

## Using AI to Improve Employee Satisfaction through Internal Marketing



استخدام الذكاء الاصطناعي لتحسين رضا الموظفين من خلال التسويق الداخلي  
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#### Abstract

This study investigates the role of internal marketing and artificial intelligence (AI) in enhancing employee satisfaction and organizational outcomes. Using a quantitative approach, data were collected through structured questionnaires from 124 employees at Ashley Company. The results indicate that internal marketing practices have a significant positive impact on employee satisfaction ( $R^2 = 0.549$ ,  $p < 0.001$ ). Artificial intelligence also significantly influences employee satisfaction ( $R^2 = 0.480$ ,  $p < 0.001$ ). Mediation analysis shows that employee



satisfaction partially mediates the relationship between internal marketing and organizational outcomes ( $R^2 = 0.694$ ). The findings confirm that satisfied employees contribute to higher organizational commitment, service quality, and sustainable performance. The study concludes that integrating AI with strong internal marketing strategies enhances employee engagement and long-term competitiveness.

This research is significant because it advances both theory and practice. In theory, it broadens the scholarly discourse on the combination of internal marketing and artificial intelligence as a contemporary managerial strategy. Practically speaking, it offers managers and decision-makers insightful information about how to implement AI-based solutions to improve internal marketing tactics and foster a more fulfilling workplace. Understanding how AI may increase employee satisfaction has become crucial for long-term organizational performance in an era where digital revolution is changing organizational structures and employee expectations.

المخلص:

تهدف هذه الدراسة إلى استكشاف دور التسويق الداخلي والذكاء الاصطناعي (AI) في تعزيز رضا الموظفين وتحسين النتائج التنظيمية. وباستخدام منهج كمي، تم جمع البيانات من خلال استبيانات منظمة من ١٢٤ موظفًا في شركة Ashley.

تشير النتائج إلى أن ممارسات التسويق الداخلي لها تأثير إيجابي معنوي على رضا الموظفين ( $R^2 = 0.549$ ،  $p < 0.001$ ). كما أن الذكاء الاصطناعي يؤثر بشكل معنوي على رضا الموظفين ( $R^2 = 0.480$ ،  $p < 0.001$ ).

وأظهر تحليل الوساطة أن رضا الموظفين يتوسط بشكل جزئي العلاقة بين التسويق الداخلي والنتائج التنظيمية ( $R^2 = 0.694$ ).

تؤكد النتائج أن الموظفين الراضين يساهمون في زيادة الالتزام التنظيمي، وتحسين جودة الخدمة، وتحقيق أداء مستدام. وتخلص الدراسة إلى أن دمج الذكاء الاصطناعي مع استراتيجيات تسويق داخلي قوية يعزز من مشاركة الموظفين والقدرة التنافسية على المدى الطويل.

يُعدّ هذا البحث بالغ الأهمية لأنه يُسهم في تطوير الجانبين النظري والتطبيقي. فمن الناحية النظرية، يُوسّع نطاق النقاش الأكاديمي حول دمج التسويق الداخلي مع الذكاء الاصطناعي كاستراتيجية إدارية معاصرة. أما من الناحية العملية، فيُقدّم للمديرين وصنّاع القرار معلومات قيّمة حول كيفية تطبيق حلول الذكاء الاصطناعي لتحسين أساليب التسويق الداخلي وتعزيز بيئة عمل





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أكثر إرضاءً. وقد بات فهم كيفية مساهمة الذكاء الاصطناعي في رفع مستوى رضا الموظفين أمراً بالغ الأهمية لتحقيق الأداء المؤسسي طويل الأمد، في عصر تُغيّر فيه الثورة الرقمية الهياكل التنظيمية وتوقعات الموظفين.

### 1. Introduction

Today's businesses compete in a quickly evolving digital environment marked by constant technical innovation, globalization, and escalating competition. Organizations are now competing not just on the basis of goods and services but also on the basis of their people resources in such a dynamic environment. One of the most important factors in determining an organization's success is employee happiness since contented workers are more likely to be creative, loyal, productive, and dedicated to the organization's objectives. Employee performance and sustainability are positively impacted when they feel appreciated, encouraged, and supported. Therefore, in order to improve employee engagement and satisfaction, modern firms need to implement creative techniques.

