



Addis Ababa University School of Commerce
Department of Marketing Management

**Impact of Internal Marketing on Employee's Job
Satisfaction (A case Study in Zemen Bank)**

**In Partial Fulfillment of the Requirement for the Award of Master
of Arts in Marketing Management**

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Addis Ababa, Ethiopia**

**IMPACT OF INTERNAL MARKETING ON
EMPLOYEE'S JOB SATISFACTION (A CASE STUDY IN
ZEMEN BANK)**

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Contents

ABSTRACT.....	1
CHAPTER ONE.....	2
INTRODUCTION	2
1.1 BACKGROUND OF THE STUDY.....	2
1.2 HIGHLIGHT ON THE BACKGROUND OF THE COMPANY.....	4
1.3 STATEMENT OF THE PROBLEM.....	7
1.4 RESEARCH QUESTION	9
1.5 OBJECTIVES	9
1.6 STUDY VARIABLE.....	10
1.7. SCOPE OF THE STUDY.....	11
1.8. ORGANIZATION OF RESEARCH AND REPORT	12
CHAPTER- TWO	13
2.1 INTERNAL MARKETING.....	13
2.2 JOB SATISFACTION.....	14
2.3 INTERNAL MARKETING AND JOB SATISFACTION	14
2.4 EMPOWERMENT.....	14
2.5 TRAINING	15
2.6 COMMUNICATION.....	16
2.7 ORGANIZATIONAL SUPPORT	16
2.8 MOTIVATION OF EMPLOYEE	17
1. INTRINSIC REWARD	17
2. EXTRINSIC REWARD	17
2.9 MANAGING EMPLOYEES AS PART OF THE SERVICE	18
2.9.1 SERVICE PERSONNEL	18

2.9.2 SERVICE ENCOUNTER.....	18
<u>CHAPTER THREE.....</u>	20
RESEARCH DESIGN AND METHODOLOGY.....	20
3.1 RESEARCH DESIGN.....	20
3.2 DATA TYPE AND SOURCE.....	20
3.3. SAMPLING TECHNIQUE AND SAMPLE SIZE.....	21
3.4. DATA PROCESS, ANALYSIS AND INTERPRETATION.	23
<u>CHAPTER FOUR.....</u>	24
<u>DATA ANALYSIS AND PRESENTATION.....</u>	24
4.3 FACTOR ANALYSIS.....	29
<u>APPENDIX A.....</u>	IV
<u>APPENDIX B.....</u>	VIII

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List of Table

Table 4.1: Response Rate of Questionnaires Administered	24
Table 4.2 Gender composition of Respondent	25
Table 4.3 Age Group of Respondent	26
Table 4.4 Educational Level of respondent.....	27
Table 4.5 Years Worked in the Profession	27
Table 4.6: Descriptive Statistics: Mean and standard deviation of statistic of employees IM perception	29
Table 4.7 Reliability Statistics.....	30
Table 4.8 KMO and Bartlett's Test	31
Table 4.9 Factor analysis- Independent variables.....	32
Table 4.10 Correlations test organizational support test with job satisfaction.....	33
Table 4.11 Correlations test for empowerment	34
Table 4.12 Correlations test for reward.....	34
Table 4.13 Correlations test for training.....	35
4.14 Correlations test for communication.....	36
Table.4.15. Regression Summary of the impact of internal marketing practices on employee’s job.....	36

List of Figure

Fig. 1.1:Modified model of internal marketing.....	11
Fig. 4.1: Frequency of Employee by gender.....	25
Fig. 4.2: Age of Group of Respondents	26
Fig 4.3: Frequency of Years of experience	28

Abstract

This project investigates the impact of internal marketing practices represented by the empowerment, training, communication and Reward and Organizational support, on job satisfaction of Zemen bank. Proposing this five internal marketing practice and whether to determine it has an effect on employee's job satisfaction, Even though there was an extensive details about the importance of human resource in any organization most fail to recognize this issue. The target population of this study was employees of the bank. A stratified sample was used to select sample from this population. The data was collected through structured questioner. Statistical Package (SPSS) was used to test hypothesis. The study targets 200 samples of the Bank Employee. Based on The result shows that generally employees are dissatisfied with their Bank Internal Marketing activity majorly on Organizational support variable, the correlation analysis shows that all variables of internal marketing have a Positive association with employees' job satisfaction. The Factor reduction resulted on main four factors that are dominant in employee job satisfaction. With the result gained in the analysis it is advisable for the Bank to take the necessary measures in working to amend the internal marketing practice of the bank.

Keywords: Internal marketing, Job satisfaction, employees, Empowerment, Training, Communication and Reward and Organizational support.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The key objective of an organization's marketing efforts is to develop satisfying relationships with customers that benefit both the customer and the organization so as to achieve the wealth maximization of shareholders. Many organizations experts' efforts are to build smooth relationship with the internal customers through the applications of internal marketing.

The roots of internal marketing are well established through the works of Berry (1980, 1981, and 1983) and Grönroos (1981, 1983). According to Berry (1981, p. 33). The same marketing tools were used to business organizations to attract and retain the best employees, and earn the best performance from them. In this view, customers who purchase goods and services differ little from people who "buy" jobs from companies. Internal marketing adopts the traditional tools of marketing to develop and distribute job products to employees, the internal customers.

There are numerous definitions of the concept of internal marketing. For example, (Gronroos ,1981), defined it as selling the firm to its employees or the process of attracting, developing, motivating, and retaining qualified employees through job products that satisfy their needs (Berry & Parasuraman,1991). Clearly, the definitions underscore the growing interest among service providers to get employees to adopt the marketing concepts of customer orientation and become part of the company team. It has also been variously described as referring to 'those activities that improve internal communications and customer consciousness among employees, and the links between these activities and external market place performance, that lead to the provision of superior customer value'. We can think of internal marketing as 'viewing employees as internal customers, viewing jobs as internal products and then endeavoring to offer internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization' (Baron and Harris, 2003).

In order to be effective employees, the internal marketing approach recognizes that all staff needs to understand and approve of the mission of the organization so that everyone is working towards a common goal. To achieve this, the services offered by the company need to be promoted to internal customers as well as to external customers. Berry (1981) advocates as stated above that the best way to achieve such employee motivation is to use traditional marketing tools and concepts internally with employees.

Marketing experts acknowledge that marketing a service is more difficult than marketing tangible products. Since a service has a special nature a company must consider thoroughly the special characters of a service which consists of five dimensions: Intangibility, Inseparability, Perish ability and Heterogeneity or variability.

There are two important dimensions of service that makes quality internal marketing invariably significant for service sectors; first because of the intangibility element of the service products, where customers most often rely on such tangible cues to judge the service performance, second simultaneous production and consumption of service that makes each service encounters significant in determining customers satisfaction. As Ferguson and Brown (1991) argued that the function of marketing is not only to provide products for sale, but also to take care of the staff where direct human contact between customer-contact employees and the customer is demanded, because of the simultaneous characteristic of service. Consequently, employee relations and their interaction with customers become critical for service industry in providing a quality service.

Financial institutions, as one type in the service industry, are the most important engines of economic growth for any economy in the world. In Ethiopia the major financial institutions operating are banks, insurance companies and micro-finance institutions. The financial system especially the banking sector is highly concentrated. Concentration in the market is a barrier for the presence of a well-built competition (Ebisa Deribie 2012). Further, successful organizations are those that integrate efficient and effective management in internal and external dimensions (Olorunleke, 2000). To Survive and succeed in the modern world it is necessary to a firm know how to handle its competent employee as they are the defining factor on service delivery. However, the practice of internal marketing in Zemen bank seems to the reverse and there is high turnover. So this research focuses on filling this gap considering the internal marketing factors that affect employee's job satisfaction of Zemen bank.

1.2 Highlight on the Background of the company

The roots of banking can be traced to the earliest civilizations. The Egyptians and early societies of the Middle East developed the prototype upon which modern banking is based. It is believed that the English word “Bank” derived from the Italian word “Banco” (long bench), A Banco was a table covered in green cloth where moneylenders completed their transactions in the marketplace. “Bank” may also trace its origins to the German word “Banch” meaning “a pile”, the word Germans used to represent a kind of public debt. Regardless of how the word originated, banks have been important financial institutions linking the economies of the world. Historically, banks functioned to provide deposit, loan, and currency exchange services. With time, these banking services became increasingly important to a nation’s economic advancement. (Mrs Temi Olajide-Arise et al).

