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Effectiveness of Internal Marketing on
Employee Performance in Social Economy Organizations

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Abstract

This study focuses on and analyses internal marketing procedures, their impact on employee performance and, furthermore, which internal marketing concepts are used in non-profit organizations in Libya.

Internal marketing in non-profit organizations has gained relevance in the past few decades, which made the study of internal marketing more popular amongst researchers and authors, particularly after the emergence of the knowledge of the role it plays in employee performance and its impact on beneficiary satisfaction.

Due to the existing limited number of studies which take on the relations between the aforementioned variables as their focal point, which are all the more insufficient if Libya is placed as the region of study, the researcher aimed to address these concerns. This study has taken on internal marketing and employee performance from theoretical and practical aspects.

In the practical aspect of the study, a sample of non-profit organizations was selected to study. A questionnaire form was delivered as the main source to collect data from employees who are working in two NGOs.

Several conclusions arose through the results of this questionnaire:

- There is a statistical relation between internal marketing and employee performance.
- There is no statistical relation between dissemination of marketing information to employees and employee performance.

Additionally, this study came with several recommendations to the non-profit organizations that were studied in this study sample.

Keywords: NGO, Non-profit organizations, Employees, Performance, Employees performance, Internal Marketing, Non-profit sector, Employee Performance Appraisal, Employee performance evaluation, External Marketing

الخلاصة

تركز هذه الدراسة وتحلل إجراءات التسويق الداخلي وأثرها على أداء الموظف ومفاهيم التسويق الداخلية التي تستخدم في المنظمات غير الربحية في ليبيا.

اكتسب التسويق الداخلي في المنظمات غير الربحية أهمية في العقود القليلة الماضية مما جعل السوق الداخلية يدرسها العديد من الباحثين والمؤلفين، خاصة بعد ظهور دوره في أداء الموظف وأثره على رضا المستفيدين.

بسبب العدد المحدود للدراسات التي تناولت العلاقات بين هذه المتغيرات وخاصة في ليبيا.

يهدف الباحث إلى معالجة هذه المتغيرات لدراسة العلاقة التسويقية الداخلية والتأثير على أداء الموظف. ركزت هذه الدراسة على التسويق الداخلي وأداء الموظف من الجوانب النظرية والعملية.

في الجانب العملي من الدراسة، تم اختيار عينة من المنظمات غير الربحية للدراسة. تم تقديم نموذج استبيان كمصدر أساسي لجمع البيانات من الموظفين الذين يعملون في المنظمات غير الحكومية.

جاءت الدراسة بعدة استنتاجات من خلال نتائج هذه الدراسة:

- هناك علاقة إحصائية بين التسويق الداخلي وأداء الموظف.
- لا توجد علاقة إحصائية بين نشر المعلومات التسويقية للعاملين وأداء الموظف.

أيضا، وجاءت هذه الدراسة مع العديد من التوصيات إلى المنظمات غير الربحية تمت دراستها في هذه العينة الدراسة.

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Introduction

The role of marketing in modern economies is not limited to providing products to sell and, in turn, make a profit.

Marketing is also involved in the management of organizations; employees are considered internal clients in an internal market, where their organizations offer them benefits, services and training to improve their 'clients' skills and performance.

Many organizations have realized the importance of applying internal marketing principles to their company's *modus operandi*, since it is now known that they result in more qualified employees, who take more responsibility within the company and provide high quality services to their beneficiaries and customers alike.

It is equally known that customers and beneficiaries' satisfaction is affected by the internal employee's satisfaction, hence internal marketing being at the base of a successful external marketing.

Therefore, the improvement of employee's skills and performance will make the organization's performance better, which will affect customer satisfaction.

Taking everything that has been previously stated into consideration and given that non-profit organizations are widely spread in Libya, the researcher found that it is important to help build a framework for internal marketing in Libya, as to impact employee performance in these organizations positively.

This study aims to identify the importance of the application of internal marketing and the advantages of internal marketing in non-profit organizations in Libya and its impact on employee performance in social economy organizations.

The study problem consists of the following question: the impact of internal marketing procedures on employee performance in non-profit organizations.

The above question begs many other questions:

- What internal marketing practices are being applied in non-profit organizations?

- How aware is the management in non-profit organizations of the fact that employees are a part of the service they provide, and that the success of the organization is dependent on its employees?
- Have non-profit organizations adopted a service culture to enhance the employee's performance?
- Do non-profit organizations develop training and educational programs to improve employee performance and to increase productivity and quality of their performance?
- Do non-profit organizations disseminate marketing information to employees, and does it affect employee performance?

The main hypothesis of this study is that there is no statistical significance between internal marketing and employee performance.

The above hypothesis begs the following statements:

- There is no statistical significance between implementing a service culture and employee performance.
- There is no statistical significance between training and employee performance.
- There is no statistical significance between dissemination of internal marketing and employee performance.

The main objectives of this study are:

- Have a clear vision on internal marketing and its impact on the performance of the employees of NGOs study sample.
- Identify the theoretical framework of the study that shows the concept of the internal marketing and its procedures.
- Identify the employee framework of the NGOs in the study sample.
- Measure and define the service culture of civil society organizations and its contribution in enhancing their performance.
- Identify the means used to improve the skills and performance of the employees of the study sample.

- Attempt to understand how NGOs can deliver the information pertaining to internal marketing procedures to their employees and it affects the company.
- Benefit from the results of the study to improve the internal marketing policies which can be implemented in the management of the NGOs.
- Contribute to the improvement of the performance of NGOs through the promotion and development of internal marketing strategies.

This study is expected to lay the following groundwork:

- Provide the theoretical means for the elaboration of a study intending to assist Human Resources and marketing managements to work in harmony.
- Establish a field dimension of the study through which internal marketing and its efforts contribute to enhancing the performance of non-profit organisations.
- Manage the NGOs in a way that they can work with internal marketing and create strategies for their organisations.
- The study is complemented by efforts to highlight the essential role of internal marketing and its efforts through the development of an integrated framework for its role and responsibilities from contemporary directions in NGOs.
- Civil society organizations to understand the depth of dealing with internal marketing strategies, to formulate strategies for their organizations and related intellectual and behavioural pattern standards, respect their future guidance towards employees and to understand what is reflected in the satisfaction of external beneficiaries.

Chapter One: The History of NGOs

1.1. The Concept of Social Economy

The concept of social economy has become a fundamental concept by known economists and politicians such as John Stuart Mill and Adam Smith.

Al-Janahani (1999: 36) defines social economy as an independent society far from direct state supervision; it is characterized by independent, individual and collective initiative for the sake of public interest and for the defense of the rights of vulnerable groups in the society. Although it only favors individuals, it is not an individual based sector but rather a cross-solidarity sector working through a network of organizations.

Social economy organizations were also defined as non-governmental organizations to fill the gap between individuals and the state; those organizations are established to achieve the objectives of their members, to provide services to individuals or to practice humanitarian activities (Shukr, 2001:32).

Non-profit organizations include a vast array of organizations and corporations that are diverse in their purpose, size, organizational structure and methods. Non-profit organizations are established by individuals or volunteers that work to achieve a common goal or to express their ideas and principles independently from the state (Ministry of National Economy, 2003:223).

Social economy organizations have strived to achieve transparency, tolerance and equality to live up to the democratic principles of societies.

According to Abdul Masih (1993:443) social economy organizations also provide services and aid those who are in need, as well as, propel social development, an aspect in which non-profit organizations are dependent on two fundamental criteria: interdependence and trust.

Traditionally, social economy organizations are divided into local, national and international organizations. In previous studies, it has been noted that local organizations may face some impediments, heavy accountability and lack of capability when it comes to their employee performance, which might be caused by poor organizational structure and lack of experience.

This study aims to understand which internal marketing practices are in place in non-profit organizations in Libya, how they influence employee performance and their overall effectiveness.

1.2. The Regulations of non-profit organizations in Libya

Regulations of non-profit organizations in Libya have changed during the past 6 decades.

1.2.1. The legislation of the non-profit sector

Libya has enacted legislation that regulates NGOs that dates back to even before it was given its independence by the UN on the 24th of December 1951. The Libyan Legislation includes legislation issued by the state of Barqa under the name of „Associations Law" as of 10th of January 1950. On the 28th of November 1953, the Civil Code was issued, which contained 15 articles (54 to 68) regarding associations.

During Muammar Gaddafi's regime (1969-2011), NGOs suffered strict and controlling regulations, a result of Gaddafi's dictatorship. On February 9th, 1970, code No. 16, which regarded NGOs regulations and restrict freedom of assembly, was issued.

By 1972, freedom of associations was criminalized after Law No. 17 was issued; this law prohibited individuals from establishing, organizing, managing or attending any associations, political parties, public gatherings or meetings, as well as, criminalizing the act of accepting directly, or indirectly, funds or benefits of any kind, and from any individual, for the establishment of any assembly.

During the 41 years of the Gaddafi's regime, non-profit organizations in Libya were regulated by law No. 111, which went into place in 1970, and law No. 19, which went into place in 2002 (Omran:2016).

1.2.2. Non-profit sector in Libya after the 17th of February, 2011

Following the Libyan revolution of February 17th, 2011, it became apparent there was a need to appease the population which had been affected by the unrest and instability in the country.

The activities of the associations that were founded during the uprising were rather limited to charitable or any kind of humanitarian related activities, due to the economic and physical state of the population, that were a consequence of the months of fighting against Gaddafi's forces.

However, that did not last: the country entered into a transitional period, which mutated the existing non-profit organizations from charitable organizations to influential, politically charged organizations, as important topics, such as, human rights violation, issues of transitional justice, national reconciliation and elections, had just started being publicly discussed.

From the 17th of February to this day, there is no law regulating the work of the non-profit sector in Libya, given that Associations Code No. 19, implemented in 2001, has since been suspended.

The registration mechanism for these organizations went through different stages, until the Executive Office (the first executive authority after the 17th of February) gave the green light to begin registering the organizations, and a committee was formed to reform and organize the non-profit sector.

The committee developed a system in which non-profit organizations need to register by attaching documents of incorporation and statute, source of funding, location, and declare that the organization's vision and objective is far removed from any violent, racist or discriminatory intents.

By October 2011, the Ministry of Culture and Civil Society of the Transitional Government took over the registration of associations. The Civil Society Support Centre was later established.

In 2013, resolution 649 was issued to change the then current name to Civil Society Commission, and to grant it with a legal personality and financial independence.

The law also addressed the support needed for non-profit organizations, both technically and logistically, as well as, how to logistically handle the work of international organizations that wish to work in Libya in coordination with the authorities and in accordance with the laws and regulations adopted (Omran:2016).

On March 31st, 2012, the Civil Society Commission, with the help and expertise of Libyan non-profit organizations, submitted a bill to pass an associations law, which failed to be presented to the General National Congress; this led to a missed opportunity to discuss this matter and have a vote to ratify it.

In mid-May 2016, the new members of the Civil Society Commission met with a group of human right activists and legal experts; the meeting ended with an agreement to adjust the restrictive regulations, which were issued by the previous Civil Society Commission.

It is fair to argue that after 8 years since the uprising of February 17th, the non-profit sector in Libya has been developing and working non-stop despite the political conflict and the strict regulations that affected their work, effectiveness and impact on the Libyan society in reference to the aid they provided in the reconstruction of a better Libya.

Chapter Two: Internal Marketing

This chapter displays the theoretical framework for internal marketing through the following:

2.1. The Concept of Internal Marketing

The underlying rationale of the concept on which internal marketing is based on, is that employees have interest from a marketing perspective within the organization. According to this perspective, employees are regarded as internal customers in an internal market, represented, in this case, by the organization, and their needs and desires are addressed, fulfilled and resolved through programs that develop their skills, motivate them and enable them to be more thorough and interventive in exchange activities with their colleagues at work. This will in turn boost morale, reinforce work ethics, better operational efficiency and improve the quality of the service provided to external customers (Chaston, 2000:201).

The idea of internal marketing is based on the notion that personnel, within their own organization, must try to increase the efficiency and effectiveness of its own external marketing (Payne, 1993:132).

The concept of internal marketing presupposes the designing policies and programs addressed to the employees (internal customers) in order to achieve high levels of satisfaction, which can lead to an increase in the standard quality of service provided to external customers.

This means that recognizing the importance of the employees' role in the marketing of the service, requires the management to consider them as the organization's first market. Employees and their jobs represent internal products for the organization, which must be designed and developed in line with their needs and desires, to increase the degree of satisfaction.

Policies and programs of internal marketing involve some planned activities which

address employee development, training, reward systems, their relations with other employees, communications and, furthermore, aim to clarify the different roles inside the company (Lovelock & Wirtz, 2006:56).

Ahmed & Rafiq (2011) have defined internal marketing as being planned efforts in marketing which generally aim to try to overcome resistance to change and achieve unity and integration amongst employees, to ensure the effectiveness of the organization's strategies to reach customer satisfaction, and to establish the employees as internal clients in the organization (Alanssor, 2012:47).

The reasoning behind internal marketing resides in the notion that if marketing principles are to focus on external customers, the same attentive care that will be directed at them should also be directed to other individuals that could serve as customers of a certain company, i.e., the employees of said company (Gillemo & Rijksen, 2000:38).

That may lead to the birth of broader perspectives that will be useful in the management of relations amongst employees, based on the above.

2.2. Aspects on which Internal Marketing is based

The first aspect is the idea that every member of staff is an internal customer; here, the goal is to better the operational process of the organization by ensuring that everyone offers and receives superior and excellent services.

As for the second aspect, it has to do with making sure that every member of the staff works together with the remaining members in a way that serves the organization's mission, strategies and objectives.

The importance of achieving this internal harmony is completely clear in organizations, as the satisfaction of the customer pertains to a more successful organization, and a harmoniously working organization is a more effective one. Internal marketing aims to ensure that all employees offer their best to the organization and to the customer and by

any means.

It is worth mentioning that, although the main focus of internal marketing is the employees, their satisfaction and the quality of the services they provide became subjects dependent on the orientations of the human resources management and quality of management, which will be discussed in the definitions of internal marketing.

As Cahill (1996:15) pointed out, one of the most basic definitions of internal marketing "is the philosophy of treating workers as being real clients and fulfill their needs and desires and provide developing and training operations to improve their performance".