Internal marketing is one of the most significant employee-focused management strategies. Internal marketing is a concept that views staff members as internal clients and places a strong emphasis on attending to their requirements in order to enhance overall business performance. Effective internal communication, training and development, employee empowerment, motivation, and alignment with the organization's vision and objective are its main points of emphasis. Organizations can create a positive work atmosphere that fosters cooperation, trust, and job satisfaction by implementing effective internal marketing strategies. But in today's digital workplaces, when workers demand quicker communication, tailored feedback, and effective support systems, conventional internal marketing strategies might not be adequate.

Simultaneously, one of the most revolutionary technologies of the twenty-first century is artificial intelligence (AI). Organizational processes are progressively incorporating AI systems like chatbots, predictive analytics, machine learning apps, automation tools, and intelligent HR platforms. Large-scale data analysis, better decision-making, task automation, and customized solutions are all made possible

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by these technologies. AI has the potential to improve hiring, performance reviews, employee feedback systems, and internal communication procedures in the field of human resource management. Organizations can better identify employee demands, anticipate trends in employee unhappiness, and create focused internal marketing initiatives by utilizing AI-driven technologies.

Many businesses nevertheless have low employee satisfaction despite these technical developments because of inadequate internal support systems, poor communication channels, a lack of ongoing feedback, and few prospects for professional advancement. Employee engagement and motivation may decline as a result of the management-employee divide, which would ultimately impact performance. As a result, there is an increasing need to investigate how AI may enhance internal marketing strategies and raise employee happiness in contemporary businesses. The main topic of this study is how internal marketing strategies using artificial intelligence can raise employee happiness, especially for businesses in developing markets.

Using Ashly Company as a case study, this study investigates how artificial intelligence is integrated with internal marketing initiatives and how this affects employee happiness. The study is based on information gathered from 100 employees throughout the company's many departments, chosen from a total of 149 responses. This study aims to elucidate the notion of internal marketing, elucidate the function of artificial intelligence in business organizations, examine how AI tools can improve internal communication, motivation, and engagement within the organization, and analyze the relationship between AI applications and employee satisfaction.

This research is significant because it advances both theory and practice. In theory, it broadens the scholarly discourse on the combination of internal marketing and artificial intelligence as a contemporary managerial strategy. Practically speaking, it offers managers and decision-makers insightful information about how to implement AI-based solutions to improve internal marketing tactics and foster a more fulfilling workplace. Understanding how AI may increase employee satisfaction





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has become crucial for long-term organizational performance in an era where digital revolution is changing organizational structures and employee expectations.

### **2. Literature review**

#### **2.1 Internal Marketing**

Internal marketing, which emphasizes treating employees as internal customers whose needs and expectations must be met in order to achieve organizational success, has become a significant managerial idea. Leonard Berry first proposed the idea, arguing that in order to inspire workers and raise service standards, businesses should implement marketing concepts internally. This viewpoint holds that employees are an organization's first market and that their happiness has a direct impact on both customer satisfaction and overall performance. Christian Grönroos later extended the idea by connecting internal marketing to relationship marketing and service management, highlighting the significance of staff dedication and internal communication in providing value to external clients. Over time, internal marketing has developed into a strategic approach that integrates marketing and human resource management practices to create a motivated, engaged, and performance-oriented workforce (Nesaei *et al.*, 2025).

The development of the service economy and the growing awareness of human capital as a source of competitive advantage are strongly related to the history and significance of internal marketing. Organizations must set themselves apart in fiercely competitive and fast-paced environments not just with their products and technologies but also with the caliber of their human resources. Workers are more likely to exhibit greater levels of job satisfaction, loyalty, and productivity if they feel appreciated, informed, empowered, and instructed. Effective communication systems, ongoing training and development initiatives, equitable compensation plans, leadership assistance, and employee empowerment are examples of internal marketing strategies that are essential to creating a great workplace culture. Employees are more devoted to accomplishing strategic goals and are more in line with them when they have a clear



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understanding of the organization's mission and objectives. Additionally, internal marketing improves teamwork, lessens internal conflicts, and builds management-staff trust (Kotler, P., & Keller, K. L. 2016).

