

LAB University of Applied Sciences
Faculty of Tourism and Hospitality, Lappeenranta
Bachelor's Degree in Tourism and Hospitality Management

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**Internal Marketing in Restaurant Business with the Tool
of Staff Training
Case Study: Nordic Kitchen, HMSHost Finland**

Thesis 2020

Abstract

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Case Study: Nordic Kitchen, HMSHost Finland, 57 pages, 2 appendices

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The aim of the study was to determine the importance and benefits of Internal Marketing within restaurant business and to evaluate staff training as a possible tool for effectively implement internal marketing strategies at the organisation.

The thesis consists of a literature review from previous studies and sources, analyzing the key impacts of Internal Marketing on the organisation, its personnel and finally its customers, as well as examining its strategies and efforts. Staff Training is evaluated as one of the key practices of internal marketing within service industry, which directly contribute to its successful outcomes. Moreover, a case study research about Nordic Kitchen Restaurant, HMSHost Finland was conducted with both qualitative and quantitative nature, analyzing how Internal Marketing has been adopted and implemented in the organization's business plan and management strategies, as well as contribution of staff training to the outcomes of it.

The key findings showed that Internal Marketing involves creating a strong working culture where not only organization's vision, missions and values but also service standards are praised as the guiding principles for its members' attitudes and behaviors. Also, it contributes to maintain the supportive working environment where employees are enabled and empowered. Staff training is an effective tool to leverage the outcomes of internal marketing within the business, being combined with other activities and efforts from management. The case study gave a good example of how internal marketing concept can be adopted in business plan and management strategies, with the utilization of staff training.

Keywords: Internal Marketing, Staff Training, Restaurant, Service Industry.

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1 Introduction

Within restaurant business where customer satisfaction is the key to success, it is utterly important to maximize the excellence of front-line staff performance to ensure the success of the business. Thus, the concept of Internal Marketing, as a management strategy to help companies educating and motivating their employees while strategically creating and maintaining a strong working culture among them, should be recognized, adopted and implemented at businesses in service industry.

A lot of study has indicated the importance of staff training and its prerequisites for success, however, the connection between staff training and internal marketing strategy has not been considered. While being planned and implemented strategically, staff training can be utilized as an effective tool to foster the outcomes of internal marketing.

The concept of internal marketing is not completely new, but the practicality of the topic is timeless and worth researching. Moreover, the topic is closely related to the author's genuine interest in how an origination can win not only customers' but also their own members' hearts. Also, as an employee of HMSHost, a huge international company in food service industry, who has a philosophy that "Our associates make the difference" (HMSHost International 2019), the author decides to conduct a case study at the company to analyze its internal marketing plan and its tool of staff training.

1.1 Thesis's main aims and the research questions

The key aims for this thesis are firstly to develop a better understanding of internal marketing within service industry and specifically in restaurant business while analysing its core concepts, goals and important impacts on the organisation's success. Secondly, the thesis aims to evaluate staff training as a possible tool that can be used for leveraging the outcomes of internal marketing.

The core research questions for the thesis are "Why is internal marketing important in service industry?" and "How can staff training be utilized as a tool for Internal marketing in restaurant business?".

Moreover, the thesis focuses on studying the alignment of two factors, internal marketing and staff training at Nordic Kitchen restaurant which belongs to HMSHost Finland, a branch of HMSHost International, which is the world leader in providing dining experiences for people on the move (HMSHost International 2019). Besides the findings of the current situation at the organisation, the thesis aims to seek out the power of staff training while being used as a tool for internal marketing and to give suggestions on how internal marketing practices can be applied more effectively.

1.2 Delimitations

The thesis studies the internal marketing concepts, objectives and its impacts on the business within restaurant industry. However, the internal marketing process and plan are not primarily focused, but more on its importance and efforts within the service industry. In other words, the thesis results would give answer to the question “Why” more than to the question “How” to the Internal Marketing adoption at a business.

Also, the thesis aims at analysing staff training as one effective tool of Internal Marketing. The thesis cannot cover all aspects of restaurant staff training but it concentrates more on the possibilities of utilizing training to achieve the goals of internal marketing.

1.3 Research method

The research method chosen for this thesis is both quantitative and qualitative research method, analysing a case study of Nordic Kitchen, HMSHost Finland. The case study focuses on analysing the case company’s current situation of internal marketing and staff training implementation. Also, the thesis seeks to find out the alignments between those two factors. The purposes of this thesis’s research focus on the impacts of staff training on the service quality and the staff motivation within the framework of Internal Marketing.

The case study is conducted with a non-structured interview with the store managers of the company, whose work is directly involving with the internal marketing

scheme and staff training plan and implementation. The interviews seek to analyse the adoption of marketing concept within the business mindsets and the realization of its importance from managerial perspectives. A current overview of the organisation's actions and practices as well as future-plans are also discussed.

Additionally, a questionnaire will be distributed to the customer contact employees of the company, who are playing the major part in creating customer experience including waiters, waitresses, bartenders, cashiers, etc. The questionnaire aims to bring out the role of internal marketing and staff training from employees' perspectives. Also, it aims to analyse the current effectiveness of staff training in the framework of internal marketing and to seek for further development opportunities or suggestions for changes.

2 Internal Marketing in Service Industry

Since your employees, especially front-line staffs, are the ones that have the contact with customers, create customer experience and deliver your brand image; they own the journey of your customers, whether they are cranky or happy. Meanwhile American Society for Quality Control, in the study about the meaning of service quality to customers, indicated that service skills of the contact employees are the most important factor for the guests to scale the quality of services (Kotler et al. 2017). This means that whether your customers are satisfied and happy or not, depends heavily on the performance of your staff members, which raises the importance of Internal Marketing within a business of service industry (McDuffie 2015).

This chapter will analyse the internal marketing from its concepts, different approaches and objectives to application within the service industry. It will answer the questions "why" and "how" internal marketing could be implemented as a powerful management strategy to the business.

2.1 Core concepts and importance of Internal Marketing

Internal Marketing is the effort of the organisation to sell and promote its values to internal employees with the aim of boosting *employee engagement*, aligning them with the visions, mission and goals of the business and cultivating the *brand advocacy* (Rouse 2017).

However, Internal marketing has been analysed under different approaches with different concepts, thus resulting into different theories of its purposes and objectives within the business as analysed below.

2.1.1 Internal marketing concepts

According to Berry (1976) in Godson (2009), efficient operation of an organisation and its ability to serve and delight external customers is built upon the satisfaction of internal employees. Said differently, happy internal staff members mean happy external guests. Berry also indicated that the organization's employees should be considered and treated in the same way as its outside customers with the intention of advancing the satisfaction among employees, forming the idea of *internal customers*. (Godson 2009.) This concept was later supported by Gronroos, saying that it is vital for internal relationship in any organization that all internal customers should be served in fast, polite and attentive manners or even beyond that (Gronroos 2000). In short, internal marketing is about giving the internal members of the organisation the most authentic experience with the products or

Marketing to internal customers also involves promoting the company's visions, mission and goals to its employees and earn their trust and belief in the business's directions and strategies (Godson 2009).

Meanwhile, Gronroos (1990) adopted an altered approach to internal marketing, which focuses mainly on developing the sense of customer-orientation among employees, rather than promoting the idea of treating employees as customers as Ahmed and Rafiq (2000) commented (Godson 2009).

In service industry, efforts in creating extraordinary customer experience is considered no less important than creating great products. This fact has developed

the approach that acquiring *well-trained and service-oriented employees* are rather more essential to the business than focusing on the product itself. (Gronroos 2000.)

2.1.2 Overall objectives of Internal Marketing

First and foremost, Internal Marketing aims to make sure that employees have sufficient ability and motivation to perform well as *part-time marketers* with service orientation and customer-consciousness (Gronroos 2000). In service industry, or more specifically in restaurants business, the front-line employees including cashiers, waiters, baristas and bartenders, etc. are the ones that have the most direct contact with any customers and play a big role in delivering marketing messages to them. Thus, even though these employees are not titled as a part of marketing department, their jobs are actively involved in external marketing program of the organisation. Consequently, it is essential for the business to make sure their front-line employees, who can be called *part-time marketers*, do accept and believe in the offerings that are promised in the planned marketing materials and campaigns as well as understand their importance and the worth of their actions. In short, it motivates and enables the non-marketing employees to perform better in a marketing-focused, customer-oriented and service-minded way.

Secondly, through applying internal marketing, the company objects to gain competitive advantages as an employer on labour market. When the firm implements successful internal marketing, it has more chances of finding prospective employees and increase employee retention. (Gronroos 2000.) From this point of view, internal marketing focuses on designing and developing the company's job offers with the marketing approach, viewing any potential employee as a customer and at the same time enhancing the company's image to both present and future staffs (Kotler et al. 2017, 297). Consequently, it can not only support the company's competitiveness as an employer but also increase its employees' satisfaction at work.

Last but not least, internal marketing strengthens the internal relationships amongst employees through the effective communication and adequate supports

from co-workers regardless their departments or positions. This practice can develop trusts from employees to the firm and encourage them to deliver their best performance at work. (Gronroos 2000, 336.) This objective must involve all levels of employees, yet not merely the front-line staffs and it requires commitment from management downwards. Only then the trusts in management is established and employees become loyal to the firm.

