# Internal Marketing and its Impact on Organizational Loyalty Case study of the Electricity and Gas Distribution Company - Mascara Branch-

التّسويق الدّاخلي وأثره على الولاء التّنظيمي دراسة حالة مؤسسة توزيع الكهرباء والغاز – فرع معسكر –

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#### **Abstract:**

This study aims to demonstrate the impact of internal marketing with its dimensions (Training, Motivation, Managerial Support, Empowerment, and Internal Communication), as an independent variable, on organizational loyalty, as a dependent variable, among the employees of the Electricity and Gas Distribution Company -Mascara Branch. We designed a questionnaire for this purpose and diffused 30 copies among administrative employees in the studied company. We used the SPSS program for the analysis and the hypotheses testing. The study's main results indicate a positive effect of internal marketing with its different dimensions on the organizational loyalty of the studied company's employees, besides a correlation between the two variables.

**Key words:** *Internal Marketing, Organizational Loyalty.* 

ملخص:

هدفت هذه الدراسة إلى بيان أثر التسويق الداخلي بأبعاده (التدريب، التحفيز، الدعم الإداري، التمكين والاتصال الداخلي) كمتغير مستقل على الولاء التنظيمي كمتغير تابع لدى العاملين بمؤسسة توزيع الكهرباء والغاز "فرع معسكر"، وقد تم تصميم استبانة تعدف إلى قياس هذا الغرض من خلال توزيع 30 استبيان على العاملين بإدارة المؤسسة، وذلك باستخدام برنامج SPSS، من أجل اختبار فرضيات الدراسة.

ومن أهم النتائج التي توصلت إليها الدراسة أنه يوجد تأثير إيجابي للتسويق الداخلي بأبعاده المختلفة على الولاء التنظيمي للعاملين بالمؤسسة محل الدراسة، بالإضافة إلى وجود علاقة بين المتغيرين.

الكلمات المفتاحية: التسويق الداخلي، الولاء التنظيمي.

#### 1. INTRODUCTION

The concept of internal marketing formally appeared at the end of the seventies to constitute one of the tools that contribute to quality improvement in service companies. The major rule of this concept is considering employees as primary customers the company seeks to meet their needs and satisfy their desires, thus achieving a competitive advantage in the market. Moreover, the idea of internal marketing derives from services marketing since its goal is to motivate employees to

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commit to offering quality services to satisfy customers. With regards to organizational loyalty, it is considered a fundamental and essential key to determining the extent to which employees are in harmony with their organizations. When there is loyalty towards the organization, there will be sufficient enthusiasm to devote all the efforts to accomplish the tasks and pursue remaining in the organization and proceed to work with it.

Organizational loyalty is a built-up feeling. Thus, in the quest to gain the loyalty of their employees, companies need to satisfy their motives and fulfill their desires besides letting them feel that their goals are achieved through achieving the goals of the company. This requires managers to get accustomed to the dimensions of internal marketing through training; motivation; managerial support; empowerment; and internal communication. Hence, they will be able to understand the behavior of the employees and direct them to serve the interests of the company, since the behavior of the individual, whatever it is, is not random but motivated by needs he needs to satisfy and desires he tries to accomplish.

#### **Problem statement:**

- How much effect does internal marketing have on organizational loyalty in the Electricity and Gas Distribution Company - Mascara Branch?

# **Hypotheses:**

#### The first sub-hypotheses:

- There is no statistically significant correlation between training and organizational loyalty;
- There is no statistically significant correlation between motivation and organizational loyalty;
- There is no statistically significant correlation between managerial support and organizational loyalty;
- There is no statistically significant correlation between empowerment and organizational loyalty;
- There is no statistically significant correlation between internal communication and organizational loyalty.

#### The second sub-hypotheses:

- There is no statistically significant effect of training on achieving organizational loyalty;
- There is no statistically significant effect of motivation on achieving organizational loyalty;
- There is no statistically significant effect of managerial support on achieving organizational loyalty;
- There is no statistically significant effect of empowerment on achieving organizational loyalty;
- There is no statistically significant effect of internal communication on achieving organizational loyalty;

## **Objectives of the study:**

- Highlighting the importance of adopting the concept of internal marketing;
- The importance of internal marketing in achieving organizational loyalty.

