



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**THE EFFECT OF INTERNAL MARKETING ON EMPLOYEES'
CUSTOMER ORIENTATION IN THE CASE OF COMMERCIAL
BANK OF ETHIOPIA NEFASILK LAFTO - SUBCITY**

**BY
MAHLET DEMISSIE**

**JUNE, 2018
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**A Thesis Submitted To St. Mary's University School Of Graduates Studies In
Partial Fulfillment For The Award Of Master Of Arts Degree In Marketing
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**June, 2018
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BY: Mahlet Demissie

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DECLARATION

I mahlet Demissie hereby that this Thesis titled the effects of internal marketing on employee's customer in the case of commercial bank of Ethiopia – Nefas silk sub city is my original work. I have carried out the present study independently with the guidance and support of the research advisor, Mulugeta G/medin (PHD). Any other research or academic sources used here this have been duly acknowledged.

This study is my own work that has not been submitted for any degree or diploma program in this or any other institution.

Mahlet Demissie

Signature

Date

ENDORSEMENT

This thesis has been submitted to St. Mary's university, school of graduate's studies for examination with my approval as a university advisor

Advisor

Signature

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LIST OF ABBREVIATIONS

IM - Internal Marketing
CBE - Commercial Bank Ethiopian
ECO - Employees' Customer Orientation

ABSTRACT

On the one hand the importance of internal marketing has become one of the main concerns for many organizations, especially in the service context. On the other hand, market orientation is popular due to its contributions to business performance and positive customer responses. Customer orientation plays a key role for any organization in the world to empower marketability of the firm.

Now a day's most of the organizations have started to consider internal marketing to encourage market orientation as an important part of their business success and internal marketing is taking employees as the most invaluable asset of an organization and treating them as internal customers because their result in gaining competitive advantage by the organization respected. Even though internal marketing and customer orientation are the master key of any organization to empower organizational performance limited research were conducted so far, so that is the case why this study was conducted. The main objective this study was to assess the effect of internal marketing on employees' customer orientation in Addis Ababa, Nefas Silk sub city commercial bank of Ethiopia. To achieve the research objective the researcher used mixed research design and multistage sampling technique with stratified sampling technique were employed. From the total population 140 respondents were taken and the collected data was analyzed by using ordered probit with the help of STATA software version 13. The finding confirmed that internal marketing and employees' customer orientation have linear relationship. All the independent variables are positively and directly related to customer orientation particularly Nefas silk sub city CBE. Internal marketing (training and development, communication, motivation, Job satisfaction and organizational commitment) are significant. Therefore banks are recommended to consider internal marketing as it is the central part of the bank to achieve their organizational goal or productivity.

Key Words: Internal Marketing, employees, Customer Orientation, ordered probit regression

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

This chapter provides an overview of the study, which consists of background of the study, problem statement, research objectives, and significance of the study and scope of the study.

In this competitive world, service giving organizations have high value to their customers. Because of their competitive advantage and many sayings and proverbs are posted in eye catching way to attract and retain customers (Akdag and Zineldin, 2011). Gaining satisfaction and loyalty of external customers is an impossible task unless otherwise the needs and wants of human force (internal customers) in organizations are correlated. Internal marketing is the most important approach that empowering organizational financial transaction (Angelos, 2008). When an organization considers its employees as a cost related asset, the organization might fail its objective because today's competitive world employees are one of the competitive advantages to an organization (Amir et al. 2013).

Gronroos (2000) emphasizes that the firms have to attain the employees' satisfaction and consider the employees as the internal customers who introduce the firms to the main and external customers. Environmental dynamics and increasing competition have made the organization attain satisfaction of the customers for more competitive activity and acquire new customers (Lee and Chen, 2005). One of the most important factors that affect the quality of services for the organization is the internal marketing of the organization. Thus the internal marketing is very imperative element in the strategic planning of the organization (Green and Walls, 1994). A form of the competitive advantage is to serve the customers whose result is the constant loyalty of the customers. A very important approach in attaining this goal is the internal marketing that is a key factor for providing the best services and for the successfulness of the external marketing of any organization (Doukakis, 2002).

Nowadays, the human capitals and intangible assets are the ultimate source of creating the sustainable value (Hug, 2000), thus the human resources of the organization are the foundation for obtaining a sustainable competitive advantage. If the firm fails to meet the needs and wants of its labor and consider it not as a main capital but as a costly asset, the firm would not provide suitable and valuable goods and services to its customers. In any worrying environment the service organizations have to recognize the internal marketing in order to promote the organizational value of their employees and to manage their relationship with the employees in line with the external marketing that is the focus of the customers (Rahmani, 2011). Nowadays the internal marketing is considered as a strategy for the markets' believe that market is a concept of the external marketing implying to meet the customer's needs more effective than the competitors. On the other hand, internal marketing is known as a management technique for solving the problems of the internal services efficiency, market-orientation, successful implementation of the proper plans, and customer-orientation (Ramuz et.al, 2012). Providing high quality of services to the customers causes the customers satisfaction and to the successfulness of the organization (Salehi et.al, 2011). Satisfaction or dissatisfaction of the customers has a direct impact on the scale of the profitability. Thus the services firms try to identify the effective factors on the customers satisfaction and to define their service strategy in this regard (Rahmani, 2011), satisfied employees can do their best efforts to attract, to preserve and to satisfy the customers. Internal marketing is a concept that can help the banks to fulfill their goals.

1.2 STATEMENT OF THE PROBLEM

In our ever-changing and competitive world most banking industry looks for solutions and increasing their own competitive advantage. One of such solutions is to move toward the improvement of the services to their customers. Hence the banking industry usually attempt to provide more facilities to their customers and to meet their needs punctually (Awwad and Agti 2011). But the intelligent and wise organizations revise their behaviors in relation to their own employees to keep them satisfied. Employees are the most important assets and capital of any organization. The lack of suitable and good employees for providing the goods and services of the organization will face the organizations with severe challenges and problems in the competitive advantage. These problems are more prominent in the service organizations (Abiy et.al 2009).

Many organizations in the world have achieved their objective because of good internal marketing approach and organization changing their thinking regarding the employees and assuming them an important and integral part of the organization in the emerging markets and industrial era (Central Bank of Yemen –CBY- 2014) on the other hand many firms have been locked their business organization because of lake of good internal marketing problem. The finding conducted by Tehran, Iran, 2012 on The Effects of Internal Marketing and Organizational Commitment on Bank’s Success in Iran reveled that *internal marketing, organizational commitment and market orientation have positive direct and indirect effects on bank’s both market performance (customer satisfaction and customer loyalty) and financial performance* The finding conducted by Mehdi and Behghis 2015 on the effect of internal marketing towards customer-oriented behavior in Iranian banking industry in Iran also revealed that significant effect of job satisfaction as a most effective factor on the customer-oriented behavior, following by authorized autonomy and value of needs on the customer-oriented behavior. Moreover attitude, emotional labor and authorized autonomy significantly and positively influence on job satisfaction. The other finding done by Shiferaw 2011 on the impact of internal marketing on consumer loyalty in banking industry the case of bank of Abyssinia in Ethiopia reveled that relationship marketing dimension have an impact on customer loyalty. The researchers conducted in Iran and Ethiopia did not clearly shown their research model and by the magnitude of internal marketing that affect employees’

customer orientation. The purpose of this study therefore was to examine the effect internal marketing on employees' customer orientation in doing the study attempted to answer the following research question.

1.3 RESEARCH QUESTIONS

1. How does Training and Development affect employees' customer orientation in Nefas Silk sub city branch of CBE?
2. How does Job Satisfaction affect employee' customer orientation in Nefas Silk sub city branch of CBE?
3. How dose communication affect employee' customer orientation in CBE Nefas Silk sub city branch?
4. How dose motivation affect employee' customer orientation in CBE Nefas Silk sub city branch?
5. How does organizational commitment affect customer orientation in CBE Nefas Silk sub city branch?
6. Which factor highly affected employee' customer orientation in CBE Nefas Silk sub city branch?

1.4 RESEARCH OBJECTIVE

1.4.1 GENERAL OBJECTIVE

The general objective of this study was examine the effect of internal marketing on employees' customer orientation in CBE Nefas Silk sub city branch.

1.4.2 SPECIFIC OBJECTIVE

1. To examine the effect of training and development on employees' customer orientation in CBE Nefas Silk sub city branch.
2. To determine the effect of organizational communication on employees' customer orientation in CBE Nefas Silk sub city branch.
3. To know the effect of communication and motivation on employees' customer orientation in CBE Nefas Silk sub city branch.
4. To analyze the effect of job satisfaction on employee' customer orientation in CBE Nefas Silk sub city branch.
5. To investigate which factor is highly affected employees 'customer orientation in CBE

Nefas Silk sub city branch.

1.5. HYPOTESIS

1. Training and development has appositive and significant effect on employees' customer orientation.
2. Communication has appositive and significant effect on employees' customer orientation.
3. Job satisfaction has appositive and significant effect on employees' customer orientation.
4. Organizational commitment has appositive and significant effect on employees' customer orientation.
5. Motivation has a positive and significant effect on employee' Customer Orientation

1.6 SIGNIFICANCE OF THE STUDY

This study has a significant input for CBE Management and Corporate Human Resource Department in particular by indicating the relationship and effect of Internal marketing on the customer orientation and applies marketing like approach on human resource management. The study also benefit for middle level management personnel to implement marketing oriented approach on employees under their jurisdiction to acquire satisfied employees which have direct relationship with customer orientation. In addition, the researcher, as part of the society, will be benefited from the findings because the stable and healthy employee's customer orientation is expected to generate sustainable organizational productivity or profitability which will support the economy to provide basic needs of citizens. Besides, the researcher will get the moral satisfaction of solving problems. Moreover, it may be used as a reference for those researchers interested in undertaking studies in related topics in the future.