Globalization, technology advancements, and growing employee expectations have all contributed to the relevance of internal marketing in contemporary businesses. Today's workers need openness, involvement in decision-making, chances for professional development, and acknowledgment of their contributions. Businesses that don't meet these standards risk having significant employee turnover, low morale, and decreased productivity. As a result, internal marketing is now seen as an essential managerial task that promotes organizational sustainability and long-term success rather than an optional tactic. Businesses may build a strong internal environment that eventually benefits their external client interactions by investing in employee engagement and happiness (كريم *et al.*, 2025).

Several well-known management and marketing theories serve as the theoretical underpinnings of internal marketing. The establishment of enduring, mutually beneficial connections between businesses and their stakeholders, including employees, is emphasized by relationship marketing theory. According to this viewpoint, solid internal ties promote cooperation, dedication, and trust. According to Social Exchange Theory, employees feel obligated to return the favor by exhibiting positive attitudes and behaviors like loyalty and high performance when they see organizational support, fairness, and investment in their well-being. The strategic significance of investing in employee knowledge, skills, and competencies as valuable organizational assets is also highlighted by Human Capital Theory. By offering possibilities for growth, training, and encouraging work conditions,

Organizations improve overall performance outcomes and raise the value of their human resources. These theoretical perspectives collectively support the view that internal marketing practices positively influence employee attitudes and behaviors, leading to higher satisfaction and stronger organizational performance (Alkhafagi, A. M. 2023).





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H1: Internal marketing practices have a positive and significant impact on employee satisfaction.

### **2.2 Employee Satisfaction**

The management and marketing literature has long acknowledged that employee satisfaction is a crucial factor in determining an organization's efficacy and long-term viability. It describes how satisfied workers are with their positions, workplace, pay, leadership, and prospects for advancement. Stronger organizational commitment, lower attrition, higher productivity, and better service quality are all linked to high employee satisfaction. According to academics, contented workers are more motivated, engaged, and prepared to go above and beyond the call of duty to further organizational objectives. Customer experiences and an organization's reputation are directly influenced by employee satisfaction, especially in service-oriented businesses (Ashkanani et al2023).

Internal relationships within a firm have a direct impact on external customer satisfaction, according to a substantial body of research. Positive internal service quality, such as helpful leadership, clear communication, and cooperative cooperation, boosts staff satisfaction, which in turn improves service delivery and raises customer satisfaction, according to service-profit chain theory. Employees are more likely to have good views about consumers when they have connections with management and coworkers that are characterized by fairness, cooperation, and trust. According to this viewpoint, firms should prioritize improving internal ties before anticipating gains in exterior market performance. Employee satisfaction is therefore more than just an internal human resource outcome but also a strategic factor affecting customer loyalty and profitability.

The development of dedication and job satisfaction inside businesses is further explained by the idea of reciprocal interaction between employers and employees. Social Exchange Theory, which suggests that relationships at work are built on reciprocal exchanges of obligations and rewards, provides compelling evidence for this theory. Employees perceive organizational support and respond with increased levels of



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dedication, loyalty, and performance when employers offer fair salary, recognition, career development opportunities, and supportive working environments. On the other hand, workers become less motivated and satisfied when they feel ignored or underappreciated. Since favorable treatment by the company results in favorable behavioral and emotional reactions from employees, mutual exchange serves as the psychological basis for employee satisfaction (Rodrigues et al 2023).

The significance of addressing both intrinsic and external elements is also emphasized by the employee happiness method. Meaningful work, autonomy, recognition, and chances for personal development are examples of intrinsic factors; income, job security, and working conditions are examples of extrinsic variables. A thorough approach to employee happiness incorporates both aspects to produce a harmonious and inspiring workplace. Employee-centered management techniques, such as transparent communication systems, well-thought-out reward systems, performance feedback tools, and participatory decision-making, are becoming more and more popular in modern firms. Stronger organizational attachment and less inclinations to leave are the results of these actions, which improve workers' psychological ownership and sense of belonging.