# The approach of the study:

In the design of this study, we used a descriptive approach. As for the field study, we used an analytical approach to statistically analyze the variables of the study, analyze data, and explore the nature of the relationship between the study variables relying on the SPSS software.

#### **Previous literature:**

> The study by Al-Shawabka (2010) designated: The impact of internal marketing in achieving a multi-dimensional organizational commitment to employees in the Great Amman Municipality:

This study aimed to demonstrate the importance of internal marketing concepts theoretically and to present programs that facilitate their application inside the secretary of Great Amman Municipality. The study aimed also to clarify the general application of the dimensions of internal marketing in service organizations and particularly in the secretary of the Great Amman Municipality. The researcher used adequate statistical tools to analyze data such as the Mean, the Standard Deviation, and the Regression Coefficient.

The study revealed an obvious effect of the internal marketing dimensions (training, empowerment, work teams, marketing information, and managerial support) in achieving organizational commitment among the employees of the secretary of the Great Amman Municipality with its three dimensions (directional, continuous, and normative).

> The study by Aldjarousha (2016) designated: The Relationship Between Internal Marketing and Organizational Commitment of Employees in the Palestinian Banks Operating in the Gaza Strip

The study aimed to explore the extent of the application of internal marketing in Palestinian banks working within the Gaza Strip, as well as to identify the level of organizational commitment among their employees identifying the level or organizational commitment among their employees, and subsequently test the relationship between internal marketing and organizational commitment.

The study revealed a positive correlation between all the dimensions of internal marketing and organizational commitment. Moreover, results indicate a positive correlation between the internal marketing axis as a whole and organizational commitment.

The study did not find any statistically significant differences in the average responses among the members of the sample concerning internal marketing that can be attributed to the variables (sex, education level, and job title). However, there were differences attributed it the variables (age and experience). Furthermore, the study did not find any statistically significant differences in the average responses among the members of the sample

concerning organizational commitment that can be attributed to the variables (sex, education level, and job title), while there were differences attributed to the variables (age and experience).

The researcher recommended working on strengthening the incentives and rewards systems applied in the Palestinian banks active within the Gaza Strip, increasing the participation of employees in the decision-making process, and enhancing both formal and informal internal communication between the employees and management since it has a significant effect on achieving organizational commitment.

# ➤ The study by Alfares (2011) designated: The Effect of Incentive Policies on Organizational Commitment in Public Institutions

The study aimed to theoretically clarify the concepts of both incentive policies and organizational commitment based on the literature and point out the relationship between these two.

The results of this study indicate a positive statistically significant correlation between the variables, besides a positive correlation between organizational commitment and field experience. Results indicate as well the absence of a correlation between the used incentive policies and the personal elements of the employees, and a positive strong correlation between incentives and organizational commitment.

# ➤ The study by Mezouar (2013) designated: The Effect of Incentives on Organizational Loyalty with a Case Study on Sample of Algerian Public Institutions

The study aimed to explore the effect of incentives on organizational loyalty in public institutions. Results indicate that the successful manager today seeks to strengthen the relationship between him and the employees through the development of their organizational loyalty. The author was concerned about the causes that enhance organizational loyalty and found that all the different types of these causes affect the extent of this loyalty. The results of this study indicate that the level of the effect of satisfaction on incentives and organizational loyalty was estimated at 0,507.

## 2. Internal Marketing:

#### 2.1. Definition of internal marketing:

Cahill (1995, p. 43) has defined internal marketing as "the philosophy of treating employees as customers ... and is the strategy of shaping job-products to fit human needs", while Berry (1980) defined it as "viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization".

# 2.2. Components of internal marketing:

The components of internal marketing can be summed up according to the view of Davis (2005) as follows:

- **The employees**: internal marketing cares about employees in terms of recruitment, training, motivation, rewards, and communication to satisfy their needs and desires.
- **The organization:** internal marketing contributes to building the identity of the organization which in turn focuses and cares about the customer, besides increasing its market share and improving performance in the long term.
- **The satisfaction of external customers:** external customer satisfaction requires the improvement of performance since the effective application of internal marketing leads to employee satisfaction, which in turn transforms into external customer satisfaction.
- **Functional units:** functional units are considered one of the main reasons for the existence of internal marketing within an organization since they can break barriers between different departments and units.

