

Addis Ababa  
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**The Effect of Internal Marketing on Job Satisfaction:  
The Case of Commercial Bank of Ethiopia**

**A Thesis Submitted to Addis Ababa University College of Business and Economics,  
Graduate Studies in  
Partial Fulfillment of the Requirements for the Degree of Master of Business  
Administration, Specialization in Management**

**By:SelamawitAsfaw**

**Advisor:Ethiopia Legesse(PhD)**

**Addis Ababa University  
College of Business and Economics  
Addis Ababa  
2019**

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**2019**

## ***Declaration***

I, Selamawit Asfaw Weldemariam, hereby declare that the thesis entitled ***The Effect of Internal Marketing on Job Satisfaction: The Case of Commercial Bank of Ethiopia*** is my own original work and has not been submitted for any degree in any other University. It is offered for the award of the degree of Master of Business Administration in Management from Addis Ababa University.

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## Statement of Certification

This is to certify that the thesis prepared by SelamawitAsfaw entitled: *The Effect of Internal Marketing on Job Satisfaction: The Case of Commercial Bank of Ethiopia* and submitted in partial fulfillment of the requirements for the degree of Master of Business Administration Specialization in Management compiles with the regulations of the university and meets the accepted standards with respect to originality and quality.

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External Examiner: \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Advisor: Dr. Ethiopia Legesse Signature \_\_\_\_\_ Date \_\_\_\_\_

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**Chair of Department or Graduate Program Coordinator**

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## **LIST OF ACRONYMS/ABBREVIATIONS**

<b>ANOVA</b>	Analysis of Variance
<b>CBE</b>	Commercial Bank of Ethiopia
<b>IM</b>	Internal Marketing
<b>SPSS</b>	Statistical Package for Social Science
<b>VIF</b>	Variance Inflation Factor

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## **ABSTRACT**

*The objective of this study is to examine the effect of internal marketing on job satisfaction of CBE Employees. The study used quantitative research approach to collect data from front line employees of CBE. A survey was made by taking 352 samples of CBE frontline employees as respondents through systematic random sampling technique. A structured questionnaire on five Likert scale basis was used to collect data. Both descriptive and inferential (correlation and regression) statistics were utilized using SPSS version 20 to analyze the data. The results indicate that all selected dimensions of internal marketing (training, empowerment, motivation and internal communication) have significantly and positively affect job satisfaction. Thus, CBE is recommended to fully implement internal marketing program to increase employees' job satisfaction. This indicates to us that the management must consider the organization as its first market and satisfy the needs of its internal customers. Furthermore, it also establishes internal marketing program for CBE on the basis of those internal marketing dimensions which enhance job satisfaction of the employee.*

**KEY WORDS:** *Internal marketing, Training, Empowerment, Motivation, Internal communication, Job satisfaction.*

# CHAPTER ONE

## 1.1 Introduction

This chapter consists of background of the study, company background, statement of the problem, research question, objective of the study, significance of the study, delimitation of the study, definition of terms, and organization of the paper are explained here under.

## 1.2 Background of the study

*“I have always believed that the way you treat your employees is the way they treat your customers”.* SirRichard Branson.

Now-a-days, employees play a critical role in the achievement of the organizational goals, especially in promoting the quality of services. Internal Marketing (IM) should be apriority before external marketing (Kotler, 2000).IM starts with the organization recruiting the right people in the right position to reach the point where these employees are satisfied and willing to do their job and accomplish customer satisfaction (Al-Hawary, Al-Qudah & Abutayeh, 2013).The key aims of IM are the development of internal and external customer awareness and the removal of functional barriers to achieve organizational effectiveness. This is because lack of commitment from employees can be harmful to an organization, resulting in poorer performance arising from inferior services offerings and higher costs (Payne,1993).

According to Ahmed(1995), IM is a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate and inter-functionally co-ordinate and integrate employees towards the effective implementation of corporate and functional strategies, in order to deliver customer satisfaction through a process of creating motivated and customer orientated employees. According to Christopher (2011), effective internal communications can help to ensure efficient and satisfactory service delivery, achieve productive and harmonious working relationships, and build employee trust, respect, and loyalty. Lings (2004) provided the IM orientation that emphasizes on the contact between customers and employees and makes the philosophy of taking employees as customers working at the company as the foundation of creating internal market orientation. He further states that it plays a role to improve the relationship between the

company and its employees and also to enhance the quality of relationship between employees and customers. Furthermore, Lings also pointed out that IM orientation has two important implications. One is the perspective of organization's internal performance that includes employees retaining, motivation and morality, employees' satisfaction and organization's commitment. The other is the perspective of organization's external performance, such as service quality, customers' satisfaction and financial performance (Lings, 2004).

In today's competitive world, service giving organizations give high value to their customers. Gaining satisfaction and loyalty of external customers is an impossible task without fulfilling the needs and wants of internal customers in organizations; internal marketing being the most important approach that helps organizations in this direction. Service giving organizations need to give high emphasis to the quality of service delivered by their front-line service personnel, since the inseparability of production and consumption of service makes service quality more valuable. Main assumption of IM is that employees must be viewed as the most invaluable asset of an organization and must be treated as internal customers because this results in gaining competitive advantage by the organization (Papasolomou, 2002). By satisfying these internal customers' organizations should be in better position to deliver the quality service desired to satisfy the external customers (Aburoub, Hersh & Aladwan, 2011). Thus, the main aim of this study is to find out how job satisfaction can be affected by internal marketing.

### **1.3 Company Background**

Commercial Bank of Ethiopia (CBE) is one of the largest state owned and the leading bank in Ethiopia, established in 1942. CBE was legally established as a share company in 1963. Monetary and Banking Proclamation No. 83/1994, Licensing and Supervision of Banking Business Proclamation No. 84/1994, Banking Business Proclamation No 592/2008, and the various directives of the National Bank of Ethiopia (NBE) are the basis for the Bank's business operation. The CBE is supervised by Board of Directors and the day today functions of the bank are managed by the President. The Bank has a process-oriented corporate structure, in which each process is headed by a process owner. The management

of the Bank reports to the President. In 1974, CBE merged with the privately-owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country. The bank is pioneer to introduce modern banking to the country. It has more than 1340 branches stretched across the country. The leading African bank with assets of 565.5 billion Birr as on June 30<sup>th</sup> 2018. Currently CBE has more than 20 million account holders and the number of Mobile and Internet Banking users also reached more than 1,736,768 as of June 30<sup>th</sup> 2018. Active ATM card holders reached more than 5.2 million. CBE combines a wide capital base with more than 33,000 talented and committed employees. CBE has reliable and long-standing relationships with many internationally acclaimed banks throughout the world. The Bank's vision and mission statements are shown below as-is. ("Commercial Bank of Ethiopia: Company Profile", 2019)

### **Vision**

"To become a World-class Commercial Bank by the year 2025"

### **Mission**

"We are committed to best realizing of stakeholders' values through enhanced financial intermediation globally and supporting national development priorities by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology. We strongly believe that winning public confidence is the basis of our success."

## **1.4 Statement of the problem**

Internal Marketing (IM) is aimed at 'attracting, developing, motivating and retaining employees' through job products that satisfy the needs (Kale, 2008). Hung and Lin (2008) argued that the majority of service organizations have not been able to successfully develop and implement IM strategies due to a lack of knowledge and understanding of the different components that constitute the IM environment. Even if attempts were made to examine the effect of IM on firm performance among large supermarkets in Nairobi (Lyambila, 2014), further broader investigation was not done to examine the effect of IM on job satisfaction in Ethiopian banking industry. To fill these gaps, this study was provided an empirical investigation of the effect of IM on job satisfaction of CBE front line employees. As mentioned by Gounaris (2008), despite the critical role that IM plays as a link between the organization external marketing objectives and its internal capabilities,

very few organizations generally use internal marketing in practices. But, if a business organization wants to deliver sustainable quality service, it should give attention to the internal customer adequate to its external customers. This also results that the higher the degree of employee satisfaction; the higher the possibility of generating external satisfaction and loyalty (Zampetakis & Moustakis, 2007). Based on these prior studies, the influence of IM on job satisfaction should be investigated in Commercial Bank of Ethiopia.

It is evident that the organizations which take care of their employees have a greater numbers of satisfied employees (Malik, Ahmad & Hussain, 2010). It is so hard to achieve job satisfaction, because human beings are known for their nature of being difficult to please. There are many ways to seek satisfaction and different people opted for different ways to search for job satisfaction. One study shows that one of the major factor for organizational success is a well-managed human resource (Malik, Saleem& Ahmad, 2010). The second research gap that makes this research unique was the lack of research conducted on IM in relation with job satisfaction and more specifically on commercial banks of Ethiopia. Though, IM plays a vital role for the long success of companies, the topic area has not been well researched in general and needs further investigation to empirically establish the relationship between internal marketing practices and job satisfaction.

Therefore, this research seeks to make a contribution towards filling this knowledge gap. The statement of the problem can be stated as “what is the effect of internal marketing on job satisfaction”.

## **1.5 Research Questions**

The study was inspired to answer the following questions;

1. What is the effect of employee training on employee job satisfaction?
2. What is the effect of employee empowerment on employee job satisfaction?
3. What is the effect of employee motivation on employee job satisfaction?
4. What is the effect of employee internal communication on employee job satisfaction?

## **1.6 Objective of the study**

### **1.6.1 General Objective**

The general objective of the study is to investigate the effect of IM on job satisfaction of CBE front line employees.

### **1.6.2 Specific Objectives**

The specific objectives include:

1. To identify effect of employee training on employee job satisfaction.
2. To examine effect of employee empowerment on employee job satisfaction.
3. To investigate effect of employee motivation on employee job satisfaction.
4. To examine effect of employee internal communication on employee job satisfaction.

## **1.7 Significance of the study**

This study will be a significant input for the Commercial Bank of Ethiopia human resource management by indicating the effect of IM on employee job satisfaction and help them to differentiate the most important IM elements used to employees' job satisfaction. The result and conclusion drawn may be used to implement CBE's vision world class bank by the year 2025 by understanding the need of IM to give excellent service to customers through front line staffs. This study provides recommendations how to enhance employee job satisfaction by implementing IM principles in CBE. Finally it paves a way for academicians, who are interested to make further investigation on the topic especially in relation to IM in banking environment.

## **1.8 Scope of the study**

Studies which related internal marketing (IM) to job satisfaction in Ethiopia are very few and limits the researcher understandings of the internal marketing in banking industry in Ethiopia. Therefore, geographically, the study is delimited to the financial service sector and specifically the banking sector on Commercial Bank of Ethiopia, under Addis Ababa city branches only due to the homogeneity of service provision, policy formulation and circulation and human resource strategy implementation of the bank over its all branches in

the country. In addition to this, IM has various and different dimensions, nevertheless the study will conduct on only four dimensions; Training, Communication, Empowerment and Motivation, which are used as an independent variables and employee job satisfaction dependent variable.

## **1.9 Definition of Key terms**

**Internal marketing:** is a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate and inter-functionally coordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer orientated employees (Rafiq & Ahmed,2000).

**Job satisfaction:** refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction, Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

**Organizational performance:** Often understood as results of an organization measured against pre-set goals and objectives. “It is a broad construct which captures what organizations do, produce, and accomplish for the various constituencies with which they interact” (Baum &Rowley, 2002).

**Motivation:** The development of desire within an employee to perform a task to his/her greatest ability based on that individuals own initiatives (Rudolph & Kleiner, 1989).

**Training:** “is the process of preparing employees to perform their tasks efficiently by providing them with the right knowledge and developing their marketing skills” (Ali, 2010).

**Empowerment:** it may be seen as a process where individuals learn to see a closer correspondence between their goals and a sense of how to achieve them, and a relationship between their efforts and life outcomes (Mechanic, 1991).

**Internal Communication:** “all forms of communication from management to employees in service organization” (Lovelock & Wright, 1999).

## **1.10 Organization of the Study**

The research paper consists of five chapters. The first chapter deals with introductory part of the thesis, containing background of the study, statement of the problem, research questions, objectives of the study, hypothesis, definition of terms, significance of the study, delimitation/scope of the study, limitations of the study and organization of the paper. The second chapter reviews literatures related to the study. In this chapter, various theoretical concepts and empirical review that relates with internal marketing and organizational commitment issues is discussed. The third chapter describes the methodology employed in the study, including research design, research strategy, sampling design, data sources, and data collection tools and data analysis methods. Chapter four presents data analysis and interpretation of the research results, discussions and hypothesis tests. The fifth chapter summarizes discussion of results, conclusions and recommendations. In addition, other sections, such as list of references and annexes are also parts of the research framework.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURE**

### **2.1 Introduction**

In this section a range of literatures on key concepts which are essential for the study is reviewed. Points like service marketing triangle, Concept and definitions of Internal Marketing, elements of internal marketing, employee job satisfaction and conceptual frame work of the study, relationship between internal marketing and employee job satisfaction and internal marketing variables were reviewed.