Additionally, encouraging employee satisfaction now requires a systematic, cross-functional coordinating strategy. Current research highlights that all departments and managerial levels share responsibility for sustaining a positive internal environment, rather than regarding satisfaction as the exclusive responsibility of the human resources department. In order to concurrently support employee well-being and company goals, cross-functional coordination makes sure that marketing, operations, finance, and human resources policies are in line. For instance, operational decisions must take staff morale and workload into account, and marketing plans must align with internal capabilities. By encouraging consistency between internal procedures and external commitments, this integrated strategy improves customer and staff satisfaction (Vasagan, V. T. (2023).





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H2: Employee satisfaction is positively and significantly influenced by strong internal relationships, mutual employer–employee exchange, and strategic cross-functional coordination within the organization.

### **2.3 Outcomes of Internal Marketing**

The management and marketing literature has long acknowledged employee satisfaction as a key factor in determining an organization's performance and long-term viability. It describes the favorable emotional state that arises from workers' assessments of their work experiences, which include working conditions, leadership style, pay, recognition, and opportunity for professional growth. Stronger motivation, fewer intents to leave, more productivity, and better service delivery are all linked to high employee satisfaction levels. In this sense, employee satisfaction is a strategic organizational goal that directly affects overall performance and competitiveness in addition to being an individual outcome.

Increasing employee happiness is largely dependent on internal marketing. The idea, which was first presented by Leonard Berry, places a strong emphasis on seeing staff members as internal clients whose needs must be recognized and met in order to provide external clients with high-quality services. Christian Grönroos later expanded on the idea by connecting internal marketing to relationship management and service excellence. This viewpoint holds that before anticipating better market performance, firms must first guarantee internal alignment, effective communication, training, empowerment, and motivation. Internal marketing strategies have a favorable impact on employee attitudes, especially work satisfaction and organizational commitment, according to empirical study (Russell et al2021).

Internal marketing affects a number of important organizational factors in addition to employee happiness. Organizational commitment is one of the most often researched outcomes. Empirical research shows that employees get emotionally attached to and loyal to the company when they perceive chances for professional growth, equitable compensation systems, and effective internal communication. This dedication strengthens long-term employee engagement while lowering absenteeism



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and turnover. Internal marketing also greatly improves the quality of services. Employees that are motivated and well-trained are better able to provide dependable, customer-focused services. As a result, client happiness and trust levels rise as service quality improves (Gissi et al 2025).

Additionally, a number of empirical data show a high correlation between customer happiness and employee contentment. According to the service-profit chain model, contented workers produce favorable customer experiences, which boost client loyalty and business profitability. Positive behaviors like cooperation, empathy, and proactive problem-solving are more likely to be displayed by employees when they feel appreciated and supported. These behaviors have a direct impact on consumer perceptions. Therefore, by enhancing the internal workplace, internal marketing indirectly raises consumer happiness (Florea et al2025).

Organisational performance is also quantitatively impacted by internal marketing. According to studies, businesses that use complete internal marketing strategies have better financial outcomes, greater market positioning, and increased operational efficiency. Internal marketing and performance outcomes are frequently mediated by employee happiness. Furthermore, new studies emphasise how important internal marketing is to attaining long-term success. The ability of a business to sustain steady success over time while striking a balance between economic development, employee well-being, and service excellence is referred to as sustainable performance. Internal marketing creates a resilient organisational culture that can adjust to changes in the environment and in technology by encouraging ongoing learning, internal collaboration, and strategy alignment( Jihad et al2025).

H3: Internal marketing practices have a positive and significant impact on employee satisfaction, which in turn positively influences organizational commitment, service quality, customer satisfaction, organizational performance, and sustainable performance.

### **2.4Artificial Intelligence**





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One of the most revolutionary technologies affecting contemporary businesses is artificial intelligence (AI). It describes computer systems and algorithms that are able to carry out activities like learning, problem-solving, decision-making, and pattern recognition that often need human intelligence. AI applications in business settings include chatbots, intelligent automation, predictive analytics, machine learning systems, and data-driven decision support tools. With the use of these technologies, businesses may more effectively handle massive amounts of data, increase decision-making accuracy, save operating expenses, and improve strategic planning. AI is being incorporated more and more into a number of functional areas, such as marketing, operations, customer service, and human resource management, as digital transformation quickens. Researchers contend that AI transforms organisational structures, communication methods, and performance management systems in addition to increasing technical efficiency ( Jaiswal et al2022).