As Bowen in Gronroos (2000) indicated, when employees recognize the values of the firm and their worth of actions, they are more likely to stick to the firm and able to create excellent customer experience. Therefore, the company could enhance both staff retention and customer satisfaction. (Gronroos 2000, 358)

2.1.3 Internal vs external marketing

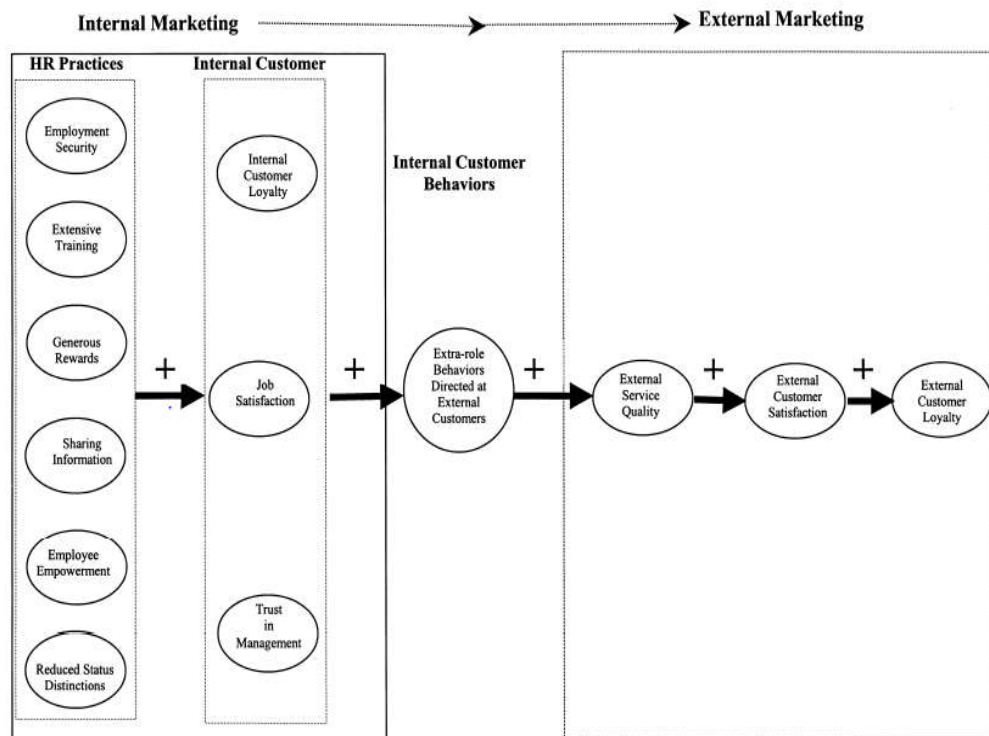


Figure 1. Linking internal marketing activities to external marketing outcomes. (Bansal et al. 2001)

Recently, study has proved that internal marketing practices performed by a firm has great influence on its employee job satisfaction and thus on the service quality provided by them (Succeed Group, 2018). Figure 1 demonstrates the linkage between two factors, internal and external marketing, indicating that the efforts of serving internal employees with a marketing-approach can result in the external marketing outcomes, including good service quality, customers high satisfaction and loyalty (Bansal et al. 2001). It is indicated that the outcomes of external marketing could be enhanced by the practices of internal marketing, and on the other hand, could not be fully met without it.

Undoubtedly, even though internal and external marketing have different objectives and goals, they are both indeed essential to the company's success and support each other's outcomes.

2.2 Principles of Internal Marketing in Restaurant Businesses

This sub-chapter introduces three main principles of Internal Marketing including creating strong working culture, supporting internal communication management and employee enabling and empowering.

2.2.1 Creating a strong working culture

In service industry, it is crucially important to set clear *cultural values* to guide the behaviour of staffs and support customer service (Venkatesan et al. 1986).

Service culture

Service culture is established when the firm creates an organisational structure with the set of values and beliefs amongst employees that focuses primarily on the service quality and customer orientation (Kotler et al 2017, 293). Service culture has the power of involving and binding every employee to the goals of providing excellent customer service and creating a customer-central organisation.

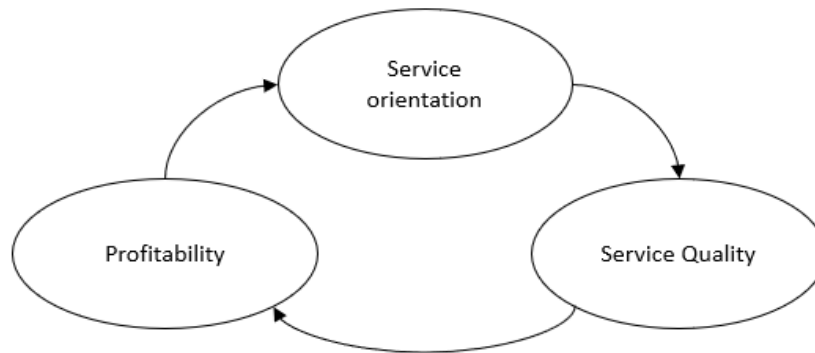


Figure 2. Effects of a service orientation (Gronroos 2000)

It is utterly important to any business belonging to service industry to embrace the orientation towards customers and efforts to provide them with excellent experience. Figure 2 demonstrates the effects of service orientation on the organisation's performance. Certainly, when the service orientation is adopted among employees, it will positively impact the final quality of their work performance towards the main goal of satisfying guests and generating more money.

When a company has weak service culture, behaviours and actions of staffs are often limited by rules and regulations of the firm, which could have little or even no orientation towards customer service. Employees are not informed about the core values of the organisation and thus have no idea of how they should react and behave in emerging situations. In contrast, when a strong service culture is presented with a clear set of values and beliefs, employees are enabled to make decisions and take actions with a certain manner in a consistent way. (Kotler et al. 2017, 294.)

Even though Internal marketing can be seen as a tool for creating strong service culture in few cases, it is not adequate alone to establish such culture. However, service culture can be improved by the principles of internal marketing under four main goals. Firstly, it introduces and clarifies to all internal members about not only the business visions, mission and goals but also external marketing information, which is particularly important in terms of enabling part-time marketers to

perform well in their role. Secondly, Internal marketing enhances internal relationships of every member of the organisation, boosting teamwork and creates a working climate with positive influence from one on another. Next, it enhances the sense of service orientation and customer central amongst management team and directly affects the style of management of the organisation. Last but not least, internal marketing aims to educate employees and develop their customer service attitudes and etiquettes as well as communication and interpersonal skills. (Gronroos 2000, 337.)

Organisational culture

An organisational culture is a firm's established *patterns of values and beliefs* which guide its employees to behave in a consistent way, in accordance with the purposes and final goals of the firm (Davis 1985.).

The two main purposes of creating a strong organisational culture are, firstly to lead the employees' behaviours and secondly to make them believe in their worth of actions and feel better about the organisation. In service industry, each and every customer is not the same and neither are their needs and expectations. Therefore, with the purpose of creating excellent customer experience consistently, employees should embrace the culture, focus on the rules set by it while being flexible to deal with different customers and any unusual emerging situation. (Kotler et al 2017.)

Shortly, organizational culture is essential for any company to define and maintain the set of values, attitudes and behavior within the organization. This cannot be done without the knowledge and well-informed information of the staffs, which needs to be provided to them by the management, in the right way.

The inverted pyramid of hierarchy in organizational structure

The theory of internal marketing is that customer's attitude towards the organization is based on not only their experience with the products but the experience with the whole company. In other words, the guest satisfaction can be affected

by any direct or indirect interaction with the company's personnel. Thus, managers must understand that any of their staff's action would affect on customers' perception and satisfaction.

The usual hierarchy pyramid is run with management on top and flowing down to those who are below them. This means the people at the bottom of the pyramid are usually the ones who work most closely to the business's guests, such as waiters, bartenders, cashiers, etc. When the pyramid is inverted, these people can be the center of the organization that hold the company's values, missions and visions. And management of the company support them in the way of supporting and making their jobs better and easier. (Godson 2009.)

2.2.2 Internal communication management

Getting the employees involved in the brand and engaged with the work requires management to train, motivate, evaluate and most importantly, communicate with them in the right way. Effective internal communication system ensures a smooth flow of information within the organisation from management to employees and from department to department, enhancing communication and collaboration.

Information dissemination

It is utterly important to front-line employees to be the experts of their products and services. At the same time, it is important for their part-time marketing performance to be fully informed of the company's new external marketing schemes, latest products or extra services.

Only when the contact employees who understand and accept the external marketing campaigns, are acknowledged of all promotion or packages offered, they can bring extra value to the final outcomes of the campaigns. (Kotler et al 2017.)

It is idealistic that you can keep your organisation members aware of your marketing strategies and are motivated to promote it.

Daily briefing

Daily briefing is believed to be an important part of restaurant's everyday operation to allocate tasks, to provide staffs with essential information of the day and

to receive feedbacks from them if needed. The main contents that should be included in the briefing are special offers, deals or promotion of the day, staffing situation, VIP guests, number of reservations or anything that can affect the day's operations. These activities are important to maintain every day's smooth information flow among employees and make sure they are fully informed of what they need to know during the day.

2.2.3 Employee enabling and empowerment

Employee empowerment and enabling form the idea of giving organisation's contact employees the tools and authority to decide and react in a variety of unusual emerging situations. The two concepts play a big role in successful internal marketing plan and implementation. (Gronroos 2000, 346.)

Empowering employees can be beneficial to the service quality, employee motivation and the organisation itself in many ways. Firstly, it promotes high speed of service delivery, whether at the step of analysing customers' needs or dealing with customers' complaints and dissatisfactions. Staff is enabled and empowered to think, make decisions and adapt to the situation, which can motivate them to be more passionate as part-time marketers and more satisfied at work.

However, managers should pay attention to creating boundaries when allowing employees to take actions, especially when it comes to legal matters or significant money amount. Also, employees must be adequately supported to have sufficient skills, knowledge and tools to independently deal with any occurring situation.

3 Staff training as a tool of Internal Marketing

In this chapter, the concept of staff training within the service industry will be discussed as well as its benefits, importance and challenges. Also, the author analyses staff training within the framework of internal marketing and gives arguments on how staff training can contribute to the final outcomes of Internal Marketing.

3.1 Staff training in service industry

Staff training is the process in which organisational behaviours and attitudes are modified in a planned way towards the main goal of enhancing employees' skills, knowledge and essential competencies for better work performances (Armstrong 2006, 535). Staff training could be delivered through educational programs, coaching, mentoring and instructions offered within the organisation with the ultimate goal of improving the qualities of personnel, their performance at work and possibility of their future development.

In hospitality industry, which is considered employment intensive regardless the development of technologies, employees stand their ground on being the most valuable assets to the firm, especially the top-performance staffs. Training hence appears to be crucial to the business in terms of enabling their team members to maximize their contribution to the final goal of the organization. (Hayes & Nine-meier 2009, 172.) Moreover, staff training as a part of the human resource management strategy should concerns helping employees to enjoy and be proud of their jobs besides providing them the tools to succeed. In another way of saying, staff training could be planned in the way of motivating people to learn and develop and to feel good when working within the organisation.

Employee training within a corporation can have beneficial impacts on not only the organisation but also on individuals, both employees and customers (Somerville 2007, 210).

