



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF INTERNAL MARKETING ON EMPLOYEES JOB
SATISFACTION ON THE CASE OF NYALA INSURANCE S.C**

BY: MELAT TADESSE

JANUARY, 2025

ADDIS ABABA, ETHIOPIA

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ON THE CASE OF NYALA INSURANCE S.C**

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BY

MELAT TADESSE

ADVISOR:

TEWODROS MEKONNEN (Ph.D.)

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BY
MELAT TADESSE

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Date

Advisor

Signature

Date

Tewodros Mekonnen, PH. D



05/02/2025

Internal Examiner

Signature

Date

Mesfin Tesfaye, PH. D



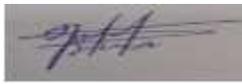
05/02/2025

External Examiner

Signature

Date

Yilkal Wassie, PH. D



05/02/2025

Declaration

I, Melat Tadesse, declare that the thesis entitled “**The Effect of Internal Marketing On Employees Job Satisfaction on the case of Nyala Insurance S.C.**” is my original work. I have carried out the present study individually with the guidance and support of my advisor, Tewodros Mekonnen (Ph.D.). Any other contributors or sources used for the study have been duly acknowledged. Furthermore, this study has not submitted for the award of any degree or diploma program in this or any other institution.

Name and Signature

Date

LETTER OF CERTIFICATION

This is to certify that Melat Tadesse has carried out the research work entitle “**The Effect of Internal Marketing On Employees Job Satisfaction onthe case of Nyala Insurance S.C.**” under my guidance and supervision. Accordingly, I assure that her work is appropriate and standard enough for the submission in partial fulfillment of the requirement for the award of Masters of Business Administration.

Confirmed by: -Tewodros Mekonnen (PhD) Signature  Date: 05/02/2025

Research Advisor

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ACRONYMS

ANOVA	-----	Analysis of Variance
SD	-----	Standard Deviation
SPSS	-----	Statistical Package for Social Science
VIF	-----	Variance Inflation Factor
NISCO	-----	Nyala Insurance S.C

ABSTRACT

The purpose of this study was to identify the effect of Internal marketing on employee's job satisfaction in the case of Nyala insurance S.C. it uses internal marketing elements motivation, employee empowerment, training and internal communication as independent variable. The study applied explanatory research design. To collect primary resource, quantitative method is used. by applying Yamane formula, proportionate stratified sampling technique was used and taking 154 respondents. Those are front line employees of NISCO. The data was analyzed using IBM SPSS Statistics 27.0. The relation between internal marketing variables and Employees job satisfaction was determined based on correlation analysis and the effect of internal marketing on employee's job satisfaction was determined by employing regression analysis. This study exposed that management of NISCO should be applied effective internal communication, rewards and incentives to improve employee motivation and satisfaction that and also should give periodical and regular training in order to improve employees' skills and confidence. Moreover, by empowering employees properly, NISCO's management can increase employees job satisfaction. The correlation result shows that there is a positive and significant relationship between internal marketing and employee's job satisfaction. Based on the findings of this study imperative recommendation for practice and future research was provided.

Keywords: Internal Communication, Motivation, Employees Empowerment, Training, Employee Job Satisfaction.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In this ever-changing world, to get a competitive advantage, most service provider company's focuses on how our services are delivered easily and conveniently to external customers without any interruption and dissatisfaction with the expected profit. But, in order to take a competitive advantage Smart and forward-thinking firms prioritize satisfying their employees' needs by addressing their choices and relationships first. So, achieving customer satisfaction and loyalty is nearly impossible without addressing the needs and desires of the internal workforce within organizations. Internal marketing plays a crucial role in enhancing the financial success of the organization (Angelos, 2008). In a service firm, service quality is one of the most significant criteria in retaining and acquiring new clients. Internal marketing is one of the key factors that can use employee's talents, attitudes, and behavior to improve the quality of service (Bairstow & Skinner, 2007).

In today's business landscape, the emphasis is placed on ideas and knowledge rather than just material and capital resources. A competitive advantage is gained through the development of dedicated employees, which stems from significant efforts invested in engaging, motivating, and retaining talent (Tolessa, 2017). Essentially, companies are focusing on internal marketing to enhance their external marketing effectiveness so; businesses today recognize the importance of looking within and assessing their internal operations. A transformation in thinking has occurred as a result of research conducted in this sector, where businesses view their employees as customers. The importance of internal marketing is underscored in the sale of service items; when clients pay for service products, they evaluate Service Quality (SQ) based on their predefined expectations of how service employees should behave thus, the willingness of service staff to provide exceptional service plays a crucial influence in companies tries to satisfy customer's satisfaction (Humborstad et al, 2008).

The concept of internal marketing is crucial since it concerns employees and the domestic market within a business. Every firm has a market that consists of internal customers and

distributors. Internal customers require internal security to be successful. The real requirement to increase the Organization's skills in offering services to consumers with values suitable to their needs, based on competitive strategy and competitive advantage over the issue, is highly important in management literature. Employees can serve as internal customers to have been; their job can be as products seen organization (Iliopoulos & Priporas, 2011). Satisfied employees are more effective at attracting, retaining, and satisfying customers, leading to increased profitability. Internal marketing is more important than traditional external marketing, as employees are also consumers (Rahmani, 2011).

External customer satisfaction is come after the internal customers (employee's) satisfaction. If wants and needs of employees are not met, the outcome showed on customer's dissatisfaction. The ability to improve performance involves client satisfaction, which was defined as a result of internal marketing (Ahmed & Rafiq, 2003).

Service businesses and customers create and develop relationships through the reciprocal exchange and fulfillment of service promises. According to the service marketing triangle model, service organizations promise the service that can be delivered to clients, while service providers deliver the service that the service organization promises. Service organizations, customers, and suppliers are key stakeholders in marketing initiatives, influencing both external and internal interactions. Furthermore, interactive marketing with service providers determines consumer satisfaction and service quality. Service providers keep or break interaction marketing since it occurs at the point of truth between them and their clients. To successfully conduct interactive marketing operations for clients, service firms must adopt internal marketing targeting service providers. This ensures the organization's longevity (Lee and Jeong, 2022).

Internal marketing, thus, becomes relevant in the sale of service products like insurance, where the customers perceive service quality by the pre-set expectations of how the staff is supposed to behave; hence, the commitment of employees towards delivering excellent service becomes crucial for the organizations to meet customer expectations (Yafang & Wang, 2011). Internal marketing is thus a tool for changing employees' attitudes and behaviors regarding company goals as well as matching customer expectations (Gronroos, 1990; Zeithaml & Bitner, 2002). Generally speaking, all organizations are trying to have loyal

external customers. However, the main role in persons to achieve the targeted scale of profit are employees that are internal customers.

Apart from this, Employees demand recognition of their feelings and individuality by the managers and a channel of communication with the top management. If these are not met, their commitment towards the organization will fall which will, in turn affect job satisfaction and productivity adversely. Companies should, therefore use internal marketing practices to communicate their vision to employees actively in developing an effective service culture. This builds an understanding of the requirement for high-class customer service and encourages employees to provide such service. Hence, effective communication is crucial for improving employee engagement and creating a service culture of high quality (Liao & Chuang, 2004).

Companies can make service promises, but these commitments are difficult to uphold unless employees are adequately motivated. Effective rewards, such as salary increases, bonuses, strategic incentives, and opportunities for advancement, are essential to motivate employees to align with the company's vision and mission (Tsai and Tang, 2008).

Furthermore, Employee commitment is another level for the organization goal achievement it is an emotional attachment and loyalty of employee feelings toward their organization. Research highlights that higher employee commitment is linked to improved job performance, lower turnover rates, and increased job satisfaction. For instance, studies by Meyer and Allen (1991) and Muduli et al. (2013) demonstrate that affective commitment significantly predicts organizational citizenship behaviors and reduces turnover intentions. Additionally, a meta-analysis by Riketta (2008) shows a strong positive correlation between commitment and job satisfaction, while Harter et al. (2002) found that employee engagement, related to commitment, enhances overall organizational performance.

Indeed, there is a powerful linkage between internal marketing (IM) and human resources functions. Human resource in-take is a way by which an organization can align itself to meet its strategic needs, this has been accepted for quite some time now and it forms the foundation of landmark work done on Strategic HRM (Ahmed and Rafiq, 2000). IM elements are referred to at the heart of human resource practices that can develop internal customer commitment, job satisfaction, and trust in management (Bansal et al.2001). The necessary

components are job security, extensive training for all employees on the processes and systems that underlie an empowered culture, high pay contingent on company performance compared to competitors, employee slack time with access to needed resources (computers; research databases).

Job satisfaction drives employee engagement this is not a new concept, first discussed in the marketing literature in mid-1930s (Hoppock, 1935). According to Tadeka et al (2005), this comes from the impact of well-being that people derive in their work places and environment both at psychological aspects as well a physical level. Employee attitudes and behaviors directly affect customer service quality (Tadeka et al., 2005). When employers identify and fulfill the needs of their employees, this creates a greater sense of satisfaction in work (thus more productivity) for these individuals' business. As a result, this also enhances internal marketing efforts needed to ensure customer satisfaction and hence record higher level of competitiveness and profitability in the firm (Sulieman, 2013).

Ismaila and Sheriff, (2016), stressed that job satisfaction is an important employee attitude which can affect the success of organizations. Similarly, Ishaque and Shahzad (2016) argue that better employee behavior rises from greater work satisfaction at workplace whereas Shiu & Yu (2010) define work satisfaction as how employees perceive their jobs. Therefore, internal marketing provides two advantages: it ensures organizational competitiveness and fosters improved service quality through satisfied employees (Mohammad et al., 2020).