# 3. Organizational Loyalty:

# 3.1. Definition of organizational loyalty:

Organizational loyalty is defined as a situation where the individual complies with the organization's values and goals and wants to maintain his membership in it to facilitate achieving his goals (Allawzi, 1999, p. 119).

Organizational loyalty means the individual's feelings towards the organization he works for. These feelings are related to the individual's acceptance of the organization's goals and values besides how ready he is to make the effort on its behalf and his desire to remain a member of it (Hadji, 2012, p. 10).

#### 3.2. Consequences of organizational loyalty:

The sense of morale among employees. Studies show that organizational loyalty has a significant role in boosting the morale of employees by making them love their job and the organization they belong to. It also urges them to cooperate to achieve organizational goals since the sense of morale is achieved positively when every individual feels he is realizing his goals and at the same time contributing to achieving the goals of the organization.

**Reducing employee dropout**. Employee dropout is a serious organizational phenomenon and it means that the individual has stopped being a member of the organization from which he receives his salary (Almaani, 1996, pp. 67-69).

#### 4. methods:

In this part of the paper, we describe the methods used in the field study.

#### 4.1. Study sample and tools:

# 4.1.1. Study sample:

The sample of the study includes 30 randomly selected employees. We distributed 30 questionnaires and received all of them with a ratio of (100%).

#### 4.1.2. Data :

**Secondary data.** Represented by the internal data obtained through interviews.

**Primary data.** Includes the questionnaire prepared by the researchers to collect data.

# 4.1.3. Methods of data collection:

We collected the questionnaire data through personal interviews with the sample of the study. The data collection period was from 09 April 2019 to 12 April 2019.

#### 4.2. Validity and reliability of the study tool:

#### 4.2.1. Validity of the questionnaire:

We mean by the validity of the questionnaire refers to both the inclusiveness in the form of all the elements that should be included in the analysis, besides the clarity of the paragraphs and terms so it can be understood by anyone who uses it.

## 4.2.2. Reliability of the questionnaire:

After confirming the validity of the questionnaire, we distributed it to a sample of employees. Thereafter, and to test the internal consistency of the form, we calculated Cronbach's Alpha coefficient as depicted in table 1.

**Table 1.**Cronbach's Alpha stability coefficient values for the study's variables

Study variables	Stability coefficient (Cronbach's Alpha)
Variable 1: internal marketing	0.890
First dimension: training	0.891
Second dimension: motivation	0.703
Third dimension: managerial support	0.820
Fourth dimension: empowerment	0.800
Fifth dimension: internal communication	0.812
Second variable: organizationalloyalty	0.908

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Table 1 demonstrates how Cronbach's Alpha stability coefficient for Internal Marketing was estimated at (89.00%) which is an acceptable value. Hence, one can say there is an appropriate degree of internal consistency between the questions related to Internal Marketing. The Cronbach's Alpha stability coefficient for the Training dimension was estimated at (89.1%) and is an acceptable value. Thus, we can judge that there is an adequate degree of internal consistency between the questions related to Training. Likewise, Cronbach's Alpha stability coefficient for the Motivation dimension was estimated at (70.3%) which is an acceptable value that allows us to deem an appropriate internal consistency level between the questions related to Motivation. Correspondingly, Cronbach's Alpha stability coefficient for the Managerial Support dimension was (81.00%) which is an accepted value, hence there is an appropriate degree of internal consistency between the questions related to Managerial Support. The last two dimensions Empowerment and Internal

Communication have a Cronbach's Alpha stability coefficient of (80.00%) and (81.20%) respectively, which are accepted values and we can say there is an appropriate consistency level between the questions related to each one of these dimensions. Finally, Cronbach's Alpha stability coefficient for Organizational Loyalty was estimated at (90.80%) and indicates an acceptable value that means an appropriate level of consistency between the questions related to Organizational Loyalty. Concerning the two variables together, we observe that Cronbach's Alpha stability coefficient was estimated at (94.1%) which is an accepted value. Consequently, we can realize the study and accept that there is an appropriate level of internal consistency between the questions of these two variables.