### **2.2 Theoretical Review**

#### **2.2.1 Services Marketing Triangle**

Internal marketing first emerged in the services marketing literature and later in other domains such as service management and relationship marketing (Voima, 2000). Three basic sub-processes and purposes of service marketing (service triangle); external, interactive and internal marketing (Gronroos, 1998).

##### **2.2.1.1 External marketing**

The first type is external marketing which focused on building the relationship between companies and external customers. Several traditional marketing activities, like pricing strategy, promotion activities and all kinds of communication with company's external customers, are implemented to attract customers and capture the attention of market. At this stage, the company will "set the promise" to its external customers in order to get the possibility to delivery services (Shang, Lu, & Li, 2010).

##### **2.2.1.2 Interactive marketing**

The second type of marketing is interactive marketing describes the moment of interactions between the front line employees and external customers (Gronroos, 1985). This kind of interaction was also defined by Paraskevas (2001) as service encounters in which employees have the responsibility of delivering the services to meet the requirements of

external customers. He argued that the front line employees who have the direct contacts with external customers are playing a very important role in this service encounter, because any failure from the employees will lead to losses of external customers. Furthermore, the effects of the other two marketing activities will be significantly damaged.

### 2.2.1.3 Internal marketing

The last type in the service marketing triangle is called internal marketing, which is the marketing of building the relationship between company and its employees. It involves empowerment, trainings, internal communication and motivating (Shang et al., 2010).

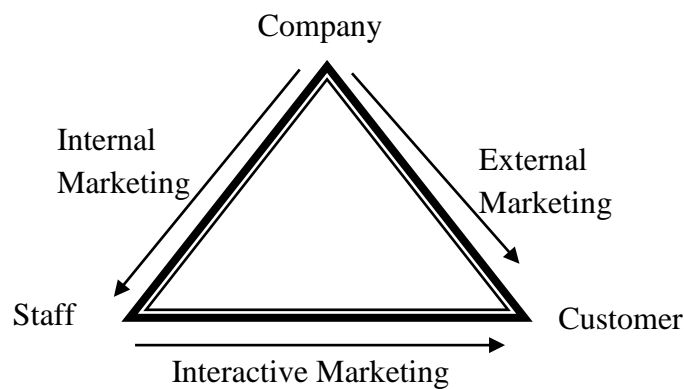


Figure 2.1: Three types of service marketing; Adapted from Gronroos (1998).

## 2.2.2 Concept and Definitions of Internal Marketing

The concept of internal marketing was first derived from the work of Sasser and Arbeit (1976) who stated “personnel is the first market of a service company”. Berry (1981) was the first to give a definition of internal marketing by defining internal marketing as “viewing employees as internal customers, and jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization”. The development of theory on internal marketing can be categorized into three phases (Rafiq & Ahmed, 2000).

### Phase 1: Employee motivation and Satisfaction

In the early developmental phase, the majority of the literature on internal marketing focused upon the issue of employee motivation and satisfaction. The major reason behind this was the fact that the roots of the internal marketing concept lie in efforts to improve

service quality. Not being automatons, individuals exhibit inconsistencies in the performance of service tasks and as a consequence cause variation in the level of delivered service quality. The problem of “Variability” focused organizational efforts on getting employees to deliver consistently high quality service. The overall effect of this was to bring to the fore the issue of employee motivation and satisfaction. Viewing Employees as Internal Customers as Berry’s (1991) defined internal marketing is viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization. Viewing their Job Offerings as Product and their Employees as Customer forces Managers have to devote the same care to their jobs as they devote to the purchases of their services (Sasser & Arbeit, 1996).

## **Phase 2: Customer Orientation**

This phase was initiated by Gronroos (1981), he suggested that the main aim of internal marketing is to create customer orientation among service employees. He argued that internal marketing should “create an internal environment which supports customer consciousness among the personnel”. Gronroos (1985) advocated that “an organization's internal market of employees can be influenced most effectively and hence motivated to customer consciousness, market orientation and sales-mindedness by a marketing-like internal approach and by applying marketing-like activities internally”.

Johnson and Seymour (1985) state “internal marketing deals with creating customer oriented behaviors among employees”. Kotler (1991) mentions that “internal marketing is about building customer orientation among employees by training and motivating both front-line and support staff to work as a team”. Papasolomou (2006) stated that internal marketing aims to develop customer orientation among employees by defining internal marketing as “a mechanism for instilling a people orientation within an organization as a prerequisite for instilling and strengthening the service, customer, and marketing orientation among organizational personnel”. The key difference between the theories of the two phases is that customer orientation conceptualization focuses attention on creating

customer orientation in employees through a process of influencing, rather than satisfying and motivation employees (Rafiq & Ahmed, 2000).

**Phase III: Strategy implementation and Change management**

Winter (1985) was the first to give direction to the third phase of development of internal marketing theory; he recognized the role of internal marketing as a technique for managing employees towards achievement of organizational goals. Winter (1985) mentions that the role of IM is that of “aligning, educating and motivating staff towards institutional objectives, the process by which personnel understand and recognize not only the value of the program but their place in it”. George (1990) states that internal marketing is “as a holistic management process which can be used to integrate the multiple functions”. According to Rafiq and Ahmed (1993) IM is “a planned effort to overcome organizational resistance to change and to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies”.

Taking into account the above-mentioned three phases and the concepts related to it, employee motivation and satisfaction, customer orientation and strategy implementation and change management stating, different authors propose different definition of internal marketing.

Author	Definition
Al-Hawary et al. (2013:813)	Internal marketing can be defined as a planned effort using a marketing-like approach to overcome organizational resistance, to change and align, motivate, and inter functionally co-ordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through the process of creating motivated and customer-oriented employees.
Qayum and Sahaf (2013:50)	Internal marketing is concerned with viewing employees as internal customers, and jobs as internal products that

	satisfy the needs and wants of these internal customers while addressing the objective of the organization.
Kameswari and Rajyalakshmi (2012:47)	Internal marketing is the application of marketing inside an organization to enhance customer focused and customer oriented employees.
Gronroos (2007:389)	Internal marketing is involved with the establishment, maintenance and growth of internal relationships between employees despite their position within the business. Through this process employees must be motivated to deliver a quality service to both internal and external customers of the business.
Kotler and Armstrong (2006:300)	Marketing by a service organization to train and effectively motivate its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction.
Coper and Cronin (2000)	Internal marketing as the organization's attempts for education, reward and generally management of human resources for better service offering.

Table 2.1 Internal marketing definitions.  
Source: Various sources (2019).

Internal marketing for the purpose of this study can thus be defined as:

*A philosophy for the management of large service organization where the employees, in this case CBE front line employees, are viewed as an internal customer market. Internal marketing includes marketing tactics geared towards the attraction, development, retention and inter-functional coordination of employees with the overall objective of enhancing service quality to the customer, even as creating value and satisfaction for the employee.*

### **2.2.3 Elements of Internal Marketing**

Scholars have given various variables on the dimension of internal marketing. There is much debate as to the elements that constitute an internal marketing mix and authors cannot agree as to what constitutes internal marketing with elements. There are many proposals about the IM elements provide for the academic literature. Below are dimension of internal marketing used by different scholars.

- Rafiq and Ahmed (1993): Employee motivation and satisfaction; Customer orientation and Customer satisfaction; Inter-functional coordination and integration; Marketing-like approach; and Implementation of specific corporate or functional strategies.
- Saad, Ahmed, and Rafiq (2002): Product, Price, Place, Promotion, Participants, Tangible evidence and Process.
- Lings (2004): Employee empowerment, Employee training and skills development, internal communication and Reward.
- Barnes, Fox, and Morris (2004): Knowledge management, Communication, Training and staff retention, Rewards, Leadership and management.
- Gounaris (2006): Selection, Training and development, Incentive systems or Empowerment.
- Ali (2010): Internal communication, Employee recruitment, Employee training, Employee, empowerment, internal market research and segmentation and Motivation/rewards.

For the purpose of this study four dimensions which were the most repeatedly stated by the scholars and the relevance of the study are selected.

#### **2.2.3.1 Training**

“Training is the process of preparing employees to perform their tasks efficiently by providing them with the right knowledge and developing their marketing skills” (Ali, 2010). The studies show that the investment in training will have tangible results including the improvement of the attitudes, increase of the skills for promoting the quality of services, and the employees’ satisfaction and loyalty (Dubrin, 2004). Training can assist employees in developing a holistic view of a service strategy by providing them with an

understanding of the role of each individual in relation to other individuals, the various functions within the firm, and the customers (Cronin & Taylor, 1992).

Foreman and Money (1995) defines employee development as a strategic investment by an organization in training its members. If employees are required to perform their tasks well, they must be armed with the necessary skill and knowledge that is required of them. Piercy and Morgan (1991) say that in order for internal marketing to be effectively employed within an organization, employees must be trained and properly developed to fulfill its service role. With a well-developed workforce, an organization will exploit the full potential of its resource (the employees) thus improving business performance. Those companies failing to offer employees career opportunities, room for advancement and enhancement of skills and knowledge may find it difficult to retain qualified employees.

#### **2.2.3.2 Empowerment**

Empowerment refers to the practice of enabling an individual to think, behave, take action, control work and make decisions in autonomous ways (Samen&Alshurideh, 2012). Through empowerment, employees can make faster decisions which in turn increase productivity, enhance the service experience and improve overall performance (Ueno,2010).

Accordingly, empowerment has received significant attention from scholars due to its impact on organizational effectiveness and competitive advantage in the service industry. Hamborstad and Perry (2011) argue that empowerment should be directed toward enriching employees with the abilities and skills to fulfill customers' requests and needs. When this is done, customer satisfaction can be obtained and linked to organizational success. Consequently, service organizations and practitioners should make more and better efforts toward providing customer-contact employees with enough empowerment by increasing their information, training, knowledge, and trust.

Many organizations have discovered that to be truly responsive to customer needs, providers need to be empowered to accommodate customer requests and to recover on the spot when things go wrong. Zeithaml, Bitner, Gremler, and Pandit (2006), argue that while

the key to empowerment is giving employees authority to make decisions on customer's behalf, it is insufficient when exercised solely. Employees need the knowledge and tools to be able to make these decisions and they need incentives to encourage them to make the right decisions. Flexibility, quick decisions and authority given to staff characterize an empowered organization.

### **2.2.3.3 Motivation**

In most organizations, the situation is that the customers are highly demanding of employees even as the employees in turn hold high expectations from their jobs as sources of self-actualization and self-development (Rafiq& Ahmed, 1998). Here, internal marketing sought to increase employee motivation by focusing on treating the job as an internal product and try to "sell" it to the employees. This inward-looking philosophy is enhanced by steps which motivate employees to try out the product first.

The term motivation has been defined variously by different authorities in the study of Psychology, Management and allied disciplines. According to Cole (2009), motivation is essentially about what drives a person to work in a particular way and with a given amount of effort. To Buford (1995), motivation is a pre-disposition to behave in a purposive manner to achieve specific needs. Obviously, there are divergences in these definitions, though some common threads seem to exist. What is common to the foregoing definitions, among others, is that something has to trigger an employee to perform in an exceptional way. For purpose of this paper, motivation is operationally defined as a set of indefinite factors that cause a person (an employee) to perform his or her duties in a special way. The factors are described as indefinite because they constantly change with time, as pointed out by Kovach (1987). What is implicit in this definition is that an employee will not work in that special way if he or she is not encouraged (motivated) to do so. An understanding of this definition depends on the appreciation of some existing theories of motivation.

#### **2.2.3.3.1 Theories of Motivation**

Among the earliest and well-known researchers in the motivation domain were Homans (1950) and Maslow (1954). The former identified three key elements (activities,

interactions and sentiments) as the controlling factors of members in an informal group. Homans (1950) defines activities as the task performed by the members of an informal group. He refers to interactions as the relationship among the members; and explains sentiments as the individual and collective attitudes of these members. Homans regards these three elements as independent because, according to him, a change in any one of them affects the other two elements. Maslow (1954) on the other hand developed the need-hierarchy theory. In his theory, Maslow postulated that people's (employees') needs are arranged in a hierarchy in which basic needs generally have to be satisfied before higher needs come to play. Maslow's idea did not escape criticisms and has hence been modified by other theorists notably Alderfer (1969) who introduced the idea of need along a continuum rather than in a hierarchy. Herzberg et al (1987) view motivation with different lenses. Their idea is today known as the Herzberg two-factor theory as it reduces the factors of motivation to two namely intrinsic and extrinsic factors. The former, which includes achievements and recognition, produces job satisfaction, whilst the latter comprising Pay and Promotion and job security is often a source of lack of motivation on the part of employees.