Benefiting the organisation

Generally, personnel training, either job-related or not, has the effects on staff's development by strengthening their skill sets and enhancing their qualities at work. As a consequence, the organisation benefits from increased efficiency, smooth operation with less trouble occurred. Service standards also have more room to improve with the aim to not merely live up to customer expectations, but to exceed them.

Increased productivity

When the employees know what to do and specially how to do it well, they could perform more productively, faster and give higher-quality services. Mistakes and errors are also less likely to occur, which save the employees' time and energy to redo or fix the problems. (Hayes & Ninemeier 2009, 172.)

Reducing operational costs

One of staff training's outcomes is indeed cutting and minimizing operational costs. Well-trained staffs with effective performance tend to make fewer mistakes and are less likely to cause routine operating problems (Hayes & Ninemeier 2009). They also perform more productively and independently, which helps cutting down the labour hours and labour costs.

Higher profitability

From an international survey of more than 5000 firms in 26 nations about the correlations between an organisation's investments in training and their profitability, Hansson (2006) indicated that training, despite its high costs, can offer a bottom-line payoff. (Gomez-Mejia et al 2010.) With more skilled, capable, satisfied and even loyal employees, the firm can work more productively and generate more money while cutting other costs such as staff turnover.

Enhancing teamwork

Team training is becoming a crucial part of any organisation's training strategy (Delise et al. 2010). It is undeniably beneficial for the firm to have all team members contributing to the final goal by playing with their own strengths and support other associates. By training employees to work effectively not merely as individuals but also together as a unit, organisations can benefit from a constructive working culture, internal relationships amongst members and higher overall productivity.

Influencing employees

With the ultimate training goal of making the employees more competent, skilled and versatile, clearly the employees are the one who firstly benefit from training.

Reducing work stress

With the sharpened knowledge and skillsets, employees can work more efficiently, deliver better performance, which will as a result not only reduce work stress for the employees but also create better feelings about their work (Hayes & Ninemeier 2009). Regular work stress is usually related to the pressures coming from supervisors or manager who are unhappy with under-qualified work result, and/or from co-workers who need to do re-work or fix the occurred problems and/or from dissatisfied guests who do not receive the service or product with their expected qualities. Being well-trained with sufficient knowledge and know-how to perform their work efficiently, staffs can avoid all of the harmful and unnecessary pressures listed below and their work life becomes much more comfortable and enjoyable.

Job advancement

Competent employees stand a higher chance of getting promotion to a higher position, getting higher salary and being assigned more responsibility (Hayes & Ninemeier 2009). Training in this case acts as a tool to success given by the organisation to its staffs, offering the opportunities for individuals to improve themselves, increase their versatility and strive towards higher success. It also supports the managers to find out about its member's ability and to seek the hidden gems within the business to be promoted higher.

Morale booster

The feelings of being knowledgeable and skilful in daily tasks and the belief in self-developing possibility give employees greater self-confidence and self-assurance. More importantly, the trust in management and in the firm can be increased also. Certainly, these positive energy and spirit of individuals can significantly impact the image of the firm in their perspectives.

Impacts on customers

When the organisation can raise positive employee experience, the customer experiences will see a correlative increase (Schneider & White 1998). Staff training in this case obtains the ultimate goals of satisfying the external guests through making internal members happy and satisfied with their own work.

Nowadays more and more people adopt the healthy lifestyles and give a lot of attention to what they eat, which has made a shift on their expectations when visiting a restaurant. Certainly, they want to be served by well-trained staffs, who are at least knowledgeable about the products they offer and in a more positive scenario, are experts in their own field. Consequently, staff training provides the employees the tools they need to further satisfy the most demanding guests.

3.2 Challenges to staff training

Despite numerous positive impacts, training is not always properly prioritized by businesses in the service industry due to its challenges as can be seen below.

One of the most major objectives of training employees is to seek and deliver the solutions to *performance problems*, which are however not always solvable by staff training. According to Bernardin (1998), an employee's performance inadequacy can result from many different factors, some of which are out of the worker's power and would not be affected by training. (Gomez-Mejia et al. 2010.). Also, training cannot address every possibly occurring situation in real-life operations or teach employees the exact way to behave in each situation. Instead, it should focus on forming a mindset and working attitudes in which staff can analyse and make decision by themselves but still meet the firm's final goals and mission.

Secondly, staff training can be very costly to plan and implement, in both terms of time and finance. A good training scheme requires loads of time for managers or trainers to prepare, plan and deliver training while it can still be very expensive. (Hayes & Ninemeier 2009.) However, the company should view these costs as investments instead of obstacles, since the main point is to make staff training cost-effective instead of costly.

Lastly, training if not done in the right way can produce machinery staff, which is the worst fear in service industry. It is easy to teach an employee how to greet and what to say in specific situation, but at the same time it can easily kill their cognitive thinking and flexibility in daily work life. Therefore, training's main objective should be formed in the way that changes employees' behaviours and attitudes towards a selected direction such as being customer-centred or service-oriented, instead of forcing stiff and rigid actions.

3.3 Understanding the importance of initial training

The very first week at the company is the time that a new employee is the most motivated, concentrated and eager to give good impressions. Meanwhile, he is likely to have vague or even no idea about the organisation and what is expected from his performance. Those are the reasons why initial training for new employees become crucial in any business.

Employee orientation, or so-called induction or onboarding, not merely provides new employees with background information and the skills needed to perform their job but more importantly helps employee *socialize* and adapt to the corporation culture (Dessler 2013).

Purposes of orientation

The first and foremost purpose of orientation training is to help new staff feel welcome and appreciated by the team, which gives him the confidence boost and stronger motivation to contribute to the team. Next, induction training should be designed to instil into trainee the sense of pride in their new employer and to make him understand the overall picture of the business.

Purposefully, orientation process including induction training creates the motivating and inspiring working atmosphere for new employees and builds and fosters their commitment to the organisation (Kotler et al. 2017). At the same time, it should provide employees with the tools to speed up their integration and adaptation to the new job, team, working environment and culture.

Initial training's focuses

To be able to perform well, employees need to be thoroughly informed about their company, especially in the beginning stage of the employment. Therefore, orientation training should give new staff information about the company's history, current businesses, visions and missions of the organisation. Moreover, it should focus on making employee believe and take pride in the company they are working for. In return it will motivate employees to contribute to the company's success.

It is out of the question that the organisation's rules and regulations, along with special job-related requirements should be introduced to employees in the starting period. Besides, company's values are also an important part the induction training should go through, which gives new employees the overall ideas of their new working culture and what is expected from their behaviours and attitudes.

Training activities and techniques

Basic Tour

It is common and yet effective to give new employees an introduction tour around the workplace on their first day at the company. This is the chance for the employee to get to know the team and observe the overall operations of the workplace.

It is ideal to bring the employees in at the time when co-workers have time to greet them, and employees can be introduced to as many people as possible (Kotler et al. 2017). The tour can be done by manager, supervisor or human resource personnel and it does not need to be lengthy. However, the guide needs to make sure newcomers feel welcome and have the chance to observe, meet and feel the team as well as having a clearer picture of the operations.

Employee handbook

Employee handbook, or so-called *staff manual* is a document given to your new hire on or before their first working day, outlining the things they need to know before they start. This serves as an official guide for newcomer with all basic

information of the employer, what they offer and what they expect from the employee. (Kotler et al. 2017.)

The handbook design and contents vary among different companies and it reflects themselves well. Generally, it should include the company's policies and principles, the employee rights and benefits as well as the organisation's culture through its values and mission. It can also include the company's *code of conduct*, to equip its employees with the firm's expectations on their performance.

The handbook can act as not only a compact and informative resource, but also a tool to make the new employee understand and feel acclimated to new working culture, boost their confidence and pride in the company as well as strengthen their motivation.

Classroom and group training

This type of training is suitable for a big company when you hire many employees at the same time and give them orientation training at once. This lecture-form training is suitable for induction training, which gives new staffs adequate instructions and introduction of the company through trainer's presentations and interaction with the team.

On the job training, hands-on learning

One of the most common and effective staff training methods used in restaurant business is on the job training, which takes place right at the work environment and when the trainees perform their actual tasks. This training method fosters hands-on experience and the mentality of "learning by doing" in trainees.

Mentoring and coaching are two familiar training techniques for on the job training, which cascades the responsibility to the managers or supervisor to be in charge of employees' learning and development. Also, peer training or shadowing techniques, where trainers can be experienced co-workers with sufficient skills, knowledge and understanding of the job tasks, are commonly used to utilize the training resources. More importantly, these training techniques are helpful in terms of getting trainees adapted to the team and the working culture right at

their first working shifts; making trainees feel welcome and supported by co-workers and enhancing the relationships between newcomers and the current team. (Gronroos 2000.)

4 Utilizing staff training as a tool for Internal Marketing in restaurant business

Employee training can be identified as a supreme tool for internal marketing management, in accordance with the notion that internal marketing involves any activity or function influencing the organisation's internal relationships, and employees' customer-centred and service-oriented mindsets. (Gronroos 2000.) The connections and relationship between staff training and internal marketing are clarified as follows.

4.1 Internal relationships

Relationships between employees and managers

As being discussed in the previous chapter, developing employees' trusts in management and in the organisation is a huge role of internal marketing. This sense of trust and belief can leverage the employees' inspiration, motivation to learn and eagerness for delivering better performance.

In this context, training, which is built upon the main goal of enabling and supporting new employees to perform better and with two-way communication among trainer and trainees, can create the bond between the employees to their managers (Gronroos 2000). Receiving clear guidance and direction from managers while being constantly inspired and motivated to improve and develop, employees will develop the sense of respect and trust to them.

Teamwork and co-worker support

Positive and healthy internal relationships that lie among co-workers and team members with the same position levels, are especially important regarding customer contact employees. Training plan for front-line staffs then needs to have clear focus on how to promote the importance of supporting their co-workers.

A study by Karatepe (2012) in Kotler et al. (2017) has concluded that the major role of peer support needs to be emphasized when training frontline employees. The reason is that those individuals are the ones to have direct and intensive interactions with the guests while standing the highest chance of encountering diverse problems everyday that can affect their feelings and emotions at work. Hence supporting efforts and actions from their co-workers are crucial to maintain their performance and happiness. (Kotler et al. 2017.)

4.2 Developing service culture

Training as a part of internal marketing program involves directly to the service culture of the organisation, focusing on generating employees' service knowledge and attitudes. These two orientations of training have a strong connection to each other. It is important to realize that employees need to accept the service strategy and understand why the firm needs it and their attitudes can hardly change without the knowledge. (Gronroos 2000.)