This definition emphasizes the importance of meeting the needs of the workers and the development and improvement of the level of their performance.

Other definitions have focused on the importance of workers acknowledging the customer's needs, such as that of Johnson (1986:266), which reads, "Internal marketing is aimed at creating an internal environment that supports awareness and recognition of customer and sales among workers".

There are definitions that focus on the importance of workers understanding the organization's mission and objectives, and one of those definitions is that stated by Johnson (1986:227) who defined internal marketing as a "group of procedures to be provided to all members of the organization such as training, reward, dissemination of information and evaluation of employees with a clear understanding of the organization's mission and goals for improving the performance of employees."

Ferrell (1993: 549) also focused on a coherent connection between internal and external marketing, where he defined internal marketing as "management philosophy aimed at coordinating the internal exchanges between the organization and its workers, for the success of the external exchanges between the organization and its customers".

Internal marketing has introduced a new idea to marketing that internal relationships and systems of the organization are as equally important as external relations, because the ability to satisfy internal customers is a part of internal marketing.

Additionally, Aldamoor (2002:8) has defined internal marketing as "that which requires rewarding individuals of the organization as well as management's commitment to sales

and training, reviewing and evaluating individual development, reviewing the policy of resources management and redefining the management in view of assisting employees for achievement through work”.

Internal marketing has been defined by Berry *et al.* (1983:28) as applying marketing philosophy and policies on employees in the organization who serve the customers.

These definitions regard workers in the organization as internal customers and their jobs as internal products that must be designed in a way that meets their needs more effectively.

Palmer (2001:15) has pointed out the definition of internal marketing as "dealing with internal market's needs through certain programs and plans to achieve the desired organizational goals through meeting and achieving the employees' and customers' needs together”.

Notwithstanding, from the perspective of the researcher, "Internal marketing is viewing employees as internal customers and considering their needs and desires, fulfilling them, as well as developing their skills to improve the level of service provided by them”.

2.3. Internal Marketing in the non-profit sector

Internal marketing has been adopted and has a very important role in social economy organizations, and according to Dozen (2006) internal marketing represents the implementation of marketing concepts and proactive action towards the internal marketing of the social economy organization for employing, preparing and motivating employees efficiently.

Internal marketing is necessary in social economy organizations because beneficiaries from social economy organizations are often in a critical or vulnerable condition and according to Kolter, Bowen and Makens (2009: 7) “negative experiences in a social economy organization have a higher impact than positive experiences”.

Internal Marketing procedures in social economy organizations are done by four stages:

- A service culture that represents the organization's objectives, values and beliefs and supports the qualitative service to beneficiaries through several procedures.
- Information dissemination to employees.
- A reward system and performance recognition.
- Developing a marketing approach in human resource management.

A lack of organizational culture, service culture and norms might affect negatively employee performance and motivation.

2.4. The Importance of Internal Marketing

Quality in the non-profit sector is closely linked to employee performance.

Therefore, the employees' attitude towards work as well as the management's ability to improve the performance of the employees has a significant impact on the quality of the services and products provided to the customers. One of the most important challenges that organizations face in this area, is to create an environment in which the employees are satisfied and motivated, hence the importance of internal marketing in the creation of this environment. Employees must be treated as internal customers and internal marketing is a fundamental requirement for successful external marketing (Eric, 1997: 354).

On the other hand, customers, especially in the non-profit sector, build relations with organizations and not with their services, therefore, satisfied employees for whom the management would build their motivation based on their demands and needs, are what will determine which factors achieve the satisfaction of external customers (Hampton, 1992: 57).

It is important to design and implement a good internal marketing plan as to have qualified

employees by regarding them as internal customers. Then the organization will become more strategically and tactically ready and equipped to diagnose and approach the challenges that it will face in the future.

The organization will gain a new qualified staff that carry a lot of knowledge but also employees who now possess the knowledge of how the organization's framework is organized and feel they are integrated personnel in their organization.

Therefore, when employees in the organization provide a good quality service, that will reflect itself in the customers positive behavior, which will have received the service and consequently left the organization with full satisfaction (Paul, 1986:21).

2.5. The Objectives of Internal Marketing

Internal marketing objectives can be divided into three levels: an overall level, a strategic level, and a tactical level.

The objective at the overall level is having responsible employees with high-level capabilities and skills that are committed to provide high quality services to customers (Gudmundsor & Candberry, 2000:3).

The main objective at a strategic level is to create an internal environment in which employees will act in the desired way, which is facilitated through effective measures such as service culture procedures, internal training and dissemination of marketing information to employees.

The purpose of this is to develop an external and internal customer awareness to eliminate functional obstacles standing in front of the effectiveness of internal marketing (Gronroos, 2000: 93).

The objective at a tactical level is to offer services through individual marketing efforts from the employees, and this is based on the idea that employees as individuals are the first market for the services; the staff must understand what is expected from them, to

perform their jobs in a certain way and the services must be at high level of quality (Gronroos, 2000:95).

Objective at a strategic level

Creating an internal environment that provides support to the customers and sales through the following procedures:

- Consolidation of the service culture.
- Internal training for employees.
- Dissemination of marketing information to the employees.

Objective at a tactical level

- Employees are the organization's first market.
- Compliance and employee understanding of the organization's activities.
- Provide high quality services.
- Effective communication channels.

Overall objective

- Have skilled workers who can provide high quality services to customers

Table (2-1): *Summary of Internal Marketing goals*

It should be noted that applying internal marketing principles is not the only objective here, but also to make the organization perform better by improving employee performance and to achieve the satisfaction of external customers (Cahill,1996:25).

2.6. The Strategy of Internal Marketing

The concept of internal marketing is based on considering the employees as clients, and the tasks as internal products in the organization. The organization must also focus on the development of the employees and motivate them towards achieving its various goals.

Stages of internal marketing in non-profit organizations have been determined to be divided into three levels:

- Strategic application and change management: this level focuses on internal marketing as the motivation or the engine to apply the organization's strategies and the intention here is to engage the employees and motivate them into setting goals and strategies, because, ultimately, they are the ones who will achieve those goals and apply those strategies.
- Employee Satisfaction: this level focuses on the issues of how to motivate employees and achieve their satisfaction as to positively impact their work experience, so, consequently, the customers' experience improves as well.
- Customer Orientation: this is the third major level in the development of the internal marketing concept, which focuses on the important interaction between employees and customers, which comes in response to the customers' needs and requirements.

Internal marketing has an important and effective role in supporting the organization's human resources department; in addition, it will ensure the obligation that the employees have to provide the best services to the customers and to ensure the return of the customers in the both cases of goods and services.

Internal marketing also focuses on the importance of employee participation on higher management work, in terms of setting objectives and strategies. The importance of internal marketing is that it addresses the need for an efficient coordination between higher management and employees so both can perform efficiently, to provide a quality service and to satisfy the clients.

Studies show that there are a set of important elements that represent different internal marketing procedures in organizations that can be utilized in the construction of an

internal marketing strategy:

- Hospitality and good reception of customers: this pertains to the need to improve and develop hospitality in relations between organizations and customers, but also the need to train and improve staffs' skills and quality of service within organizations, strengthening the relations with customers.
- Quality Control: this pertains to a need to focus on improving the technical quality of the service, through an implemented set of standards and principles designed to evaluate the needs and preferences of customers, in addition to upholding the standards and foundations of the company.
- Personal Selling: this pertains to the need to positively reinforce employees when they apply skills and knowledge they learned from their training successfully, so their sales relations with the customers improve and so the organization remains in a competitive position. According to the theory of reward and punishment in administrative literature, stimulus and reward for the efforts will improve those operations.
- Employee Morale: this pertains to the need to provide the right climate within the organization so employee positivity will increase and the feelings of being unsatisfied or discontent will reduce.

These aspects contribute to the building of the foundations of ethical norms from which employees can then base their work ethic on and provide and present the service at a sufficient and effective level. Additionally, employees can be trained and motivated towards that concept through special programs and activities, organized by their company, designed to reform and better the ethical rules that are in place for dealing with clients (Alanssor, 2012:47-50).

2.7. Factors of the Development of Internal Marketing

There were certain influences that have impacted the evolution of this concept, namely, services marketing, and human resource management as well as quality management;

so, if we adopt these factors, there are several considerations that should be taken in the field of internal marketing. It is important to note at first, that internal markets exist within organizations and that these internal markets are in a state of interactive exchange with external markets for those organizations. Secondly, we find that many of the external marketing approaches could be altered to work with internal marketing strategies (Gillemo & Rijksen, 2000: 25).

As for the factors that assisted in the development of internal marketing, those can be attributed to the following, according to what stated Samms (1998:7):

- Many organizations today are experiencing changes represented in merging, unions, scaling and other transformations that require attentive consideration concerning the concept of internal marketing.
- Many organizations may have carried out actions of empowering employees for a greater focus on relationships with customers. This requires a complete interference on behalf of the management and intensive training programs for employees on the values of business relations.
- Improving employment contracts systems and increasing daily wages and part-time jobs leads to an increase in reliance on what is known as outsourcing. This requires that employees understand the vision and the value of the business relations and where they stand in terms of quality.
- A decline in the degree of mutual loyalty between employers and employees affects the bond that these two parties have together regarding mutual goals and values, which requires a deeper focus on internal marketing to fill this shortcoming.
- Applying new methods and creating a skilled staff at the organization requires that the organization and its employees continuously develop training programs to learn new skills; therefore, the values of internal relations in the organization are regarded as the umbrella that lies above these procedures.

2.8. The Necessary Activities for the Implementation of Internal Marketing in the Organization

There are several necessary activities that represent the foundation needed to then apply the concept of internal marketing; through these activities the organization becomes ready to accommodate the procedures of internal marketing. According to Meldrum & Clark (2000:221), these activities are:

- carry out regular surveys addressed to the cadres to assess the internal service environment and culture, as well as, to ensure the quality of internal and external services.
- a division in the internal customers groups based on each individual's level of contact with the customer. This division is necessary to determine the quality of service on a detailed level, as well as, aiding in the development of a specific training program designed to work on the employees' flaws, to maximize their potential and to ensure quality of service.
- training and development focused on fundamental internal market capabilities. Here, researches help identify the requirements of external and internal customers and the nature of training and development that should be done to meet those requirements.
- empowering employees will aid in the better use of their capabilities, according to what they see as appropriate to provide a better-quality service to their clients.
- honours and rewards should be based on the contribution's employees give to provide the best service possible; this is deemed a crucial matter in determining the behaviours of employees and must be based on attentive care to the impact of honours and rewards on the employees' behaviour.
- internal communications provide a mechanism to contribute to the coordination of activities within the organization and aid in the enhancement of the quality of the services provided by assuring that any individual must know the full extent of his/her role in the organization.

- performance measures: these metrics must be clear and must be able to measure the contribution of each person on every department in the achievement of the organization's performance goals.
- building supportive working relations: this relates to the need to build supportive working relations when developing and implementing an internal marketing approach, and a need for employees to respect one another, because with mutual trust and support, everyone contributes to breaking down the barriers within departments and between them; this will enhance internal communications and quality of internal and external services.

2.9. Employee Relations within Internal Marketing

The concept of marketing was previously related to relations with customers only, and the need to expand this concept to include other marketing relations, being the most relevant the ones with the employees, has, in the meantime, transpired (Berry *et al.*, 1983:15).

Employee relations with the organization and with the customers can be clarified through the triangle of marketing relations, as in the figure (2-1) shown below:

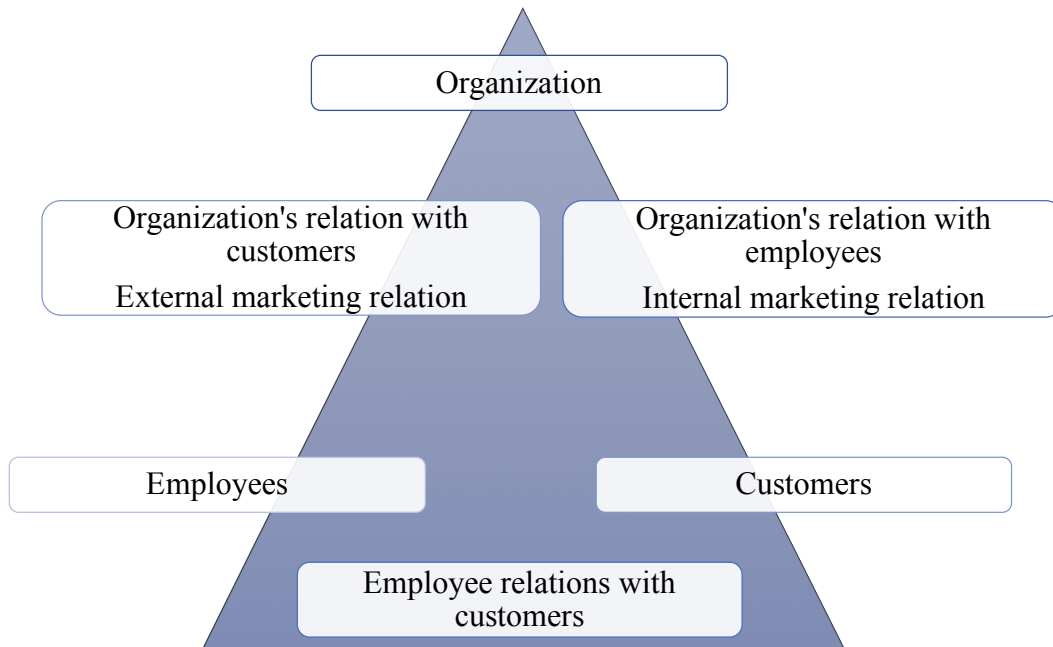


Figure (2-1): Triangle of marketing relations. Source: (Kotler, 1997: 436)

Internal marketing is based on the support of both interactive marketing and external marketing through the preparation of employees to provide a good service by interacting with customers.

Therefore, the importance of the participants in the success of the marketing relationships has been emphasized. The success of these relationships affects the positions and performance of the employees (Lancaster & Reynolds, 1999:287). Hence, the organization must shop internally and then market externally, and any organization will not be successful in the foreign market if the organization doesn't have a marketing strategy for internal relations.

Internal marketing in service research has been described as the organization's strategy for attracting employees and customer-oriented staff (Choi & Välikangas, 2001:3).

