviewee 1	Floor staff / Restaurant manager (former)	April 9 – 2012
Interviewee 2	Floor Staff	April 17 -2012
Interviewee 3	Floor Staff	April 18 – 2012
Interviewee 4	Head chef (former)	April 20 – 2012
Interviewee 5	Chef (former)	April 23 – 2012
Interviewee 6	Plant manager	April 25 – 2012
Interviewee 7	Plant manager	April 25 – 2012
Interviewee 8	Plant manager	May 4 – 2012
Interviewee 9	Plant manager	May 7 – 2012



### 3 Theoretical framework

---

*Current theories and studies done previously related to our topic will be presented in this chapter so that the reader increases their knowledge of the subject and the focus of the research.*

---

#### 3.1 Strategic Management

*“Strategic management entails the analysis of internal and external environments of a firm to maximize the utilization of resources in relation to objectives.” (Bracker Jeffrey 1980, p. 221)*

In order to fully comprehend the definition of strategic management, we need to understand what the word strategy means; the word strategy by itself came from Greek’s word strategos which means a general, and was originated from the words army and lead. Strategos written in the verb form as stratego means plan the destruction of your enemies by effective use of resources (Bracker 1980, p. 219).

According to Kay, J(1993), strategic management can be seen as a linking process between the management of a organization’s internal resources and its external relationships with the customers, suppliers, competitors and last but not least the economic and social environments. With several other fields of studies such as economics, sociology, marketing, finance, and psychology included in the strategic management business theories it is considered to be a broad academic field of study (Nag, R, Hambrick, D C and Chen, M-J, 2006, p. 935). However as an academic field of study, strategic management is a relatively young concept compared to other management theories as this child was born in 1960s but was not developed until the 1970s, albeit actual practices of the idea have been done since long before then.

Even though strategic management is a broad field of study it can still be explained by the three main core areas; strategic analysis, strategy development and strategy implementation. Moreover depending on how the relationship of these three core areas’ is being viewed it can lead to two different approaches:

1. **The prescriptive approach** – in this approach the three core areas are considered to be linked together sequentially, meaning that there are an order to follow. First the analysis area has to be used to develop a strategy, and then the strategy developed will be implemented in the organization.
2. **The emergent approach** – opposite of the prescriptive approach, the emergent approach consider the three areas to be fundamentally interrelated. Which means that one element is responding to the results obtained by the other. Nevertheless, the analysis area is usually regarded as distinctive and should be done in advance before the strategy development and strategy implementation. Usually during the strategy development process experimental tryouts are included and it is often involved with trials and an error, hence making a clear distinction between the strategy development and strategy implementation phases is not an ingenious act (Lynch Richard, 2009, pp. 13-17).

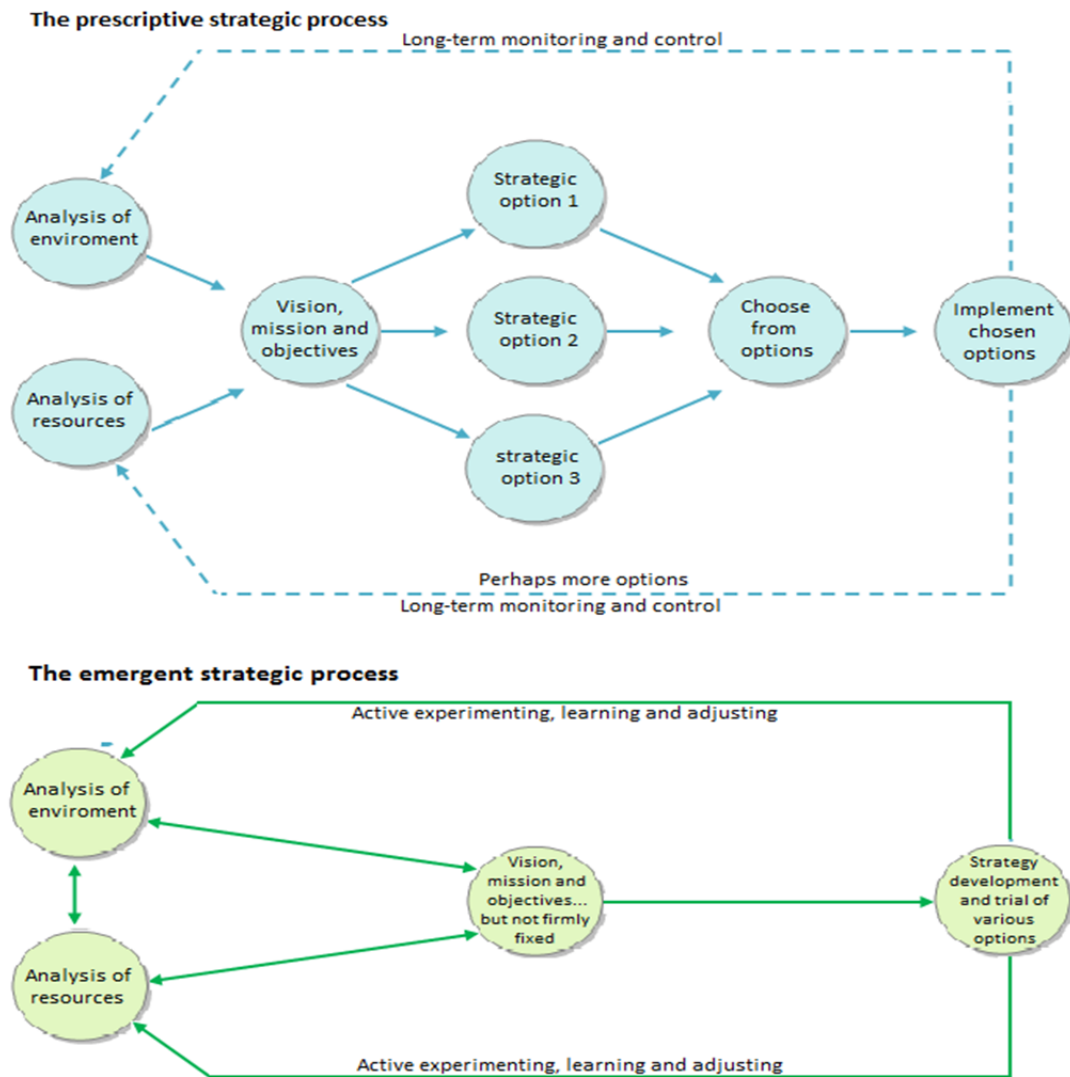


Figure 3-1 the prescriptive and emergent strategic approaches. Source: Lynch (2009, p. 19)

### 3.1.1 Strategic Analysis

This strategic analysis phase can be divided into two elements for both the prescriptive – and emergent approaches.

The first one is the analysis of the environment, this is the part where examining of occurrences that is currently happening, or that are likely to happen outside of the organization such as economic and political developments, competition of the current market or new entries is being made (Lynch, 2009, p. 13). By doing this the organization will be able to determine its position in the market and see opportunities and threats.

Secondly is the analysis of resources, the main focus of this part is the resources and skills available inside the organization. In other word this part of strategic analysis is about analyzing the internal part of the organization to find the strength and weaknesses. The resources in the organization are being divided into three categories:

1. **Tangible resources** – Tangible resources are the physical resources of the organization that can be added to its value. Plant and equipment are examples of tangible resources.
2. **Intangible resources** – means the resources of the firm that have no physical forms that can be seen with blue eyes, however it is the actual benefit for the organization. Examples for intangible resources are brand names, service levels and technology that the organization has.
3. **Organizational capabilities** – Having the tangible and intangible resources by themselves separately is not enough, because the organization needs to be able to use, share, and link these resources to different parts of the organization and also to co-ordinate the various ongoing activities. As a result organizational capabilities are a must and can be considered as part two of intangible resources. Those capabilities are skills, routines, management and leadership of the organization. (Lynch, 2009, p. 123).

When the analysis of both the external environments and internal resources are done, the organization needs to specify their objectives in order to match up with the findings of the analyses, which leads to the identification of a firm's mission statement and vision (Lynch, 2009, pp. 17-18).

The part two of the strategic analysis – the analysis of resources – is what interests us the most, as our study is about the internal marketing of the service sector. In order to find out about the value of internal marketing and how it is being conducted, we will need to analyze the function of the organizational capabilities and intangible resource involved with it. Consequently there is a need to analyze the intangible resources of the organization, which in this case is human resource. And by analyzing the human resource we will be able to identify what motivates the employees to perform a better work.

