



The Impact of Internal Marketing on Job Satisfaction of Employees of Awash International Bank:

By:

Hanan Mahammed

June , 2016

Addis Ababa, Ethiopia

St. Mary University

Department of Business Administration(General)

**The Impact of Internal Marketing on Job Satisfaction of
Employees of Awash International Bank:**

By: Hanan Mahammed

ID.No. SGS/0149/2007A

Advisor: Dr. Temesgen Belayneh

**A Thesis Submitted to the School of Graduate Studies of St. Mary
University in Partial Fulfillment of the Requirement for the Award
of Master of Arts Degree in Business Administration(General)**

June, 2016

St. Mary University
Addis Ababa, Ethiopia

St. Mary University

Department of Business Administration(General)

Post Graduate Programme

**The Impact of Internal Marketing on Job Jatisfaction of Employees of Awash
International Bank:**

By: Hanan Mahammed

Approved by:

.....
External Examiner's Name Signature Date

.....
Internal Examiner's Name Signature Date

.....
Department Chair person's Name Signature Date

Statement of Certification

This is to certify that Hanan Mahammed has carried out her research work on the topic entitled **‘The Impact of Internal Marketing on The Job Satisfaction : A Study on Awash International Bank’**. The work is original in nature and is suitable for submission for the award of Masters of business administration specializing in general management.

Certified by:

Dr. Temesgen Belayneh
Advisor’s Name

.....
Signature

.....
Date

Statement of Declaration

I hereby declare that **The Impact of Internal Marketing on Job Satisfaction: A Study on Awash International Bank** project is wholly the work of mine, Hanan Mahammed. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Temesgen Belayneh. Also any other contributors or sources have either been referenced in the prescribed manner or are listed in the acknowledgements together with the nature and the scope of their contribution. This study has not been submitted for award of any Degree or Diploma Program in this or any other Institution. It is offered for the partial fulfillment of the degree of Masters of business administration specializing in general management.

Declared by:

Hanan Mahammed
Student's Name	signature	Date

Table of Contents

Acknowledgement	vii
List of tables	viii
List of Figures	ix
Acronyms.....	x
Abstract.....	xi
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem	3
1.3. Research questions	6
1.4. Objectives of the Research	6
1.4.1. General Objective	6
1.4.2. Specific Objectives	6
1.5. Research Hypotheses	7
1.6. Scope of the Study	7
1.7. Limitations of the Study.....	8
1.8. Significance of the study.....	8
1.9. Organization of the paper.....	9
CHAPTER TWO: REVIEW OF RELATED LITERATURE.....	10
2.1. Historical Background of Internal Marketing.....	10
2.2. Theoretical Development Meaning and Evolution of the Internal Marketing Concept.....	12
2.3. Elements of internal marketing	18
2.3.1 Education and Training	19
2.3.2 Motivation.....	21

2.3.3. Communication and Information	22
2.3.4 Co-ordination	24
2.4. Job Satisfaction	24
2.4.1. Front line employees' Job Satisfaction	26
2.4.2. The five dimensions of Job Satisfaction	26
2.4.3. Benefits of Job Satisfaction.....	27
2.5. Internal Marketing and its Relationship with Job Satisfaction	28
2.6. Conceptual Framework of the Study	30
CHAPTER THREE: RESEARCH METHODOLOGY.....	31
3.1. Research Design and approach.....	31
3.2. Population Of the study	32
3.3. Sampling design	32
3.3.1. Sample selection method	32
3.3.2. Sample size	32
3.4. Sources and types of Data	33
3.5. Data collection instrument	33
3.6. Data analysis techniques.....	33
CHAPTER FOUR: DATA INTERPRETATION AND ANALYSIS	34
4.1. Analysis of responses to the questionnaire	34
4.1.1 Respondents' profile	34
4.2. Descriptive statistics analysis.....	35
4.3. Inferential statistics analysis	36
4.3.1. Correlation analysis.....	36
4.3.2. <i>Multiple Regression Modeling Approach</i>	37
4.3.3. Testing hypothesis.....	39

4.4. Discussion of the Results	40
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	43
5.1. Summary of Major Findings	43
5.2. Conclusions	44
5.3. Recommendations	45
5.4. Recommendations for Future Research	46
References	47
Appendixes	

Acknowledgement

First of all I would like to forward my special thanks to my advisor, Dr. Temesgen Belayneh for his unreserved support in giving constructive comments, scholarly guidance and insights on the process of completing this project from proposal to final stage.

It also gives me pleasure to extend my gratitude to Awash international bank employees who participated in filling the questionnaire and in addition to this, managers of the company who helped me in different ways during the preparation of this project.

Finally, I would like to thank you all who supported me morally which were very crucial to complete this project.

List of Tables

Table 4.1.1.respondents profile	34
Table 4.2.1. Descriptive statics results of internal marketing factors.....	35
Table 4.4.1. Pearson correlation between internal marketing elements and job satisfaction.	37
Table 4.3.2.1. model summary	38
Table 4.3.2. 2.ANOVA result	39
Table 4.3.3.1. Testing hypotheses	40

List of Figures

Figure 2.1. Coordination of the three types of marketing	17
Figure 2. 2: The relationship between Internal Marketing and Job Satisfactions	29
Figure 2.3: conceptual framework of the study	30

Acronyms

AIB =Awash International Bank

IM= Internal Marketing

Abstract

Quality employee's issue has received much attention in organizations due to high costs associated with them especially in services sectors. Internal marketing (IM) enhances the success of the marketing practices internally towards achievement of objectives. The satisfaction and retention of quality employees is an essential component of organizational success. Hence, the purpose of this study is to examine the impact of internal marketing on employees job satisfaction in Awash international bank. Data were collected from 252 clerical employees through questionnaire based surveys to investigate the impact of internal marketing on employees' job satisfaction. The respondents were chosen using convenience sampling method. The four internal marketing factors which are motivation, training and development, communication and empowerment were used in the questionnaire. After collecting the data, different statistical tests including descriptive statistics (mean and standard deviation), correlation and regression are applied using SPSS (statistical package for social science) version 21 software. . The results of the descriptive statistics indicated that the level of internal marketing practices is on average and there is a significant gap of internal marketing practices in Awash international bank. Moreover, the correlation analysis indicates that the overall IM practice has positive influence on employees' job satisfaction. Furthermore, the multiple regression result shows that except empowerment the three internal marketing factors which are training and development, communication and motivation have a statistically significant and positive impact on employees job satisfaction in Awash international bank. The regression analysis of the model summery indicated that there are other factors in addition to the four internal marketing dimensions that determine the employees job satisfaction in Awash international bank. Therefore, Awash International Bank should try to make every effort to prioritize the important dimensions while practicing internal marketing activities so as to achieve the highest level of employees' job satisfaction.

KEY WORDS: *Internal marketing, Job satisfaction*

CHAPTER ONE

INTRODUCTION

This chapter introduces the phenomenon under study. It consists of the background of the study, problem statement, research questions, objectives of the study, the importance of the study, scope of the study, limitation of the study. The chapter finally outlines the structure of the report.

1.1. Background of the Study

Service marketing has highly evolved in to a highly competitive discipline with professionals and academics alike recognizing that many factors influence it and the ultimate success of service organizations. Due to the nature of the services, often the main determinant of a customer's perception of service quality is their interaction with the service staff (zeithmal and Bitner, 2009), leading organizations to acknowledge the importance of employees in service delivery and quality. Service organizations are less likely to provide high standards of service delivery if they do not ensure employee satisfaction (Glimore, 2003). Garicia, Valera, and Del Rio (2010) put forward that employee satisfactions and customer satisfaction are similar in that both require the provision of rewards to satisfy wants and needs and that in order to do so, organizations need to treat employees in much the same way as they would customers. This can be achieved by the application of internal marketing concepts in the organization.

Internal marketing means that service firm must invest heavily in employee quality and performance. It must effectively train and motivate its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction (Kotler, 2000). Internal marketing is the task of hiring, training, and motivating able employees who want to serve customers well. In fact, internal marketing must precede external marketing. It makes no sense to promise excellent service before the company's staff is ready to provide it. An internal marketing approach, combined with customer-focused staff training and education, can succeed in improving employee quality and performance that will sustain superiority in service delivery to a large extent, aspects such as good understanding of customers' needs and the ability to

provide consistent and dependable service are achieved through internal marketing and continual investment in employee quality and performance.

The concept of internal marketing has evolved from the original conceptualization of employee satisfaction/motivation by treating employees as customers and jobs as products for improving service quality (Sasser and Arbeit, 1980; Berry, 1981). The main concept of internal marketing is to make the employees as important as the external customers by treating them as internal customers (Grönroos, 1981). The importance of internal marketing lies in motivating the employees and encouraging them to offer super services to customers who will improve the customer satisfaction of the company's services (Lings and Greenly, 2005).

Clearly, the scope of IM activity is much wider than simply the motivation of employees. This conceptualization emphasizes the need to generate cross-functional coordination efforts to accomplish customer-satisfaction objectives. In fact, the essence of IM is based on those activities which improve internal communications and customer-consciousness among employees, and the link between these activities and external market performance (Ballantyne, 1997).

There is a direct connection between IM and human resources' functions. Nowadays, alignment of human resources with the strategic requirements of the organization is widely accepted, and it is the major thrust behind the emergence of strategic human resource management and its functions (Ahmed and Rafiq, 2000). Bansal *et al.* (2001) see the elements of IM as key aspects of human resources management practices in achieving internal customer commitment, job satisfaction and trust in management. This includes issues such as employment security, extensive training, and generous rewards, partly contingent on organizational performance, sharing information, employee empowerment, and reductions in status distinctions. Consequently, it is assumed that successful IM programmes can lead to important payoffs for an organization (Arnett *et al.*, 2002), including low employee-turnover rates, an increase in service quality, high levels of employee satisfaction and improved ability to implement change in the organization.

Job satisfaction is not new in the marketing literature it was first presented in the mid 1930's (Hoppock, 1935). Employee job satisfaction is derived from the mental and physical satisfaction they experience in the environment they work in and from the work itself (Tadeka et al. 2005). The attitude and behaviors of the employees determine the quality of the services provided to the customers (Tadeka et al. 2005). When the employers are aware of the needs of their employees and create an efficient and collaborative work environment where people feel excited, employees feel involved and motivated and rewarded in their day-to-day tasks is critical to the success of internal marketing. This internal marketing create employee job satisfaction which is a key element in developing customer satisfaction, this lead the organization win competition and become profitability (Sulieman A. ,2013)

So, based on the above ideas and concepts, the study intended to investigate the extent of implementation of internal marketing practices represented by the empowerment, training and development communication and motivation and their effect on job satisfaction of Awash International Bank (AIB) employees.

1.2. Statement of the Problem

Any organization to be successful there would be need for organizations to fulfill the needs of its employees. According to Kotler (2000), internal marketing should be as a priority before external marketing. Internal marketing Starts with the organization recruiting the right people in the position to reach the point where these employees are satisfied and willing to do their job and accomplish customer satisfaction.

According to naveed .A (2013) external customer satisfaction cannot be achieved without the fundamental contribution of the customer-contact employees who provide the service. The front-line employees of the bank interact with the majority of customers and generally handle a wide range of banking transactions. Because of the importance of the service provided, Bank firms should support customer-contact employees in order to acquire communicative sales skills and

make them feel comfortable and satisfied with their job. The above ascertainment emerged the concept of Internal Marketing (IM). Since recent times internal marketing is proposing as a solution to the problem of delivering consistently high service quality.

Ethiopian banking industry has gone through different stages of development. After the downfall of the Derg regime the country liberalized its banking rules and regulations. Since, then many private commercial banks started to flourish in the industry, making it more competitive than ever. Now, customers especially who are around main cities of the country have an ample choices of banks. As a result of the wide availability of choices the competition is becoming much more intense. Many players of the sector understood that being customer focused is the only means to secure survival and win the competition. If banks want to maintain long term profitability and growth they are expected to identify and meet requirements and expectations of customers and delight customers as much as possible (Maria Luiza Barcellos Zacharias, Kleber Fossati Figueiredo, Claudia Affonso Silva Araujo, 2009).

In Ethiopia the need to banking services is increasing more than ever and people expect more and faster services from banks. Besides, service quality and customer satisfaction is becoming the slogan of all banks. But as one study conducted by Shanka (2012) inferior performance is observed in Ethiopian commercial banks in some important dimensions of service quality like responsiveness and empathy to customers. He concluded that this is may be due to lack of well organized and effective internal marketing within the bank system. So according to him in order to meet the increasing needs and expectations of customers the satisfaction of employees has to be first enhanced through specific and scientific relationship with internal marketing methods.