In addition to the choice of developing relationships with employees, internal marketing emphasizes the importance of having an external connection that promises to improve their skills. Moreover, the orientation towards internal customers is regarded as important as the quality of external service and orientation towards external customers (Bitner,

1995: 248).

The following shows the relations between employees and the organization as well as the relations between employees and customers.

2.9.1. Relationship within the organization

Marketing relations have focused primarily on the importance of having a long-term relation between the organization and the customers, while not paying much attention to the relationships with other participants such as donors, investors, suppliers and buyers (Gummesson, 1994: 32).

The importance of the employees' relation with the organization stems from the great role of the employees in achieving profitability if they become more skilled in the jobs they perform and learn how to choose profitable customers.

Employees have a great role in selecting and training new employees and determining how the organization can establish and strengthen the employees' relation with the organization. This is confirmed by the concept of internal marketing (Souchon & Lings, 2000: 23).

Figure 2.2 illustrates the structure of the factors that influence employee behavior. It is shown that external marketing has an impact on all of the components of internal marketing and vice-versa, portraying the importance of a strong customer-employee relation.

Additionally, internal marketing is interested in supporting the employees' job satisfaction and internally create a product that satisfies employees to do their jobs in a good manner and maintain their loyalty to the organization and strengthen bonds with them (Liljander, 2000: 17).

External Marketing

Customer Satisfaction



Internal Marketing

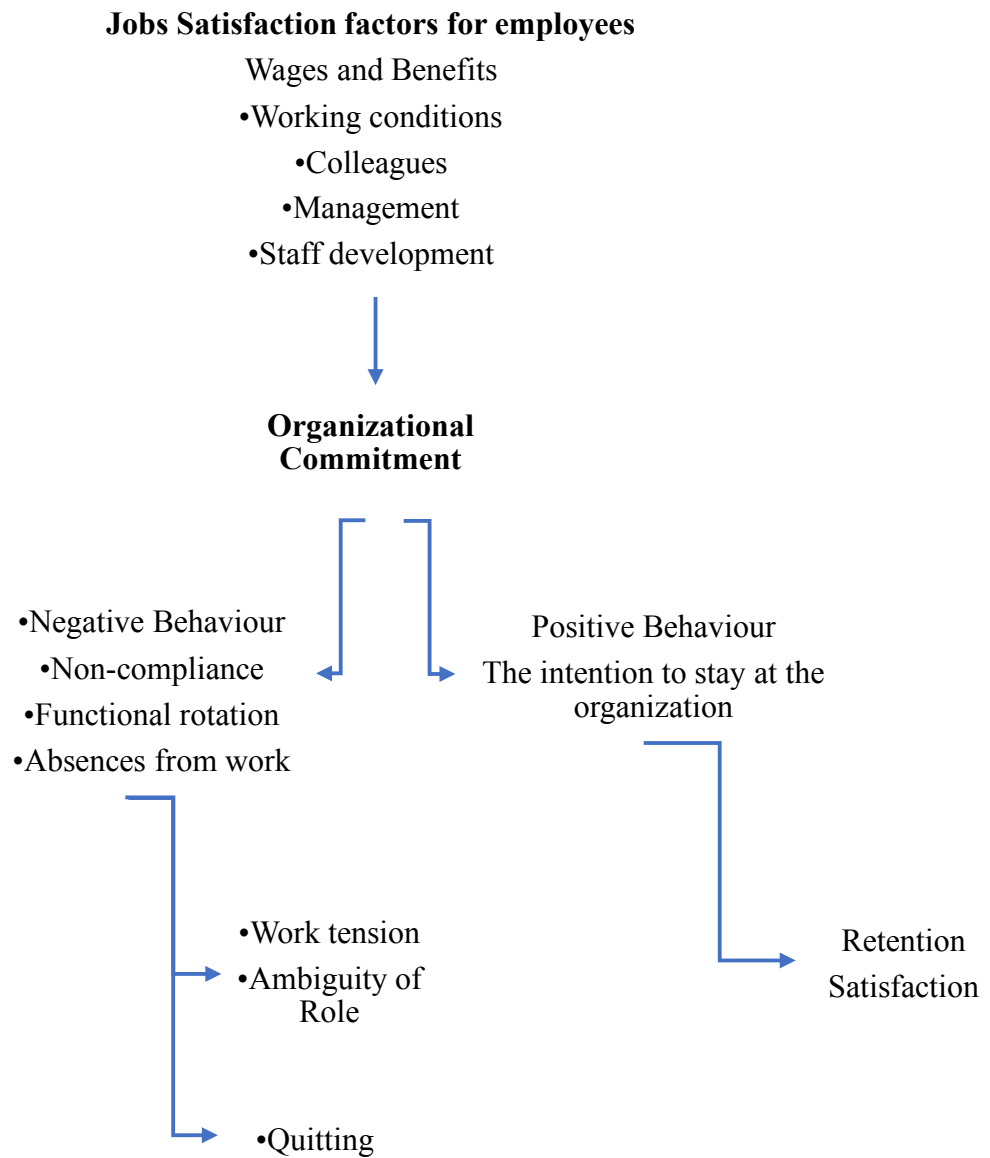


Figure (2-2): The structure of factors affecting the behavior of employees. Source: (Liljander, 2000:17)

The factors that pertain to job satisfaction for employees are represented in wages, working conditions, work colleagues, and benefits of relations, etc., that have direct effect in employee satisfaction and regulatory compliance, despite the existing debate concerning the relevance of job satisfaction; if the satisfaction levels are positive then that leads to a positive work environment which in turn leads to an increase in retention, a decrease in job rotation a stronger bond between the employees and the organization.

If job satisfaction factors are negative, regulatory compliance will be also negative and result in negative behavior on behalf of the employees, which means less commitment and deliberate absences, which causes tension in the work environment and role ambiguity, which leads to discontent and an increase in employee rotation, ultimately resulting in the deterioration of the relation between the organization and its employees (Liljander, 2000:18).

2.9.2. Employees' relationships with customers

Employees represent an important factor in the relation with the customer, as employee behavior is a critical component in customer satisfaction and the customer's view of the organization does not depend on the unsatisfactory quality or availability of products and services of the organization as much as it depends on the treatment that the customer receives from employees in the organization (Rust, Stewart, Miller & Pielack, 1996: 56).

Additionally, a strong bond between employee and customer ensures a higher chance for return or repurchase by the customer, which means that the customer is satisfied, very satisfied or happy with the quality of service (Gwinner, Gremler & Bitner, 1998:101).

Internal marketing procedures call for a more diligent relation between customer and employee and result in the need for certain skills and capabilities from employees that concern good interpersonal exchanges.

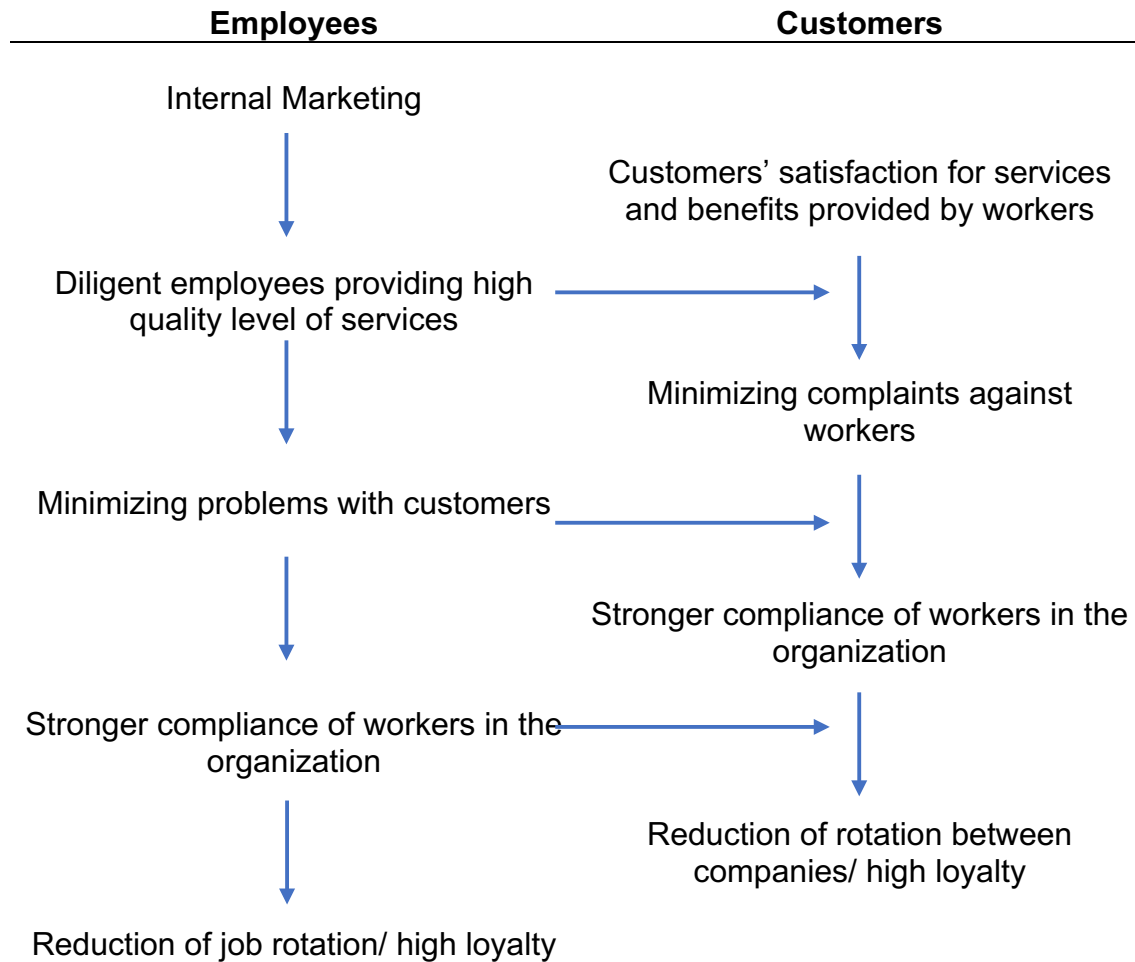


Figure (2-3): Internal marketing and its impact in the interactive relationship between workers and customers.
 Source: (Liljander, 2000:14)

It is shown on the figure above that the existence of good internal marketing pushes employees toward providing services of high-level quality and through this the customer will achieve satisfaction. Providing high-level quality services and achieving customer satisfaction have a deep impact on reducing problems with customers on one hand and, on the other hand, reducing the number of complaints of customers against employees. This will lead to an improvement in the relationship between employees and customers, which leads to greater commitment of both employees and customers with the organization and consequently reducing job rotation, as well as, reducing customers' conversion or rotation to another organization (Liljander, 2000:14).

2.10. Benefits Granted by Internal Marketing to Organizations

Organizations that apply internal marketing procedures enjoy benefits and characteristics that distinguish them from other organizations in:

2.10.1. Market Orientation

Organizations that adopt this concept tend to be highly orientated, as the internal marketing principles make organizations have high strategic and tactical capabilities that qualify them for competition in the market (Calliman, 2000:3).

2.10.2. Orientation Towards Service

This is the second major practical result associated with organizations that apply the concept of internal marketing, where orientation towards service is higher in these organizations in comparison to organizations that apply other concepts. The concept of internal marketing seeks to satisfy and better the employees, considering their interests and rights as internal customers rather than employees; organizations can improve their relationship with external customers and suppliers, through the employees' positive behavior, which is affected by the way they themselves are treated (Brooks, 1999:45).

2.10.3. Empowering Employees

This is the third characteristic of internal marketing in an organization, and it is achieved by training employees, raising their awareness of the work that is done and improving their skills to provide a better quality of service to the customers. Empowering employees can be divided into two levels:

- The first and most obvious level, is that for organizations to prepare and train employees to achieve good customer service, a group of employees that have the responsibility and the skills to do so is required.
- The second level is the level at which the empowerment of employees must be done by a co-operative group of employees, which means an organization that applies the concept of internal marketing will only seek to recruit, promote and train a certain group of capable employees, but also reward them for accepting market-oriented situations and customer service (Calliman,2000:4).

2.11. The Reciprocal Relationship Between Internal and External Marketing

Regarding the reciprocal relationship between external and internal marketing, Bitner (1995:45) suggested that there is a type of cooperation between the orientation towards employees and customer orientation, and when this interaction between internal marketing and external marketing occurs, then the marketing objectives will be achieved. External customer's satisfaction will be affected by the satisfaction of internal customers whose motivation is created based on their demands and needs. Therefore, it is important to make commonplace and implement internal marketing concepts, because internal marketing principles focus on increasing employee enthusiasm for consistent behavior that fits the organization's marketing objectives.

Figure (4-2) shows the integrated marketing approach which consists of the external marketing plan and the internal marketing plan.

The external marketing plan is a known and common plan for all of us, this plan describes how organizations deal with its external environment through eight elements, called marketing mix. The elements are product, price, promotion, distribution, physical directories, people, procedures and productivity. The internal marketing plan describes how to create an internal working environment that supports customer orientation. This is achieved through several measures, namely the consolidation of service culture, training and the dissemination of marketing information to employees.