Training is important not only in building a working culture of customer orientation and service-mindedness but also in maintaining it as well as helping new staffs to adapt to such culture.

The service knowledge and technical skills

High-standard service could never be done without the employees knowing how to do things correctly (Gronroos 2000). That is why service skills and knowledge should not be left out in any training program in restaurant business.

To be able to perform effectively as part-time marketers, employees need to be trained to improve their personal skills including communication, customer service and problem-solving skills. The training should provide trainees with the tools and resources to improve their interpersonal skills to effectively communicate, intimately interact with customers while meeting their expectations of the service. It should also educate employees how to behave and take actions in service-oriented manners and in accordance with the firm's mission and values, for example how to deal with customer complaints or how to identify guests' needs.

The service attitudes

More importantly, training has an essential goal of modifying and enhancing the employees service attitudes, since attitudes direct behaviours (Kotler et al 2017). In order to instruct and control staff's performance and actions without producing work machines, the only way is to lead and guide their ways of thinking and attitudes toward the most important value, which is service orientation in this case.

Training needs to emphasize the importance of adopting such service strategy within the business and why it is utterly crucial that everyone needs to perform in that certain way. Employees need to be not only informed but also inspired about the importance of good service strategy, what their role is in it and how their sharp skills and competences can contribute to its success.

4.3 Maximizing the effectiveness of training

There are many different methods and techniques of staff training, but to maximize the effectiveness of the training and the transfer of learning, there are a few key things to be considered as described below.

Understanding individual differences in training design

In order to utilize staff training to leverage the outcomes of Internal marketing, it is essential for managers to adopt the concept right in the planning and designing phases.

Analysing training needs, setting clear learning objectives and selecting methods and sequence of training are the prerequisites for successful training planning and design, which all need to work parallel to each other. To be more specific, the training methods are chosen on the grounds of the intended learning outcomes. Also, the learning goals are decided according to the learning capabilities and stage of skill development of the trainees. (Arnold et al. 2010.)

However, it is important to understand that the learning abilities and process are different among different individuals. Everyone has a different way of learning, their own pace, and even different motivation and drive to learn. These differences lead to the fact that there would be no training method that suits all your

trainees. (Arnold et al. 2010.) Meanwhile, tailoring training program for each employee is not financially viable in many cases. Yet the organisation needs to keep in mind the differences and managers or trainers should be flexible and conscious while delivering training.

Transferring learning to the workplace

Whether an employee can use the acquired knowledge and skills and apply them into their work after training or not, rather depends on the managerial and organisational factors. Tracey et al (1995) indicated that *post-training behaviours* of the trainees are directed connected with the organisational climate and the working culture of the firm. Especially, the supporting system from managers and co-workers plays a major part in encouraging the learning transfer of employees. (Arnold et al. 2010.)

Therefore, managers are responsible for creating and developing the positive environment for trainees to transfer their learning when they return to the workplace. Trainees need to be reminded about what they have learned as well as be given the opportunities to use the new skills, knowledge or techniques. Moreover, managers need to show their recognition of trainee's effort to use what they have learned through the form of frequent feedbacks and rewards. (Arnold et al. 2010.) Only then the trainees are encouraged and motivated to apply the training contents into practice and the final outcomes of training will be achieved.

Training role of managers in daily tasks

The ultimate common goal of internal marketing and staff training is to create a work environment that motivates employees to learn and develop. Training, hence, needs to go hand in hand with other managerial activities including internal communication, attitudes management and human resources management in order to complete that goal.

Nowadays, the management role is experiencing a shift from traditionally controlling people toward guiding employees, and managers now need to carry out their coaching duty (Gronroos 2000). This means that training then will appear more frequently, even in every dialogue and conversation between employees and

managers, under the form of *inspiring* and *guiding*, with the goal of promoting the service thinking and behaviours among employees.

For example, training can be delivered in the form of coaching, which guides the employees to improve their daily performance such as upselling, cross-selling or being more attentive to guests' demands. Such guiding activities do not necessarily appear in training session but can be in daily dialogue or conversations between the managers and employees, for instance during morning briefing.

5 Introduction of the case company

HMSHost is a growing international company that specialises in the exploitation of hospitality businesses at high traffic locations. Being a subsidiary of Autogrill S.p.A, HMSHost is the biggest catering company in the world providing food and beverages for travellers with more than 50 years' experience in airport restaurant. HMSHost spreads its successful footprints across the globe with over 300 localized, specialty and proprietary brands. Operating in more than 120 airports in the United States, Canada, Europe and Asia and at more than 80 travel plazas in North America, HMSHost employs around 41,000 people worldwide while generating more than \$3.5 billion sales yearly. HMSHost is proud to be the world's leader in food and beverages industry at travel venues, ensuring to help travellers to *feel good on the move*. (HMSHost website 2020.)

HMSHost has built and maintained its brand portfolio as being exclusive, local and chef-driven, specialty-focused while staying innovative. Firstly, HMSHost seeks to deliver the most engaging dining experience for travelling guests with fresh and new brands from its exclusive collection of proprietary restaurants. Also, by bringing restaurant concepts inspired by local street style or local chefs to airports, HMSHost strives to offer authentic tastes of the city and a sense of place for traveller. Moreover, the corporation embraces culinary innovation as the key to constantly satisfying guests with excellent experience. (HMSHost website 2020.)

HMSHost International is dedicated to the outstanding development and operations of dining facilities throughout Europe, Asia-Pacific and the Middle East.

“Think global, cook local” (Walter Seib) is an adopted philosophy that drives HMSHost International towards creating innovative dining experiences for international traveller. (HMSHost website 2020.)

Their success is built on the expertise of bringing familiar local brands to the airport as well as being creative at designing and operating their customized concepts of restaurants. The central focus of either way is to create extraordinary experience adapting to ever changing demands and expectations of guests. (HMSHost website 2020.)

HMSHost Finland, as a part of HMSHost International, has operated many of their own concepts, presenting the Finnish gastronomy to the airport while ensuring to meet international guests’ expectations and needs. Based at Helsinki airport, HMSHost Finland currently facilitates 19 food and beverages units both before and behind security check and in both Schengen and Non-Schengen areas.

5.1 Mission and vision and core values

The company is driven by their core mission of making people “Feel good on the move”, so that they can continuously exceed the expectations of guests, now and in the future. Their vision to be the undisputed traveller’s choice and most trustworthy travel food & beverage company in the world. (HMSHost website 2020.)

First and foremost, HMSHost strives to make travelling guests reach their destination happier, safer and more satisfied thanks to their services, whether it’s about eating, drinking or shopping. They make every possible effort to make customers’ time more effective and their journey more comfortable, adding value to their experience at the airport. Secondly, believing in the power of their associates, HMSHost aim to create positive and happy feelings for their people, making them feel good in their work and hence spread those vibes to their guests. (Graaf 2020)

Every associate of HMSHost worldwide has one same goal: *to feel food and make travellers feel good*. In order to reach this goal, they follow the guidance from their core values as follows.

- Be passionate: Enthusiasm – Love – Energy

- Be reliable: Consistency – Ownership – Integrity
- Set the pace: Initiated – Involved - Develop
- Keep it simple: Better – Smarter – Happier
- Be open: Care – Respect – Communicate

(HMShost website 2020.)

5.2 Nordic Kitchen Restaurant

The restaurant is based in the non-Schengen area of Helsinki Airport Vantaa. It is open 24/7 and ready to serve airport passengers at any time. As being indicated from the name, Nordic Kitchen offers world-class dishes with the tastes from all Scandinavian countries. The food is fresh, high-quality, astonishingly delicious, beautifully decorated and made with the whole heart of each of their honored chefs. The restaurant can satisfy any guest despite of what they are looking for, from a warm-hearted breakfast, a full savory meal, a good snack, some good drinks to just a single coffee. (HMShost website 2020.)

The interior is decorated in a classic Nordic style as being simple but relaxing, warm and cozy, with the capacity of over 150 guests. It combines a bar, a deli and an a la carte restaurants to serve guests in whichever ways they prefer.

Beside food quality, the top focus of the restaurant is high-efficient service from professional and customer-oriented staffs. They have good foodservice team, who are friendly, helpful and polite and happy, which comforts even the most demanding customer.

6 Research Methodology

6.1 Case study research approach

As being mentioned earlier in introduction part, case study is chosen as the research strategy for this thesis, investigating current situation of internal marketing practices at the case company HMShost Finland, the possibility of utilizing staff training as an internal marketing tool and its effectiveness.

A case study, conducted with various sources of data, empirically studies a current phenomenon within its real-life situation (Saunders, Lewis & Thornhill 2009). The author has adopted this research strategy for the reasons below.

First and foremost, while examining one particular case, researchers have greater chance to run an in-depth study, which can obtain different levels of complexities, interrelations and processes of the matter. A case study is strongly supported by the usage of multiple data collection methods and of multiple sources of data. Moreover, due to flexible study margin in terms of time amount and context being covered, those elements could be adjusted to available time and resources. (Robson 2007.)

Three sub-types of case study categorised by their purpose are exploratory, descriptive and explanatory. Exploratory research attempts to create paths of development to an initial idea or insight and to discover directions for possible further research. The descriptive case study as its name states, is intended to describe the process of the studied matter, answering the question what is happening rather than focusing deeper on why it is happening. (Wilson 2003.)

Explanatory research aims at explaining relationships and involvements of different variables while studying the case (Saunders, Lewis & Thornhill 2009). According to the above study and the thesis's purpose, the case study is conducted with the descriptive and explanatory approach.

6.2 Research methods

Both qualitative and quantitative research methods are used in this thesis's empirical part, with different purposes but supporting each other to reach the final aims of the thesis research.

6.2.1 Qualitative research method

Qualitative research is recognized as research conducted with an unstructured approach, which seeks to introduce profound understandings into behaviour, motivations and attitudes that are not based on statistics. It involves a small number

of carefully picked individuals for sampling, who do not necessarily represent bigger populations. However, respondents are chosen with serious consideration due to the time and effort needed to research each of them. (Wilson 2003.)

Qualitative method is used in this thesis with the aim of giving a rich and detailed description as well as insights into the case company's internal marketing schemes from managerial point of view. Being more flexible but less structured, the qualitative research method is particularly suitable for descriptive research, which has been chosen as the approach for this case study.