Many authors argued that one of the factors that are adding value to the strategic management is the human resource management (HRM), and it has since long been an important topic as it has great impact on business performances (Jones, G.T., & Wright, P.M, 1992, pp. 271-299). This has been proved by findings of positive relationships between human resources and business performances, done by general researches through empirical studies (Boselie, P. Boon, C. & Dietz, G., 2005, pp. 67-94), ( Combs, J. Liu, Y. Hall, A. & Ketchen, D., 2006, pp. 501-528).

Human resource management according to Porter (1985), is a necessary element in the strategic management. HRM act as a supporter, and even more so when it is integrated with other value chain activities, such as firm infrastructure, technology and procurement. Together they will create necessities for a business to be able to sustain and achieve competitive advantage. Subsequently, after a competitive advantage has been achieved, it can be enhanced by a firm's opportunity to access resources that are rare, valuable and most important non-imitable (Barney, J., 1995). Therefore, from a resource-based point of view, a firm's nature is being defined based on the resources it controls together with the assumption that not all firms are homogenous, meaning that the resources in the possession of businesses are

not all the same. Consequently, it will lead to differences in business performances (Barney, J., 1991), (Phan et al, 2005).

In a study Carmeli and Schaubroeck (2005, pp. 391-412), reasoned that human resources are important when a business is trying to achieve competitive advantage since they are rare and valuable and usually difficult to imitate. The study also concluded that businesses with high level of human resource tend to perform better when the managers consider this resource as unique and valuable. Therefore it is crucial for firms to integrate employees from all levels in the hierarchy so that they might all move toward the same strategic goals. It is more important that the employees know how to contribute to the pursuit of the strategic goals rather than just to understand what goals there are, and this will likely lead to that the employees will have a sense of belonging to the firm (Boswell, R., 2006, p. 1504).

### **3.1.2 Strategy development**

The phase after the strategic analysis is the strategy development. A successful strategy is a strategy that tends to be developed based on the organization's particular skill and on relationships that it has or can develop with the external factors. Those are found by analyzing the strengths and weaknesses of the resources within the organization and the opportunities and threats of the external environments. During the strategy development process, various strategy options will be found that match the company's resources and capabilities to the demands of the environments in which it operates. However, it is a manager's job to compare and contrast the different strategic options against each other. In order to identify a set of possible strategies that will create and sustain a competitive advantage for the firm. There are four levels that the strategies can be divided into; functional-level strategies, business-level strategies, global strategies and Corporate-level strategies (Hill, C.W.L. Jones, R. G., 2009, p. 18)..

In our studies we are only interested in the functional-level strategies, as this set of strategies is aimed to improve the effectiveness of the operations within a company. Marketing, customer services and materials management for example are the few factors that can improve the effectiveness of the operations (Hill, C.W.L. Jones, R. G., 2009, p. 18). Internal marketing is one of the few functional-level strategies that the business in service sector heavily relies on.

### **3.1.3 Strategy implementation**

According to the prescriptive approach, after the objectives are set, the analyzing part is done and strategy options are developed, the strategy managers now need to choose from the options of the strategies and implement the strategy most suited for the organization by assemble the necessary resources and apply them. For example: depending on the strategy, new capacity might have to be build, or existing capacity might have to be tap down. However, major difficulties may occur in terms of motivation, power relationships, government negotiations, company acquisitions for example. If a strategy that has been developed, cannot be implemented, the value of that strategy is worth nothing. (Lynch, 2009, p. 13) (Hill & Jones, 2009, p. 19) As soon as the strategy has been implemented, the managers need to monitor its progress toward achieving the objectives set. And then once

again return to the analysis phase to analyse whether or not there are any changes in the internal resources or external environments that might lead to a need for alteration in the strategy.

On the other hand, according to the emergent approach, there is no clear distinction between the strategy development and implementation phase as these two phases are interrelated to each other. In other words, the strategy development and implementation phase is not but continuous ongoing experiments of different strategies involving trial and error, therefore there is no final strategy (Lynch, 2009, p. 19).

## 3.2 Service

*"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 the service employees and/or physical resources or goods and/ or systems of the service provider, which are provided as solutions to customer problems" (Grönroos, 2007, pg. 52)*

According to Kotler, Armstrong, Saunders, & Wong, (2002, p. 546) a successful service company should pay focus to both its employees as well as their customers. A service is according to Grönroos (2007, p. 51) complex and of a non apparent nature and it is produced at the same time it is consumed. This indicates that the service employees play a greater role in the delivery of the services and hence is a key to how the customer experiences the quality of the service. The company is therefore dependent on the motivation and skills of employees in performing their jobs. However Grönroos (2007) provides us with some fundamental characteristics to recognize a service. As mentioned in the quote above a service is a *process* consisting of one or more *activities*, it is also *produced at the same time that it is consumed*. Lastly he mentions that the *customer is to some extent participating* in the construction of the service.

If the service within a company is insufficient, the customer might bad mouth the company to others, which in turn leads to a bad reputation and reduced turnover (Grönroos, 2007). This is why proper management of the internal marketing is of importance, to keep the employees motivated to do a good job and always strive to satisfy the external customers.

## 3.3 Internal marketing

*"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-indeed, "wooing" employees - and is the strategy of shaping job-products to fit human needs" (Varey, R.J. Lewis, B.R, 2000 p. 176)*

Internal marketing is looking at and focuses on the internal relationships, between the different levels of personnel in an organization, and how these influence the service quality to the external customers. In the concept of internal marketing the employees is given the expression internal customers (Bowen & Johnston, 1999, p. 120).

Internal Marketing is about the interaction within the company and the idea that the employees are the company's first, internal market. Each employee at every level within the company knows about the operation, its activities and processes (Grönroos, 2004, p.365). This means that the employees have the right attitude and that they are motivated to operate as a coherent team with the mission to offer service-oriented handling of external relationships with customers and other parties. Hence it is important that all employees in the company are prepared for customer oriented work (Kotler et al. 2002, p. 547).

According to Berry et al. (1991) in "*Marketing Service Competing through Quality*" and Varey et al. (2000) in "*Internal marketing, directions for management*", internal marketing is about attracting, developing, motivating and keeping the qualified workers by offering work tasks that satisfies the employee needs. By satisfying the employees, the company is also increasing the ability to satisfy its external customers. There are seven basic elements of a model for the implementation of the internal marketing. These components are:

1. **Compete for talent** – a company should strive to hire the most competent employees in order to compete for the customers
2. **Offer a vision** – explain the true vision of the company and what it stands for to the employees.
3. **Prepare people to perform** – here it is about preparing the employees to perform and market the service. In order to be able to reach this, there is a need for education and skills.
4. **Stress team play** – the staff ought to work in team to be able to increase the opportunities to present a good service offering. Everyone in the unit should feel that they are working for each other and that they are not competing with each other, this in order to be able to provide a good external service. The goal of the teamwork is for every individual to feel important. There is a need for teamwork when there are a lot of employees and functions involved in the service chain.
5. **Leverage the freedom factor** - The employees of a company should be empowered in their work which means that the managers have been entrusted to distribute the responsibility to their employees.
6. **Measure and reward** – The objectives of internal marketing are prevented if the employees' performance is measured and rewarded Berry et al. (1991). Berry urges companies to this because they are to achieve a performance culture within the company. Frequent feedback provides a regular reinforcement of the reasons of training and continuous improvement requires.

7. **Know the customer** – the customer satisfaction requirements is what the decision-makers should understand, what the customer want and need. Since the employees are considered to be customers and by designing work tasks that attract, develop, motivate and retain these internal customers requires certain sensitivity to their aspirations and attitudes.

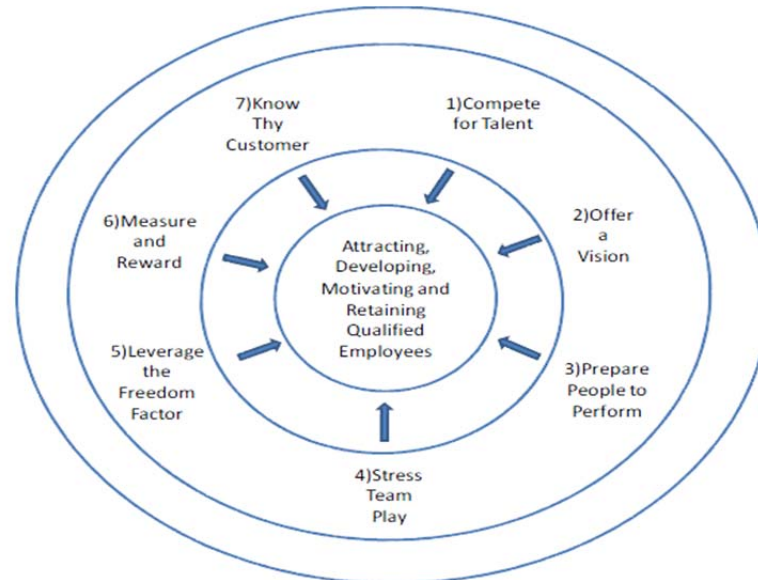


Figure 3-2 Essentials of Internal marketing. Source: Berry et al. (1991, p. 152).