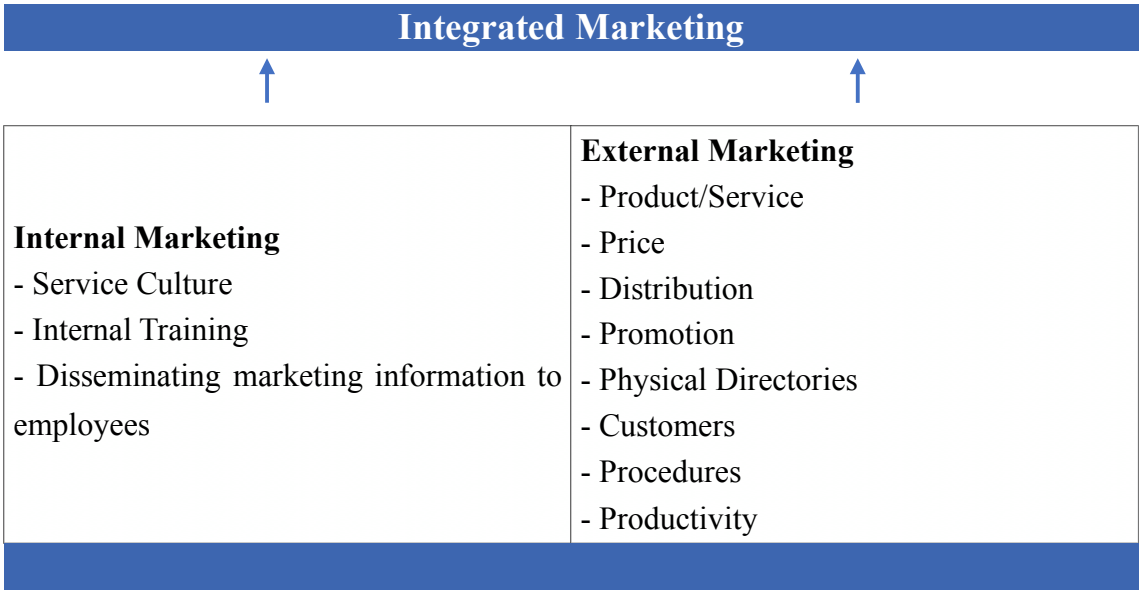


Figure (2-4): Integrated marketing. Source: Dawn & Rotarius, 2002:704

2.12. Internal Marketing Procedures

Internal marketing procedures are described as the way that the organization can create an environment of internal work suitable for internal marketing; these actions are the first steps to make a good environment for successful internal marketing application.

Internal marketing procedures are also important to consolidate the culture of service required from employees, internal training of employees and finally the dissemination of marketing information to employees (Dawn & Rotarius, 2000:703-704).

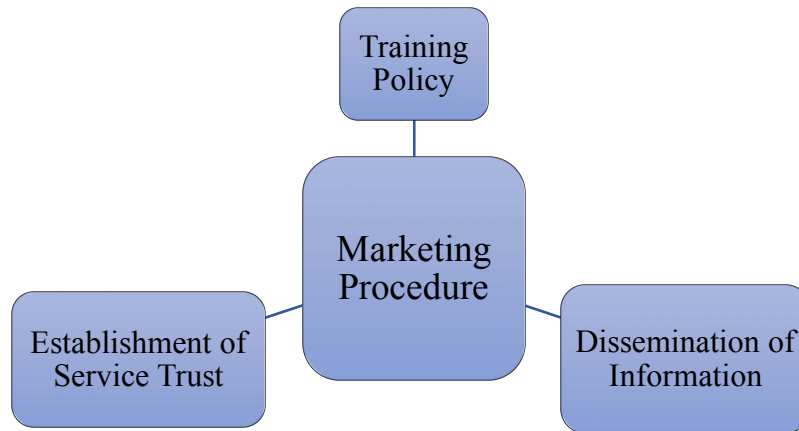


Figure (2-5): Marketing procedures. Source: Dawn & Rotarius, 2002:704

The following is a detailed overview of internal marketing procedures:

2.12.1. Service culture

Service culture relates to all principles, values and characteristics that affect the overall service environment and affect employees, organizations, as well as, have an internal culture and atmosphere that affects employees and their personalities, values and attitudes (Albarnotti, 2001:121).

The success of internal marketing in organizations is linked to the establishment of service culture amongst employees where internal marketing is seen as a failure if the organization does not establish a culture of service that provides a suitable environment to apply internal marketing.

The establishment of service culture supports internal marketing of employees through decentralization of work; decentralization of work allows employees to make the necessary decisions when they provide services, as well as, determining the rules, behaviors and responsibilities required at work, and promoting cohesion and teamwork amongst the workers (Sutter, 1997: 2).

Currently, the goal of empowerment is to emphasize the culture of service, to empower employees and make them take initiative instead of being dependent on guidance from management. Some writers even speak of a service culture that makes employees manage themselves rather than be managed by management (Albarnotti, 2001: 505).

The service culture varies in terms of strength or abundance and how influential it is on employees. It is usually very influential and strong in established business organizations, such as banks and financial institutions, and will have a limited influence in smaller organizations.

Service culture helps non-profit organizations in two areas (Alalaaq and Al-Tai, 1999:367):

- Direct Behavior: this means that employees know very well how they work and what is expected from them.
- Strong Culture: gives employees a sense of purpose which will make them feel good within their organization and that they are an important part of it.

This is a very important point because if employees know the goal that the organization wants to achieve and their role in helping the organization achieve that goal, the organization can achieve said goal by cooperating and coordinating between management and the employees in all administration levels.

Based on what was mentioned above, we can say that organizations that have a strong service culture will be affected positively in terms of the behavior of employees, as well as, on internal marketing; on the other hand, organizations that have a weaker culture of service which do not have many principles and common rules of conduct, will perform negatively in terms of internal marketing.

Organizations that have a strong service culture have administrative structures from top to bottom, in which employees and clients are at the top of the administrative structure and supervisory administration is at the bottom of the administrative structure. This style of administration makes all employees work to offer better service to the customers.

All levels in the organization's management will help and cooperate with each other to develop the best environment and system for employees, to then provide the best service possible to customers, as it is show in the following figure (2-6).

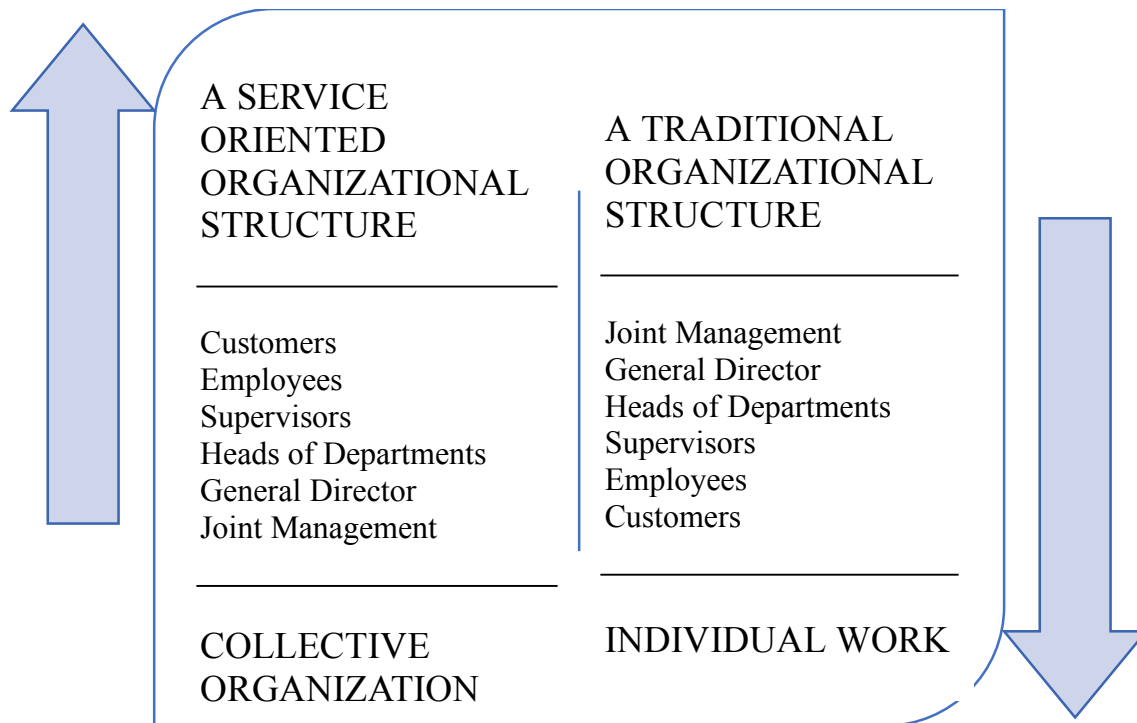


Figure (2-6): Organizational structure shifted from top to bottom:(Alalaaq & Al-Tai, 1999:369)

As the customer-oriented organizational structure goes beyond, the main problem is the organizational structure of every person who devotes his/her work and effort to the satisfaction of those above him/her with little interest in customers.

2.12.2. Internal Training

Internal training can be defined as a set of actions and processes aimed to develop the employees' skills and knowledge to improve their performance and to achieve positive results, for both the organization and the employees.

Internal training should be developed through training employees on issues related to personal experiences, with special focus on seminars that concern cultural awareness, as well as, training employees to practice many different models and behaviors, which should support customer satisfaction; the organization should provide employees with a copy of recommendations and instructions on how to deal with customers (Gudmundsor & Candberry,2000:6).

Employees are the complementary party of any non-profit organization when customers are in contact with them. The image of the organization begins with each individual employee and their behavior and actions, and the way for the organization to succeed and deliver a clear message of its vision and goals passes through the employees; this being said, employees' skills and abilities should be developed and improved upon to achieve the best performance possible.

Besides having employees with good skills and capabilities, it is also important to pay attention to their image, the way they behave, talk and dress, for this may also positively affect the service that the customer receives from the employees (Aldaradkah, 2001:142-143).

Training employees in organizations that apply internal marketing could be seen in 2 levels (Calliman, 2000: 4):

- First level is that organizations prepare and train all employees in a manner which allows them to act in a semi-independent way, so they can do their job more efficiently.
- Second level is the level at which staff training should be conducted in groups instead of individually. This means that organizations that apply internal marketing principles will only seek to train and prepare a group of employees that have direct contact with customers.

The development of strong training programs helps greatly in the social normalization of employees and in encouraging them to behave in the right way according to the organization's vision.

There are several goals that will be achieved by adding employees in the training programs' development process (Dawn & Rotarius, 2002:705):

- Allow employees to share information, problems and ideas.
- Create more favorable attitudes towards external marketing and service orientation.
- Ensure the conduct of management and staff are on the same track.

The effectiveness of training is measured on improving efficiency and capacity through the educational process and this is essential if the skills, knowledge and attitudes are not good before the training process.

If employees' skills are developed and their performance improved, that means that the training was successful and effective.

One of the most important matters that comes under the responsibility of the organization's service management is the strengthening of the information and the skills that are gained through training (Gummesson,1994:65).

2.12.3. Dissemination of Marketing Information to Employees

The most influential factor for a customer is the employee, and the employee is also the customer's channel of communication with the organization.

Therefore, it is required that the management provide detailed information regarding any new services that the organization is planning to promote and the changes that happened or will happen in marketing services, such as, campaigns or special methods that aim to provide services at the right time and place. That way, the service provider has immediate access to the necessary information, which results in clear benefits that customers benefit from at the time of service, making the process of persuasion easier on the part of the service provider (Schneider, Parkington & Buxton, 1980:425).

An interactive communication of information between management and employees requires a mechanism to be developed that disseminates information to employees without changing the nature of such information and overcomes communication obstacles, such as, poor performance and poor communication between marketing activities.

Most of these obstacles can be easily overcome through providing education and training to the employees to improving their communication skills with external customers and enroll employees who are in direct contact with customers in intensive training programs in this direction.

There is also a need to improve communication techniques and focus on the ones that

are newer amongst all departments who have a role in the organization's marketing activities (Gillemo & Rijksen, 2000:150).

Communication tools with employees are the most important aspect of internal marketing. It is noticeable that most organizations invest in internal communication programs to provide employees with the necessary information about work and clarifying the history and background of the organization to the employees.

There are several methods of communication that can be used to deliver information to employees: Newscasts of Annual Reports, Inter-Agency Response Systems, Meetings, Conferences, Emails etc. (Ballantyne,2000:2).

Communication with employees is a two-way process between two parties. In some organizations, communication is ineffective because of barriers in communication in one direction or misunderstandings in the communication process. Therefore, organizations must focus on improving two-way communication channels as well as the task of coordinating first-line employees with customers and the rest of the organization.

There is a risk of lack of communication between employees which can affect first line employees, who are in direct contact with external customers, negatively. Several organizations could re-design their internal communication channels to overcome the lack of communication and cooperation amongst employees and let go of many traditional tasks in communications. Internal communications require management and reform, so they can function as a way for employees to express their concerns and needs, and not as a way to simply issue orders (Ballantyne, 2000:2).

Chapter Three: Employee Performance

3.1. The Concept of Employee Performance

The concept of performance was presented for study and research at an early date because of its importance, which needed focus from the researchers, to attempt to define it and study the factors that affect it.

Performance indicates the level of achievement of the objectives set out by the company and the way that each individual employee achieves the work required.

Performance can also be defined as the following:

The employee's performance is the employee's behavior in the performance of the tasks and activities related to work. This definition is focused on the employee's behavior in the way they do their duties at work such as self-confidence and honesty, etc. (Almolaa & Mostafa, 1996: 121).

This concept was also defined as "the degree of achievement in completing the functions of the job", reflecting how individuals follow or achieve the task requirements (Albarnotti, 2001: 219).

Another definition is the ability to convert the organization's inputs into outputs (goods, services) at the lowest possible cost (Suliman, 2001:4).

There is a distinction between performance and productivity. Productivity is usually related to those whose work relates to machinery and numbers, so that the amount of production that is achieved within a certain period, as well as the materials involved in production, the number of workers or the time required, can be calculated. This means that the concept of performance is broader than that of productivity (Al Ali & Mohamed, 1986:714).

Employee performance and its measurement is the component on which many management decisions are based, which contributes to the achievement of the organization's goals (Almolaa & Mostafa, 1996:121). Lindgren (2001) defines employee

performance in the non-profit sector as a process that includes different steps that involve defining the company's vision, objectives and goals:

- Developing key performance indicators.
- Setting measurable performance standards and targets.
- Measuring benchmark performance, reporting and related resources.
- Releasing performance information used for decision – making.

3.2. Employee Performance in Non-Profit Organizations

Employee performance management has received a lot of attention and relevance in the non-profit sector during the last few decades, due to various factors but mainly because of the high competition among non-profit organizations for subsidies and sponsorships (Greiling, 2009). More and more contracts are based on the organization's performance, as well as, a demand for proof of performance effectiveness and efficiency rather than proper use of funds. That shifted the non-profit organization's focus onto their employees' performance and its improvement and set employee performance as one of the main selling points for donors and sponsors.

Nowadays, non-profit organizations are under pressure to prove their performance effectiveness and its impact on the public and that is only done by having a good staff and trained employees to deliver the best performance possible.