1.7 SCOPE OF THE STUDY

Internal marketing have various and different dimensions, however the study was conducted on only five dimensions; Training and Development, Communication, Motivation ,job satisfaction and organizational commitment. Even though CBE is widely distributed across country, the study conducted in Nefas Silk sub city CBE only because of time and resource.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. INTERNAL MARKETING THEORIES AND PRACTICE

Gronroos is one of the scholars who first introduced the term internal marketing during 1982s. He defined internal marketing as the behavior of selling a corporation for its internal customers (Employees). The term internal marketing is used to describe the application of marketing internally within the organization. Every department and every person is both supplier and a customer, and the organization's staff works together in a manner supporting the company strategy and goal. It relates to all functions within the organization, but it is vitally concerned with the management of human resource. The principles of internal marketing is also applied in human resource management to motivate, mobilize, nominate, and manage employees at all levels of the organization to continuously improve the way they serve external customers. There are several forms of internal marketing, what they all share in common is that the customer is inside the organization; it is viewing employees as internal customers, jobs as internal products and offering internal products that satisfy the needs and wants of these internal customers, considering the objectives of the organization. Internal marketing lacks a widely accepted definition, but usually it encompasses three main themes: service-mindedness and customer-oriented behaviors, focusing staff attention on the internal activities that need to be changed in order to enhance marketplace performance and creating motivated and customer-oriented employees (Boone and Kurtz,2005).

Internal marketing concept of employees treated as external customers leads to the premises that just as external customers, internal customers desire to have their needs satisfied. Fulfilling employee needs enhances employee satisfaction, the higher the employees' satisfaction the higher the possibility of generating external satisfaction and loyalty (Andreas, et.al 2006).

People are critical to the success of organizations. Companies that select, develop, manage and motivate their workforce to produce outstanding business results have an extraordinary competitive advantage that others cannot copy. The objective of internal marketing is to get motivated and customer conscious employees in order to achieve service excellence. The use of marketing in the internal marketing context suggests an emphasis on the application of marketing techniques, approaches, concepts, and theories aimed at achieving customer satisfaction in the context of internal customers, in order to achieve success in the external market (Philp et. al 2010)

Customer service holds great potential as a means for managing the internal work environment. Focusing on people rather than on jobs can be a difficult transition, but it may be critical for the survival and success of the organization (Carslen, 2003)

Internal marketing is also 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. Internal marketing operates as a holistic management process to integrate the multiple functions of the organization in two ways: To ensure that the employees at all levels understand and experience the business and its various activities and campaigns. In the context of an environment that supports customer consciousness, and to ensure that all employees be prepared and motivated to act in a service oriented manner.

Internal marketing concept states that the internal market of employees is best motivated for service-mindedness and a customer-oriented behavior by an active, marketing approach, where marketing like activities are used maternally. Having satisfied and motivated employees will influence positively customer satisfaction, through more satisfactory encounters with contact personnel. From this viewpoint, "employment" (job description and employee-related policies) is the internal "product" and first-line employees the company's internal "customers" (Huseyin et.al, 2005).

Encouraging the organization's employees to buy their own services and products in both

consumption and psychological terms can boost sales and confidence for customer service delivery. It requires considerable co-ordination since promotion to external customers will also largely influence employees (Nelson, 2007).

In conclusion, the exact definition of internal marketing has not been given by scholars yet but its concept rolls around employees being considered as customers by their employers; it is treating employees as external customers are being treated so as to gain competitive advantage which can't be copied.

2.1.1. CONCEPT OF INTERNAL MARKETING

Scholars have given various variables on the dimension of internal marketing. Below are dimension of internal marketing used by different scholars.

Tsai and Tang (2008): Service training programs, Performance incentives, and Vision for service excellence. Gounaris (2006): Selection, Training and development, Incentive systems or Empowerment. Rafiq and Ahmed (1993): Employee motivation and satisfaction; Customer orientation and Customer satisfaction; Inter-functional coordination and integration; Marketing-like approach; and Implementation of specific corporate or functional strategies. Bansal, Mendelson, and Sharma (2001): Employment assurance; Broad training; Abundant salary determined according to organizational performance; Information sharing; Employee empowerment, and Reducing differences in rank. Parasuraman, Zeithaml and Berry (1991): Compete for talent; offer a vision and provide a purpose to equip employees with skills and knowledge of their roles; bring people together as a team; leverage the freedom factor; nurture achievement through measurements and rewards; and base job design decisions on research. Varey and Lewis (1999): Dissemination of information from all internal groups; Development of competence, and Development of incentive and motivation systems. Ahmed and Rafiq (2003): Strategic rewards; Internal communications; Training and development; Organizational structure; senior leadership; Physical environment; Staffing; Selection and succession; Inter-functional coordination; Incentive systems; Empowerment; and Operational/process changes.

Internal Marketing can be explained by the above stated dimensions, even if it was recommendable to analyze internal marketing using all the dimensions, for the purpose of this study ,due to time and resource constraint, three dimensions which were the most repeatedly stated by the scholars were selected assuming the most common ones can explain internal marketing well enough.

2.1.2 IMPLEMENTING INTERNAL MARKETING

The incentive for properly implementing internal marketing is how it will assist in the creation of competitive advantage. Companies that embrace internal marketing understand that taking care of customer's means taking care of employees. They realize that their employees are important because they are responsible for delivering quality products and services to their customers Sustained delivery of products and services that exceeds customers' expectations will develop customer loyalty, as they become highly satisfied or even delighted (Dwayne et. Al,2004).

According to Proctor (2010), there are practical actions that can be taken to implement internal marketing with a focus on preparing employees to build a relationship with customers and deliver a quality service to customers. These includes

- Making sure employees are told about the organization's mission and how they fit into it
- Making sure internal communication channels effectively share information on how to market ideas and services internally
- Apply marketing skills and initiatives internally to understand employees' needs and wants;
- Let employees know why they should do things as well as how to do them; and
- Develop employees' suggestion system to encourage ideas on improving the quality of customer service.

Internal marketing aims to motivate and influence employees towards customer consciousness and sales-mindedness using marketing-like techniques internally (Gronroos, 1982). The essential role of IM is to encourage and motivate employees towards the cross-functional implementation of organizational objectives (Rafiq & Ahmed, 1993). Through proper internal marketing programs, organizations can attract, recruit, and retain the right mix of employees in order to deliver superior value at all times (Collins et al, 1991). The major task of internal marketing is to successfully hire, train and motivate qualified employees in order to serve the customer well (Kotler, 2008).

Internal marketing is an important part of organizational development and change, moreover, if there is an absence of internal marketing in the given organization, management may face with resistant staff toward change processes and adaptation (Brian, 2005). Thus, applying internal marketing, an organization can be able to develop an atmosphere and environment in which workers are appreciated and susceptible to improve business performance and generate long term competitive advantage through the creation of strong organizational cultures. This can be generally attained through developing face-to-face, flexible, also efficient interaction between management and different groups within the given company instead of operating in a rather bureaucratic organization (Ahmed & Rafiq, 2003).

2.1.3. MEASURING INTERNAL MARKETING

It is necessary to measure effectiveness of internal marketing in order to ensure the internal marketing structure is followed through it after it is applied. The success of the internal marketing strategy can be measured as follows:

- ✓ Internal seminars delivered by management services to all staff outlining the skills within the department, its structure, the type of work undertaken and its client base;
- ✓ Improved integration, including the placement of a senior management services director within the offices of the other departments, close to the senior management team and business development staff;
- ✓ Increased involvement and appearances in pan discipline business development activities, key client business to business meetings and corporate hospitality events;

- ✓ Invited attendance at monthly business development seminars/lunches;
- ✓ Increased prominence by management services as leader for internal training and development programs;
- ✓ The development and issue of new departmental and work stream brochures

If businesses are willing to invest in such a thorough process, there is very little chance for it to fail, as it is ‘ensuring that there is a sharing of knowledge, expertise, and skills across departments and that there is a process by which departments can be educated in the areas of work and skills of others, the opportunity for cross selling services is increased (Boone & Kurtz 2005).

In terms of the actual effectiveness of internal marketing, methods need to be followed through. Such methods, for example: which aim to motivate employees, demand a decentralization of the decision-making process and motivating personnel policy needs to be logical and just in its nature. If there is an absence of such a policy, it is likely that internal marketing efforts become fruitless.

2.1.4 CHALLENGES OF INTERNAL MARKETING

The problem of the concept of Internal Marketing were the job product “sold” to internal customers may be unwanted by them and that unlike in the external market, employees rarely have a choice in terms of product offered and may even be coerced into accepting these (Ahmed & Rafiq, 2003). In addition, the financial implication of having satisfied employees may be substantial and that not all organizations were prepared to invest so heavily in an idea that may only bring results in the long term. For example, in order to satisfy employees, salaries may need to be increased, working environment rebuilt and training heavily invested in; with in return on investment only being shown in the long term (Papasolomou & Vrontis, 2006).

2.2 CUSTOMER ORIENTATION

2.2.1. DEFINITION OF CUSTOMER ORIENTATION

Customer orientation is the principle that addresses the significance of considering customer needs and wishes throughout the organization (Ruizalba, 2014). Based on the study of Awwad and Agti (2011), customer orientation is said to be the principle of readiness to meet and respond promptly to the needs and wants of customers. Customer orientation is a total package of external customer's welfare within an organization. It is believed that a right approach to customer's orientation is likely to facilitate better performance and quality delivery services by employees (Auhandmagie, 2007)

2.2.2. CUSTOMER ORIENTATION BEHAVIORS

Customer orientation behavior of frontline employees is an important issue in service industries. The intangible and interactive characteristics of services mean that employees' behavior plays a key role on customer's decision making. Customer orientation behavior of frontline employees is important to create long-term profit for service firms.