Berry et al. (1991) Varey et al. (2000) and Grönroos (2003, 2004) delivers their respective explanations of the different internal processes of the model, which are used to draw the conclusions above.

Grönroos (2003, p.80) mentions a variety of theories concerning internal marketing and how it can be used to create a service- and customer oriented attitude among the employees of a service provider. These theories refer to the internal marketing and include a number of activities whose purpose is to strengthen and motivate employees to service awareness (Grönroos 2004, p.365). The activities include management support, staff welfare, training, information support and technical assistance (Grönroos 2004, pp. 377-380).

### 3.4 Why is internal marketing important?

With an increasing competition the importance of creating a competitive advantage raises. The companies need to craft strategies to retain employees and increase customer satisfaction and loyalty. Susan L Taylor & Robert M Consenza (1997, pp. 3-5) discusses four different benefits for a company that stems from internal marketing.

Firstly is the possibility of a decreasing employee's turnover rate, which may decrease the cost that is part of the recruitment process and training. Secondly a proper internal marketing can increase the service quality, meaning that the employees are encouraged to improve the way they provide the service to the external customer. Thirdly is a higher level of employee satisfaction, a motivation of the workers to be more engaged which in turn result in an increased customer satis-

faction and loyalty and with that profitability for the company. Lastly there is an improved ability to implement change in the organization. Internal marketing helps support and develop a culture where the need for change is understood and acknowledged. This might lead to a successful implementation of strategies, which improves the chances of these strategies being successful.

### 3.5 Motivation

Motivation has been defined as the process that initiates, guides and maintains goal-oriented behaviors; it is the driving force what causes us to act, to fulfill our psychological needs and to achieve our further plans (James, 1998). In our case, we basically consider motivation as one of the main inner force that influences our employees to improve their working efficiency, make them feel more satisfied and comfortable at work. Company's policy, reward system, and internal competitive strategy are some examples of the motivators that influence employees.

Employees are the main input to get to access to production and service (Lindner, 1998). Some former researchers had already done some research in this area that changed our traditional view towards employee motivation, the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932 (Dickson, 1973, p.298-302), have found that the motivation for employees are not only from money but a large percentage is by their attitude towards what they are doing (Lindner, 1998). Thereby the importance of motivation is self-stated and one should put more focus on motivation.

#### 3.5.1 Motivation Theory

There are several approaches of theories towards motivation: Maslow's Hierarchy of Needs theory, Herzberg's two- factor theory, Vroom's expectancy theory, Adams' equity theory, and Skinner's reinforcement theory (Lindner, 1998). The theory used in our case for motivation is Maslow's Hierarchy of Needs.

Maslow's Hierarchy of Needs is a valuable assessment tool that is widely used in many different fields such as education, health care and working needs. Based on the theory, the ideas of human needs are addressed in order, followed as the body resolves the most basic physical needs for survival before moving on to more complex psychological needs and self-fulfillment needs (Poston, 2009).

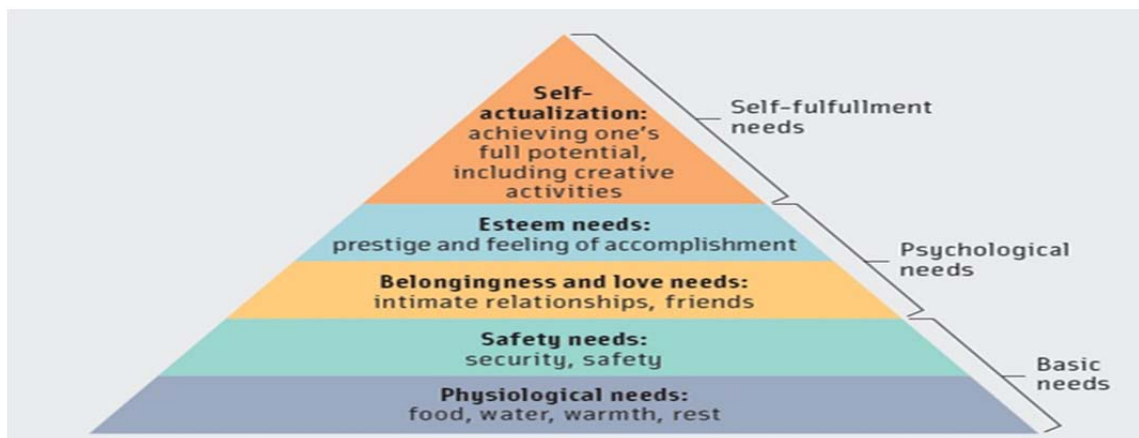


Figure 3-3 Maslow's Hierarchy Pyramid Source: Poston, 2009.



Figure 3:3 shows Maslow's Hierarchy Pyramid, starting from the bottom is the physiological needs to self-actualization needs at the top, follows in order by the safety needs, belongingness and love needs and esteem needs.

The physiological needs are human simple basic needs process towards food, water, warmth and rest that we need consist throughout our life, and the need to maintain enough physiological balance will always be necessary (Poston, 2009, p.349).

These needs are quite similar to physiological needs that we need safety and the sense of security throughout our life, the safety needs could be different from person to person. At different ages and to different genders the definition of safety could be totally different. For example, the safety need for a child could be a warm and integrated family, while for a middle aged wealthy man the safety need could then be the safety of his life and his wealth.

Next step up the pyramid is the psychological needs, such as belongingness and love, this we come to have needs connected with other people and social life. People like to have the sense of belongingness and a relationship with friends or someone else, this need for belongingness and love could be specially built when you really want to have a connection with someone or your desire to make friends with other people.

Another psychological need is the esteem need, when people have fulfilled the former basic needs; they want to have some achievement in their career throughout their life, where they can get respect from other people and/or the external environment. At this stage, people would be more eager to success rather than just to live a normal life. Accomplishment and achievement would be their goal in this hierarchy of needs.

Lastly we come to the top part of the pyramid which is the self-fulfillment needs- the self actualization. This the highest level of needs for human beings that after they have gained and achieved the previous needs requirement they would like to do something more outstanding, they want to define who they are and get recognized by others. They would like to do something creative, solving previous unsolved problems, etc. (Poston, 2009, p. 349 – 351).

### **3.6 How the authors interpret the relationship of the theories**

Strategic management is a concept with three core areas, in the first phase is where the company or organization analyse their strengths, weaknesses, opportunities and threats, which corresponds to internal and external factors. However, in this case the authors focus on the internal factors, as the problem of this thesis was about the bad working environment which leads to high turn-over rate. Therefore in the second phase of the strategic management - the strategy development – the strategy that has been developed in order to suits the organization condition, and might make the employees want to remain in the organization is the internal marketing. third phase is now how this strategy is being implemented in real life, the factor that the authors considered had the main effect on whether the internal marketing is being implemented or not is the motivation.