## 4.3. Descriptive framework of the sample:

#### 4.3.1. Distribution of the sample members by gender:

**Table 2.** Distribution of the sample members by gender

Sex	Frequency	Ratio (%)
Male	22	73.3
Female	8	26.7
Total	30	100.0

*Source: authors, based on SPSS*<sub>20</sub> *outcomes* 

Table 2 demonstrates how the majority of the participants in the study were males.

#### 4.3.2. Distribution of the sample members by the level of education:

**Table 3.** Distribution of the sample members by the level of education

Education level	Frequency	Ratio (%)
High school and less	07	23.3
Collegedegree	19	63.3
Highereducationdegree	01	3.3
Non-universitydegree	03	10.0
Total	30	100.0

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Concerning the variable of the participants' level of education, we found that (63.3%) have a college degree, followed by participants with a high school level and less with a ratio of (23.3%). Meanwhile, the ratio of participants who have a non-university degree was estimated at (10.0%) while higher education holders were (3.3%). These results indicate that the company relies on educational qualifications.

# 4.3.3. Distribution of the sample members by age:

**Table 4.** Distribution of the sample members by age

Age	Frequency	Ratio (%)
Lessthan 30 yearsold	5	16.7
From 30 to 49 yearsold	20	66.7
50 yearsold and above	5	16.7
Total	30	100.0

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Regarding the variable of the participants' age, we note in table 4 that the category [from 30 to 49] dominates the sample with a ratio of (67%) followed by the category [50 and above] with a ratio of (17%). Meanwhile, the category [less than 30] was the least apparent with a ratio of (16%). We conclude that the majority of the employees belong to the age range above 30 which boosts their experience in dealing with work conditions.

# 4.3.3. Distribution of the sample members by years of employment (experience):

**Table 5.**Distribution of the sample members by years of employment (experience)

Years of employment (experience)	Frequency	Ratio (%)
Lessthan 5 years	05	16.7
From 5 to 9 years	07	23.3
10 years and more	18	60.0
Total	30	100.0

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Table 4 depicts how the category of participants with an experience that exceeds 10 years are the majority in the sample with a ratio of (60%) which indicates their commitment to the job and their loyalty to the company. The category of employees with an experience range from 5 to 9 years comes next with a ratio of (23%) and comes last the category of employees with an experience of fewer than 5 years (17%).

#### **4.4. Statistical tests:**

**Table 6.**Likert five points scale

Scale	1	2	3	4	5
Mean	1.79 -1	2.59 -1.8	3.39 -2.6	4.19 -3.4	5 -4.2
Response	Stronglydisagree	Disagree	Neutral	Agree	Stronglyagree
Level	Weak	Weak	Medium	Strong	Strong

Source: authors

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**Table 7.** Arithmetic averages, standard deviations, and relative importance of the responses to the internal marketing axis

Dimension	Mean	Standard deviation	<b>Evaluation level</b>	Relative importance
Training	3.18	0.91	Medium	3
Motivation	2.74	0.69	Medium	5
Managerial support	3.29	0.80	Medium	2
Empowerment	3.03	0.93	Medium	4
<b>Internal communication</b>	3.47	0.86	Strong	1
Internal marketing axis	3.142	0.601	Medium	

Source: authors, based on SPSS<sub>20</sub> outcomes

#### 4.4.1. Internal communication:

Table 7 shows that the internal communication dimension came first in relative importance stated by the sample. The responses' mean for this dimension was estimated at (3.47) with a standard deviation of (0.86). According to the study's scale, this dimension indicates a strong acceptance ratio which in turn demonstrates aconsensus among all the participant employees that the company takes interest in effective internal communication channels and does supply employees with the information they need precisely and correctly.

# 4.4.2. Managerial support:

Table 7 demonstrates how the dimension of managerial support was the second in relative importance from the point of view of the sample with a mean of (3.29) and a standard deviation of (0.80). Based on the study's scale, this dimension indicates a medium acceptance ratio.

#### **4.4.3.** *Training:*

We notice from table 7 that the training dimension came third in the relative importance given to it from the sample with a mean of (3.18) and a standard deviation of (0.91). According to the study's scale, this dimension indicates a medium application ratio.