Customer orientation behavior is a tendency of employees to meet their customer's needs. Therefore, researchers have defined customer orientation behavior as the extent to which frontline employees try to satisfy their customer's needs. (Brown et al, 2002)

Customer-oriented employee has customer oriented skills, motivation to serve and authority to make decisions. Employees behave in a customer-oriented sense only if all circumstances exist (Hennig-Thurau & Thurau, 2004). On the other hand, Customers rely on the behavior of service employees when evaluating quality of services (Hennig-Thurau, 2004). A customer-orientated employee is extremely important as employees have direct contact with customers (Dimitriades, 2007). Literature shows an in-flight employee of an airline has to be as customer oriented as hotel and bank front-liners. Customer orientation culture influences a service firm's business performance via the development of lasting customer-employee relationships (Bove & Johnson, 2000).

The question of employee customer orientation can be perceived from two perspectives

including one that focuses on attitudes and beliefs and the other that focuses on actual behavior. From the point of views of attitudinal perspective, (Zablah, 2012) described customer orientation as “an employee’s tendency or predisposition to meet customer needs in the job context.” as a belief, customer orientation is held by employee and entails the need to satisfy customer needs (Kirca, Jayachandran & Bearden, 2005). Customer oriented beliefs and attitudes are regarded as an antecedent to related behaviors, thereby making the perspectives to be interconnected (Riketta & Dick, 2005).

Customer service-oriented workers help businesses by providing warm, genuine care for clients to resolve disputes, offer services, answer questions and ensure customer satisfaction. When interviewing candidates for customer service-related jobs, it helps to understand some of the personality characteristics of workers who excel in these positions. Asking worker candidates for examples of how they meet these desired characteristics can be an effective screening tool.

Customer oriented service personnel are well known for on below distinguishing behaviors. They are helpful, considerate, cooperative, communicative, problem solver and organized.

Helpful: Customer-service oriented workers share a common characteristic in that they're naturally helpful people; they don't mind taking time to assist another person, whether it's a client, co-worker or complete stranger, in order to lighten their load.

Considerate: Customer service oriented workers are also considerate. Customers appreciate good manners, whether that includes opening doors, maintaining eye contact throughout the conversation, beginning conversations with a pleasant greeting and avoiding interrupting when customers speak.

Cooperative: Customer service oriented workers are able to set aside ego and personal priorities to generate solutions that work for all involved. Rather than approach customer problems and complaints with a combative attitude, cooperative workers cooperate by listening, identifying customer goals and working to help meet them.

Communicative: Customer oriented service personnel have communication skill. Communication skills include active listening, nonverbal qualities including eye contact and friendly demeanor, and ability to clearly articulate options and information for customers.

Problem Solver: Skilled customer service oriented workers are problem-solvers who are able to quickly identify and suggest workable solutions for customer needs.

Organized: Customer service oriented workers also share the characteristic of organization. Despite their commitment to quality customer service, employees must have time-management skills to juggle multiple client needs simultaneously (Steven, Janet & Victoria, 1999)

2.2.3. IMPACT OF CUSTOMER ORIENTATION

The major impact of customer orientation is the competitive advantage it gives to organizations. Organizations get more benefited when their employees are customer oriented and this results a positive effect on firms performance and increases the overall profit.

Competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and services that justifies a higher price. Competitive advantage along the three dimensions of cost, differentiation and focus with competitors trying to set themselves apart from those perceived as “stuck in the middle”. Being able to produce an event at a lower cost compared to the competitors is one-way to competitive advantage.

Typically, this comes from large-scale organizations developing efficiency due to their repetitive experience of the tasks involved or using their power to control lower costs. The other two routes to competitive advantage relate to the value seen by customers who either see specific attractive elements in the offering differentiation or feel that all their needs are being met in the best way by that competitor’s offering focus (Kapoor,et al,2009).

A firm can differentiate itself in various ways, such as offering innovative features, launching effective promotion, providing superior service, developing a strong brand name, and so on (Li & Zhou, 2010). Hence, by delivering customer oriented service on of the impact gain is acquiring competitive advantage which very hard to copy by other competitors.

The other effect of customer orientation is its contribution to organization innovation differentiation. A customer oriented firm can anticipate its customers' changing needs and respond to them through continuous innovation from its external focus on collecting, analyzing, and disseminating information about customers (Zhou, Brown & Dev., 2009). The competitors and customers of an innovative company perceive the company as being able to utilize the latest technology and introduce new goods or services at an early stage (Nelson 2006).

Customer orientation also has a positive impact on market differentiation by creating customer satisfaction. A market differentiation occurs when a firm creates a unique image in the market and achieves customer satisfaction and loyalty through meeting customers' particular needs and desires (Miller, 1987). A customer-oriented firm is able to make its market offerings more differentiate by adjusting its marketing mix through the knowledge of the customers' needs and desires (Li & Zhou, 2010). In order to distinguish a firm from its competitors, provides a competitive marketing tool, and to be the most preferred firm for a certain given market segment are through the development of marketing mix strategy (Akdag & Zineldin, 2011). Such as, good services, effective processes, qualified staff members, convenient locations, customized and personal solution, which does not imply most up-to-date service for customers.

2.3 INTERNAL MARKETING AND CUSTOMER ORIENTATION

According to Ahmed & Rafiq (2003), in order for an organization to have satisfied clients who receive consistently high service quality, an organization must have satisfied employees. By treating employees as customers, especially those with direct contact to clients, that service quality would increase as these front lines employees would be more likely to be customer conscious if their needs were met (Gounaris, 2006)

An increasingly service-oriented economy asks companies to attract and retain to ensure a sustainable competitive advantage (Kenneth, et.al 2003). The relationship between buyer and seller not only affects the customer's decision to buy a service or go back for more, but also provides a marketing opportunity for the company. Employees should, therefore, “be sales-minded as well as customer-orientated. The object of IM was therefore to get motivated and customer conscious employees, and to achieve good coordination between employees dealing directly with the customer and the company's support staff.” (Mohammed & Ahmed, 2000).

Christian Gronroos stated that not only do buyer–seller interactions have an impact on purchasing and repeat purchasing decisions but also, crucially, those buyer–seller interactions provide a marketing opportunity for the organization. To take advantage of these opportunities requires customer-oriented and sales-minded personnel. Hence, the object of IM is to get motivated and customer-conscious employees. In this view, it is not sufficient that employees are motivated to perform better, but they must also be ‘sales minded’. Furthermore, effective service also requires co-ordination between contact and backroom support. Gronroos also views the internal marketing concept as a means of integrating the functions that are vital to the customer relations of service companies. (Gronroos, 1982). Gronroos extended his original definition of IM as a method of motivating personnel towards customer consciousness and sales mindedness, to include the use of marketing-like activities in this pursuit. Holding an organization’s internal market of employees can be influenced most actively and hence motivated to customer-consciousness, market orientation and sales mindedness by a marketing-like internal approach and by applying marketing-like activities internally.

Internal marketing holds that employees are best motivated for service-mindedness and

customer-oriented behavior by an active marketing-like approach, where marketing-like activities are used internally. The addition of marketing-like techniques internally moves the need to motivate employees, and advocate the use of 'marketing-like' techniques to do it should be stressed. Gronroos' conceptualization focuses attention on creating customer orientation in employees through a process of influencing, rather than satisfying and motivating employees per se. (Gronroos, 1982).

Tsai and Tang (2008), Gounaris (2006), Bansal, Mendelson, and Sharma (2001), Varey and Lewis (1999) and Ahmed and Rafiq (2003) has selected training and development among the dimension where internal marketing can be explained of; hence it has been selected to be included for this case study.

Communication for the purpose of study can be defined as accurate and open flow of information between employees and management. Internal communication is about relationships and creating a respected atmosphere for all the people within the organization (Argenti, 2009).

There are three communication types; top-down communication occurs when communication flows from people at higher levels to those at lower levels in the organizational hierarchy, such as tasks like job instructions, providing information and feedback. Upward communication includes messages flowing from subordinates to superiors and continues up the organizational hierarchy. These types of communications convey messages such as what subordinates are doing, unsolved work problems and suggestions for improvements. Horizontal communication consists of messages between employees of the organization with equal power, messages like task coordination, problem solving, sharing information, conflict resolution and building relationships fall under this kind of communication (Oliver, 1997).

People must be able to ask questions and expect to be answered and also they should be able to suggest improvements or come up with new ideas is an essential part of employee self-confidence, commitment and participation. In order for employees to feel that they are a part of the organization and that they really matter, upward communication is very important (Dunmore, 2002). It has also been selected by different scholars as one of internal marketing dimensions. Below are the lists of scholars Bansal, Mendelson, and Sharma

(2001), Varey and Lewis (1999) and Ahmed and Rafiq (2003).

Motivation: Webster's dictionary defined motivation as something that causes a person to act; hence for the purpose of this study any initiation taken by employers to motivate employees is included in motivation. Such features are rewards, incentives, feedbacks, appraisals and abundant salary. Scholars that stated motivation or imitation taken by employers to motivate employees are Tsai and Tang (2008), Gounaris (2006), Rafiq and Ahmed (1993) Bansal, Mendelson, and Sharma (2001), Parasuraman, Zeithaml and Berry (1991)

Job satisfaction and organizational commitment has been identified as intervening factors between internal marketing and customer orientation. Job satisfaction is defined as job satisfaction as the extent of affective reactions to which frontline employees likes their jobs. It is a positive emotion since frontline employees can benefit from salary or bonuses from satisfying customers. According to the affect theory of social exchange, researchers have suggested that job satisfaction of frontline employees would have positive effect on customer orientation behavior (Rastegar, Reza & Alireza, 2012). Job satisfaction is also defined as the extent people are satisfied with their work or a set of favorable or unfavorable feelings and emotions with which employees view their work (Newstrom & Davis, 1997).