If the authors were to give the reader a visual picture of the whole idea, using an onion as an example, then there will be a core which is the Internal Marketing. Later there will be outer rings which is the motivation and the factors that build up the internal marketing and lastly the strategic management which is the skin of the onion, which acts as a container for all the concept

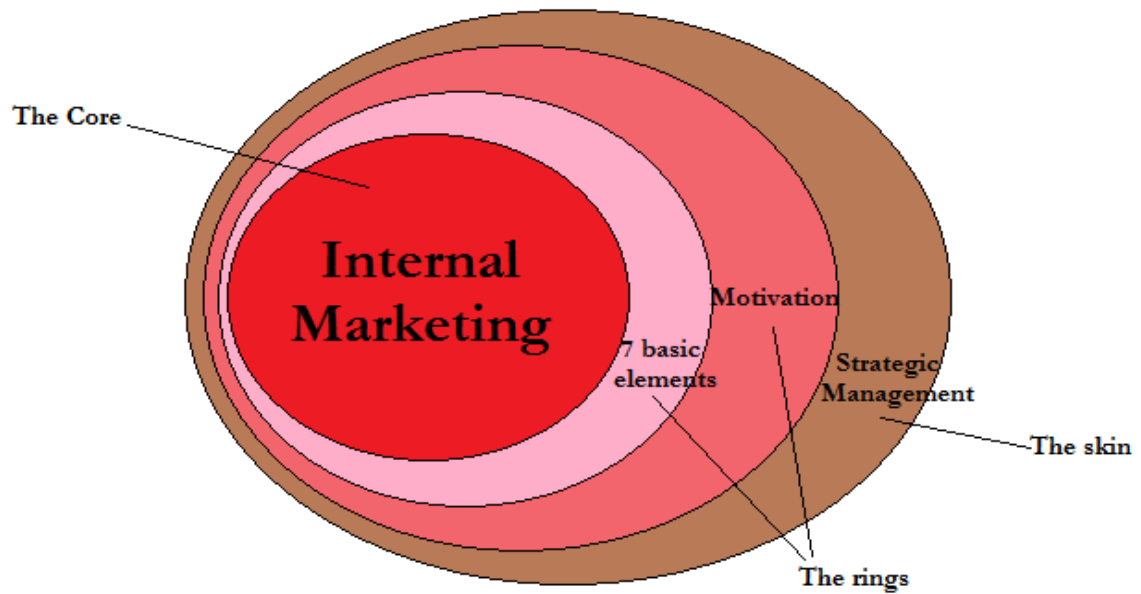


Figure 3-4 The authors visualization of the connection of the theories

## 4 Empirical study

*The empirical data collected is summarized and presented in this chapter according to the purpose and the research questions.*

### 4.1 Company Information

#### 4.1.1 Tastsinn AB

Tastsinn AB is the group that will be analyzed in this thesis and is the parent company to restaurant SofieHof and hotel Savoy I Jönköping, Central hotel in Stockholm and hotel Aveny in Umeå, which are parts of the subsidiary ProfilEvents AB.

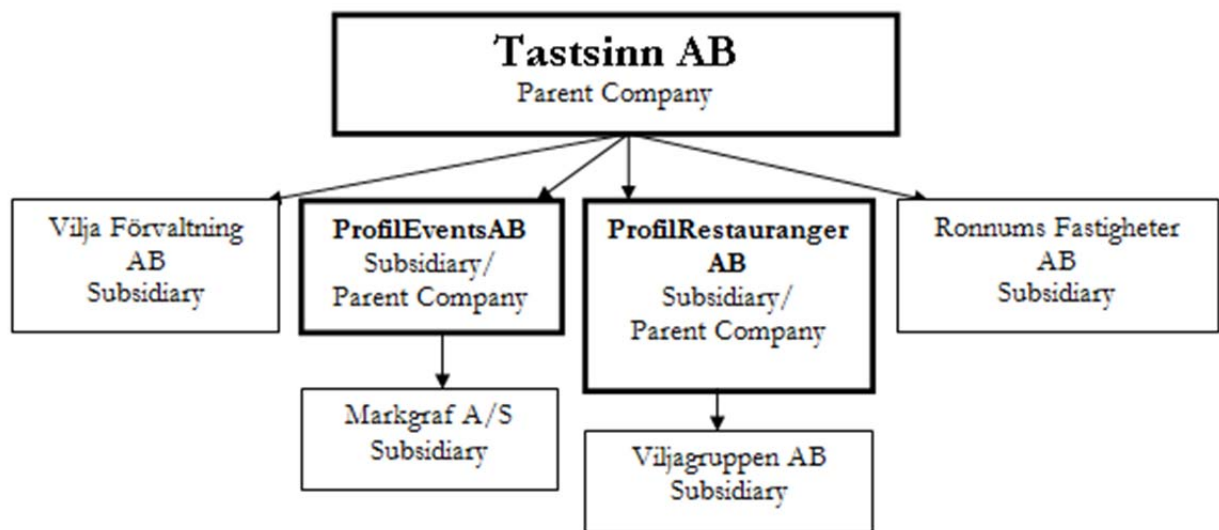


Figure 4-1 Tastsinn AB Company Information (Tastsinn AB, 2010).

The business concept of Tastsinn AB is to engage in consulting, securities trading and investments in subsidiaries that are involved in activities where the principal owner has knowledge or where he with reasonable efforts are able to acquire knowledge about. Investments in the service industry, real estate and / or the capital market are prioritized. The company should strive to have a balanced risk diversification between the investments (Tastsinn AB, 2010).

#### 4.1.2 ProfilEvents AB – ProfilHotels

ProfilEvents AB is operated under the brand name ProfilHotels. The portfolio consists of eight Hotels in Sweden and two in Copenhagen, Denmark which is still operated by the subsidiary Markgraf A/S (ProfilEvents, 2012).

The business concept of ProfilHotels is to be professional and have a personal service while creating a chain of hotels by acquiring, establishing and refining hotels in Sweden and Europe. Guiding principles for ProfilHotels should be elegant functionality, management, operatorship and responsibility. The target audience is business travelers and private person (ProfilEvents, 2012).

### 4.1.3 ProfilRestauranger AB

The business concept of ProfilRestauranger AB is to be professional and with the assistance of a humble confidence create success, by managing, establishing and cultivating brands and concepts within the Hotel and Restaurant industry. The target group is both business travelers and private persons (ProfilRestauranger AB, 2012).

ProfilRestauranger AB delivers certain promises to their guests, which basically says that they should do almost everything in their power to please the wishes of the guests, their mission is to meet the guests' desires and the employees are supposed to, in a professional and serious manner, do their absolute best to meet the expectations of the guests (ProfilRestauranger, 2010).

The prospective aim for ProfilRestauranger AB is to raise the status for the industry through their work and to create a work environment that makes them a more attractive employer of choice, the strategy to reach the aim is to care for and foster their employees (ProfilRestauranger, 2010).

## 4.2 Company structure

For the corporate structure of Profil, is a decentralized, top-down organization as shown in the figure below, where the CEO/ owner is at the absolute top and has managers beneath him to run the different sections within the organization (ProfilRestauranger AB, 2010).

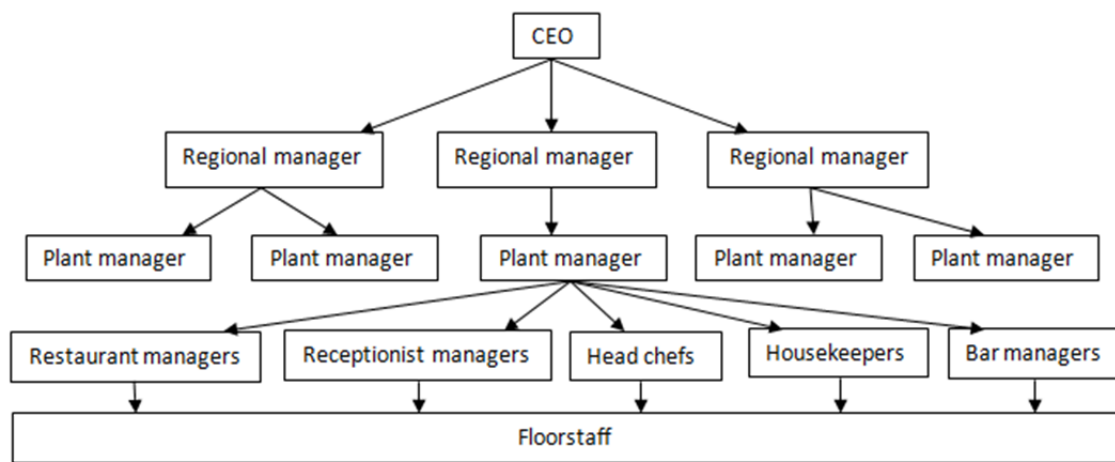


Figure 4-2 Profil group company structure (Authors contribution from conducting the interviews)

In a hierarchal management structure and more specifically in our case, Profil group, the CEO does not communicate with the workers in any direct way. The CEO communicates with the regional- and plant managers which in turn communicate with the plant managers; this way of managing then follows down to the other units within the organization like the different hotels and restaurants.

Halal (1994) discusses internal market, internal customer and hierarchy and how the concept of internal market is being refused by most persons because it is supposedly breaks the perspective of the conventional hierarchy.

Profil and more specifically the restaurant SofieHof is a place of constant change. When the authors started planning and writing this thesis, they had a supervisor in the head manager of the Hotel Savoy and the SofieHof restaurant. Then when the process of interviewing started she were dismissed from her position and had to leave the employment with immediate effect. We struggled to get people to talk to us and even harder to allowing us to interview them.