In Ethiopia the first bank was established in 1905 by the agreement that was reached between Emperor Minilik II and Mr.Ma Gillivray, representative of the British owned National Bank of Egypt marked the introduction of modern banking in Ethiopia. Following the agreement, the first bank called Bank of Abyssinia was inaugurated in Feb.16, 1906 by the Emperor. The Bank was totally managed by the Egyptian National Bank and the following rights and concessions were agreed upon the establishment of Bank of Abyssinia, The society at that time being new for the banking service, Bank of Abyssinia had faced difficulty of familiarizing the public with it. It had also need to meet considerable cost of installation and the costly journeys by its administrative personnel though it Owen monopolistic position. Thus by 1931 Bank of Abyssinia was legally replaced by Bank of Ethiopia shortly after Emperor Haile Selassie came to power which was purely Ethiopian.

During the invasion which is 1935, the Italians established branches of their main Banks namely Bancad’Italia, Banco di Roma, Banco di Napoli and Banca Nazionale del lavoro and started operation in the main towns of Ethiopia. However, they all ceased operation soon after liberation except Banco di Roma and Banco di Napoli which remained in Asmara. In 1941 another foreign bank, Barclays Bank, came to Ethiopia with the British troops and organized banking services in Addis Ababa, until its withdrawal in 1943. Then on 15th April 1943, the State Bank of Ethiopia

commenced full operation after 8 months of preparatory activities. It acted as the central Bank of Ethiopia.

The State Bank of Ethiopia had ceased to exist by bank proclamation issued on December, 1963. Then the Ethiopian Monetary and Banking law that came into force in 1963 separated the function of commercial and central banking creating National Bank of Ethiopia and commercial Bank of Ethiopia. Moreover it allowed foreign banks to operate in Ethiopia limiting their maximum ownership to be 49 percent while the remaining balance should be owned by Ethiopians.

The National Bank of Ethiopia with more power and duties started its operation in January 1964. Following the incorporation as a share company on December 16, 1963 as per proclamation No.207/1955 of October 1963, Commercial Bank of Ethiopia took over the commercial banking activities of the former State Bank of Ethiopia. It started operation on January 1, 1964 .With two other banks in operation namely Banco di Roma S.C and Bank odi Napoli S.C.

The first privately owned bank, Addis Ababa Bank Share Company, was established on Ethiopians initiative and started operation in 1964.

On the other hand, there was a bank called Agricultural Bank that provides loan for the agricultural and other relevant projects established in 1945. But in 1951 the Investment Bank of Ethiopia replaced it. In 1965, the name of the bank once again changed to Ethiopian Investment Corporation Share Company. However, proclamation No.55 of 1970 established the Agricultural and Industrial Development Bank Share Company by taking over the asset and liability of the former Development Bank and Investment Corporation of Ethiopia.

Following the declaration of socialism in 1974 the government extended its control over the whole economy and nationalized all large corporations. Organizational setups were taken in order to create stronger institutions by merging those that perform similar functions. Accordingly, the three private owned banks, Addis Ababa Bank, Banco di Roma and Banco di Napoli Merged in 1976 to form the second largest Bank in Ethiopia called Addis Bank. Before the merger, the foreign participation of these banks was first nationalized in early 1975. Then

Addis Bank and Commercial Bank of Ethiopia S.C. were merged by proclamation No.184 of August 2, 1980 to form the sole commercial bank in the country until the establishment of private commercial banks in 1994.

Proclamation No.99 of 1976 brought into existence the Agricultural and Industrial Bank, which was formed in 1970 as a 100 percent state ownership, was brought under the umbrella of the National Bank of Ethiopia. Then it was reestablished by proclamation No. 158 of 1979 as a public finance agency possessing judicial personality and named Agricultural and Industrial Development Bank (AIDB). It was entrusted with the financing of the economic development of the agricultural, industrial and other sectors of the national economy extending credits of medium and long-term nature as well as short-term agricultural production loans.

The financial sector that the socialist oriented government left behind constituted only 3 banks and each enjoying monopoly namely The National Bank of Ethiopia (NBE), The Commercial Bank of Ethiopia (CBE) and Agricultural and Industrial Development Bank (AIDB).

Following the demise of the Dergue regime in 1991 that ruled the country for 17 years under the rule of command economy, the EPRDF declared a liberal economy system. In line with this, Monetary and Banking proclamation of 1994 established the national bank of Ethiopia as a judicial entity, separated from the government and outlined its main function.

Monetary and Banking proclamation No.83/1994 and the Licensing and Supervision of Banking Business No.84/1994 laid down the legal basis for investment in the banking sector. Consequently shortly after the proclamation the first private bank, Awash International Bank was established in 1994. (<http://www.nbe.gov.et/aboutus/index.html> accessed on January 21, 2015).

At present there are 3 government banks; Commercial bank of Ethiopia, Development Bank of Ethiopia, and Construction Business Bank and 16 Private Banks; Awash Bank, Abyssina Bank, Dashen Bank, Wogagen Bank, United Bank, Nib International Bank, Cooperative bank of Oromia, Lion Bank, Zemen Bank, Oromia International Bank, Enat Bank, Berhan Bank, Bunna Bank, Addis International Bank, Abay Bank, Dehub Global Bank currently Operate in the industry which makes the banking environment more competitive.

1.3 Statement of the Problem

Human beings try hard to look for satisfaction in every aspect of their life. They strive to satisfy their basic principal needs - hunger, thirst and social interaction, because the complex society today has its standard of goals and fulfillment that should be achieved by individuals. This set of goals and fulfillment includes securing a good job, preferably with a good pay and hopefully, with job satisfaction.

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 well managed human resource, one of the major factors for organizational success, should be taken care of (Malik, Saleem and Ahmad, 2010). It is evident that the organizations which take care of their employees have a greater numbers of satisfied employees (Malik, Ahmad & Hussain, 2010).

Therefore, where there is a question of job or employee the burning issue comes whether the employee is satisfied or not? Thus, recognition of the role of internal customers in the delivery of service quality and the resultant customer satisfaction raises the query of how an organization can achieve a suitable level of job satisfaction. (Khaled M. Omar Salem 2013).

Successful organizations are those that integrate efficient and effective management in internal and external dimensions (Olorunleke, 2000). To Survive and succeed in the modern world, it is necessary to a firm know how to handle its competent employee as they are the defining factor on service delivery. Since a service is inseparable from the person providing it, A bank is known as much for its product as for the service provided by its staff.

Banking has traditionally operated in a relatively stable environment for decades. However, today the industry is operating under new; more complex atmosphere resulted from the major changes in the economic and political conditions, and the storming effects of the financial crisis which the whole world is still recovering from. All these factors have forced banks to find a new basis for competition in order to build and protect their competitive position. Most major banks have realized that improving service quality and creating customer relationships that deliver

value beyond the provided by the core product itself is the key for fighting competition and driving performance (Ahmed Ibrahim Ghoneim and Nahla Hassan El-Tabie, 2014).

Internal marketing with its unique philosophy plays a critical role in the relationship building orientation, as it works on assuring the employees satisfaction and commitment which is an important prerequisite for providing high service quality. By adopting internal marketing, employees can be treated as internal customers of the organization. In turn, it works on preparing the employees to act in a customer oriented manner by assuring that all employees have adequate skills, abilities, and knowledge (Ahmed Ibrahim Ghoneim and Nahla Hassan El-Tabie 2014).

However; most business especially Ethiopian banks tend to outward focus to delivery of their services. But, if a business organization wants to deliver sustainable quality service, it should give attention to the internal customer commensurate 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 and Moustakis, 2007).

Employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees. Employee turnover is a costly expense especially in lower paying job roles.

In reality, when the employee turnover rate is highest Many factors play a role in this for any company, and these can stem from both the employer and the employees. Wages, company benefits, employee attendance, and job performance could all be factors that play a significant role in employee turnover. Further, Companies incur direct and indirect expenses, which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention, every time they have to replace an employee. These expenses can add up to anywhere from 30 to 200 percent of a single employee's annual wages or salary, depending on the industry and the job role being filled. (Amy Hissom, 2009). Specifically, taking the current employee turnover at Zemen Bank and the absence of prior research motivates the researcher to identify the real cause of the problem focusing on internal marketing variable.

1.4 Research Question

Based on the problems stated above, the researcher is inspired to address the following questions.

- Does the organization empower the employees?
- How often the bank conduct variety of trainings and the changes observed?
- Do the managers allow employees to communicate openly?
- What types of benefits are offered to employees?
- Which factor impacts highly the employee job satisfaction?
- What is the overall of employee's job satisfaction?
- What are the strengths and weakness of the bank to experience effective internal marketing?