There is also the McClelland Achievement Theory which is based on the idea that the single most important motive is the need for achievement. McClelland (1961) suggests that the need for achievement is a key human motive, which responds to, and is a product of, personal experience and cultural background. This can be indoctrinated by means of training and other attitude-forming activities. The theory advocates that the three most important employee motivational factors are the need for achievement, the need for power or authority, and the need for affiliation or belonging, in that order. One other theory of motivation which seems to be accepted by most scholars in the present century is the Adam's Equity Theory.

The basis of this theory, in the work context, is that people make comparisons between themselves and others in terms of their inputs and what outcomes they receive from their inputs. The theory states that when employees perceive an unequal situation, they experience equity tension which they attempt to reduce by appropriate behavior.

Employees may either act positively to improve their performance and /or seek improved rewards, or may act negatively (show lackadaisical attitude to work) on grounds of being under-paid. Logical as they may be, all these theories and several others have their loopholes and are hence seen as inconclusive in contemporary literature, but they provide some interesting insight into employee motivation. They are, in fact, relevant and a useful way to understand employee motivation.

#### **2.2.3.4 Internal Communication**

Ahmed and Rafiq (2003) identify internal communication as the dissemination of information within the organization to enable the creation of employees with a greater sense of ownership, accountability and responsibility. They further state that when employees are well-informed about the expectations of its customers as well as the condition and health of the organizations, they are more willing to dispense their duties diligently which in turn improves the business performance. They also believe that internal communication is an important element of internal marketing as it is the key factor in creating understanding among employees.

Internal communication is a complex and continuous process through which organizational members create, maintain, and exchange information in the organization. Two important issues need to be addressed with this definition. First, it is important to note that all organizational members participate in this process. Communication is not the sole responsibility or privilege of managers. Even if managers create and send most of the messages, their subordinates and peers create meaning from those messages. Second, while the process is said to be transactional in which all parties enact both sender and receiver roles to create mutual and shared meanings of messages, shared meaning is not always achieved in organizational settings. An effective internal communication is very important tool for the internal marketing, it helps the management to ensure service delivery with high satisfactory level and build employee trust, respect and loyalty (Lovelock & Wright, 1999).

## **2.2.4 Job satisfaction**

The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction, Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006). It can be considered as one of the main factors when it comes to efficiency and effectiveness of business organizations.

The research tells us that job satisfaction is the level of “favorableness or unfavorableness with which workers view their job (Werther& Davis, 1999).” It refers to an employee’s general opinion towards his/her job, such as; a person with high degree of job satisfaction has a positive feeling towards his job, whereas one who is unhappy with the job can grip a negative attitude (Robbins & Coulter, 2005). Some scholars argue that job satisfaction is an emotive reaction to a job condition, which is often decided by how nicely results meet up or exceed expectations, for example, if workers think that they are treated unjustly, receive less remunerations, they are more probably to have a negative feelings toward their work, supervisor or coworkers (Luthans, 2005; Manzoor, Usman, Naseem, &Shafiq,2011).

Job satisfaction is important as internal marketing will also serve as a tool for organization to attract, retain and motivate its employees. Thus, it is imperative that employees must be able to relate positively to its job and are “satisfied” users of the internal product, which is the job itself. Job satisfaction is defined a show content an individual is with his or her job. The underlying view of internal marketing is based on the concept that in order for a service organization to have satisfied customers, it must first have satisfied employees (George, 1990).

## **2.2.4Internal marketing and job satisfaction**

The relation between internal marketing and job satisfaction had been the concern of many researchers .If an organization implements internal marketing then the organization is upgrading job satisfaction for employees which will lead definitely to enhancing the performance of the organization (Al-Hawary, Al-Qudah, Abutayeh, Abutayeh, & Al-Zyadat, 2013).

## 2.3 Review of Empirical Studies

Previous studies have identified in the context of the internal marketing. Table 2.3 below presents a comprehensive summary of studies into internal marketing with different variables. The model developed in the context of one country may not be applicable in other countries as the institutional, economic and socio-cultural factors may differ from region to region or from one sector to another within the same region

Beside to this, there is a gap in the research into internal marketing with respect to banks in Ethiopia. This research will contribute to existing knowledge by examining the effect of internal marketing on job satisfaction in CBE.

<b>Researchers and Year of Publication</b>	<b>Research Title</b>	<b>Research Result</b>
Mohammadi et al. (2012).	Internal marketing, job satisfaction, organizational commitment and customer orientation.	The study showed that there was a significantly positive correlation between internal marketing and customer orientation, and given an indirect effect internal marketing has on customer orientation through affecting organizational commitment as a mediatory variable as well as a significant positive correlation among them.
Hailu (2015)	Internal marketing and employee's job satisfaction.	The research has proved the entire hypothesis formulated has a positive relationship with the employee job satisfaction.

Tortosa et al. (2009).	Internal marketing and organizational performance	Internal marketing has an impact on the understanding of the employees and such an understanding can lead to the increase of the quality of services and the increase of the customer satisfaction for received services.
Zaman et al. (2012).	Internal marketing, organization commitment, market orientation and business performance.	The findings of the study suggested that internal marketing had a significant impact on employees' commitment, their market orientation and overall profitability of the firm. In addition, the mediating relationship of organization commitment with internal marketing and market orientation was not supported.
Vazifehdoost (2012).	Market orientation, internal marketing, organizational commitment and organizational Performance.	Empirical findings confirmed that internal marketing, organizational commitment and market orientation have positive direct and indirect effects on bank's both market performance (customer satisfaction and customer loyalty) and financial performance.
Gilaninia et al. (2013).	Internal marketing, customer orientation and organizational commitment.	According to the results obtained from the test result indicated that there is significant relationship between internal marketing and customer orientation, between internal marketing and organizational commitments, between organizational commitments and customer orientation and also organizational commitments has

		moderator role in relation between internal marketing and customer orientation.
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Table. 2.2. Internal marketing variables. Source: various sources (2019).

Several studies on internal marketing have proved that internal marketing has resulted in the development of job satisfaction among employees. This research focuses on the link between internal marketing (training, empowerment, motivation and internal communication) and job satisfaction.

### 2.3.1 Training and Employee Job Satisfaction

Training is one of the most repetitively mentioned dimensions of Internal Marketing; Ahmed and Rafiq (2003), Gounaris (2006) and Tsai and Tang (2008) are among the scholars that identified training is one of the dimension internal marketing can be explained. According to Karen (2007), employee development is defined as a system for assisting employees to develop within their current jobs or advance to fulfill their goals for the future. In the study conducted on the effect of employee development program on employee satisfaction and by Karen (2007), employee satisfaction came from when employees are provided growth and development opportunities and when they are supplemented through fair and equitable human resource practices. All employees should be given equal opportunities for development if they each take ownership for their goals and action plans. It shows a clear link between training and employee job satisfaction, i.e. when people receive relevant and valuable training, they are generally happier in their jobs. When that training is carried to the next level and becomes overall development, employees tend to feel even more valued by their employers. Based on the above explanation, training effect can be drawn as

*H1: There is a significant positive relationship between employee training and employee jobsatisfaction.*

### 2.3.2 Empowerment and Employee Job Satisfaction

Empowerment is an inner incentive state which is defined in relation with jobs and professions including 4 inner imaginations which show people's desires towards their

professional roles. These inner imaginations are: meaning, competency, effectiveness, and choice (Thomas & Velthouse, 1990). Based on the above explanation, empowerment effect can be translated as

*H2: There is a significant positive relationship between employee empowerment and employee job satisfaction.*

### **2.3.3 Motivation and Employee Job Satisfaction**

Motivation can be defined as the development of a desire within an employee to perform a task to his/her greatest ability based on that individual's own initiative (Rudolph & Kleiner, 1989). In the case study conducted on Relationship between Motivation and employee job satisfaction, there is a positive correlation between motivation and employee job satisfaction. That is, motivation increases with increase in employee commitment and vice versa. (Prof.S.K. & Viveki, 2011). Based on the above explanation, motivation effect can be translated as

*H3: There is a significant positive relationship between employee motivation and employee job satisfaction.*

### **2.3.4 Internal Communication and Employee Job Satisfaction**

Internal Communication is process whereby people within an organization give and receive messages, it is a vital prerequisite for a well-functioning internal marketing culture. Without people being able or prepared to communicate with each other, there will be no inter-departmental or inter functional co-ordination (Naude & Murphy, 2003).

Researches indicate that internal communication is one of the factors which influence employee job satisfaction. With active and assessable communication, employees are better able to understand their job and are more connected to it. This leads to better performance and higher job satisfaction. Anderson and Martin (1995), Downs and Hazen (1977), Madlock (2008), Orpen (1997) and Varona (1996) are among the researchers who studied the relation between communication and employee job satisfaction. With regard to the literature review that has been presented, the following hypotheses can be developed.

*H4: There is a significant positive relationship between employee communication and employee job satisfaction.*

## **2.4 Conceptual Framework of the Study**

The conceptual framework of this study is developed based on the literature review presented earlier and the models of internal marketing proposed by Ahmed and Rafiq (2000) to support the linkages between internal marketing elements and job satisfaction suggested in this conceptual framework.

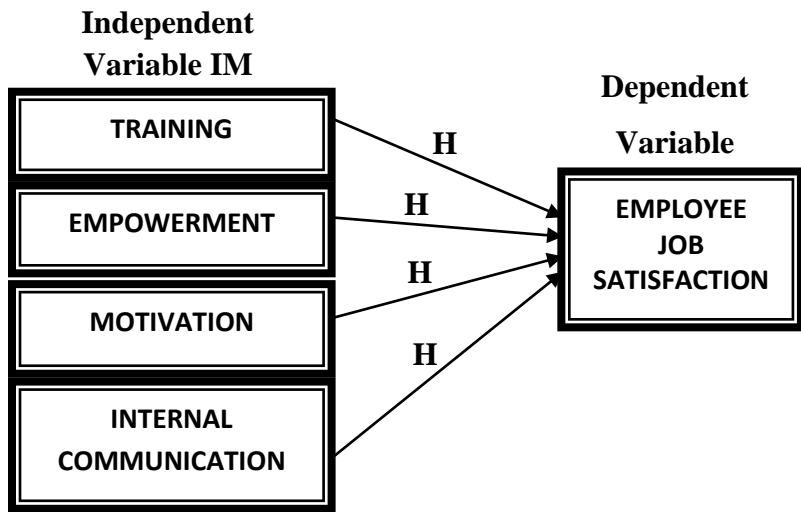


Fig 2.2. Conceptual Framework of the study.

Source: Modified from Al-Qudah et al. (2013).

# **CHAPTER THREE**

## **RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter presents the research approach that was adopted in the study. It explains in detail the research methodology it utilizes and its justification for the purposes of this study. The chapter also discusses procedures and activities under taken, focusing on namely the study's research design, data collection, and sampling design, data processing and analysis and instrument development. It, further, addresses issues of reliability and ethical considerations of the study.

### **3.2 Research Approach**

The research approach is often either quantitative or qualitative. Creswell (2014) argues that the main difference between these approaches depends on “the basic philosophical assumptions researchers bring to the study, the types of research strategies used in the research, and the specific methods employed in conducting these strategies”. Creswell (2014), furthermore, defines quantitative research as “a means for testing objective theories by examining the relationship among variables. These variables can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. The final written report has a set structure consisting of introduction, literature and theory, methods, results, and discussion”.

In general, Quantitative research is a research approach that is formalized and highly structured. Through the study of some specific variables on a great number of objects of investigation, this approach enables the researcher to make universal generalizations. All variables are measured by statistical methods, since the information is transformed in to numerical data and thus easily presentable in figures.

Qualitative research approach emphasizes the subjective aspects of human activity by focusing on the meaning, rather than the measurement of social phenomena (Hussey & Hussey, 1997).

The main objective with this work was study the effect of different aspects of internal marketing on job satisfaction, therefore quantitative method were be used in order to describe and compare different aspects of internal marketing influencing job satisfaction of CBE front line employees.

### **3.3 Research design**

Research design is the blueprint for fulfilling research objectives and answering research questions (John, Hafiz, Robert, & David, 2007).

Hypothesis testing is a crucial part of the research design to decide whether there is adequate statistical evidence in favor of the stated hypotheses. Accordingly, the researcher tests the hypotheses of causal relationships between variables. If X may be considered to be the cause of Y, then X is described as explanatory variable (also termed as causal or independent variable) and Y is described as criterion variable (also termed as resultant or dependent variable). Such studies require procedures that will not only reduce bias and increase reliability, but will permit drawing inferences about causality (Kothari, 2004). As the researcher aims to identify which hypothesized factor is the dominant for job satisfaction, the researcher find this research design would meet the requirement.