Organizational commitment is identified as one of antecedent of customer orientation. Salespeople who are committed to their employers would be more likely to support the organization's goals regarding the development of customer satisfaction. Those who value organizational membership are willing to exert considerable effort, which in turn translates into high level of focus more on meeting customers' needs (Nor & Noor, 2012).

Organizational commitment is 'typically conceived of as an individual's psychological bond to the organization, including a sense of job involvement, loyalty, and a belief in the values of the organization'. According to another definition, organizational commitment is defined in terms of the strength of an individual's identification with an involvement in a particular organization. Organizational commitment is characterized by three factors: A strong belief in and acceptance of the organization's goals and values, a willingness to

exert considerable effort on behalf of the organization and A definite desire to maintain organizational membership (Evans, 1987).

Internal marketing is an important part of organizational development and change, moreover, if there is an absence of internal marketing in the given organization, management may face with resistant staff toward change processes and adaptation (Varey & Lewis, 1999). Thus, applying internal marketing, an organization can be able to develop an atmosphere and environment in which workers are appreciated and susceptible to improve business performance and generate long term competitive advantage through the creation of strong organizational cultures. This can be generally attained through developing face-to-face, flexible, also efficient interaction between management and different groups within the given company instead of operating in a rather bureaucratic organization (Ahmed & Rafiq, 2003).

2.4 EMPIRICAL LITERATURE

2.4.1 TRAINING AND DEVELOPMENT AND JOB SATISFACTION

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

employees tend to feel even more valued by their employers. They are not only given the tool to do their jobs well, but they are also given opportunities to develop new skills and attain career goals. Hence, the first hypothesis for this study here is a positive relationship between employee training and development and job satisfaction.

2.4.2 EMPLOYEE TRAINING AND DEVELOPMENT AND ORGANIZATIONAL COMMITMENT

Organizational commitment is defined as an individual belief in and acceptance of the organization's goals and values and his or her willingness to exert considerable effort on behalf of the organization (Porter et al, 1973). Considerable work has shown that commitment to one's organization is usually accompanied by greater work motivation and a desire to make the firm more effective and prosperous as well as to exert visible effort beyond what is traditionally expected in their jobs (Mowday, et. al 1979).

Monetary rewards of individual skills is an important aspect of doing do not cause organizational commitment, rather employee business today and employee development will likely commitment with organization rely upon the opportunities grow in the future. The benefits of employee given by the employer to conduct important, meaningful development extend beyond the actual skills gained and challenging work (Meyer & Allen, 1977).

In the case study conducted on Employee's Belief regarding training benefit and Organizational commitment by (Amir et al, 2013), there is significant positive relationship between employee This study explored the relationship of organizational perception of training benefits and organizational commitment and employees' perception of training commitment.

2.4.3 COMMUNICATION AND JOB SATISFACTION

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

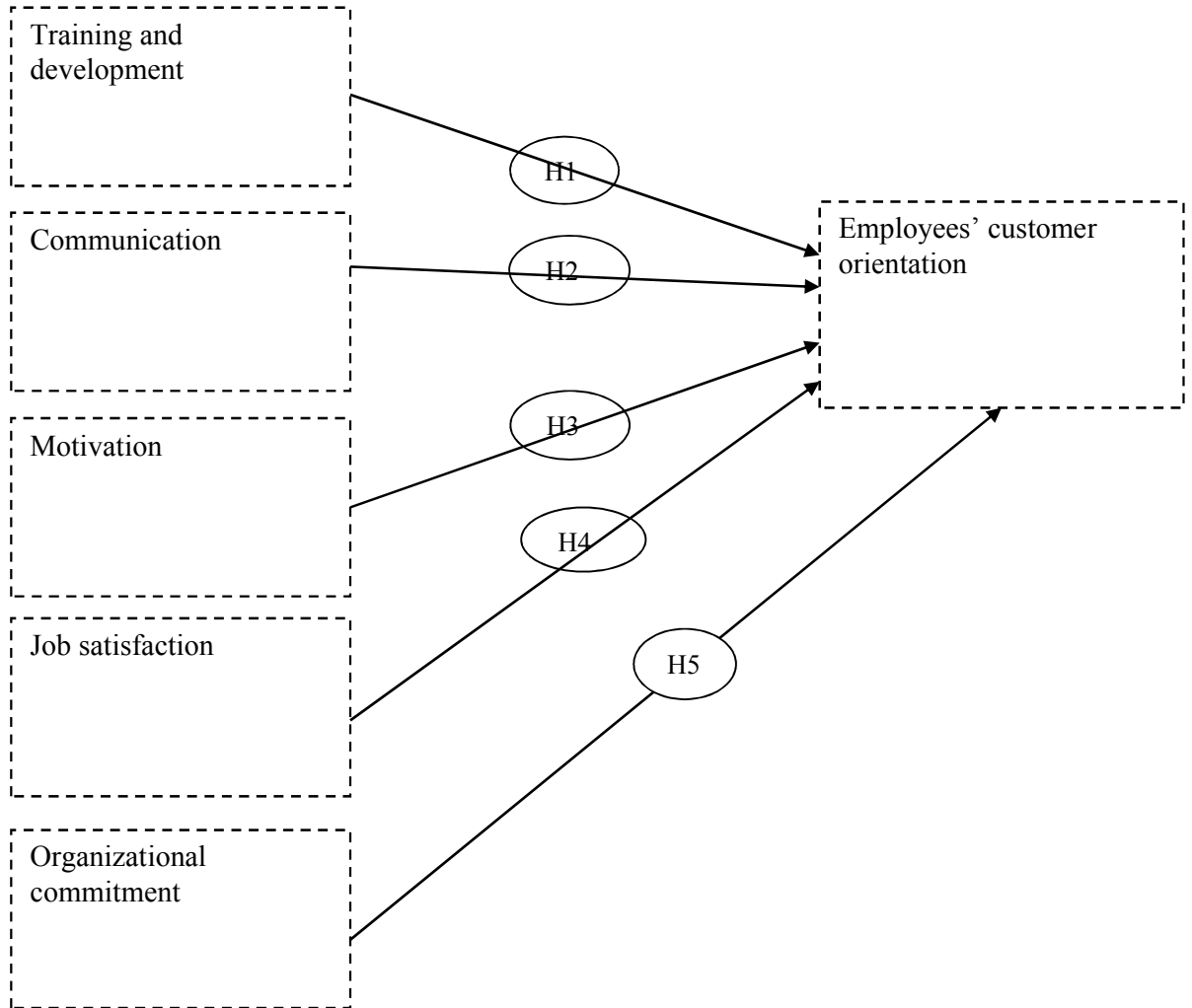
Researches indicate that internal communication is one of the factors which influence job satisfaction. With active and assessable communication, employees are better able to understand their job and are more connected to it. This leads to better performance and higher job satisfaction. Anderson and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

2.4.4 COMMUNICATION AND ORGANIZATIONAL COMMITMENT

Communication is a broad term that covers the communication between and among the executives and the employees in a corporation, the communication between the departments and cooperation and feedback between units. Individuals' satisfaction with the structure of communication also affects their success in their business lives. In short, it is a natural outcome of the satisfaction with the existing structure of communication within the corporation. Organizational commitment expresses the employees' sense of belonging, commitment towards the corporation and efforts towards the continuation of their existence in the corporation. At the basis of organizational commitment, there is dedication and identification. If the individual are satisfied with the corporation and internal communication, they make an effort to stay in that corporation. According to this study, the relation between communication satisfaction and organizational commitment was examined; it was concluded that communication satisfaction affects the organizational commitment. The effect of communication satisfaction on organizational commitment is at higher levels on normative commitment and affective commitment. (Elif & Burcu, 2013).

In addition, the study conducted on the relationship between communication satisfaction and organizational commitment in three Guatemalan organizations by Federico (1996) also proved that there was an explicit positive relationship between communication satisfaction and employees' organizational commitment.

Figure 1. Conceptual Frame Work the effect of internal marketing on employees' customer orientation



Source own formulation from different literature

2.4.5 MOTIVATION AND JOB SATISFACTION

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

2.4.6 MOTIVATION AND ORGANIZATIONAL COMMITMENT

Based on the study conducted by Idris and Wan (2011) entitled Does motivational factor influence organizational commitment and effectiveness? A literature review, motivation has significance relation with organizational commitment

2.4.7 JOB SATISFACTION AND CUSTOMER ORIENTATION

Scholars conducted study on relation between job satisfaction and customer orientation, from the scholars Siguaw, Brown & Widing,l (1994) and Hoffman and Ingram (1992) among researchers who proved there is a positive relationship between Job Satisfaction and Customer Orientation.

2.4.8 ORGANIZATIONAL COMMITMENT AND CUSTOMER ORIENTATION

Internal elements of each organizations performance i.e. Job satisfaction, employee retention and organization commitment influence the tendency of external marketing (intersegment coordination, competition, and customer orientation). This proves there is a positive relationship between organizational commitment and Customer orientation (Lings, 2004).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. RESEARCH APPROACH

In the view to serve the research questions and objectives of the study, the researcher followed mixed research approach. Because, the researcher believed mixed methods of data analysis appropriate to correctly answerer the research questions under consideration, as it involves both qualitative and quantitative data in a study helps to triangulate the obtained information through both methods of data analysis (Creswell, 2009).Understating this, the study gave equal weight for both approaches rather than giving greater value for either of them the researcher followed pragmatism philosophy of knowledge claims, which is problem centered, pluralistic and real-world practice oriented instead of giving greater weight for either qualitative (post positivism) or quantitative (constructivism) approach. The development and perceived legitimacy of both qualitative and quantitative research in the social and human sciences, mixed methods research, employing the combination of quantitative and qualitative approaches, has gained popularity. This popularity is because research methodology continues to evolve and develop, and mixed methods is another step forward, utilizing the strengths of both qualitative and quantitative research. Also, the problem addressed by this finding is complex, and the use of either quantitative or qualitative approaches by themselves is inadequate to address this complexity. The inter-disciplinary nature of research, as well, contributes to the formation of research teams with individuals with diverse methodological interests and approaches.