1.5 Objectives

1.5.1 General Objectives

The general objective of this study is to analyze the impact of internal marketing on employee job satisfaction of Zemen Bank.

1.5.2 Specific Objectives the research seeks to:-

- To identify in what way the organization empowered the employees.
- To examine how often the bank conducts variety of trainings and the changes observed.
- To investigate the degree of openness of managers in communication with their employees.
- To identify the types of benefits offered to employees.
- To determine as which factor impacts highly the employee job satisfaction.
- To find out the overall employee's job satisfaction.
- To understand the strengths and weakness of the bank to experience effective internal marketing.

1.6 Study variable

1.6.1 The variables to be measured

The relationship between bank's internal marketing empowerment, training, Communication, Reward, and Organizational Support which are considered as independent variables and employee job satisfaction as dependent variable that measure how much the bank internal marketing programs could lead to Job satisfaction of employee.

1.6.2 Research Hypothesis

Based on the literature review and research question the study formulated the following proposition.

H1. Which in IM practices is dominant factor with employee's job satisfaction of Zemen bank?
More specifically:

H1a. Empowerment is positively related to employee's job satisfaction.

H1b. Training and development is positively related to employee's job satisfaction.

H1c. communication is positively related to employee's job satisfaction.

H1d. Reward is positively related to employee's job satisfaction.

H1e. Organizational support is positively related to employee's job satisfaction.

1.6.3 Conceptual Framework

Based on study's hypothesis, the following theoretical framework, shown in Figure 1, is proposed in order to show the relationships between the independent and dependent variables.

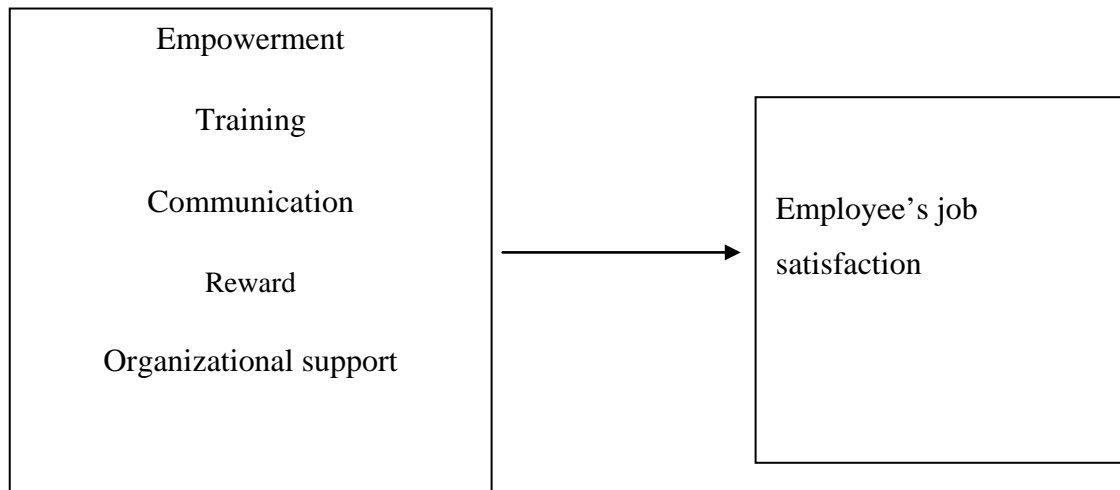


Fig. 1.1: Modified model of internal marketing

Source: adopted from Babakus et.al. 2003

1.7. Scope of the Study

Studies which related to internal marketing to employee's job satisfaction in Ethiopia are very few which limits the researcher understands of the internal marketing in banking industry of Ethiopia. The study was conducted using stratified sampling technique and thus making it difficult to get an equal probability of all staff being considered for sampling purpose and also other demographic factors are not considered.

1.8. Organization of Research and report

In Chapter one Introduction will be presented in this chapter statement of the problem, hypothesis, and significance of the study and scope of the study presented. Chapter two will present existing literature and theoretical frame work on the relationship between internal marketing and employee job satisfaction. Chapter three will be the methodology of the research where the research design and research methods will be explained. Then findings and analysis will come in. Chapter four will present the result of the study and compare with the literature Chapter five will presents the conclusion, Recommendation and limitation of the research.

CHAPTER- TWO

LITERATURE REVIEW

2.1 Internal marketing

Internal marketing represents a rather recent concept and denotes the application of marketing within the business. It relies on two principles; namely that it is important to satisfy the needs of employees before the business can satisfy the needs of its customers; and the rule that apply in the market area of business. It stresses that in order to create and offer value for the customers; a strong focus on specific internal marketing components is mandatory. The term internal marketing, (IM) is used to describe the application of marketing internally within the organization. “Every department and every person is both supplier and a customer, and the organization’s staff works together in a manner supporting the company strategy and goals” (Salomão Alencar de Farias, 2010). Excellently managed service companies believe that employee relations will affect customer relations. In these firms, management carries out internal marketing and provides employee support and rewards for good performance. In addition, management regularly audits employee job satisfaction (Philip kotler Millennium edition, p244).

The definition of Berry (1981, 1984), “IM is viewing, employees as internal customers” IM is viewing jobs as internal products” IM results in overall customer satisfaction” define Internal marketing perfectly.

2.2 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.

2.3 Internal 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. (Suliman Ibraheem Shelash Al-Hawary, 2013 ,vol 4,No 9).

2.4 Empowerment

The concept of empowerment has varying meanings in the literature ,most regard empowerment as referring to some form of “sharing of power” between management and employees. Others have taken a broader view of empowerment, who argues that empowerment is a motivational concept referring to enabling rather than delegating strategies that create conditions for heightening motivation from tasks through development of personal efficacy and removal of conditions that foster powerlessness (Tómas Bjarnason,P 33).

Interdepartmental co-ordination is not only of importance to employees’ understanding of the functions and limitations of other departments; such an understanding is central and underscores employee empowerment as an experiential structure of IM phenomenon. Empowerment as an element of IM experience manifests itself by way of keeping employees involved with activities within the organization in order to enable them to understand what they need to do as internal people, as well as provide them with the adequate level of training they require in order to execute their jobs effectively.

Adequate training and involvement provides the employees with the ability to come up with innovative and new ideas on how to improve the business as well as with making the right decisions that will ultimately, satisfy the needs of external customers. There is a general perception that employees would become more motivated in their jobs from being empowered, as the individual becomes more confident to deal with issues that may affect the external customer (Uchenna Paschal Anosike, 2008).

2.5 Training

Training and development are usually linked together but practically it is different Training, with its focus on excellence, relates to the knowledge, skills, and attitude that people need to do their current job in its Current form, with its current level of responsibility.

Development, with its focus on growth, relates to the knowledge, skills, and attitude people need to do their next job or a different form of their current job, usually with greater responsibility.

Most successful organizations will strike a balance between training and development, ensuring that they have people who are very capable of carrying out their current jobs, while also preparing them to take on new tasks and new responsibilities.

The psychologist Abraham Maslow (1943) and the theorist Frederick Herzberg (1964) both recognized the importance of development in motivating people. Self-esteem and self-actualization were at the top of Maslow's hierarchy of human needs, while Herzberg identified Responsibility, advancement, achievement, recognition and the work itself all as motivating factors. Training and development will help people to achieve and to grow and are therefore, powerful forces in motivating people and ensuring that they remain with the organization. (George Green).

Participants' expressions of their IM experiences frequently resonate with the notion of employee training across the entire protocol. There is a general perception that employee training is one of the ways through which IM is effective in ensuring employee development across different organizational contexts. Training is perceived as crucial to getting employees to understand their individual responsibilities and that of other colleagues within the organization. As well as providing employees with the opportunity to develop individual competencies by

having an overall idea of the entire business as well as the needs of their external customers. Training as an aspect of the IM experience that emerges within the context of an ongoing activity are instances where employees are continuously provided with information, skills and knowledge (Uchenna Paschal Anosike, 2008).

2.6 Communication

Thus, organizational 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 (Joann keyton).

Internal communication appears prominently, and in different facets across the entire interview protocol as amongst the array of elements that encompass the experiential structure of IM. It is perceived as one of the important ways of engaging and involving employees in the activities of the organization. Tools, such as, “webcast”, “emails”, “PowerPoint”, “intranet”, “staff e-bulletin” and “videos” were frequently used to characterize the trans-situated features of internal communication as an aspect IM experience. The above-mentioned tools are used to communicate internally at both interpersonal and interdepartmental levels, as well as between departments within the same organization across geographical borders. Other facets through which internal communication emerges as part of IM experiences managers attempting to promote the company’s new products and services to employees as well as setting the agenda for the day’s business (Uchenna Paschal Anosike,2008).