As one of the most famous private bank in Ethiopia, AIB has a large number of customers and more than 5000 employees working within the organization. To provide quality service to this large number of customer's implementing internal marketing activities to a large extent and widely should be first and foremost concern of the managers of the bank because satisfied employees provide quality service to the external customers of the organizations.

Studies had been conducted in different countries and service industries and shows that IM has a strong relationship with job satisfaction. For instance the study conducted in Jordan by Suliman et al (2003) showed that internal marketing practices have strongly influenced job satisfaction of commercial bank employees. The results of Kalid .A (2002) revealed that the internal marketing dimensions had a significant impact on the satisfaction level of employees of the National Bank of Egypt. Tahir .S. and Hummeyoun .N.(2013) also found a positive and strong association of bank employees satisfaction and internal marketing practice in Pakistan. Furthermore, a study by Al-Borie (2012) examined the impact of internal marketing on job satisfaction of the teaching hospitals in Kingdom of Saudi Arabia. The independent variables of internal marketing factors was represented by these variables namely selection and appointment, training and development, organizational support, incentives and motivation, and retention policy, The research's findings showed that internal marketing had a positive effect on Saudi teaching hospitals physicians' job satisfaction, Internal marketing has a positive effect on the job satisfaction of hospital staff in Northern Greece. Internal marketing had a positive influence to nurses' job satisfaction (Peltire et al., 2008). So based on this empirical evidence done it is possible to argue that internal marketing is the reason for job satisfaction.

While reviewing prior research works, to the knowledge of the researcher, on the extent of use and positive effect of internal marketing for job satisfaction of employees in case of Awash International Bank is nonexistent except one study done by Tewahdo T. and Mesfin L.(2014) conducted on four banks which are Debub Global Bank, Enat bank, Addis International Bank and Zemen Bank. Their finding showed that internal marketing is not communicated and established well in these four banks even if it has a positive and strong effect on employees' satisfaction. However, generalizing this result to others like Awash International Bank is not acceptable. Thus, gaps exist with respect to understanding the internal marketing practices in Awash International Bank. As a result, this study will fill the knowledge gap in this regard.

For the past many years AIB has taking initiative to satisfy employees so as to achieve the customer satisfaction. HRM policies have been formulated that are related to internal marketing. For instance, a range of training programmes have been providing, job rotation every six month, salary increments, bonus and the like. Therefore, investigating the extent to which Awash

International Bank is using internal marketing approach as a tool for execution of its strategic plan and its impact on the satisfaction of employees is of interest to the researcher. Thus, the intent of this study is to examine the extent of the implementation of internal marketing and its impact on employees' satisfaction in AIB.

On the basis of the above points this study assesses the extent of internal marketing practices and discover whether the internal marketing elements has had the intended strengthening effect on job satisfaction of employees of AIB.

1.3. Research questions

This study answers the following major questions.

- What is the extent of internal marketing practices in Awash international bank?
- What are the impacts of the various elements of internal marketing on job satisfaction of employees of AIB?

1.4. Objectives of the Research

This study has the following general and specific objectives.

1.4.1. General Objective

The main purpose of this research is to examine the extent of adoption and implementation of Internal marketing concept and practices and to examine the impact of various elements of internal marketing on job satisfaction of employees of Awash International Bank

1.4.2. Specific Objectives

The specific objectives which are the derivatives of the general one are determining the effects of:

- To identify the most important elements of internal marketing for job satisfaction of bank employees

- To identify the most important elements of internal marketing that hinders the level of internal marketing practice in the organization.

1.5. Research Hypotheses

This study has the following hypotheses:

Ha. There is significant and positive relationship between internal marketing and employees' job satisfaction

- Ha1. There is a positive and significant relationship between training and employees job satisfaction
- Ha2. There is positive and significant relationship between motivation and employees job satisfaction
- Ha3. There is a positive relationship between Empowerment and employees job satisfaction
- Ha4. There is a positive and significant relationship between communication and employees job satisfaction

1.6. Scope of the Study

The scope of this study is limited to internal marketing and job satisfaction by taking in to consideration the effects of various aspects of internal marketing on job satisfaction of employees from the view of employees of the AIB.

The study is confined to Awash International Bank in Addis Ababa branches by focusing only on grade one branches. This is because grade one branches have a lot of customers and large amount of transaction, so in this branch there is load in work. As a result it's better to measure job satisfaction from the view point of internal marketing concepts in these types of branches as it can have major impact on the banks service delivery and customer satisfaction.

1.7. Limitations of the Study

It is difficult to say that one research study is hundred percent accurate, complete and without any difficulty. Hence, some of the most important limitations of this study are be;

- Absence of extensive research papers conducted by researchers on Ethiopian banking industries context which created reference difficulties
- This study is based on a small sample. The sample also include only Awash international Bank in Addis Ababa branches focusing on grade one branches, so all the respondents of the questionnaire can not represent the entire population. As a result, generalization based on the findings for AIB is difficult.
- The research is conducted only at AIB. As a result the conclusions derived from this study might not necessarily be the real reflection of the situation in the country's banking industry employees.

1.8. Significance of the study

The result of this study will have a contribution for AIB, other banks in Ethiopia, to the accumulated body of knowledge about internal marketing in general and other researchers who are interested in the area.

The study can help to clearly understand the role of internal marketing on employees' job satisfaction and the impact on service quality. As a result Officials of AIB can use it to take corrective actions on the areas having shortfalls by providing a justifiable guideline in designing internal marketing strategy development and other banks can use it for the designing and implementation of internal marketing in their organizations. In addition to this it can add to the internal marketing knowledge in general and services marketing in particular. Moreover, it will pave the way for academicians who are interested to make further investigation on the issue.

1.9. Organization of the paper

The paper is organized in five chapters. Chapter one presents the introduction part focusing on the background to the study, problem statement, objectives and research hypotheses, significant and scope of the study, limitations and research methodology. The second chapter shows the critical review of the related literatures relevant to understand the topic of the study deeply. The third chapter is deals with the research design, which includes the research approach, methods adopted, population & samples, questionnaire design, and data analysis techniques that employed. Chapter four is made up of detailed analysis of data collected and presentation of information, and the fifth chapter covers the summarized overview of the findings, conclusions and recommendations as well as the contribution of the findings. The paper ends with annexed list of reference, and data collection instruments.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

2.1. Historical Background of Internal Marketing

Some scholars argue that the development of the service economy in the 17th forces service firms to recognize that it's most critical productive resource is its workforce. Zikmund say the concept of IM is a relatively recent departure from more traditional notions of marketing. In particular, service marketing literature could be credited as a major contributor to IM that advances academic debate in IM field and increasing its relevance across a wide range of academic research activities. As (Batt 2006) declared "Several authors have emphasized the importance of internal marketing (e.g. Grönroos, 1985; as being part of the conceptual framework of service marketing. At the individual level Berry (1981) is credited for coining the term IM." He suggests that IM can be considered as "viewing employees as internal customers, viewing their jobs as internal products." In the same gesture, (Uchenna Paschal, 2008) stated that the emergency of IM traced back to 1970s which result from changing scenario in the nature of internal business environment which increased their focus on employee performance as a key to organizational performance

However, there is still confusion and area of blur about the exact domain of IM where authors are still in conflict on whether it is the domain of service marketing practice or HR program. In the marketing dimension as noted by Nordic School of Service Marketing recognizes that internal marketing, as well as being a set of marketing tools, is a philosophy that actively promotes motivation, rather than using the passive approach used traditionally. On the contrary, researchers and practitioners in the field of human resource (HR) management are more likely to emphasize the centrality of employees as a way to procure a sustainable competitive advantage (e.g Harvir, 2001). Emphasizing its multitudinal aspect Hasket (1997) define internal marketing as the application of

marketing, human resource management, and allied theories, techniques, and principles to motivate, mobilize, and manage employees at all levels of the organization to continuously improve the way they serve external customers and each other. There are studies which treat IM as both by creating a model of internal marketing which integrate aspect of HR management and services marketing literature.

As Harvir (2001) noted employees should be viewed as assets and investing on their development should not be considered as a cost that must be controlled instead they should continue investing in with extensive training and career development. This HR management style is used with the implicit purpose of increasing organizational performance by ensuring that employees are committed to the organization and its goals. Sasser and Arbeit (1980) were among the first to use the term “internal marketing” to refer to their assertion that employees are the first market of the firm. Employees are essential and central to delivering the services that are provided, thus they must be knowledgeable and motivated. Kotler (2002) stated that internal marketing is an outgrowth of services marketing. Over the years, internal marketing has gained a very high level of prominence in marketing thought due to its proposed place as a prerequisite to effective external marketing. This is supported by Gorenroos (2000), according to him, successful internal marketing is prerequisite for successful external marketing. He also stated that internal marketing starts with the idea that employees are the first markets for the organization and that internal marketing can be viewed as an approach for developing interest in customers and marketing among organization personnel. As such, internal marketing is concerned with ensuring understanding and motivation for customer consciousness, thorough management of employee attitudes, internal communications, developing service culture, and training, empowering and enabling employees (Gorenroos, 2000). This point, hence, reassures the previously set proposition of the importance of explicit internal (employee) focus and its balance with external (market) focus (Lings, 1999).

2.2. Theoretical Development Meaning and Evolution of the Internal Marketing Concept

Internal marketing was originally defined as making internal products (jobs) available to satisfy the needs of internal market (employees) so that it satisfies organizational objectives (Berry, et.al., 1976). The authors go on to add that a firm has to successfully hire, train and motivate employees to serve external customers since the needs of external customers can be satisfied partly because the needs of the firm's internal customers (employees) are satisfied.

Marketing aimed at internal customers is called internal marketing (Gronroos, 2001). However, since then, there have been a number of definitions of internal marketing and there is no unifying notion (Rafiq & Ahmed, 1993). For instance, George (1977) and Berry (1980) state that in order to keep external customers happy and satisfied the company's internal customers (employees) should be happy in their jobs. Internal marketing's goal is to hire, train and motivate employees so that they serve their customers well (Kotler, 1991), and to treat employees as customers (Berry & Parasuraman, 1991). A firm should be considered as a market and marketing inside the firm is internal marketing and therefore marketing tools that are used for external customers might be used for internal customers and the field of human resource management has started adopting appropriate marketing tools (Foreman & Money, 1995). Internal marketing has also been defined as a marketing technique within an organization which creates and communicates corporate values (Hogg & Carter, 2000) and it should be considered as part of the broader market orientation concept which was originally developed for marketing to external customers, however, the same concept can also be used for marketing to internal customers (Naude, et.al., 2002). However, Rafiq and Ahmed (1993) take issue with the concept of the employee as customer since employees may sometimes be coerced to do things in the organization whereas external customers have the freedom to buy or not buy from competing firms. To this end, Rafiq and Ahmed (1991) define internal marketing as 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".

The term internal marketing is used widely as a means of highlighting commitment to improving the effectiveness of the services offered by organizations' resources (Gilmore, 2003). Internal marketing is not a departmental function rather it is an organizational activity as the entire resources within the organization must be coordinated (Hogg and Carter, 2000).

The definitions reviewed within the literature highlight the ability possessed by internal marketing to improve service quality through an organizational effort. The definitions encountered within the literature can be categorized according to three perspectives: the internal customer, the development of a customer orientation and the theory of internal marketing as an implementation mechanism. Internal marketing has been defined as the approach employed by the organization to advocate the philosophies of customer and service orientation throughout the organization through the motivation of employees (Varey, 1994). In this context, the organization attempts to install a set of values related to achieving a superior service climate within the employees' belief systems (Varey, 1994).

Barnes (1998) approaches internal marketing in a similar manner by defining it as actions taken by the organization to ensure that customers receive the highest standard of service in return for the employees' commitment to service quality. The organization cultivates employee commitment by encouraging the use of customer focused quality techniques (Ballantyne, 2003). In the context of customer orientation, internal marketing considers the attraction, retention and motivation of service-minded employees. The motivation of employees is not enough in itself; as the customer orientation must be communicated into the external marketplace through employee action (Rafiq and Ahmed, 2000). George (1990) illustrated that relational exchanges between employees within an organization should be considered as a prerequisite for successful exchanges with external markets. The satisfaction of the internal customer is of critical importance as satisfaction will ultimately affect the satisfaction of the external market (Ballantyne, 2003). Internal marketing is a technique implemented by the organization in an attempt to ensure the provision of excellent service.

Woodruffe (1995) defined internal marketing as treating both employees and customers with equal importance through proactive programs in order to achieve the objectives of the organization. Internal marketing is the application of marketing inside an organization to enhance customer focused and customer oriented employees. It also takes into consideration the human resources perspective so as to instill a more motivated customer contact employee because finally it is the customer contact /front-line employees of the service organization who interact with the majority of customers and generally handle a wide range of customer transactions.