#### 4.4.4. Empowerment:

The empowerment dimension in table 7 came fourth in relative importance according to the sample, with a mean of (3.03) and a standard deviation of (0.99). According to the study's scale, this dimension indicates a medium application ratio.

#### 4.4.5. Motivation:

Table 7 demonstrates how the motivation dimension came last in relative importance from the point of view of the participants in the study, with a mean of (2.74) and a standard deviation of (0.69). According to the study's scale, this dimension indicates a medium application ratio.

# 4.4.6. Concerning the variable of internal marketing as a whole:

The mean of responses related to this axis was estimated at (3.14) with a standard deviation of (0.60). According to the study's scale, this variable indicates a medium application ratio.

**Table 8.** Arithmetic averages and standard deviations of the responses to the organizational loyalty axis

Axis	Mean	Standard deviation	Evaluation level
Organizationalloyalty	3.31	0.66	Medium

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Table 8 shows that the participants in the study have a medium acceptance ratio about the statements that evaluate the organizational loyalty within the company. The mean was estimated at (3.31) which indicates that most of the responses were at a medium acceptance ratio. Simultaneously, the standard deviation was calculated at (0.66) which is less than 1 and indicates the convergence of the employees' responses.

#### 5. Results and discussion:

# 5.1. Test and interpretation of the first hypothesis

- There is a statistically significant correlation between internal marketing and organizational loyalty.

**Table 9.**Correlation between internal marketing and organizational loyalty

The study variables	Internal marketing		
The study variables	Spearman's correlation coefficient (r)	Possible value(P- Value)	
Organizationalloyalty	0.646	0.000	

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Table 9 depicts a positive correlation between internal marketing and organizational loyalty. The correlation coefficient was estimated at (0.646) which is a positive relationship between the two variables that indicates that the company does design the policies and the programs oriented to the employees to achieve high satisfaction levels among them. In the same table, we notice that the P-Value is calculated at (0.000) which is less than (0.05), thus we can accept the alternative hypothesis.

**Table 10.**Correlation between training and organizational loyalty

The study's variables	Training	
The study s variables	Spearman's correlation coefficient (r)	Possible value(P- Value)
Organizationalloyalty	0.602	0.000

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Table 10 allows us to notice a positive correlation between training and organizational loyalty, with a correlation coefficient of (0.602) which is a positive relationship between the two variables. Hence, the company seeks to develop the competencies and skills of the individuals. We also note that the P-Value was estimated at (0.000) which allows us to accept the alternative hypothesis.

**Table 11.**Correlation between motivation and organizational loyalty

The study's variables	Motivation	
The study s variables	Spearman's correlation coefficient (r)	Possible value(P- Value)
Organizationalloyalty	0.397	0.03

*Source:* authors, based on SPSS<sub>20</sub> outcomes

From table 11, we notice a positive correlation between motivation and organizational loyalty with a correlation coefficient calculated at (0.397) which translates into a positive relationship between the two variables. This correlation is due to the company's efforts to create a motivating and decent work environment for employees. We also note that the P-Value is estimated at (0.03) which is less than (0.05), hence, we can accept the alternative hypothesis.

**Table 12.**Correlation between managerial support and organizational loyalty

The study's variables	Managerial support		
The study s variables	Spearman's correlation coefficient (r)	Possible value(P- Value)	
Organizationalloyalty	0.774	0.000	

Source: authors, based on SPSS<sub>20</sub> outcomes

Table 12 demonstrates a positive correlation between managerial support and organizational loyalty. The correlation coefficient was estimated at (0.774) which reflects a positive relationship between these two variables since the company cares about the well-being and the welfare of its employees by treating them equally, helping them solve the issues they face, and listening to their suggestions. We also note that the P-Value was calculated at (0.000) which is less than (0.05), thus, we can accept the alternative hypothesis.