2.7 Organizational Support

Organizational support is the extent to which an organization cares about the well-being of its members. Listens their complain tries to help them when they have a problem. And treat them fairly (Jennifer M.George Gareth R.Jones).

Perceived Organizational Support refers to employees' perception concerning the extent to which the organization values their contribution and cares about their well-being. It has been found to have important consequences employee performance and well-being.

Organizational support theory supposes that to determine the organization's readiness to reward increased work effort and to meet socio emotional needs, employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well-being. Perceived organizational support (POS) is also valued as assurance that aid will be available from the organization when it is needed to carry out one's job effectively and to deal with stressful situations (Linda Rhoades and Robert Eisenberger).

2.8 Motivation of employee

Motivation at work can take place in two ways of reward

1. Intrinsic reward – this is derived from the content of the job. It can be described as the process of motivation by the work itself in so far as it satisfies people's needs or at least leads them to expect that their goals will be achieved. Intrinsic motivation is self-generated in that People seek the type of work that satisfies them, but management can enhance this process through its values as well as empowerment, development and job design policies and practices. The factors affecting intrinsic motivation include responsibility (feeling the work Motivation and financial and non-financial rewards is important and having control over one's own resources), freedom to act, scope to use and develop skills and abilities, interesting and Challenging work and opportunities for advancement. The concepts of empowerment and engagement are strongly influenced by this aspect of motivation.

2. Extrinsic reward – this is what is done to and for people to motivate them. It arises when management provides such rewards as increased pay, praise, or promotion. When the motivating impact of pay-for-performance schemes is discussed, this is the type of motivation to which people are referring. The extrinsic motivators can have an immediate and powerful effect, but this will not necessarily last for long. The intrinsic motivators, which are concerned with the quality of working life and indeed work/life balance, are likely to have a deeper and longer-term effect because they are inherent in individuals and not imposed from outside, although they may be encouraged by the organization (Michael Armstrong and Helen Murlis, 5th,ed, Page 60).

Motivation is the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. While in general motivation is concerned with effort toward any goal (Stephen p. Robbins/Timothy A.Judge).

Increasing motivation, commitment and engagement levels are key organizational aspects nowadays. The development of compensation policies has an important role in motivating workforce to deliver high levels of performance, discretionary effort and contribution. The process of motivation usually starts with someone recognizing an unsatisfied need. Then a goal is established to be reached and that way to satisfy the need. Rewards and incentives can be established for people to better accomplish the given goal. The social context will also affect the motivation level. This context consists of organizational values and culture but it also includes leaderships and management as well as the influence of the group or team in which a person works (Anna Salanova Sanni Kirmanen, 2010).

2.9 Managing employees as part of the service

In service industry employees are a critical part of the product and marketing,

2.9.1 Service personnel

Service employees can be divided into two categories, namely, support personnel and customer contact personnel (Kenneth E. Clow, 141).

Support personnel: are seldom seen by the customers, the quality of the technical component of service quality is primarily determined by support personnel because they are generally the ones performing the service. Customer contact employees are the interface between the service organization and its customers. These employees are the ones that customers see and the ones with whom they interact. The quality of the functional component of service is primarily determined by employees who encounter customers since they are more aware of the customers' wants and needs.

2.9.2 Service Encounter

Customers often base their perceptions of service on the quality of the interaction with service personnel. Thus, service organizations need to give importance for quality service operation and attempt to exceed the expectations of customers at the execution. In this regard employees

becomes a vital part of the services delivery operation and there is a need to ensure that they can proficiently deliver the promises made to customers in all service delivery encounters. Service encounters are also called a moments of truth. Service businesses are more difficult to manage when using only traditional marketing approaches. In a product business, mass-produced products are fairly standardized and sit on shelves waiting for customers. But in a service business, the customer and frontline service employee interact to create the service. Thus service providers must work to interact effectively with customers to create superior value during service encounters. Effective interaction, in turn, depends on the skills of frontline service staff, and on the service production and support processes backing these employees. (Philip kotler et al.)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This part elaborates the research design, data type and source, target population, Sampling Technique, sample size, data collection and data analysis. The methods selected below are found to be suitable because of their appropriateness for situations in the selected study area, analyzing major issues and forwarding sound recommendations.

3.1 Research Design

The study was conducted using Causal research design, With Hypothesis-testing. Hypothesis-testing research studies are those where 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 (C.R kothari ,p39). As the researcher aim to identify which hypothesized factor is the dominant for job satisfaction ,the researcher find this research design would meet the requirement.

3.2 Data type and source

Data was collected by using both primary and secondary data. To get a good understanding and to make the findings as reliable as possible, primary data was collected from Employees of the bank and the human resource manager was interviewed through structured questioner. These primary data was gathered through structured questionnaire based on the factor analysis model. The secondary data was collected from, journals, websites and documents related with, Internal Marketing and Employee job satisfaction.

3.3. Sampling Technique and Sample Size

3.3.1 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 (C.R kothari ,p56).

3.3.2 Sampling Technique

The need to sample is one that is almost invariably encountered in quantitative research. Sampling methods are classified into probability and non-probability techniques;

Non probability sampling: - a sample that has not been selected using a random selection method. Essentially this implies that some units in the population are more likely to be selected than others.

Probability sampling:-a sample that has been selected using random selection so that each unit in the population has a known chance of being selected. It is generally assumed that a representative sample is a more likely to be the outcome when this method of selection from the population is employed. The aim of probably sampling is to keep sampling error to a minimum (Alan Bryman/Emma Bell, 3rded, p176).

This method encompasses four common types include: (1) simple random sampling, (2) stratified random sampling, (3) Multi-stage cluster sampling, and (4) systematic sampling (Alan Bryman/Emma Bell).The fact that Zemen Bank has Two Branch and 8 Kiosks makes it ideal for stratified sampling technique.

Stratified sampling: is used when various subgroups exist and it is believed that various groups will provide different responses. The division of groups may be accomplished through any characteristics and randomly selected independent samples develop from each stratum.

The Bank currently has 401 employees which are permanent and contract in total.

Gender	Employment Status		Job Category	
	Contract	Permanent	Professional	Non-Professional
Male	18	254	177	77
Female	9	120	110	10
TOTAL	27	374	287	87

Table 3.1 Employee data.

Yamane (1967) provides a simplified formula to calculate sample sizes. A 95% confidence level and $P = 0.05$ are assumed. $n = N / [1 + N (e)^2]$ Where n is the sample size, N is the population size, and e is the level of precision. $n = N / [1 + N (e)^2]$ (Ajays Singh, Micah B. Masuku).

$$n = N / (1 + N e^2) =$$

n = Sample size to be selected

N = Population

e = error

$$401 / (1 + 401 \cdot 0.05^2) = 200$$

3.4. Data process, Analysis and interpretation.

Branch And Kiosks Name	Staff	Amount Of Sample
Head office	296	148
Bole Branch	79	39
Dire Dawa Corporate unit	5	2
Adama Corporate unit	5	2
Sweden kiosk	2	1
Emirates kiosk	1	0
Posta kiosk	2	1
Shebelle kiosk	2	1
Zeway Corporate unit	3	1
Hawassa Corporate unit	6	3
Total Employee	401	200

Table 3.2: Employee data sample.

Source: Document of Zemen bank

To answer the research questions and test the hypothesis, SPSS software version 16.0 was used for the questionnaires data analysis .Correlation was used to determine the relationship between the independent variables on employee’s job satisfactions. Further, the variables were regressed against employee’s job satisfaction. The multiple regression analysis was also used to further explain the significance of the independent and dependent variables. In addition graph was also used to display the demographic characteristics of respondents.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents the analysis of the survey questionnaire as well as results of the data analysis which is presented. The target population of this study was employees of Zemen bank. Questionnaires had been collected at the mid of March 2015. Among 200 questionnaires distributed; 177 were returned back from employees of the bank. A total of 177 of these questionnaires were completed and used for the data analysis which means at 88% respond rate.