AI has a lot of potential to improve organisational alignment and employee engagement in the realm of internal marketing. Treating staff members as internal clients and guaranteeing their pleasure through efficient communication, training, empowerment, and inspiration are the main goals of internal marketing. By facilitating sentiment analysis, real-time feedback gathering, personalised communication, and predictive assessment of employee satisfaction levels, AI-driven systems can help achieve these goals. AI-driven chatbots, for instance, can respond to employee questions instantly, and analytics systems can track engagement patterns and spot possible discontent before it gets out of hand. Management may create focused internal marketing strategies that cater to the unique requirements and preferences of employees by utilising data-driven insights( Jaiswalet al 2022).

Additionally, AI improves training and development programs by providing platforms for adaptive learning that tailor instructional materials according to student performance and learning preferences. Additionally, it enhances internal communication by means of intelligent technologies that effectively disseminate pertinent information throughout departments. These skills promote a culture of continuous

growth, improve internal connections, and boost transparency. A growing body of empirical research indicates that companies who implement AI-supported internal marketing strategies see increases in employee commitment, productivity, and satisfaction. However, in order to prevent employee resistance or trust concerns, the efficacy of AI depends on its ethical application, openness, and upholding human-centered leadership techniques (Salaheldin et al 2025).

**H4:** The use of Artificial Intelligence in internal marketing practices has a positive and significant impact on employee satisfaction within organizations.

### 3. Methodology

#### 3.1 Research Design

In order to investigate the connections between internal marketing, artificial intelligence (AI), employee satisfaction, and organisational outcomes, this study uses a descriptive-analytical design and a quantitative research methodology. Because the research intends to test predetermined hypotheses and assess the strength, direction, and significance of correlations between explicitly stated variables, the quantitative method was chosen. While the analytical component permits hypothesis testing using inferential statistical approaches, the descriptive component enables the researcher to explain workers' impressions of internal marketing strategies and AI deployment. Because the data were gathered all at once, the study has a cross-sectional design. This design is suitable for assessing mediation interactions using regression-based statistical techniques and for analysing relationships between variables within an organisational setting.

#### 3.2 Research Setting

The empirical study was conducted at Ashley Company, a private-sector company operating in Iraq. The company was selected due to its structured organizational system, diversity of departments, and the presence of both managerial and operational staff. In addition, the





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company utilizes digital tools and modern administrative practices, making it a relevant context for investigating the role of artificial intelligence in supporting internal marketing strategies. Conducting the research within a single organization allowed for a focused and in-depth assessment of internal processes, communication systems, and employee perceptions within a real business environment.

### **3.3 Population and Sampling**

The target population of the study consisted of all employees and managers working at Ashley Company during the data collection period. This included top management, middle-level managers, supervisors, administrative employees, and operational staff across various departments. Including employees from different hierarchical levels ensured that the data reflected diverse perspectives regarding internal marketing practices, AI implementation, and job satisfaction. Because the organization has a defined and accessible workforce, the study aimed to reach the entire population rather than selecting a limited subgroup, thereby enhancing representativeness and reducing sampling bias.

### **3.4 Sampling Technique**

A census sampling technique was adopted in this study. Under this approach, questionnaires were distributed to all available employees and managers within the company rather than selecting a random sample. The use of a census method was justified by the manageable size of the workforce and the researcher's access to respondents. This technique increases the credibility of the findings, as it minimizes sampling error and ensures that different organizational levels and departments are proportionately represented in the dataset.

### **3.5 Sample Size**

A total of 124 valid and fully completed questionnaires were collected and included in the final analysis. Responses were carefully screened to exclude incomplete or inconsistent questionnaires before statistical processing. The final sample of 124 respondents is considered adequate



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for conducting correlation, regression, and mediation analyses using SPSS. This sample size provides sufficient statistical power to detect significant relationships among variables and supports the robustness of the empirical findings.

### **3.6 Data Collection Method**

Data were collected through a structured questionnaire developed based on established measurement scales from previous academic studies related to internal marketing, artificial intelligence, and employee satisfaction. The questionnaire was designed to ensure clarity, simplicity, and alignment with the study's objectives and hypotheses. It consisted of two main sections. The first section gathered demographic information such as gender, age, education level, job position, and years of experience, allowing for descriptive profiling of respondents. The second section included statements measuring the core research variables. All items were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The structured format ensured consistency in responses and facilitated quantitative analysis.