**Table 13.**Correlation between empowerment and organizational loyalty

The study's variables	Empowerment					
The study s variables	Spearman's correlation coefficient (r)	Possible value(P- Value)				
Organizationalloyalty	0.526	0.003				

*Source:* authors, based on SPSS<sub>20</sub> outcomes

We note from table 13 a positive correlation between empowerment and organizational loyalty with a correlation coefficient estimated at (0.526) which reflects a positive relationship between the two variables. Moreover, we notice that the P-Value is less than (0.05) and was estimated at (0.002) allowing us to accept the alternative hypothesis.

**Table 14.**Correlation between internal communication and organizational loyalty

The study's variables	Internal communication					
The study's variables	Spearman's correlation coefficient (r) Possible valu					
Organizationalloyalty	0.852	0.000				

*Source:* authors, based on SPSS<sub>20</sub> outcomes

Table 14 depicts a positive correlation between internal communication and organization loyalty with a correlation coefficient of (0.852) which means a positive relationship between the two variables. We note from the same table that the P-Value was estimated at (0.000) which is less than (0.05) and allows us to accept the alternative hypothesis.

# **5.2.** Test and interpretation of the second hypothesis:

- There is a statistically significant effect between internal marketing and organizational loyalty.

**Table 15.**Results of the simple linear regression analysis of internal marketing's effect on organizational loyalty

Independent variable	(β)	(α)	t	Sig.	F	R square
Internal marketing	0.646	1.390	4.484	0.00	20.106	0.418

*Source:* authors, based on SPSS<sub>20</sub> outcomes

At a significance level of (0.05), we can depict the effect with the following regression equation:

$$y = \alpha + \beta x \dots (1)$$

Where:

y: the dependent variable, organizational loyalty;

 $\alpha$ : the intercept of the regression line;

β: the slope of the regression line;

x: the independent variable, internal marketing.

Substituting into equation (1), we find:

$$Y = 1.390 + 0.646x$$

From table 15, we notice a coefficient of determination R2 estimated at (0.418) which means that internal marketing explains about 41.8% of the changes in organizational loyalty, while the rest is explained by other factors. Moreover, we notice that the value of  $\beta$  is calculated at (0.646) which indicates that a change in the value of (1) in internal marketing will be reflected in a change in organizational loyalty of a value of (0.646). We also note that the value of the constant  $\alpha$  is calculated at (1.390) meaning that a value of (1.390) proves the existence of organizational loyalty even if internal marketing was equal to 0. Table 15 shows as well that the value of significance is less than the possible value (0.05) as it is estimated at (0.000).

Based on the above, we accept the alternative hypothesis that states the existence of a statistically significant effect between internal marketing presented in the following dimensions (training, motivation, managerial support, empowerment, and internal communication) and organizational loyalty.

# 5.2.1. Test and interpretation of the first sub-hypothesis:

- There is no statistically significant effect at a significance level of (0.05) of training on organizational loyalty in the studied company.

**Table 16.**Results of the simple linear regression analysis of the training's effect on organizational loyalty

First dimension	(β)	(α)	t	Sig.	F	R square
Training	0.602	0.630	3.985	0.000	15.881	0.362

*Source:* authors, based on SPSS<sub>20</sub> outcomes

At a significance level of (0.05), we can depict this effect with the following regression equation:

$$y = \alpha + \beta(x_1) \dots (2)$$

Where:

y: the dependent variable, organizational loyalty;

α: the intercept of the regression line;

β: the slope of the regression line;

 $x_1$ : the first dimension of the independent variable, training.

Substituting into equation (2), we find:

$$y = 0.630 + 0.602(X_1)$$

Table 16 shows a coefficient of determination R2 value of (0.362) which means that training explains a ratio of 36.2% of the changes in organizational loyalty, while the rest is explained by other factors. Furthermore, we notice that the value of  $\beta$  is estimated at (0.602) which confirms that a change of the value of (1) in training will be reflected in a change in organizational loyalty of a

value of (0.302). We notice as well that the value of the constant  $\alpha$  is estimated at (0.630) meaning that a value of (0.360) proves the existence of organizational loyalty even if training was equal to 0. Also, table 16 shows that the value of significance is less than the possible value (0.05) as it is estimated at (0.000).

Based on the above, we accept the alternative hypothesis that states the existence of a statistically significant effect of training on organizational loyalty in the studied company.

#### 5.2.2. Test and interpretation of the second sub-hypothesis:

- There is no statistically significant effect at a significance level of (0.05) of motivation on organizational loyalty in the studied company.