Preston and Steel (2002) addressed issues related to internal marketing. They argued that recruiting, training, developing and motivating staff are the important components of internal marketing and felt that it is the external marketing impact of each member of the staff that is the essential focus of an internal marketing strategy. Paulin et al (2006) tested a model comparing overall and customer-linked antecedents and consequences of employee affective organizational commitment and indicated that co-worker support and the perception of fair treatment are the precursors of customer-linked job satisfaction.

Panigyrakis and Theodoridis (2009) examined a synthesis of Internal Marketing and investigated its effect on business performance in a retail context and developed a Structural Equation Model that indicated five dimensions of the Internal Market construct: formal interaction, reward systems, feedback, internal procedures and policies and internal customer orientation (ICO). Karthikeyan et al (2010) assessed the effectiveness of the various facets of training (i.e. employee's attitude towards training inputs; quality of training programs and application of training inputs to the actual job). The findings indicate that effective training has a direct and positive influence on growth and result of the banks.

Paulin et al (2006) tested a model comparing overall and customer-linked antecedents and consequences of employee affective organizational commitment and indicated that co-worker support and the perception of fair treatment are the precursors of customer-linked job satisfaction. Pawan et al (2009) found that monotonous work, stressful work environment, adverse working conditions, and lack of career development opportunities; better job

opportunities elsewhere, emerged as the key causes of increasing attrition rates in the Indian call centre industry.

The concept of internal marketing cuts into various aspects of Human Resources Management (HRM) such as motivation, leadership, values and shared vision. It also looks into the aspects of structure, service delivery systems, and procedures. Interestingly, the concept of internal marketing goes beyond the functional limitations and looks at issues in an organizational perspective. This concept has brought about, not a territorial dispute, but a marriage among Marketing, HRM and Operations.

Collins and Payne (1991) affirm that IM “relates to all functions within the organization, but it is vitally concerned with the management of human resources” and describes the application of marketing internally in the organization. By now, it is understood that every department and every person inside an organization is both a supplier and a customer. Also, both supplier and customer must work together “in a manner supporting the company strategy and goals.” IM has been described as a philosophy for managing the organization’s human resources based on a marketing perspective. “A market-oriented human resources manager is more likely to make an impact on the success of a company, considering it tends to be more effective in both demonstrating the relevance of human resources to all the company, helping other managers to increase their productivity”. Marketing provides an “action framework and a practical approach by which the human resource manager can offer effective solutions to key corporate problems.”

Basic activities of internal marketing are: internal information, training of personnel, creating community spirit and motivation. These include elements of personnel administration. Internal Marketing has been seen as a part in the management of personnel resources (Berry 2001; Foreman, et al. 1991). The concept of internal marketing is, thus, multi-disciplinary in its nature.

On the other hand, Coper and Cronin (2000) considered internal marketing as the organization's attempts for education, reward and generally management of human resources for better service offering. They believe that employees constitute primary tools of the organization. Parasuraman

(2000) also believes that jobs are internal products especially in service section which satisfy employees' needs and demands and results in recognizing of the organization's purposes and employees are considered as primary customers of the organization. Performed researches in the field of internal marketing are dividable in the form of four categories. The first viewpoint is human resources' viewpoint. Internal marketing should be integrated with theories, strategies and principles of human resources with due attention to this viewpoint (Joseph, 1996). In the second viewpoint, internal marketing is developing and improving of customer-oriented behavior with employees. In this viewpoint the organization should adopt a framework like the external market and establish a comprehensive program in order to improve and attract free will of employees in the internal market or the organization. In the third viewpoint, theoreticians such as Berry (1981) and Gruen (1994) believe that products and employees are internal customers of the organization in internal marketing of jobs. The fourth viewpoint is entitled internal transaction. Based on this viewpoint, internal marketing is an exchange relation between the organization and employees for gaining of the organization's purposes in a business environment (Foreman, 1995).

Also, Helman and Payne (2002) stated that as far as internal marketing is concerned, no clear pattern emerges in terms of a distinct set of activities. The concept of internal marketing is used to define a range of both formally organized activities and a range of ad hoc initiatives. They added that “marketing to employees” is the most common form of internal marketing.

For a service to succeed, the three types of marketing; external marketing, interactive marketing and internal marketing, must be effectively conducted. On the right side of the service marketing triangle (Figure 1) is the external marketing, where the companies give promises to the customers and set up customers' expectations. At this stage the companies must keep the promises, otherwise the customers would be dissatisfied. On the base of the triangle (Figure 2.1) is interactive marketing, where employees and customers interact with each other. Unless employees are able and willing to deliver the services promised in the external marketing, the customers would be disappointed. The left side of the triangle (Figure 2.1) is internal marketing, where employees are trained and given skills and tools to enable the employees to provide the

promised service. If the internal marketing is not well managed by the companies, the whole triangle will fail. (Wilson et al., 2012).

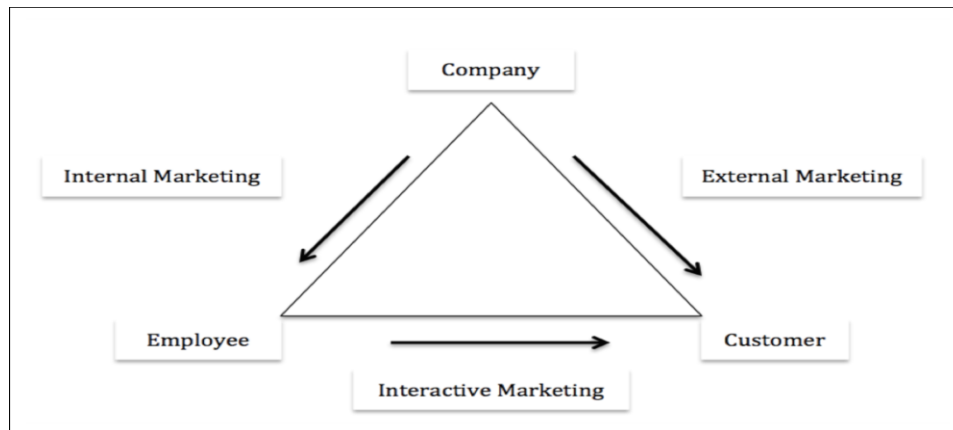


Figure 2.1. Coordination of the three types of marketing

Source: Wilson et al., 2012

Research has shown that service organizations should not only concentrate on external marketing (outside customers) but should focus on internal and interactive marketing as much as external marketing. Especially on internal marketing since the employees play the main role in the service (Chung-Cheng & Hung, 2008). Without being actively promoted internal marketing can have a negative effort on the service quality, which can result in reduced customer satisfaction and profitability. It has been suggested that internal marketing is a strategy for front line personnel who interact with customers to provide them with the best service possible (Ting, 2011). Organizations have adapted internal marketing to better understand the importance of employees' role in the organization (Esfahani, Amirosadat, Rahimi & Marandi, 2013). Wilson et al. (2012) wrote that the internal customers deliver a link between the customers, environment and the internal operations of the company. Front line employees perform a critical function in understanding, filtering, interpreting information and resources between the organization and its external customers. The concept of internal marketing indicates that the organization's employees are the first market of the company (Caruana & Calleya, 1998). This means that the company should work just as hard on satisfying the employees as they are at satisfying the external customers. The sooner the company realizes the importance of meeting the employees needs, they will be more motivated and committed to the company, this results in better service for external customers. (Ting, 2011) In the early years all the employee training, marketing

analysis and planning have all been centralized on the external environment, like external customers, competitors and markets (Piercy & Morgan, 1991). According to Caruana and Calleya (1998) there is a better understanding on how the relationship between the company, employees and customers interact through different marketing activities. Internal, external and interactive marketing are all tools that are linked to each other and can be used to promote the companies' services or products.

According to Rafiq and Ahmed (2000) internal marketing was first introduced over 20 years ago as an answer to a problem of how to deliver high service quality consistently. The definition of internal marketing described by (Kotler, cited in Caruana & Calleya 1998, p. 109) is "the task of successfully hiring, training and motivating able employees to serve the customer well". Caruana and Calleya (1998) argue that the main goals of internal marketing are to be seen as tools for supporting management methods, personnel policy, internal training and planning procedures.

The aim of internal marketing is to sell services, campaigns and other marketing efforts and initiatives to the employees (Caruana & Calleya, 1998). According to Woodruffe (1995, pp. 86-87) it is possible to ensure that the employees of an organization are motivated and committed to guaranteeing the best possible treatment of customers and seeing themselves participating actively in achieving the organization's goals. Internal marketing is the key to this, if fulfilled the potential for long-term success is evident. Woodruffe (1995) suggested that internal marketing influences a critical element for service-orientated organizations, which is customer service. It is the most important factor of an organization's competitive advantage. She proposed "internal marketing is attracting increasing attention and growing recognition as an implementation tool for adoption by all organizations." (Woodruffe, 1995).

2.3. Elements of internal marketing

Different scholars discuss the different elements of internal marketing but most of them revolve around the same ideas. As illustrated in the Service marketing book by Woodruffe (1995), the four most important areas within an organization that are essential to an internal marketing program are education/training, motivation, communication/information and coordination.

According to Hog et al. (1998), there are a set of internal marketing dimensions which are: motivation, communication, empowerment, training and development. While Alshurideh, Alhadid and Barween (2015) stated that internal marketing dimensions are: motivation, communication, empowerment and training and development. Within the same theme, Ghoniem and El-Tabie, (2014) outlined that internal marketing entails but is not limited to communication, strategic reward and training. Also, Esmael, Esmael and Mohammad (2013) implied that the six aspects of internal marketing are: job security, extensive training, generous rewards, sharing information, employee empowerment and reduced status distinctions. Based on reviewing the literature, this study is planned to take deep insight into a set of factors that seen core stones in creating and developing organization citizenship behaviour which are: motivation, communication and training and development. The next section provides more lights on explaining each factor separately.

2.3.1 Education and Training

According to Bansal, Mendelson and Sharma (2001) it has been described that internal marketing plays an important role in the training of front line employees because they are in need of the knowledge and ability to ensure service of high quality. Training programs are essential for providing employees with skills and knowledge about customers' needs and how to satisfy them. (Conduit & Mavondo, 2001). Training refers to structured activities to develop and improve employees' skills, knowledge and behaviors. In an effort to give them the tools to perform job-related duties, accomplish specific tasks and meet the quality requirements of the organization, training is necessary (Bulut & Culha, 2010). Training is a dimension of internal marketing to equip employees with relevant skills and knowledge to perform their job. Narteh (2012) stated, managers are able to observe and appraise employees' performance and if there are gaps in the skills and knowledge they will be addressed through training programs. He also wrote that employees consider training to be an important element in the work environment, the higher the possibility for competence development, the larger the commitment is among employees. Narteh (2012) continued to write that training is not only a way to ensure that employees perform their job in a satisfying manner, but it also plays a critical role in building feelings of belonging among the employees.

Companies can use formal education such as schools and on-the-job training where new recruits learn from experienced employees. To service employees learning interactive skills which allow them to provide courteous, caring, responsive and empathic service is important (Wilson et al., 2008, p. 283). Education systems should teach behavioral strategies that employees may use when handling customers' need, personalities and circumstances (Bettencourt & Gwinner, 1996). Role-playing exercises can teach employees to be comfortable in their role as service providers. It puts employees in the shoes of the customer to see how they experience the service provided (Grady & Ohlin, 2009). Role-playing could be a tool that can sharpen the skills of the front line employees (Bettencourt & Gwinner, 1996).

According to Beatson, Gudergan and Lings (2008), the importance of providing front line employees with appropriate training is well known. Training has a direct positive impact on front line employee job satisfaction, which in turn affect their attitudes to serving the customers.

According to Al-Hawary et al. (2013), training is defined as the acquisition of skills and attitudes required to perform specific tasks. The employees should be trained and developed in such way that they get to understand the organization's objectives so that they can handle the tasks delegated to them quite perfectly. Consequently, staff training is preparing people to perform the service that enhances every sub-goal of IM; attracting, developing, motivating and retaining superior employees (Berry and Parasuraman, 1992). Effective training is offering employees a vision that would enrich their work with meaning and purpose. It also enhances the skills and knowledge of the employees to perform excellently, teamwork, with an effective measurement and rewards system, which lead to more motivation (Akroush et. al, 2013). Mbengo and Chinakidzwa (2014) found a positive relationship between training programs and employees' performance. The notion is that the training programs fosters the feelings of reciprocity emerges in the high-performing employees to acquire new skills, knowledge and competencies in order to make the employees up to date according to the dynamic corporate environment, which motivate them to seek promotions to higher level jobs which is the main cause of motivation. Additionally, employees will be more motivated and able to satisfy customers' needs if they have the sufficient skills, knowledge and abilities needed to more effectively interact with

customers (Ghoniem & El-Tabie, 2014). Therefore, staff training is a vital element for employees' performance.