### **3.4 Population and Sampling**

#### **3.4.1 Population**

The target population is defined as the total number of cases that conform to predetermined specifications (Iacobucci & Churchill, 2010). The important element of the group is that it shares a common set of characteristics (Hair, Anderson, Babin, & Black, 2010). For the purpose of the study, the target population was represented as all frontline employees currently working in CBE branches in the country, and maintaining a direct contact with external customers.

### **3.4.2 Sampling frame**

The sampling frame is similar to the target population and relates to the list of elements from which the sample is drawn (Conradie, 2012). Due to the homogeneity of service provision, human resource strategy implementation of the bank over its all branches in the country, the sample frame was limited to Addis Ababa city branches.

### **3.4.3 Sampling technique**

Sampling technique is technique used to select suitable sample so as to represent the whole population.

The technique selected for this study was simple random sampling technique. In the case of simple random sample every member of the population has known and equal chance of selected. This method reduces the potential for bias in the selection of respondents included in the sample. This sampling method was employed for the reason that it could be specified each employees of CBE, the sampling frame could be easily identified, and the researcher obtained the name of every employee from CBE data base. Numbers are assigned to each name of frontline employee and then a random sample is generated by using random number generator. Numbers were randomly selected from within the range of 1 to 4167. Duplicate numbers were not allowed.

### **3.4.4 Sample size**

This refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small, it should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. While deciding the size of sample, researcher must determine the desired precision as also an acceptable confidence level for the estimate. The size of population variance needs to be considered as in case of larger variance usually a bigger sample is needed. The size of population must be kept in view for this also limits the sample size. The parameters of interest in a research study must be kept

in view, while deciding the size of the sample. As such, budgetary constraint must invariably be taken into consideration when we decide the sample size Kothari (2004).

To draw sample size from identified finite population, Krejcie and Morgan (1970) sample size formula was used. Most commonly the formula is computed based on 95% confidence interval of the accuracy of the sample size.

Currently, the number of front line employees in Addis Ababa branches were 4167, therefore, in this study 352 questionnaires were distributed to meet up to the required level of number of responses from employees at CBE in Addis Ababa branches. For a given population size of 4167 at the confidence level of 95% and a margin of error of 5% can be calculated as

$$S = \frac{X^2NP(1 - P)}{D^2(N - 1) + X^2P(1 - P)}$$

Where:

S = required sample size.

X<sup>2</sup>= table value of chi - square for one degree of freedom at the desired confidence level (3.841 for 0.95 confidence interval).

N = the given population

P= population proportion (assumed to be 0.5 since this would provide the maximum sample size)

D= the degree of accuracy set at 0.05.

Therefore, 
$$S = \frac{3.841 * 4167 * 0.5 (1-0.5)}{(0.05)^2 * (4167 - 1) + 3.841 * 0.5 (1 - 0.5)} \approx 352$$

### 3.5 Sources of data

The study was employed both primary and secondary sources of data. Primary data were collected through well designed questionnaire adopted from previous study. This was completed by respondents (CBE employees) that are willingly filled and returned the questionnaire. Secondary data are collected from CBE data base; In order to get company profile of every frontline employee. In addition to this, Secondary data were collected through a theoretical study comprised of books, research thesis, articles, internet, manuals and annual reports.

### 3.6 Data Collection Instrument and Procedures

Structured/closed questioner of data collection is quite popular, particularly in case of big enquiries (Kothari, 2004). Therefore, a structured questionnaire is utilized to collect the data from CBE employees. The respondents were asked to rate their level of perception of the six variables on five point Likert scale basis to obtain firsthand information through direct solicitation of responses from the frontline employees. The Likert scale is Question type based on a rating scale designed to measure attitudes or reactions. Likert scaling is a bipolar, measuring either positive or negative response to a statement Likert (1932).

Selective Item	Strongly disagree	Disagree	Neutral (neither agree nor disagree)	Agree	Strongly agree
Score	1	2	3	4	5

Table 3.1 Likert Scale. Source: (Likert, 1932)

The questionnaire consists of general, specific and an attached letter. The questionnaire was accompanied with a letter to describe that what purpose the survey was conducted. The general questions are concerning socio-demographic information of respondents such as sex, age and level of education. The specific questions section includes 29 questions, all of them are considered to investigate and examine the attitudes and views of respondents about research question with Likert scale.

Variable	Source	No of items used to measure the variable
Training	Gounaris (2008); Al-Qudah et al. (2013)	6
Empowerment	Gounaris (2008); Al-Qudah et al. (2013)	4
Motivation	Gounaris (2008); Al-Qudah et al. (2013)	5
Internal Communication	Gounaris (2008); Al-Qudah et al. (2013)	5

Job satisfaction	(George, 1990).	9
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Table 3.2: Research variables and their corresponding measures

Internal marketing were examined using 20 items, which contains four dimensions (training, empowerment, motivation and internal communication). Job satisfaction will be examine using 9 items. The questionnaire was developed and distributed to employee will be in English language, no need of translation. This is because one of their job requirements is the skill of English language for CBE employees.

### 3.7 Data Analysis

The analysis of the data collected consists of examining, categorizing, summarizing or by some means reorganizing collected data to test the proposition of the study. Every study should however have a general framework for how the data is analyzed (Yin, 1994). To conduct this study data were collected from respondents. The collected data was organized and process by using SPSS version 20 statistical software programs were used to analyze the data. Only questionnaires that are returned and fully completed deemed valid and used in the analysis, but if the questionnaires which are not returned or not fully completed then they are deemed to void.

Descriptive analysis such as frequencies, percentages, means and standard deviations are used to summarize and present the data. In addition to this, Pearson’s correlation coefficient was used to show the interdependence and to ascertain whether a statistically significant relationship between the independent and dependent variables and inferential statistics. In addition to this, multiple regression analysis are used to test the significance contribution of each independent variable to the dependent variable. Independent t-test was used to test mean differences between two groups. Thus, t-test was used to compare mean difference between genders/academic qualifications of the CBE employees with respect to the level of job satisfaction. Finally, One-Way ANOVA analysis will be carried out to

compare mean difference among work experience, marital status, level of education and age groups of the CBE employees with respect to the level of job satisfaction.

### **3.7.1 Model Specification**

The equation of regressions on this study is dependent variable (Job satisfaction) and independent variable (internal marketing: training, empowerment, motivation and internal communication). The basic objective of using regression equation on this study is to make the study more effective at describing, understanding and predicting the stated variables.

The regression equation is as follows:

$$JS = \alpha_1 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

JS = Job satisfaction

X1= Training

X2= Empowerment

X3= Motivation

X4= Internal communication

$\alpha_1$  = the intercept term- constant which would be equal to the mean if all slope coefficients are 0.

e = the error term

$\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  are the coefficients associated with the average amount the dependent variable increases when the independent variable increases by one standard deviation.

## **3.8 Reliability and Validity**

### **3.8.1 Reliability**

Reliability can be defined as the extent to which a scale is able to obtain consistent results across time, different evaluators or different items (Churchill & Brown, 2007). Internal consistency reliability test will be conducted and the Cronbach's alpha coefficients for the instrument are calculated. Cronbach alpha values vary in values from 0, meaning no consistency, to 1, meaning complete consistency. Cronbach alpha values of 0.80 or higher are considered as high reliability, those between 0.70 and 0.80 are regarded as having good reliability, values between 0.60 and 0.70 are fair, and coefficients lower than 0.60 are

questionable (Hair et al., 2010). Before distributing the questionnaire to all respondents, 20 questionnaires for pilot test to make sure the questions are clear and reliable (Adams, et al., 2007). Hence, a total of 30 questioners will be distributed in one branch for the pilot survey which will help the researcher to ensure that the questionnaire are in fact clear to respondents and reliable.

The pilot survey will prove the questioners designed to collect the desired data is reliable. Moreover, for the reliability test of the all data Cronbach's alpha will be calculated using SPSS and the result is presented in table.

Validity is the precision of a measure or the degree to which research instruments measure what it is supposed to measure (Zikmund & Babin, 2010). Content validity and construct validity are used to test for validity.

#### **3.8.1.1 Content validity**

Iacobucci and Churchill (2010) define content validity as the adequacy of the area in which characteristics are captured by the measure. When professionals are convinced that the items match the definition, it is said to have content validity (Zikmund & Babin, 2010). In determining content validity the researcher will adopt scales and scale items from previous studies where possible. Besides, the opinion of bank experts and academicians in the field is taken to ensure the validity of the instrument. Finally the questionnaire will be revised and corrected based on the feedback collected from experts in the field. So that it will be relevant and applicable to the objective of this study.

#### **3.8.1.2 Construct validity**

Iacobucci and Churchill (2010) and Malhotra (2007) define construct validity as the ability or the degree to which the instrument measures what it is supposed to measure. In addition to this, construct validity is the degree to which elements being assessed are identified before hypothesizing any functional relationships. In setting up the questionnaire, the researcher will uses previous studies that are all proven reliable

### **3.9 Ethical Considerations**

The study will be under taken after ensuring all ethical consideration is taken. The purpose of the study was explained to each study participants and verbal consent will be obtained from all study subjects before distributing the questionnaire. For this purpose the introduction part of the questionnaire are stated the purpose and importance of the study, confidentiality. Respondent are informed their full right to fill the questions or to withdraw from the study at any time without any unfavorable consequences, and they will not harmed as a result of their participation or non-participation.

Moreover, no information will modified or changed, therefore information are presented as collected and all the literatures collected for the purpose of this study are appreciate in the reference list.

# **CHAPTER FOUR**

## **DATA ANALYSIS AND INTERPRETATION**

### **4.1 Introduction**

This chapter of the research paper organized in the following manner: It consists of the demographic profile of the respondents were presented and analyzed. To facilitate ease in conducting the empirical analysis, the results of descriptive analyses were presented first, followed by the results of Pearson's correlation coefficient and multiple regressions were analyzed. Moreover, One-Way ANOVA analysis and independent sample t-test was carried out to compare mean difference between and among demographic profiles. A total of 352 questioners were distributed, and 324 were received back. After excluding 11 invalid questionnaires, a total of 313 valid questionnaires were accepted showing response rate of 88.92%.

### **4.2 Demographic Profile of Respondents**

The samples of this study have been classified according to five demographic background information collected during the questionnaire survey. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents' proportion of males and females in the sample, range of age, marital status, educational level, and service years of respondents of frontline employees of CBE. The demographic composition of the respondents is summarized in Table 4.1 below.

Majority of the respondent were males which is 62.6% and female respondents were 37.4%. Respondents' age were also explained. 55.3% between twenty and twenty five, 31% twenty six to thirty, 11.2% thirty one to forty and 2.6% were more than forty one. The marital status of the respondents consist 66.8% single, 31.3% married and 1.9% of the respondents were divorced. Educational level was also enquired where most of the respondents of educational level of both sex lye on first degree which is 95.5% of all respondent. The remaining 10.9% are diploma graduate and 4.5% at Masters and above level. Furthermore, Respondents' job experiences were also explained. 36.4% of the respondents have job experience between one to three years, 58.1% between four to six

years, 4.8 % seven to ten years, and only 0.6% of respondent have eleven to fifteen years of experience.

Demographic Information		Frequency	Valid Percent	Cumulative Percent
Gender	Male	196	62.6	62.6
	Female	117	37.4	37.4
	Total	313	100.0	100.0
Age	20-25	173	55.3	55.3
	26-30	97	31.0	31.0
	31-40	35	11.2	11.2
	41 and more	8	2.6	2.6
	Total	313	100.0	100.0
Marital Status	Single	209	66.8	66.8
	Married	98	31.3	31.3
	Divorced	6	1.9	1.9
	Total	313	100.0	100.0
Education Level	Diploma	34	10.9	10.9
	Bachelor	265	84.7	95.5
	Masters and Above	14	4.5	100.0
	Total	313	100.0	
Service Years	1-3 years	114	36.4	36.4
	4-6 years	182	58.1	58.1
	7-10 years	15	4.8	4.8
	11-15 years	2	.6	.6
	Total	313	100.0	100.0

Table 4.1: Demographic information for CBE frontline employees  
Source: Survey Data (2019).

In summary, the majority of the respondents were single males within the age group 20-25 having predominantly first degree and four to six service year.