However, it has been possible to interview some current and former employees and managers within the organization, the interviewees are all educated to work in the service sector either in hotels or restaurants. To reach a broader stance the interviewees were of different ages, with different competences and different work experience. Anonymity was asked by the interviewees because they felt unsecure of the company policy about giving interviews to outsiders, while others refused to give us interviews because they were not allowed to by their managers.

The interviewees were plant managers, department heads and floor staff and they all consider all employees to be important but that the floor staff is the most important resources of the organization. Their reason for this is that they are the faces of the organization and those who interacts with the guests. If the guest feels that they have been wronged somehow by the floor staff, they will immediately give the company a bad name that is why it is important to have satisfied employees that are prepared to do their best and be at their best behavior while at work.

#### Communication

The floor staff and the department heads feel that the company and management team failed at communicating properly at times. The management team held meetings once a week, where they discussed current events and what was going to happen within the organization and the company in the near future. Then the different managers are responsible to inform their subordinates of what has been said in that meeting. Only one of the plant managers did in fact hand out a protocol from the meeting for the rest of the staff to read and one of the other posted a newsletter in the staff room.

*"The circle is closed when all managers inform their subordinates, and then the problem with lack of communication is solved" (Interviewee 1, 2012).*

#### Relationship building & Personal care strategies

Every interviewee did feel that there is a good relationship the workers in the different companies, there might be some discrepancies at times but all in all the relationships are good. Though neither of the floor staff considers relationship building to be encouraged neither by the organization nor by the head manager. During the years the floor staff and department managers that were interviewed, had been working within the company, there has only been one occasion of relationship building, a staff party. One of the plant managers explained that in their company they had two parties a year, once around Christmas and once in the summer as a personal care and relationship building strategy.

There do not exist any reward systems or other health care benefits within the organization to their knowledge. Though later it has come to our knowledge that the

permanent full time employees are allowed a discount when staying at hotels and eating at restaurants owned by the organization.

### Motivation

When asked if they felt motivated in some way by the organization, all of the floor staff and department heads answered with a coherent NO. The employees felt that they only motivated themselves to do a good job and that there was no motivational incentives from the organization or the plant manager. There is however an organizational guide called "The way of conduct", but it is mostly about the clothes to wear, how to have your hair and do your nails.

Clothing such as shirt and vest has been received from the company for the fulltime floor staff (Interviewee 1 & 2, 2012 ).

### Competence development

One of the department heads, interviewee 1, had been offered an education to develop new and improved competence. Though he felt that the offer was made when he was one foot out the door of the company, as an incentive to keep him in his position. He was told by the present plant manager that she was not allowed to increase his salary or to offer any other type of financial benefits. However she did say that education that would benefit both the company as well as the manager was possible for him to receive. The problem thought was that the manager felt that the offer was only something that was promised and then was not maintained.

Neither had there been any actual professional development within the company that the rest of the interviewees were aware of.

### Empowerment - floor staff

When it came to the question of empowerment within Profil, there were various answers by the different interviewees depending on which position they have within the company. The question was whether they were empowered to make their own decisions when it came to customer complaints and such or whether it was the directions of the plant manager or the top manager that were applied.

Interviewee 4 and 5 two of the chefs working in the kitchen felt like they were empowered, because when there were complaints about the food they prepared it was up to them to fix it, however it was always encouraged to consult with the head chef and if possible with the plant manager. The service personnel, interviewee 1 and 2, felt that they did the best they could to satisfy the guest, if that meant that a compensation were justified they would give it. They did not feel empowered though; instead they acted on the basis of their gut feeling and what they felt was best for the guest. The employee lack of feeling empowered was because there were always supposed to be at least one manager at the premise during the opening hours.

In one of the units the plant manager, interviewee 8, did in fact empower the floor staff up to a certain amount of compensation, this because there would be a quick resolution to the problem for the guest.

The company policy though is that the guest should feel satisfied with the service experience when leaving the restaurant.

### Empowerment plant managers

The plant managers do receive different directives from the headquarters that is these are based on the policies, missions and visions of the organization. Other than that it is the responsibility of each of the plant managers to make the right and proper decision for the organization and their company.

### Floor staff and their influence

When it came to the question of whether the floor staff felt that they were able to influence decisions made or the way of doing things, there were a variation of answers. Current floor staff felt that there had been a change in the influence since the former plant manager left her position. Before all decisions had to go through her, this lead to delayed answers for the guests and more often dismissed offers. Now they are able to make their own decisions, which results in a faster response to the guests. The staff feels that this is more suitable for the service business, since the preferences are so diffuse and different with the different guest. In the service sector, one must be able to be flexible to satisfy the need and wants of the guests.

The kitchen staff did always feel that they had been able to influence the food and the menus with certain exceptions. There are some foods that have to be on the menu because it is the same in the entire organization and also because they also serve the hotel guests room service and such.

When it came to influencing in the organization in general, they felt that the plant manager would listen and encourage them to have ideas, but when it came to fulfilling the ideas or proposals, nothing happened. This lead to the employees feeling: "not important at all".

### Plant managers view of floor staff influence

The plant managers do feel that it is important for the employees to feel that they are able to influence the way they do their jobs, things that might work better and that may reduce problems and risks for the employees. Hence the floor staff is encouraged to make suggestions for changes to be done but all in all they do not have any influence at all in the decision-making process (Interviewee 6, 2012).

### Plant manager & Department heads and their influence

The managers however did feel like they had some more influence when it came to altering the way of work for their subordinates as long as there was not any cost involved in the changes (Interviewee 1 & 5, 2012).

In one of the sites the department heads do have more influence in the decision making process than in others, the plant manager does not decide much on her own. Instead all decisions are decided by the management teams, because several minds think well than just one (Interviewee 8, 2012).

### Striving to keep and employ competence

None of the employees or the managers felt that the organization was willing to offer higher salaries or training to keep the competences within the organization. When competing for the competent personnel a higher salary might be sufficient, but the employees rather feel like the organization spends their money on unnecessary accessories, like fresh roses, instead of the staff.

During the recruitment process they felt like the manager rather hired persons as a favor to someone rather than hiring someone based on their competence.

The interviewees feel like it would be more efficient and cheaper for the organization to have experienced and competent personnel that knows the importance of additional sales and keeping the guest satisfied. Inexperienced employees often work slower and are not aware of how to fully satisfy a customer. Which wine to pair with what food is a question of competence or experience, and is not taught that easily.

#### Working environment?

All of the interviewees talk about a decent working environment; much of it though is because they enjoy each other's company. Although in every good thing there is room for improvements (Interviewee 5, 2012).

#### Evaluations or performance appraisals?

One of the managers interviewed mentioned that he had had performance appraisals with its subordinates and also had one of his own with the head manager. Otherwise the meetings had been when something had occurred, like a clash with a guest or another member of staff, but these meetings were not about the performance as a whole.

There had been some occasions with staff meetings, but the majority of the meeting was about the organization as a whole.

#### Hierarchy

We asked the floor staff of the group about the CEO, whether they felt that he was the kind of person that spread the service culture in the organization and inspired his workers. Unfortunately no one of the asked felt that the CEO was service minded at all, they felt that he was unreachable, a good business man but a pitiful person to work for. Mostly because he did not even bother to acknowledge the floor staff while visiting the site.

#### Reason for leaving the position at Profil?

Three of the interviewees do not currently work within the organization Profil; the reason for leaving was because some had found another job and that in relation to some brawl at the workplace. One left because of a split between him and the site manager and another because he felt that the business was not handled properly the way it should have or could have been.



## 5 Analysis

---

*In this chapter, the findings from the empirical part will be analyzed with the respect to the theoretical framework. The highlights of data are then compared to the theory.*

---

There are a lot of separate companies within the organization, and each and every company is owned by the same man. From what the authors have heard, based on information from several of the floor staff and the department heads, the CEO is a man that runs all of his companies in a hierarchal structure. The lack of empowerment and motivation from the top management has lead to the floor staff feeling unmotivated and uninspired.

Each unit of business is more or less run in the same top-down manner. Each plant manager has different department heads that are responsible for the floor staff respectively. There is a long way for the communication to travel and human flaws are more often than not in the way of a perfectly delivered message.

After observing and listening to the interviews one can easily see that some of the employees are afraid to lose their jobs, if someone else can do it as well. For this reason the some of the department heads does not train their subordinates in order for them to be more competent. There is a lack of teamwork when you are not willing to teach others.