3.2. RESEARCH DESIGN

Quantitative descriptive cross-sectional survey was employed to address the research objective and drawing conclusion and generalization on the effect of internal marketing on customer orientation among CBE. This study used both descriptive and inferential statistics. The correlation as well as the effect of internal marketing and customer orientation was analyzed using correlation and ordered probit regression because the population normally distributed and the nature of the response variable was categorical

3.3. POPULATION AND SAMPLE SIZE

3.3.1. TARGETED POPULATION

The target population of the study was CBE workers' who re currently working in Addis Ababa city administration.

3.3.2. SAMPLING TECHNIQUES

Sampling is a technique, which helps to understand the parameters and for characteristics of the population by investigating only some part of it (Chandan, 1998). Appropriate sample size depends on various factors relating to the subject matter of the investigation like time, cost, degree of accuracy desired (Rangaswamy, 1995). But the sample size and the sample selection process procedure should assure the representativeness of the population. Sample size determination has its own scientific approach, but in this finding to determine the sample size, different factors such as research cost, time, and human resource, environmental condition, accessibility and availability of transport facilities were taken into consideration.

Concerning the techniques of sampling used, multistage sampling technique was employed. This is mainly because the research approach followed mixed methods. Therefore, since there is a list of all units of the CBE in Addis Ababa city administration and no difference in the geographic location and as well as no heterogeneous characteristics among ten sub city so the researcher by employed lottery method randomly selected Nefas Silk Sub City. Since the CBE its own category that is grad 1,2,3 and 4 that makes the population have heterogeneity by considering this the researcher used stratified sampling techniques the units of the population as all banker are treated with the same assessment and collection rules and procedures, the researcher used simple random sampling to draw representative sample from the selected the banks. Furthermore, the reason as to why to use simple random sampling was that the researcher believed it is easy to conduct, compare, and contrast specially in the presence of high budget constraint to the researcher. It also provides the research with some degree of

control over variables (see the procedure annex 1). The sample size was determined by using Lemman formula.

$$n = \frac{N}{Ne^2+1} \text{ Where}$$

N= total number of bank employees

n=the required sample size

e=the margin error

$$n = \frac{1400}{1400(0.05)^2+1}$$

$$n = \frac{1400}{1856(0.05)^2+1}$$

n=280

3.4. DATA SOURCE

The data was collected from primary data source. Primary data source was collected through structured questionnaire. Structured questionnaire was developed and distributed to employees of selected CBE.

DEFINITION OF TERMS

Independent Variables

1. **Internal Marketing:** A concept of viewing employees as internal customers, jobs as internal products, and endeavoring to better design these products to meet the needs of these customers.
2. **Training and Development:** Designed activities from the environment that provides employees the opportunity from employers side with the purpose of enhancing the level to develop and learn new skills for their development of knowledge and skills or to modify the behaviors.
3. **Communication:** A general concept that covers the communication and feedback between executives and employees, horizontal and vertical communications, work related information and communication among departments.
4. **Motivation:** The development of desire within an employee to perform a task to his/her greatest ability based on that individuals own initiatives.
5. **Job Satisfaction:** A set of favorable or unfavorable feelings and emotions with which employees view their work.
6. **Organizational Commitment:** A strong desire to remain a member of a particular organization, willingness to exert high level effort on behalf of the organization and belief in and acceptability of the values and goals of the organization.

Dependent Variables

Employees' Customer Orientation: Employees willingness to meet needs and respond to customers wants under occupational condition.

3.5. DATA COLLECTION TOOL

The current internal marketing practice and its effect on employees' customer orientation was investigated using structured questionnaire prepared based ordinal measuring scale rating questionnaire included all the selected dimension of internal marketing and customer orientated service personnel behavior to analyze the effect of internal marketing on customer orientation.

The data was collected from employees of selected banks based on prepared structured questionnaire (yes or No) and the data quality was assure by the enumerators was closely supervised by the researcher.

3.6. DATA ANALYSIS

The collected data was analyzed by using STATA version 13 Software both descriptive and econometrics model (ordered logistic regression model) was used to know the effect of internal marketing on employees' customer orientation the selected commercial banks. Regression analysis was used to know by how much the independent variable i.e. relationship marketing explains or influences the dependent variable which is employees' customer orientation. Correlation analysis also conducted to measure the strength of the association between relationship internal marketing(training and development, communication, motivation, job satisfaction, organization commitment) and employees 'customer orientation. And also descriptive analysis used for the demographic factors such as gender, age, education and work experience. Tools like tables and percentage was used.

In order to reduce the possibility of getting wrong answers, different actions were taken to ensure the soundness of data.

1. Data was collected from reliable sources, from respondents who are employees 'of the bank.
2. The questionnaire was based on literature review to ensure the soundness of the results.
3. STATA software version 13 was used to analyze the data and special emphasis was given during data encoding.

3.7 RELIABILITY TEST RESULT

Alpha reliability is regarded as a measure of internal consistency of the mean of the items at the time of administration of the questionnaire. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another (Karl 2012).

It is computed in terms of the average inter correlations among the items measuring the concept. Reliability is calculated in such a way that it represents the reliability of the mean of the items, not the reliability of any single item. So, the alpha reliability of 9 items would be higher than that of 5 similar items. This coefficient can hold a value of 0 to 1. The result of 0.7 and above implies an acceptable level of internal reliability. The result of reliability test for the questionnaire is shown in the following table. As it is indicated in the table, the test result is between 0.775 and 0.958. Therefore, based on the test, sub table 3.1 the results for the items are reliable and acceptable.

Table 3.1: Reliability test result for the questionnaire

Item	Number of Item	Cronbachs Alpha
Training and development	9	0.958
Communication	6	0.829
Motivation	6	0.846
Job satisfaction	5	0.775
Organization commitment	7	0.887
Employees' customer orientation	8	0.923

Source own survey 2018 STATA out put

3.8 ECONOMETRIC MODEL SPECIFICATION

Econometric models are the master key of any research to analysis whether the variables are correlated or not, Are the variables are police maker or not and to know the effect of independent variables on the dependent variables even to what extent are the dependent variables affected by the independent variables.

Since the dependent variable has more than two choices and the data was ordered data the researcher employed ordered probit regression.

General formula of the model

$$p_{ij} = \frac{e^{\sum_{j=1}^K \alpha + \beta_{kj} X_{kji}}}{\sum_{j=1}^J e^{\sum_{j=1}^K \alpha + \beta_{kj} X_{kji}}}$$

Where

P= probability of employee customer orientation

a constant term

B=coefficient of the independent variable the independent variable

3.9. ETHICAL CONSIDERATION

Ethical clearance was obtained from the Ethical committee of St. Mary's university. Then formal letter of cooperation was written to the administrators of the concerned bank. The study participants was informed and consented verbally either to participate or refuse in the study. All the information from the respondents was kept confidential, value free and plagiarism.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 RESULT AND DISCUSSION

To analyze the collected data in line with the overall objective of the research the researcher have undertaken, statistical procedures and STATA 13 software were used. The main purpose of the study was to assess the effect of internal marketing on employees' customer orientation in CBE, to measure the effect of internal marketing(training and development, communication, motivation, job satisfaction and organizational commitment) on employee customer orientation to point out the alternative training and development methods improve effectiveness of employees' customer orientation in CBE and improve employee training and development, communication, motivation, job satisfaction and organizational commitment, in order to achieve the general objective of the bank. This chapter discussed general information of the respondent, descriptive statistics allowed the study to organize and summarize the data collected, and ordered logistic regression analysis was applied.

The effect of training and development, communication, motivation, job satisfaction and organizational commitment in CBE and structured questioners were designed to employees to give their feedback. 280 questionnaires were distributed at 6 branches of CBE in A.A city Nifas Silk lafto sub city area. All questionnaires distributed to employees were returned.

4.2 DESCRIPTIVE ANALYSIS

This part of the study was concerned with the background of the respondents in order to give clear picture of participant who filled the questionnaires. Respondents were requested to fill their gender, age, qualification, and work experience. Table 4.1 provides the general demographical distribution of the respondents with regard to categories.

The respondents were distributed according to level of CBE branch grade, their gender, age, level of job position.

Gender distribution indicated a lower number of female respondents 99 (35.36%) than male 181 (64.64%) and qualification 207(73.93%) of the respondents were first degree (BA) holders, 66 (23.57%) Second degree (MA) holders, while remaining 7 (2.7%) have diploma. In terms of age distribution 66 (23.57%) were less than 26 years of age, between 26 to 30 years 115 (41.07%), between 31 to 40 years of age 88 (31.43%) and above 40 years of age 11 (3.93%) of respondents.

The composition of the respondents comprises of 24(8.56%) Branch managers and Customer Service managers (CSM) job position, 23 (8.22%) Senior Customer Service Officers (SCSO) and senior branch Controllers, while the others 233 (83.22%) respondents include from lower level job position such as Customer Service officers (CSO), Branch Controller, Customer Relation Officers (CRO).