For example, social economy organizations in the United States face a lot of pressure to demonstrate the effectiveness of their projects and services. Thus, they are more likely to respond to demands for accountability in reporting employee and organizational performance measures externally to attract future donations and grants (Crofts & Bisman, 2010; Connolly & Hyndman, 2004).

Keeping track of employee performance is the key to the organization's performance management, as it results positively on the quality of the work and the service that is provided by the organization which is very important to the funders and donors who would

support the organization as funders are generally interested in the results, hence the organization's impact and effectiveness.

Kanter and Summers (1987) stated that non-profit organizations attract different and several types of stakeholders who may have different expectations of what the organization's performance and its employees should achieve and what are the main roles of the organization's activity. The funders will also probably have different perspectives on how performance and achievements must be measured.

In many countries, and especially in Libya, the public sector might play a large role in the non-profit sector. A study of the economic characters of the non-profit sector, found that on average 42 per cent of total revenue is originated from governmental funds, 47 per cent from private earnings and 11 per cent from private funding (Salamon et al. 1998:11). Therefore, public and governmental accountability is the major source of demand for the organization and employee performance measurement.

However, in many countries the non-profit sector receives more of its revenue from private and non-state sources and many of the non-state funders will have their own needs and demands for performance measurement, such as the public sector.

Non-profit organizations themselves need information relating to the daily objectives of each individual to be able to monitor and measure their employees' performance to know whether they are performing in accordance to the organization objectives.

Performance in the non-profit sector is defined as intentional action, and, therefore, a non-profit organization's performance management is considered as an assessment of the results from intentional action, which differs from performance in the first sector, which focuses on value creation and is intentionally creating profit for the stakeholders (Munir et al.,2013; Munir et al., 2011; Nicholls,2009). These are the main differences between performance management in the non- profit sector and the first sector.

In non-profit organizations where the resource providers are mostly donors and charitable funders, even though an ownership interest might exist, due to the limitations of the distribution of profit, funders cannot share any monetary value created.

As monetary value creation is not relevant in the non-profit sector for employee and

organizational performance measurement, these non-profit organizations are encouraged to measure and manage their employees' performance in pursuit of the social impact, social change and development that non-profit organizations are providing through the work and services of the employees to achieve the organization's objectives.

There are two main purposes for performance measurement and management in a non-profit organization: to prove its effectiveness and impact to funders and donors, as well as service recipients, and, through internal reporting, to improve employee and organizational performance by learning from performance evaluation of its projects and services (Huang and Hooper, 2011).

Funding and reputability are the main basis for employee and organizational performance reporting. For example, in Huang and Hooper's (2011) study of philanthropic funders, it is stated that financial information was not used in the process to take the decision of which NPO to fund. Funders found that non-financial information is more important, especially the NPOs reports regarding the services' delivery and overall the impact on the public.

Another study has found that employee performance and organizational performance reporting are often led by funders (Dhanani and Connolly, 2012).

Lyon and Arvidson's (2011) study stated several difficulties in measuring performance in non-profit organizations. First, performance measurements standards are imposed by funders and donors rather than planned by the management. Secondly, in some organizations, management might support performance measurement but with resistance from employees due to lack of organizational commitment to monetizing the value of funders.

3.3. Employee Performance Frameworks

Employee performance is determined by several factors that vary from organization to organization. This difference varies according to the nature of the organization - for

example, the productivity in industrial organizations always focus on the quantity of production and production time with little interest in behavioral matters.

This difference in employee performance that occurs in non-profit organizations is what this study is focusing on.

These organizations try to provide high quality services to the beneficiary of the service, therefore, they tend to focus on the specific characteristics and behaviors of the employees who cooperate with their colleagues, bosses and teamwork, as well as employees who have the capabilities and resources to attract customers and provide them with the best services.

There are 5 basics employee performance factors, stated in the following points (Albarnotti, 2001: 385-388):

3.3.1. Productivity

The measurement of this component comes down to four main aspects:

- Production quantity: this evaluates the extent to which the employee has covered his / hers work responsibilities in terms of quantity of production, according to work conditions.
- Production quality: this factor evaluates the extent to which the employee has mastered his work while following all the norms and rules related to the production process according to work conditions available.
- Time: this pertains to the time required to finish the task.
- Knowledge and proficiency in work: this indicates the employee's knowledge and skills in work.

3.3.2. Cooperation and Relations

There are three main subgroups of relations within an organization:

- Relationship with co-workers: the degree of cooperation and understanding of the individual with co-workers.

- Relationship with Management: the connection and cooperation between employees and management.
- Relationship with customers: this indicates the understanding and bond between employees and customers.

3.3.3. Capabilities

These capabilities are specific to each individual; however, they affect the organization's overall performance:

- Creative Capacity: the ability to make creative problem-solving solutions and improve performance.
- Learning and self-improvement: this refers to the ability of an employee to acquire information and ideas to improve his/her performance.
- The ability to resolve problems: this refers to the employee's ability of facing problems and challenges that they might face at work and the employee's understanding of how to solve it.
- Intelligence: the mental ability of an employee at work.

3.3.4. Attendance

This can be measured in two factors:

- Working hours' compliance: following work hours and schedules in entering and leaving.
- Compliance with terms and instructions: this refers to how an employee follows the work's terms and instructions.

3.3.5. Personal Characteristics

These are specific to each individual, like the capabilities, and affects performance in the same way:

Willingness to take responsibility: this factor indicates how an employee can take responsibility and lead at work.

- Seriousness: this refers to how serious an employee is at work.
- The ability to change and adapt: this refers to an employee's flexibility to perform at work.

3.4. Determinants of Employee Performance

Employee performance is the effect of the effort employees' put into their work, the improvement of their abilities, roles and tasks, which means that performance in certain circumstances can be a result of effort, capabilities and roles (Rawaya, 2000: 210).

To achieve a satisfactory level of performance, there must be a minimum level of proficiency.

3.5. Factors Affecting Employee Performance

There are many factors that have a direct or indirect effect on employee performance, including some that are under the control of the employee and many of which are beyond his/her control.

Although these factors may sometimes be misconstrued as excuses, they must be taken into consideration given their validity (Rawaya, 2000:211).

These factors affecting employee performance can be classified into three categories (Alalaaq & Al-Tai,1999:373, Nabal Younis, 2000:47-50, Shawish,1996:113-114):

3.5.1. Organizational Factors

Related to the organization's philosophy, policies, procedures and administrative methods used with employees, which include:

- Management.
- Organizational structure.
- Functional justice.
- Management's assessment of the work done.
- Internal Communications.

3.5.2. Work conditions

The following factors affect work conditions and the quality of said conditions:

- Lighting.
- Noise.
- Temperature.
- Organization.
- Nature of the work.
- Location.

3.5.3. Personal factors

These factors comprise personal information and qualities pertaining to each employee:

- Education.
- Experience and skills.
- Years in office.
- Knowledge.
- Self-motivation.
- Ethics.

Internal marketing in non-profit organizations improves and supports employee performance through internal marketing procedures, such as service culture. Human resource management, internal training, and dissemination of information to all

employees are some of the factors influencing employee performance, perhaps positively.

3.6. Evaluation/Appraisal of Employee Performance

Employee performance evaluation relates to finding and collecting data and facts about the employee performance at work to help to analyze, understand and evaluate their performance, within a certain period of time, and estimate their qualifications and skills for their current work and for the future to open a channel for career improvement and promotion to achieve the organization's objectives through the employees (Shawish, 1996: 86).

Employee performance evaluation is also defined as an estimation of performance of each employee in a specific time to estimate their performance level and to determinate their strong and weak points (Albarnotti, 2001: 332).

It was also defined as an operation to determine employee performance, so the results can be shared with employees to inform them of their performance, so a plan to improve employee performance in the future can be developed (Nasrallah, 2002: 169).

It is also seen as a system for measuring and evaluating the impact on performance and behavioral characteristics and trying to identify the likelihood of repeating the same performance or behavior in the future to benefit employees, the organization and society (Al Ali & Mohamed, 1986: 72).

3.6.1. The Importance of Performance Evaluation

Performance evaluation is considered one of the most important processes in human resources management.

It helps with discovering if employee performance is suitable and on target, it helps to understand if there are any lack of qualification or skills that can be improved through a

redistribution of roles, tasks and responsibilities, and, additionally, it helps in the planning of training programs (Zaki, 1989: 192).

Furthermore, it helps with other processes in human resources management regarding promotion, transportation, motivation and wages, etc. In other words, performance evaluation is an objective and fair tool to base the rewards or disciplines employees receive on, and to avoid random or biased judgment (Zaki, 1989: 192).

Performance evaluation is an essential basis for administrative or developmental processes, and administrative development processes that are linked with various aspects related to organization and work.

It is also important to provide information regarding the employees' performance to aid in the identification of their qualities and flaws, and with that information the management can start to improve the performance; in other words, the results are a guideline to develop training programs and motivation, etc. (Shikha & Ahmed, 2000: 218).

It helps to improve the relationship between employees and management by discovering what are the weak points and manage mental problems between employees and management and find the fair and right solution; that also helps to improve the relationship and trust between both (Shikha & Ahmed, 2000: 218).

The performance evaluation provides different indicators with information about the performance and condition of employees.

It is an indicator of the procedures for field studies about employees and their problems and productivity and the organization's future (Shawish, 1996: 87).

It helps with indicating the effectiveness of managers and supervisors in the development of the team members that work under their supervision and guidance (Shawish, 1996: 97).

However, performance evaluation in non-profit organizations is not an easy process because the efficiency of the organization is not measured by its profit but by its achievements, its missions or the services they offer. As the employees' performance may affect the experience and the quality of the services, the centrality of the mission and

social values for nonprofit organizations puts limitations on the organization's flexibility with employments.

3.6.2. Steps to Evaluate Performance

Employee performance evaluation process is a difficult and complicated process that requires proper planning based on logical foundations with sequential steps that aim to achieve the objectives pursued by the organization (Al Salem & Alsaleh, 2000:171-174).

The first step is to define evaluation requirements and objectives. In this step, HRM identifies skills, results and achievements to be evaluated by employees. We may summarize these requirements in several divisions such as the quality of work done, the extent of cooperation with others, and the degree of innovation in the performance... etc.

The second step is to determine the appropriate method of evaluation. As there is more than one way to evaluate performance, choosing the appropriate method is worthwhile because the method chosen will become the focus of the relationship between the employee and management.

After that, comes the training for supervisors. It is very important to train and develop supervisors and executive management to evaluate employee performance in an accurate and fair way and disseminate information and results within employees, because any defect in the process may reflect negatively on productivity and employee motivation.

Next step is the discussion of evaluation methods with employees. Before starting with the evaluation process, management should discuss with employees the process itself, its objectives, the factors that the process will focus on and its benefits.

Setting standards for comparison is another important stage: the objective of evaluating employee performance is to measure employee compliance with job requirements, which means that those requirements must be determined in advance in form of standards of quantity, quality or time and the employees' behavior and performance must be measured.

After this process, management must disseminate evaluation results amongst the employees. Many managers are still doubtful in regard to disseminating employee performance evaluation results with employees. It is an employee's right to know the results and know the strong and weak points of his/her performance and to discuss that with management. The lack of communication between management and employees regarding the results may demotivate employees.

It is very important to use information from employee performance evaluations to make administrative decisions. After knowing the results of the evaluation, management should take a range of different decisions concerning the employees' future (these are represented in many areas such as mobility or re-assignment, promotion, etc.) and should then design future performance development plans. This step becomes relevant when the results of the employee performance evaluation do not match up with what was estimated in advance. In this stage, management will have to select what improvements and changes should be done through performance, employee behavior, cooperation between employees... etc.

The employee performance evaluation's standards are the basis and levels that performance is based on. To determinate whether the performance is a match with what is expected, those standards are very important for the success of the employee performance evaluation's process.

Performance standards are important guide employees in what is required from them to achieve the organization's objectives (Alhaiti, 2003: 202).

It should be noted that not only should the focus be placed on the performance, but it should also be placed in the employees' ability to develop their skills and qualify for higher level jobs (Torrington *et al.*, 2002: 316).

Researchers differ in how to determine these criteria, from which they establish a set of different criteria for each organizational level. Some of them set generalizing standards that can be applied to all tasks; the most effective division would separate objective standards from subjective standards (Raymond, 1996: 200).

In the first type of standards, the performance is focused on quantity and quality of performance, such as number of units produced, speed, skill, quality, use of working time, customers, etc.

The second type of standards focus on the employee's personality; it is based on indirect criteria that do not affect performance, but rather affect the style and behavior that has been relied upon to reach outputs, such as the ability and speed of learning, benefits from training and cooperation, etc. (Hmami, 1985: 40).

Finally, some personal criteria may be used when performance output standards cannot be reached. Personal standards and qualities are the least accurate standards because they do not describe performance but describe characteristics of the person performing (Milkovich & Boudreau, 1997: 169).

There are several principles in the use of performance evaluation standards (Shikah & Ahmed, 2000:294); a relatively large number of performance evaluation standards should be used and should not be limited to one or a few and the reason for this is that employees do several activities. Therefore, standards must be varied to cover the different aspects of employee performance.

These standards must be as objective as possible. The most objective standards are performance standards and the least objective are the personal qualities and attributes standards.

Objective standards can be reached if the Human Resources Department studies and analyzes the employees' work to identify aspects affecting performance.

Performance evaluation can have different degrees of importance to reflect its influence and relation with performance. Before presenting the employee performance evaluation's methods, it must be mentioned that the evaluation process must have validity of the evaluation and fairness of the evaluation and its procedures (Al Salem & Alsaleh, 2000:176-177).

Validity of the evaluation is defined as the certainty of the employee performance evaluation's results. Fairness of the evaluation indicates that the evaluation must be based on performance rates and compared to employees' actual performance and that

requires objective performance standards to be reached and avoidance of personal and biased judgments.

3.6.3. Performance Standards of the Employees

Performance standards means the performance of the employees and their productivity, and can be described as good, acceptable or bad. Performance appraisal standards control the reporting of employees without said reporting being influenced by characteristics or other attributes that do not relate to the jobs and tasks that are being signed for, and therefore have no impact on the evaluation of the performance of employees. An employee might have certain qualities, such as generosity, showing obedience to the superiors, shared interests (social, cultural, etc.) with the superiors, but, at the same time, can be unable to adapt to the work at hand, not be interested in quality and improvement of performance or be unable to take responsibility, and, therefore, requires a performance evaluation with the application of objective evaluators.