### **4.3 Descriptive Statistics**

In this section, the respondents answer present in the form of table. The tables contain mean and standard deviation of their response. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation is to give the idea about the dispersion of the values of a variable from its mean value. All of the variables were measured using five point Likert scale ("1" Strongly disagree; to "5" Strongly agree). The interpretations of the Likert scale results are: scores of 1 to 2.32 indicate low level, scores of 2.33 to 3.65 indicate medium level, and scores of 3.66 to 5 indicate high level (Alhakimi & Alhariry, 2014).

#### **4.3.1 CBE Frontline Employees' Perception on Training**

This section of the questionnaire tested the attitude and views about training levels of CBE frontline employees. A series of six statements were presented to respondents and respondents were asked to rate their level of agreement with each statement.

The means for the training items construct ranged between 2.09 and 2.99 ( 1= strongly disagree and 5= strongly agree) and the standard deviation for the training perception construct ranged between 0.833 and 1.253 which show some level of variance. The statement which respondents agree with most was “training is clearly directed at creating the competencies that is important to the business” (mean=2.99 and standard deviation= 1.235). The statement indicating the least level of agreement was “in CBE training is closely related to the individual needs of each frontline employee” (mean= 2.09 and standard deviation= 0.833). The overall mean for the perception of training is 2.52, this means that in the case of employee’s perception on training the majority of respondents towards medium level of agreement with the statements specified in the study.

<b>Training</b>	<b>Mean</b>	<b>Std. Deviation</b>
In CBE training is closely related to the individual needs of each front line employee.	2.09	.833
A newly hired employee will have to find his own answers to the requirement of the job.	2.17	.915
Before the implementation of the major change in service rules i always gets significant training regarding its impact on our daily activities and job description.	2.40	1.111
If one moved from one task to another, the manager will facilitate to train him/her for a pre specified period.	2.66	1.253
CBE has adequate resources to train employees	2.83	1.220
Training is clearly directed at creating the competencies that is important to the business.	2.99	1.235
Overall level of employees perception about training	2.52	1.09

Table 4.2: Descriptive statistics for attitude of CBE frontline employees about Training  
Source: Survey data (2019)

### **4.3.2 CBE Frontline Employees' Perception on Empowerment**

This section of the questionnaire tested the attitude and views about empowerment levels of CBE frontline employees. A series of four statements were presented to respondents and respondents were asked to rate their level of agreement with each statement.

The means for the empowerment items construct ranged between 2.80 and 3.50 ( 1= strongly disagree and 5= strongly agree) and the standard deviation for the empowerment perception construct ranged between 1.061 and 1.124 which show some level of variance. The statement which respondents agree with most was “My managers allow me to use my own judgment in solving problems” (mean=3.50 and standard deviation= 1.124). The statement indicating the least level of agreement was “My managers trust me to exercise good judgment” (mean= 2.80 and standard deviation= 1.089). The overall mean for the

perception of empowerment is 3.11, this means that in the case of employee’s perception on empowerment majority of respondents towards medium level of agreement with the statements specified in the study.

<b>Empowerment</b>	<b>Mean</b>	<b>Std. Deviation</b>
My managers allow me to use my own judgment in solving problems	3.50	1.124
My managers encourage me to take initiatives	3.18	1.080
My managers allow me to take a high degree of initiative.	2.96	1.061
My managers trust me to exercise good judgment	2.80	1.089
Overall level of employees perception about empowerment	3.11	1.089

Table 4.3: Descriptive statistics for attitude of CBE frontline employees about Empowerment

**Source:** Survey data (2019)

### **4.3.3 CBE Frontline Employees’ Perception on Motivation**

This section of the questionnaire tested the attitude and views about motivation levels of CBE frontline employees. A series of five statements were presented to respondents and respondents were asked to rate their level of agreement with each statement.

The means for the motivation items construct ranged between 2.67 and 3.61 ( 1= strongly disagree and 5= strongly agree) and the standard deviation for the motivation perception construct ranged between 1.095 and 1.046 which show some level of variance. The statement which respondents agree with most was “The incentive given to employees are motivating and on competitive basis” (mean=3.61 and standard deviation= 1.095). The statement indicating the least level of agreement was “My income and the annual increment are based on periodic performance evaluation” (mean= 2.67 and standard deviation= 1.046). The overall mean for the perception of motivation is 3.24, this means that in the case of employee’s perception on motivation the majority of respondents towards medium level of agreement with the statements specified in the study.

<b>Motivation</b>	<b>Mean</b>	<b>Std. Deviation</b>
When I do something extra ordinary I know that I will receive some kind of reward.	3.32	.831
I receive feedback from my supervisor on my job performance regularly	3.04	.929
The incentive given to employees are motivating and on competitive basis	3.61	1.095
The performance measurement reward system encourages employees to work hard.	3.54	1.086
My income and the annual increment are based on periodic performance evaluation	2.67	1.046
Overall level of employees perception about motivation	3.24	0.997

Table 4.4: Descriptive statistics for attitude of CBE frontline employees about Motivation  
**Source:** Survey data (2019)

#### **4.3.4 CBE Frontline Employees’ Perception on Internal Communication**

This section of the questionnaire tested the attitude and views about internal communication levels of CBE frontline employees. A series of five statements were presented to respondents and respondents were asked to rate their level of agreement with each statement.

The means for the internal communication items construct ranged between 2.97 and 3.01 ( 1= strongly disagree and 5= strongly agree) and the standard deviation for the internal communication perception construct ranged between 1.125 and 1.000 which show some level of variance. The statement which respondents agree with most was “Before any policy and procedures change my manager informs me phase to phase in advance” (mean=3.01 and standard deviation= 1.124). The statement indicating the least level of agreement was “If an employee has a certain personal problem that influences negatively his/her work performance, she/he is encouraged to discuss it with his/her manager” (mean= 2.97 and standard deviation= 1.089). The overall mean for the perception of internal communication is 3.08, this means that in the case of employees’ perception on internal

communication the majority of respondents towards medium level of agreement with the statements specified in the study.

<b>Internal Communication</b>	<b>Mean</b>	<b>Std. Deviation</b>
Before any policy and procedures change my manager informs me phase to phase in advance.	3.20	1.000
Managers are sincerely interested in listening to what frontline employees have to say about their jobs, the problems they have and the solutions that employees suggest.	3.13	1.046
If an employee has a certain personal problem that influences negatively his/her work performance, she/he is encouraged to discuss it with his/her manager.	2.97	1.089
Branch manager is never too busy if one of their frontline employees wishes to meet personally.	3.01	1.124
Branch manager is spend time with their customer service officer, explaining them organization values and how these vales affect what the organization expects from each individual employee	3.09	1.125
Overall level of employees perception about internal communication	3.08	1.077

Table 4.5: Descriptive statistics for attitude of CBE frontline employees about internal Communication  
Source: Survey data (2019).

#### **4.3.5 Comparison of CBE Frontline Employees' Perception on Internal Marketing Constructs**

Table 4.6. Below show the overall means of all items in the internal marketing mix constructs for CBE frontline employees' level of perception. According to the findings of the means motivation represented the highest overall mean score (mean= 3.41), meaning that CBE frontline employees have a tendency towards agree with statements relating the motivation construct (1= strongly disagree and 5= strongly agree) compare to other constructs. Empowerment followed with overall mean score of 3.12. This was followed by

internal communication (mean= 3.08). The lowest level of agreement was with the training construct (mean= 2.52).

<b>Construct</b>	<b>Mean</b>	<b>Std. Deviation</b>
Training	2.5209	.92841
Empowerment	3.1094	.92908
Motivation	3.4077	.43582
Internal communication	3.0805	.85013

Table 4.6: Overall mean and standard deviation scores for the internal marketing mix  
Source: Survey data (2019).

#### **4.4 Normality Test**

The study used two methods of assessing normality; graphically (Normal Probability Plot) and numerically (Skewness and Kurtosis). In the Normal Probability Plot it will be hoped that points will lie in a reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. Appendix three depicted that the scores are normally distributed.

Numerically, the evaluation of normality in the data analysis began with exploring the skewness and kurtosis values of the elements of internal marketing mix and job satisfaction. Skewness and kurtosis values greater than 1 and less than -1 are considered being abnormally distributed (Gamst, Meyers,&Guarino, 2008). Table 4.7 below summarizes the skewness and kurtosis values of the constructs. The skewness and kurtosis values for the internal marketing mix elements, namely, training, empowerment, motivation and internal communication were all below 1 and greater than -1 indicating that the data is normally distributed for these elements. The job satisfaction also showed skewness and kurtosis value of less than 1, and is therefore normally distributed.

Constructs	Skewness	Kurtosis
Training	.837	-.097
Empowerment	-.032	-.455
Motivation	-.880	.473
Internal Communication	.293	-.940
Job satisfaction	.269	.628

Table 4.7: Summary of skewness and kurtosis statistic  
Source: Survey data (2019).

## 4.5 Correlation Analysis

In this study Pearson's correlation coefficient was used to determine whether there is significant relationship between training, empowerment, motivation and internal communication with job satisfaction. The following section presents the results of correlation on the relationship between independent variables and dependent variable.

### 4.5.1 Correlation Analysis for Internal Marketing- Job Satisfaction

Table 4.8. Below indicates that the correlation coefficients for the relationships between job satisfaction and its independent variables are linear and positive ranging from weak to moderate correlation coefficients.

Correlations					
	Training	Empowerment	Motivation	Internal Communication	Job satisfaction
Training	1				
Empowerment	.122*	1			
Motivation	.258**	.072	1		
Internal Communication	-.008	-.087	.053	1	
Job satisfaction	.374**	.171**	.520**	.184**	1

Table 4.8. Correlation analysis for IM-Job satisfaction  
\*. Correlation is significant at the 0.05 level (2-tailed).  
\*\*. Correlation is significant at the 0.01 level (2-tailed).  
Source: Survey data (2019)

As it is clearly indicated in table above, significant correlation between training and employee job satisfaction ( $r=0.37$ ,  $p<0.01$ ). This implies that increase training is associated with increase employees' job satisfaction and training has a significant and positive relation with job satisfaction. The correlation analysis indicates that there is a positive correlation exist between empowerment and employee job satisfaction ( $r=0.17$ ,  $p<0.01$ ). Motivation has a significant and positive relation with employee job satisfaction ( $r=0.52$ ,  $p<0.01$ ). Internal communication has a positive relation with job satisfaction ( $r=0.18$ ,  $p<0.01$ ).

Although we cannot make direct conclusions about causality from a correlation, we can take the correlation coefficient a step further by squaring it. The correlation coefficient squared (known as the coefficient of determination,  $r^2$ ) is a measure of the amount of variability in one variable that is shared by the other (Field, 2009). Therefore, based on the correlation coefficients result obtained from the table training can account for 14%, Empowerment for 2.9 %, motivation for 27% and internal communication for 3.4 % of the variation in job satisfaction. This implies that, the most important internal marketing practices on job satisfaction is motivation in CBE, which goes to prove that motivation is perceived as a dominant internal marketing practice to affect job satisfaction.

## **4.6 Regression Analysis**

Multiple regression analysis was conducted to examine effect of internal marketing on employee job satisfaction.

### **4.6.1 Assumptions of Regressions Analysis**

Multiple Regressions is a statistical technique that allows us to predict someone's score on one variable on the basis of their scores on several other variables. Then, the following assumptions test should be done (Pallant, 2005).

- i. **Sample size:** Different authors tend to give different guidelines concerning the number of cases required for multiple regressions. Tabachnick and Fidell (2001) give a formula for calculating sample size requirements, taking into account the

number of independent variables to use:  $N > 50 + 8m$  (where  $m$  = number of independent variables). In this study four independent variables had existed and cases were 352. Therefore, the study satisfied sample size assumption.

- ii. Linear relationships:** Job satisfaction is assumed to be linearly related with internal marketing elements; meaning the dependent variable job satisfaction is assumed to be impacted with changes in internal marketing elements (the independent variables). The relationship between the two variables should be linear. This means that at a scatter plot of scores should be a straight line (roughly), not a curve (Pallant, 2005). The scatter plots of this study show that there is almost linear relationship between the variables. The plots do not show any evidence of non-linearity; therefore, the assumption of linearity is satisfied. Please see appendix four the p- plot diagram.
  
- iii. No or little multicollinearity:** Multicollinearity is used to describe correlation among independent variables. If there is high correlation between two or more predictor variables, may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, 2005). Multicollinearity in this study was tested using Variance Inflation Factor (VIF) value and tolerance value (see table 4.9 below). If VIF value is around 1 and not more than 10, it can be concluded that there is not multicollinearity between independent variable in the regression model (Pallant, 2005).