1.2. Background of the organization

Nyala Insurance S.C. (NISCO) is a leading insurance company in Ethiopia known for its strong performance, growth, and financial position. Established in 1995 with a subscribed capital of Birr 25 million and paid-up capital of Birr 7 million, NISCO initially focused on general insurance business. In 2005, it expanded to include life insurance and increased its paid-up capital to Birr 35 million. Over the past 10 years, NISCO has experienced rapid growth, with its paid-up capital reaching Birr 830 million.

Headquartered in Addis Ababa, NISCO operates through a network of 48 service outlets (41 Service Centers and 7 Contact Offices) across Ethiopia. NISCO have a total of 315 permanent employees. In 2023, the company wrote Birr 1.3 billion of premium income, realized a gross profit of Birr 303.6 million, and had total assets of Birr 3.8 billion.

NISCO has recently shifted its focus to digital insurance services and introduced a five-year strategic plan called "DigiLeap." This plan aims to digitize the insurance business and reflects the company's forward-thinking approach (Company Profile, 2023).

Like other insurance companies, Nyala insurance also selling promises to its customers. In order to keep promises and satisfy customer needs, internal marketing plays a vital role. By satisfying internal customer needs, employees become motivated and very committed to offer high quality service for customers. Therefore, aim of this research is to assess the effect of Internal Marketing (IM) on employee's job satisfaction at Nyala Insurance S.C with a particular emphasis on frontline Staffs i.e. Underwriters, Claims Officers, Cashiers and Managers found in Addis Ababa.

1.3. Statement of the problem

Quality internal marketing is crucial for service sectors due to the intangibility of their products and the impact of service encounters on customer satisfaction. According to Ferguson and Brown (1991), marketing is more than just selling items. It also involves providing direct human contact between customer-contact professionals and customers due to the nature of service. Effective employee relations and customer interactions are crucial for providing exceptional service.

IM is based on the idea that firms that provide employment security are dedicated to their employees and that when internal customer needs are met through IM, their happiness increases. Staff satisfaction should be promoted, with good SQ leading to promotional marketing actions (Bansal et al, 2001).

Employees in service-based organizations like insurance companies have a primary role of serving customers. To fulfill this role, internal marketing efforts, training initiatives, and overall human resource management strategies are employed to motivate and enable these employees to provide better services. The goal is to attract new customers as well as maintain strong relationships with existing ones through high-quality service delivery (Cooper & Cronin, 2000). As a result, there is a need for internal marketing in the insurance industry to ensure that satisfied employees can easily satisfy their consumers.

Drawing from various researches conducted across the globe, Santos & Brito 2021, examines the direct relationships between internal marketing activities and job satisfaction of employees in insurance companies. They have established that once employees are valued and appreciated, they work with increased performance and engagement. Besides, Kumar & Sharma (2023) illustrate that investment in training and development of employees, along with internal communication, influences the satisfaction level of employees. This will lead to better service quality, which means customer satisfaction and loyalty. Although internal communication has been tangentially addressed in the work by Ali et al. (2022), there is inadequate coverage of specific channels and practices of internal communication and their direct effects on customer service quality. Ojo & Ogunyemi (2021), found that internal marketing strategies affect overall employees job satisfaction on various African insurance companies. The study provides a general overview but does not delve deep into various aspects of the internal marketing components and their actual contribution to the outcomes of service quality. Besides that, Appiah & Asare (2023) also established the activities of training employees, motivating, and communicating well among themselves result in better employee engagement and satisfaction.

The impact of internal marketing on the employees' job satisfaction in the insurance business has not been addressed, particularly in Nyala Insurance S.co.

A review of the literature by Mohammed 2016, Toma 2024, and Leta 2018 shows that most studies have focused on the banking sector, leaving a gap in understanding internal marketing in the insurance industry. By investigating how these internal marketing factors influence employee commitment and overall job satisfaction, the study evidences their significant role in enhancing employee satisfaction. This would again indicate a holistic internal marketing approach towards the attainment of organizational success and customer satisfaction in the insurance sector.

Additionally, in order to modify the traditional techniques for marketing that solely target external clients, there must be a strong need to develop internal marketing strategies that lead to satisfied employees and customers (Pervaiz et al., 2002).

Moreover, signs of service failures are emerging in the insurance industry, where some of the issues include delayed claim handling, inadequate service delivery, and dishonored and

offensive staff. All of these unfavorable client perceptions and responses could be the result of bad internal marketing programs and unsatisfied employees that fail to meet their targets and cost the company a lot of money, resulting in low customer satisfaction and loyalty (Tiruneh. 2020).

As a result, the purpose of this study is to explore the effect of internal market (IM) programs on employee's satisfaction by analyzing the proposed IM frameworks in NISCO from the perspective of employees.

Additionally, the researcher observed that there is a little known about the relationship between Internal Marketing and employee job satisfaction in the insurance industry. Previous studies in the area established a relationship between internal marketing and employee's job satisfaction (Chendo 2023). However, the effect of internal marketing on employee's job satisfaction has received insufficient attention and this study would seek to examine the combined effects of both aspects in the setting of an insurance firm. This study helps to fill a knowledge gap.

1.4 Research Questions

This research is tried to answer the following questions:

1. How does Internal Communication affect employee's job satisfaction in Nyala insurance S.C?
2. What is the effect of training on employee's job satisfaction in Nyala insurance S.C?
3. How does motivation have effects on employee's job satisfaction in Nyala insurance S.C?
4. What is the effect of employee's empowerment on employee's job satisfaction in Nyala insurance S.C?

1.5 Objective of the study

1.5.1 General objective

The general objective of the study is to examine the effect of Internal Marketing Practices on employee's job satisfaction in the case of Nyala Insurance SC.

1.5.2 Specific objective

1. To examine the effects of Internal Communication on employee's job satisfaction in Nyala insurance S.C.
2. To determine the effect of training on employee's job satisfaction in Nyala insurance S.C.
3. To find out whether motivation have greater impact on employee's job satisfaction in Nyala insurance S.C.
4. To analyze the effect of employee's empowerment on employee's job satisfaction in Nyala insurance S.C.

1.6 Significance of the study

The results of this research added much to the accumulated body of knowledge, especially on certain problems encountered by financial institutions and, in this case, the customer service issues of NISCO. The case study was for a well-established organization with a number of years of experience in service provision; thus, some valuable lessons were expected in helping to bring improvement to job satisfaction among the employees. It will serve various stakeholders, namely NISCO's staff and management, by elaborating on how internal marketing strategies affect employee job satisfaction.

The findings will also be beneficial to other researchers and students since the findings will draw interest in further inquiry into the issues of internal marketing and employee's job satisfaction, making the understanding of these critical areas more profound. This study will add to broader fields of study such as marketing, HRM, and corporate practices for the broader view and understanding of effective internal marketing for achieving improvement in employee job satisfaction. By addressing the chronic problems reported by customers, the research would not only provide immediate solutions for NISCO but also offer a framework that can be adopted by other organizations facing similar challenges. The present research would, therefore, be a useful tool for current stakeholders and future scholars who wish to expand the knowledge base in these interlinked fields.

1.7 Scope of the study

This study tries to address internal marketing and its effect on the job satisfaction of employees by placing more emphasis on Nyala Insurance S.C. for better understanding. The

most probably chosen Nyala Insurance Company for research may be because it is leading in the market within the Ethiopian private insurance sector hence making it strategic for any researcher who would like to understand dynamics of the industry. These objectives will also be closely linked to Nyala's operations. Therefore, a more relevant investigation can be made of certain internal marketing strategies and their impact on the job satisfaction of employees. This enables the study to present findings particularly applicable to Nyala but at the same time reflective of wider trends within the insurance industry. It focuses on the most important internal marketing aspects that affect employee's job satisfaction, which are: training, motivation, internal communication, and employee's empowerment. Other aspects of internal marketing are excluded since their individual contributions may be minimal and could have been covered in other studies. Besides, it would be impractical to include all the components within the scope of this study. In this study, the term "employee" will be limited to only the front-line workers.

1.8 Definition of terms

- **Internal marketing:** It is any form of marketing within an organization that focuses on employees and internal activities with an aim of enhancing performance in the external marketplace (Papasolomou and Vromtis, 2016).
- **Job satisfaction:** Job satisfaction is defined as the extent to which an employee feels satisfied and fulfilled in his or her job (Locke, 1976).
- **Motivation:** Motivation is the process that causes an individual's intensity, direction, and persistence in accomplishing a goal. Udonde, Akpan, and Awah (2022) note that among factors that influence employee performance, motivation associated with rewards is especially vital.
- **Communication:** internal communication systems refer to the information exchanged within and between departments. Effective internal communication plays a crucial role in any organization in terms of smooth implementation of plans and strategies. (Ahmad, Iqbal, & Sheerah, 2012).
- **Training:** "the process of preparing employees to perform their tasks efficiently by providing them with the right knowledge and developing their marketing skills" (Ali, 2010).

- **Employee Empowerment:** Empowerment is a process of enabling individuals to take responsibility for their work and making decisions that may affect their tasks and responsibilities. It is about giving the team members the authority and autonomy to contribute effectively towards the team goals as stated by Kirkman & Rosen, 1999.