There are no clear directions in how to do things within the organization or what rules that applies. They were not sure of whether they were allowed to talk to us or not, some decided to do so, while others told us that they were not allowed by the organization or their respective manager.

### 5.1 Strategic management with internal marketing point of view

Profil Group is an organization that belongs to the service sector. This indicates that the organization itself is build up by many processes of intangible activities between the customers and the organization's employees (Grönroos, 2007, p. 52). And if we were to summarize the Profil group's objectives, it is to strive to please the customers in the best possible way by utilizing their employees to the outmost (annual report 2010 and webpage 2012). What the authors saw from the summary of the mission statement is that the organization has done analysis for both the external environment and internal resource, and found out where their opportunities lie and what needed to be done in order to achieve their objective. Moreover, from the mission statement, the authors could conclude that Profil group's most important internal resource is the employees as they are a service organization and the employees are the only ones interacting with the costumers which in turn, are the key factor of how the costumer experiences the quality of the service delivered (Grönroos, 2007, p. 51). This has also been confirmed from our interviews with the plant managers, as all of them, even though explained differently, still state that the employees are the organization's most important resource, especially interviewee 9 (Appendix, 2012), as he states that; *"The staff, if you do not have them, then you do not get the guests"*.

Prior under the strategic management section, the authors discussed that according to Carmeli and Schaubroeck (2005, pp. 391-412), businesses with high level of human resource will tend to perform better if the managers in the organization consider the employees valuable and unique and this will lead to the organization attaining competitive advantage as human resource is a resource that is not imitable. Hence, to achieve the company's objective, Profil group have to keep the employees within the organization, thus strategies for just this particular objective have to be developed.

The second stage in the strategic management is the strategic development, in this stage, one has to know what resources a firm owns to be able to develop compatible strategies that utilize the resources to the maximum, and this is exactly what Profil group tried to do. With the knowledge of the employees being the Profil group's most important internal resource, they used the idea of creating an attractive workplace as one of their main strategies to keep the employees – the competence – within the organization. By doing so, the employees will according to the Maslow's theory be motivated and also satisfied with their job. The authors consider that in the process of creating this type of employee satisfaction, the organization must have a well-structured and working plan for the internal marketing within the organization. Therefore the employees according to Berry et al (1991) must be regarded as internal customers, and a customer satisfaction is attained by how well the decision-makers understand the customer. However this is not the case in the Profil group, as none of our interviewee can see themselves being treated as customers, as they hardly can think of any personal benefit, if not none, that they have got from the organization.

As far as we know, Profil group consider the strategy of creating a good enough working environment to attract the employees to remain within the company and by that, as discussed earlier, the strategy of creating a good working environment is equal to the internal marketing. However to be able to implement a strategy in a organization with a company structure that is decentralized with separate departments in each hierarchies, with the power distributed from top to down is not always possible. Halal (1994) among other experts, disputed that in such company structure, whether or not internal marketing could actually work, since it shatters the view of the usual hierarchy. This can then be proved from what the authors of this thesis have learned while conducting the interviews. As the fact that the organization even though, they themselves, know that the employees are the organization most important resource was actually not very keen on keeping them. or at least the upper level in hierarchy does not give the middle level in the hierarchy enough power to provide any competence development strategy or any of such nature for the bottom level so that they can feel like they have a future in the company. The lack of communication between CEO and bottom level of the hierarchy make it even harder to implement whatever strategy that has been developed.

We have had prior knowledge about the fact that there is a high staff turnover within the organization in general, but we got this confirmed when we interviewed interviewee 1 (Appendix, 2012). However the high staff turnover was not applied to all the branches as one of the branches within Profil group, stated that even though they do have staff turnover, nevertheless the rate is low, the reason for the

turnover is usually due employees wanting to quit their current job and start to study again. The authors can assume that either the employees see the job as a temporary one while waiting for enrollment in schools, or another reason for quitting their job is due to the fact that the employees do not get any competence development therefore they themselves cannot see a future development in the company and therefore have to use other methods to develop themselves. Our second assumption got confirmed by the interviews with the former employees as all of them stated that the reason for quitting their jobs was due to the lack of competence development (Appendix, 2012, Interview 1-3). Therefore we dare to conclude that the fact that the employees have to quit their job to start studying again is because they do not get any courses in the related areas from the organization, hence they have to quit their job and start study.

During the interviews, we learned that the employees were afraid to speak to outsiders like ourselves. Our perception is that there is a lack of information about how to handle such situations and in fear of angering the top managers they rather avoid being interviewed. Therefore it was impossible to conduct interviews with floor staffs without the top managers' knowledge or the floor staff themselves will flat out refuse our interview attempts and they later refer us to the managers. Even former employees are troubled when being interviewed as they consider some information might be confidential therefore they could not speak their free mind.

In the following part we will talk specifically about the internal marketing within Profil group. Based on the result of our interviews, the internal marketing within the Profil group is lacking in many areas, such as lack of communication between CEO and plant managers, as the only one supervising the plant managers are the region managers (Appendix, 2012, Interviewee 6). This resulted to the employee unsatisfactory about working relationship between the different levels in the hierarchy and lack of motivations.

## **5.2 Internal Marketing**

Internal marketing is looking at and focuses on the internal relationship within the organization. As discussed in the theoretical framework, the internal relationship between floor staff, department heads, plant managers and the top managers was what needed to be taken into consideration of when conducting the interviews. The seven basic elements for implementing internal marketing by Berry et al. (1991) will be used to analyze whether the organization of Profil has a proper strategy for the internal marketing.

1. **Compete for talent** – in the recruitment process to one position there is no indication that the organization strive to have the most competent personnel. Interviewees 1 and 2 discusses the recruitment process as being more of employing who you know rather than what they are able to do. Though this debate was when it came to employ floor staff and even the department heads. There were no indicators of how the recruitment process for the plant manager looked like. Based on the newly employed plant managers one can see that education and/ or working experience seems to be of great importance.

When competing for talent it is also important to try to motivate the competent employees to stay in their position. Offering them a carrot like some reward system or maybe some other benefits like training. If the organization were to implement some motivational carrots like health care benefits or a reward system there would be a better incentive for the employees to stay in their position within the organization and even to do a better job.

2. **Offer a vision** – here there is a gap in the communication from the top layers of the organization. The floor staff interviewees felt that they had to read the vision of the organization from the company web page. However the plant managers are given missions and vision to follow by the organization, but somewhere along the way the information is lost. Interviewee 2, felt that she had to motivate herself to do a good job that is up to the company standard, based on what is written on the home page.
3. **Prepare people to perform** – when it comes to preparing the employees for conducting a service to the external guest in the best manner it is important for the floor staff to be informed about the vision the company has. The importance of a satisfied guest is something that is most often taken for granted within the service sector. The question however is how does one complete the task of pleasing the guest and offer them a solution to their fuzzy expectations? Educated and skilled floor staff often knows, but when they are inexperienced, which is often the case within the restaurant of SofieHof, there is a pressing need to train their employees into being good service providers. Here we see a gap in the internal marketing, because the new and inexperienced workers are thrown into a hectic service environment without any or slight preparations from the organization.
4. **Stress team play** – the companies of Profil group are divided into different departments, each department have a head manager that is responsible for the information to and from that department. In order for the organization to work properly it is important that this communication works flawlessly. There are a lot of indicators that the human factor plays a great role in the gaps of the communication within the teams, which leads to arguments and brawls.

When it comes to the organizational unit here in Jönköping, in which SofieHof is a part, there are indicators of a lapse in the team work. Interviewee 2 explains that the department head does not educate her subordinates in how to do certain tasks, out of fear of rendering unnecessary. She feels that the manager is afraid of losing her job if someone else is able to do it as well or perhaps even better. With a better team work the organization is able to offer better and more efficient services to their guests.

5. **Leverage the freedom factor** – Empowerment is not something that is a matter of course within the organization. There are no known guidelines in how to handle complaints and how the employees are allowed to compensate. The vision of the company is for the guest to be satisfied with their service experience and if one can reach that vision with limited means, the employees are allowed to compensate without consulting with the plant

managers. Otherwise the complaints are to be handled by the department head or the plant manager.

6. **Measure and reward** – Motivation factor is something that the interviewees feel is missing within the organization. The floor staff does not feel motivated to do a good job in their working environment, they feel that it comes from within them. There are no motivational strategies like health care benefits, bonuses or reward systems for the employees.

Neither do the companies within the organization offer feedback to their employees in order for them to perform better. There are meetings where they inform the employees about the figures of the company, but no personal performance meetings.