Table 4.1: Response Rate of Questionnaires Administered

Questionnaires	Number	Percentage
Returned	177	88%
Unreturned	23	12%
Total	200	100%

4.2 Descriptive Analysis

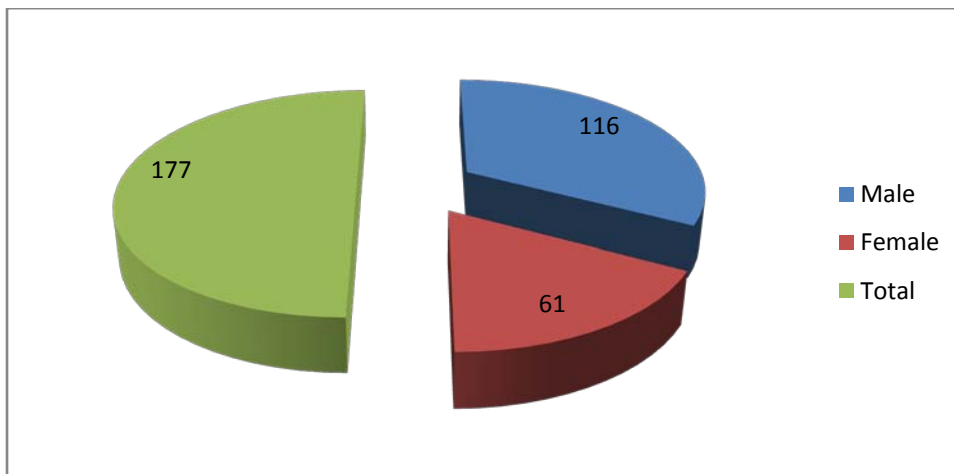
4.2.1 Characteristics of Respondents

Demographic statistics are provided here under, with the table and supported by bar chart. When we see the sex composition, 61 (35%) were female, and male were 116 (65.5%). Hence, the majority of the respondents were male.

Table 4.2 Gender composition of Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	116	65.5	65.5	65.5
	Female	61	34.5	34.5	100.0
	Total	177	100.0	100.0	

Fig. 4.1: Frequency of Employee by gender



Source: own survey 2015

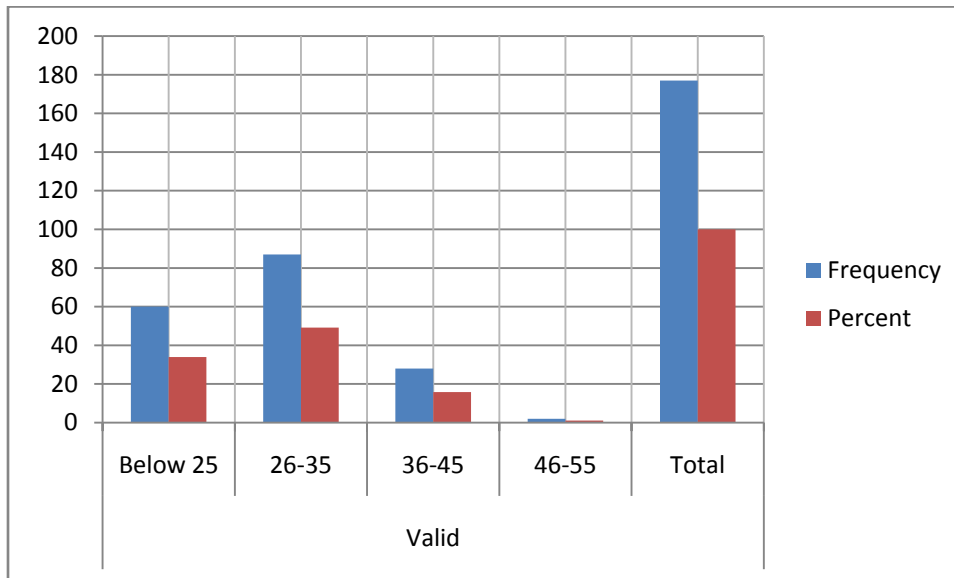
The bar chart and the frequency table below illustrate respondent's age proportion in four age category. The majority of Employee are between the Ages of 26-35 (49.2%) next to this, Employee below 25 (33.9%) and 36-45 (15.8%) age group, 46-55 (1.1%) were the third and the fourth respectively groups of Employee.

Table 4.3 Age Group of Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	60	33.9	33.9	33.9
	26-35	87	49.2	49.2	83.1
	36-45	28	15.8	15.8	98.9
	46-55	2	1.1	1.1	100.0
	Total	177	100.0	100.0	

Source: own survey 2015

Fig. 4.2: Age Group of Respondents



The following table shows Employee educational level in five categories. When we see the educational level of Employee the most number of Employee are First Degree (BA, BSC) holder 146 (82.5%), the second highest Employee groups are those Employee who has a Second Degree (MA, MSC) 20 (11.3%), College Diploma are the third group which accounts 8 (4.5%) and 2 (1.1%) of Employee are high school complete and the final range is 1 (0.6%) employees who

Owen a Higher than second degree. Hence, the employees' educational level enables the bank to discharge its duties and perform well.

Table 4.4 Educational Level of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid High School Complete	2	1.1	1.1	1.1
College Diploma	8	4.5	4.5	5.6
First Degree (BA, BSC)	146	82.5	82.5	88.1
Second Degree (MA, MSC)	20	11.3	11.3	99.4
6	1	.6	.6	100.0
Total	177	100.0	100.0	

Source: own survey 2015

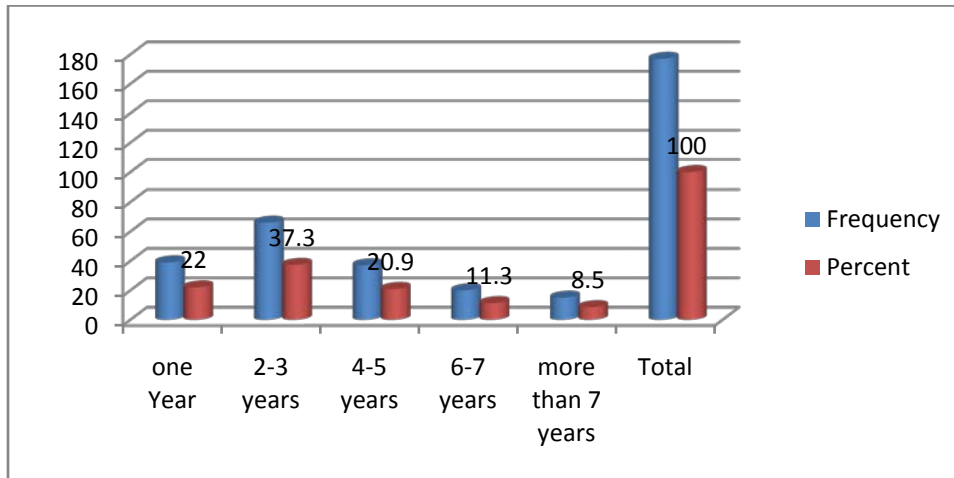
The bar chart and the frequency table below shows Employee Years worked with the profession in five categories. When we see Years worked with the profession, most Employees fail in the group 2–3 years are 66 (37.3%), the second highest Employee stay at the Bank at least for one year 39 (22.0%), 4–5 years is the third group which accounts 37 (20.9%) and 20 (11.3%) of Employee worked 6–7 years and the final range is 15 (8.5%) are employees who work More than 7 Years. Therefore, one can infer that the experience of the employees is moderate and the bank has to retain the employees through the practice of proper internal marketing.

Table 4.5 Years Worked in the Profession

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid one Year	39	22.0	22.0	22.0
2-3 years	66	37.3	37.3	59.3
4-5 years	37	20.9	20.9	80.2
6-7 years	20	11.3	11.3	91.5
more than 7 years	15	8.5	8.5	100.0
Total	177	100.0	100.0	

Source: own survey, 2015

Fig 4.3: Frequency of Years of experience



Source: Own survey 2015

4.2.2 Descriptive analysis for the variables

The following Table 4.6 indicates that employees of Zemen bank perceived organizational support $M = 2.9026$ the most dominant of internal marketing practices and evident to a considerable extent; next empowerment with the higher mean value i.e. $M = 2.8914$ followed by reward $M=2.8669$; Training, $M = 2.8055$, the least scored among the independent variable is communication which counts $M=2.6500$ and job satisfaction $M = 2.8323$ respectively.

Among the variables employees rate higher for organizational support which shows that the corporation support system perceived as poor. However, the corporation is not doing well in communication where the employee rate this variable as list we can say the Bank is doing less regard to internal market aspect.

Table 4.6: Descriptive Statistics: Mean and standard deviation of statistic of employees IM perception

	Mean	Std. Deviation	N
Total Empowerment	2.8914	.73004	175
Total Training	2.8055	.76844	174
Total communication	2.6500	.85569	176
Total Reward	2.8669	.75512	174
Total Organizational support	2.9026	.68939	177
Total Job satisfaction	2.8323	.71579	174

Source: own survey 2015

4.3 Factor Analysis

4.3.1 Reliability and Validity

Reliability:-refers to the consistency of a measure of a concept. The following are there prominent factors involved when considering whether a measure is reliable (Alan Bryman/ Emma Bell, 3rded, p158).

