Managerial Perceptions of the Link between Internal Relationship Marketing Orientation and Business Performance in Hong Kong

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DECLARATION

I hereby certify that the work embodied in this Dissertation Project is the result of original research and has not been submitted for a higher degree to any other University or Institution.

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SYNOPSIS

The purpose of this research is to investigate the managerial perceptions of the linkage between internal relationship marketing orientation (IRMO) and business performance in Hong Kong. Existing relationship marketing orientation (RMO) theory, commonly focused on external customers, is adopted to focus on internal customers, the employees, in this research. Adopting a mixed method research design, the results of a focus group discussion were used to inform quantitative research in the form of a postal survey of Human Resource managers across various industries in Hong Kong.

The review of the extant literature indicates this is the first empirical study examining the link between IRMO and business performance. The study allows an understanding of whether the model of RMO adoption is a good predictor for the impact of perceived IRMO on business performance.

There are five major findings from this research. The first finding is that there are positive and significant correlations between the six components of IRMO—bonding, communication, empathy, reciprocity, shared value and trust—and perceived business performance. The second finding is that power distance is a moderator in the link between trust and business performance. The third finding is that trust, empathy and shared value are the three dominant components associated with business performance. The fourth finding is that there are high correlations among the six components of IRMO, implying the existence of interrelatedness and synergies among
them. Lastly, the fifth finding is that long-term employees are perceived as important in contributing to business performance.

The study contributes to both theory and practice. The theoretical framework grounding the adoption of IRMO as a means to enhance business performance was established. This forms a foundation for further research on the refinement of the IRMO scale and its related impacts. The application of the RMO construct within the firm contributes to a wider and more comprehensive view of RMO. This study highlights the difference of the effects of the RMO components in the external and internal context, thus paving the way of a new area for further research.

From a managerial perspective, this study offers a range of insights that contribute for a better understanding of how business may benefit from a considerate adoption of relational strategies within their internal environment. It seems sensible for managers to direct relational efforts to both their external and internal customers. This study also proposes that a corporate culture that fosters trust, shared value and empathy between managers and employees may have a positive impact on the bottom line. The influence of power distance within the firm also provides implications for management style. The high correlations among the components of the IRMO scale reflect the complexities of the influence of effects of one component to the other. Practical steps to implement IRMO are discussed.

This research is not without limitations. One limitation is that the generalization of the findings is bound by the representativeness of the database used to derive the sample.
A second limitation is that the study examines managers’ perceptions of the various indicators in Hong Kong. No objective indicators are used and the findings may not apply elsewhere. In addition, focus is on the strength of the perceived link between IRMO and business performance. No causality can be inferred.