The Impact of Internal Marketing on Employee Performance: Mediating Role of Employee Commitment in Travel Agencies in Colombo District

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Employees are the blood stream of any business. The accomplishment or disaster of the firm depends on its employee performance and how much they are committed towards the work. There are fewer researches done in the context of Sri Lanka and travel industry regarding internal marketing, employee performance and employee commitment. Therefore this study aimed at studying the impact of internal marketing on employee performance and mediation of employee commitment. The objective of this study was to identify the relationship between variables and the role of mediation of employee commitment. Data were collected through a random sample of workers in selected SLTDA registered travel agencies. 200 copies of the designed questionnaire were distributed and 178 copies of the questionnaires were recovered. Descriptive statistics were used to assess the employee profile, correlation to identify the relationship between variables, simple regression to identify the impact of one variable on the other and process Model 4 to identify the mediating effects. According to the descriptive statistics most of the employees who work in travel agencies are young and middle aged, educated and high income earners. The relationships between variables show positive relationships and internal marketing shows a significant impact on employee performance. The effect of mediation of employee commitment shows a negative value that denotes a non-mediation relationship between internal marketing and employee commitment. The researcher concludes that there is a relationship and direct impact of internal marketing on employee performance and there is no mediating effect of employee commitment. Therefore the researcher recommends that to improve the internal marketing practices such as training, motivation, empowerment and communication in organizations, in order to achieve high employee performance.

Keywords: Internal marketing, Employee performance, Employee commitment, Travel agency