Model	Collinearity Statistics
	VIF
Training	1.084
Empowerment	1.025
Motivation	1.077
Internal Communication	1.011

Table 4.9: Multicollinearity of Internal Marketing elements

**iv. Homoscedasticity:** Homoscedasticity is the variability in scores for variables of independent should be similar at all values of variable dependent. In order to ensure the fulfillment of this relationship between independent variable and dependent variable, the variance of dependent variable values must be equal at each value of independent variables (Hair, 2010). For a basic analysis it is worth plotting ZRESID (*Y*-axis) against ZPRED (*X*-axis), because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met. Decision rule: If there were certain variant, such as organize shaping dot (waves, fuse and narrow), therefore no homoscedasticity happened. If there were not certain variant, and dots spreads above and below 0 numbers in axis *Y*, then homoscedasticity did happened (Pallant, 2005). The scatter plots show that there is homoscedasticity. Thus the assumption is reasonably supported in this study. Please see appendix five the scatter plot diagram

**v. No auto correlation:** - Regression analysis is based on uncorrelated error/residual terms for any two or more observation (Kothari, 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2009). A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2 (see table 4.10 below), and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). In this study the Durbin-waston value was 2.002, which is very close to 2, therefore it can be confirmed that the assumption of independent error has almost certainly been met.

Model	Change Statistics		Durbin-Watson
	df2	Sig. F Change	
1	308 <sup>a</sup>	.000	1.998

Table 4.10: Model summary of durbin watson

a. Predictors: (Constant), Internal Communication, Training, Empowerment, Motivation; b. Dependent Variable: Job satisfaction

#### 4.6.2 Relation between Internal Marketing and Job Satisfaction

In this survey, four hypotheses were developed to study the impact of internal marketing dimensions on job satisfaction. For the purposes of determining the extent to which the explanatory variables (internal marketing elements such as, training, empowerment, motivation and internal communication) were examined on the dependent variable job satisfaction using multiple regressions. Regression analysis was employed after the study met the regression assumptions. The significance level of 0.05 with 95% confidence interval was used. (Note:  $R^2 = 0.373$ ; Adj.  $R^2 = 0.365$ ; F-value = 45.838; Sig=0.000).

The regression model presents how much of the variance in the measure of Job satisfaction is explained by the underlying internal marketing elements. The predictor variables i.e. internal communication, training, Motivation and empowerment have accounted 36.5% (see Annex seven) of adjusted R square which indicates 36.5% job satisfaction in CBE was explained by the variation of the four predictor variables whereas the remaining 63.5% are explained by other variable of this model.

The ANOVA table tells us whether the overall model results in a significantly good degree of the prediction of the outcome variable (Field, 2009). The proposed model was adequate as the p-value is less < 0.05 i.e. 0.000 (see table 4.11 below). This indicates that the overall model was statistically significant relationship between internal marketing practices and job satisfaction.

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.611 <sup>a</sup>	.373	.365	.33518	.373	45.838	4

Table 4.11: Model summary for IM-Job satisfaction

a. Predictors: (Constant), Internal Communication, Training, Empowerment, Motivation

b. Dependent Variable: Job satisfaction

Coefficients of Job Satisfaction						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.932	.172		5.417	.000
	Training	.112	.021	.247	5.260	.000
	Empowerment	.056	.021	.125	2.728	.007
	Motivation	.423	.045	.438	9.355	.000
	Internal Communication	.086	.022	.173	3.822	.000
a. Dependent Variable: Job satisfaction						

Table 4.12: Coefficients of IM- Job Satisfaction

Source: Survey data (2019)

The objective of the regression in this study is to find out an equation that could be used to find the impact of predictors on dependent variable.

$$\text{Job Satisfaction} = 0.932 + 0.247X_1 + 0.125X_2 + 0.438X_3 + 0.173X_4$$

The hypothesis test results based on standardized coefficient beta and P-value to test whether the hypothesis to reject or accept. As shown from above Table 4.12 training of CBE, P value is significant ( $P < 0.05$ ) and the beta value is positive (beta = .247). Therefore, the result supported the initial hypothesis and infers that training has a significant and

positive effect on job satisfaction of CBE frontline employees. With regards to empowerment of CBE, P-value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .125). Therefore, the result supported the initial hypothesis and infers that empowerment has a significant and positive effect on job satisfaction of CBE frontline employees. The same is true for motivation of CBE, P-value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .438). Therefore, the result supported the initial hypothesis and infers that motivation has a significant and positive effect on job satisfaction of CBE frontline employees. Regarding to internal communication of CBE, P-value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .173). Therefore, the result supported the initial hypothesis and infers that internal communication has a significant and positive effect on job satisfaction of CBE frontline employees.

#### 4.7 Job Satisfaction of CBE Employees Based on Gender

The independent sample t-test was applied to compare the mean score of the two gender group (male and female). In this case, as the table depicts above shows that the mean difference between male and female subjects with employee job satisfaction is not significant as a p-value (0.327) is greater than 0.05. It can state with 95% confidence that there is not significant relationship between employee job satisfaction of CBE frontline employees' and their gender.

	Gender of the Respondent	N	Mean	Std. Deviation	Std. Error Mean		
Employee job satisfaction	Male	196	3.1128	.43019	.03073		
	Female	117	3.0645	.40411	.03736		
Independent Samples Test							
		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference
Employee job satisfaction	Equal variances assumed	.042	.838	.982	311	.327	.04828

	Equal variances not assumed			.998	256.261	.319	.04828
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Table 4.13. Independent samples test of employee job satisfaction based on gender  
**Source:** Survey data (2019).

The independent sample t-test was applied to compare the mean score of the two gender group (male and female). In this case, as the table depicts above shows that the mean difference between male and female subjects with employee job satisfaction is not significant as a p-value (0.327) is greater than 0.05. It can state with 95% confidence that there is not significant relationship between employee job satisfaction of CBE frontline employees' and their gender.

#### 4.8 Job Satisfaction of CBE Employees Based on Age

In order to determine whether there are any significant differences between job satisfactions of CBE frontline employees' and their age group, the one way ANOVA has been run. To use ANOVA, ideally the data satisfy two conditions: The dependent variable (job satisfaction) is normally distributed and the population variances across levels are equal (test of homogeneity of variance). The job satisfaction constructs as shown in Table 4.7. Skewness and kurtosis value of less than 1, and normally distributed. To test homogeneity of variance it is important to look Sig. value in table 4.11. Below Sig. value (.287) is greater than 0.05. This shows that the population variances across levels are equal. Thus, test of homogeneity of variance satisfied.

<b>Employee job satisfaction</b>			
<b>Levene Statistic</b>	<b>df1</b>	<b>df2</b>	<b>Sig.</b>
1.264	3	309	.287

Table 4.14. Test of Homogeneity of Variances of Age  
**Source:** Survey data (2019).

As the table below shows that the mean difference between age groups subjects with job satisfaction is not significant as their Sig. value (.939) is greater than 0.05. This shows that

job satisfaction of CBE frontline employees' based on age did not differ significantly. It can state with 95% confidence that there is not significant relationship between job satisfaction of CBE frontline employees' and their age group.

<b>Job satisfaction</b>					
	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	.319	3	.106	.599	.616
Within Groups	54.882	309	.178		
Total	55.201	312			

Table 4.15: One- way ANOVA test of job satisfaction based on age  
Source: Survey data (2019).

#### **4.9 Job Satisfaction of CBE Employees Based on Marital Status**

In order to determine whether there are any significant differences between job satisfactions of CBE frontline employees' and their marital status, the one way ANOVA has been run. To use ANOVA, ideally the data satisfy two conditions: The dependent variable (Job satisfaction) is normally distributed and the population variances across levels are equal (test of homogeneity of variance). The job satisfaction constructs as shown in Table 4.7 skewness and kurtosis value of less than 1, and normally distributed. To test homogeneity of variance it is important to look Sig. value in Table 4.13 below. Sig. value (.953) is greater than 0.05. This shows that the population variances across levels are equal. Thus, test of homogeneity of variance satisfied.

<b>Job satisfaction</b>			
<b>Levene Statistic</b>	<b>df1</b>	<b>df2</b>	<b>Sig.</b>
.048	2	310	.953

Table 4.16: Test of Homogeneity of Variances of marital status  
Source: Survey data (2019).

As the table below shows that the mean difference between marital status subjects with job satisfaction is not significant as their Sig. value (.462) is greater than 0.05. This shows that job satisfaction of CBE frontline employees' based on marital status did not differ

significantly. It can state with 95% confidence that there is not significant relationship between job satisfaction of CBE frontline employees' and their marital status.

<b>Job satisfaction</b>					
	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	.274	2	.137	.774	.462
Within Groups	54.927	310	.177		
Total	55.201	312			

Table 4.17: One- way ANOVA test of job satisfaction based on marital status  
Source: Survey data (2019).

#### **4.10 Job Satisfaction of CBE Employees Based on Level of Education**

In order to determine whether there are any significant differences between job satisfactions of CBE frontline employees' and their level of education, the one way ANOVA has been run. To use ANOVA, ideally the data satisfy two conditions: The dependent variable (job satisfaction) is normally distributed and the population variances across levels are equal (test of homogeneity of variance). The job satisfaction constructs as shown in Table 4.7 skewness and kurtosis value of less than 1, and normally distributed. To test homogeneity of variance it is important to look Sig. value in Table 4.15 below. Sig. value (.882) is greater than 0.05. This shows that the population variances across levels are equal. Thus, test of homogeneity of variance satisfied.

<b>Job satisfaction</b>			
Levene Statistic	df1	df2	Sig.
.125	2	310	.882

Table 4.18. Test of Homogeneity of Variances of level of education  
Source: Survey data (2019).

As the table below shows that the mean difference between level of education subjects with job satisfaction is not significant as their Sig. value (.478) is greater than 0.05. This shows that job satisfaction of CBE frontline employees' based on level of education did not differ significantly. It can state with 95% confidence that there is not significant

relationship between job satisfaction of CBE frontline employees' and their level of education.

<b>Job satisfaction</b>					
	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	.262	2	.131	.739	.478
Within Groups	54.939	310	.177		
Total	55.201	312			

Table 4.19: One- way ANOVA test of job satisfaction based on Level of Education  
Source: Survey data (2019).

#### **4.11 Job Satisfaction of CBE Employees Based on Service Years**

In order to determine whether there are any significant differences between job satisfactions of CBE frontline employees' and their service year, the one way ANOVA has been run. To use ANOVA, ideally the data satisfy two conditions: The dependent variable (job satisfaction) is normally distributed and the population variances across levels are equal (test of homogeneity of variance). The job satisfaction constructs as shown in Table 4.7 skewness and kurtosis value of less than 1, and normally distributed. To test homogeneity of variance it is important to look Sig. value in Table 4.17 below. Sig. value (.191) is greater than 0.05. This shows that the population variances across levels are equal. Thus, test of homogeneity of variance satisfied.

<b>Job satisfaction</b>			
Levene Statistic	df1	df2	Sig.
1.593	3	309	.191

Table 4.20 Test of Homogeneity of Variances of level of service year  
Source: Survey data (2019).

As the table below shows that the mean difference among service years subjects with job satisfaction is not significant as their Sig. value (.782) is greater than 0.05. This shows that job satisfaction of CBE frontline employees' based on service years did not differ significantly. It can state with 95% confidence that there is not significant relationship between job satisfaction of CBE frontline employees' and their service years.

<b>Job satisfaction</b>
-------------------------

	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	.192	3	.064	.360	.782
Within Groups	55.009	309	.178		
Total	55.201	312			

Table 4.21: One- way ANOVA test of job satisfaction based on service year  
Source: Survey data (2019).

## 4.12 Discussion of the Result

This study was aimed to examine the effect of internal marketing on job satisfaction of employees. Training, empowerment, internal communication and Motivation were selected as internal marketing dimensions and job satisfactions was selected as a dependent variable because they have been repeatedly used by various researchers as it has been clearly indicated in literature review part. For the purpose of this study four hypotheses were developed, brief discussion on each hypothesis is given below.

H1. There is a positive significant relation between Training and Job Satisfaction.

The research finding shows that there is a positive relation between employees training and Job satisfaction, many researchers studied the effect of training on employee's job satisfaction and how the training related to job satisfaction and proved the theory to be true. Among the studies conducted, a study conducted on the effect of employee development program on job satisfaction and employee retention by Karen (2007) was taken as example. When people receive relevant and valuable training, they are generally happier in their jobs. When that training is carried to the next level and becomes overall development, employees tend to feel even more valued by their employers. They are not only given the tool to do their jobs well, but they are also given opportunities to develop new skills and attain career goals. Companies that invest on their employees and clearly communicate the importance of employees may keep employees (Karen, 2007). The most likely explanation for the result of this study is due to most training programs apart from the basic training given by the company for new comers, are refresher trainings which are limited in number and are highly at technical with a high tendency of employees

considering the training program as part of the job not as personal development program and also the mechanism of delivering the training is not adult learning style. Hence, employee's job satisfaction drawn from the training could be insignificant for CBE frontline employees.