7. **Know the customer** – The organization is well aware of how to satisfy their external guests however, there is a flaw in the internal marketing within the Profil group. The management has one way of looking at things and the floor staff has another. Firstly relationship building is important within the service sector, but it is not encouraged by the organization. Therefore the company should deal with the internal market first to establish a good relationship network and working climate. It is important to make the employees feel like they are working in a straightforward and comfortable environment rather than competing against each other.

The management teams of Profil group should be the bridge that links the employee with the company's corporate culture.

### 5.3 Lack of Motivation

An important factor that causes the high employee turnover rate that three of our interviewees have talked about is the motivation. Based on Maslow's motivation theory, people's needs are divided into three parts (basic needs, psychological needs and self-fulfillment needs) and detailed into five stages. In our case, the main needs involved with the employees are the psychological ones, especially the third stage, which are the sense of belongings and love needs. Like we have explained before in the theoretical framework, it is about the intimate relationship and friends need. Boswell (2006) also mentioned that in order for employees to have a sense of belonging to the organization, they have to understand what the strategic goals are and what they need to contribute to the organization to achieve this goal. When the previous psychological needs are met, the employees will have the motivation to aim for top of the Maslow pyramid which is to satisfy their need of self-fulfillments, which would result in a better working performance.

Although we have stated before that motivation is an important factor for the employees to get the feelings of wanting to do better jobs and stay in the organization, the Profil group has omitted the whole idea of motivating their employees. By asking the interviewees questions related to whether the organization has any guidelines in how to motivate their employees, we learned that there are no such guidelines, due to the fact that all of the interviewees answered no. Therefore, even though the working relationships between the staffs from the same level in the hi-

erarchy is good, which fulfill one of the criteria in the second part of Maslow pyramid – love needs-, it is not enough to act as a motivator for the employees to remain. After conducting the empirical studies together with the interviews, we also learned that there is a lack of internal communication, especially from one level to another in the hierarchy, especially from the CEO to the floor staffs. The CEO, according to the former employee interviewee 1 (Appendix, 2012), would most of time not pay attention to the floor staff, and also during his many years working in the Profil group, never heard any encouragement words directly from the CEO when he is visiting the place. Interviewee 1 also said that he really admire the work that the CEO does, however he wished that the CEO would just said something to interviewee 1, even not much that would motivate him to do a better job. Interviewee 7 (Appendix, 2012) also said that the only one supervising the plant managers are the region managers, subsequently there are slim chances to interact directly with the CEO.

If we were to analyze this situation following the Boswell's (2006) argumentation that in order for the employees to have a sense of belongings to the organization, they must know what they need to contribute to the organization for it to be able to achieve the strategic goals and not just what the strategic goals are. We will end up with the conclusion that the employees do not feel any sense of belonging, not to mention no loyalty to the organization, as they do not get any encouragement directly or indirectly for the works they have done, which will give them the thoughts such as; Why should I do a good job when no one cares, and I do not get any benefits from doing a better job than my mates. Meaning that without encouragement words, no reward systems and insufficient working relationship, there would be no motivation for the employees to make them linger or reconsider to stay in the organization once they want made up their mind to quit. Therefore the former employees that have quitted their positions in Profil are now working in new service businesses or in search for new service jobs.

## 6 Conclusion

---

*This chapter includes the answer to the research questions together with the solution for the problem, and also the fulfillment of the purpose. Thereafter discussions about reliability and further research will be included.*

---

In today's society where the human resource is being considered as the core of a service business, has made the internal marketing becoming a more important topic, as it is able to give new insights and perspectives on how the employees should be treated.

Even though the service sector today have the knowledge of that the internal marketing is important, there is still a lack of theoretical contributions in real life. The analysis part of this thesis has shown that the upper level managers are certainly aware of what internal marketing is and that it is important. However they do not implement the strategy to the fullest, as many components, such as compete for talent, offer a vision, prepare people to perform, leverage the freedom factor, measure and reward, and last but not least know the customer, have barely been put in use. The first research question was concerning how the internal marketing was conducted within the Profil Group. It was proved that they do indeed try to act following the components that build up the internal marketing, albeit, they do so by adding limitations. For example the CEO has indeed given the power in charge for each hotel to the respective plant manager, but they are then, the only one making decision in case any occurrence arise, even to the smallest ones, and the floor staffs have no say in such situations together with the fact that they cannot make their own decision on how it can be solved.

To answer the second research question in this thesis, we found that the internal marketing is being perceived differently by the managers and the employees. Since the managers are more optimistic toward the employees' empowerment and working relationship between co-workers. On the other hand, that is not the case, if one were to see it from the employees' perspective. As the employees do not feel like they have enough empowerment, and that they themselves hardly know what the organization's strategic goals are or how they can influence it. The employees also tend to realize tense relationship among workers faster than the managers, and occasionally solve it before the managers even realize that something is wrong.

To conclude our thesis, we will say that the internal marketing is usually not as well conducted as it appears on the websites and annual reports. The strategies used to keep the human resource – the competence – within the organization is important, if failed, that will be the major cause for staff turnover. Therefore the Profil group needs to improve their internal marketing system in order to lower their currently high staff turnover rate. With the staff turnover rate being low the competence will remain within the organization, and there will be no additional cost of training new employees. In order to keep the competence; they have to construct a reward system, improve the communication between the different levels of the hierarchy and departments, and motivate the employees more.

## **6.1 Discussion**

### **6.1.1 Reliability**

Instead of conducting surveys and using the quantitative method, which would make the analysis process easier, we choose to make interviews with former and current employees and managers, and then put these qualitative data into better perspective. The qualitative data of the actual opinions of the employees and managers, would give us the actual picture of internal marketing implementation. The limitations mentioned under the methodology part could also be critiques. As we had four points of limitations that can make one wonder whether the thesis can still be reliable. However these limitations were overcome by the interviewer being involved all the time; the interviewer would always double check the answers from the interviewees, and also compare one interviewee's respond with another.

We as researchers might have been biased as one of our group members were also once a part of the organization we used in our research. By belonging to the organization will make her have certain preconceptions. However, the majority of the group is outsiders, therefore, as this study is bases on all the authors opinion the possibility of biasness is very slim.

### **6.1.2 Further studies**

For further studies in the internal marketing, we suggest to do a quantitative research in this field, as the qualitative approach was the only one used in this thesis. With only one organization is being used to collect the primary data, this thesis is' conclusion cannot be generalized, therefore making a case studies of various firms will give a better picture of how the internal marketing is being conducted in real life. Also if other researches decided to use the same organization, they might want to consider using a larger sample of employees' and managers' perceptions of the internal marketing, might give yet another view of the field.



## List of references

- Ax, C., Johansson C., Kullvén H. (2003), *Den nya ekonomistyrningen*, 2nd Ed. Liber Ekonomi, Malmö.
- Barney, J. (1991), Firm resources and sustained competitive advantage, *Journal of Management*, 17, pp. 99-120
- Barney, J. (1995), *Looking inside for competitive advantage*, The Academy of Management Executive, 9 (4), pp. 49-61
- Berry, L., Parasuraman, A. (1991), *Marketing Service Competing through Quality*, New York, The Free Press
- Boselie, P. Boon, C. & Dietz, G (2005), Commonalities and contradiction in HRM and performance, *Human Resource Management Journal*, 15th Ed.
- Boswell, R. (2006), Aligning employees with organization's strategic objectives: Out of "line of sight", out of mind, *International Journal of Human Resource Management*, 17 (9), pp. 1489-1511
- Bowen, D.E., Johnston, R., (1999), *Internal service recovery: developing a new construct*, International Journal of Service Industry Management, Vol. 10, No. 2, 118-131
- Bryman, A. & Bell, E. (2007), *Business Research Methods*. 2nd Ed. New York: Oxford University Press.
- Carmeli, A & Schaubroeck, J. (2005), How leveraging human resource capital with its competitive distinctiveness enhances the performance of commercial and public organizations, *Human Resource Management Journal*, 44 (4)
- Combs, J. Liu, Y. Hall, A. & Ketchen, D (2006), How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance, *Personnel Psychology*, 59
- Denscombe, M. (2000), *Forskningshandboken*. Studentlitteratur, Lund.
- Dickson, W. J. (1973), Hawthorne experiments. In C. Heyel (ed.), The encyclopedia of management, 2nd Ed, New York: Van Nostrand Reinhold, pp.298-302
- Englund, Patrik & Fierro, Rai (2006), *Alla kan inte vara Riche*. Master thesis. Stockholm: Institution of Business Administration, Stockholm University.
- Eriksson, L. T., and Wiedersheim- Paul, F., (2006), *Att utreda, forska och rapportera*, Liber, pp. 97-98
- Fields, D., & Bocarnea, M. (2008), *A national survey comparing McCain and Obama as presidential candidates fit to lead the nation*, Retrieved 2012-03-05 from <http://www.regent.edu/acad/global/newsletter/A%20National%20Survey%20Comparing%20McCain%20and%20Obama.pdf>
- Gadamer, Hans-Georg (1989), *Truth and Method*, 2<sup>nd</sup> Ed., Sheed & Ward, London.