1.9 Limitation of the Study

The study focused on Nyala Insurance S.C., and the results might not be widely applicable to the insurance sector in general. Data was sourced only from frontline professionals such as Underwriters, Claims Officers, Cashiers, and Managers at various branches of NISCO to evaluate internal marketing practices.

The demographic biases of gender, position, and department, therefore, may arise in respondent behavior since a simple random sampling technique has been used for the purpose of selecting respondents. Furthermore, this sampling technique had certain limitations, where a number of key employees having considerable experience have been left out, which may affect the overall outcome of the research study.

1.10 Organization of the study

The study is organized into five chapters. Chapter One gives an introduction to the background of the study, states the problem statement, research questions, objectives, significance, and scope. Chapter Two reviews the literature on the impacts of internal marketing on external customer service quality. Chapter Three outlines the research methodology, covering the research design and the methods used. This would then be followed by the findings and analysis. The discussion of the findings with the literature is presented in Chapter Four. Chapter Five summarizes the findings, states the conclusions, and gives recommendations.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

2.1. Theoretical Litration Review

2.1.1 Definition of Internal Marketing

One fundamental definition of internal marketing comes from Cahill (1995), as presented by Berry and Parasuraman in their book *Marketing Services: Competing through Quality* (1991): “Internal Marketing involves attracting, developing, motivating, and retaining qualified employees through job-related products that meet their needs. It embodies the philosophy of treating employees as customers essentially 'wooing' them and focuses on designing job products to fulfill human needs” (Cahill, 1995). Numerous authors have argued that internal marketing is essential for successful external marketing (Foreman & Money, 1995; Grönroos, 2000; Kotler, 2000). Green et al. (1994) assert that internal marketing is crucial for delivering superior service, which in turn leads to success in external marketing (Seyed Javadin et al., 2012). Internal marketing functions as a comprehensive management process that integrates the various functions of the organization in two key ways. First, it enables employees at all levels to understand and perceive the business, its activities, and processes within the context of its operating environment. Second, it motivates all employees to engage in a service-oriented manner (Grönroos, 2000).

Berry (1981) highlighted that employees should be viewed as customers. To ensure employee satisfaction within the workplace encompassing both physical and psychological aspects it is essential to understand their needs, foster good relationships with colleagues, and ensure compliance with leadership. This is crucial for delivering high-quality service to external

customers. Grönroos (1984) introduced the Service Triangle, arguing that service-oriented businesses must not only focus on external customers but also engage in marketing to internal employees to enable effective service delivery through interactive marketing. The focus of internal marketing is referred to as the internal product, with internal customers as its target audience (Hsaio, 1997). Kotler (1991) posited that internal marketing effectively utilizes strategies related to recruitment, training, and motivation to transform employees into engaged customers.

Internal marketing is a process that fosters an environment where each member functions as both a client and a customer, promoting a sense of responsibility (Wambugu, 2015). Huang (2003) noted that the aim of internal marketing is to hire, educate, and motivate internal employees, encouraging them to understand the significance of customer orientation and satisfaction while supporting the marketing department in delivering exceptional customer service. Johnson, Scheuing, and Gaida (2006) defined internal marketing as the creation of an internal environment focused on customer orientation and service delivery within the organization. The internal market consists of company employees who are integral to the business. Employees with high satisfaction levels and long-term relationships with the company possess valuable knowledge and experience, making them essential for enhancing customer satisfaction and building trust and relationships with customers (Sin, Tse, Yau, Chow, Lee, & Lau, 2015).

2.1.2. The Essences for Internal Marketing

The key objective of internal marketing is to increase employee satisfaction while creating products and services that result in external customer satisfaction, allowing a shift from internal clients to external clients. In modern times, service organizations are more focused on attracting and retaining their internal customers (Ahmed, Rafiq, & Saad, 2013).

Internal marketing is a key component of organizational development and change. Without internal marketing, staff may resist changes and adaptation presented by the management team (Varey & Lewis, 1999). An organization will be able to create a supportive environment through internal marketing in which employees feel valued, leading to better business performance and acquiring a competitive advantage that is difficult to imitate by creating a

unique organizational culture. The aim of internal marketing is to better recruit, train, and motivate good employees who can serve customers well (Kotler, 2008).

When the needs of internal customers are satisfied, employees are motivated and committed to rendering high-quality service to meet the expectations of the external customers. As Kotler (1991) suggested, organizations must regard employees as internal customers and meet their needs with appropriate services that would promote service excellence for external customers.

2.1.3.Components of Internal Marketing

Internal marketing enhances employee performance by empowering them, which fosters a strong sense of self-accountability and responsibility. Additionally, it contributes to improved market orientation, enabling the organization to maintain a strong focus on customer needs (Olabode, 2014). There are various perspectives on what constitutes the dimensions of internal marketing. A review of the literature reveals that certain common variables appear consistently, yet different authors have expanded this list over time by adding additional variables. (Emezue, Okocha, & Piabari, 2018).

A thorough internal marketing initiative focuses on aspects such as Training, motivation, communication and reward system (Randall & McCullough, 1988).

2.1.3.1. Internal Communication

The internal communication systems involve the internal relationships within and between departments. It is the significant factor for proper implementation of strategy (Ahmad, Igbal, & Sheerah, 2012). Proper communication is an important link between the managers and employees of other departments (Ali, 2016). On one aspect, Carrier and Bourque, 2019, reveal that managers spend over 75% of their time communicating. Further, Lovelock and Wright, 2019, indicate that communication serves as a tool for internal marketing in guaranteeing effective service delivery and engendering trust and loyalty among employees. The organizations should therefore ensure that the channel of communication with the employees is improved to facilitate the organization's vision and mission through such strategies as teamwork and internal newsletters, Elsamen & Alshurideh, 2012. Organizational communication is also a multidimensional process in which all members are involved, and the senders and receivers symmetrically responsible for the creation of meaning, even though

shared meaning is not necessarily achieved, Kotler, 2008. Marketing managers who apply internal marketing attempt to improve the flow of information and believe that the internal process is more important than external customer communication in service-based companies (Heskett, 1981). According to MacLennan (2009), the perspective of internal communication is indispensable in developing organizational effectiveness.

Clarity and consistency will reduce misunderstandings and increase operational efficiency. Two-way communication gives employees a feeling of ownership, adding to productivity. Effective internal communication also ensures a positive organizational culture for the loyalty of employees and the attraction of talent. Finally, strategic objective-aligned internal communication ensures that all employees understand their contribution to organizational success in terms of motivation and accountability. Where internal communications are concerned, this is a need but, again, more importantly, an effective tool that has a positive, genuine impact on general performance, employee satisfaction, and success in general. This sets apart the organizations that value internal communications highly and refine its practice with probable, considerable benefit regarding general effectiveness and employees' commitment to it.

2.1.3.2. Employee empowerment

According to Shakouri et al. (2015), employee empowerment is the process of transferring authority to employees by providing resources and giving them freedom to make decisions while considering organizational goals. In an explanation, Kreitner and Kinicki (2010) define empowerment as controlled independence that enables an individual to contribute ideas and recommendations in decision-making. This approach enables an organization to promote its effectiveness by grasping the intellectual capital and experience of employees within the organization. The empowered employee, in return, feels a greater attachment and this in turn has a positive effect on service quality (Shakouri et al. 2015). In essence, empowering employees not only fosters their engagement and satisfaction but also drives organizational success through improved service quality and achievement of goals.

Empowerment in the workplace is one of the most important factors that enhance employee satisfaction, engagement, and performance by giving an individual greater autonomy and decision-making power. Empowerment, as revealed in the research by Spreitzer (1995),

nurtures intrinsic motivation since employees are given greater autonomy over their work. Conger and Kanungo (1988) note that empowerment enhances self-efficacy by prompting employees to acquire new skills in response to higher levels of challenge. Seibert et al. (2011) further reveal a positive correlation between empowerment and employee performance, with employees who feel empowered showing more commitment and engagement. Further, Quinn and Spreitzer (1997) added that an empowerment-supportive culture is one that fosters trust and collaboration that may lead to creative solutions and better teamwork. Overall, empowerment leads to a motivated workforce, which essentially brings about organizational success and high-quality service.

2.1.3.3. Motivation

Theorists such as Maslow 1943; Herzberg, Mausner, and Snyderman 1959; and Alderfer 1972 have sought to explain employee motivation on the assumption that there is a common set of needs that all people have, thus enabling the identification of key job characteristics. Maslow 1943 set human needs in a pyramidal hierarchy with motivation a driving force toward meeting the needs. In regard, Herzberg et al. (1959) classified motivation into extrinsic and intrinsic factors that drive the motives of employees and their satisfaction with their job. The early studies on internal marketing predominantly related to employee motivation and satisfaction because the concept of internal marketing had emerged from efforts to improve service quality in organizations. (Pranowo, 2012).

Motivation involves individuals' needs or wants and emotions that drive/enable them in achieving their goals (Mullin 2019). According to Elsamien & Alshurideh. (2012), the organizations that hope to have the competitive edge via the employees should make sure of adequate management of behaviors and performance of the employees: Pappasolomou and Vrontis, 2016 explained that motivation will enable improvement in performing employee's. Udonde, Anefiok, and Awah (2022) define motivation as a driving force to act, allowing employees to put into practice different skills and strategies at their best. They insist on the need to create an enabling environment where employees can thrive and contribute to the attainment of organizational goals.