H2: There is a positive significant relation between Empowerment and Job Satisfaction.

One of the research findings that can be conclude from the statistics provided above is that empowerment is positively and significantly related to job satisfaction in CBE. My managers allow me to use my own judgment in solving problems and my managers encourage me to take initiatives are the major empowerment items that have a strong impact on job satisfaction.

H3: There is a positive relationship between motivation and Job Satisfaction

One of the research findings that can be concluded from the statistics provided in 4.10 is that motivation is positively related with employee's job satisfaction in CBE frontline employees. Giving the employees sense of achievement, providing them with new opportunities for advancement and promotions are key motivator that creates positive job attitudes. In addition, this result is also consistent with Mohammadi, Hashemi, and Moradi (2012) finding of the positive correlation between motivation and job satisfaction.

A recent study conducted on The Impact of Internal Marketing on Employee's Job Satisfaction of Commercial Banks in Jordan states that motivating employees should be one of the main roles of the manager in the organization. The manager must acknowledge that his/her employees are the most important asset they have in order to have a distinctive output- whether it is a tangible product or an intangible service- and costs of investing in this asset will always be for the benefit of the organization. (Al-Hawaryet al, 2013).

H4. There is a positive relationship between Internal Communication and Job satisfaction.

As the above statistics Table 4.10 implies, communication has a positive relation with job satisfaction in CBE frontline employees. The study attested that when employees feel that they are good contributors, they will be encouraged to get involved and participate more for the sake of the organization. Yet again, when manager communicates effectively with

the employees, listens to their complaints, answering their questions and provide those ways to communicate effectively, the organization will encourage them to enhance their work and feel satisfied about their jobs. The result was also supported by a case study which was conducted on The Relationship between Internal Communication and Job Satisfaction by Hrud (2011) which showed that with active and assessable communication, employees are better able to understand their job and are more connected to it.

### 4.13 Hypothesis Results

The table below provides the summery overview of the hypothesis results of the research

Hypothesis	Analysis used	Result
H1: There is a significant positive relationship between employee training and employee job satisfaction.	Multiple regression	Accepted ( the outcome of the multiple regression supports the hypothesis; $\beta=0.247$ , $p < 0.05$ )
H2: There is a significant positive relationship between employee empowerment and employee job satisfaction	Multiple regression	Accepted ( the outcome of the multiple regression supports the hypothesis; $\beta=0.125$ , $p < 0.05$ )
H3: There is a significant positive relationship between employee motivation and employee job satisfaction.	Multiple regression	Accepted ( the outcome of the multiple regression supports the hypothesis; $\beta=0.438$ , $p < 0.05$ )

H4: There is a significant positive relationship between employee internal communication and employee job satisfaction	Multiple regression	Accepted ( the outcome of the multiple regression supports the hypothesis; $\beta=0.173, p < 0.05$ )
H <sub>0</sub> : $\mu_1 = \mu_2$ H <sub>1</sub> : At least one mean value is different from others.	Independent sample t-test	Failed to accept (with 95% confidence that there is not significant relationship Between the level of job satisfaction and gender; P (0.327) > 0.05.
H <sub>0</sub> : $\mu_1 = \mu_2$ H <sub>1</sub> : At least one mean value is different from others.	One way- ANOVA	Failed to accept (with 95% confidence that there is not significant relationship between the level of job satisfaction and age; P (0.616) > 0.05.
H <sub>0</sub> : $\mu_1 = \mu_2$ H <sub>1</sub> : At least one mean value is different from others.	One way- ANOVA	Failed to accept (with 95% confidence that there is not significant relationship between the level of job satisfaction and marital status; P (0.462) > 0.05.

<p>H<sub>0</sub>: <math>\mu_1 = \mu_2</math>  H<sub>1</sub>: At least one mean value is different from others.</p>	<p>One way- ANOVA</p>	<p>Failed to accept (with 95% confidence that there is not significant relationship between the level of job satisfaction and educational level;  P (0.478) &gt; 0.05.</p>
<p>H<sub>0</sub>: <math>\mu_1 = \mu_2</math>  H<sub>1</sub>: At least one mean value is different from others.</p>	<p>One way- ANOVA</p>	<p>Failed to accept (with 95% confidence that there is not significant relationship between the level of job satisfaction and service year;  P (0.782) &gt; 0.05.</p>

Table 4.22. Summary of Hypothesis Results. Source: Survey data (2019).

# **CHAPTER FIVE**

## **CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

In this chapter of the study, summary of major findings, conclusion drawn, recommendations and limitation of the study are stated.

### **5.2 Summary of Major Findings**

The general objective of the study was to examine the effect of internal marketing on job satisfaction of employees. The researcher has employed explanatory research design with which job satisfaction was explained using the four internal marketing dimensions. And primary data was collected from selected employees of the bank through questionnaire. In order to analyze the collected data, correlation, multiple regressions, independent sample t-test and one way ANOVA were employed. The results of data computations are summarized as follows.

From the correlation analysis done, it is clearly indicated in table 4.12, significant correlation between training and employee job satisfaction ( $r=0.374$ ,  $p<0.01$ ). This implies that increase training is associated with increase employees' job satisfaction and training has a significant and positive relation with job satisfaction. The correlation analysis indicates that there is a positive correlation exist between empowerment and employee job satisfaction ( $r=0.171$ ,  $p>0.01$ ). Motivation has a significant and positive relation with employee job satisfaction ( $r=0.52$ ,  $p<0.01$ ). Internal communication has a positive relation with job satisfaction ( $r=0.184$ ,  $p=0.01$ ).

The first regression analysis obtained from the model summary showed that, the predictor variables i.e. training, empowerment, Motivation and internal communication have accounted 37.3 % (seen Appendix seven) of adjusted R square which indicates 36.5% job satisfaction in CBE was explained by the variation of the four predictor variables whereas the remaining 63.5% are explained by other variable of this model.

The hypothesis test results based on standardized coefficient beta and P-value to test whether the hypothesis to reject or accept. As shown from above Table 4.15 training of CBE, P value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .247). Therefore, the result supported the initial hypothesis and infers that training has a significant and positive effect on job satisfaction of CBE frontline employees. With regards to empowerment of CBE, P-value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .125). Therefore, the result supported the initial hypothesis and infers that empowerment has a significant and positive effect on job satisfaction of CBE frontline employees. The same is true for motivation of CBE, P-value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .438). Therefore, the result supported the initial hypothesis and infers that motivation has a significant and positive effect on job satisfaction of CBE frontline employees. Regarding to internal communication of CBE, P-value is significant ( $P < 0.05$ ) and the beta value is positive (beta= .173). Therefore, the result supported the initial hypothesis and infers that internal communication has a significant and positive effect on job satisfaction of CBE frontline employees.

Therefore, the result supported from the above model; infer that internal marketing has an effect on job satisfaction of employees.

### **5.3 Conclusions**

Commercial bank of Ethiopia has a vision to become a world-class commercial bank by the year 2025. In an effort to attain its vision, managers and policy makers in the bank need to give more emphasizes to this idea of internal marketing and apply this concept in a more focused and thorough manner. Management of CBE must consider the organization as its first market and satisfy the needs of its internal customers. It must also establish an internal marketing program for CBE on the basis of those internal marketing dimensions which enhance employee job satisfaction.

The findings that can be conclude from the statistics provided above is that training is positively and significantly related to job satisfaction in CBE. When people receive relevant and valuable training, they are generally happier in their jobs. When that training

is carried to the next level and becomes overall development, employees tend to feel even more valued by CBE. The finding is consistent with results obtained by Karen (2007).

The most important factor that can affect job satisfaction is motivation, as the above statistics imply, motivation has a positive and significant effect on job satisfaction of CBE frontline employees. Giving the employees sense of achievement, providing them with new opportunities for advancement and promotions are key motivator that creates positive job attitudes. The finding is consistent with results obtained by (Prof.S.K. & Viveki, 2011).

One of the research findings that can be conclude from the statistics provided above is that empowerment is positively and significantly related to job satisfaction in CBE. My managers allow me to use my own judgment in solving problems and my managers encourage me to take initiatives are the major empowerment items that have a strong impact on job satisfaction. Empowerment is an extremely effective management control tactic, which significantly influence the behavior and attitudinal character of employee's job satisfaction. Previous researches have also highlighted the significant relationship between empowerment and job satisfaction (Thomas & Velthouse, 1990).

In regard to internal communication, internal communication has a positive and significant effect on job satisfaction of CBE frontline employees. The study attested that when employees feel that they are good contributors, they will be encouraged to get involved and participate more for the sake of the organization. Yet again, when manager communicates effectively with the employees, listens to their complaints, answering their questions and provide those ways to communicate effectively, the organization will encourage them to enhance their work and feel satisfied about their jobs. The finding is consistent with results obtained by Anderson and Martin (1995), Downs and Hazen (1977).

Finally, all selected internal marketing dimensions have significant relation with job satisfaction.

## **5.4 Recommendation**

Based on the findings of the study, the following recommendations can be forwarded

- As internal marketing is the process of attracting, developing, motivating, and retaining qualified employees through job-products that satisfy their needs. The first recommendation given is, for CBE to attract, develop, motivate, and retain qualified employees by enabling Human Resource Department should implement market-like approach.
- Managers should empower frontline employees because it is proved that from the findings when the frontline employees are participants in decision making process they provide much better satisfied employees. Instead of taking each and every decision making situation to the managers, the employees should be empowered to decision making in cases where the decision is routine and not critical, then the frontline employees will be able to have better job satisfaction.
- Since internal communication has a significant impact on job satisfaction, CBE should develop an open communication system between management and sub ordinates and also among employees to create connection and to encourage employees forward their constructive ideas. So, in order to achieve satisfied employees managers should make regular meetings with the frontline employees to hear their opinions and feedbacks about the job. Moreover, before any policy and procedures change managers should inform them phase to phase in advance.
- Training is recommended to be continuous process with no end for frontline employees. CBE should arrange both on job and off job training programs especially when new employees are hired, new technologies are introduced and when new procedures and methods of operation are applied.
- Furthermore, motivation is one of internal marketing element an organization to give due attention to encourage employees; hence, CBE should be periodically assessed frontline employees performance, rewarding system and on incentives to encourage employees like, bench marking international carrier practices on salary scales and other benefits.

## **5.5 Limitations and Directions for Future Researches**

### **5.5.1 Limitations**

This study was conducted only CBE that are found in Addis Ababa city branches and this means it is difficult to generalize the study to all other private banks or industries. Next, Even though there are numerous Job categories in CBE, the study targeted only front line employees of CBE that are a direct contact with customer. It could have been more generalized if other customer service officer other than front line employees from different job categories were incorporated to this study.

### **5.5.2 Directions for future researches**

Future researches should apply the study's model on a larger population of CBE, other private banks and other service and manufacturing industries. It is also possible that additional dimensions of internal marketing, other factors and constructs that can be included in a comprehensive model.

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## APPENDIX ONE



Addis Ababa University College of Business and Economics

### Post Graduate Studies Program

Dear Respondent,

I am a graduate student in the department of Business Administration (MBA in Management), in AAU College of Business and Economics. Currently I am undertaking a research entitled ‘**The Effect of Internal Marketing on Job Satisfaction**’. The questioner is designed to enable me collect information for the research. You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding. Your participation is entirely voluntary and the questionnaire is completely anonymous. Finally, your kind assistance to this questionnaire will be appreciated. I confirm you that the information that you share me will be kept confidential and only used for the academic purpose.

Thanks for your co-operation.

For further information +2519 09 60 10 60

### SECTION 1: RESPONDENT’S DEMOGRAPHIC INFORMATION

This part of the questionnaire includes item related to basic data of respondents please indicate your responses by putting  $\surd$  marks in the circle.