- **Stability**:-the consideration entails asking whether or not a measure is stable over time. So that we can be confident that the results relating to that measure for a sample of respondent do not fluctuate. This means that, if we administer a measure to a group and re administer it, there will be little variation over time in the results obtained.
- **Internal Reliability**:-The key issue is whether or not the indicators that make up the scale or index are consistent-in other words, whether or not respondents scores on any one indicator tend to be related to their scores on the other indicators.
- **Inter observer consistency**:-when a great deal of subjective judgment is involved in such activities as the recoding of observations or the translation of data into categories and where more than one observer is involved in such activities, there is a

possibility that there is a lack of consistency in their decision. This can arise in a number of contexts, for example, in content analysis where decisions have to be made about how to categorize media items; when answers to open-ended questions have to be categorized; or in structured observation when observers have to decide how to classify subject's behavior.

Cronbach's alpha: is a commonly used test of internal reliability. It essentially calculates the average of all possible split-half reliability coefficients. A computed alpha coefficient will vary between 1 (denoted perfect internal reliability) and 0 (denoted no internal reliability). The figure 0.08 is typically employed as a rule of thumb to denote an acceptable level of internal reliability. Though many writers accept a slightly lower figure For example, in the case of the bunout scale replaced by Schutte et al. alpha was 0.7 which they suggest as a rule of thumb is considered to be efficient.

Table 4.7 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.900	.919	6

Source :own survey 2015

The value of Cronbach's Alpha for 5 items of IM construct was .919 which is above 0.7. Taking in to account the small number of items used to measure IM the value of alpha is acceptable, as the number of item and coefficient of alpha are directly proportion.

Validity: Validity refers to the issue of whether or not an indicator (or set of indicators) that is devised to gauge a concept really measures that concept (Alan Bryman/Emma Bell, 3rded, p159).

Table 4.8 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.922
Bartlett's Test of Sphericity	Approx. Chi-Square	3539.606
	df	378
	Sig.	.000

Source own survey 2015

The study KMO measure of sampling adequacy for IM constructs which is 0.922 greater than the standardized minimum value (0.5) that validates the use of factor analysis.

Measures: - The constructs in this study were developed by using measurement scales adopted from prior studies. Modifications were made to the scale to fit the purpose of the study. All constructs were measured using five-point Likert scales with anchors strongly disagree (= 1) and strongly agree (= 5). All items were positively worded. IM practices measures were adapted from previous studies (Suliman Ibraheem Shelash ,Al-Hawary,2013). For the current study, the following internal marketing constructs identified as internal marketing dimensions, empowerment, training, communication, Employee reward and organizational support.

4.3.2 Factor analysis

A principal component factor analysis was conducted to validate the underlying structure of the internal marketing practices and employees job satisfaction.

The criteria for selecting items is Eigen value greater than 1, variables were listed in the order of size of their loadings results of the factor analysis indicated the existence of four significant dimensions with Eigen values greater than one. This together accounted for 65.91% of total variance.

Table 4.9 Factor analysis- Independent variables

Variables	Items	Eigen value	Factor loading	Variance explained	Cumulative Variance explained
Organizational support	Strong Consideration of Goals And Values	12.46	0.795	44.501	44.501
Employee rewards	Competitive Pay and Benefit Package	3.041	0.668	10.861	55.362
Empowerment	Employee Initiative	1.517	0.407	5.418	60.78
Training	Training Opportunities	1.437	0.508	5.133	65.912

Source own survey 2015

The most important factor is Strong Consideration of Goals and Values with 12.46 eigen value and explains 44.501 per cent of variation. The second important factor is Competitive Pay and Benefit Package which has the Eigen value and the percent of variation 3.04 and 10.86 per cent respectively. The third important variable is Employee Initiative which has 1.51 Eigen value and explains about 5.42% of variation. The fourth factor is Training Opportunities which has 1.44 Eigen value and 5.133% of variation.

4.4 Relationship between IM dimensions and employee satisfaction.

Correlation analysis deals with relationships among variables and helps to gain insight into the direction and strength of relation between the variables. Correlation coefficients take values between -1 and 1 ranging from negatively correlated (-1) to uncorrelated (0) to positively correlated (+). The sign of the correlation coefficient defines the direction of the relationship. The absolute value indicates the strength of the correlation. Dancey and Reidy (2004) state that a correlation result which is 0 indicates zero correlation, a result which is between 0.1 and 0.3 indicates a weak correlation among variables, a result which is between 0.4 and 0.6 shows a moderate correlation, a result between 0.7 and 0.9 indicates a strong correlation among variables, while a result which is equal to 1 indicates perfect correlation.

In order to examine the correlation between each item of the five independent variables of IM with employee satisfaction correlation analysis was conducted and result is separately presented here below.

Table 4.10 Correlations test organizational support test with job satisfaction

		Total Job satisfaction	Total Organizational support
Pearson Correlation	Total Job satisfaction	1.000	.773
	Total Organizational support	.773	1.000
Sig. (1-tailed)	Total Job satisfaction	.	.000
	Total Organizational support	.000	.
N	Total Job satisfaction	174	174
	Total Organizational support	174	174

Source: own survey 2015

Organizational support t had significantly positive effect and strong relationship with employees job satisfaction ($p < 0, 05$; $\beta = 0.446$). Hence the hypothesis H1e was also supported by the study. As shown in Table above there is a positive association between Organizational support and Employee job satisfaction ($r = .773$) so it confirms H1e: Organizational support is positively related to employee's job satisfaction.

The other result as shown from table 4.11, Empowerment has significantly positive effect on employees job satisfaction ($p < 0, 05$; $\beta = 0.281$). Hence the hypothesis H1a was also supported by the study. As shown in Table 4.11 there is a positive association between Empowerment and Employee job satisfaction ($r = .689$) So it confirms H1a: Empowerment is positively related to employee's job satisfaction.

Table 4.11 Correlations test for empowerment

		Total Job satisfaction	Total Empowerment
Pearson Correlation	Total Job satisfaction	1.000	.689
	Total Empowerment	.689	1.000
Sig. (1-tailed)	Total Job satisfaction	.	.000
	Total Empowerment	.000	.
N	Total Job satisfaction	172	172
	Total Empowerment	172	172

Source: own survey 2015

The subsequent variable was Reward and has positive effect on employee's job satisfaction ($p < 0,05$; $\beta = 0.105$) Hence the hypothesis H1d: was also supported by the study. Reward had positive relationship with employee's job satisfaction. This implies for managers that they can buildup the commitment among employees by rewards and achieve both individual and Organizational objectives.

Table 4.12 Correlations test for reward

		Total Reward	Total Job satisfaction
Total Reward	Pearson Correlation	1	.568
	Sig. (1-tailed)		.000
	N	174	171
Total Job satisfaction	Pearson Correlation	.568	1
	Sig. (1-tailed)	.000	
	N	171	174

Source: own survey 2015

As shown in Table 4.12 there is a positive association between Reward and Employee job satisfaction ($r=.568$) So it confirms H1d: Reward is positively related to employee's job satisfaction. Normally, incentives are used as a tool to motivate employees to gain a job satisfaction as the above hypothesis also supported. This would also inform managers that in order to maintain employee job satisfaction the bank rewarded mechanism need to be a thought through in order to maintain employee job satisfaction.

The other result is Training had positive effect on employees job satisfaction ($p<0, 05$; $\beta =0.0053$). Hence the hypothesis H1b: was also supported by the study. Training had positive association with on employee's job satisfaction.

Table 4.13 Correlations test for training

		Total Job satisfaction	Total Training
Total Job satisfaction	Pearson Correlation	1	.644
	Sig. (1-tailed)		.000
	N	174	171
Total Training	Pearson Correlation	.644	1
	Sig. (1-tailed)	.000	
	N	171	174

. Correlation is significant at the 0.01 level (1-tailed).

Table 4.13: correlation coefficient between Training and Employee job satisfaction

As shown in Table 4.13 there is a positive association between Training and Employee job satisfaction ($r=.644$) so it confirms H1b: Training is positively related to employee's job satisfaction. This implies for managers that more Proper training and promotion also need to be given to the staff in order to make them satisfied with their job.

Finally, Communication had positive effect on employees job satisfaction ($p<0, 05$; $\beta = 0.043$). Hence the hypothesis H1c was also supported by the study.