The overall working experience of employees in CBE ranges from 6 to 10 years.133 (47.50%), from 1 to 5 years 107(38.21) and from 11 to 15years 32 (11.43%) the remaining the 8 (2.86) respondent were above 15 years of working experience various level of job position.

Table 4.1 general information of respondents

General information	Category	Freq.	Percent
Gender	Female	99	35.36
	Male	181	64.64
	Total	280	100
Age	20-25 years	66	23.57
	26-30years	115	41.07
	31-35years	55	19.64
	36-40years	33	11.79
	above 40 years	11	3.93
	Total	280	100
Educational status	Diploma	7	2.5
	Degree	207	73.93
	Master	66	23.57
	Total	280	100
Job Position	Br. Manager or CSM	24	8.56
	SCSO	15	5.36
	S/Br. Controller	8	2.86
	CSO	195	69.64
	Br controller	12	4.29
	CRO	26	9.29
	Total	280	100
Work experience	1-5 years	107	38.21
	6-10 years	133	47.5
	11--15 years	32	11.43
	above 15 years	8	2.86
	Total	280	100

The effects of internal marketing on customer orientation of employees

CSM—customer service manager

SCSO –senior customer service officer

CSO-customer service officer

CRO- customer relation officer

Source own survey 2018 STATA out put

4.3 GENERAL APPROACH OF INTERNAL MARKETING

There are five independent variables to be addressed in the section namely training and development, communication, motivation, job satisfaction and organizational commitment) in CBE were examined based on internal marketing (Plan the program, Communicate the plan, Provide support and evaluate), moreover, its effectiveness to improve employees' customer orientation.

4.1.3 TRAINING AND DEVELOPMENT METHODS

One of the methods to assess customer orientation in selected CBE branch analyzed training and development method. There were nine question presented to evaluate Training and development methods.

Regarding the first question, the response showed that 97.86 % were wellaware of the bank mission and vision statements and how they fit to it and 85.36 % of the respondents were say yes the bank system help to develop employees' career but 14.64% the respondents were say no the bank system help to develop employees' career. 84.29% of the respondents were having received refresher training which helps to determine their future goal. But Even though the respondents were try to fit the bank mission and vision 36.78 % of the respondent have the organization views the development of Knowledge and skills in employees as an investment rather than a cost.

Table 4.2. Training and development of respondents in CBE Nefas Silk sub city branch in 2018.

Question	Yes/no	Freq	Percent
1. Are you well aware of the bank mission and vision statements and how it fit to it?	No	6	2.14
	Yes	274	97.86
	Total	280	100
2. In the bank system help to develop employees career	No	41	14.64
	Yes	239	85.36
	Total	280	100
3. Have you received refresher training which helps you to determine your future goal	No	44	15.71
	Yes	136	84.29
	Total	280	100
4. Have you a better knowledge about the customer service offering	No	25	8.93
	Yes	255	91.07
	Total	280	100
5. Do you think that the section supervisor trains the employee for pre specified period time when an employee is reassigned to another department	No	63	22.5
	Yes	217	77.5
	Total	280	100
6. Do you think that your knowledge, skill and experience fit to the job being performed day to day service provide	No	2	0.71
	Yes	278	99.29
	Total	280	100
7. Do you think that before implementation of major change in service delivery rules and regulations, the employees always get relevant training to bring into line to the changes on our daily activities	No	4	1.43
	Yes	276	98.57
	Total	280	100
8. Is your organization view the development of knowledge and skills in employees as an investment rather than a cost?	No	103	36.78
	Yes	177	63.22
	Total	280	100
9. Do you think that all the required skills to serve customers?	No	99	35.36
	Yes	181	64.64
	Total	280	100

Source own survey 2018 STATA out put

4.3.2. COMMUNICATION RESPONDENTS

Table 4.3 shows that 99.29 % the respondent believed that accurate and open flow information in CBE and 97.86% of the respondents say yes their supervisors are eagerly interested in listening to what you saying about their job, problem face and the solution you suggest. Within CBE there were medium levels of communication.

Table 4.3 Communication of respondents in CBE Nefas Silk Branch in 2018.

Communication Question	Yes/no	Freq	Percent
1. Is there accurate and open flow of information in your banking industry?	No	2	0.71
	Yes	278	99.29
	Total	280	100
2. Is your supervisor are eagerly interested in listening to what you saying about your job problem you face and the solution you suggest?	No	6	2.14
	Yes	274	97.86
	Total	280	100
3. Can you suggest improvement or come up with new ideas for work improvement to banking industry management	No	5	1.79
	Yes	275	98.21
	Total	280	100
4. Before any policy or procedure changes, your supervisor informs you about the change phase by phase	No	9	3.21
	Yes	271	96.79
	Total	280	100
5. Do you feel like part of the organization because ideas are given attention and considered valuable by management	No	4	1.43
	Yes	276	98.57
	Total	280	100
6. Are satisfied with the communication you have with your supervisor and higher management	No	3	1.07
	Yes	277	98.93
	Total	280	100
Communication	Low	94	33.57
	Medium	131	46.79
	High	55	19.64
	Total	280	100

4.3.3. EMPLOYEES MOTIVATION

Motivation provides the link between plans and action. Employees must know the expectation of their organization. In the first question 92,14% the respondent were received some kind of reward when they do something extra ordinary but 7.86% of the respondent have not got some kind of intensive 90.07% of the respondent think that giving incentive for employees are motivating and on competitive basis but 8.91% were not agree. 80.36% of the respondents were have received feedback from their supervisor on their job performance regularly but not the others 91.79% of the respondents were thinking that performance measurement reward system encourages employees to work hard 8.21% of the respondents were not agree. 95% of the respondents were believed 90.36% of the respondent were agree that income of the annual increment are based on periodic performance evaluation and the preset KP fulfillment 95% of the respondent were needs and wants are well understood by management.

Table 4.4. Employees motivation in CBE Nefas Silk sub city branch in 2018

Motivation Question	Yes/no	Freq	Percent
1. Have you received some king of reward when you do something extraordinary	No	22	7.86
	Yes	258	92.14
	Total	280	100
2. Do you think that giving incentive for employees are motivating and on competitive basis	No	25	8.93
	Yes	255	91.07
	Total	280	100
3. Have you received feedback from your supervisor on your job performance regularly	No	55	19.64
	Yes	225	80.36
	Total	280	100
4. Do you think that performance measurement reward system encourages employees to work hard?	No	23	8.21
	Yes	267	91.79
	Total	280	100
5. on periodic performance evaluation and the preset KPI fulfillment	No	27	9.64
	Yes	253	90.36
	Total	280	100
6. Is your needs are wants are well understood by management	No	14	5
	Yes	266	95
	Total	280	100
Motivation	Not	9	3.21
	Motivated		
	Motivated	271	96.79
Total	280	100	

4.3.4. EMPLOYEE JOB SATISFACTION

81.43% of the respondent loved their job and satisfied with their current carried but 18.57% of the respondents were not satisfied with their current carried of job. 94.29% of the respondents were feeling secured in their job in the organization 63.21% of the respondents satisfied with your job because equal growth and development opportunity but 36.79% were not satisfied because of biased growth. 90.71% of the respondents were satisfied with their salary but the remaining was not satisfied. 100% of the respondents was satisfied with the responsibly and role that they have in their work.

Table 4.5. Employees Job satisfaction in CBE Nefas Silk sub city branch in 2018.

Job satisfaction Question	Yes/no	Freq	Percent
1. Do you love your job and are you satisfied with your current carrier	Not satisfy	52	18.57
	Satisfy	228	81.43
	Total	280	100
2. Are employees in the organization feel secured in their job	Not satisfy	16	5.71
	Satisfy	264	94.29
	Total	280	100
3. Are you satisfied with your job because equal growth and development opportunity	Not satisfy	103	36.79
	Satisfy	177	63.21
	Total	280	100
4. Are you satisfied with the salary and you draw a present	Not satisfy	26	9.29
	Satisfy	254	90.71
	Total	280	100
5. Are you satisfied with the responsibility and role that you have in your work	Not satisfy	0	0
	Satisfy	280	100
	Total	280	100
Job satisfaction	Not satisfy	107	38.21429
	Satisfy	172	61.78571
	Total	280	100

4.3.5. ORGANIZATIONAL COMMITMENT

90.71% of the respondents were having a strong belief in their banking goal and value but 9.29% have not strong belief in their banking goal and value. 95.71% of the respondents were willing to exert considerable effort towards the realization of their banking strategic vision. After all 99.28% of the respondents were have organizational commitment.

Table 4.6 Organizational commitment in CBE Nefas Silk sub city branch in 2018.

Organizational commitment Question	Yes/No	Freq	Percent
1. Do you have a strong belief in your banking industry goal and value	Not committed	26	9.29
	Committed	254	90.71
	Total	280	100
2. Are you willing to exert considerable effort towards the realization of your banking strategic vision	Not committed	12	2.29
	Committed	268	95.71
	Total	280	100
3. Have you strong desire to maintain your relationship with the organization	Not committed	11	3.93
	Committed	269	96.07
	Total	280	100
4. Have you accepted bank value statements and follow it through	Not committed	2	0.71
	Committed	278	99.29
	Total	280	100
5. Are you committed to work hard and achieve the company's goal	Not committed	6	2.14
	Committed	274	97.86
	Total	280	100
6. Have you given important, meaningful and challenging work to excel for your personal career development	Not committed	13	4.64
	Committed	267	95.36
	Total	280	100
Organizational commitment	Not committed	2	0.72
	Committed	278	99.28
	Total	280	100

4.3.6. EMPLOYEES CUSTOMER ORIENTATION

Majority of the respondent (55.71%) orient the customer at medium level and 36.79% of the respondent oriented customer at high level but the other orient the customer at low level. 78.93%, 18.21 and 2.86 of the respondent deliver all the required customer service mandated a high, medium and low level. 54.64% of the respondents were care their customers to ensure customer satisfaction at high level but 43.57% care at medium level the other care a low level. The over all of the result 57.5% of the respondent were highly orient the customer but 20.36 were orient at medium level.