2.3.2 Motivation

Motivation is something complex that comes from within the employees, it is multidimensional and difficult to measure since the definition cannot be set to fit all people. Having clear goals and feedback in the organization can have a positive effect on motivation (Cook, 2011, p. 229). According to Grönroos (2007, p. 405) most employees feel motivated to perform better if they are allowed the freedom to think, analyze, make decisions and act. In order for the employees to achieve this they need knowledge and skill so that they feel secure in an empowered position. Work motivation can be defined into two types, which are extrinsic motivation and intrinsic motivation. Extrinsic motivation emphasizes on the external rewards such as bonuses and benefits. The importance of intrinsic motivation is placed on gaining new skills and abilities, chances to learn new things, promotion, freedom, achievement, the work itself, recognition, praise from supervisor, friendship and accomplishment. (Stringer, Didham & Theivananthampillai, 2011) Stringer et al., (2011) also found that intrinsic motivation has a positive relationship with job satisfaction, and extrinsic motivation has a negative relationship with job satisfaction. The reason is that the elements of intrinsic motivation, such as the feeling of achievement and enjoyment is related to the satisfaction of doing the job. Encouraging intrinsic motivation of the front line employees can increase job satisfaction and can make them more productive. Stringer et al., (2011) wrote that salary has a positive relation with job satisfaction and in order to increase front line employees' job satisfaction, managers should pay them an adequate amount of money.

Motivation is considered the major factor that has a huge impact on the employee's productivity and behavior; so managers should understand how to motivate the employees to enhance their performance, motivation is the drive to act or behave in a certain way (Bigley & Steers, 2003). The managers can motivate the employees through appraisals, recognition and rewards. There is a difference between rewards, and wages, as the reward is received for an effective superior performance, and the wages is received for conducting the normal duties that are asked from the

employees at a normal standard level (Saadat, 2005). A study by ELSamen and Alshurideh (2012) is designed to examine the impact of Internal Marketing (IM) on the Perceived Internal Service Quality (ISQ) among employees working in a Jordanian Pharmaceutical company. The results showed that motivated employees tend to have better perception of the ISQ. There is no doubt that the motivation is an important factor which improves the performance of the employee. Moreover, Eldeen & El-Said, (2001) emphasized on the importance of establishing motivation structures to enhance employee behavior and performance which in turn will be reflected on the organization overall performance. When the employees feel that their good performance earns rewards, productivity will be enhanced, turnover ratio and absenteeism will be decreased, group work will be more coordinated, and their resistance for change will be less. Eventually, employee cooperation towards achieving the organization's objectives will be obvious.

2.3.3. Communication and Information

Internal marketing communication needs to be managed in order to inform employees with accurate information that is consistent with what customers are hearing and seeing (Wilson et al., 2008,). The strategy of internal marketing must originate from top management of the organization and should be communicated down to the employees working under them (Greene, Walls & Schrest, 1994). Grönroos (2007,) wrote that there is a need of informing employees about new service oriented strategies as well as new ways of performing when interacting with customers. For employees to understand and accept new strategic ways of thinking, management needs to develop support tools such as audio-visual and written material. This is a form of communication that managers can use to help the employees to understand more about the changes occurring in the organization (Grönroos, 2007). Other media to explain new strategies can be magazines, web sites, direct mail, advertising and promotions. (Wilson et al., 2008,)

Communication within an organization is important since employees need information to be able to perform their tasks as service providers. Having a two-way communication where employees are able to talk to managers about their findings regarding the customer needs. This can enhance

the support from the managers' in order to improve the employees' performance. The information is required in order for employees to understand customer needs and how they as individuals are contributing to the organization. (Conduit & Mavondo, 2001)

If an organizations' advertising is not developed with input from operations, front line employees may not be able to deliver the service that has been promised in the external marketing efforts. To be able to provide service of high quality, organizations need to make sure employees are informed and motivated to deliver what the customers expect (Wilson et al., 2012, p.387). Insufficient information causes uncertainty, ambiguity and other organizational problems such as a decline in job satisfaction and productivity among employees. Useful information regarding organizational policies and personal performance is important in predicting job satisfaction (Rosenfeld, Richman & May, 2004). This is further supported by Rogers, Clow and Kash (1994) who wrote that without communication employees job satisfaction decrease along with the service quality.

According to Alshurideh, Alhadid and Barween (2015), the manner of applying of communicative mechanisms is important in order to enhance knowledge, skill and awareness of employees from issues related to their jobs. The means through which information is conveyed from one party to the other is referred to as communication. Dramatically, it is important to disseminate relevant information to all employees in an organization so as to have common goals and values. Proper communication facilitates coordination of efforts towards achieving a common goal. The most effective method is face-to-face; however, internal communications also seek to improve employee relations with each other (Piercy & Morgan, 1991). Also, according to Ahmed and Rafiq (2003), the major factor that facilitates the organizational change process is communication. Where Martin and To (2013) ascertain the importance of communication to measure the internal marketing; which includes the management style in providing information to its employees, facing any difficulties in performing tasks, employees know to whom they will report.

In addition, Akroush et. al, (2013) have confirmed the relationship between internal communication effects on internal service quality. Result showed that internal communication is

important plays an essential role on creating suitable feedbacks that might raise both levels of performance, and job satisfaction. Communications approaches and ways in any organization may vary while the main point is not by discussing such approaches; but in how an organization should has the ability to communicate its values, and strategic points that fit accurately to their employees, and can be acknowledge smoothly (Deckop et al., 1999).

2.3.4 Co-ordination

Effective internal marketing is dependent on good co-ordination between all parties involved (Greene, Walls & Schrest, 1994). To achieve effective service the organization needs to co-ordinate the activities between the front line personnel and support staff (Rafiq & Ahmed, 2000). Co-ordination focuses on how people work together and can be described according to Malone and Crowston (1990, p. 2) that co-ordination means “the act of working together harmoniously”. Therefore there has to be one or more employees performing some activities, which are directed towards the same goal.

2.4. Job Satisfaction

Job satisfaction in general refers to the emotions the employee *feels* about his job and how *he reacts* to them (Tadeka et al., 2005; Shin and Yu, 2010). Job satisfaction is a broadly studied concept in numerous occupational fields, including the health care industry. Robbins (1996) assumed that job satisfaction stands for the general attitudes that a worker has toward his/her job, with a high level of job satisfaction indicating a positive attitude. Job satisfaction refers to a joyful or positive emotional state regarding work or the work experience (Shimizu et al, 2005; Suzuki et al, 2006). Porter and Lawler's (1968) definition of job satisfaction includes both internal and external satisfaction. From the above definition internal satisfaction refers to the causes that create job satisfaction, and are closely related to the job itself. In other meanings, it is the level of satisfaction achieved through the job itself, through facets such as sense of achievement, growth, self-esteem, independence, and sense of control (Shimizu et al, 2005). On

the other hand, external satisfaction, is indirectly related to the job itself, and includes such facets as good working environment, welfare, high salary, promotion, etc.

By joining the factors that influence job satisfaction proposed by scholars, it can conclude the following: Job satisfaction refers to an employee's feelings of, or emotional response to, his or her job and relevant elements (Takeda et al, 2005). Level of satisfaction depends on the difference between actual gains and predictable gains, and can be divided into two constructs: internal satisfaction and external satisfaction (Shimizu et al, 2005; Castle et al, 2007).

The basic definition of job satisfaction refers to "a pleasurable or positive emotional state resulting from the evaluation of job or job experience" (Lake, 1976). Generally, employees with more customer-orientation(Lee et al,in press)provide better services to the customers and will receive higher levels of customer satisfaction (Ki Lee et al, 2013).

Job satisfaction is resulted from job-related aspects such as payment, promotion opportunities, supervisor, co-workers and workplace factors such as supervisors` style, policies and procedures, belonging to the working group, the working conditions and fringe benefit. Undoubtedly,job satisfaction is one of the most widely studied subjects in organizational research (Hofmans et at,2013). In general, the literature shows that job satisfaction is an important prerequisite for improving customer satisfaction. (Jung & Yoon, 2013)

Hoppock's study (as cited in Iliopoulos and Priporas, 2011) stated that an employee's job satisfaction originated from the mental and physical satisfaction they get from the work environment and the work itself. Iliopoulos and Priporas (2011) also specified that in general job satisfaction indicates employees' feelings about their job and how they react to their job. Job satisfaction can be defined as how employees respond to either their job or to a certain aspect of their job. Satisfaction emphasizes the environment in which the members perform their day to day activities (Mowday, Steers & Porter, 1979). Roethlisberger and Diekson's study (as cited in Locke, 1969) clarified that the workers' attitudes are related to the physical working environment and job satisfaction results from the interaction between the individual and their environment. Job satisfaction can be seen as the result of how well the employees feel that the organization is providing what is important to them (Luthans, 2002).

2.4.1. Front line employees' Job Satisfaction

Berry, Hensel and Burke's study (as cited in Iliopoulos & Priporas, 2011) clarified that employees can be considered as internal customers and the job performance can be perceived as the organizations' products. Organizations aim for higher productivity, in order to reach this goal they are expected to treat employees in ways that can increase job satisfaction. According to Gounaris and Boukis (2013), front line employees are normally described as one of the most important assets to an organization, because they represent the company to the customer. Employees also link the company's service system, transfers organizational values to the customers and provide feedback of the customer's experience to the company. The authors wrote that job satisfaction is a major prerequisite of employee job performance. Unless employees are satisfied with their jobs they will not be willing to put extra effort to serve the customers in the way customers want.

2.4.2. The five dimensions of Job Satisfaction

A job is not an entity; instead it is a notion referring to a mixture of tasks executed by an individual in a certain physical and social context for financial or other compensation. Therefore job satisfaction is the sum of all job aspects, which indicates that certain aspects alone cannot cause satisfaction or dissatisfaction (Locke, 1969). In a book by Luthans (2002, pp. 230-232), he has found five job dimensions to represent what employees feel are the most important aspects of a job.

The work itself – Meaning the extent to which the job provides the employee with interesting tasks, opportunities for learning and the chance to accept responsibility. The work itself is one of the most important sources for job satisfaction.

Pay – What employees receive in financial compensation and if they feel that it is equitable to others in the organization. The pay is recognized to be significant but it can be very complex and hard to measure in the context of job satisfaction.

Promotion opportunities – The chance to advance within the organization. Promotions can have a varying effect on job satisfaction. Employees who are promoted on the basis of performance tend to experience a higher degree of job satisfaction than those who are promoted because of seniority.

Supervision – The ability for supervisors to provide technical assistance and behavior support. The leadership skill of a manager can create job satisfaction. There is empirical evidence that suggests lack of supervision can cause an employee to quit.

Coworkers – The degree to which fellow workers are technically proficient and socially supportive. The relationship to other workers will have a modest effect on job satisfaction but difficulty to get along can have a negative effect on job satisfaction.

2.4.3. Benefits of Job Satisfaction

According to Iliopoulos and Priporas (2011), the positive relation between job satisfaction and customer satisfaction reflects on the better services produced by satisfied employees. Especially in service industries, where employees are one of the most crucial factor in value generation process because of the intangible nature of service. Gounaris and Boukis (2013) said that employees who are satisfied with their jobs would perform according to the company's service strategy. Employees' service performance affects the customer's perception of service quality. Customers would be more willing to interact with someone experienced, helpful and who act in a good manner instead of someone who lacks knowledge or who has a bad attitude during encounters (Gounaris & Boukis, 2013). Customers' perception of service quality influences customer relationship with the firm and customer satisfaction. The more satisfied employees are with their jobs, the better the customer's perception of service quality, the bond between customers and front line employees becomes stronger. This means front line employees' job satisfaction leads to customer satisfaction (Gounaris & Boukis, 2013).

The level of front line employee job satisfaction does not only influence perceived service quality and customer satisfaction. It also influences customer perceived relational switching costs. The reason is that customers would be willing to keep the relationship that meets their expectations and satisfies them instead of breaking the relationship they hold. Relational switching costs also explain the reason why customers decide to stay with the same service organization even though the service quality is not superior (Gounaris & Boukis, 2013).