6.2.2 Quantitative research method

"Quantitative research allows the researcher to familiarize him/herself with the problem or concept to be studied, and perhaps generate hypotheses to be tested" (Golafshani 2003, 597). It is more structured, based on statistics and involves a large number of respondents.

In this thesis, quantitative research method is used to collect and analyse the impact of internal marketing as well as staff training from perspective of the case company's employees. With the use of quantitative research method, the thesis can introduce a clearer and more scientific view of the employees' opinion on the matter by quantifying and analyzing the respondents of the questionnaire's general profile and their viewpoint on the training and its effectiveness.

6.3 Data collection

Methods of data collecting used in this thesis are analysed below.

6.3.1 Secondary data

In the empirical part of the thesis, available secondary data will be utilized to support the research's key findings and results. As an internal member of the case company, and with support from the organisation, the author has the access to organisational documents that assist the research study by giving deeper overview of the studied subject.

Secondary data used in empirical part of this thesis include the company's handbook, training materials, company's newsletter and publications, which are used accordingly to the organisation's policies and authority.

6.3.2 Interview

While collecting data for qualitative research method, semi-structured interviews are selected as the tool to support the process, with the interviewees as the store manager and manager assistant at the case company. The interviews seek to analyse the adoption of marketing concept within the business mindsets and the realization of its importance from managerial perspectives. A current overview of the organisation's actions and practices as well as future plans are also discussed.

Semi-structured interview gives the author the chance to set the overall focus and the main areas of the subject to be covered before the actual interviews but at the same time giving freedom of question wording and changing sequence according to the interview progression (Robson 2007). A list of questions is prepared in advance but it is not necessarily followed strictly, which supports free flow of the interview and encourages more helpful and informative answers in a natural way.

Interview questions are grouped into 3 main parts covering different themes. The first part focuses on the recognition of internal marketing's importance within the business as a service provider. The second part dives deeper into how internal marketing strategy is planned and implemented at the organisation. Last but not least, the third part focuses on analysing staff training at the organisation in the framework of internal marketing, seeking the answer to the research question "Can staff training be utilized as an effective tool to support internal marketing strategy?"

6.3.3 Observation

Observation method is also used in addition to interviews and partly support the key findings of the interviews on how the internal marketing is done in practice as

well as how staff training is implemented within the internal marketing framework, from a view of an internal member.

Observation is known as being suitable for qualitative research and outstanding in, for example, investigating interactions. It can give instant and direct information about the actions and behaviour of individuals, groups or organisation, while facilitating natural environments for the events to occur. (Saunders et al. 2009.)

6.3.4 Questionnaire

A questionnaire is conducted to collect data for quantitative research method, with the sample group chosen as the company's counter employees and kitchen staff. Since the restaurant has open kitchen, all employees have direct contact with customers regardless of their positions.

The questionnaire consists of 3 main parts which focus respectively on gathering information of respondents' general profile, analyzing the outcomes of internal marketing strategy and the effectiveness of staff training from employees' perspectives.

6.4 Reliability and validity

Reliability analysis is about the consistency of the measurement, which reflects whether the responses are reliable, in terms of not changing due to subsequent occasion when being asked (Saunders et al. 2009). Reliability of the research is high since the questions are designed to collect general opinion of the respondents about the matter and the responses are collected during the same time period. However, due to fast-changing characteristics of the industry, the results of the survey do not stay highly reliable along the time.

Validity analysis is also taken into account during the research design, aiming to measure the accuracy of the responses. The research results from this thesis are relatively valid since they are drawn from honest and straightforward answers of respondents.

7 Results of the interviews and observation

The interview was conducted on the 13th of February 2020 face to face with Jan de Graaf, the store manager of Nordic Kitchen restaurant who has been working for the past five years at HMSHost Finland. The interview took place at the restaurant and lasted for one hour and a half, with the main focus on the company's current plans and efforts of Internal marketing and staff training and the expected outcomes of this management strategy. The results of interview are demonstrated as follows.

7.1 Recognized importance of Internal marketing

HMSHost Finland, as a food and beverage provider for people on the move, specifically to traveller at the airport, must be creative and go beyond the regular ordinary marketing schemes and strategies. According to Graaf, the business's potential customers are much less likely to plan where to eat before they land at the airport. Consequently, traditional external marketing for example through social media might not be a useful tool.

Yet the most helpful tool we could utilize to capture people is our hospitable employees who make sure that the tables are clean and set up ready, the vitrines are full and tempting and more importantly, every guest walking into the restaurant are greeted nicely and offered help. Thus, the importance of Internal marketing has been realized and promoted at the case company.

As an example, for such a big restaurant like Nordic Kitchen, which has different areas for a la carte service, bar and counter deli, people can be easily confused about where to line up, to sit down or which menu to look at. Consequently, it is important to have employees who take initiatives to host people around and do marketing about our products and services right on site.

7.2 Adopted concept of Internal Marketing

According to Graaf, internal marketing involves many different efforts of organisation's management and it serves the final goal of embracing employee satisfaction and engagement while enhancing employer branding and maintaining the

working culture that constructs and supports the effective and up to standard performance.

Firstly, in restaurant industry, the key factors leading to the business's success do not merely depend on the facilities but on the associates. Even when the restaurant has the most modern equipment and well-invested menu and drinks while its staff is not professional, well-trained and not happy at work, it can affect the performance of the restaurant generally.

In this era of experience economy, where merely offering goods or services is no longer enough, delivering and maintaining good customer experience is inevitable for any businesses, especially in hospitality industry (Pine & Gilmore 2011). Guests' overall experience can be affected by any interaction they have with the company's employee, since the experience with the products is no longer the only key factor contributing to customer's satisfaction (Marketing School 2013). Thus, whether a company will win the customers' heart or not depends heavily on their employee's performance.

Secondly, adopting the idea that "Happy staff means happy customers", manager needs to realize their role of creating a job where people feel comfortable and happy and at the same time receive, understand and follow the guidelines to serve the core goal of satisfying customers. Because in the end, it is where the revenue is generated from and guest satisfaction is the crucial for the success of any restaurant.

Moreover, educating people is never enough without motivating them to do what they have learned. Therefore, internal marketing serves the goal of engaging and motivating employees, showing them the purpose of keeping high standard in anything they do and creating excellent service to every single guest coming to the restaurant. That is why we set our missions, vision and set of values and their applications in daily working performance of our associates.

7.3 Internal marketing's efforts at Nordic Kitchen

Enhancing working culture and organisational structure

At the case company, considerable efforts have been made in creating and maintaining the working culture among employees, supporting the core values of the business and focusing on the organisation's mission.

The most important role of having a good working culture, according to Graaf, is to create the service and product standards in accordance with our values and to make sure those standards are met equitably among all units and employees.

In order to successfully achieve such culture, it needs to come from the top from the organisational structure and move downwards. To be more specific, the culture should not be ignored by managers but instead involves the whole organization members regardless of their position.

Motivating and engaging different employees

In service industry, especially in restaurant business, managers need to understand the ugly truth that their employees are normally not performing their dream job. Instead, cashier or waitressing are usually just considered a part time job, a starting point or a side job, and in many cases just temporarily. Consequently, it becomes even more important than in other industries to keep the employees motivated despite the fast-moving environment.

Obviously, it starts at the hiring process, where skills and experience are not necessarily the most important factor to choose a good candidate but more about his attitudes and willingness to learn and develop. However, it is even more crucial to find the right way to engage and motivate your employees throughout the time.

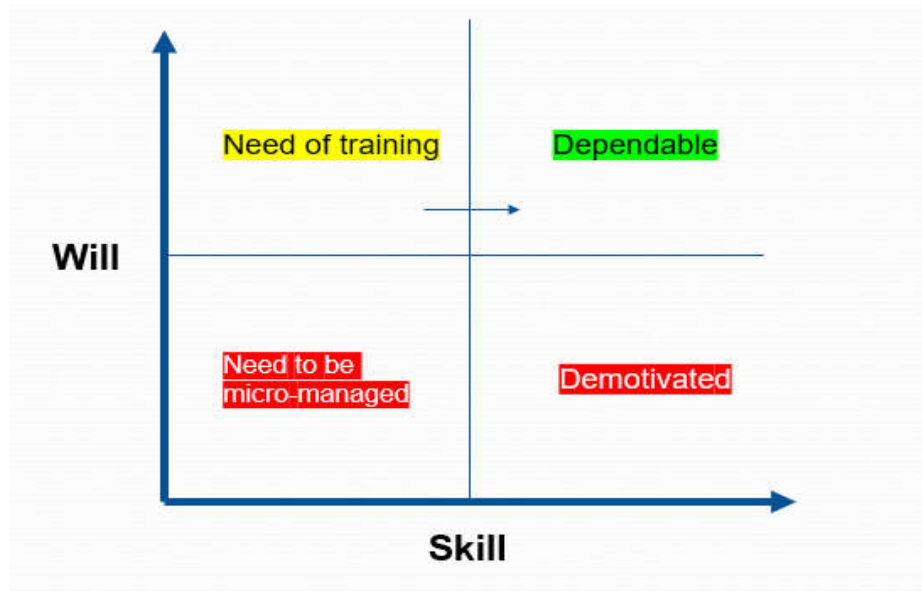


Figure 3. The Will and Skill Matrix. (OMTGlobal 2020)

The will and skill matrix (Figure 3) demonstrates conclusively which state you want to keep your employee at. When a new employee just started, they are often at the highest point on the motivation spectrum but at the lower end on the skills one. Then after training and time of working and practicing, they shift to the ideal point of high will and high skills. And it is crucial that managers can find suitable way to keep the employee motivation high through different methods, for example giving rewards, new offerings or simply just showing appreciation and recognition of their work. In the end, people are different and so are their needs and wants and ways of motivating themselves. Finding the right method for each person requires managers to be open, sensible and understanding, but overall this is a daunting task to carry for managers with limited time and resources. (OMTGlobal 2020.)

Dividing and distributing attention to team members

According to Graaf, normally, a team can be divided into 3 groups. The first group includes top performers who pull the whole team forward, are highly motivated and have good sense of urgency, take initiatives to learn and develop. The second group consists of team players who do their jobs, follow the work procedures, rules and policies but that is it, without motivation to improve or to do any better. And lastly the last group is people pulling the team down, who have negative sight

of everything and are not even motivated to perform their job up to the pre-set standards.