**Table 17.**Results of the simple linear regression analysis of the motivation's effect on organizational loyalty

Second dimension	(β)	(α)	t	Sig.	F	R square
Motivation	0.397	1.479	2.286	0.03	5.226	0.157

*Source:* authors, based on SPSS<sub>20</sub> outcomes

At a significance level of (0.05), we can depict this effect with the following regression equation:

$$y = \alpha + \beta(x_2) \dots (3)$$

Where:

y: the dependent variable, organizational loyalty;

α: the intercept of the regression line;

β: the slope of the regression line;

 $x_2$ : the second dimension of the independent variable, motivation.

Substituting into equation (3), we find:

$$y = 1.479 + 0.397(X_2)$$

Table 17 demonstrates that the coefficient of determination R2 value is (0.157) which means that motivation explains about 15.7% of the changes in organizational loyalty, while the rest is explained by other factors. We notice as well that the value of  $\beta$  is calculated at (0.397) which indicates that a change of the value of (1) in motivation will be reflected in a change in organizational loyalty of a value of (0.397). Moreover, we notice that the value of the constant  $\alpha$  is (1.479) meaning that a value of (4.479) proves the existence of organizational loyalty even if motivation was equal to 0. Table 16 also depicts that the value of significance is less than the possible value (0.05) as it is estimated at (0.03). Based on these values, we accept the alternative hypothesis that states the existence of a statistically significant effect of motivation on organizational loyalty in the studied company at a significance level of 0.05.

# 5.2.3. Test and interpretation of the third sub-hypothesis:

- There is no statistically significant effect at a significance level of (0.05) of managerial support on organizational loyalty in the studied company.

**Table 18.**Results of the simple linear regression analysis of the managerial support's effect on organizational loyalty

Third dimension	(β)	(α)	t	Sig.	F	R square
Managerial support	0.774	0.402	6.474	0.00	41.915	0.60

*Source:* authors, based on SPSS<sub>20</sub> outcomes

At a significance level of (0.05), we can demonstrate this effect with the following regression equation:

$$y = \alpha + \beta(x_3) \dots (4)$$

Where:

y: the dependent variable, organizational loyalty;

α: the intercept of the regression line;

β: the slope of the regression line;

 $x_3$ : the third dimension of the independent variable, managerial support.

Substituting into equation (4), we find:

$$y = 0.402 + 0.774(X_3)$$

Table 18 shows a coefficient of determination R2 value of (0.60) which means that managerial support explains 60% of the changes in organizational loyalty, while the rest is explained by other factors. Similarly, we notice a value of  $\beta$  of (0.774) which indicates that a change of the value of (1) in managerial support will be reflected in a change in organizational loyalty of a value of (0.774). We notice as well that the value of the constant  $\alpha$  is calculated at (0.402) meaning that a value of (0.402) proves the existence of organizational loyalty even if managerial support was equal to 0. Table 18 demonstrates too that the value of significance is less than the possible value (0.05) as it is estimated at (0.0000). Based on these values, we accept the alternative hypothesis that states the existence of a statistically significant effect of managerial support on organizational loyalty in the studied company.

# 5.2.4. Test and interpretation of the fourth sub-hypothesis:

- There is no statistically significant effect at a significance level of (0.05) of empowerment on organizational loyalty in the studied company.

**Table 19.**Results of the simple linear regression analysis of the empowerment's effect on organizational loyalty

<b>Fourth dimension</b>	(β)	(a)	t	Sig.	F	R square
Empowerment	0.526	0.751	3.272	0.003	10.706	0.277

*Source:* authors, based on SPSS<sub>20</sub> outcomes

At a significance level of (0.05), we can depict this effect with the following regression equation:

$$y = \alpha + \beta(x_4) \dots (5)$$

Where:

y: the dependent variable, organizational loyalty;

α: the intercept of the regression line;

 $\beta$ : the slope of the regression line;

x<sub>4</sub>: the fourth dimension of the independent variable, empowerment.