2.5. Internal Marketing and its Relationship with Job Satisfaction

Nikbin, Saad and Ismail (2010) proposed that internal marketing is tied up with employees in organizations and is able to raise their level of satisfaction. Once employees are satisfied they will be more motivated to deliver better service and be more customer-oriented (Nikbin et al., 2010). By developing an internal marketing strategy, organizations can increase the degree of the value employees receive in return for the work they perform; hence their satisfaction with their job also increases (Gounaris & Boukis, 2013). Past studies indicated that internal marketing has a positive influence on job satisfaction (Iliopoulos & Priporas, 2011). Successful internal marketing triggers positive attitudes towards employees, motivation and job satisfaction. It also prompts them to put their maximum effort at work, which will satisfy the external customers by fulfilling their needs and wants in a better way (Abzari, Ghorbani & Madani, 2011). A recent study by Nikbin et al. (2010) also confirms that internal marketing has an effective influence on job satisfaction. If internal marketing is operated successfully, it can positively influence employees' attitudes towards work.

Previous studies showed that internal marketing has a positive effect on job satisfaction. Ibrahim et al (2010) identified that the recruitment, development, internal communications, incentives and demographic factors (gender, age, experience and education) have impact on job satisfaction. Khan et al (2011) established a link between perceived internal service quality practices with employee retentions in mediating environment of employee job satisfaction. They identified employee selection, training and development, work design; job description, rewards and compensation have positive and significant dimensionality to internal service quality.

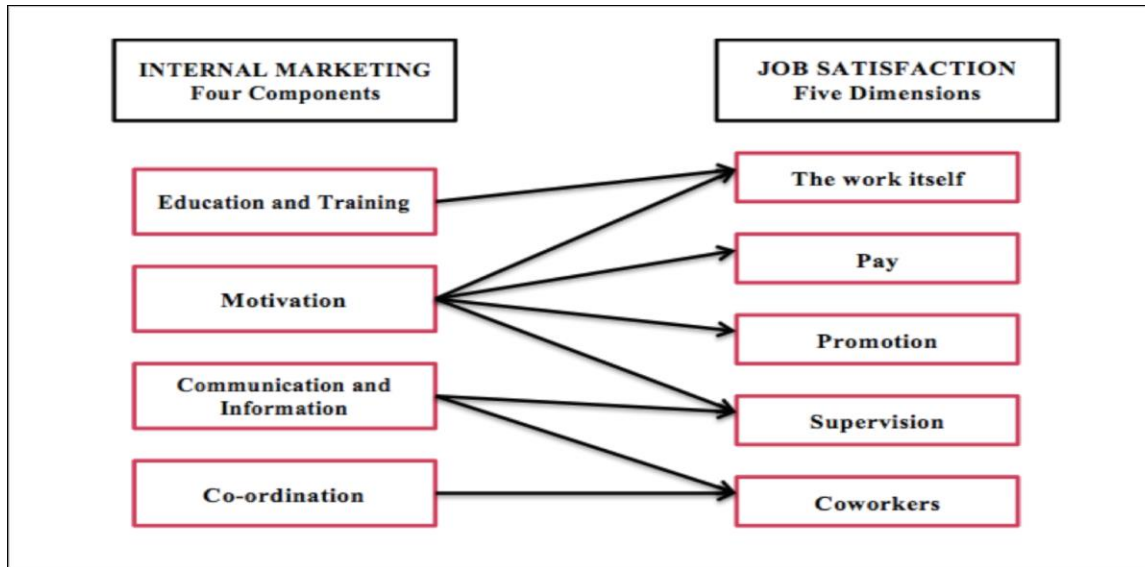


Figure 2. 2: The relationship between Internal Marketing and Job Satisfactions

Source: own illustration from different books

The four components of internal marketing are connected with the five dimensions of job satisfaction because training provides and develops employees' skills and knowledge to perform their job (Bulut & Culha, 2010). This is connected to how Luthans (2002, pp. 230-232) wrote that the work itself such as opportunities for learning is an important element towards job satisfaction.

Motivation has a connection to four of the dimensions of job satisfaction; pay is a way to motivate employees and as Stringer et al. (2011) wrote payment is positively related to job satisfaction. Intrinsic motivation regards promotion, the work itself and supervision and they all contribute to employees job satisfaction (Stringer et al., 2011). Promotion contributes by giving the employees the opportunity to advance within the organization, the work itself by learning new skills and supervision by providing support (Luthans, 2002).

By receiving support and feedback from management two-way communication is created between supervisors and employees, which is connected to how well the employees will be able to perform their jobs (Conduit & Mavondo, 2001). According to Rogers et al. (1994) without communication job satisfaction among the employees will decrease. Lack of supervision and feedback from supervisors can cause employees to leave their job (Luthans, 2002, pp. 230-232).

Co-ordination focuses on how employees work together and therefore it is connected to coworkers. Activities need to flow from one actor to another and they need to be working towards the same goal (Malone & Crowston, 1990). Although the relationship with coworkers has a moderate effect on job satisfaction, disagreements can have a negative effect on job satisfaction (Luthans, 2002).

2.6. Conceptual Framework of the Study

Finally, by reviewing the different literatures about internal marketing and job satisfaction the possible actual factors that may influence the employee's job satisfaction have been established as of Figure 4.3 below. The frame work consists of one dependent variable (employees' job satisfaction) and four independent variables (motivation, training and development, communication and empowerment) that affect the employees job satisfaction.

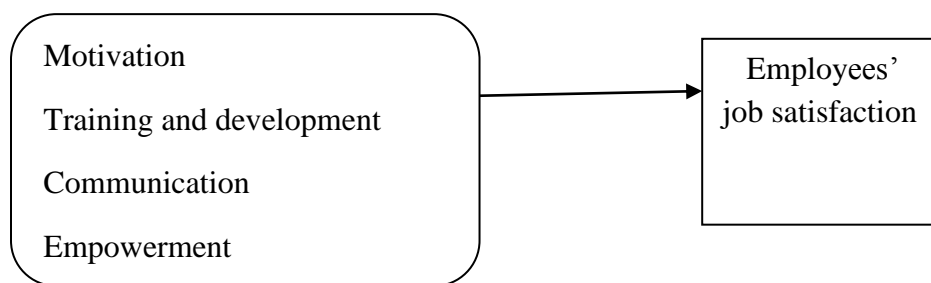


Figure 2.3: conceptual framework of the study

Source: constructed by the researcher, 2016

CHAPTER THREE

RESEARCH METHODOLOGY

In order to achieve any goal, finding the approach to reach the goal is the most important stage of the work. Doing research is under this rule as well. In order to extract true conclusions from a research it is necessary to use a proper and scientific approach with respect to the subject. Choosing a particular research method depends on the objectives and type of the subject and the researcher's possibilities. This chapter describes the research design that involved in the study and justifies the approach selected for this study in the light of the research questions. The chapter also discusses about the sampling method which is used to collect and analyze the data for this study.

3.1. Research Design and approach

A research design refers to the many ways in which research can be conducted to answer the question being asked. For example, descriptive research design is employed in those studies which are concerned with describing the characteristics of a particular individual, or of a group. It describes the nature of situation as it exists at the time of study as well as to explore the cause of particular phenomena (Kothari, 2004). Thus, since the purpose of this research is to examine the impact of internal marketing on job satisfaction of employees; descriptive research design is employed involving both descriptive and inferential statistics for analysis of some variables.

Studies might employ either quantitative or qualitative research approach or mixed approach. A quantitative research approach employs strategies of inquiry such as experiments and surveys, and collects information using preset standardized instruments that can generate relevant statistical data. As it involves measurements and systematic statistical analysis, this research used quantitative approach to achieve its purpose.

3.2. Population Of the Study

This study is conducted at Awash International Bank. As of end of November, 2015 the bank has 214 Branches throughout the country and 118 branches in Addis Ababa. So, the populations of this study are employees working in all branches of Awash International Bank.

3.3. Sampling Design

This section discusses about the sampling design of the study. Kothari (2004) noted that, Sample design is a definite plan determined before any data are actually collected for obtaining a sample from a given population. Determination of the sample size and the technique for sample selection of the study is explained in this part as follows.

3.3.1. Sample Selection Method

Out of 118 branches in Addis Ababa all of the seven (7) grade one branches are considered for the study. The branches are head office, stadium, gofa sefer, merkato, legehar, addis ketema & kolfe. They are selected because they are more profitable, have large number of customers, large number of employees in each branch compare with other and more attention is given by the bank for customers. Moreover those branches have more senior staff who have adequate knowledge about the banks' polices in general and human resource practice in particular so that they can provide the desired information for the study. Thus, judgmental sampling method is used in this regard.

3.3.2. Sample Size

Once the branches to be contacted are known the next step is determining the appropriate sample size of the respondents. There were a total of 410 employees both clerical and non-clerical in those branches. From the total employees 145 are non- clerical and the rest of 265 Permanent clerical employees working in the selected branches. The non clerical staffs work is administration, to support clerical staffs and no more contact with customer. The clerical staffs have more direct contact with customers. The sample

conducts the clerical employees of those branches. There could be different techniques to locate the respondents. Thus, all the 265 Clerical employees working in the selected branches are considered as the sampled respondents. So census is the appropriate strategy in determining the sample size.

3.4. Sources and types of Data

The study used both primary and secondary data sources in order to gather relevant information for the study. The primary data were collected from the selected employees of AIB. The secondary data were collected from books, journals, articles obtained from the internet and library.

3.5. Data Collection Instrument

The study used a standardized questionnaire to collect the main data from the employees of AIB. The questionnaire contains statements on a five point scale ranging from strongly disagree to strongly agree. The secondary data which are collected from existing literature formed the literature review of this study.

3.6. Data Analysis Techniques

The data that were collected is screened and coded into statistical package for social science (SPSS) software. Both descriptive and inferential statistics are applied to analyze the coded data. The descriptive statistics (such as frequency) are utilized to summarize data related to demographic characteristics of the respondents. The inferential statistics such as correlation and regression are applied to test the hypothesis formulated.

CHAPTER FOUR

DATA INTERPRETATION AND ANALYSIS

During data collection a total of 265 questionnaires were distributed. Of these distributed questionnaire a total of 252 were returned which equates a response rate of 95%. As a result a total of 252 questionnaires were used in the analysis.

4.1. Analysis of Responses to the Questionnaire

In this section data collected on respondents' profile, attitudes and views of the respondents on different issues including internal marketing and job satisfaction familiarity of respondents, hypothesis testing are analyzed and presented. The structure of the section is based on the sequential order of the questionnaire.

4.1.1 Respondents' Profile

Respondents were asked about their sex, age and education level. Their responses to such questions were summarized in the following table.

Table 4.1.1.respondents profile

Sex	Frequency	Percent
Male	116	46
Female	136	54
Total	252	100.0
below 25 years	47	14.3
25-30 years	64	61.1
31-35 years	14	17.1
36-40 years	4	7.5
Total	129	100.0

College diploma	30	11.9
Degree	203	80.6
Masters	19	7.5
Total	252	100.0

Based on the findings in the table 4.1.1

- Greater proportion of the respondents(54%) are Females and 46% are males
- 61% of the respondents are age between 25-30 years, 14.3% are below 25 years, 17% are between 31- 35 years, 7.5% are between 36-40 years and none of them are reported to be greater than or equal to 40 years.

Concerning their education level majority the respondents (80.6%) are first degree holders, 11.9% responded to have college diploma, 7.5% are those who masters degree. None of the respondents have PhD and neither has below college diploma.

4.2. Descriptive Statistics Analysis

The survey results of the level of each of the four internal marketing orientations are presented as follows in the table. The mean and standard deviation results of the dimensions are used to discuss. The mean value shows the average of all employees' response on a certain internal marketing factor. While, standard deviation shows that how diverse are the responses of employees for a given construct. For instance, high standard deviation means that the data are wide spread which means that employees give variety of opinion and the low standard deviation means that employees express close opinion.

Table 4.2.1. Descriptive statics results of internal marketing factors

Internal marketing factors	Mean	Standard deviation
Motivation	2.54	1.34
Training and development	2.81	1.35
Communication	3.05	1.25
Empowerment	2.81	1.31

The above table indicates that employees of Awash international bank perceived communication (with the highest mean scores, i.e. $M = 3.05$) to be the most dominant of internal marketing practices and evident to a considerable extent, followed by training and development ($M = 2.81$), empowerment ($M = 2.81$), and motivation ($M = 2.54$) respectively. Regarding employees' job satisfaction employees of Awash international bank rated job satisfaction with mean (2.84).

4.3. Inferential Statistics Analysis

Correlation and Multiple regression analysis were conducted by using SPSS in order to examine the effects of aspects of internal marketing on employees' satisfaction.