4.14 Correlations test for communication

		Total Job satisfaction	Total communication
Total Job satisfaction	Pearson Correlation	1	.697
	Sig. (1-tailed)		.000
	N	174	173
Total communication	Pearson Correlation	.697	1
	Sig. (1-tailed)	.000	
	N	173	176

Source: own survey 2015

As shown in Table 4.14 there is a positive association between communication and Employee job satisfaction ($r=.697$) so it confirms H1c: communication is positively related to employee's job satisfaction. Based on the values, Organizational support has the highest impact on employees job satisfaction followed by Empowerment, Reward, Training, Communication, respectively.

4.3.3 Multiple regression analysis

The hypotheses in this study test the five practices of internal marketing as the independent variables to determine if there is an impact on employee's job satisfaction. Multiple regression analysis was also employed to *test the impact of internal marketing practices on employee's job satisfaction*.

Table.4.15. Regression Summary of the impact of internal marketing practices on employee's job satisfaction. (N= 177).

Mode		Un standardized		Standardized		Sig.
		Coefficients		Coefficients		
1		B	Std. Error	Beta	t	
1	(Constant)	-0.745	1.31		-0.569	0.57
	Total Empowerment	0.35	0.094	0.281	3.734	0.045
	Total Training	0.062	0.085	0.053	0.724	0.47
	Total communication	0.059	0.122	0.043	0.482	0.631
	Total Reward	0.112	0.065	0.105	1.722	0.087
	Total Organizational support	1.026	0.183	0.446	5.604	0.05
a. Dependent Variable: Total Job satisfaction						

Source: own survey 2015

Notes: $R^2 = 0.662$; $Adj. R^2 = 0.651$ Sig. $F = .000$; $F\text{-value} = 63.407$; dependent variable: job satisfaction < 0.10

The proposed model was adequate as the F-statistics (p-value = 0.000) was significant at the 10 percent level ($p \leq 0.10$). This indicated that organizational support, empowerment, and reward were statistically significant on internal marketing practices and employees job satisfaction. From Table (4.15), it can be observed that the coefficient of determination (R^2) was 0.662, representing that 66.2 percent of job satisfaction can be explained by the Five practices of internal marketing. Thus, there is effect of the internal marketing practices on job satisfaction.

Further, regression analysis indicated that, Organizational support had significantly positive effect on employees job satisfaction ($p < 0.05$; $\beta = 0.446$). Thus, H_{1e} , proposing that Organizational support is positively related to employee's job satisfaction was supported by this study.

The purpose of this hypothesis was to identify whether organizational support has a positive effect on employee job satisfaction. Pearson correlation coefficient as it expressed in a single number called a correlation coefficient (r), that provides information about the direction of the relationship (either positive or negative) and the intensity of the relationship (-1.0 to $+1.0$).

As shown in Table 4.10 there is a significant strong positive association between Organizational support and Employee job satisfaction ($r=.773$). So it confirms H1e: Organizational support is positively related to employee's job satisfaction. This implies for managers that this Bank must try to create supportive, pleasant full working environment internally, in order to satisfy the staff and work with efficiency which could extend outward.

4.4 Analysis of interview question

To triangulate the study's data, the student researcher has developed interview questions to gather information from the human resource manager accordingly, the following interview results are narrated below.

For the interview question do your employees have job descriptions that give them some autonomy and allow them to find their own solutions or are they given a list of tasks to perform and simply told what to do? The manager responded positively that every employee has job description and every employee is expected to perform with that job description. And for the research question intended to find how the bank manager's would empowers their employees in subordinate level? The manager responded employees are given their duties and responsibilities along with respective authority. And for subsequent interview question saying as a human recourse department manager how can you track such activities? The manager responded Employees are given jobs, If not we will contact departments to produce draft.

The next interview question was to assess if there is a Promotional opportunity for the employees, saying do you believe leaders are developed within the company? The manager responded with a half confirmation saying hope so, But not as much as the bank expected this could also revealed that the bank need to consider working on its internal marketing more that the response need to be more affirmative.

The next interview question was to assess the level of training summated to employees and the way employees are selected for this training. Does the bank provide enough training for its employee? The manager responded The Bank facilitate training but not as it is expected still this also prove that the bank need to work more on Training it's employee as to maintain a competitive work force. Do employees receive service training before starting their job? The manager responded that the departments select staff who should participate in specific technical courses for general courses Human rescors and support do the selection. The departments during selection take employees performance and back ground in to consideration.

And the next interview question was to assess the level of employee communication in the bank; do you believe employees at the bank share and exchange information to the required level? The manager responded that employees have the means to do so. But the information shared could be of any sort (Not sure whether useful or not).but for the way the bank communicate its employee the response was positive , that employees have the means via circular, letter, e-mail this prove that the bank maintain the information exchange method to the required level.

While the next interview question was intended to assess the organizational support which definitely help the analysis also. How involved are employees in company development? Do they feel listened to and heard? Are they consulted? And, if they are consulted, are their opinions taken seriously? Are there regular opportunities for them to give feedback? The manager responded that I think we are not doing well in this aspect, which confirms that organizational support which is proven to be low in the analysis is also confirmed from the managerial point of view. With this organizational support aspect the manager also replied for the question do you believe the organization offer enough organizational support to its employee? The manager responded, the bank is trying its best, though a lot is remaining to be done, this could also prove that not only the employee perspective is that the organizational support is low but also from the bank's point of view that it is a proven statement the organizational support is minimal .

The other question was used to assess the Remuneration scale; do you believe that the employees are paid competitive pay? The manager responded firmly that it is yes. Further question with this aspect was Do you believe incremental of salary is competitive relation to the life cost? The manager responded the bank is trying its best; it is not in bad shape.

The next question was intended to how well the organization assesses the level of motivation in each employee; do you know what really motivates your staff? Is it financial rewards, status, praise and acknowledgment, competition, job security, public recognition, fear, perfectionism, results...? The manager responded, well people have their own preference one motivates some while it doesn't work for others.

To assess whether the non-financial benefit is enough in the Bank aspect the manager was asked, do you believe the non-financial benefit offered by the company is enough? The manager responded, Never Enough which the bank could work on more as to amend its non financial Benefit. To affirm the support of the bank in organizational support more question were asked like how you would evaluate the perceived organizational support of employee. Is there any way you could research there felling in this issue? The manager responded that the department periodically collects feedback on human resource related activity. How do employees feel about the company? Do they feel safe, loyal, valued and taken care of? Or do they feel taken advantage of, dispensable and invisible? The manager responded Different Employees may have different stance in this regard given their back ground and expectation but in general I believe employees fell proud being part of zemen. And for the question, do you have an exit interview when employee resigns? The manager responded as it is yes the Bank has an exit interview as to find out what a real reason would an employee has when living the organization.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSIONS AND RECOMMENDATION

This chapter is comprised of the findings, conclusions and recommendations based on the findings on chapter four above.

5.1 Summary of finding

The study was designed to examine the Impact of internal marketing using five dimensions; empowerment, training, communication, reward and organizational support on employee Job satisfaction in a case of Zemen bank. In chapter two internal marketing and employee job satisfaction and the independent variables were addressed through various literatures. The relationship between the independent variables mentioned above and the dependent variable job satisfaction was correlated and second the most important IM dimension which has more impact on employee job satisfaction was regressed. Different researches give extensive details about the importance of human resource in any organization. The same is true for financial institutions like Zemen Bank. With regard to the practices of internal marketing of this bank, the findings of the study related to demographic characters the sex composition, 61 (35%) were female, and male were 116(65.5%). The majority of Employee are between the Ages of 26-35 (49.2%) next to this, Employee below 25 (33.9%) and 36-45 (15.8%) age group, 46-55 (1.1%) were the third and the fourth respectively groups of Employee since the highest percentage of the age group fall in the range between 26-35 it is evident that it is the most productive age group that the company need to work on attaining the job satisfaction of this age group.

Regarding the educational level of employees, most respondents are with first degree holder 146 (82.5%), the second highest employee groups are those employee who are at the second degree (MA, MSC) 20(11.3%), and the remaining below. Thus, the bank could use this advantage by motivating them in order to enhance employees' satisfaction. Work experience also enables the employees to discharge their duties properly and most employees are 2–3 years that count 66 (37.3%) followed by at least for one year experience 39 (22.0%) and 4–5 years is the third

group which accounts 37 (20.9%). Therefore, one can understand that the bank's employees work experience is moderate. So, the company need to consider on making this percentage as to highest by working more on the internal marketing, in order to maintain the set of belongingness in its employee.