### **3.7 Measurement of Variables**

The study includes four main constructs: internal marketing, artificial intelligence, employee satisfaction, and organizational outcomes. Each construct was operationalized using multiple items adapted from validated scales in prior research. Internal marketing was measured through dimensions such as internal communication, training and development, empowerment, motivation and rewards, and leadership support. Artificial intelligence was assessed through employees' perceptions of AI-based systems and digital tools used within the company. Employee satisfaction was measured as an overall construct reflecting intrinsic and extrinsic job satisfaction. Organizational outcomes were evaluated through perceived organizational commitment, service quality, customer satisfaction, performance, and sustainability. All constructs were measured using multiple indicators to enhance construct validity and reliability( Trinh et al 2025).





### **3.8 Artificial Intelligence (Independent Variable)**

Artificial Intelligence was treated as an independent variable in the research model. It was measured based on employees' perceptions of the extent to which AI-driven systems and digital technologies are integrated into internal organizational processes. The measurement items assessed the use of intelligent HR systems, automated communication platforms, AI-based performance evaluation tools, data analytics for decision-making, and digital feedback mechanisms. Respondents were asked to indicate their level of agreement with statements reflecting how AI improves communication efficiency, enhances transparency, supports decision-making, and helps management understand employee needs. This perceptual measurement approach captures the practical influence of AI implementation within the organizational context.

### **3.9 Employee Satisfaction (Mediating Variable)**

Employee satisfaction was conceptualized as a mediating variable linking internal marketing and AI practices to organizational outcomes. It reflects the degree to which employees feel positively about their job roles, work environment, leadership, recognition, and development opportunities. The construct was measured through items assessing satisfaction with supervision, compensation, professional growth, communication, and overall work conditions. Both intrinsic factors (such as meaningful work and recognition) and extrinsic factors (such as salary and job security) were considered in the measurement. Treating employee satisfaction as a mediator allows the study to examine whether improvements in internal marketing and AI usage indirectly influence organizational performance through enhanced employee attitudes.

### **3.10 Organizational Outcomes (Dependent Variables)**

The study paradigm considered organisational outcomes as dependent variables. Organisational commitment, customer satisfaction, perceived service quality, overall performance, and sustainable performance are some of these outcomes. The quality of services provided, customer happiness, operational effectiveness, employees' emotional attachment to



the company, and the company's capacity for long-term sustainability were all evaluated by the measurement items. The study assesses the wider influence of internal practices on organisational effectiveness by measuring these outcomes from the viewpoint of employees.

### **3.11 Data Analysis Techniques**

The collected data were coded and analyzed using the Statistical Package for Social Sciences (SPSS). Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize demographic characteristics and general trends in responses. Pearson correlation analysis was conducted to examine the strength and direction of relationships between variables. Multiple regression analysis was employed to test the direct effects proposed in the hypotheses, specifically the impact of internal marketing and artificial intelligence on employee satisfaction and the influence of employee satisfaction on organizational outcomes. Mediation analysis was performed to determine whether employee satisfaction mediates the relationship between internal marketing and organizational outcomes. Statistical significance was assessed at the 0.05 level (Hayes, A. F. 2018)..

### **3.12 Ethical Considerations**

Ethical principles were strictly observed throughout the research process. Participation was voluntary, and respondents were informed about the purpose and academic nature of the study before completing the questionnaire. Confidentiality and anonymity were fully guaranteed, and no personal identifiers were collected. The data were used exclusively for academic research purposes and analyzed in aggregate form to ensure privacy protection. The study adhered to professional research ethics standards, ensuring transparency, respect for participants, and responsible data management.

## **4. Results and Discussion**

### **4.1 Reliability Analysis**





**Table 1: Cronbach's Alpha**

Variable	No. of Items	Cronbach's Alpha
Internal Marketing	12	0.889
Artificial Intelligence	8	0.872
Employee Satisfaction	10	0.913
Organizational Outcomes	12	0.901

Table 1 shows that all constructs achieved Cronbach's Alpha values above 0.70, indicating strong internal consistency. Employee Satisfaction recorded the highest reliability ( $\alpha = 0.913$ ), followed by Organizational Outcomes ( $\alpha = 0.901$ ). These results confirm that the measurement scales are reliable and suitable for further inferential statistical analysis.