Table 4.7. Employees' customer orientation in CBE in Nefas Silk sub city branch in 2018.

Customer orientation Question	High/medium/low	Freq	Percent
1. Your level of customers orientation	Low	21	7.50
	Medium	103	36.79
	High	156	55.71
	Total	280	100
2. Your mandated to deliver all the required customer service	Low	8	2.86
	Medium	51	18.21
	High	221	78.93
	Total	280	100
3. Genuinely care for customers to ensure customer satisfaction	Low	5	1.79
	Medium	122	43.57
	High	153	54.64
	Total	280	100
4. Mind taking much time to support/assist customers	Low	39	13.93
	Medium	142	50.71
	High	99	35.36
	Total	280	100
5. Usually go extra mile to assist customers	Low	5	1.79
	Medium	98	35
	High	177	63.21
	Total	280	100
6. Always start conversation with customers by pleasant and welcoming gesture	Low	230	82.14
	Medium	35	12.5
	High	15	5.36
	Total	280	100
7. Set aside your personal priorities to give solution to customers challenges	Low	51	18.21
	Medium	181	64.64
	High	48	17.14
	Total	280	100
8. Able to manage multiple custom enquires	Low	96	34.29
	Medium	81	28.93
	High	103	36.79
	Total	280	100
Customer orientation	Low	62	22.14
	Medium	57	20.36
	High	161	57.5
	Total	280	100

4.4 CORRELATION ANALYSIS

Like the demographic factors, the questionnaire entered to the STATA software version 13 to process correlation analysis. Based on the questionnaire which was filled by the customers in the case of CBE, the following correlation analysis was made.

4.4.1 CORRELATION ANALYSIS BETWEEN RELATIONSHIP INTERNAL MARKETING AND EMPLOYEES' CUSTOMER ORIENTATION

Pearson correlation test was conducted to know the degree of relationship between the independent variable i.e. internal marketing (training and development, communication, job satisfaction, motivation and organizational commitment) and the dependent variable i.e. employees' customers orientation. The results of the correlation between these variables are shown in Appendix table 1 Correlation matrix. As it indicated in the table there is significant correlation between internal marketing and employees' customer orientation. In other words relationship internal marketing and employees' customers orientation have high relationship $r=0.857, 0.955, 0.783, 0.905$ and 0.7440 training and development, communication, motivation, job satisfaction and organization commitment respectively (See Appendix table 1 correlation matrix).

4.5 ANALYSIS OF ECONOMETRIC MODEL

The econometric analysis was planned to investigate the effect of internal marketing on employees' customer orientation. The researcher analyzes the effect of internal marketing on employees' customer orientation. To analyze the problem the researcher employed ordered probit regression model and five explanatory variables were hypothesized and included in the analysis. However, prior to running the final regression analysis, explanatory variables need to be checked for the existence of normality test (link test) and multi-collinearity test (Variance Inflating Factor (VIF)). Accordingly the output, as can be seen from the results our test result suggests that, the distribution of the response variable was normally distributed and there is no serious multi-collinearity problem in our model, there is no strong association among the hypothesized explanatory variables. On the other hand the link test $\text{prob} > \chi^2 = 0.000$ and hatsq is 0.117 the model statistically significant and the amount of variables are explain by the fitted model (see appendix table 1).

4.5.1 PROBIT REGRESSION MODEL OF EMPLOYEE CUSTOMER ORIENTATION

The marginal effect (ME) the probability of change in training and development, communication, Job satisfaction, motivation and organizational commitment increases the probability of employees' customer orientation by 0.2781967, 0.0000871 and 0.0000241 % respectively and being organizational committed increase the probability of employees customer orientation by 0.278 (see appendix table 2).

Significant Explanatory Variables from Probit Regression: Out of the included repressors' the coefficients of five variables were found to have a significant impact on the likelihood of participating in the effect of internal marketing on customer orientation in study area. The probit regression coefficient gives signs of the partial effects of each explanatory variable on the response probability of the dependent variable.

Table 4.8 ordered probit regression STATA out put

Ordered probit regression	Number of obs =	280
	LR chi2 (5) =	72
	Prob > chi2 =	0.000
Log likelihood = 44.267384	Pseudo R2 =	0.4505

CO	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Job satisfaction	0.0202314	0.0063456	3.19	0.001	0.0077943	0.0326685
O. Commitment	0.01212546	0.0522	-2.32	0.020	0.0189445	0.2235646
Training D	0.1255028	1.42	2.33	0.035	0.0677372	0.4242246
Communication	0.2657802	0.140245	-1.90	0.048	0.0090949	0.5406554
Motivation	0.1645744	0.1410505	1.17	0.0243	0.1118796	0.4410284
/cut1	3.0275	0.8811692			1.30044	4.75456
/cut2	4.474603	0.9752625			3.563123	6.386082

Source own survey STATA output 2018

Training and development is significant variable in ordered probit regression estimation which indicated that, being train employees were more likely to orient the customer than their counter parts or training and development will increase the probability expected employees' customer orientation the other variables are held constant in the model. If the organization were to increase training and development by one point ordered probit -odds of being in a higher employee customer orientation category would increase by 0.126 while the other variables in the model are held constant and training and development have positive and linear relationship.

According to the test result of this study, the data collected didn't support the hypothesis developed and showed training and development have significant relationship with employees' customer orientation, nevertheless many researchers studied the effect of training and development on employee's job satisfaction and how the job training and development related to job satisfaction and proved the theory to be true. Among the studies conducted, a study conducted on the effect of employee development program on job satisfaction and employee retention by Karen (2007) . When people receive relevant and valuable training, they are generally happier in their jobs. When that training is carried to the next level and becomes overall development, employees tend to feel even more valued by their employers. They are not only given the tool to do their jobs well, but they are also given opportunities to develop new skills and attain career goals. Organization that invest on their employees and clearly communicate the importance of employees may keep employees (Karen, 2007). The most likely explanation for the result of this study is due to most training programs apart from the basic training given by the Bank for new comers, are refresher trainings which are limited in number and are highly at technical with a high tendency of employees considering the training program as part of the job not as personal development program and also the mechanism of delivering the training.

This finding confirm the other finding done by Fatemeh Alsadat in 2011 in Iran on the effect of internal marketing on Organizational Commitment from Market-Orientation Viewpoint in Hotel Industry in Iran .Also confirm the other finding done by Dr. Shahram Gilaninia¹. Dr. Bijan Shafiei Rashid Shadab in 2013 Gilan on the effect of internal Marketing on Employees' Customer Orientation in Social Security Organization and supported the finding don by Ph.D.

Mohammad Reza Dalvi in 2013 in Iran on the Effects of Internal Marketing on Customer-oriented Social and Prosocial Behaviors Case study: Hotels in Isfahan city.

Job satisfaction is significant variable in ordered probit regression estimation which indicated that, being Job satisfy employees were more likely to orient the customer than their counter parts. Job satisfies will increase the probability expected employees' customer orientation the other variables are held constant in the model. If the organization were to satisfy the employees' the probability of ordered probit -odds of being in a higher employee customer orientation category would increase by 0.02% while the other variables in the model are held constant and Job satisfaction have a positive and linear relationship with customer orientation.

The finding confirms the other finding done by Amjad Abu ELSamen1 & Muhammad Alshurideh in 2012 in Jordan in a Jordanian Pharmaceutical Company on the Impact of Internal Marketing on Internal Service Quality.

The finding of this study also supports Shewayirga Assalf finding in Employees' on Satisfaction on the Job Performance in National Bank of Ethiopia in 2014. Finally the H1 hypothesis of training and development accepted because p value is less than 0.05 so statistically significant.

Communication is a significant variable in ordered probit regression estimation which indicated that, being communicable both vertical and horizontal employees were more likely to orient customer than their counter parts. Communication will increase the probability employees' customer orientation the other variables are held constant in the model. If the organizations have good communication the probability of the employees' customer orientation will increase of ordered probit -odds of being in a higher employee customer orientation category would increase by 0.0266% while the other variables in the model are held constant and Job satisfaction have a positive and linear relationship with customer orientation. This finding is in line with the other finding done by Naveed Ahmad in Pakistan on the Effect of Internal Marketing on Employee retention also confirm the other finding done by Mirza Hassan Hosseini, Khatere Gheysari, Babak Ghazanfari Aqdam in 2012,2017 on the impact of internal Marketing on Customer Orientation.

Motivation is a significant variable in ordered probit regression estimation which indicated that, being motivatable employees were more likely to orient customer than their counter parts. Motivation will increase the probability employees' customer orientation the other variables are held constant in the model. If the organizations have good approach to motivation the probability of the employees' customer orientation will increase of ordered probit -odds of being in a higher employee customer orientation category would increase by 0.165% while the other variables in the model are held constant and Job satisfaction have a positive and linear relationship with customer orientation. This finding confirm the other finding done by Rastegar Mohammad and Reza Hash in 2012 in Iran on the effects of internal marketing on customer Orientation (food & drug distribution companies of Kermanshah province). Also support the finding done by Shifera Bekele in 2011 in Ethiopia on impact of relationship marketing on customer loyalty in banking industry, the case of bank of Abyssinia.