3.6.4. Employee Performance Evaluation's Methods

There are several methods used to evaluate employee performance with different classifications, the most known ones being traditional methods and modern methods.

There are several traditional methods such as the Rating Scales, the Checklist, Comparative Evaluation Approaches, the Ranking Method, the Paired Comparison Method, and the Behaviorally Anchored Rating Scale (Al Salem & Alsaleh, 2000:125).

However, these traditional methods often suffer from several issues: the lack of clarity of the criteria used in performance, the lack of understanding on behalf of the staff, and the lack of objectivity in the evaluation.

Therefore, the trend at present is to use modern methods that address the defects and problems associated with the traditional methods. The modern methods often take

objective criteria in the assessment of the individual's performance and participation in the assessment process. These methods utilize information and estimations regarding past and future performance, to then manage the behavioral and professional direction that each employee should follow.

There are several important points that must be covered in the selection of employee performance appraisal methods:

- If the objective of using methods is to understand if the goal of performance appraisal is to reach new performance levels or to determinate what is the required performance.
- Standards used in the evaluation process such as quantity, quality, time and cost.
- Determine how easy is the application of the methods to the organization's procedures.

3.6.5. Problems with Performance Evaluations

The problems with performance evaluations are as follows:

- Supervisors may not have full knowledge of the work that employees do, and, therefore, cannot evaluate their performance objectively.
- Supervisors may not have standards for evaluating the employees' performance which may lead to non-objective evaluations due to a wide variety of standards (Shawish, 1996: 208).
- Lack of clarity in setting the evaluation's basic objective, which leads the process to become wasteful in terms of time and money spent (Alhaiti, 2003: 215).
- During the evaluation, supervisors can make errors (Shawish, 1996: 109).
- Tendency towards average performance in the evaluation; this error happens when supervisors tend to evaluate the employees' performance as average and hesitate to give low or high-performance results for some employees.
- Tendency towards giving too much attention to certain parts in the performance; this error happens when supervisors and management focus on a part which may affect the general performance evaluation process.

- Tendency towards flexibility or rigidity during evaluation process.
- Biased decisions: There is no doubt that supervisors may have opinions towards employees which may result in a biased evaluation; that is why it is very important to have objective measures to evaluate performance.
- Random evaluations; this error happens if standards were not followed during the evaluation process.

Chapter Four: Study Methods

The study took a descriptive approach to test its hypothesis by studying the relationship between the main and sub variables from the collected data of the non-profit organizations. The following is a projection of the procedure.

4.1. Data and information collection

To achieve the purpose of the study the researcher has adopted the following methods:

4.1.1. Theoretical Method

To cover the theoretical side of the study the researcher has adopted several Arabic and foreign resources that include some previous researches, books, magazines, university essays and, finally, knowledge from different websites.

4.1.2. Field Methods

The researcher has adopted several ways to finish the field study which contains of the following:

4.1.2.1. Personal Interviews

Several interviews have been conducted to obtain a general idea of the application of internal marketing concept and its reflection onto the performance of the involved employees

4.1.2.2. Questionnaire Forms

Questionnaire forms have been the predominant way with which the data has been collected from the non-profit organizations' employees.

The questionnaire was created by the researcher, who tried to comprise as many topics as possible in it regarding internal marketing, so as to have a wide range of information to more easily process in his research.

The questionnaires were in Arabic, delivered and collected personally, to verify the answers and the feedbacks from the participants to reach accurate information.

4.1.2.3. Studied organizations

This study took place in two non-profit organizations in Tripoli, Libya.

- The Peacemakers
- Free Generation Movement

The organizations were selected after a long personal contact with founding members and they were very interested to be a part of the study. The total number of participants were 80 members from both organizations. The survey application lasted from 23/03/2018 to 29/03/2018.

4.1.2.3.1. The Peacemakers

The organization Peacemakers was established in 2015 and since then it has been working with MEDirections and a group of local community activists, to facilitate social dialogue for peace and reconciliation.

The Peacemakers' team is a group of 184 young Libyans from across the country that work in the different projects that the organization is developing.

The Peacemakers' initiative was born out of the understanding that any political agreement between parties concerning the Libyan conflict, could not bring about positive and sustainable results without wider, grass-roots participation in dialogue.

Peacemakers is a partner in the Middle East Directions program, which promotes multidisciplinary research based on fieldwork findings and collaboration with researchers from the region.

It aims to produce high-quality academic research on the MENA region that can be of use to policy-makers and practitioners. One of MEDirections' areas of focus is Libya, where it concentrates on two key activities: research and dialogue support.

The initiative aimed to complement the United Nations' work through:

- Putting an end to local conflicts.
- Promoting social reconciliation at the national level. From 2015 to mid-2016, the focus of the Libyan social dialogue was on local crisis and conflict resolution. Since mid-2016, the primary focus has been supporting broader reconciliation and dialogue around the idea of a new social contract.

The first phase of the project (2015-2016) responded to the need of different communities to restore dialogue and to put an end to armed confrontations that were having a significant effect on people's daily lives.

Of the four large dialogue meetings, three focused on specific regional issues in:

- The Nafusa Mountains.
- The Southern Region.
- The Central Region.
- The Peacemakers worked with elders and notables to act as mediators between different communities, helping them to design mechanisms to:
 - End local conflicts.
 - Respond to specific issues such as the increased presence of transnational terrorist groups. The team also conducted outreach activities to connect with Libyans displaced abroad, particularly in Tunisia and Egypt

- The current phase of the project aims to build broad consensus through an inclusive, grass-roots dialogue process around common rules and values that can form the basis of a new social contract. It seeks specifically to build consensus around three key issues:
- The organization of political life.
- Local governance and economic resources.
- People's rights and freedoms. It goes beyond the constitution drafting process. It aims to prepare the ground for longer-term national reconciliation and to create a basis upon which political and legal solutions to the conflict can be built. It is designed to complement ongoing international efforts towards a political solution to the crisis.

The Peacemakers can rely on the effective support of a large network on the ground including national companies and NGOs. The activities are not restricted to the dialogue meetings, and the Peacemakers conduct continuous work on the ground.

4.1.2.3.2. The Free Generation Movement

The Free Generation Movement was established in February 2011 as an NGO made up of independent activists working towards the development and progression of Libya and the Libyan society.

The Free Generation Movement was established during the reevaluation of February 2011 in Libya. It has led and participated in civil disobedience, protests, awareness and outreach campaigns and humanitarian work. As of today, The Free Generation Movement has 233 volunteers and participants.

The Free Generation Movement is also one of the founders of the Libyan Youth Forum, which hopes to provide a platform for youth to have their voice heard through public debate, workshops, and more.

Upon the fall of the former regime in Libya, the Free Generation movement has developed many projects of humanitarian aid. Additionally, the FGM is involved in social awareness

campaigns highlighting issues like women's rights, racism, and key concepts of a democratic society such as freedom of speech.

Project MAFQOOD is a team of dedicated volunteers that work on compiling photographs and information of all those that went missing all over our Libya and placing them into a centralized database.

The goal of this project is to assist families in finding emotional stability and peace of mind by aiding them in finding closure about their loved ones.

Project Kitabi aims to encourage the young generation of Libya to read and to accomplish the FGM goals through community awareness initiatives, educational opportunities and partnering with other businesses and NGOs in the establishment of programs, both in Libya and abroad, with focus on literature and book donations.

4.1.2.4.1. Sample

Out of the 184 employees working at the organization Peacemakers, 40 answered the questionnaire, for that was the number of employees who were interested in taking part in the survey; out of the 233 volunteers and participants that the organization The Free Generation employs, likewise, only 40 answered the questionnaire, for that was the number of employees who were interested in taking part in the survey.

200 forms have been distributed to the study sample, 80 of them have been fully collected and reviewed, which constitutes exactly 40% of the total survey.

For the distribution of the questionnaire, the organizations were first contacted by e-mail and forms were then delivered in hand to the employees by two colleagues of the researcher who work for the organizations in question. For the collection of the data, the questionnaires were sent by e-mail to the researcher after being filled out, to then be analysed.

The following is a descriptive of the questionnaire form which contains three major parts.

4.1.2.4.2. Personal Information

This part has been dedicated to obtaining the personal information of the employees for the study sample, which includes their gender, age and civil status; adding to that, their education level, working years, current job and their income.

However, the personal information has been collected through interviews with the managers of the organizations of the NGOs which the study is based on.

4.1.2.4.3. Internal Marketing Procedure

This part contains 25 questions with the intent of measuring what relevance is being attributed to the four procedures of internal marketing and their impact on the work of the NGOs of the sample study, on behalf of their employees. From those 25 questions, 10 address the service culture, 7 other questions address the internal marketing and the last 8 address the dissemination of marketing information to the employees.

4.1.2.4.4. Employee Performance

This part holds 15 questions which focus on the employees' performance within the NGOs of the sample study. The Likert scale was used in the forms, which scales the availability; the higher availability is categorized with band 5 and the lowest is band 1.

The following table summarizes the details that have been explained regarding the questionnaire forms.

Part	Contents	Questions	No.
-------------	-----------------	------------------	------------

			Questions
First	Personal Information	1-7	7
Second	Internal Marketing Procedures		
	– Service Culture	1-10	10
	– Internal Marketing	11-17	7
	– Dissemination of Marketing Information to Employees	18-25	8
Third	Employee Performance	26-40	15

Table (4-1): The structure of the questionnaire forms

4.2. Testing Study Tools

To obtain accurate and objective results, the questionnaire has been tested over two stages.

4.2.1. Testing the validity and reliability of the study tool

At this stage, a face validity test was made to test the accuracy of the study tool; the questionnaire has been presented to some specialists so that they can measure face validity for all questionnaire related aspects, and with their notes of the test, the reliability of the results has been measured using the Cronbach Alpha, and the results showed that Alpha Factor was overall (73.3%), which served as rather acceptable, since the passing limit should be no less than (62%). And as for the sub variables, the followings are the results that were deducted for the study sample: service culture was 65%, internal training was 92.25%, dissemination of marketing information to the employees was 82%, and performance of the employees was 69%.

4.2.2. Internal Consistency

After finishing the first stage, another test was conducted to prove the transparency of the content, by observing the internal consistency between the independent variables and the approved variables. The test showed that most of the connections were positive, with highest recorded being (0.8203). On the other hand, the lowest was (-2.2928). However, this proves the reliability of internal consistency is very high.

4.2.3. Natural Distribution of Data

The Kolmogorov Smirnov test was used to insure the answers of the sample study were naturally distributed in the questionnaire. And the outcome of the test is shown in the table below.

Number	Kolmogorov Smirnov Factor	Sig
1.	2.684	.000
2.	2.580	.000
3.	3.531	.000
4.	2.309	.000
5.	1.710	.006
6.	3.704	.000
7.	2.705	.000
8.	2.082	.000
9.	2.167	.000
10.	1.747	.004
11.	1.921	.001
12.	2.280	.000
13.	2.437	.000
14.	2.597	.000
15.	1.831	.002

16.	2.037	.000
17.	2.125	.000
18.	2.747	.000
19.	2.608	.000
20.	2.238	.000
21.	2.889	.000
22.	1.956	.001
23.	1.761	.004
24.	2.189	.000
25.	3.148	.000
26.	2.535	.000
27.	2.588	.000
28.	2.718	.000
29.	2.877	.000
30.	2.812	.000
31.	3.616	.000
32.	3.640	.000
33.	3.426	.000
34.	2.877	.000
35.	2.813	.000
36.	2.972	.000
37.	3.852	.000
38.	3.396	.000
39.	3.946	.000
40.	3.068	.000

Table (4-2): Normal distribution to Kolmogorov Smirnov Test

From the results presented in table (4-2), it appears that the natural distributions were acceptable, since the approved answers probability is 0.05 and the results showed less than that.

4.2.4. Data Analysis Tools

After collecting the forms, the researcher has adopted several statistic tools to obtain the results and prove the hypothesis. A statistical program called SPSS10 has been used to run the needed analysis.

Analysis tools can be categorized as the following: special tools to diagnose and describe the variables of the sample study.

Those tools used in this study consist of:

- Tools for testing the models and its assumptions.
- Simple correlation: it is used to define and measure the strength and nature of the relationship between two variables.
- Simple regression: it is used to identify the significance of the effect between two variables.
- Multi Correlation: it is used to define and measure the strength and nature of the relationship between multi variables
- Test F: it is used to verify the significance of the effect on the variables of the study and to test the hypothesis.
- Test t: it is used to verify the relationship between the variables of the study and the hypothesis test.

4.3. Sample Study Introduction

Having a correct sample for this study is considered to be extremely important in matters of success or failure. Therefore, the researcher has chosen the following reasons to run the study.

- The civil society organizations sector is engaged in a range of different services.
- The employees' role has a great impact on the non-profit organizations.

This sector is considered to be reliable in a time of distress or in a time of ease to the Libyan population, since they have proven that they could provide multiple services to help the society.

4.3.1. Sample Study Distribution

This study has chosen two non-profit organizations:

1. Peace Makers
2. The Free Generation Movement

A questionnaire method was used to collect the employees' opinions, their positions and other aspects of the study's focus, such as internal marketing procedures and employee performance, which have to do with all employees in all levels (higher, medium, lower). The researcher has distributed a questionnaire form to all the employees, the same number on both organizations:

Number	NGO	No. Forms	Percentage %
1	Peace Makers	40	50
2	The Free Generation Movement	40	50

Table (4-3): Distribution of the questionnaires per organization

4.3.1.1. Distribution by Gender

It is shown in table (4-4) that the number of males is more than three times over the females, 77.5% for the first and 22.5% for the latter.

Gender	Number	Percentage %
Male	62	77.5

Female	18	22.5
Total	80	100

Table (4-4): Sample study's distribution by gender

4.3.1.2. Distribution by Civil Status

Table (4-5) shows the distribution under four categories (single, married, widowed, divorced). The percentage of single employees almost double the married ones, with 65% for the single and 35% for the married.