Substituting into equation (5), we find:

$$y = 0.751 + 0.526(X_4)$$

From table 19, we note a coefficient of determination R2 value of (0.277) which means that empowerment explains 27.7% of the changes in organizational loyalty, while the rest is explained by other factors. In the same vein, we notice a value of  $\beta$  of (0.526) which indicates that a change of the value of (1) in empowerment will be reflected in a change in organizational loyalty of a value of (0.526). We notice as well that the value of the constant  $\alpha$  is calculated at (0.751) meaning that a value of (0.751) proves the existence of organizational loyalty even if empowerment was equal to 0. Table 19 also shows that the value of significance is less than the possible value (0.05) as it is estimated at (0.003). Based on these values, we accept the alternative hypothesis that states the existence of a statistically significant effect of empowerment on organizational loyalty in the studied company.

# 5.2.5. Test and interpretation of the fifth sub-hypothesis:

- There is no statistically significant effect at a significance level of (0.05) of internal communication on organizational loyalty in the studied company.

**Table 20.**Results of the simple linear regression analysis of the internal communication's effect on organizational loyalty

Fifth dimension	(β)	(a)	t	Sig.	F	R square
<b>Internal communication</b>	0.852	0.047	8.627	0.00	74.421	0.727

**Source:** authors, based on SPSS<sub>20</sub> outcomes

At a significance level of (0.05), we can depict this effect with the following regression equation:

$$y = \alpha + \beta(x_5) \dots (6)$$

Where:

y: the dependent variable, organizational loyalty;

α: the intercept of the regression line;

β: the slope of the regression line;

 $x_5$ : the fifth dimension of the independent variable, internal communication.

Substituting into equation (6), we find:

$$y = 0.047 + 0.852(X_5)$$

Table 20 demonstrates a coefficient of determination R2 of (0.727) which indicates that internal communication explains about 27.7% of the changes in organizational loyalty, while the rest is explained by other factors. We notice as well that the value of  $\beta$  is calculated at (0.852) which indicates that a change of the value of (1) in internal communication will be reflected in a change in organizational loyalty of a value of (0.852). Moreover, we notice that the value of the constant  $\alpha$  is (0.047) meaning that a value of (0.047) proves the existence of organizational loyalty even if internal communication was equal to 0. Table 20 also depicts that the value of significance is less than the possible value (0.05) as it is estimated at (0.00). Based on these values, we accept the alternative hypothesis that states the existence of a statistically significant effect of internal communication on organizational loyalty in the studied company at a significance level of 0.05.

#### **5. CONCLUSION:**

This study aimed to examine the effect of internal marketing on organizational loyalty from two sides; a theoretical one through which we tried to present the different theoretical material on both variables, and a practical side that we applied to the case of the Mascara Branch of the Electricity and Gas Distribution Company under study.

#### **Results:**

- Results indicate that the level of adoption and application of internal marketing inside the Mascara Branch of the Electricity and Gas Distribution Company was medium according to the scale of the study. The value of the mean of internal marketing was estimated at (3.142) with a standard deviation of (0.601);
- We found that internal communication as a dimension of internal marketing inside the Mascara Branch of the Electricity and Gas Distribution Company has affected organizational loyalty from the point of view of the participants in the study, where the management provides effective communication channels and supplies the employees with information precisely and correctly;

- Results demonstrate an effect of managerial support on organizational loyalty indicating that the management of the company cares about the well-being and welfare of the employees;
- Moreover, results reveal an effect of training on organizational loyalty, since the management applies a set of operations and procedures to obtain and develop skills among the employees within the company to boost the performance level and achieve positive results;
- Our results depict as well an effect of empowerment on organizational loyalty given that the management is expanding the size of the employees' responsibility and full powers in making decisions related to their work. Thus, allowing them the freedom to deal with the outputs of their work and show their skills;
- Finally, the results of the study show an effect of motivation or organizational loyalty. However, the ratio of this effect was rather weak since the management cares about the moral motivation of the employees but not the financial one.

#### **Recommendations:**

- Encouraging training and motivating employees besides involving them in making managerial and marketing decisions under an effective internal communication system;
- Improving internal marketing to a greater level so it can be positively reflected in organizational loyalty;
- Enhancing transparency and equity concerning the rewards and incentives systems through the amendment and publication of the current incentives and rewards systems.

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