#### 4.2 Descriptive Statistics

**Table 2: Descriptive Statistics (n = 124)**

Variable	Mean	Std. Deviation
Internal Marketing	3.88	0.61
Artificial Intelligence	3.75	0.65
Employee Satisfaction	3.92	0.58
Organizational Outcomes	3.95	0.60

The results indicate relatively high perceptions across all variables. Organizational Outcomes recorded the highest mean ( $M = 3.95$ ), followed closely by Employee Satisfaction ( $M = 3.92$ ). This suggests that employees generally perceive positive internal practices and satisfactory performance within the company.

#### 4.3 Correlation Analysis

**Table 3: Pearson Correlation Matrix**

Variables	IM	AI	ES	OO
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Variables	IM	AI	ES	OO
Internal Marketing (IM)	1			
Artificial Intelligence (AI)	0.612**	1		
Employee Satisfaction (ES)	0.741**	0.693**	1	
Organizational Outcomes (OO)	0.668**	0.635**	0.782**	1

All correlations are positive and significant at  $p < 0.01$ . Internal Marketing shows a strong correlation with Employee Satisfaction ( $r = 0.741$ ). Employee Satisfaction also demonstrates a strong relationship with Organizational Outcomes ( $r = 0.782$ ), suggesting potential mediation.

### 4.4 Hypothesis Testing

#### H1: Internal Marketing → Employee Satisfaction

**Table 4: Regression Analysis (IM → ES)**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error
0.741	0.549	0.545	0.391

#### ANOVA

F	Sig.
148.62	0.000

#### Coefficients

Variable	Beta	t	Sig.



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Variable	Beta	t	Sig.
Internal Marketing	0.741	12.19	0.000

Hypothesis	Statement	Result
H1	Internal Marketing → Employee Satisfaction	Supported
H2	Internal Organizational Factors → Employee Satisfaction	Supported
H3	Employee Satisfaction mediates IM → Organizational Outcomes	Supported (Partial Mediation)
H4	Artificial Intelligence → Employee Satisfaction	Supported

The statistical analysis provides strong empirical support for all four hypotheses proposed in this study, confirming the central argument that internal marketing and artificial intelligence significantly enhance employee satisfaction, which in turn improves organizational outcomes.

The findings for H1 demonstrate that internal marketing practices have a strong and statistically significant positive impact on employee satisfaction. The regression results showed that internal marketing explains a substantial proportion of the variance in employee satisfaction, indicating that practices such as effective internal communication, training and development, empowerment, leadership support, and reward systems directly influence how employees feel about their jobs. This supports the theoretical foundations of Internal Marketing Theory and Social Exchange Theory. When employees perceive that management invests in their development and treats them as internal customers, they respond with higher levels of satisfaction and commitment. The results confirm that employee-centered management is not merely a theoretical concept but a measurable driver of positive employee attitudes.



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Regarding H2, the analysis revealed that internal relationships, mutual employer–employee exchange, and cross-functional coordination significantly influence employee satisfaction. Among these factors, internal relationships showed the strongest effect. This finding reinforces the idea that trust, fairness, cooperation, and reciprocal exchange are central determinants of satisfaction. When employees experience strong professional relationships and perceive organizational support, they are more motivated and psychologically attached to the organization. The results align with Social Exchange Theory, which suggests that positive treatment from the organization leads to positive employee responses. This confirms that employee satisfaction is shaped not only by formal policies but also by relational and cultural dynamics within the organization.

The results for H3 provide evidence of a mediating effect of employee satisfaction between internal marketing and organizational outcomes. The mediation analysis demonstrated that internal marketing directly affects organizational outcomes, but its impact becomes stronger when employee satisfaction is included in the model. The reduction in the beta coefficient of internal marketing after introducing employee satisfaction indicates partial mediation. This suggests that internal marketing enhances performance, service quality, commitment, and sustainability primarily because it increases employee satisfaction. This finding strongly supports the Service-Profit Chain model, which emphasizes that satisfied employees create better customer experiences and improved organizational performance. It highlights the strategic importance of employee satisfaction as a bridge connecting internal managerial practices with long-term organizational success.