4.3.1. Correlation Analysis

Correlation analysis helps to gain insight into the direction and strength of correlation between variables. Correlation coefficients take values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (+). Correlation analyses are used for measuring the strength and direction of a linear relationship between two variables (Pallant, 2007). The Pearson product - moment coefficient - R will be presented to show the strength of the relationship. The size of the absolute value gives an indication for the strength of the relationship, while the sign in front of the coefficient provides information for the direction of the relationship. The strength of the relationship is assessed according to the guidelines suggested by Cohen (1988): "small $r = .10$ to $.29$; medium $r = .30$ to $.49$; large $r = .50$ to 1.0 " (Cohen, 1988, cited in Pallant, 2007).

In this study, correlation analysis was undertaken before conducting the regression analysis. The correlation analysis was done to assess the strength of the relationship between internal marketing factors and job satisfaction. The result is as shown below in the Table 4.4.1.

Table 4.3.1 Pearson correlation between internal marketing elements and job satisfaction

	Job satisfaction	motivation	training	communication	empowerment
job satisfaction	1	.648**	.767**	.577**	.581**
motivation	.648**	1	.732**	.434**	.401**
Training	.767**	.732**	1	.502**	.587**
communication	.577**	.434**	.502**	1	.718**
empowerment	.581**	.401**	.587**	.718**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Source : survey result,2016

As depicted in the above table the Pearson Correlation between job satisfaction and the four components of internal marketing i.e. motivation, communication, training and development and empowerment presents positive values as well as statistically significant. Thus internal marketing components and job satisfaction has positive relationship. Training and development has strong correlation($r=.767$) with job satisfaction followed by motivation($r=.648$), empowerment($r=.581$) and communication($r=.577$) respectively. The correlation values are above 0.5 which is strong according to (Cohen, 1988, cited in Pallant, 2007, p.132).

4.3.2. Multiple Regression Modeling Approach

The crucial assumptions in this research are that internal marketing components namely (motivation, training and development, communication and empowerment) significantly influence job satisfaction of Awash international bank employees. Regression analysis is a statistic technique used to investigate the relationships between a dependent variable and one or more independent variables. A multiple regression modeling approach was used as an effective method for studying these relationships. Model Summary and ANOVA are computed to measure the strength of the relationship between the independent variables (the four internal marketing factors) and the dependent variable (job satisfaction) and the acceptability of the relationship from statistical perspective respectively. R^2 is the multiple correlations, which represent the percent of variance in the dependent variable explained collectively by all of the independent

variables. That is the R^2 value provides the predictive ability of the model (the four internal marketing components). The closer the value to 1, the better the regression equation fit the data.

Table 4.3.2.1. model summary

Model	R	R Square	Adjusted R Square
1	.815 ^a	.664	.658

a. Predictors: (Constant), empowerment, motivation, communication, training

Source : Survey Result, 2016

The Model Summary result indicated that correlation of the five independent variables with the dependent variable is 0.815 and the adjusted R-Square is 0.658 which means 65.8 percent of the variance on job satisfaction is influenced by the four variables that are motivation, communication, training and development and empowerment.

The ANOVA test

The ANOVA test shows the acceptability of the model from statistical perspective. It is useful test of model's ability to explain any variation in the dependent variable. The regression row indicates information about the variation accounted by the model. While, the residual row indicates information about the variation that is not accounted for the model or show the variation as a result of extraneous variables.

The F test is used to test the significance of the regression model as a whole. F is a function of R^2 , the number of independents, and the number of cases. The decision rule for F-ratio statistic is to reject the null hypothesis if F is greater than the critical value of an appropriate level of significance, and not to reject the null hypothesis when F value is smaller or equal to the critical value of an appropriate level of significance. As indicated in the Table below, the significance value of the F statistic is less than 0.05, which indicates that the variation explained by the model is not due to chance. Since the critical (significance) value of F is 0.000, the internal marketing dimension (the model) significantly predicts job satisfaction of Awash International bank employees.

Table 4.3.2.2 ANOVA result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	7389.661	4	1847.415	115.972	.000 ^b
Residual	3743.524	235	15.930		
Total	11133.184	239			

a. Dependent Variable: job satisfaction

b. Predictors: (Constant), empowerment, motivation, communication, training

Source : Survey Result, 2016

4.3.3. Testing Hypothesis

Four hypotheses related with the effects of internal marketing on job satisfaction were proposed in this study. As a rule of thumb in regression analysis, .05 significance level and below means that a variable is a predictor to another variable (independent variable to dependent variable), hence, a value higher than .05 significance level is not a predictor to another. Based on the regression output the findings of the research supports three of the four hypotheses with 95% confidence interval and significance level of less than 0.05. Regression analysis indicated that, Training and development had significantly positive effect on employees job satisfaction ($p < 0.05$; $\beta = .459$). Thus, Ha1, proposing that Training and development is positively related to employees job satisfaction, was supported by this study. The other result is Motivation had significantly positive effect on employees job satisfaction ($p < 0.05$; $\beta = .193$). Hence the hypothesis Ha2 was also supported by the study. Empowerment had insignificantly positive effect on employees job satisfaction ($p > 0.05$; $\beta = .111$). Hence, the hypothesis Ha3 was is not supported by the study. Finally, Communication had significantly positive effect on employees job satisfaction ($p < 0.05$; $\beta = .202$). Hence the hypothesis Ha4 was supported by the study.

The superior the absolute value of Beta, the more important is the variable in predicting the job satisfaction. As indicated in the table below the values of Beta are training (Beta = 0.459) communication (Beta = 0.202) and motivation (Beta = 0.193) and empowerment (Beta = 0.111) among all other criteria. Based on the values, Training and development has the highest impact

on employees job satisfaction followed by communication, Motivation, and Empowerment respectively.

Table 4.3.3.1. Testing hypotheses

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.522	.965		3.651	.000
1 motivation	.373	.109	.193	3.425	.001
1 training	.652	.090	.459	7.212	.000
1 communication	.344	.091	.202	3.768	.000
1 empowerment	.218	.113	.111	1.932	.055

a. Dependent Variable: job satisfaction

Source: Survey Result, 2016

4.4. Discussion of the Results

This paper is aimed to examine the impact of internal marketing in its four components; training and development, motivation, communication and empowerment on employees Job satisfaction in Awash international bank. In this section detail discussions are done based on regression results presented in the previous Table 4.4.3.1. The empirical findings are combined with the theory and other similar research findings in order to provide a wider perspective.

Ha1. Training is positively and significantly related to employee’s job satisfaction.

The results of the study shows that training has significant and highest impact on employees satisfaction in Awash international bank. Recently many researchers are studying extensively the effect of training and development as a dimension for employee’s job satisfaction and how the job training does and development related to job satisfaction. Because the organization is aware that its most valuable asset they have is the human resource, and because the company seek

forward higher service quality and improved performance, thus they organized a training and development programs for its employees in order to improve their performance and capabilities through investing to have a skilled, powerful, unique, high service performance (individually or team) and greater knowledge in different required field even though the organization is aware about the high cost of this programs but the know that the returned of this method will recover their the cost of it and also with a good return compensated later on. To be effective, training and management development programs need to take into account that employees are adult learners (Forrest & Peterson, 2006). Obisi (1996) submitted that training and development aim at developing competences such as technical, human, conceptual and managerial for the furtherance of individual and organization growth.

Ha2. Motivation is positively and significantly related to employee's job satisfaction.

One of the research findings that can be concluded from the statistics provided above is that motivation is positively related to and significant effect on employee's job satisfaction in Awash international bank. This result is also consistent with Ahmad et al. (2012) finding of the positive correlation between motivation and job satisfaction.

Ha3. Empowerment is positively related to employee's job satisfaction.

Participation is a process by which influence is shared among individuals who are otherwise hierarchical unequal (Locke and Schweiger, 1979; Wagner, 1994). Empowerment has been described as a venue to enable employees make decisions (Bowen & Lawler, 1992) and as a personal experience where individuals take responsibility for their own actions. There is a participatory management that manages the subordinate participation in decision making process ,taking actions, and solving any problems or conflicts during job in logical way that fits the organization objectives and the creativity components is very important for employees to develop a new means to implement their tasks and in cases including risks, Berry and Parasuraman (1991) also regard empowerment as an essential aspect of IM. Empowerment or in other words participation of front-line employees in making decisions related to their routine job

activities is directly related to job satisfaction, previous researchers have highlighted the significant relationship between empowerment and job satisfaction (e.g. Spreitzer, 1996 & George, 2003). However, empowerment has positively correlated with job satisfaction the multiple regression result does not indicated a significant impact on Awash international bank employees satisfaction.

Ha4. communication is positively related to employee's job satisfaction.

Regarding to Communication as the above statistics imply, communication has a positive relationship and it has significant impact on job satisfaction of Awash international bank employees.. According to Tourani et al. (2012) many researchers assert that communication in organization has significant effect on employees' job satisfaction. Results from the analysis also showed that communication is significantly related and in fact contributes to employee satisfaction. This result is in tandem with Al-Hawary et al. (2013) who reported that communication had a positive relationship with job satisfaction. Also, Marty (2014) confirmed that increases in open channel communication with employees will be followed by increases in employee satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter the major findings of the study are summarized first. Then conclusions are drawn from the results that were presented in the previous chapter about the internal marketing and job satisfaction in Awash international bank. The attempt was made to answer research questions of this study and later the recommendations are provided for the management of Awash international bank (AIB). Moreover, suggestions for further research are provided.

5.1. Summary of Major Findings

This study was aimed at investigating the effect of internal marketing on job satisfaction of Awash international bank (AIB) based on the questionnaire consisting of 252 clerical employees. The study used descriptive and inferential statistics to answer the research questions. In descriptive part of the analysis, the results indicated that majority of the total respondents (54%) are Female, (61%) aged in the range of 25-30years, (80.6%) are first degree holders. The results of the descriptive statics also reveals that employees of Awash international bank perceived communication (with the highest mean scores, i.e. $M = 3.05$) to be the most dominant of internal marketing practices and evident to a considerable extent, followed by training and development and empowerment with the same mean value ($M = 2.81$) and motivation ($M = 2.54$) respectively. Regarding satisfaction level of employees of Awash international bank (AIB) they rated it with mean of 2.84. This shows that communication is practicing best and motivation activities is low as compared to the other internal marketing elements as perceived by employees. However as a whole the four internal marketing elements are practicing on average level in Awash international bank and also the satisfaction of employees lies on Average level as a whole.

Results from Pearson's Correlation Coefficient revealed that there is positive, strong and statistically significant relationship between motivation and job satisfaction, training and development and job satisfaction, communication and job satisfaction and empowerment and job satisfaction which are statistically significant at 95% confidence level.

The model summary of multiple regression analysis revealed that 65.8% of the variance in job satisfaction of Awash international bank employees is explained by these four internal marketing components (from R value) which is statistically significant at 95% confidence level, as indicated from F statistic. Moreover, when the other variables are controlled, three of the four explanatory variables are statistically significant at 95% confidence level, and training and development is the best predictor of employee's satisfaction with Beta-value of 0.459. This is followed by communication and motivation with Beta-values of 0.202 and 0.193 respectively. However, empowerment is not statistically significant in affecting employees' job satisfaction in Awash international bank.

5.2. Conclusions

The objective of this study was to examine empirically the level of internal marketing orientation of Awash international bank and its relationship with employees job satisfaction. Based on these objective the statistical analysis of the data helps to conclude as follows.

Awash international bank clerical employees are not agreeing well on the banks internal marketing activities. So that in Awash international bank the internal marketing practice has short falls that need much efforts to have better internal marketing orientation. It seems because of this employees job satisfaction level is also has a wide gap.

Taking the regression and correlation results the study revealed positive and significant relationship between overall internal market practices and employee job satisfaction. This put forwards that internal market orientation and employee job satisfaction are associated with each other. In this study, training and development is found to be a major indicator of employee's satisfaction followed by communication and motivation. However, as indicated by the regression results empowerment does not have a significant impact on satisfaction of employees of Awash international bank. The regression result revealed that only 65.8 % of the variance in job satisfaction has been significantly explained by the four dimensions of internal market orientation. This shows that besides these internal marketing dimensions, there are other important variables which lead to satisfaction of Awash international bank clerical employees.

5.3. Recommendations

External customer satisfaction is the mirror image of internal customer satisfaction. Based on the analysis and conclusions made the following recommendations are forwarded with the intention that they enhance job satisfaction of employees in AIB if applied to the real world scenario.

In Awash international bank the satisfaction of clerical employees shows a big gap. Therefore, the bank should undertake a need assessment program to identify the unfulfilled needs and try to refill these needs of its internal customers.

The regression analysis made highlighted the relative importance of the internal marketing dimensions. This can be used as an indicator to identify which area to focus on while dealing with application of internal marketing concept. According to the result of the regression analysis three dimensions are found to be positively and statistically affecting employees' job satisfaction. As a result the bank is advised to undertake the following in this regard.