The American Compensation Association defines Motivation as the intensity, direction, and persistence of effort related to achieving a goal. Though most often used in relation to efforts

toward any goal, increasing motivation, commitment, and involvement have become more crucial for organizations nowadays. Compensation policy development is one of the most critical factors in motivating the workforce toward high performance, discretionary effort, and substantial contribution. The whole process of motivation is generally initiated when a certain need is perceived by an individual, followed by the creation of a goal intended to satisfy that need. Rewards and incentives may be defined to assist in achieving those goals. Furthermore, social context comprised of organizational values, culture, leadership management, and team dynamics may also play a decisive role in motivating or de-motivating individuals (Ahmed & Rafiq, 2003).

2.1.3.4. Training

Employees are the greatest resource of an organization. Attracting qualified candidates requires clear job descriptions and effective recruitment strategies; in-service industries, careful selection of personnel who come into contact with customers is very important (Davidson, 1978). After recruitment, the employees should be taken for training programs that give them a broad view of the organization to enable them to understand their roles and importance in the organization. Such training not only facilitates personal growth but also serves as a strong motivator, encouraging employees to stay with the organization (George, 2009).

Pfeffer (1998) has also identified that employee training is the most important part of internal marketing. Training imparts the necessary skills to the front-line employees to respond to customer inquiries and problems, which are essential for the delivery of high service quality. An organization relies on these employees to not only perform their jobs but also to portray a positive brand image before the customers. As Bouranta et.al, (2003) further added, by investing in training, the companies ensure their employees are competent and confident in their job that would increase customer satisfaction and contribute to the organizational success. The employees will also be able to change and continuously improve service delivery with this approach. It reinforces the concept that effective internal marketing practices have crucial bearing on attainment of business objectives.

2.1.4. Employees Job satisfaction

Internal marketing, which treats employees as internal customers, is closely related to increasing employees' participation and commitment through job satisfaction. All the practices of internal marketing-effective communication, training and development, recognition programs, etc.-relate directly to the increase in job satisfaction. Where the employees feel valued and supported through these initiatives, their overall job satisfaction increases, hence improving performance and reducing turnover.

For example, Harter et al. (2002) suggest that business performance is increased for those organizations where employees are highly satisfied, further reinforcing how internal marketing strategies can develop a positive approach to work. Building on the psychological safety and meaningful work concepts developed by Kahn (2021), internal marketing can create an attachment in staff to their organization, developing emotional connection and loyalty.

As Spector (2019) confirms, awareness of the influencing factors of job satisfaction is important; through effective organizational practice of internal marketing, it will not only increase the degree of job satisfaction but also shape an organization that comprises committed staff and is willing to go the extra mile in providing excellent services that benefit them as well as their consumers. Thus, this reinforces that internal marketing acts as a precursor in achieving broadened organizational objectives.

2.1.5. Relationship of Internal Marketing and Employee's Job Satisfaction

Internal marketing includes strategies intended at promoting organizational standards and appealing employees as internal customers, focusing on their needs and satisfaction (Berry & Parasuraman, 1991). Research supports an optimistic effect of internal marketing on employee job satisfaction. For example, Nasrie et al. (2021) originate a positive relationship between internal marketing and job satisfaction among Islamic bank employees in Sabah, highlighting the roles of training and management. Milošević 2020 explored this affiliation in Serbian banks and came to the conclusion that effective internal marketing elements of motivation and training had considerably improved employee satisfaction. Mainardes et al. 2019 confirmed further that internal marketing mediates monetary and psychological rewards

to job satisfaction and work engagement. Overall, from these studies, one could easily derive that internal marketing is of great importance in developing the job satisfaction of employees. Internal marketing represents the employees since they are taken as the greatest asset of any company. These workers, in turn, are retained by enforcing efficient human resource procedures (Ilies& Judge, 2004). Against this background, job satisfaction comprises the behavioral, emotional, as well as the evaluative components used to refer to employee satisfaction concerning their work (Varey& Lewis, 1999).

Job satisfaction portrays workers' attitudes towards their jobs and how well they fit into their respective organizations. According to Rafik and Ahmed (1993), a satisfied worker is likely to remain longer in the company and speak highly of the company.

According to Rafik and Ahmed (1993), a satisfied employee will stay with the company and recommend it to others. According to Shiu and Yu, 2010, internal marketing looks at workers as internal consumers and frames their work as an internal product that is developed and produced to satisfy their demands. This approach is crucial because happy workers can offer effective services to external clients. Therefore, employee happiness has to be treated as top priority if at all they have to deliver excellent services. It is believed that empowered and authorized employees are more likely to be happy with their jobs, hence improving service performance.

2.2. Empirical Literature Review

Various authors have discussed the field of internal marketing and employee job satisfaction in various contexts. Efthymios Iliopoulos and Constantinos-Vasilios Priporas, in 2011, studied internal marketing and job satisfaction in Northern Greece. They concluded that temporary employees are more satisfied than permanent employees in hospitals and satisfaction decreases with age. Furthermore, Marayam Haghighikhah and Mahdieh Khadang (2016) emphasized internal marketing as an important matter for any business and channeled their study to its outcomes regarding employee satisfaction and word of mouth. The internal marketing factors were recognized, including training, supervisory support, empowerment, communication, and compensation.

Eddy Balemba Kanyurhi (2016) discussed how internal marketing, employee satisfaction, and perceived organizational success are all linked, something worth being aware of. Ibrahim et

al. (2010) identified that some factors determine job satisfaction, which includes recruiting, development, internal communication, and demographic variables, for example gender, age experience, and education. Khan et al. (2011) explores the relationship between perceptions of internal service quality practices with employee retention. They observed that personnel selections, training, work design job description, and reward are all positively related to internal service quality.

This study investigates internal marketing empowerment, training programs, incentives and rewards, and internal communications on the job's impact about Bank of Khartoum through collected data in a survey questionnaire administered online as Likert-based five-point measurements among employees whose total number is 105 disseminated. A reliable finding, n=85, as analyzed in SPSS for computation of data: Kamal et al., (2021). The results showed that internal communication was the most influencing factor in employee happiness, followed by incentives and rewards, empowerment, and training programs. The study calls for further research on employee satisfaction.

Abzari et al. (2011) indicated that internal marketing affects organizational commitment directly and indirectly through market orientation. The results of their analysis confirmed that internal marketing factors affect the market orientation and, consequently, influence organizational commitment. This shows that internal marketing bears great importance regarding employee engagement.

Indeed, Zeithaml and Bitner 2002 noted that although service organizations may propose promises of service, such promises can only be inapplicable without proper rewards to the employees. Rewards include salaries, promotion, and other forms of allowances that drive employees towards the realization of organizational goals. Coupling rewards with high-quality service delivery motivates service-contact employees to deliver high-quality service as well, thus yielding customer experiences.

Ajila and Abiola, 2004, on the other hand believe that financial motivation alone cannot get the employees motivated and a more holistic approach toward motivation is the need of the hour.

The research gathered identifies internal marketing as fundamental in enhancing quality in service provision as well as increase in satisfaction levels among employees of service

organizations. Of these, effective communication, empowerment of staff, and a clear system of rewards highlighted key influencing factors on the motivation of staff to engage in activities geared at attaining organizational objectives. While monetary awards are important, these have to be framed against an embracing practice providing financial and non-monetary motives that would achieve lasting commitment amongst employees and quality service delivery.

2.2.1. Training and Employee Job Satisfaction

Training is critical in providing employees with the essential skills, abilities, and information, which fosters a sense of obligation to return the organization's investment in their growth (Koster et al., 2011, quoted in Fletcher et al., 2018). Research on the impact of training and development on job satisfaction yields conflicting results. While studies by Ocen, Francis, and Angundaru (2017), Kanapathipillai and Azam (2020), and Soni and Kesari (2018) show a significant positive effect, others, such as Choiriyah and Riyanto (2021) and Kalyanamitra et al. (2020), show that T&D does not improve employee satisfaction or commitment. Similarly, Mira et al. (2019) discovered no significant impact of Training on employee satisfaction.

These findings emphasize the significance of training as a fundamental component of internal marketing, as noted by experts such as Ahmed and Rafiq (2003), Gounaris (2006), and Tsai and Tang (2008). Karen (2007) defined employee development as a method that helps people improve in their current jobs or advance toward their long-term goals. Her research found that providing growth opportunities together with fair and equal human resource procedures boosts employee satisfaction. Equal access to development opportunities enables employees to take ownership of their goals and action plans, emphasizing the relationship between good training and job satisfaction. Overall, when employees receive meaningful training, they tend to be happy in their positions. As training matures into comprehensive development efforts, they feel even more appreciated by their employees.

2.2.2. Employee Empowerment and Employee Job Satisfaction

Empowerment is an inherent motivational state in respect to one's job and profession. It is characterized by four main qualities reflecting people's expectations from their professional roles, including meaning, competency, effectiveness, and choice (Thomas & Velthouse,

1990). This concept is crucial to enhancing job satisfaction since it enables employee interaction with the manager and peers, embraces non-discriminatory policies, and ensures effective communication (Varma & Chavan, 2020; Valdez et al., 2019). Empowerment enhances sharing of information and employee decision-making, which helps in building self-esteem, thus leading to high job satisfaction and productivity (Chinomona et al., 2017; Idris et al., 2018). Empowerment was also found to positively affect job satisfaction in several research studies. For example, Babazadeh Sorkhan and Banejad (2021) indicated that empowerment enhanced job satisfaction, while Uluta (2018) found similar findings in Konya's industrial zone. Hanaysha and Rozita Tahir (2016) also discovered that empowerment enhanced job satisfaction for Malaysian university staff. However, other studies, such as Anggreyani and Satrya 2020, indicated a negative relationship, while Sahito and Vaisanen (2020) reported that empowerment had a minor effect on work satisfaction, thus calling for further investigation into such conflicting results.