When performing internal marketing, it is also important to choose the top target groups that the organisation primarily focus on, take care and invest in, which raises the question: "On which group should managers spend the largest amount of time?" According to Graaf, the answer is nothing different than the top performers group. In most cases, they are consistent on delivering their best performance and they know it as a fact, but they need to hear it, too. This is why he suggests that 85% of manager's attention should be spent on the first group, complimenting and encouraging them as well as offering support, discussing with them about their development and showing them appreciation. Meanwhile only 5% of attention is spent on the last group, instructing them what to do or how they should be performing, correcting their behaviours while being open and honest when you tell them what you are expecting from them. It stems from the fact that if you focus on the top team, you will not only directly motivate them but also get a goal for the middle team to strive for. This helps keeping the positive energy up and the first group would expand bigger and standards become higher.

Moreover, this internal marketing strategy does not support only the team but also the managers. This is resulted from the fact that when managers spend more time with people who have good energy and positive attitudes, they will be happier and the other way around with negative people.

7.4 Staff training as a tool for internal marketing

Orientation training

At Nordic Kitchen, orientation training is taken seriously by manager and supervisors, with the aim of getting the people started at the right place and towards the common goals. Since orientation training takes place during the beginning period of the employments, the employees are fully motivated, curious and eager to learn new things about their employer, this is a great chance to do internal marketing, show them what they can expect and what is expected from them.

Firstly, each employee will go through an overall induction training about HMSHost, where they will get to know the organisation's objectives, vision, mission and set of values. At the induction training, the core focus is to raise awareness of the company's DNA that determines characteristics of the organisation, guides employees' behaviour and attitudes and defines who they are.

This is the foundation step to instil trust and pride into the new employees and make them feel good and even more motivated at their work. Moreover, it gets the new staff acquainted with the organisational culture throughout the business and shows them the guidelines for expected mindsets and attitudes at work.

On the Job training

Besides having the right attitude and behaviour, it is important for all new associates to know what is expected of him/her on an actual working day. According to Graaf, in restaurant business, when training an inexperienced employee, it is probably the best to train them while they are doing their actual job.

Hence, it does not mean throwing them right on the field and let them do whatever. At Nordic Kitchen, whenever a new employee starts, they will be assigned with a buddy who is responsible for their on-the-job training. Each training day in the workplace will begin with a brief preliminary talk with the buddy and ends with an evaluation moment, while having clear goals set for the day.

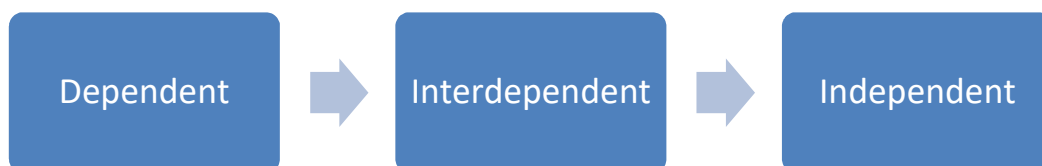


Figure 4. Stages of on the job learning.

As indicated in figure 4, each trainee will go through 3 stages during their learning period. Firstly, they are dependent on others, they need to observe how others work, and follow given instructions and ask questions when new situation appears. Next, they become interdependent, when they can do the tasks on their own and at their own pace but still have someone looking over their shoulder and checking on the work and its quality. Then when employee reaches the last stage

of being dependent, they are empowered to make decisions and perform the work in their own way, even at emerging situations, following the values and mission of the company and later just report to manager.

As a result, trainee will have the chance to learn their work task fast, effectively while receiving support from a specific person when needed. Also, learning within the team helps new staffs to see how others are working thus adopting and embracing the current working culture and standards more easily.

Training focus – Be My GUEST Training program

As a part of HMSHost corporation, Nordic Kitchen adopt and follow the Be My GUEST philosophy. With the slogan “Feeling good on the move”, they are not only referring to their external customers but also their internal guests who are their associates. Their associates are believed to make the difference translating their core values into excellent service and ensure that all guests board their plane with a smile while being indirectly on the move, since people are never at standstill in this industry.

Thus, Be My GUEST training program is designed with the number one focus of hospitality towards both internal and external guests. As one of their strategies in the business plan, hospitality must always be the guiding principle in whatever they do. Whether they are serving external guests with excellent services or supporting their co-workers during daily tasks, they are expected to give other people undivided attention with warm, hospitable attitude.

At HMSHost, team players are trusted to be representatives of the organisation, toward one another and towards guests. Therefore, the values should always be remembered as a guide for behaviour and attitude. Be My GUEST training program educates associates to firstly ensure basic standards of service, then guarantee to meet guest expectations and strive towards the “wow” moment when guests’ expectations are exceeded while being open, simple, passionate with what you do, reliable and with their own pace.

Coaching and guiding:

Furthermore, at Nordic Kitchen, training does not stop but instead continues routinely on daily basis, in the form of coaching and guiding from supervisors and managers to subordinates.

At Nordic Kitchen, back of house briefing has been used as a great tool for internal information disseminations, which inform staff with any necessary information during the day. Also, the briefing is utilized as a tool to give counter employees extra on the job training, remind them of service standard and fostering upselling. To be more specific, each counter employee will be assigned to an extra task during the day with a clear goal to strive for, which raises the motivation and increases the attention of the employee.

8 Results and analysis of questionnaire

The questionnaire was handed out to 29 employees of Nordic Kitchen restaurants and 22 responses were received, which forms 76% of correspondent rate. The results of the questionnaire are demonstrated below.

8.1 Participant backgrounds

Among 22 participants of the survey, there are 12 men and 10 women, making the ratio of male to female of 6:5.

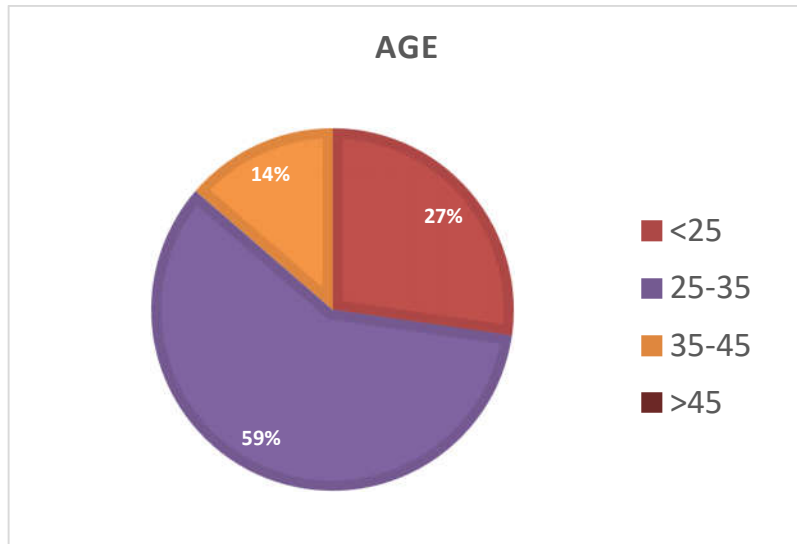


Figure 5. Age of employees.

Figure 5 illustrates the age groups of the respondents. At first glance, it can be seen that 25 to 35 is the largest group, accounting for 59% of the total population. More than a quarter of the respondents is less than 25 years old. And the rest are between 35 to 45 years old. Clearly, in such a fast-moving environment as service industry, it is reasonable to have many young people working at the restaurant. While it is surprising that there are also many people in the middle group, from 25 to 35 years old. Differences in ages of employees could contribute to the overall differences of people, in terms of learning style, motivations and engagement.

How long have you been working at HMSHost ?

22 responses

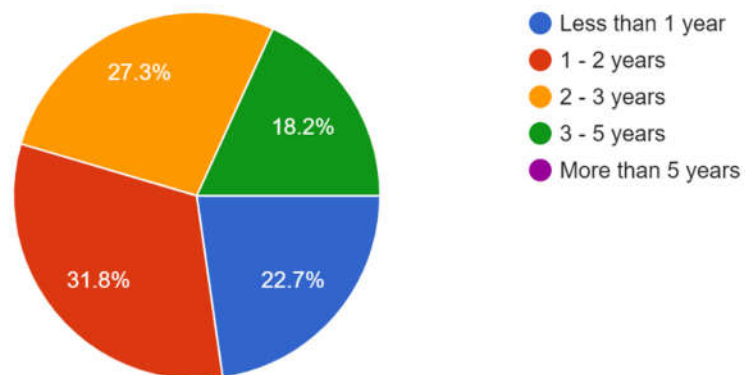


Figure 6. Length of employment.

As indicated in figure 6, nearly a third of respondents have been working at the case company for 1-2 years, making it the most popular length of employment. Coming after is the group with 2-3 years working here, which accounts for 27%. While 22% of the respondents has joined the company within a year, 18% has been contributed to the organisation for 3-5 years.

Even though the employee turnover rate is commonly high in this industry; we can see from the survey responses that the case company has managed to keep staff retention quite high with people dedicated to the team for many years. However, there is no individual among the respondents having been working there for more than 5 years.

8.2 Overall outcomes of internal marketing efforts

8.2.1 Organisational culture

In order to analyze the existing organisational culture among the restaurant staffs, three questions are designed to measure the extent to which the organisation's objectives, mission and values are adopted and followed. The results are illustrated in the figure 5 as follows:

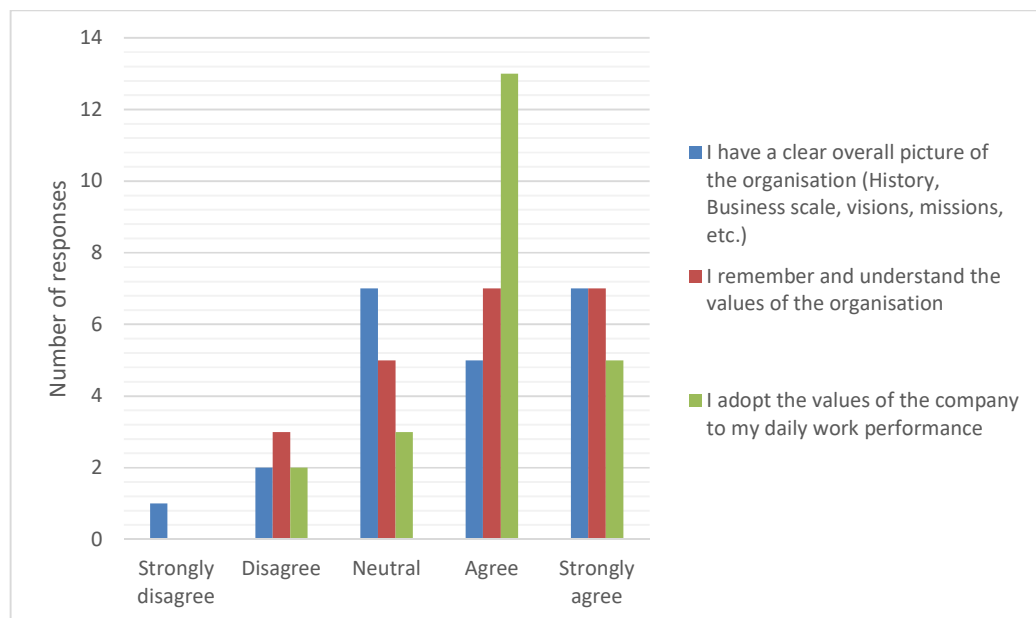


Figure 7. Level of organisational culture.