1. Gender:             Male             Female
2. Age:            20-2            26-3            31-4            41 a more
3. Marital status     single     married     Divorced     Widowed
4. Level of your education:     Diploma     Bachelor     Master and above
5. Service years at CBE:  
 1-3years     4-6 years     7-10 years     11-15 years  
 More than 15 years

### SECTION 2: INTERNAL MARKETING AND JOB SATISFACTION

Please **put**  $\surd$  mark in the following questions in terms of how much you agree with the statement.(i.e. 1 being you strongly disagree and 5 being you strongly agree)

Where, 1-Strongly Disagree 2- Disagree 3-Neutral 4-Agree and 5-Strongly Agree

No	Training	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	In CBE training is closely related to the individual needs of each frontline employee.					
2	A newly hired employee will have to find his own answers to the requirement of the job.					
3	Before the implementation of a major change in service rules i always gets significant training regarding its impact on our daily activities and job description.					
4	If one moved from one task to another, the manager will facilitate to train him/her for a pre-specified period.					
5	CBE has adequate resources to train employees					
6	Training is clearly directed at creating the Competencies that is important to the business.					
<b>Empowerment</b>						
1	My managers allows me to use my own judgment in solving problems					
2	My managers encourage me to take initiatives					
3	My managers allow me to take a high degree					

	of initiative.					
4	My managers trust me to exercise good judgment.					
<b>Motivation</b>						
1	When I do something extra ordinary I know that I will receive some kind of reward.					
2	I receive feedback from my supervisor on my job performance regularly.					
3	The incentive given to employees are motivating and on competitive basis.					
4	The performance measurement reward system encourages employees to work hard.					
5	My income and the annual increment are based on periodic performance evaluation					
<b>Internal Communication</b>						
1	Before any policy and procedures change my manager informs me phase to phase in advance					
2	Managers are sincerely interested in listening to what frontline employees have to say about their jobs, the problems they have and the solutions that employees suggest.					
3	If an employee has a certain personal problem that influences negatively his/her work performance, she/he is encouraged to discuss it with his/her manager.					
4	Branch manager is never too busy if one of their Frontline employees wishes to meet					

	personally					
5	Branch manager is spend time with their customer service officer, explaining them organization values and how these vales affect what the organization expects from each individual employee					
<b>Job satisfaction</b>						
1	I love my job and I am satisfied with my current carrier.					
2	The employees in the organization feel secured in their job.					
3	I am satisfied with my job because there is equal growth and development opportunity.					
4	I am satisfied with the salary I draw at present.					
5	I am satisfied with the responsibility and role that I have in my work.					
6	I feel that I have very few options to consider leaving this bank.					
7	Right now, staying with my bank is a matter of necessity as much as desire.					
8	Too much in my life would be disrupted if I decided to leave my bank now					
9	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.					

## APPENDIX TWO

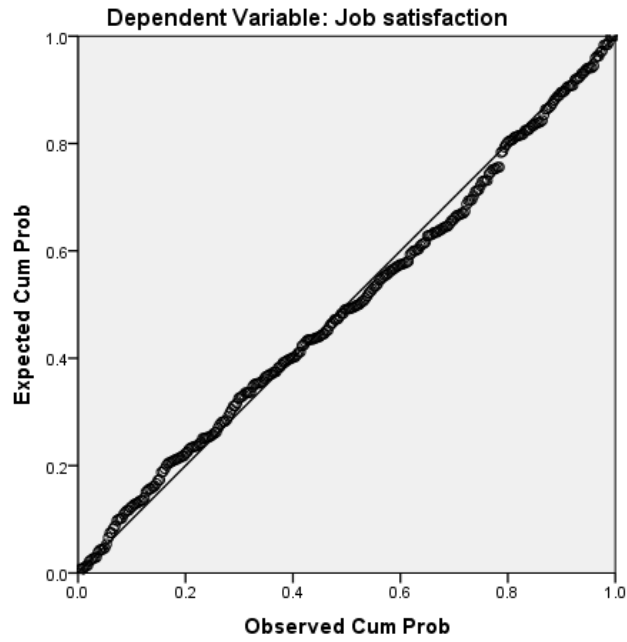
### 352 Random Numbers

0747	3535	3507	2483	1387	3568	1192	2199	3346	1860	3257	2127	2456	0364	3579
3373	2884	0186	4113	1771	3524	1326	1799	1487	2422	2678	3863	1415	1532	2288
3079	2661	0853	2110	3613	1059	2600	2144	1298	3835	0391	0436	0302	0703	3668
3106	3685	1949	2990	2928	0052	0347	0569	4069	1905	3123	2528	1254	3969	4158
1638	3924	0124	1237	2066	3746	0658	3802	2706	0720	2511	2411	0497	3179	0408
3446	3774	1682	3791	0525	0035	1504	1265	3090	0675	2644	2011	1699	2634	3997
1014	2733	1743	2500	0230	3980	2172	2322	0764	2377	2812	3462	2617	0987	1710
1754	1621	2021	3880	0258	0836	3268	0141	0080	1371	1665	1888	1220	3223	0275
3846	2572	1120	1309	2956	1076	1443	2555	2278	0898	1977	4013	4024	2038	2723
3730	1816	3390	1727	3657	0925	3001	0942	1843	1354	2822	1476	3301	1994	2856
3329	3017	3952	1148	2333	2945	3062	3819	1549	1131	3490	3640	2083	2589	4130
0614	3935	2305	1921	1966	1832	2233	1031	1576	2155	3479	1460	1398	2689	1877
2100	1432	3435	1593	4058	3891	2439	1521	3168	2394	1654	2767	3596	2216	2189
1165	1176	3357	4041	0881	3134	0542	3045	0809	2244	3212	2261	2055	1565	3034
2795	0453	3312	0008	0480	0169	1103	2466	2545	0097	0213	0123	2020	0496	2855
4112	2554	3061	0435	1085	0240	2777	2393	2437	2304	2704	1503	0941	1520	3951
1931	0763	2054	2348	2571	1903	3906	2064	0362	3255	2910	1992	3639	2866	2126
3239	4067	2688	2660	1636	0540	2721	0345	1352	2499	1013	2410	1280	1609	3684
2732	2526	2037	3506	3266	0924	2677	0479	0952	0640	1575	1831	3016	0568	0685
1441	2232	1814	0006	1263	2766	0212	1753	1297	0451	2988	3711	3756	3622	4023
2821	2259	2838	1102	2143	2081	3372	3667	3889	3222	1058	2276	1681	0407	3122
3311	0791	3077	3444	0390	1219	2899	3978	2955	1859	4040	1664	1564	3817	2332
3728	2599	2927	0835	2944	3845	3355	0657	0418	2243	3995	1797	1164	0852	1787
3150	0167	1886	0896	1653	3550	3133								

**pecs:** This table of 352 random numbers was produced according to the following specifications: Numbers were randomly selected from within the range of 1 to 4167. Duplicate numbers were not allowed. This table was generated on 5/20/2019.

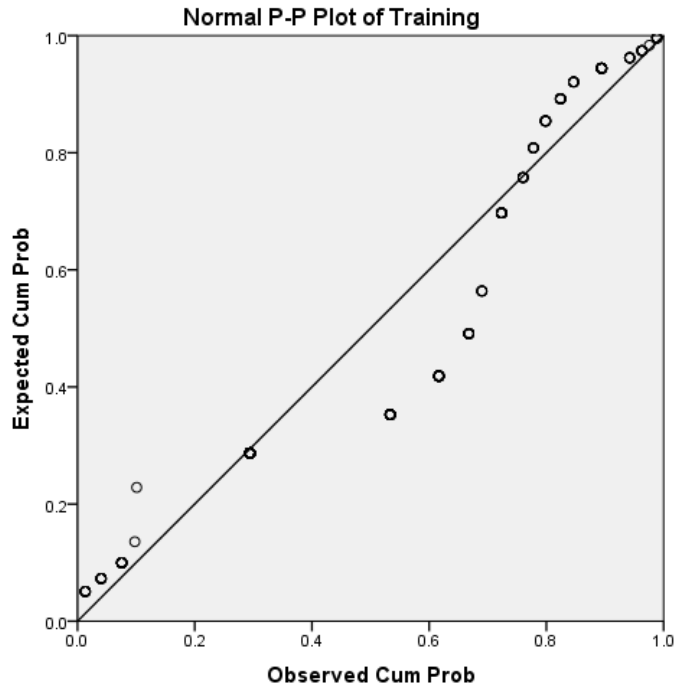
# APPENDIX THREE

Normal P-P Plot of Regression Standardized Residual

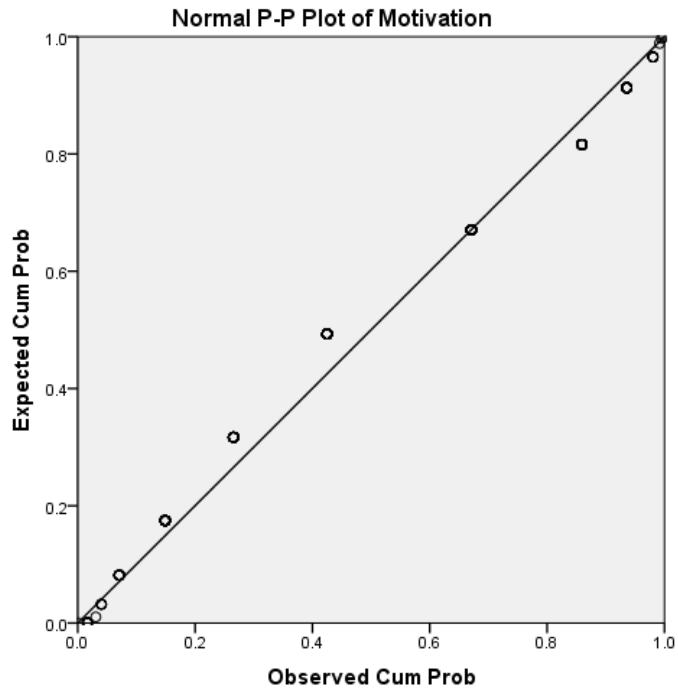


## Scatter Plot Linearity Test for Internal Marketing Mix Elements with Job Satisfaction

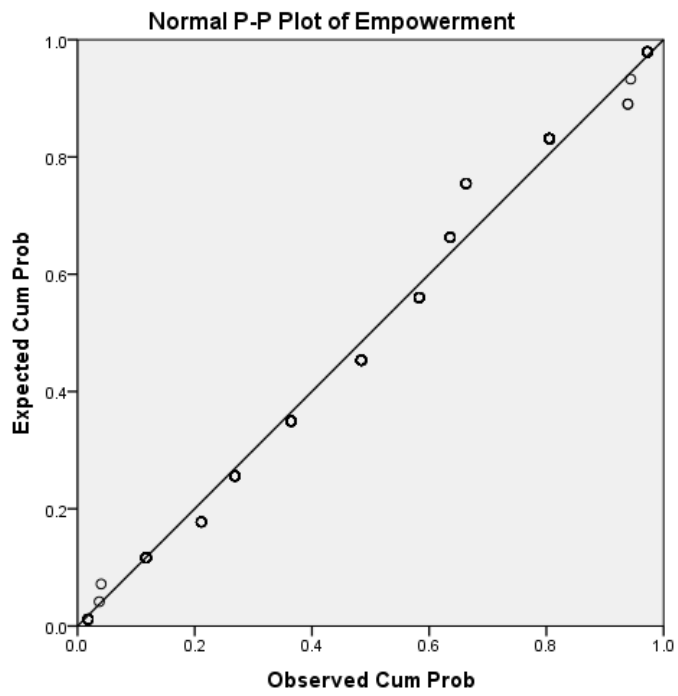
### Training and job satisfaction



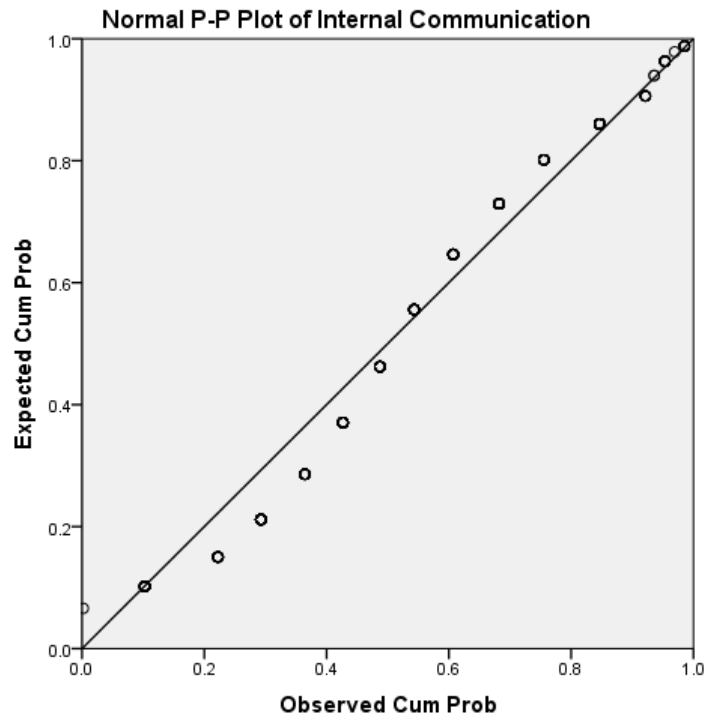
## Motivation and Job Satisfaction



## Empowerment and Job satisfaction



## Internal communication and job satisfaction



## APPENDIX FOUR



## APPENDIX FIVE

### Scatterplot

Dependent Variable: Job satisfaction