## List of references

- Golafshani, N. (2003), *Understanding reliability and validity in qualitative research*. The Qualitative Report, 8(4), 597-606. Retrieved 2012-04-24 from <http://www.nova.edu/ssss/QR/QR8-4/golafshani.pdf>
- Groves, R.M. and R.L. Kahn. (1979), *Surveys by Telephone: A national Comparison with personal interviews*, Academic Press, New York
- Grönroos, C. (2003), *Marknadsföring i tjänsteföretag*, Elander Graphic Systems AB, Göteborg.
- Grönroos, C. (2004), *Service management och marknadsföring - en CRM ansats*. Kristianstads Boktryckeri AB, Kristianstad.
- Grönroos, C. (2007), *Service management and marketing – Customer Management in Service Competition*, 3<sup>rd</sup> Ed., John Wiley & Sons, Ltd
- Gustafson, I-B. Öström, Å. Johansson, J. Mossberg, L. (2006), The Five Aspects Meal Model: a tool for developing meal services in restaurants, *Journal of Foodservice*, 17 pg. 84–93, Blackwell Publishing
- Hartman, J. (1998), *Vetenskapligt tänkande – Från kunskapsteori till metodkritik*. Studentlitteratur, Lund.
- Halal, William E (1994), *From hierarchy to enterprise: Internal markets are the new foundation of management*, The Academy of Management Perspectives; Nov 1994; 8, 4; ABI/INFORM Global
- Heskett, James L., Jones, Thomas O., Loveman, Gary W., Sasser, W. Earl, Jr., and Schlesinger, Leonard A., (1994), *Putting the Service-Profit Chain to work*, March-April 1994, Harvard Business Review
- Hill, W.L. Charles and Jones, R. Gareth (2009), *Theory of strategic management: With cases*, 5th International Ed., Canada: Cengage Learning
- Hähnel, Sanna & Rudehill, Kalle (2005), *Personalomsättning i restaurangbranschen*, Master Thesis. Stockholm: Institution of Business Administration, Stockholm University.
- Jacobsen, D. I. (2002), *Vad, hur och varför?*, Studentlitteratur, Lund
- James L (1998), *Understanding Employee Motivation*. N/A, June 1998, Vol. 36
- Jarnhammar, Lennart (2005), *Kampen Bakom Svängdörrarna: Historien om Hotel och Restaurang Facket*, Hotell & Restaurangfacket
- Jeffrey, Bracker (1980), The historical development of the strategic management concept, *Academy management review*, Vol 5 no 2, pp. 219-224
- Jones, G.T., & Wright, P.M (1992), *An economic approach to conceptualizing the utility of human resource management practices*, *Research in personnel and human resource management*, 10,
- Joppe, M. (2000), *The Research Process*, Retrieved 2012-04-24, from <http://www.ryerson.ca/~mjoppe/rp.htm>

## List of references

- Kay, J (1993), *Foundations of Corporate Success*, Oxford University Press, Oxford, ch 1
- Kotler, P., Armstrong, G., Saunders, J. & Wong, V. (2002), *Principles of marketing*, Prentice Hall Europe. 3rd European Ed.
- Lindner, J. R. (1998, 6), Understanding Employee Motivation, *The Journal of Extension*
- Lynch Richard (2009), *Strategic management*, 5th Ed., England: Pearson Education
- Mathison, S.(2012a), *Epistemology*, Encyclopedia of Evaluation, Retrieved 2012-03-13 from:<http://srmo.sagepub.com.bibl.proxy.hj.se/view/encyclopedia-of-evaluation/n167.xml>
- Mathison, S. (2012b), *Ontology*, Encyclopedia of Evaluation. Retrieved 2012-03-13 from:<http://srmo.sagepub.com.bibl.proxy.hj.se/view/encyclopedia-of-evaluation/n381.xml>
- Mehrens, W. A. & Lehmann, I. J. (1987), *Using standardized tests in education*, New York: Longman.
- Nag, R, Hambrick, D C and Chen, M-J (2007), What is strategic management really? Inductive derivation of the consensus definition of the field, *Strategic Management Journal*, Vol 28, pp. 935-955.
- Phan, P. Chan, E. & Lee, S.H., (2005), The impact of HR configuration on firm performance in Singapore: A resource-based explanation, *International Journal of Human Resource Management*, 16 (9), pp. 1740-1758
- Porter, M.E. (1985), *Competitive advantage: Creating and sustaining superior performance*, Free Press, New York
- Poston, B. (2009, 8), An Exercise in Personal Exploration: Maslow's Hierarchy of Needs, *Association of Surgical Technologists*, pp. 347-353.
- ProfilEvents AB, Home Page (2012), Retrieved 2012-03-03 from: <http://www.profilhotels.se/om/info/>
- ProfilRestauranger AB, *Annual Report* (2010), Retrieved 2012-03-06 from [http://www.profilrestauranger.se/images/uploads/Profilrest\\_2010.pdf](http://www.profilrestauranger.se/images/uploads/Profilrest_2010.pdf)
- ProfilRestauranger AB, Home Page (2012), Retrieved 2012-03-06 from <http://www.profilrestauranger.se/bolagsinfo/affarside/>
- SCB (2001), *Utveckling och flöden på arbetsmarknaden 2001*, Retrieved 2012-02-21 from <http://www.scb.se/statistik/AM/AM0207/2003M00/AM32SM0302.pdf>
- SCB (2011), *Restaurangindex, December 2011*, Retrieved 2012-03-05 from [http://www.scb.se/Pages/PressRelease\\_\\_\\_\\_328374.aspx](http://www.scb.se/Pages/PressRelease____328374.aspx)
- Stewart, T.A. (1997), *Intellektuellt kapital*, Elanders Graphic Systems AB, Stockholm.
- Svenskt Näringsliv (2010), *Jobbskaparna & jobbkaparna. Det ekonomiska läget*, Retrieved 2012-03-05 from

## List of references

[http://www.svensktnaringsliv.se/multimedia/archive/00021/Jobbskaparna\\_jobbkap\\_21510a.pdf](http://www.svensktnaringsliv.se/multimedia/archive/00021/Jobbskaparna_jobbkap_21510a.pdf)

Tastsinn AB, *Annual Report* (2010), Retrieved 2012-03-06 from

[http://tastsinn.swoscom.se/images/uploads/Tastsinn\\_2010.pdf](http://tastsinn.swoscom.se/images/uploads/Tastsinn_2010.pdf)

Taylor, Susan L. & Consenza, Robert M. (1997), *Internal marketing can reduce employee turnover*, *Supervision*, Vol.58, No.12 (December 1997) pp. 3-5

Trochim, WM (2006), *The research methods knowledge base*, 3rd ed, Web Centre for Social Research Methods, Retrieved 2012-04-14 from

<http://socialresearchmethods.net/kb/index.htm>.

Turismens utredningsinstitut (2010), *Besöksnäringen – en tillväxtbransch som skapar nya jobb*.

University of North Carolina (2010), Retrieved 2012-03-13 from

<http://writingcenter.unc.edu/resources/handouts-demos/specific-writing-assignments/literature-reviews>

Varey R. J. & Lewis B. R., (2000), *Internal marketing, directions for management*, Taylor & Francis Books Ltd

Winter, G. (2000), *A comparative discussion of the notion of validity in qualitative and quantitative research*, *The Qualitative Report*, 4(3&4). Retrieved 2012-04-24, from

<http://www.nova.edu/ssss/QR/QR4-3/winter.html>

## **Interview questionnaire**

Gender?

Age?

Education?

Years in the business? Years at the Profil group?

Most important resources in the company?

How do you communicate within the company?

Personal care strategies in the organization?

Competence development in the organization?

Are the employees empowered by the organization?

Are the employees able to influence decisions made?

Are relationships between the employees encouraged by the organization?

Does the organization evaluate the employees?