Arrange both on job and off job training programs especially when new employees are hired, new technologies are introduced or when new means and methods of operation are applied. Also, management should offer new training programs to all departments and employees. This is to help keep the employees abreast with latest developments in the financial business, and for the acquisition of knowledge, skills, attitudes, and other performance-based indicators. Additionally, these practices help to motivate employees and open up new opportunities on their career development. It is this important that management believe in listening to its employees, buy into their opinions and build the trust with them. This is an important means of satisfying employees in Awash international bank. This helps the bank to have an excellent differentiation. Because as indicated in different literatures it cannot be duplicated. Everything else can be duplicated, despite all best efforts to protect intellectual property. However no one can ever duplicate the workforce because it is unique, it forms a culture and a face to a business.

Awash international bank management should develop their strategies taking into cognizance the intrinsic and extrinsic benefits such strategies will be to employees, and specifically making these strategies more effective in the form of bonuses, monetary rewards and recognition. The

bank should develop and apply different motivational factors both financial (e.g. attractive salary, fringe benefits) and non-financial (e.g. recognition, job security, promotion, participation in decision making etc) to employees satisfaction.

To put in one basket, if AIB wants to ultimately provide better service experience for its customers, it is recommended that more attention be directed toward enhancing job satisfaction among personnel, with a focus on training and development, communication, and motivation.

5.4. Recommendations for Future Research

Despite its unique contribution, this study has several limitations. So, the researcher recommends the following for future research.

The study was based on a convenience sample. Though data collection procedure produced reliable and valid results, use of random sample is essential to determine the generalizability of the results. In addition, future study should use non-volunteers random samples, so it will prevent someone doing the survey for favor. Furthermore, the researcher recommends for future researchers to apply advanced statistics to identify and confirm the results.

In addition to the above issues that should be considered by the future researchers, the researcher recommends Awash international bank managers and concerned bodies to conduct extensive research to identify other variables besides the current model which will have significant impact on the employees job satisfaction. Because, the model employed in the current study contribute only 65.8 percent of the variation in employees' job satisfaction. Moreover, the bank should carried out similar and regular researches on employee job satisfaction so as to learn what are the needs and wants of its employees and improve its internal marketing activities accordingly.

References

- Ahmed, K.P. and Rafiq, M. (1995). The role of internal marketing in the implementation of marketing strategies. *Journal of Marketing Practice: Applied Marketing Science* vol. 1(4), 32-51.
- Ahmed, P. K. and Mohammed Rafiq. (2003). "Internal marketing issue and challenge, *European Journal of Marketing*, Vol. 37 No.9, pp.1177-86.
- Ahmed, P.K and Rafiq, M. (2000). "Advances in the internal marketing concept: definition, synthesis and extension", *Journal of Services Marketing*, Vol. 14 No. 6, pp. 449-6
- Ahmed, P.K., Rafiq, M. and Saad, N.M. (2003). "Internal marketing and the mediating role of organizational competencies", *European Journal of Marketing*, Vol. 37 No. 9, pp. 1221-41.
- Al-Hawary, S. I. S., Al-Qudah, K. A., Mash'al Abutayeh, P., Mash'al Abutayeh, S., & Al-Zyadat, D. Y. (2013). The impact of internal marketing on employee's job satisfaction of commercial banks in Jordan. *Interdisciplinary Journal of Contemporary Research in Business*, 4(9), 811-826.
- Arnett, D., Laverie, D., McLane, C. (2002). "Using Job Satisfaction and Pride as Internal - Marketing Tools". *Cornell Hotel and Restaurant Administration Quarterly* , April : 88-96.
- Ballantyne, D. (1997). "Internal networks for internal marketing", *Journal of Marketing Management*, 13: 343-366.
- Ballantyne, D. (2003) A Relationship-mediated Theory of Internal Marketing. *European Journal of Marketing*, 37(9), pp. 1242-1260.
- Ballantyne, D., Christopher, M. & Payne, A. (1995). *Relationship marketing: bringing quality, customer service and marketing together*, Oxford: Butterworth Heinemann/Centre for Services Management, Cranfield School of Management

- Barnes, J.G. (1998) *Relationship marketing and sustained competitive advantage. Journal of Market Focused Management* 2, 281-97.
- Barnes, J. G. (1989) The role of internal marketing: if the staff won't buy it why should the customer?. *Irish Marketing Review*, 4(2), pp. 11-21.
- Bansal, H. S., Mendelson, M. B., & Sharma, B. (2001). The impact of internal marketing activities on external marketing outcomes. *Journal of Quality Management*, 6(1), 61-76.
- Berry, L. (1981). "The Employee as Customer", *Journal of Retail Banking*, Vol. 3, pp. 25-28.
- Berry, L. L. (1980). "Services Marketing is Different", *Business*, May- June, pp.24- 30
- Berry, L.L. and Parasuraman, A. (1991). *Marketing services, competing through quality*, The Free Press, New York, NY.
- Berry, L.L., Hensel, J.S. and Burke, M.C. (1976). "Improving retailer capability for effective consumerism response", *Journal of Retailing*, Vol. 52 No. 3, pp. 3-14.
- Berry, L.L. (1984). The employee as customer, in Lovelock, C. (Ed.), *Services Marketing*, Kent Publishing, Boston, MA,272-8.
- Bitner, M.J., Booms, B.H. and Tetreault, M.S. (1990). "The service encounter: diagnosing favorable and unfavorable incidents", *Journal of Marketing*, Vol. 54, pp. 71-84.
- Bitner, M., Ostrom, A., & Meuter, M. (2002). Implementing successful self-service technologies. *Academy of Management Executive*, 16 (4), 96-107.
- Borden, N., (1964). The concept of marketing mix. *Journal of Advertising*, 4, 2-7.
- Bowen, D.E., & Lawler, E.E. (1992). "The empowerment of service workers: What, why, how and when", *Sloan Management Review*, Vol. 33 No. 3, pp. 31-39.

- Broussard, S. C., & Garrison, M. E. B. (2004). The relationship between classroom motivation and academic achievement in elementary school-aged children. *Family and Consumer Sciences Research Journal*, Vol.33, No.2, pp.106–120.
- Cahill, D. (1995) The managerial implications of the new learning organisation: a new tool for internal marketing. *Journal of Services Marketing*, 9(4), pp. 43-51.
- Caruana, A. and Calleya, P. (1998). “The effect of internal marketing on organizational commitment among retail bank managers”, *International Journal of Bank Marketing*, Vol. 16 No. 3,pp. 108-116.
- Ching-sheng Change, H. and Hsin-Hsin Change (2007). “Effect of Internal Marketing on Nurse Job Satisfaction and Organizational commitment: Example of Medical Center in Southern Taiwan”, *Journal of Nursing Research*, Vol. 15 No.4.
- Collins, B. and Payne, A. (1991). Internal Marketing: A New Perspective for HRM. *European Management Journal* 9 (3): 261–70
- Collis, J. and Hussey, R. (2003) *Business Research A practical guide for undergraduate and postgraduate students*, Second Edition, Basingstoke, Hampshire: Palgrave Macmillan.
- Conduit, J. and Mavondo, F. (2000) Internal customer orientation: What it is and what it is not. Marketing in a Global Economy, *American Marketing Association International Marketing Conference*, Buenos Aires, Argentina, (June 28-July 1).
- Conduit, J. and Mavondo, F. (2001) How Critical is Internal Customer Orientation to Market Orientation? *Journal of Business Research*, 51(1), pp. 11-24.
- Efthymios, Iliopoulos and Constantinos-Vasilios Priporas (2011). “The effect of internal marketing on job satisfaction in health services: a pilot study in public hospitals in Northern Greece”, *BMC Health Serv Res.*, Vol. 11, p. 261.

- Foreman, S. K. and Woodruffle, H. (1991). Internal Marketing: A Case for Building Cathedrals. *Proceeding of the Annual Conference of the Marketing Education Group*, Cardiff Business School, 404–421.
- Forrest III, S. & Peterson, T. (2006). “It's called andragogy”, *Academy of Management Learning and Education*, Vol. 5 No. 1, pp.113-122.
- Garcia ,T. ,Varela. J. and Dell Rio, M.(2010). Organizational service systems: antecedents and consequences .*tourism and hospitality research*, 11(1):67-82
- George, W. R.(1977). The Retailing of services: a challenging future. *Journal of Retailing* Outono, p. 85-98
- George,W.R. (1990), “Internal marketing and organizational behavior: a partnership in developing customer-conscious employees at every level”, *Journal of Business Research*, Vol. 20, pp. 63-70.
- George, W. R. & Gronroos, C. 1990. Developing Customer-Conscious Employees At Every Level-Internal Marketing. New York: *Handbook of Services Marketing*, Carole A. Congram and Margaret L. Friedman, eds., AMACOM
- Greene, W., Wallis, G. and Schrest, L. (1994) Internal Marketing The Key to External Marketing Success. *Journal of Services Marketing*, 8(4), pp. 5-13.
- Gronroos, C. 1990. Relationship Approach to Marketing in Service Contexts: The Marketing and Organisational Behaviour Interface. *Journal of Business Research*, no.20, vl.5 :pp 3-11.
- Gronroos, C. 1996. Relationship marketing logic, *Asia Australia Marketing Journal*, 4: 7-18.
- Grönroos, C., 1988. Internal Marketing: een theorie in die praktijk toegepast, *Marketing van diensten*, 4: 1-2.
- Gronroos. C. (1985). Internal marketing theory and practice in services marketing in a changing environment. *Bkx;h, T. M. et al., (Eds.). American Marketing AsscKJation: Chicago*, 41-47.

- Gronroos, C. (1980). Designing a long range market strategy for services. *Long Range Planning*, 13, 36-42
- Glimore ,A,(2003) services marketing and management .London:sage publications ltd.
- Heskett, J. L.; Jones, T. O.; Loveman, G. W.; Sasser, W. E. and Schlesinger, L. A. (sep 1994), "Putting the service profit chain to work", *Harvard Business Review*, pp. 164-74.
- Hoffman, K., Turley, L. (2002). Atmospheric, service encounters and consumer decision making: An integrative perspective. *Journal of Marketing Theory and Practice*, Summer, 13-46.
- Hogg, G., Carter, S., & Dunne, A. (1998). Investing in people: Internal marketing and corporate culture. *Journal of Marketing Management*, 14, 879-895.
- Hogg, C. 1996. Selling your Soul. *Human resources*, 96(25):88-90.
- Hoppock, R. (1935). *Job Satisfaction*, Harper and Brothers, New York.
- Ibrahim et al (2010) "The Effect of Internal Marketing Implementation on Job Satisfaction of Sales People in Jordan Telecom Group". Journal of retail sector, 3 (3). 207-220.*
- Iliopoulos, E., & Priporas, C. V. (2011). The effect of internal marketing on job satisfaction in health services: a pilot study in public hospitals in Northern Greece. *BMC health services research*, 11(1), 261.
- Khaled A. Gad (2011) The Role of Internal Marketing in Job Satisfaction of Employees in the National Bank of Egypt . *journal of marketing*. Vol.5. No.6. pp:621-635
- Kotler, P. 1991. *Marketing Management – Analysis, Planning, Implementation and Control*. Prentice Hall. 7th ed. NJ: Englewood Cliffs.
- Kotler, P. 2000. *Marketing Management: The Millennium Edition*. London: Prentice-Hall

- Kothari, C.R. (2004). *Research methodology methods and techniques*. 2nd Ed. New Delhi: New age international.
- Lings, I.N. and Greenley, G.E. (2005). "Measuring internal market orientation", *Journal of Service Research*, Vol. 7 No. 3, pp. 290-306
- Lings , I. N. (2004) Internal market orientation construct and consequences. *Journal of Business Research*, Vol. 57, No. 4, pp. 405-413.
- Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunette (ed). *Handbook of Industrial and Organizational Psychology*. Rand Nally, 1297-1349.
- Locke, E. A. & Schweiger, D. M. (1979). "Participation in decision-making: One more look", *Research in organizational behavior*, Vol. 1 No. 10, pp. 265-339.
- Maria Luiza Barcellos Zacharias, Kleber Fossati Figueiredo and Claudia Affonso Silva Araujo (2009) 'The Influence of Banking Service Customers' Satisfaction Level on the Perception of Switching Costs and on Behavioural Loyalty' *the Flagship Research Journal of International Conference of the Production and Operations Management Society*, 2(1) pp 1-13
- Naveed A.(2013) "The Effect of Internal Marketing on Employee retention in Pakistani Bank International Journal of Academic Research in Business and Social Sciences August 2012, Vol. 2, No. 8
- Obisi, Chris (1996). "Personnel Management", Jackbod Enterprises. Ojokondo Layout Agbowo, Ibadan.
- Pallant, J. (2007). *SPSS Survival manual: A Step by Step Guide to Data Analysis using SPSS for Windows*. 3rd edition. Berkshire, England: McGraw Hill: Open University Press.
- Panigyrakis G.G and Theodoridis P.K (2009), "Internal marketing impact on business performance in a retail context" *International Journal of Retail & Distribution Management*; Vol. 37 No. 7, pp. 600-628.