Social Statues	Number	Percentage %
Single	52	65
Married	28	35
Total	80	100 %

Table (4-5): Sample study's distribution by civil status

4.3.1.3. Distribution by Income

The below table is divided in high, medium and low income. As we can see, 80% of the study sample have a medium income and only 20% have a low income¹.

Income	Number	Percentage %
High	---	--

¹ The incomes of the employees were distributed into these three categories according to the following guidelines: High Income >3000 LYD; Medium Income = 1500 – 3000 LYD; Low Income <1500 LYD

Medium	64	80
Low	16	20
Total	80	100

Table (4-6): Sample study's distribution by income

4.3.1.4. Distribution by Age The following table (4-7) shows that 50% of the study sample are between 30 to 40 years old; this would mean that the majority are middle aged individuals, but that, however, 20% of the sample were between 21 and 30 years old, along with 20% between 40 and 50 years old, and the rest (8%) were over 50 years old.

Age in years	Number	Percentage %
21 to 30	16	20
30 to 40	40	50
40 to 50	16	20
Over 50	8	10
Total	80	100%

Table (4-7): Sample study's distribution by age

4.3.1.5. Distribution by Education Level

The employees who have a Bachelor's Degree or are High School graduates are the predominant group amongst the study sample, with 32.5% and 40%, while 10% hold a Master's Degree; another 10% have a diploma from a higher education institution that is at a lower level of education in comparison to a university (these courses usually have the duration of 3 years, while a Bachelor's Degree has the duration of 4 years) and the

rest (7.5%) finished Middle School.

Education Level	Number	Percentage %
Master's Degree	8	10
Bachelor's degree	26	32.5
Diploma	8	10
High School	32	40
Middle School	6	7.5
Total	80	100

Table (4-8): Sample study's distribution by education level

4.3.1.6. Distribution by Working Years

The table below shows that 20% of the sample study has been working for less than five years, another 20% for 20 to 25 years, 17.5 % for 5 to 10 years, and again, another 17.5% of employees have been working for 10 to 15 years, which leaves the final 10% with those who have been working for over 25 years.

Years	Number	Percentage %
Less than 5	16	20
5 To 10	14	17.5
10 To 15	14	17.5
15 To 20	12	15

20 To 25	16	20
Over 25	8	10
Total	80	100

Table (4-9): *Sample study's distribution by working years*

Chapter Five: Description and Diagnose – The Procedures of Internal Marketing and Employee Performance

This chapter includes an understanding of the nature of the views and attitudes expressed by the study sample about the dimensions of the study, which consist mainly of the internal marketing procedures and employee performance.

5.1. Descriptions and diagnoses of internal marketing variables

The study seeks a complete vision about the nature of the variables with respect to employees' views within the chosen organizations.

5.1.1. Service Culture

Table (5-1) shows the frequency distribution, percentages, arithmetic mean and the standard deviation to the service culture questions.

It appears that there is a positive response concerning the empowerment of service culture, with a percentage of 71.75%, and with 3.975 for the arithmetic mean and with a standard deviation of 0.4661.

Amongst the most important sections, questions 6 and 3, it is observable that there is a higher percentage of positive responses, with 95% and 97.5% respectively, and with 4.62 and 0.6632, and 4.60 and 0.54 for the arithmetic mean and standard deviation respectively.

However, the same table shows a non-agreement in the responses of the employees of 11.25% and neutrality of responses of 17.00%, for those who do not have a clear vision of studied changes.

No. Question	The availability of the management's programs to apply service culture concepts in the NGO	Availability					Arithmetic mean	standard deviation
		Very High	High	Medium	Low	Very Low		
1.	Determination of powers and responsibilities.	47.5	40.0	12.5	-	--	4.3500	0.6954
2.	Rules and behaviors required at work.	45.0	45.0	10.0	--	--	4.3500	0.6580
3.	Relations between management and employees.	62.5	35.0	2.5	---	---	4.6000	0.5419
4.	Level of participation between management and staff in planning and developing goals.	42.5	32.5	20.0	5.0	--	4.1250	0.9053
5.	Decentralization of work.	12.5	15.0	27.5	30.0	15.0	2.8000	1.2366
6.	Teamwork.	70.0	25.0	2.5	2.5	---	4.625	0.6632
7.	How Management recognizes the importance of employees' roles in the service quality.	55.0	27.5	5.0	5.0	7.5	4.1750	1.2094
8.	Management's commitment to implement Internal Marketing concepts.	17.5	42.5	35.0	5.0	--	3.7250	0.8109
9.	Management's understanding of the importance of the interactive interaction between em-	20.0	30.0	40.0	10.0	--	3.6000	0.9223

	ployees and beneficiaries in applying Internal Marketing concepts							
10.	Management considers workers and beneficiaries to be at the top of the organizational structure pyramid.	40.25	31.5	17.0	7.75	3.5	3.9725	0.4661
	Total Index	40.25	31.50	17.00	7.75	3.50	3.9725	0.4661

Table (5-1): Culture service and the frequency distribution, arithmetic mean and standard deviation

5.1.2. Internal Marketing

Table 5-2 shows the frequency distribution, percentages, arithmetic mean and the standard deviation pertaining to Internal Marketing. 7 questions were dedicated to study the answers of the employees, 61% of which showed a positive response towards this type of marketing.

On the other hand, 22.33% didn't agree with the idea, and 16.67% were neutral.

This all resulted in an arithmetic mean of (3.5464) and standard deviation of (0.9605).

		Availability						
	Staff Training	Very High	High	Medium	Low	Very Low	Arithmetic mean	standard deviation

11.	The availability of regular and periodic training program for employees?	27.5	47.5	10.0	12.5	2.5	3.850	1.0446
12.	The training program provides employees with all information which are required to develop staff competences and skills?	20.0	47.0	17.5	12.5	2.5	3.700	1.0113
13.	The management has plans of different training programs that cover all positions and employees?	15.0	40.0	22.5	15.0	7.5	3.400	1.1429
14.	All employees participate in the training process?	35.0	42.5	2.5	12.5	7.5	3.850	1.2437
15.	The management uses modern techniques in the training programs?	20.0	25.0	15.0	32.5	7.5	3.1750	1.2904
16.	The management promotes and continuously updates information acquired during the training process?	17.5	30.0	25.0	17.5	10.0	3.2750	1.2332
17.	The management emphasizes implementing training?	22.5	37.5	20	15.0	5.0	3.5750	1.1449
	Total Index	22.5	38.5	16.67	16.26	6.07	3.5464	0.9605 30.0

Table (5-2): Internal marketing and the frequency distribution, arithmetic mean and standard deviation

5.1.3. Dissemination of Internal Marketing Information to Employees

Table (5-3) shows the frequency distribution, percentages, arithmetic mean and the standard deviation of the dissemination of information, with a positive feedback of 75.5%.

The remaining percentages fell between either negative or neutral feedback, with 17.5% for the first and 7.5% to neutral.

The arithmetic mean recorded was 3.525 and standard deviation is 0.9085. The questions that beared the most positive agreement were numbers 18, 23 & 22, as shown in the table below.

	Dissemination of internal marketing information to employees	Availability					Arithmetic mean	standard deviation
		Very High	High	Medium	Low	Very Low		
18.	The management distributes information and communicates with employees periodically and regularly.	30.0	52.5	5.0	5.0	7.5	3.9250	1.1112
19.	The information is used to perform the employees' responsibilities efficiently and effectively.	27.5	45.0	15.0	10.0	2.5	3.8500	1.02011
20.	The information is consistent with the nature of the decisions issued by the organization's management.	12.5	15.0	15.0	45.0	12.5	2.7000	1.2366

21.	The organization's management considers the employees as a mean to communicate with the beneficiaries of the Internal Marketing programs.	20.0	47.5	15.0	10.0	7.5	3.6250	1.1405
22.	The management uses the methods of communication with the employees.	35.0	32.5	30.0	--	2.5	3.9750	0.9410
23.	The management elevates the quality of Internal Marketing information.	45.0	45.0	10.0	--	--	4.3500	0.6580
24.	The management provides the necessary information of the new services to the employees.	20.0	30.0	40.0	10.0	--	3.6000	0.9223
25.	The management provides information to the employees of the changes that will happen in the services.	20.0	47.0	17.5	12.5	2.5	3.7000	1.0113
	Total Index	45.5	30.0	7.5	12.0	5.5	3.5250	0.9085

Table (5-3): Internal information market and the frequency distribution, arithmetic mean and standard deviation

5.1.4. Employee Performance

The final Table (5-4) shows the employees performance according to the study method that has been used. There is a significant gap between those who had a positive review and the ones with negative ones. 83.3% of respondents responded positively and 7.66%

negatively, with the remaining 9.0% responding neutrally.

	Employee Performance	Availability					Arithmetic mean	standard deviation
		Very High	High	Medium	Low	Very Low		
26.	Do you have information about work needed to ensure efficiency?	35.0	52.5	7.5		5.0	4.1250	0.9329
27.	Do you offer successful ideas and proposals regarding work?	12.5	55.0	25.0	2.5	5.0	3.6750	0.9109
28.	Do you have an interest in your work?	62.5	37.5	--	---	--	4.6250	0.4872
29.	Do you finish your work on time?	65.0	32.5	2.5			4.6250	0.5366
30.	Do you have the willingness to take ownership and responsibility at work?	67.5	27.5	2.5	---	2.5	4.5750	0.7758
31.	Many mistakes were made when my work was done.	10.0	7.5	17.5	52.5	12.5	2.5000	1.1251
32.	Do you understand the difficulties at your work, and do you try to solve them?	37.5	52.5	--	10.0	--	4.1750	0.8682

33.	Do you have complaints about your performance?	55.0	30.0	12.5	2.5	--	4.3750	0.8015
34.	Do you have problems with your colleagues?	72.5	17.5	7.5	2.5	--	4.6000	0.7395
35.	Do you have problems with your manager?	65.0	22.5	5.0	1.5	--	4.4500	0.8987
36.	Do you follow the management's rules and instructions?	72.5	22.5	5.0	--	--	4.6750	0.5687
37.	How important is to you the quality of the services provided to beneficiaries?	55.0	35.0	10.0	--	--	4.4500	0.6732
38.	Did you benefit from the programs and training courses that you participated in?	35.0	32.5	30.0	--	2.5	3.9750	0.9410
39.	Do you have a good and cooperative relation with the beneficiaries?	55.0	40.0	5.0			4.5000	0.5953
40.	Does your current position fit with your academic background?	55.0	30.0	5.0	15.0	5.0	4.2500	1.0966
Total Index		50.3	33.0	9.0	5.5	2.16	4.2383	0.3330

Table (5-4): Employee performance and the frequency distribution, arithmetic mean and standard deviation

5.2. Testing Marketing Procedures and Employee Performance

This subject pertains to and tests the hypothesis that emerged from the study sample, which was based on the relationship between internal marketing and employee performance.

5.2.1. The Relation Between Internal Marketing Procedure and Employee Performance

The collected data in table (5-5) proves that the connection between the performance of the employees and the procedures of internal marketing does in fact exist, with a Spearman correlation coefficient of 0.452 at a significance level of 0.01.

Therefore, we take those results into account and formulate the theory that internal marketing procedures have an effect on employee performance.

Employee Performance	Constant Coefficient
	Independent Coefficient
Internal Marketing Procedures	² (0.452)

N = 80

Table (5-5): Spearman coefficient between internal marketing procedures and employee performance

5.2.2. The Relation Between Service Culture and Employee Performance

Based on table (5-6), which identifies the studied relation, the data does suggest there is a positive relation between performance and service culture procedures, and, statistically speaking, this relation gives a Spearman correlation coefficient of 0.306 and a

² Function at Significance Level (0.01).

significance level of 0.01. This disproves the first sub-hypothesis (that there is no relation between performance and service culture that has any statistical significance).

Employee Performance	Constant Coefficient
	Independent Coefficient
Culture Services	³ (0.306)

N = 80

Table (5-6): Spearman coefficient between culture service and employee performance

5.2.3. The Relation Between Internal Training and Employee Performance

To identify the nature of the relation the above, the data from table (5-7) must be used; this data suggests that there is a significant connection between both elements, as the Spearman Correlation is 0.213, and the significance level is 0.05. This also disproves the second sub-hypothesis (that there is no statistical significance between internal training and employee performance).

Employee Performance	Constant Coefficient
	Independent Coefficient
Internal Training	⁴ (0.213)

N = 80

Table (5-7): Spearman coefficient between internal training and employee performance

³ Function at Significance Level (0.01).

⁴ Function at Significance Level (0.05).

5.2.4. The Relation Between Dissemination of Internal Marketing Information and Employee Performance

After applying the Spearman Correlation, it turns out that our third sub-hypothesis that emerged from the main one does agree with the results with a coefficient of 0.08 and a significance level of 0.05. This proves that the NGOs of the study sample were not able to deliver and disseminate internal marketing information to the employees, which would aid, eventually, in the betterment of their performance, effectively.

Employee Performance	Constant Coefficient
	Independent Coefficient
Dissemination Marketing Information	⁵ (0.080)

N = 80

Table (5-8): Spearman coefficient between the dissemination of marketing information and employee performance

⁵ Function at Significance Level (0.05).

Chapter Six: Results, limitations and recommendations

6.1. Results

The study has reached some conclusions from a theoretical and practical standpoint:

- The theoretical framework of the study shows that the subject of internal marketing is one of the more modern topics in the field of marketing management, as it represents the relationship between the employees and the organization in the triangle of marketing relations, and in the field of human resources management, as it calls for the attention, developing and strengthening of the relationship the organization has with the employees. Internal marketing goes even further, as it attempts to link HR management to marketing management by describing employees as internal customers.
- The study has shown that executing internal marketing strategies helped employee performance and developed their potentials and their skills, which, in turn, made them provide better service with outstanding quality.
- Internal marketing is as important as external marketing, and the quality of the first will directly impact the second.
- The researcher also found that to create a fertile environment for internal marketing and put it into effect, proper procedures, made to enhance the service culture and human resources policies alongside internal training and marketing information dissemination, must be executed.
- The researcher found the following from analysing the collected data:
 - There is a positive response from the employees (71.75%) towards the consolidation of service culture through team work, strengthening the organization's relationship with the employees and enforcing the behaviour and rules toward the right direction.

