

INTERNAL MARKETING: AN IMPORTANT ROLE IN THE EFFECTIVENESS OF ENVIRONMENTAL SUSTAINABILITY

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ABSTRACT

Considering the barriers of scarce management commitment and employee engagement in sustainability, this study aims to explore the role of internal marketing (IM) in improving the efficacy of environmental sustainability initiatives. Applying marketing philosophy inside a firm, IM regards employees as internal customers and facilitates positive exchanges between employees and management through communication and dissemination of sustainable practices and policies and responding to stakeholders' expectations. We propose to use a quantitative survey, collecting data from SMEs in the UK. IM is expected to enhance employees' engagement and green behaviour, while promoting green values, which ultimately lead to a sustainable workplace and enhanced competitive advantage.

Introduction

Growing consumer awareness of the need of environmental protection, coupled with increased interest from corporate stakeholders (Morrow and Rondinelli, 2002), has led organisations to adopt environmental management practices. Marketing as a solution to organisational sustainable development has been credited for its important role in the development of sustainable products and services (Jones et al., 2008), the design of a green marketing mix (Kumar and Ghodeswar, 2015), and the stimulation of green consumption (Yang and Chai, 2022). Increasingly, organisations emphasise commitment to sustainability through applying sustainable marketing or green marketing which refers to a set of activities to achieve sustainable value through creating, producing, and delivering sustainable solutions while satisfying customers and other stakeholders (Charter et al., 2006). Despite of this, the lack of human resources, unfavourable culture, and inconsistent management support are the dominant barriers impeding the implementation of sustainability practices (Kärnä et al., 2003; Menguc et al., 2010; Smith and O'Sullivan, 2012; Joy-Camacho and Thornhill, 2024). Therefore, organisations need to engage stakeholders, in particular employees, in sustainable marketing efforts (Papadas et al., 2017; Papadas et al., 2019).

Given the need for organisations' strategic approach to green marketing, this study advocates the implementation of internal marketing (IM) by firms, integrating marketing and human resource management. IM is a framework which applies marketing philosophy inside a firm and views the employees as internal customers (Berry et al., 1976). IM engages, motivates and empowers employees to support environmental sustainability initiatives by providing consistent management support and cultivating employees' green

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values. Although IM has been applied to support sustainability efforts, most studies focus on IM designed to achieve social objectives, such as internal social marketing. Studies that link IM with sustainability are rare.

This study expects to contribute to existing studies in a threefold manner. First, embedding sustainable initiatives into the IM model contributes to a stronger integration between marketing and the firm's internal cross-functional support for sustainability, helping address the challenges of environmental marketing. Second, the updated IM model leverages internal customers' efforts to accomplish organisational sustainability goals and contributes to cultivating organisational culture, valuing employees and managerial commitment to sustainable marketing, ultimately fostering sustainable workplace practices. Third, the application of IM is expected to enhance employee engagement, which ultimately leads to a higher level of organisational competitive advantage and the achievement of sustainable goals.

Conceptual Background

According to institutional theory, the pressures from social, economy, and politics influence organisations' strategies. Therefore, the involvement of various stakeholders such as employees, suppliers, and investors are essential to promote the legitimacy of organisational practices (Glover et al., 2014). Employee as one of the important internal stakeholders, IM values employees' efforts into the achievement of organisational goals. Therefore, employees tend to reciprocate organisational support through improved work attitudes (e.g., job satisfaction, commitment, and motivation) and behaviours (e.g., increased customer-oriented consciousness and customers' satisfaction) (Lings and Greenley, 2010; Boukis and Gounaris, 2014; Modi and Sahi, 2018). IM enables organisations to adapt to a changing business environment by reconfiguring resources through internal generation and dissemination of information, and responsiveness to the generated internal intelligence (Gounaris et al., 2020). Through frequent mutual communication of environmental initiatives and goals, employees understand what they are expected to accomplish. Training employees in sustainable practices and rewarding efforts for environmental improvements contribute to enhanced effectiveness of sustainability initiatives and competitive advantage (Govindarajulu and Daily, 2004). Therefore, we propose a conceptual framework indicated in Figure One.

Methodology

Through collecting data from SMEs in the UK, this study aims to investigate the role of IM in influencing employees' engagement and environmentally sound business practices, which ultimately leads to a sustainable workplace and enhanced competitive advantage. Small and medium-sized enterprises (SMEs) in the UK make up 99.8% the business in 2024 (Gov.uk, 2024) and play an essential role in the economic and social development worldwide (Baxter, 2004) but generate 99.9% of business pollution and 70% of all industrial pollution (Hillary, 2004). However, only 30% of SMEs in the UK have adopted an environmental management system (EMS) and 40% do not have a sustainable plan (Forbes, 2021). Environmental management has become a significant challenge for SMEs (Brammer et al., 2012). We resolve to employ a mixed method, conducting initial qualitative in-depth interviews with the management team of a convenience sample of organisations, to gauge what sustainability means to management and how they could use

IM to achieve it. Subsequently, a quantitative survey will be conducted to confirm the IM model and its influence on the achievement of organisational sustainable goals.

Expected Outcomes

This study expects to redesign an IM model which considers sustainable development practices, enhancing employee engagement in sustainable approaches while promoting green values, ultimately, improving sustainability outcomes, competitive advantage, and organisational long-term performance.

Anticipated implications for Theory and Practice

SMEs hire external consultancies to design environmental management systems (EMS) due to the lack of in-house experts (Lin et al., 2022). In practice, this paper attempts to shed light on the context where has the similar issues with SMEs in the UK facing the challenges of fostering a supportive culture and lacking talented human resources in pursuing the commitment to sustainability. For example, to make employees more motivated and committed to sustainable development goals, the management team must ensure clear communications and dissemination of corporate responsibility values (Sanchez-Hernandez and Grayson, 2012) and integrate employees' interests and skills into the internal green practices such as green supplier selection and green research and development through the internal market research (D'Souza et al., 2015). Effective responsiveness to their needs and wants from work including rewards and bonuses for achievement of sustainability goals, support for collaboration with external consultants, and investment in R&D programs to create environmentally friendly offerings. The contribution to theory is the development of understanding of the dynamics of interaction between IM and green marketing. Embedding sustainable initiatives into organisational culture and management procedures may help address the challenges of environmental marketing (Jones et al., 2008; Peattie, 2012).

Keywords: Strategic Green Marketing Orientation, Environmental Management Systems, Internal Marketing, Employee Engagement, Competitive Advantages

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Figure 1: Conceptual Framework