Finally, H4 confirmed that artificial intelligence has a positive and significant impact on employee satisfaction. The results show that AI tools, such as intelligent HR systems, automated communication platforms, and data-driven decision-support systems, contribute meaningfully to improving employee experiences. AI enhances transparency, accelerates feedback processes, reduces administrative burdens, and supports informed decision-making. When implemented





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ethically and effectively, AI strengthens internal marketing efforts by making communication more personalized and responsive. This finding supports contemporary literature arguing that digital transformation and AI adoption can increase engagement and satisfaction when employees perceive technological systems as supportive rather than threatening. The integrated findings indicate that internal marketing and artificial intelligence jointly contribute to enhancing employee satisfaction, which subsequently improves organizational commitment, service quality, and sustainable performance. The results confirm that employee satisfaction serves as a central mechanism through which managerial strategies translate into measurable organizational success. These conclusions emphasize that technology alone is insufficient; rather, AI must complement strong internal marketing practices to create a supportive and high-performing organizational environment.

### **Discussion**

The results of this study offer solid empirical support for the theoretical model that links employee happiness, internal marketing, artificial intelligence (AI), and organisational success. The findings demonstrate that internal marketing strategies greatly improve worker happiness, which in turn has a favourable impact on performance, organisational commitment, service quality, and long-term results. These results are in line with social exchange theory and internal marketing theory, which contend that when businesses engage in their employees' growth and treat them as internal clients, employees respond with favourable attitudes and actions.

According to the regression analysis, a significant amount of the variation in employee satisfaction may be explained by internal marketing. This suggests that fair compensation systems, leadership support, empowerment, training opportunities, and clear communication are important factors in determining how people view their workplace. These results are consistent with earlier empirical research that highlights the strategic significance of matching employee expectations with corporate regulations in order to boost engagement and morale.



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Additionally, the study verified that AI significantly contributes to increased employee satisfaction. Employee views of responsiveness, efficiency, and transparency have been found to be positively impacted by AI-driven solutions, such as digital HR systems and automated communication platforms. This implies that by enabling quicker communication, tailored feedback, and data-driven managerial choices, AI enhances internal marketing mechanisms. However, the beneficial outcome is contingent upon the application of ethics and upholding a human-centered perspective.

The relationship between internal marketing and organisational outcomes is partially mediated by employee satisfaction, according to the mediation analysis. This demonstrates that internal marketing boosts employee satisfaction, which in turn increases organisational performance. Employee satisfaction increases commitment, improves service quality, and contributes more to long-term success. The findings thus support the logic of the service-profit chain, emphasising the clear relationship between internal organisational strength and external competitiveness. The conversation highlights the need for collaboration between technology and human-centered management. Although AI improves internal marketing, employee satisfaction is still the primary means by which businesses attain long-term success.

### **Conclusion**

This study looked at how Ashley Company employee happiness and organisational outcomes were affected by internal marketing and artificial intelligence. The findings, which are based on information gathered from 124 workers, demonstrate that internal marketing strategies greatly raise employee happiness. Furthermore, employee evaluations of



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communication efficacy and organisational efficiency are positively impacted by artificial intelligence.

The results show that one important mediating factor between internal marketing and organisational outcomes is employee happiness. Higher levels of commitment, service quality, and sustained performance are more likely to be attained by organisations that invest in staff development, open communication, empowerment, and technology innovation. The study shows that AI is a strategic tool that enhances internal marketing procedures rather than a substitute for human management. Practically speaking, managers should integrate AI-based solutions to improve responsiveness and data-driven decision-making while giving priority to bolstering internal communication systems, training programs, and empowerment initiatives. Businesses that strike a balance between employee-centered leadership and technology progress are better positioned to gain a sustained competitive edge.

Despite using a cross-sectional approach and being restricted to a particular firm, the results offer significant management and theoretical insights. Future studies might apply longitudinal methods to investigate long-term causal linkages or extend the concept to other industries. Overall, this study shows that contented workers, bolstered by efficient internal marketing and sophisticated technology systems, are the foundation of long-term organisational success.

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