2.2.3. Motivation and Employee Job Satisfaction

Motivation is defined as the inner psychological force which prompts an employee to perform a particular job to the best of his ability and continuously on his own initiative (Rudolph & Kleiner, 1989). Case study research into the correlation between motivation and employee satisfaction found that a positive relationship between the two exist. The higher the level of motivation, the greater the commitment of the employees and vice versa (Prof. S.K. & Viveki 2011). This also aligns with the broader perspective that, while the motivation and work satisfaction are connected, they are different concepts. While motivation drives goal-directed behavior, job satisfaction denotes feelings of satisfaction derived from the rewards of one's job and the work activities (Pananrangi et al., 2020; Anwar, 2017). Results on their relationship vary, and whereas some, like Hartono et al. (2021) and Ayalew et al. (2019), have found a positive relationship, others, like Hajiali et al. (2022) and Aprison et al. (2021), found mixed or insignificant impacts. Commonly, motivation is always powered to attain success and recognition.

2.2.4. Internal Communication and Employee Job Satisfaction

Internal communication is critical for developing a strong internal marketing culture within a firm. It allows for efficient message transmission among staff and is critical for inter-

departmental cooperation (Kulachai et al., 2018). According to research, good internal communication has a major impact on job satisfaction because it helps employees better understand their jobs and fosters a greater connection to their work. Numerous studies show that internal communication improves job satisfaction. Mehra and Nickerson (2019), for example, discovered that corporate communication is associated to job satisfaction, while also observing differences in communication patterns between generations. Vermeir et al. (2018) discovered that internal communication improves job satisfaction among critical care nurses. Similarly, Kulachai et al. (2018) found that effective communication increases employee participation and satisfaction. Previous research, including works by Chen (2008), Carrière and Bourque (2009), and Milan et al. (2013), supports this positive link, emphasizing the importance of communication systems that match employees' informational demands in order to effectively enhance job satisfaction.

2.3. Research Hypothesis

Internal marketing is founded on the idea that organizations that ensure employment security show dedication to their employees. When the needs of internal customers are addressed through internal marketing, it leads to higher satisfaction levels. Additionally, promoting employee satisfaction is likely to enhance service quality, which in turn can improve promotional marketing efforts (Bansal et al., 2001).

Thus, the researcher proposes the following hypothesis:

H1: The stronger the internal communication within the organization, the better the employee's job satisfaction will be.

H2: Employee motivation has a significant impact on employee's job satisfaction.

H3: There is a significant positive relationship between employee training and employee's job satisfaction.

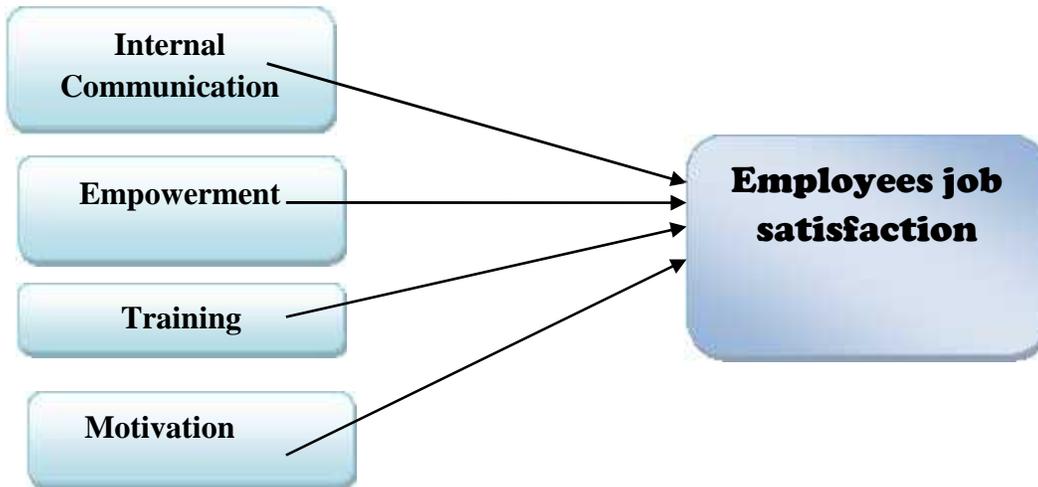
H4: There is a significant positive relationship between employee empowerment and employee job satisfaction.

2.4. Conceptual Framework of the Study

Internal marketing operates on the principle that organizations that offer employment security demonstrate a commitment to their employees. When the needs of internal customers are met through internal marketing efforts, it leads to increased employee job satisfaction (Bansal et al., 2001).

The study's framework is based on the concepts from the literature review and aims to explore the effect of internal marketing on employee's job satisfaction.

Figure 2.1 Conceptual framework



Source: Adopted From Tsai and Tang (2008)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the methodology that is used for the research. It described the research design, research approach, data type and sampling, data analysis method, source of data, sampling technique and design and ethical considerations.

3.1. Research Approach

The researcher has considered a quantitative approach for addressing the research questions and objectives, which would be appropriate for precisely answering the research questions. Also, the deductive approach has been used by the researcher, which includes consideration of one or more theories in a particular field and comparing those theories with the practical world to determine whether the assumptions and hypotheses developed support or reject the theory. This deductive approach allows for a holistic analysis of the concepts that were outlined in the conceptual framework on how internal marketing would affect the job satisfaction of employees.

3.2. Research Design

An explanatory research design approach has been followed in developing this research objective and drawing a valid conclusion about the effect of internal marketing on the job satisfaction of the front-line employees of Nyala Insurance S.C. The purpose of this explanatory research design is to explain in detail the association and relationship that exists between the dependent and independent variables. The explanatory research explains why the events are occurring and therefore developing, elaborating, extending, or testing a theory.

This enables the researcher to test particular theories and also allows modifications to previous theories. In this design, the emphasis is given to a detailed explanation of the aspects being studied. Primary source of data was collected through an integrated structured questionnaire that represents an efficient way of obtaining original information directly from participants.

The justification for this is that in this manner, researchers are able to capture new insights and ideas relevant to their study. Primary data collection confers on the research first-hand accounts that are both accurate and relevant to the context under scrutiny. The procedure improves the reliability of the research since it avoids possible biases from secondary data sources. Overall, it would be easier to explore the research objectives comprehensively using a structured questionnaire. Secondary data utilized include a company profile.

3.4. Data Collection Tools

This study's data is collected via a self-administered structured questionnaire and document analysis. A comprehensive questionnaire is created based on existing research and scales for measuring internal marketing and employee's job satisfaction. It is used to determine whether NISCO staffs are viewed as consumers deserving of special attention and a value-driven approach, which influence their willingness to meet customers' requirements and desires. This questionnaire is distributed to Nyala insurance S.C. employees allocated to front-line offices. Moreover, secondary data would be collected from reviewing books, previous research works, articles and journals.

3.5 Population and Sample size

3.5.1 Targeted Population

According to Ruane (2005), suggested that for the population size from 201 to 500, taking 50% sample size is conventionally accepted. Accordingly, the total number of employees of NISCO is 346 out of which 300 are professional staffs and 270 are frontline staffs. (Nyala Insurance S.C company profile & HR manual).

3.5.2 Sampling Size

From a total of 270 front-line service employees, the sample size for the study is calculated using the Yamane formula (1967). The calculation for determining the sample size is as follows:

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

$$n = 270 / (1+270(0.05)^2)$$

$$n= 161$$

Where: -

- n= corrected sample size,
- N = population size, and
- e = Margin of error (MoE), e = 0.05

Therefore, 270 of frontline employees were taken as a sample based on stratified sampling techniques and individual employee were selected based on simple lottery system from 41 branches and claim department. The Branches were selected based on their production capacity and man power size whereas employees were selected based on their years of experience and job title.

Table 3.1 Total number of professional staff in NISCO and sample size determination

Job Title	Population(T)	P=t/T	Sample(t)
Branch Managers	41	59.6%	24
Senior Officers	40	59.6%	24
Middle level Officers	100	59.6%	60
Junior Officers	89	59.6%	53
Total	270		161

As a result, the determined sample size is 161 respondents, all of whom would be front-line service employees.

3.5.3 Sampling Techniques

The target samples for the study are professional frontline staffs i.e. Claims and underwriter Officers, Cashiers and Managers of Nyala Insurance S.C at various branches. The branches and particular respondents are selected based on proportionate stratified sampling techniques.

3.6. Method of Data Analysis

Once the data has been obtained via surveys, the analytic procedure would begin. The data was analyzed using statistical methods. A regression analysis is performed to determine the effect of internal marketing on employee's job satisfaction. This method reveals how different internal marketing initiatives influence internal customer service outcomes, allowing for focused changes.

Descriptive analysis also used to depict frequencies in absolute and relative terms (percentages), as well as means. The goal of descriptive statistics is to simplify and summarize data while examining items and constructions. This is an important stage since it assists detect patterns and trends in the data, which makes it simpler to analyze the results and successfully explain them. Overall, combining regression and descriptive analysis provides a more complete picture of the relationship between internal marketing and employees job satisfaction.