As the figure 7 indicates, overall, the majority of answers for all three questions falls to the agree and strongly agree side of the spectrum. When it comes to the overall picture of the business, including history, scales of business and objectives, the same number of respondents (7) has either neutral or strongly agree answer, while 5 people agree with the statement, making the total percentage of 86%. However, there is still one respondent who claimed that he or she does not have a clear idea of the organisation.

Nextly, the questions about whether respondents remember the values of the organisation receive 14% negative responses. However, among the rest only 5 people choose neutral answers, which means nearly two thirds of the respondents either agree or strongly agree with the statement.

Nevertheless, the industry is ever changing and so is our business, in addition to the fact that people tend to forget easily what they have been told; the result of the first two questions is understandable. Furthermore, it raised the need for more effective internal communication and continuous training in order to update people with the development of the business as well as remind them about the firm's values, visions and missions.

The last question, which aims to find out the level of adoption of the company's set of values into daily work, receives much more positive answers, with less than 5% of respondents disagreeing and 3 people staying neutral. But among the rest, only 23% strongly agree with the statement and nearly 60% of people stick to agree level, which creates room for future improvement.

8.2.2 Service culture

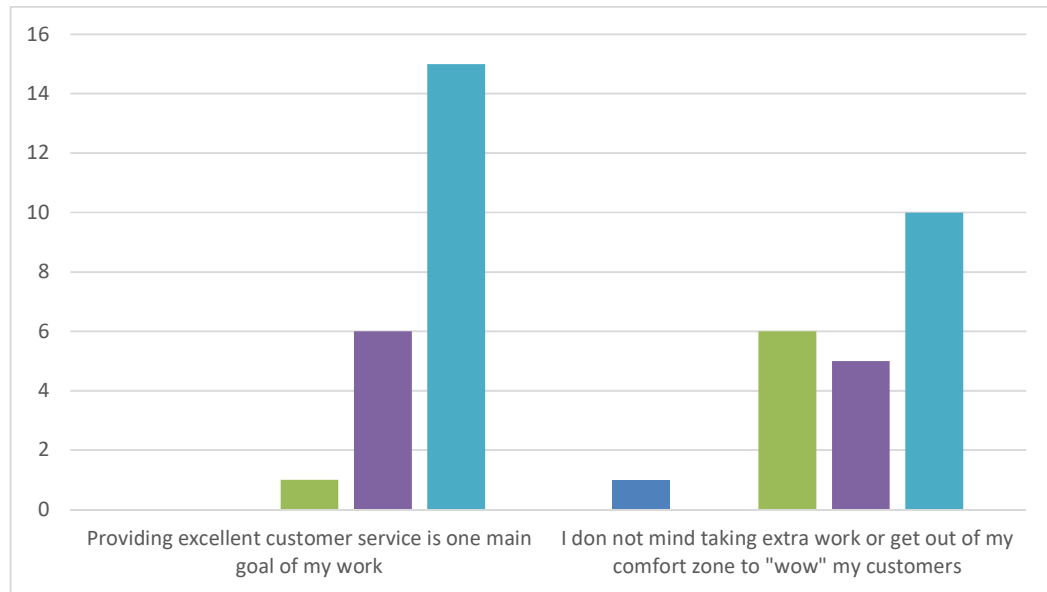


Figure 8. Level of service culture.

At a first glance, figure 8 shows that the service culture has been successfully created among the team, with the customer service excellence being focused on and nurtured. Only one respondent stays neutral in the first question, leaving the rest on the positive side of the spectrum. A large proportion (70%) of respondents strongly agree that service orientation is one main goal of their work, making the biggest group of the team.

While in the question of whether the respondent would go the extra mile and get out of their comfort zones to “wow” their customers, the results are slightly less positive. More than a quarter chooses the neutral answer and one person even disagrees with the statement. However, “strongly agree” answer still has the highest number of respondents with the proportion of nearly a half.

As the results indicates, Nordic Kitchen team has adopted very well the philosophy of customer orientation and service-mindedness. The majority of the team is actively developing and fostering the service culture with the aim of delivering excellent customer service and satisfying the most demanding guests.

8.2.3 Internal marketing communication

The next question is designed to examine the effectiveness of internal communication regarding newly launched products, service or promotions among employees.

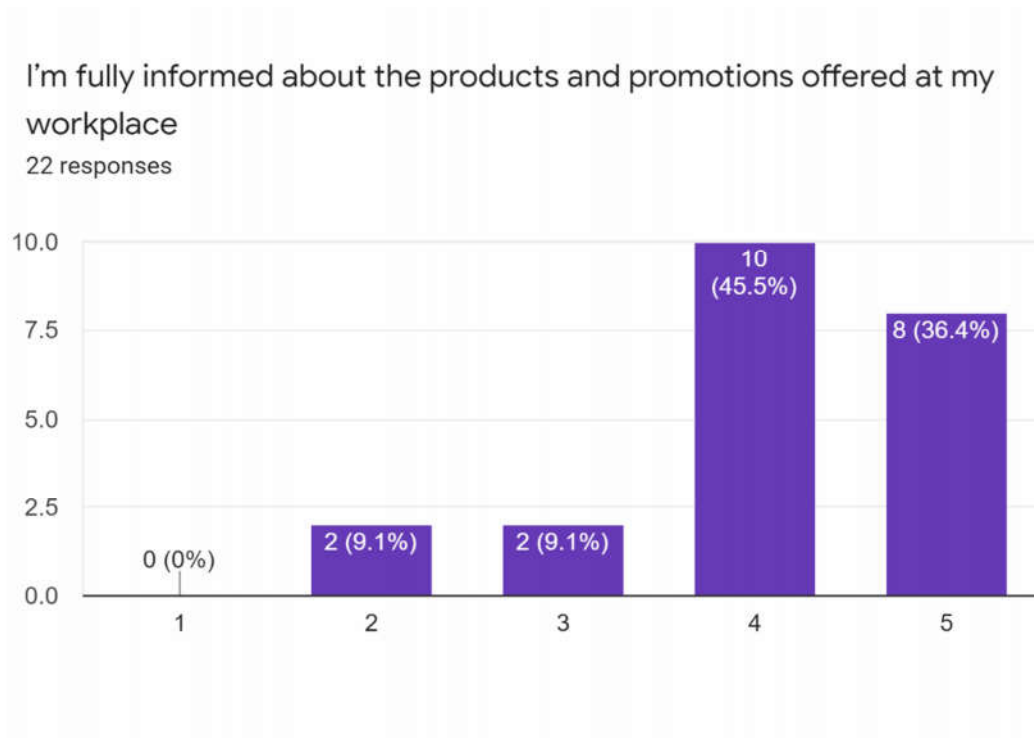


Figure 9. Effectiveness of information flow.

As being indicated in figure 9, nearly a half of respondents claims to be fully informed about the products, service and promotions offered at the workplace, followed by 36% of people agreeing with the statement on a stronger level. However, a minority of respondents disagrees and stays neutral on the matter with the same percentage of 9%. Information flow in general has been efficient, but still is not always effective enough from some respondents' perspectives.

8.2.4 Employer branding

The next three questions on the questionnaire are dedicated to analyzing the outcome of employer branding as a part of internal marketing tool at the case company. The results are illustrated as below.

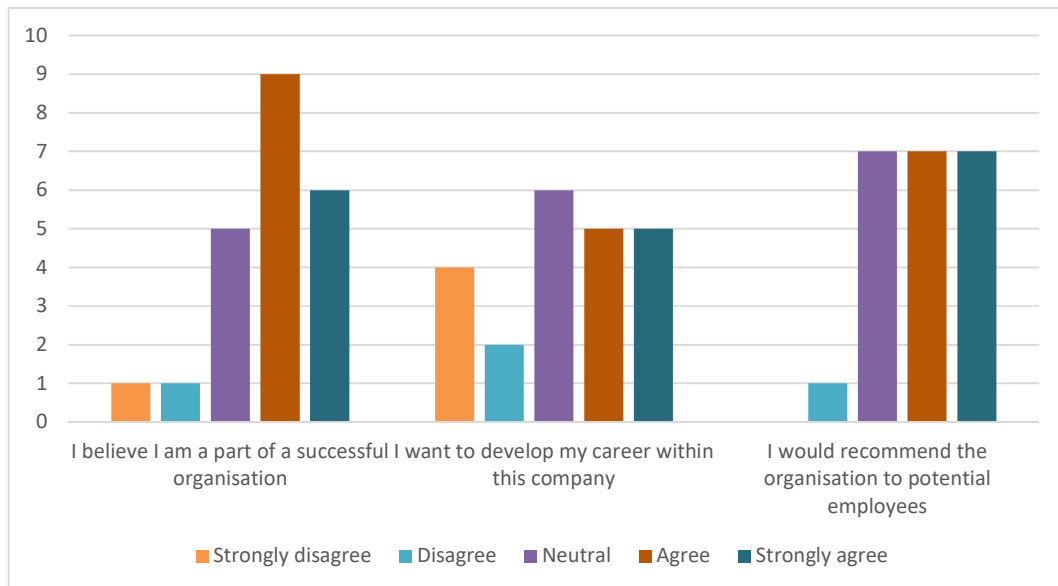


Figure 10. Employer branding outcomes.