The second category of study analysis was a principal component factor analysis conducted to validate the underlying structure of the internal marketing practices and employees job satisfaction organizational support, empowerment and Reward was found to be the major variables of internal marketing and causes for their job dissatisfaction respectively. The most important factor was organizational support/strong consideration of goals and values and the second important factor was reward/ Competitive Pay and Benefit Package and the third important variable is empowerment/employee Initiative and the final factor was training/training Opportunities this also prove that from the 28 weighing factor introduced the four is dominant which weight with Eigen value greater than one.

Further, hypotheses were posited at the beginning which to be proved if the five components of internal marketing as the independent variables correlated positively with that of employee's job satisfaction, The result proves that all five hypotheses have a positive relationship with employee job satisfaction.

The final statistical test was the application of multiple regressions that was used to identify the most influential among the independent variables. Hence, result has shown that organizational support with the greatest value (0.446) this means as organizational support increases by one the influence on job satisfaction is 45%. The next variable that impacts job satisfaction is empowerment (0.281), followed by reward (0.053). Therefore, one can infer that these three variable have to get due attention when the bank implement the practice of internal marketing. Likewise, the remaining also given focus as per their impact level respectively.

Based on the empirical analysis, the researcher makes relevant conclusions and recommendations as presented below.

5.2 Conclusion

The study was designed to examine the Impact of internal marketing using five dimensions; empowerment, training, communication, reward and organizational support on employee Job satisfaction in case of Zemen bank. The research has proved the entire hypotheses formulated Has Positive relationship with the employee job satisfaction. More over as the employee view the bank organizational support result has the highest mean score which proves that the bank organizational support is low. In addition the Regression result shows that the organizational support is low also. This indicated that the internal marketing adopted in the bank need a major analysis. Therefore the research concluded that the empowerment, training, communication, reward and organizational support have a positive relationship employee Job satisfaction.

5.3 Recommendation

Taking into consideration that the human power is the greatest resource in organizational success, the current study also presents some important remarks that could be used by the management decision makers and managers in order to maintain employees job satisfaction that need their full focus and attention in turning their employees into their most reliable and permanent asset.

Managers also have to communicate with their subordinates effectively in order to make them satisfied about their jobs So, in order to achieve employees' satisfaction managers have to make assessment with the employees to hear their opinions and feedbacks about their job and let them to forward their opinion freely in order to gather valuable information from them for further considerations that could be also one way how the organization show them its support.

Managers and decision makers have to focus on designing development programs and short term training to tailor the present gap of knowledge, ability, and skills that enable employees encourage and to be creative.

Moreover, managers should empower employees because it is proved that when the employees are participated in the decision making process they provide a much better service to customers as result of satisfaction. In other words, when the managers have the choice to encourage the

employees in making decisions in cases where the decision is routine not a major one, they will have a great satisfactory results from the employees toward their jobs and eventually an effect on satisfaction of the customers.

Finally, providing discretionary effort to satisfy employees and in turn that drives customer loyalty, providing incentives, and building employees trust on their organizations that results belongingness could be additional possible strategies for proper internal marketing practices.

5.4 Limitation of the Study and Directions for future researches

The study is not without limitations, which, however, future research can address. This study Took five dimensions of internal marketing, future research can adopt more and different dimensions such as; Motivation, Organizational Environment, leadership, human resources management,, retention policy, and many more dimensions that might affect the employee's job satisfaction. The study was exclusive to one bank and only one sector (financial sector), other Bank practice are not considered this could also have an Impact to generalize the outcome so it is recommended to use different Sector types for future Research.

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APPENDIX A

Employee quainter Customer Instrument

The purpose of this research is to clearly understand the various challenges across the internal marketing and recommend solutions that will strengthen the relationship of bank and employees.

Demographic Information

1. Gender: Male Female

2. Age: _____

Below 25 26- 35 36- 45 46- 55 above 56

3. Educational level

Below high school High school complete College Diploma

First Degree (BA, BSC) Second Degree (MA, MSC) Second Degree

4. Years worked in the profession

1 year 2-3 years 4-5 years 6-7 years More than 7 Years

S. N.	Construct and item	Scale				
		1	2	3	4	5
		SD	D	N	A	SA
	Empowerment	1	2	3	4	5
1	My supervisor allows me to use my own judgment in solving problems	1	2	3	4	5
2	My supervisor encourages me to take initiatives	1	2	3	4	5
3	My supervisor trusts me to exercise good Judgment	1	2	3	4	5
4	Leaders are developed from within the Company	1	2	3	4	5
5	Performance Appraisals are fair and unbiased	1	2	3	4	5
	Training					
1	The Company provides a variety of training opportunities for employees	1	2	3	4	5
2	I received extensive service training before I first started my job	1	2	3	4	5
3	If one is moved from one department to another, the new supervisor will personally train him/her for a pre-specified period of time.	1	2	3	4	5
4	Training programmers focus on how to improve service quality.	1	2	3	4	5
5	I have career opportunities available to me	1	2	3	4	5
6	I receive training continuously to provide good service	1	2	3	4	5
	Communication					
1	Employees at the Company regularly share and exchange ideas	1	2	3	4	5
2	My Supervisor keeps me informed about important issues	1	2	3	4	5
3	Managers communicate frequently and honestly about	1	2	3	4	5

	issues affecting employees					
4	Employees are valued as an asset to the Company	1	2	3	4	5
5	Employees are free to express their concerns and complaints	1	2	3	4	5

S. N.	Construct and item	Scale				
		1	2	3	4	5
		SD	D	N	A	SA
	Employee rewards	1	2	3	4	5
1	The Company maintains a competitive pay and benefits package	1	2	3	4	5
2	I am satisfied with the salary I draw at present	1	2	3	4	5
3	My income and the annual increases are very closely tied to my qualifications and my performance	1	2	3	4	5
4	My income and the annual increases are much related to those of people with similar qualifications working in the organization.	1	2	3	4	5
5	The benefits offered by the Company meet my expectation	1	2	3	4	5
6	The non financial benefits provided in the organization are satisfactory	1	2	3	4	5
7	There is equal opportunity for advancement at the Company	1	2	3	4	5
8	I receive positive recognition when I excel in serving customers.	1	2	3	4	5
9	Job promotions are awarded fairly	1	2	3	4	5
	Organizational support					

1	Help is available from my organization when I have a problem	1	2	3	4	5
2	The organization tries to design my job as interesting and rewarding as possible	1	2	3	4	5
3	My organization strongly considers my goals and values	1	2	3	4	5
Job Satisfaction						
1	I am highly satisfied with my job	1	2	3	4	5
2	I find real enjoyment in my work.	1	2	3	4	5
3	I receive personal satisfaction from doing a good job	1	2	3	4	5
4	I get a sense of personal accomplishment from my work	1	2	3	4	5
5	I definitely like my job	1	2	3	4	5
6	My job is very worthwhile	1	2	3	4	5

Note: Response to each item is measured on a five-point scale from 5 strongly agrees to 1 strongly disagree.

APPENDIX B

Manager Instrument

The purpose of this research is to clearly understand the various challenges across the internal marketing and recommend solutions that will strengthen the relationship of bank and employees.

1. Do your employees have job descriptions that give them some autonomy and allow them to find their own solutions or are they given a list of tasks to perform and simply told what to do?
2. How the Bank empowers their subordinate?
3. As a human recourse department manager how can you track such activities?
4. Do you believe leaders are developed within the company?
5. Does the bank provide enough training for its employee?
6. Do employees receive service training before starting their job?
7. How would you select attendant for the training whether the employee need to work for the bank for specific period before attain ding any training?
8. Do you believe employees at the bank share and exchange information to the required level?
9. How would you communicate major decision that would affect employee?
10. How involved are employees in company development? Do they feel listened to and heard? Are they consulted? And, if they are consulted, are their opinions taken seriously? Are there regular opportunities for them to give feedback?
11. Do you believe that the employees are paid competitive pay?
12. Do you believe incremental of salary is competitive relation to the life cost?
13. Do you know what really motivates your staff? Is it financial rewards, status, praise and acknowledgment, competition, job security, public recognition, fear, perfectionism, results...?
14. Do you believe the non-financial benefit offered by the company is enough?
15. Do you believe the organization offer enough organizational support to its employee?
16. How would you evaluate the perceived organizational support of employee? Is there any way you could research there felling in this issue?

17. How do employees feel about the company? Do they feel safe, loyal, valued and taken care of? Or do they feel taken advantage of, dispensable and invisible?
18. Do you have an exit interview when employee resigns?
19. How would you track whether employees are satisfied or not?