3.7. Reliability and Validity

Reliability and validity are critical measurements in research that ensure the accuracy and dependability of findings. Reliability refers to the consistency of a measuring instrument, indicating whether it produces stable results over time; in this study, it is assessed using Cronbach's alpha, with a threshold above 0.700 deemed acceptable (Nunnally, 1978). Validity measures whether the instrument truly assesses what it is intended to measure, encompassing several dimensions: content validity ensures that questionnaire items are relevant to the constructs being measured, construct validity confirms that the measures reflect the theoretical constructs, and internal validity evaluates the strength of causal relationships between variables. By implementing precautions in research design and data collection, the

study aims to achieve reliable and valid measurements, facilitating accurate interpretations and meaningful conclusions. To assess employee's job satisfaction, standardized questionnaires are utilized to measure the employee's satisfaction. Additionally, the researcher has actively sought the opinions of recognized experts and advisors regarding the validity of the questionnaire items related to customer attitudes toward advertisements. The questionnaire reliability tested by the use of Cronbach's alpha. If all the constructs portray a Cronbach's Alpha value which is over the value of 0.7, the research considered dependable (Dikko, 2016).

Table 3.1: Reliability test

Variable	Number of items	Cronbach's Alpha
Internal Communication	5	.775
Employee Empowerment	5	.727
Training	5	.701
Motivation	6	.883
Employee job satisfaction	6	.767

In the above table, the data of the study is more reliable as the value of Cronbach's Alpha is more than 0.7.

3.8. Ethical Consideration

The survey is conducted with the agreement of volunteer employees, who would be invited by the student researcher to participate through the distribution of questionnaires. All potential respondents informed that, their participation is entirely voluntary and that their information is used solely for research purposes.

To ensure privacy and anonymity, names would not be required on the data collection forms. The research respect respondents' rights to participate voluntarily and individuals would not be coerced into completing the questionnaires. Confidentiality is reinforced by instructing respondents not to include their names. The researcher clearly communicates the study's aim, emphasizing its academic nature and commitment to impartiality and independence.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter examines the data collected for the study. It is divided into several sections: (1) sample and response rate, (2) further reliability & validity tests to examine the scales used in the study, (3) examination of respondents including demographic information, and (4) data analysis for research questions.

4.1 Sample and response rate

During the survey, a total of 161 questionnaires were distributed to NISCO front line employees. From these 154 respondents are participated and returned them producing 95.65% of response rate.

Table 4.1: Response Rate

Category	Frequency	Percentage%
Returned	154	95.65
Un returned	7	4.35
Total	161	100

Source: Researchers' survey, 2024

4.2 Demographic Characteristics of the Respondent

Table 4.2: Demographic Characteristics of the respondents

No.	Item	Measurement	Frequency	Percentage%
1	Gender	Male	76	49.4
		Female	78	50.6
		Total	154	100
2	Age	Between 21- 30 years	55	35.7
		Between 31-40 years	70	45.5
		Above 41 years	29	18.8
		Total	154	100.0
3	Educational level	Diploma	8	5.2
		1 st Degree	81	52.6
		Above 1 st degree	65	42.2
		Total	154	100.0

4	Job Category	Junior Officer	42	27.3
		Middle Level Officer	62	40.3
		Senior Officer	25	16.2
		Manager	25	16.2
		Total	154	100.0
5	Working Experience	Below 2 years	11	7.1
		From 2-5 years	38	24.7
		From 6-10 years	57	37
		Above 10 years	48	31.2
		Total	154	100

Source: Researchers' survey, 2024

Item-1 indicates gender arrangement and 50.6 % of sampled employees are female and 49.4 % are male. From this, it's conceivable to conclude that the company work conditions matters the gender arrangement and female employees are encouraged in the company.

Item-2 shows age and out of 154 respondents 35.7% between the age of 21-30 followed by respondents who were between the age of 31- 40 with a percentage of 45.5 the rest 18.8% were above 41 years old. From this we can say that majority of the company's employees are an immense potential worker to become future leaders in financial industry.

Item-3 of the table is about the educational level of the respondents. Based on the data, majority of the respondents, which is 81% are first degree holders and 65% are master's degree holders. The rest 5.2% are diploma holders. The statistics demonstrated that NISCO is equipped with overwhelmed qualified staffs which also helpful to capture useful response in this study.

Item-4 The table demonstrates that 27.3% of the respondents were junior officers, 40.3 were middle level officers, for Senior officers and Branch Managers, 16.2 % to each. Therefore it indicated that the samples are proportionate to the population.

Item-5 of the table is about the working experience of the respondents. Based on the data, 7.1% of respondents are below 2 years, 24.7% of the respondents have served for 2-5 years, 37% have served the company for 6-10 years. On the other hand 31.2% of the respondent have served above 10 years.

4.3 Descriptive Analysis of Respondents

In descriptive analysis, samples that are studied based on probability theory are summarized. The researcher uses statistical data analysis tools such as mean, standard deviation, frequency and percentile to analyze the composed data. The evaluation process is based on five-point Likert scale (from, 1; strongly disagree, 2; disagree, 3; neutral, 4; agree and 5; strongly agree).

According to Madala et.al., (2014) said that for 5-point liker scale questionnaires a mean score value above 3.75 is measured as high, between 3.35 and 3.75 is measured as moderate and below 3.35 is measured as lower. The analysis indicated below: -

Table 4.3 Descriptive Statistics for Computed Study Variable

Variable	Frequency	Mean	Std. Deviation
Internal Communication	154	2.9714	1.37626
Employee Empowerment	154	3.4883	1.18553
Motivation	154	3.3842	1.42104
Training	154	3.5857	1.16666
Job Satisfaction	154	3.8030	1.15776

Source: Researchers' survey, 2024

The dependent and independent can be detailed as follows: The internal communication pattern implemented in NISCO in average is as much as low (2.9714), the performance incentive or motivation that has been done in NISCO in average has been moderate (3.3842), the training of staffs held at NISCO in the average is highest position than other indicators (3.857), it indicates that training has a higher Effects on employees to get satisfaction related to their job. The Empowerment of employees in NISO in average is good enough (3.4883). Descriptively, the mean value of Job satisfaction is 3.8030, it implies that employees of NISCO have the highest satisfaction on their job.

According to Kotler (2008), the high mean score indicates that there are effective internal marketing practices that satisfy employees need. In contrast, low scores show there is a gap in the strategies of internal marketing. Therefore, we can conclude from the above table the lower value of internal communication should be improved in NISCO whereas, other variables imply there is effective internal marketing practices in NISCO.

4.5 Correlation Analysis

Correlation analysis supports to gain understanding to the direction and strength of correlation between variables. Correlation coefficients take values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (+). Correlation analyses are used for measuring the strength and direction of a linear relationship between two variables (Pallant, 2007). The Pearson product moment coefficient (r) presented to show the strength of the relationship. The value gives an indication for the strength of the relationship, while the sign in front of the coefficient provides information for the direction of the relationship. The strength of the relationship is measured according to the procedures proposed by Pandey (2017), The association between two variables will be very strong if the correlation coefficient (r) is 0.7 and above, considerable if it's between 0.5 and 0.69, moderate if it's between 0.3 and 0.49, low if it's between 0.1 and 0.29, and Tiny if it's between 0.01 and 0.09. In this section, correlation analysis was undertaken before conducting the regression analysis. The correlation analysis was done to assess the strength of the relationship between internal marketing components and job satisfaction. The result is as shown below in the Table 4.4

Table 4.4 Pearson correlation between internal marketing elements and job satisfaction

	Job satisfaction	Internal communication	Employee Empowerment	Motivation	Training
job satisfaction	1				
communication	0.498**	1			
empowerment	0.659**	0.356**	1	.	
motivation	0.717**	0.360**	.735**	1	
training	0.652**	.604**	.456**	.654**	1

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

Researchers' survey,2024

Table 4.4 shows the Pearson Correlation between job satisfaction and the four components of internal marketing i.e. motivation, communication, training and empowerment presents positive values as well as statistically significant. Thus, internal marketing components and job satisfaction has positive relationship. Motivation has strong correlation ($r=.717$) with job satisfaction this implies that if motivation increase, employees job satisfaction also rises as Herzberg (1959) discuss that intrinsic motivators such as incentives, recognition and responsibility are essential for employee's job satisfaction. he also argues that motivated employees are highly informed on higher level of job satisfaction. next followed by empowerment ($r=.659$) according to Shakour (2015), empowered employees are more satisfied on their job. Therefore, employee empowerment and job satisfaction have a strong positive relationship. This implies that NISCO employee's job satisfaction is enhanced by employee's empowerment. Thirdly training($r=.652$) is followed Also training has a strong positive relationship with employee's job satisfaction. It indicates, if there is an effective training, it significantly influences job satisfaction. Effective training programs help to

improve employee's skill, increase their roles and they become satisfied in their roles (Huang,2003) and lastly communication ($r=0.498$) gets the moderately positive correlation value compared with other variables. According to the literature of Gronroos (2000), when employees are well communicated and feel that their voice is heard, their job satisfaction is significantly affected. The literature implies that NISCO have lower communication with their employees.

4.6 Assumption Test

4.6.1 Linearity Assumption Test

The concept of linearity assumption is to test whether the change in dependent variable is associated with the independent variable (Hair et al., 1998). The linearity assumption uses scatter plots or residual plots, to evaluate the residuals against either the predicted values of the dependent variable or one of the independent variables (Hoekstra et al., 2014). Employees job satisfaction assumed to be linearly related with internal marketing elements as the fitted values for the regression models were visually inspected from the figure 4.1below.