- Peccei, R., & Rosenthal, P. (2000). Front-line responses to customer orientation programs: A theoretical and empirical analysis. *International Journal of Human Resource Management*, 11 (3), 562-590.
- Peltier JW, Pointer L, Schibrowsky JA. (2008). "Internal marketing and the antecedents of nurse satisfaction and loyalty", *Health Market Quart*, Vol. 23 No. 4, pp. 75-108.
- Peterson, M. (2003). Incorporating consumer perspectives in the architectural design of service scapes. *Advances in Consumer Research*, 30, 208-210.
- Piercy, N. (1995). Customer satisfaction and the internal market: marketing our customers to our employees. *Journal of Marketing Practice and Applied Marketing Science*, vol. 1(1), 22-44.
- Piercy, N. F. and Morgan, N. A. (1991). Internal marketing: the missing half of the Marketing Program. *Long Range Planning*, Vol.24, No.2, pp.82-93.
- Rafiq, M. and Ahmed, P. K. (1998). A Customer-Oriented Framework for Empowering Service Employees. *Journal of Services Marketing* 12 (5): 379–94.
- Rafiq, M. and Ahmed, P. K. (1993). The scope of internal marketing: defining the boundary between marketing and human resource management. *Journal of Marketing Management*, Vol.9, No. 3, pp. 219-232.
- Rigby, D., Reichheld, F., Schefter, P. (2002). Avoid the for perils of CRM. *Harvard Business Review*, Feb., 101-109.
- Robbins, S.P. (2001). *Organizational Behavior*. Prentice-Hall, Upper Saddle River, NJ.
- Sasser, W.E., and Arbeit, S.P. (1980). "Selling Jobs in the Service Sector", *Business Horizons*, February, pp.58-59
- Saunders, M. K. and Thornhill, A. (2003) Organisational justice, trust and the management of change An exploration. *Personnel Review*, 32(3), pp. 360 – 375.

- Saunders, M. K. and Thornhill, A. (2004) Trust and mistrust in organizations: An exploration using an organizational justice framework. *European Journal of Work and Organizational Psychology*, 13(4), pp. 493 – 515.
- Saunders, M. K. and Thornhill, A. (2006) Forced employment contract change and the psychological contract. *Employee Relations*, 28(5), pp. 449 – 467.
- Saunders, M., Lewis, P. and Thornhill, A. (2007) *Research Methods for Business Students*. (Fourth Edition), Harlow, England: Prentice Hall
- Schlesinger, L., & Zornitsky, J. (1991). Job satisfaction, service capability, and customer satisfaction. An examination of linkages and management implications. *Human Resource Management*, 14(2), 141-150.
- Schneider, B., & Bowen, D. (1999). Understanding customer delight and outrage. *Sloan Management Review*, Fall, 35-45.
- Schuler, R., Budhwar, P. and Florkowski, G. (2002) International human resource management: review and critique. *International Journal of Management Reviews*, 4(1), pp. 41-70
- Schultz, D. E. (2002b) Study internal marketing for better impact. *Marketing News*, A Publication of the *American Marketing Association*, October 14, pp. 8-9.
- Schultz, D. E. (2004) Building an internal marketing management calculus. *Interactive Marketing*, 6(2), pp. 111-129
- Schultz, D. (2006) Definition of internal marketing remains elusive. *Marketing News*, A Publication of the *American Marketing Association*, January 15, pp. 6.
- Shanka , Mesay Sata (2012). Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Banking Sector. *Journal of Business Administration and Management Sciences Research*. Vol. 1:1, pp. 001-009.

- Shimizu, T, Feng, L., and Nagata, S. (2005) relationship between turnover and burnout among Japanese hospital nurses. *Journal of occupational health*, 47 (4)334-336.
- Shiu, AI and Yu, I. (2010). Internal marketing organizational culture, job satisfaction and organizational performance in non-life insurance. *The service industry journal* 30(6), 793-809
- Sprietzer, G. (1995) Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), pp. 1442-1465.
- Sprietzer, G. (1996) Social structural characteristics of psychological empowerment. *Academy of Management Journal*, 39(2), pp. 483-504.
- Stauss, B. (1995) Internal services: classification and quality management. *International Journal of Service Industry Management*, 6(2), pp. 62-78.
- Straughan, R. and Cooper, M. (2002) Managing Internal Markets: A Conceptual Framework Adapted from SERVQUAL. *The Marketing Review*, 2(3), pp. 253-265
- Suzuki, E., Itomine, I., Kanoya, Y., Katsuki, T., Horii, S. & Sato, C. (2006). “Factors affecting rapid turnover of novice nurses in university hospitals”, *Journal of Occupational Health*, Vol. 48 No. 1, pp. 49–61.
- Sulieman Al-Hawary, (2013). “The impact of internal marketing on employee`s job satisfaction of commercial banks in Jordan”, *journal of contemporary research in business*, vol. 37 no. 9 pp.822-832
- Sulieman I.S, Kamal A.M.,Sherriah M,and Peter M.(2013). The impact of internal marketing on employees job satisfaction of commercial banks in jordan. *Interdisiplinary journal of contemporary research in business*,vol.4, No.9, pp: 811-826.

- Tadaka, F., Ibaraki, N., Yokoyama, E., Miyake, T. & Ohida, T. (2005). "The relationship of job type to burnout in social workers at social welfare offices", *Journal Occupational Health*, Vol. 47 No. 2, pp. 119-125.
- Tadaka, F., Ibaraki, N., Yokoyama, E., Miyake, T. & Ohida, T. (2005), "The Relationship of Job Type to Burnout in Social Workers at Social Welfare Offices," *Journal Occupational Health*, Vol. 47 No. 2, pp. 119-125.
- Tahir .S.,Hummayoun.N.(2013). The role of in employee engagement leading to job satisfaction in pakistan private banks .*journal of business management*, vol. 8 No.2 pp: 62-68.
- Tansuhaj, P., Randall, D., & McCullough, J. (1991). Applying the internal marketing concept within large organizations: As applied to a credit union. *Journal of Professional Services Marketing*, 6(2), 193-202.
- Tewahdo .T.,and Mesfin .L.(2014). The prevalence of internal marketing as a strategy implementation tool in selected Ethiopian private commercial banks . *Journal of business a administration* , vol.16, No. 1, pp:80-114
- Ting , S. C.)2010). The effect of internal marketing on organizational commitment: job involvement and job satisfaction as mediators. *Educational Administration Quarterly*. Vol. 5, pp 1-30.
- Tourani, Azadeh & Rast, Sadegh (2012). "Effect of Employees' Communication and Participation on Employees' Job Satisfaction: An Empirical Study on Airline Companies in Iran", 2nd International Conference on Economics, Trade and Development, No.4, Vol. 36.pp:12-45.
- Varey, R. J.(1995). "A model of internal marketing for building and sustaining a competitive service Advantage"; *Journal of Marketing Management*, Vol. 11, No. 1 , pp. 25 – 40.
- Wagner, J. A. (1994). "Participation's effects on performance and satisfaction: A reconsideration of research evidence", *Academy of Management Beview*, Vol. 19, pp. 312-330.

Wood, S. (1999) Human resources management and performance. *International Journal of Management Reviews*, 1(4), pp. 367-413.

Woodruffe, H. (1995). *Service Marketing*. London: Pitman

Wilson A. (1991). The internal marketing of services-the new surge, *Management Decision*, vol. 29(5), 4-14

Yeamdao .N. (2007). The relationship of the hotel rating system and service Quality:A case study of the 'Thailand hotels standard' Graduate College of the Oklahoma State University.

Zeithaml,V.A. and Bitner M.J,(2009). *Services marketing. Integrated customer focus across the firm*. 5th edition new York MC.Graw- Hill

Appendixes

Questionnaire

St.Marry University
MBA program
Department of General management

Dear respondents

My name is Hanan Mahammed. I am second year MBA student at St. Marry University. Currently I am conducting research on “**the impact of internal marketing on the job satisfaction of employees**” at Awash international bank (AIB) from selected branches in Addis Ababa as a partial fulfillment for MBA Program. The general objective of this study is to determine the effects of various elements of internal marketing on job satisfaction of employees in Awash International Bank as well as to examine the extent to which internal marketing is practicing in the organization. To make the study fruitful your earnest cooperation in filling the questionnaire is highly valuable. Hence, your support to objectively fill the questionnaire is highly demanding.

I would like to assure you that the data to be collected will be used only for the research purpose. Thank you in advance for your cooperation

Section one: personal information

Gender : (1) Female (2) Male

Age (1) below 25 (2) 25-30 (3) 31-35 (4) 36-40 (3) 41-45 (4) 46-50 (5) above 50

Educational level (1) PhD (2) Masters (3) First degree (4) Diploma (5) others.....

Section two: internal marketing and job satisfaction

This part of the questionnaire contains statements and scales ranging from strongly disagree to strongly agree that measures your degree of agreement on them. Based on this scales you are requested to put tick mark on the scales you feel right for each of the statements.

Constructs and items	Extent of agreement on the statements				
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Motivation					
When I do something extraordinary I know that I will receive some financial bonus/reward					
My income and the annual increases are dependent only to the Union's bargaining with the employers side					
My income and the annual increases are very closely tied to my qualifications and my performance					
Everyone gets an annual bonus regardless of their performance					
My income and the annual increases are much related to those of people with similar qualifications working in this or any other industry					
Training and development					
In this company. Training is closely related to the individual needs of each employee.					
A newly hired employee will have to find his own answers to the requirements of the job					
Before the implementation of a major change in service rules we always get significant training regarding its impact on our daily activities and job description.					
If one is moved from one department to another, the new supervisor will personally train him/her for a pre-specified period of time					
In this company. They set aside adequate resources to train employees					
Training and development programme is clearly directed at creating the competencies that are important to our business					
Communication					
Before any policy change my supervisor informs me phase-to-phase in advance					
Supervisors are sincerely interested in listening to what					

subordinates have to say about their jobs, the problems they have and the solutions that subordinates suggest					
If an employee has a certain personal problem that influences negatively his (her) work performance, (s)he is encouraged to discuss it with his/her supervisor					
Supervisors in this company are never too busy if one of their subordinate wishes to meet personally					
Supervisors are expected to spend time with their subordinates, explaining them company objectives and how these objectives affect what the company expects from each individual employee					
Empowerment					
My supervisor allows me to use my own judgment in solving problems					
My supervisor encourages me to take initiatives					
My supervisor allows me a high degree of initiative					
My supervisor trusts me to exercise good Judgment					
Job satisfaction					
I am positive about my job					
I have a positive feelings towards the bank and the work					
I am satisfied with the responsibility and role that I have in my work					
I am satisfied with the support from the HR department					
I generally like to schedule my own work and to make job-related decisions with a minimum of supervision					
I will recommend for working in this bank for others					
I am satisfied with the banks policies					
I feel that the job I do gives me a good status.					
I feel satisfied with the job I am doing for my bank					

Correlation

Correlations

		motivation	training	communication	empowerment	jobsatisfaction
motivation	Pearson Correlation	1	.732**	.434**	.401**	.648**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	252	240	252	252	252
training	Pearson Correlation	.732**	1	.502**	.587**	.767**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	240	240	240	240	240
communication	Pearson Correlation	.434**	.502**	1	.718**	.577**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	252	240	252	252	252
empowerment	Pearson Correlation	.401**	.587**	.718**	1	.581**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	252	240	252	252	252
jobsatisfaction	Pearson Correlation	.648**	.767**	.577**	.581**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	252	240	252	252	252

** . Correlation is significant at the 0.01 level (2-tailed).

Regression outputs

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815 ^a	.664	.658	3.99123

a. Predictors: (Constant), empowerment, motivation, communication, training

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	7389.661	4	1847.415	115.972	.000 ^b
1 Residual	3743.524	235	15.930		
Total	11133.184	239			

a. Dependent Variable: jobsatisfaction

b. Predictors: (Constant), empowerment, motivation, communication, training

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.522	.965		3.651	.000
Motivation	.373	.109	.193	3.425	.001
1 Training	.652	.090	.459	7.212	.000
communication	.344	.091	.202	3.768	.000
empowerment	.218	.113	.111	1.932	.055

a. Dependent Variable: jobsatisfaction