Figure 10 demonstrates the overall outcomes of employer branding at Nordic Kitchen through collecting respondents' opinions on whether they believe in the business's success, they want to develop career within the organisation or whether they would recommend it to potential employees.

More than two-thirds of respondents believe that they are a part of a successful organisation while 23% stays neutral, leaving less than 10% of the group to disbelieve in the company's success.

However, the result for the next question is less optimistic and less favourable with only nearly 50% of people claiming that they would like to develop their career within the company. More than a quarter gives a neutral answer and the rest are on the negative side of the spectrum.

Nevertheless, when being asked whether they would recommend the company for future employees, the responses are absolutely favourable with only one person choosing the disagree answer. The rest are either strongly agree, agree or are neutral with the statement.

8.3 Effectiveness of staff training within internal marketing framework

8.3.1 Types of training

The next questions aim to analyse the effect of staff training to the employees under their own perspectives. Firstly, since different people have a different learning pace and are assigned to different learning path, the author seeks to find out what types of training the respondents have had.



Figure 11. Types of training for different employees.

As can be seen from figure 11, a hundred percent of respondents have received on the job training, since clearly this is the core training type that Nordic Kitchen has been using to train newcomers. However, when it comes to skillset and expertise training, for example alcohol, cocktail making, tea or coffee training, only 15 respondents give a positive answer, making 69% of the total group. These trainings aim to foster the expertise for specific employees, who are potential but more importantly interested in their own development. Also, this type of training is organized only a few times per year, yet it requires the employees to stay with the company for a specific time period to get the chance to take part in the training.

Safety training has been given to only 32% of respondents, however, this number is understandable since the restaurant business, especially on the floor does not

require intensive safety training as for instance mechanical engineering industry does.

Even though there are only respectively 27% and 18% of the respondents having been with the company from 2-3 years and 3-5 years, the percentage of people that claim to have received refresher training is 27%, which is an impressive number, showing the attention of the organisation on keeping their staff well-trained and always updated.

When it comes to extracurricular training, only 5 people give a positive answer. This type of training focuses on the personal development growth of the trainees and up to their own interests. This type of training is more on the side of keeping the employees motivated and challenged, avoiding the boring routine work characteristics.

8.3.2 Importance of training

The next questions seek to find out how staff training can affect the employees within internal marketing framework from their own perspectives.



Figure 12. Importance of training.

As figure 12 indicated, the number one impact of staff training on people is to develop the employees' personal skills, expertise and knowledge, which is directly related to the effort of enabling and empowering employees. Followingly, it is also significantly important for training to help creating and building the working culture.

Other side effects of staff trainings on employees includes sustaining service standards and mindsets, boosting self-confidence and strengthening responsibility and motivation at work with 64%, 59% and 55% positive answer of the respondents respectively.

The least important factor that staff training can have impact on, from respondents' viewpoint, is to contribute to the increase of employee satisfaction at work, with less than 50% of people choosing the option.

9 Summary of the results and evaluation

9.1 Results of qualitative research – Manager viewpoint

At the case company, internal marketing concept has been adopted within the business plan and management strategies. Recognizing the importance of having happy associates and a positive organisational climate, the company has devoted constant efforts to employer branding and raising employee satisfaction and engagement, aiming at the final goal of creating and maintaining an excellent service culture at the workplace.

First and foremost, the restaurant attempts to foster a working climate amongst all employees that is built upon the core mission and values of HMSHost and with a focus on service-minded and hospitable performance. Secondly, the restaurant manager takes his role of getting to understand his staff and support them in their daily work by maintaining smooth information flow and give them the opportunities to further improve their performance as a part-time marketer. And lastly, attention is divided in a strategic way to different groups of employees in order to maximize its effects.

At Nordic Kitchen, staff training has been utilized as an effective tool for internal marketing. It starts with orientation training, instilling trust and pride into employees while ensuring they know what is expected from their performance, behaviour and attitudes. Then on the job training is harnessed to fitting the newcomers into the existing working culture and to raise their service-mindedness and working standards. Be my Guest program is designed to make sure people adopt the organisation's number one focus to both internal and external guests: hospitality.

Moreover, staff training and internal marketing go hand in hand on mostly every working day, in the form of coaching and leading from manager and supervisors to further improve the levels of product knowledge and service quality. Five-minute briefing and different types of feedbacks are remarkable examples of practicing internal marketing and staff training routinely.

9.2 Results of quantitative research – from employee perspectives

Nordic kitchen restaurant's employees, who took part in the survey, vary a lot when it comes to age group and length of employments, yet, have given enough consistent answers to form the trends in the outcomes of internal marketing and staff training.

Firstly, the results show that Nordic Kitchen has a pretty good working culture and climate, where employees understand and adopt the organisation's mission and values into their daily work and focus on service quality. However, there are still a few respondents falling to the other direction of the trend, which indicates that there are still opportunities to further improve and strengthen such culture.

Secondly, it is indicated from the results that internal information flow is highly effective at Nordic kitchen. Employees are well-informed about any newly launched products, service or marketing campaigns, which is a great support for employees to perform part-time marketing job. Nextly, employer branding as an outcome of internal marketing campaigns has received fairly positive results, but also seeing room for development.

9.3 Matching both results and evaluation

Taking the results of both qualitative and quantitative research into consideration, the author has the possibility to measure and compare the expected outcomes from manager's efforts and the actual outcomes from his employees and thus finding out the opportunities for improvement. The connected results and research evaluation are expressed as below.

1. Internal Marketing strategies are working well at the case company, in terms of maintaining positive working culture that embraces the company's values and focuses on service standards. But room to further develop such culture still exists.
2. Employer branding, which has been focused as a part of the business plan and management strategy, has received fairly positive outcomes. However, from employees' perspectives, the results are possible to be improved with greater efforts.
3. The importance of staff training in internal marketing plan has been recognized and applied throughout different types of training at the restaurants by both managers and employees. And the effectiveness of training is relatively high within internal marketing framework.
4. However, it is still not evident that staff training can be an effective tool for internal marketing solely. Yet combined with other internal marketing activities and practices, staff training contributes greatly to the final outcomes.

10 Conclusion and recommendations for further studies

Internal Marketing is a not a new concept, but it has not always received the attention that it deserves, especially within the service industry where happy employees are the key to happy customers. The thesis has developed the framework of internal marketing within restaurant business and evaluated staff training as one of its possible effective tools.

The key findings show that, in restaurant industry, internal marketing is crucial for any company, despite their scale of business. By sufficient and effective staff

training, manager can raise the brand awareness to their own personnel, project the vision and goals of the business and create broad organizational culture throughout different departments or store. When having successful staff training plan and implementation, a company possesses a powerful tool for internal marketing, which will eventually affect the employee's performance and in result improve the service culture and thus increase guests' satisfaction.

Using Staff Training as a Tool for Internal Marketing in restaurants can be a new practice that can be applied in human resources and restaurant management with the aims of building the working cultures, increasing employees' motivation and satisfaction as well as sustaining the standard of customer services. However, it has not been confirmed that staff training can be used independently as one activity for internal marketing strategy, but instead the outcomes of staff training are still connected with many other internal marketing efforts from the organisation.

The author suggests that future studies can continue analyzing the internal marketing concept in broader terms, outside of operations and in connection with Human Resources management, inside and outside service industry. Other activities and techniques of Internal Marketing can be further examined, designing a concrete Internal Marketing plan and strategy is also a possible developing direction.

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Appendix 1: Questionnaire

1. Age
 - <25
 - 25-35
 - 35-45
 - >45
2. How long have you been working at HMSHost?
 - Less than 1 year
 - 1 – 2 years
 - 2 – 3 years
 - 3 – 5 years
 - More than 5 years
3. Did you get induction/orientation training when you started working with the company?
 - Yes
 - No
 - Not sure

4. What other types of training did you get?

- Induction/Orientation Training
- On the Job training
- Skillset and Expertise Training

(eg. alcohol training, coffee/tea training, etc.)

- Safety Training
- Refresher training/Retraining

(Training that is given to staffs who have been with the company for long in order to keep them well-trained and updated)

- Extracurricular Training

(Extra tasks that are given to staffs to develop their personal growth)

5. Please rate the following statements from 1 to 5, so that 1 means you strongly disagree with the statement and 5 means you strongly agree

	1	2	3	4	5
I have a clear overall picture of the organization (History, Business scale, visions, missions, etc.)					

I remember and understand the values of the organization					
I adopt the values of the company to my daily work performance					
Providing excellent customer service is one main goal of my work					
I don't mind taking extra work or get out of my comfort zone to "wow" my customers					
I'm fully informed about the products and promotions offered at my workplace					
I'm able to deal with any emerging situation under my power					
I believe I am a part of a successful organization					
I want to develop my career within this company					
I would recommend the organization to potential employees					

6. How important is training in generating employees' motivation and satisfaction in your opinion?
- Very important
 - Important
 - Neutral
 - Not important at all
7. To which level do you think the company's training affect you?
(Please give a point from 5=Very beneficial to 0= Not beneficial at all)

- To understand the working culture and your role in the organisation
- To sustain customer service and product standard as a mindset
- To develop your personal skills, expertise and knowledge
- To boost your self-confidence
- To strengthen motivation and responsibility at work
- To contribute to increasing job satisfaction
- Others, please specify

8. Do you have any suggestions on how the training should be improved in terms of enhancing employee motivation and engagement? (optional)

Appendix 2: Interview Themes and questions

Interview themes

1. Goals of Internal Marketing and its importance
Internal Marketing's impacts on
 - Employees motivation
 - Service quality
2. Examples of internal marketing practices within the organisation
3. The role of Staff training as a tool for Internal marketing
How can staff training influence
 - Service culture
 - Organisational culture
 - Employee enabling and empowerment

Interview questions

1. Could you tell me briefly about your background and your current role in HMSHost company?
2. Has the concept of Internal marketing been adopted in the business and in which way?
3. What are the main goals of Internal Marketing at HMSHost and at Nordic Kitchen?
4. Does the special location of the restaurant (at the airport) affect the planning of internal and external marketing? How?
5. Could you name some current Internal Marketing practices or activities performed at Nordic Kitchen?
6. What are the learning objectives when you develop training plan for your staffs?
7. What types of training are included in the plan?
8. Which methods of training are used and which is the most effective one in your opinion?
9. How staff training contributes to building and maintaining a working culture
10. Can manager and supervisors adopt training practices in the daily working life?