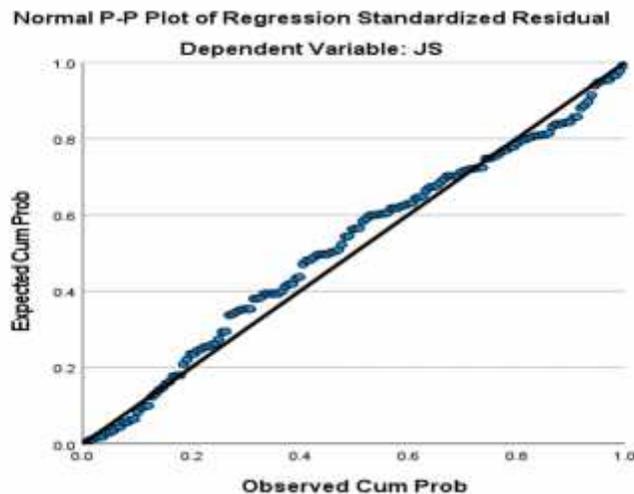


Figure 4.1 Linearity test

Source: Researchers' survey, 2024

4.6.2. Multi-co-linearity Assumption Test

Multi co linearity refers to the correlation among independent variables, which can complicate the clarification of each variable's contribution to the model's success (Pallant, 2005, as cited

by Mulugeta Demisse, 2016). In this study, multi co linearity was measured using the Variance Inflation Factor (VIF) and tolerance values. A tolerance value close to 1 and a VIF around 1, not exceeding 10, indicate that multi co linearity is not a concern among the independent variables in the regression model (Pallant, 2005).

Table 4.5 Multi col linearity test

Variables statistics	Co linearity statistics	
	Tolerance	VIF
Internal Communication	0.608	1.646
Employee Empowerment	0.441	2.268
Motivation	0.322	3.108
Training	0.407	2.457

a. Dependent variable: Job satisfaction

Source: Researchers’ survey, 2024

4.6.3. Normality Distribution Test

Normality distribution test is measured through skewness and kurtosis tools. This test is used to evaluate the distribution of independent variable is normal or not. Regression analyses need the independent variables to be normally distributed.

According to Pallant (2011), the acceptable range for both statistics is between -1.0 and +1.0. Moreover, normality analysis can be tested with the graph of histogram, quantile-quantile Q-Q plot as shown below and the result of the two graphs results indicated that the data for all variables are normally distributed.

Table 4.6 Normality test results

		Skewness	Kurtosis

	N				
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Internal communication	154	.159	.195	-1.216	.389
Employee empowerment	154	-.314	.195	-1.028	.389
motivation	154	-.174	.195	-1.422	.389
Training	154	-.409	.195	-.836	.389
Job satisfaction	154	-.706	.195	-.499	.389
Valid N(listwise)	154				

Source: Researchers' survey, 2024

In the histogram plot result shown below, a distribution or data set is looks like symmetric because we look the same to the left and right of the center point. therefore, it can be concluded that the data is for all variable are normally distributed.

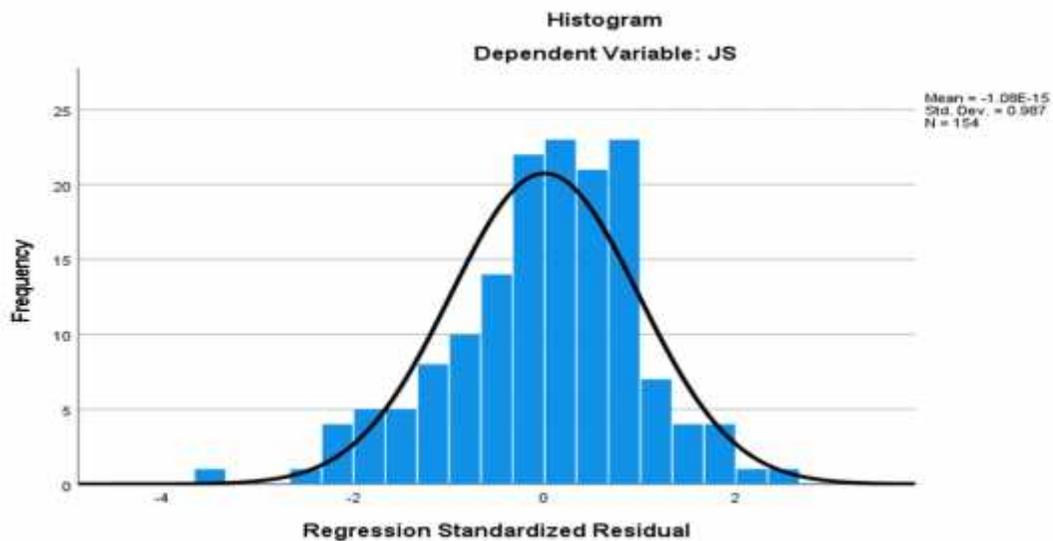


Figure 4.3 Normality test

Source: Researchers' survey,2024

4.7 Regression Analysis

A. Model Summary

Table 4.7 Analysis model summary

Model	R	R Square	Adjusted Square	R	Std. Error
1	.793	.628	.618		.71521

Predictors: Internal communication, Employee empowerment, motivation, Training

Source: Researchers' survey,2024

The Model Summary result shows that correlation of the four independent variables with the dependent variable is 0.793 and the adjusted R-Square is 0.628 which means 62.8 percent of the variance on job satisfaction is influenced by the four variables that are motivation, communication, training and empowerment.

B. ANOVA

Table 4.8 ANOVA (F Test)

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	128.863	4	32.216	62.98	<.001 ^b
	Residual	76.217	149	.512		
	Total	205.081	153			

a. Dependent Variable: Employee job satisfaction

b. Predictors: Internal communication, Employee empowerment, motivation, Training

Source: Researchers' survey, 2024

From the ANOVA Table 4.8, shows the overall significance/ acceptability of the model from a statistical viewpoint. As p- value is (.001), which is less than $p < 0.05$, this specifies that the variation explained by the model is not due to chance.

C. Coefficient

Table 4.9 Coefficient table

		Un standardized Coefficients		standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(constant)	0.818	0.217		3.762	.001
	Internal communication	.123	.054	.147	2.289	.0023
	Employee empowerment	.263	.073	.270	3.584	.001
	Motivation	.254	.072	.312	3.543	.001
	Training	.234	.078	.236	3.018	.003

a. Dependent Variable: Employee job satisfaction

Source: Researchers' survey, 2024

According to Table 4.9, motivation, training and employee empowerment were found to be the most influential factors of employee's job satisfaction in NISCO in there ascending order. Whereas internal communication become the least influential factor. The standardized coefficients for the four independent variables internal communication, motivation, employee Empowerment and Training are 0.147, 0.321, 0.270, 0.236 and their significance level are 0.0023, 0.001, 0.001 and 0.003 respectively which is less than 0.05. this implies that

all independent variables have a positive significance on the dependnt variable. To summarize, the equation of the regression line is defined as follows:

D. Hypothesis Summary

Table 4.10: Summary of Hypothesis testing

No.	Developed hypothesis	Test result
1	H1: The stronger the internal communication within the organization, the better the employee’s job satisfaction will be.	Accepted
2	H2: Employee motivation has a significant impact on employee’s job satisfaction.	Accepted
3	H3: There is a significant positive relationship between employee training and employee’s job satisfaction.	Accepted
4	H4: There is a significant positive relationship between employee empowerment and employee job satisfaction.	Accepted

4.7.1 Discussion of the Results

This study is intended to examine the effect of internal marketing in its four elements; training, motivation, internal communication and employee empowerment on employees Job satisfaction in NISCO. In this section detail discussions are done based on regression results presented in the previous Table 4.9. The findings are combined with the theory and other similar research findings in order to provide a wider perspective.

H1: The stronger the internal communication within the organization, the better the employee’s job satisfaction will be.

As drawn from the above coefficient table the unstandardized coefficient B value for internal communication is 0.123 this implies when the independent variable which is internal communication increased by one unit, the dependent variable employees job satisfaction increased by 0.123 units. The significance level also shows ($P < 0.05$) the relationship is statistically significant which supports the hypothesis of internal communication increase employees job satisfaction. Kirkman & Rosen (1999) suggested that if there is an effective internal communication in organizations, employee's job satisfaction and team performance increases positively. Therefore, from the result we can say, this positive relationship is appeared in NISCO.

H2: Employee motivation has a significant impact on employee's job satisfaction.

According to Deci & Ryan (2000), the intrinsic motivation is a key factor of employee's job satisfaction. This literature supports this study results which shows the coefficient B value is 0.254 and the significant level is 0.001 ($P < 0.05$). this result indicates when motivation is increase by each unit, the employees job satisfaction also increased by 0.254 units. Also, there is a significantly positive relationship between motivation and employees job satisfaction in NISCO.

H3: There is a significant positive relationship between employee training and employee's job satisfaction.

One of the most valuable assets in organizations is human resource. So, in order to get high performance, high service quality, to improve employee's skills, to meet employee's expectations as well as their emotional needs companies organize different trainings. The results of the study shows that training has significant and positive effect on employee's job satisfaction in NISCO as the coefficient B value is 0.234 and the significant level is 0.003 ($P < 0.05$). Noe (2010) highlights that, employee's skills and confidence is increased by give an effective training this led to higher job satisfaction.