- From the feedback that we have received through the questionnaire, more than half of the answers in both of the studied organisations consider there is a lack of internal training programs.
 - There is a positive response concerning the dissemination of marketing information to the employees, which indicates that the spread of marketing information was successful.
 - The results showed 83.30% of feedback that both organisations have supported employees and encouraged them by developing their skills and increasing their performance and pushing them to finish their jobs with high quality.
- There was an obvious connection between internal marketing and employee performance. The increase of practicality of internal marketing will directly impact the improvement of employee performance. Those connections are sub variables expressed as the following:
- There were some significant evidences that prove that empowering the service culture is proportional to the employee performance.
 - There had been some considerable results with the employees' performance and internal training, which indicate that effective trainings lead to positive results.
 - There is no connection between information dissemination and performance, therefore, that indicates that the effort to deliver marketing information to the employees proved to be insufficient and ineffective.

6.2. Limitations

This study focused on the relation between internal marketing and employee performance in non-profit organizations.

This study faced several limitations during the preparation period, and most of the difficulties came during the questionnaire delivery process, which proved difficult due to

the fact that the researcher was not in Libya. Therefore, the researcher depended on a third party to deliver and collect the data.

From the perspective of this study, one understands that the study provides information and analysis of non-profit organizations in Libya. It could be considered that the given observations, evaluation and analysis reflect the current situation of non-profit organizations in Libya, because of the interviews via Skype and FaceTime with employees and questionnaire forms that were delivered to the employees of the two organizations which this study took as a study case.

However, the study cannot be reliable at the national level. This is because the two organizations are based in Tripoli. Interviewing employees from other cities in Libya would have brought a better understanding and information about what are the internal marketing procedures that are performed at nonprofit organizations and their impact on employee performance at the national level.

This study has provided observations concerning internal marketing procedures and their impact on performance in non-profit organizations in Libya. The study has taken data provided and collected from 80 employees from different levels at the two chosen organizations. This might not be enough to make good judgement in regard to the whole sector in Libya. Therefore, more studies of this kind with similar questions must be done with other organizations to have a broader understanding of the practices of non-profit organizations.

The researcher would like to suggest for future research to use different methods or to use different questions; for example, developing a framework for an organization where internal marketing procedures were never performed.

6.3. Recommendations

Based on the results, we now express our recommendations to the non-profit organisations of the study sample.

- It is necessary for NGOs to be concerned with applying and improving the internal marketing concepts after knowing that it will have a great impact on the employees and the organisation by providing a better-quality service. And it goes without saying that it is an essential step in favour of external marketing.
- The success of the internal marketing is mainly dependent on the performance and commitment of the employees. Therefore, to have a substantial service and excellent feedback from the customers or the beneficiaries they must pay good care to the employees and better their customer interaction skills in the first place, because the customers appreciate a friendly and good treatment, regardless of the service itself.
- The beneficiaries are often looking to have a humanitarian treatment, someone who listens to their questions and reassures them, therefore it would be convenient for the employees to provide such an environment. The NGOs must, then, provide the necessary training programs for the employees to enhance their social and public interaction skills.
- It is highly recommended that the NGOs introduce the concepts, the term internal marketing and teach its philosophy to their employees.
- It is important for the NGOs to embrace the service culture through consolidating the values and the required behaviours to create a suitable atmosphere in the workplace.
- It is required for NGOs to invest in the personal skills of their employees and improve the training programs, which will help employees to maximize their potentials; subsequently, this will make them more efficient in problem solving and providing adequate solutions.
- It is essential to work on information dissemination to the employees by using internal communications or any other networks that will provide a channel between the management, the employees and the beneficiaries, and explain in clear detail the right conduct employees must have when dealing with customers, and what

are the organisations policies toward clients, since employees, ultimately, are the ones who have the most influence on beneficiaries.

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Appendixes

A. Questionnaire Form (Translation to English)

The Effectiveness of Internal Marketing on Employee Performance in NGOs

This research is studying the Effectiveness of Internal Marketing on Employee Performance in NGOs and the purpose of this questionnaire form is to collect the needed information and data to finish this research.

This questionnaire form includes three factors (Personal Information-Internal Marketing Implementations-Employee Performance).

Please allow me to ask you to fill this questionnaire. We are concerned with the accuracy and objectivity of the information contained in this questionnaire.

This questionnaire form will be used only in scientific research.

Thank you

Research: Mahmud El Gaed

Questionnaire

Personal Information:

Gender: Male Female

Age: 18 – 30 31 – 40 41 – 55 56 – 65+

Civil Status: Single Married Widow
Divorced

Monthly Income: < 1500 1500 to 3000 > 3000

Academic Qualifications:

Years of Employment:

Current Position:

Here is a set of concepts that you should read before you start answering questions in the following:

Internal Marketing is 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.

Internal marketing implementations are the tasks for which the concept of internal marketing applies:

1. Service Culture
2. Training design and measurement of competency
3. Staff climate monitors
4. Internal communications
5. Support for quality improvement

Service Culture are the values and the beliefs of the organization that determine the rules of conduct of the employees towards the customers.

Employee Performance is how well a staff member performs their task duties and responsibilities.

The following are questions regarding your daily performance, please choose the appropriate answer from your point of view.

	The availability of the management's programs to apply service culture concepts in the NGO	Availability				
		Very High	High	Medium	Low	Very Low
1.	Determination of powers and responsibilities.					
2.	Rules and behaviors required at work.					
3.	Relations between management and employees.					
4.	Level of participation between management and staff in planning and developing goals.					
5.	Decentralization of work.					
6.	Teamwork.					
7.	How management recognizes the importance of the employees' role in the service quality.					
8.	Management's commitment to implement Internal Marketing concepts.					

9.	Management's understanding of the importance of the interactive interaction between employees and beneficiaries in applying Internal Marketing concepts					
10.	Management considers workers and beneficiaries to be at the top of the organizational structure pyramid.					

	Staff Training	Availability				
		Very High	High	Medium	Low	Very Low
11.	The availability of regular and periodic training program for employees?					
12.	The training program provides employees with all information which are required to develop staff competences and skills?					
13.	The management has plans of different training programs that cover all positions and employees?					
14.	All employees participate in the training process?					

15.	The management uses modern techniques in the training programs?					
16.	The management promotes and continuously updates information acquired during the training process?					
17.	The management emphasizes implementing training?					

	Dissemination of internal marketing information to employees	Availability				
		Very High	High	Medium	Low	Very Low
18.	The management distributes information and communicates with employees periodically and regularly.					
19.	The information is used to perform the employees' responsibilities efficiently and effectively.					
20.	The information is consistent with the nature of the decisions issued by the organization's management.					
21.	The organization's management considers the employees as a mean					

	to communicate with the beneficiaries of the Internal marketing programs.					
22.	The management uses the methods of communication with the employees.					
23.	The management elevates the quality of internal marketing information.					
24.	The management provides the necessary information of the new services to the employees.					
25.	The management provides information to the employees of the changes that will happen in the services.					

	Employee Performance	Availability				
		Very High	High	Medium	Low	Very Low
26.	Do you have information about work that ensures to do the work efficiently?					
27.	Do you offer successful ideas and proposals regarding work?					

28.	Do you have an interest in your work?					
29.	Do you finish your work on time?					
30.	Do you have the willingness to take ownership and responsibility at work?					
31.	Many mistakes were made when my work was done.					
32.	Do you understand the difficulties at your work, and do you try to solve them?					
33.	Do you have complaints about your performance?					
34.	Do you have problems with your colleagues?					
35.	Do you have problems with your manager?					
36.	Do you follow the management's rules and instructions?					
37.	How important is to you the quality of services provided to beneficiaries?					

38.	Did you benefit from the programs and training courses that you participated in?					
39.	Do you have good and cooperative relation with the beneficiaries?					
40.	Does your current position fit with your academic background?					

B. Questionnaire Form (Original)

The original questionnaire form was delivered to the study sample in Arabic, the following is how it was presented.

المحور الأول: المعلومات التعريفية

- الجنس : ذكر انثي
- العمر . : 21-30 31-40 41-50 فوق 51
- الحالة الاجتماعية متزوج أعزب أرمل مطلق
- الدخل : منخفض متوسط عالي
- المؤهل الدراسي (اخر شهادة متصل عليها) :
- عدد سنوات الخدمة :
- الوظيفة الحالية :

فيما يأتي مجموعة من المفاهيم يرجى قراءتها قبل البدء بالإجابة عن الأسئلة

الواردة في أدناه:

التسويق الداخلي: هي فلسفة تدعو إلى معاملة العاملين من خلال وصفهم زبائن داخليين يعاون في سوق داخل المنظمة، اخذين بنظر الاعتبار كل ما يترتب على ذلك من تراخيص احتياجاتهم ورغباتهم والعمل على إتباعها وكذلك تطوير قدراتهم ومهاراتهم وتحفيزهم بهدف تحسين أداءهم.

إجراءات التسويق الداخلي: هي الأنشطة أو المهام التي من خلالها يطبق مفهوم التسويق

الداخلي، وهذه الإجراءات هي:

ثقافة الخدمة

التدريب الداخلي

نشر المعلومات التسويقية إلى العاملين

فيما يأتي عبارات تتعلق بأدائك اليومي لعملك، يرجى اختيار الإجابة المناسبة والصحيحة من وجهة نظرك، ضع علامة صح

امام الإجابة المناسبة

المحور التالي: الأسئلة الخاصة بإجراءات التسويق الداخلي :

أ- ترسيخ ثقافة الخدمة:

ثقافة الخدمة : هي قيم ومعتقدات المنظمة التي تحدد القواعد الخاصة بالملوك لدى العاملين.

م	البند	متوفر بدرجة				
		كبيرة جدا	كبيرة	متوسطة	قليلة	قليلة جدا
يتم ترسيخ ثقافة الخدمة عن طريق :						
1	نظام تحديد الصلاحيات والمسؤوليات .					
2	القواعد والسلوكيات المطلوبة في العمل .					
3	العمل على تقوية أواصر العلاقة بين الإدارة والعاملين.					
4	المشاركة بين الإدارة والعاملين في وضع الخطط والأهداف.					
5	استخدام اللامركزية في العمل .					
6	الحث على التماسك والعمل الجماعي بين العاملين.					
7	تدرك إدارة الجمعية الدور الهام للعاملين في جودة الخدمة المقدمة .					
8	تؤكد إدارة الجمعية على أهمية الالتزام في تطبيق مفهوم التسويق الداخلي .					
9	تتفهم إدارة الجمعية وتعطي أهمية كبيرة للعلاقات التفاعلية بين العاملين والمستفيدين في تطبيق مفهوم التسويق الداخلي.					
10	تتظن إدارة الجمعية إلى العاملين والمستفيدين على أنهم في قمة الهرم التنظيمي .					

ب- التدريب الداخلي للعاملين :

م	البيد	مستوى بدرجة				
		كبيرة جدا	كبيرة	متوسطة	قليلة	قليلة جدا
11	يوجد في الجمعية برنامج تدريبي منتظم ودوري للعاملين .					
12	يزود البرنامج التدريبي العاملين بجميع المعلومات المطلوبة والتي من شأنها تطوير كفاءة ومهارة العاملين .					
13	توجد لدى إدارة الجمعية خطة تحوي أنواع التدريب المطلوبة في كل مرحلة من مراحل العمل .					
14	يشارك جميع العاملين في العملية التدريبية .					
15	تستخدم الجمعية الأساليب التقنية الحديثة في ممارسة عملية التدريب .					
16	تقوم إدارة الجمعية بتعزيز وتحديث متواصل للمعلومات والمهارات التي يتم اكتسابها خلال العملية التدريبية .					
17	تؤكد إدارة الجمعية على أهمية تنفيذ برامج التدريب على العاملين .					

ج- نشر المعلومات التسويقية على العاملين :

م	البنود	متوفر بدرجة				
		كبيرة جدا	كبيرة	متوسطة	قليلة	قليلة جدا
18	تقوم إدارة الجمعية بتوزيع المعلومات ونشرها وتوصيلها إلى العاملين بشكل دوري ومنظم.					
19	يتم استخدام المعلومات في تأدية الأعمال الموكلة إلى العاملين بكفاءة وفاعلية.					
20	تتسجم المعلومات مع طبيعة القرارات الصادرة عن إدارة الجمعية.					
21	تتظفر إدارة الجمعية إلى العاملين على انهم وسيلة للاتصال الأكثر تأثيرا على المستفيدين .					
22	تستخدم إدارة الجمعية أساليب تقنية للاتصال بالعاملين.					
23	تقوم إدارة الجمعية بإثراء جودة المعلومات التسويقية والتعامل الأخلاقي معها.					
24	تقوم إدارة الجمعية بتزويد العاملين بالمعلومات الضرورية المتعلقة بالخدمات الجديدة.					
25	تحيط إدارة الجمعية العاملين بالتغيرات التي حصلت أو ستحصل في طبيعة الخدمات المقدمة.					

المحور الثالث : أداء العاملين :

أداء العاملين : هو السلوك الذي يتخذه الفرد في أدائه للأكتنشطة والمهام المختلفة في عمله.

م	البند	متوفر بدرجة				
		كبيرة جدا	كبيرة	متوسطة	كبيرة	كبيرة جدا
26	لدي معلومات عن العمل تكفل لي أداء العمل بصورة كفوءة .					
27	أقدم أفكار ومقترحات ناجحة بخصوص العمل .					
28	لدي اهتمام كبير بعملتي .					
29	أنجز أعمالي بأقصر وقت ممكن .					
30	لدي استعداد لتحمل المسؤولية في العمل .					
31	أرتكب أخطاء كثيرة عند إنجاز عملي .					
32	افهم مشاكل عملي وأعمل على حلها .					
33	لا توجد شكاوى عن أداء عملي .					
34	ليس لدي خلافات مع زملائي في العمل .					
35	ليس لدي خلافات مع رئيسي في العمل .					
36	التزم بالضوابط والتعليمات النافذة في العمل .					
37	أهتم بجودة الخدمات المقدمة إلى المستفيدين .					
38	استفدت من البرامج والدورات التدريبية التي شاركت بها .					
39	لدي علاقات طيبة وتعاونية مع المستفيدين .					
40	تخصصي العلمي يتلاءم مع وظيفتي الحالية .					