Organizational commitment is a significant variable in ordered probit regression estimation which indicated that, being motivatable employees were more likely to orient customer than their counter parts. Motivation will increase the probability employees' customer orientation the other variables are held constant in the model. If the organizations have good approach to motivation the probability of the employees' customer orientation will increase of ordered probit -odds of being in a higher employee customer orientation category would increase by 0.0121% while the other variables in the model are held constant and Job satisfaction have a positive and linear relationship with customer orientation. The result of this study confirm the finding of Cheah Phaik in 2005 in northern region of Malaysia on the relationship between internal marketing, job satisfaction, organizational commitment, and market orientation on manufacturing companies in northern region of Malaysia.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF FINDINGS

The major findings of this study are summarized as below. The finding among the selected five internal marketing variables that is training and development, Communication, Motivation job satisfaction, and organizational commitment, has a significant impact on employees customer orientation.. Training and Development which is one of internal marketing was found to have no significant relation with job satisfaction. As per the analysis, the overall impression received was employees regarding to training and development program is satisfactory but it has no significant impact on their job satisfaction. On the other hand communication and motivation tend to have high impact on employees job satisfaction

Tab4.8 shows the relationship between employee customer orientation and the independent variables (training and development, communication, job satisfaction, motivation and organizational commitment).

Variables	Coefficient of determination “r”	Employees’ customer orientation
Training and development	0.857	Positive & strong relation ship
Communication	0.955	Positive & strong relation ship
Motivation	0.783	Positive & strong relation ship
Job satisfaction	0.905	Positive & strong relation ship
Organizational commitment	0.7440	Positive & strong relation ship

5.2 CONCLUSION

According to the changes and developments in various fields of business organizations need to increase the quality of products and services has increased. Therefore requires the development of organizational capabilities in order to provide organizations with high quality products and services. Employees as internal customers have the fundamental role. So attract training and development, communication, job satisfaction, motivation and organizational commitment in both approach quantitative and qualitatively increase value creation, continuous improvement of service delivery and raise the quality of work as a product and their participation in the process to help manage the organization in order to provide high-quality products and services leads that result in increased satisfaction levels among customer orientation will have the organization. In order to achieve organizational goals through marketing mechanisms within organizations need to improve the quality of employees through increased Training and development, communication, Job satisfaction, motivation and organizational communication.

The aim of this study is to investigate the relationship between internal marketing and customer orientation. Statistical population of this study includes 280 CBE employees. From the result of this finding the researcher concluded that internal marketing (Training and development, communication, Job satisfaction, motivation and organizational communication with beta coefficient 0.02, 0.012, 0.126, 0.26 and 0.165 respectively) have direct and positive liner relationship with employee customer orientation.

Future studies can develop the model of this study by considering the effect of other variables on the relationship between internal marketing and customer orientation.

5.3 RECOMMENDATIONS

The results obtained from study shows that there is a positive relationship between internal marketing (Training and development, communication, Job satisfaction, motivation and organizational communication) and employees' customer orientation. For an organization to be successful, its managers must ensure that there is faire organization communication, motivate employee, highly organizational commitment and satisfy his/her employees'. job satisfaction in an organization in order to mutually have a high level of employees' customer orientation. That is promotion should be provided based on the qualification and experience. The study show that working condition has the positive influence on the performance of employee, organization should develop good working condition.

- This facilitates employees to do their work effectively. The study indicate that, internal marketing and employee customer orientation has positive relationship, that means internal marketing influence employees customer orientation , so to ensure this the organization should improve appropriable working condition give training and development.
- Communication and has positive relationship, even though commercial bank of Ethiopia paid an attractive salary compared to other civil service institution, but employees need different allowance to initiate them such as house and transportation allowance. That means the organization should provide adequate payment for their employees.
- Organization should implement business process reengineering to satisfy employees with the way that the institution is managed. That is the organization should be change management system. Organization should provide adequate training facilities to the employees, which enable them to accomplish their task effectively and efficiently.
- Organization should addressee the problem that rise in the work place quickly and adequately to minimize employees' work stress.
- The manager of the organization assign work assignment fairly in an organization and talk with employees freely as brotherly and sisterly to motivate them. Organization should develop good relationship among employees.

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APPENDIX A

ST. MARY UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

Hello! My name is Mahelt Demissie I come from St.Mary University, school of graduates studies, Department of marketing management who undertaking a research aimed to assess the effect of internal marketing on employees customer orientation in the case of CBE in Ethiopia 2018.

As part of this survey, relevant information on socio-demographic, internal marketing history, practical implementation and institutional service delivery for your job satisfaction were obtained. Therefore, you are kindly requested to participate in the survey and provide me the information required. Your participation in this survey is important and completely on voluntary bases and you have right to refuse, to take part or to stop giving information at any time. For your participation in this study, no payment will be granted or has no special benefit to you. Beside you are not obligated to answer any question which you do not wish to answer. If you feel discomfort to respond to any of the questions, please feel free and respond to interviewer to drop it at any time you wish to do so. I assure you that your name will not be mentioned in anywhere. Responding the questionnaire will take about 30 minutes. The information that you give us will be kept confidential and won't be accessible to third party; only be used for research propose and burnt at the end of the survey.

Could I have your permission to continue?

Yes, continue to interview

No, stop and thank the respondent

Name of the data collector _____ Signature _____ Date _____

General Question

i. Gender

1=Female 2= Male example

ii. Age

1=20---30 years, 2= 30—40 years old, 3=40-50 years old , 4= above 50 years old

iii. Education background

1=Diploma, 2=FirstDegree, 3= Masters, 4= Others

iv. Year of Job Experience In the bank

1=1-5 Years , 2=6-10Years, 3=11-20Years, 4 =above20 Years

For the following questions, please put check mark on the point that bests your agreement level form adjacent choices.

Item	Questions	1=Yes	0=No
A	Training and development		
1	Are you aware of the bank mission and vision and how I fit to it?		
2	Is the bank system help to develop employees career?		
3	Have you received refresher training which helps you to determine your future goal?		
4	Have you a better knowledge about the customer services offering?		
5	Do you think the section supervisor trains the employees for pre specified period time when an employee is reassigned to another department?		
6	Do you think that your knowledge, skills and experience fit to the job being performed day to day service provide?		
7	Do you think that before implementation of major change in service delivery rules and regulation, the employees always get relevant training to being in to line the change on our daily activities?		
8	Is your organization view the development of knowledge and skills in employees as an investment rather than cost?		
9	Do you have all the required skills to serve customer?		
B	Communication		
1	Is there accurate and open flow of information in your banking industry?		
2	Is your supervisor are eagerly interested in listening to what saying about your job problem you face and the solution you suggest?		

3 Can you suggest improvement or come up with new ideas for work improvement to banking industry management?

4 Before any policy or procedure changes your supervisor inform you about the change phase?

5 I feel like I am part of the organization because my ideas are given attention and considered valuable by management?

6 Are you satisfied with communication you have with your supervisor and higher management?

C Motivation

1 Have you received some kind of reward when you do something extraordinary?

2 Do you think that giving incentive for employees is motivating and competitive basis?

3 Have you received feedback from my supervisor on my job performance regularly?

4 Do you think that performance measurement reward system encourages employees to work hard?

5 Is your income and the annual increment are based on periodic performance evaluation and the preset KPI fulfillment?

6 Is your needs and wants are well understood by management?

D Job satisfaction

1 Do you love your job and are you satisfied with your current carrier?

- 2 | Are employees in the organization feel secured in their job?
- 3 | Are you satisfied with your job because equal growth and development opportunity?
- 4 | Are you satisfied with the salary and you draw at present?
- 5 | Are you satisfied with the responsibly and role that you have in your work?

E | Organizational commitment

- 1 | Do you have a strong belief in your banking industry goal and value?
- 2 | Are you willing to exert consideration effort towards the realization of your banking strategic vision?
- 3 | Have you a strong desire to maintain your relationship with organization?
- 4 | Have you accepted bank value statement and follow it through?
- 5 | Are you committed to work hard and achieve the company's goal?
- 6 | Have you given important, meaningful and challenging work to excel for your personal career development?

Item	Question	High 1	Medium 2	Low 3
F	Customer orientation			
1	Your level of customer orientation.			
2	Your mandated to deliver all the required customer satisfaction			
3	Genuinely care for customers to ensure customers satisfaction			
4	Mind talking much time to support/assist customers			
5	I usually go extra miles to assist customers			
6	I always start conversation with customers by pleasant and welcoming gesture			
7	I set my personal priorities to give solution to customer challenges			
8	Able to manage multiple customer enquires			

I thank you very much and appreciate for the time you spent filling this questionnaire.

APPENDIX B

TABLE 1 CORRELATION MATRIX

Variables	Customer orientation	Training and development	Communication	Motivation	Job satisfaction	Organizational commitment
Customer orientation	1.0000					
Training and development	0.857	1.0000				
Communication	0.955	0.0575	1.0000			
Motivation	0.723	0.0149	0.0440	1.0000		
Job satisfaction	0.905	0.0527	0.1339	0.0709	1.0000	
Organizational commitment	0.640	0.0920	0.0177	0.0845	0.0753	1.0000

Probit regression post estimation test

Appendix Table 2. Shows the marginal effect of after probit

$$y = \text{Pr}(\text{CO}) (\text{predict}) = 0.664609$$

Variable	Dy/dx	p>Z	[95% C.I.]	
sex*	0.2781967	0.006	0.080502	0.475892
Age	-0.0319338	0.303	-0.092692	0.028824
Education	0.0651956	0.003	.022205	0.108186
Training & dev	0.0069383	0.828	-0.055775	0.069652
Communication	0.1658281	0.047	0.002017	0.329639
Motivation	0.1858518	0.190	0.092217	0.463921
Job satisfaction	0.0000871	0.018	0.000015	0.000159
Organizational com	0.0000241	0.000	0.000017	0.000031

(*) dy/dx is for discrete change of dummy variable from 0 to 1

Annex 1

Sampling technique and procedure