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

The result shown on the above table 4.9 supports the hypothesis of employee empowerment and employees job satisfaction have a positive significant relationship which is the B

coefficient is 0.263 this means when empowerment is increased by each unit, the employees job satisfaction also increased by 0.263 units and the significant level is 0.001 ($P < 0.05$). Spreitzer (1995) discuss that employee's empowerment is related with employee's empowerment and organizational commitment. This study shows there is a strong positive relationship between employees' empowerment and employee's job satisfaction in NISCO.

Generally, the results from the regression line up with the existing literature, confirming that a focus on internal communication, employee empowerment, motivation, and training can significantly improve employees job satisfaction within NISCO. This supports the theoretical frameworks, indicating that strategic efforts in these areas are important for encouraging a motivated and satisfied workforce.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter the main findings of the study are summarized, then conclusions are drawn from the outcomes that were existing in the previous chapter about the internal marketing and employees job satisfaction in NISCO. After that, recommendations and implications are provided.

5.1. Summary of findings

This research was done to establish how internal marketing affects the job satisfaction of employees at NISCO; 154 respondents were administered with questionnaires.

Descriptive statistics indicated a fairly balanced sample in terms of gender: 50.6% were females and 49.4% males. Age distribution showed that 45.5% of the respondents were between 31-40 years of age, and 81% had a first degree, hence a well-educated workforce. The job categories were diverse, with 40.3% being middle-level, while 31.2% had over ten years of working experience.

The mean score for job satisfaction was 3.8030, which indicates that employees are highly satisfied. Training had the highest mean score among internal marketing components with a mean of 3.5857, followed by employee empowerment with a mean score of 3.4883,

motivation with 3.3842, and internal communication with 2.9714, showing that training is seen as the most effective practice in improving job satisfaction.

The correlation analysis revealed that all the internal marketing elements were positively and significantly related to job satisfaction, with motivation being the strongest, $r = 0.717$, followed by empowerment, $r = 0.659$, training, $r = 0.652$, and communication, $r = 0.498$, all at 0.01 levels of significance.

Regression analysis showed that 62.8% of the variance in job satisfaction is explained by the four internal marketing components. Among all, motivation became the strongest predictor of job satisfaction with a Beta value of 0.312, followed by employee empowerment with a Beta of 0.270, then training with a Beta of 0.236, and lastly, internal communication with a Beta of 0.147. All predictors reached significance at a 0.05 significance level.

The study has concluded that internal marketing practices, especially motivation and training, are the most influencing factors on job satisfaction at NISCO. This points out the significance of these elements in enhancing employee satisfaction within the organization.

5.2 Conclusion

The objective of this study was to assess the effect of internal marketing on employee's job satisfaction at NISCO. The conclusions are drawn from the results of the data.

NISCO's employees generally observed that internal marketing elements are moderately practiced with remarkably strength in Training, which are showed as a significant influencer to employee's job satisfaction. Though, others such as internal communication are seemed less favorably, implying this area need high improvement. The findings indicates that, there is still gaps that need to be filled to increase employees job satisfaction, even if there is a significant positive relationship between internal marketing elements and employees job satisfaction.

The correlation and regression analyses disclose a significant and positive relationship between internal marketing elements; especially training has the strongest predictor of employee's job satisfaction followed by others, motivation and employee's empowerment and the dependent variable employee's job satisfaction. However, internal communication is the

least influencer of employee's job satisfaction which implies by improving internal communication strategies; employee's job satisfaction could be increased.

Additionally, the regression result shows that 62.8% of the variance in employee's job satisfaction can be described by the four internal marketing elements analyzed. These finding highpoints that while these areas are critical; other internal marketing elements may also affect employee's job satisfaction at NISCO. Therefore, it is important for the organization to discover additional variables that could contribute to a broader understanding of employee's job satisfaction and to implement strategies that focus on improving internal marketing practices across the board.

5.3 Recommendation

Based on the findings of this study, the following recommendations are proposed to increase employee's job satisfaction and performance at NISCO:

- NISCO should redesign the employees' salaries to ensure that it reflects their qualification and experience. Good remunerations will meet the needs of employees for money and also assist in retaining and motivating employees.
- The reward system of other competitors in the insurance industry should be put into consideration by NISCO. In offering competitive rewards, the risk of employees quitting to work elsewhere will be reduced.
- A well-structured bonus and increment system can be a good motivator. The criteria on which these facilities are granted should be clear and within the reach of all employees.
- NISCO should create an empowerment culture by taking employees into confidence in major decision-making. Participation in routine matters will help them to feel important and perform better.
- Ongoing training for new recruits and employees moving into new positions should be a priority. Regular training will guarantee that the employees have the relevant skills and knowledge to execute their duties.
- Effective communication is the success of employee performance. The managers need to keep in close contact with their teams concerning internal and external changes. Such meetings can be held weekly or a notice board for daily updates.

- NISCO can research different internal marketing tools and make use of those that will suit to its organizational culture. Open communication of this tools to the employees will boost their performances and reduce exit rates.

By focusing on these aspects, NISCO will be able to develop a more pleasing work environment that could fulfill the expectations of its employees and give it comparative advantages within highly competitive markets.

5.4 Implication for Further Study

This study have numerous managerial and theoretical implications. The results of this research enable management of NISCO at each level to better understand the degree of managing front line employees to get a higher level job satisfaction.

This research addresses internal marketing core elements that have an effect on employee's job satisfaction. However, the model of this study covers 62.8 percent of the variation in employee's job satisfaction for the rest NISCO's managers and concerned bodies should be addressed by considering other internal marketing elements that have significant effects on employee's job satisfaction. Furthermore, this study follows quantitative method to gather primary source. The researcher recommends for future research to use a qualitative method which helps to get a deepest feeling of employees on job satisfaction that fills the gap that are not addressed in this research. Moreover, NISCO should carry out similar and regular researches to increase employees job satisfaction by improving internal marketing activities.

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APPENDIXES

QUESTIONNAIRE

ST. MARY UNIVERSITY SCHOOL OF GRADUATE STUDIES DEPARTMENT OF MBA

I would like to share your wonderful insights on this questionnaire with regards to your insurance experience you have had in the past within Nyala insurance S.Co. The questionnaire is designed to measure internal marketing views employees as customers that satisfy their needs and wants fulfilled while addressing the objectives of the insurance. Please consider each question carefully to determine how you feel about the subject matter personally as a customer of your organization the consumption is purely for academic research purpose for partial fulfillment of a post graduate program in Masters of business administration at St. Mary's University School of Graduate studies. Thank you for sharing your valuable time in filling this questionnaire.

The questionnaire has 2 parts each referring to your actual experience and ideal thought of an excellent insurance service provider.

Melat Tadesse

E-mail- melrebecca7@gmail.com

Tel.: +251-967886367

Part 1 personal information

This first part inquires your personal information so please mark “X” in the space provided exactly fits with your back ground.

1. Sex Female Male

2. Age Below 20 years From 21-30 years From 31- 40 years
Above 41 years

3. Educational Level Below High school Diploma
First Degree Above First Degree

4. Job category
Manager Senior Officer Middle level officer Junior Officer

5. For how many years you are an Employee of NISCO
Below 2 years From 2-5 years From 6-10 years Above 10 years

PART 2. Internal marketing views employees as customers that satisfy their needs and wants fulfilled while addressing the objectives of the firm. Please consider each question carefully to determine how you feel about the subject matter personally as a customer of your organization.

Please mark ‘X’ below to any of the numbers in the middle that show how strong your feelings are.

S. N	Statements	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
	InternalMarketingDimensions					
	Internal Communication					
1	Our company places considerable emphasis on communicating with us.					
2	If an employee has a certain personal problem that influences negatively his					

	(her) work performance, (s)he is encouraged to discuss it with his/her supervisor					
3	Managers in this company are willing to one of their subordinate wishes to meet personally					
4	Managers communicate our company's vision well to us.					
5	Our company uses the data which it gathered from employees to improve our jobs and to develop the strategy of the company.					
Employee Empowerment						
6	Our Company's environment supports us to take decision by our own.					
7	There are ways for employees to exercise your discretions and judgments that are essentially needed for accomplishing the task.					
8	Our company encourages creativity and it gets valued.					
9	My manager allows me to take challenging tasks without constant supervision					
10	My manager allows me a high degree of initiative in problem solving					
Motivation						
11	When I do something extra ordinary, I know that I will receive some kind of reward					
12	The incentive given to employees are motivating and on competitive basis					
13	The performance measurement reward system encourages employees to work hard					
14	My income and the annual increment are based on periodic performance evaluation and the preset KPI (Key Performance Indicator) fulfillment					
15	My needs and wants are well understood by management teams					
16	I receive feedback from my supervisor on my job performance regularly					
Training						
17	In this company, we are properly trained to perform our service roles.					
18	The company goes beyond training and educates employees as well.					
19	Our company views the development of knowledge and skills in employees as an investment rather than a cost					
20	In this company, Training is closely related to the individual needs of each employee.					
21	Before the implementation of a major change in service rules we always get significant training regarding its impact on our daily activities and job description.					

Job satisfaction						
22	I love my job and I am satisfied with my current carrier.					
23	The employees in the organization feel secured in their job.					
24	I am satisfied with my job because there is equal growth and development opportunity.					
25	I am satisfied with the salary I draw at present.					
26	I am satisfied with the responsibility and role that I have in my work.					
27	I feel that I have very few options to consider leaving this insurance company.					