

# Job Satisfaction: An Outcome of Internal Marketing and Employee Motivation

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## Abstract

Optimism is essential for individuals and organizations alike. It keeps people in form of customers, employees, vendors and other stakeholders contented and productive. Positive or negative attitude held by an individual towards their jobs indicates the level of job satisfaction or dissatisfaction respectively. Since personnel especially in the services sector need to exert more of emotional labor to perform tasks and execute projects. While performing jobs according to the given rules or out of competency and passion makes difference in the motivation levels of employees.

The present study had been an exploration of the concept of internal marketing practices for motivating employees to secure them from job dissatisfaction. A sample size of 115 private sector bank employees and 113 public sector bank employees recorded responses on the structured questionnaire which was self-administered. Statistical analytical tools such as SPSS and AMOS were applied to test the relationship.

With internal marketing program being more rigorously practiced in private sector, job satisfaction was reported higher in private sector banks than public sector bank employees. This paper brings insights for what can help escalate internal marketing and job satisfaction through employees' motivation in the banking industry.

**Keywords:** Internal marketing, Employee motivation, Bank, Job satisfaction, Emotional Labor

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## 1. Introduction

Multitasking had become norm of workplaces today. Technology has made all tasks autonomous. While many of the tasks require skills that are either hard to find or takes time to build. Soft skills such as analytical, critical thinking, design thinking, problem-solving, confidence, leadership and the list goes on. The most commonly studied employee attitude is job satisfaction. Though it is a much explored area but the exploration of this concept in link with the banking industry had not been undertaken for research till date. At times extrinsic motivational factors motivate that is to say the work itself, designation, peers, supervisors, rewards, appreciation, salary, etc. motivate an employee yet many a times intrinsic motivational

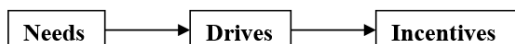
drives such as internal locus of control, willingness to prove oneself, as a matter of social recognition and prestige exert an effect on employees' achievement of results and targets.

## I. Literature Review

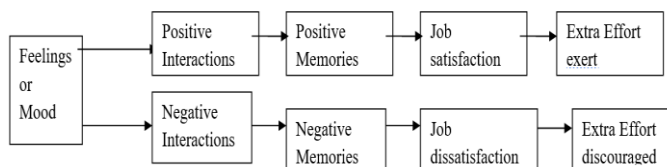
Job dissatisfaction is an easy offshoot as most of the tasks are either executed out of favor or emotional labor. Locke (1976) described job satisfaction as a comprehensive concept involving cognition, affection, and evaluative attitude and reaction which emanates from job experience to create a positive and emotional state.

(Luthans, 2013) Motivation is a psychological process that is based on needs of individuals and once the need becomes acute it immediately

traverses to an action-oriented approach. Further, motivation in its third stage after need and drives enfold a third component of incentives which reduces both need and drive. An incentive to exercise self-control can alleviate the need (abstinence from food). Satiation of the need would also de-escalate the drive or need for more (eating the food).



Narteh, 2012, Du Preez and Bendixen, 2015 and Bailey, 2016 mentioned in their research that it is quintessential for relationships to be managed among employees that interactions are positively consistent. Weiss and Cropsenano, 1996 conceptualized 'Affective event theory'. This theory outlined the factors that lead to emotional reactions of people on the job and in turn these emotions affect those individuals. Both job satisfaction and organizational commitment are essential to process results. The following diagram sequentially shows the emotions in building and sustaining job satisfaction.



Berry, 1981 addressed 'employees as customers' and denoted 'jobs as products'. This purview connotes implementation of the concept of employer branding where employees come to the organization as customers and want jobs that satisfy their personal and career needs (Kukreja, 2017a). Huang and Thiele, 2015 mentioned employees training and development through internal communication as the broad spectrum of internal marketing activities. Further, identifying training needs is essential for the purpose of employees' training and development and better productivity and compensation, which is also one of the fundamental internal marketing activities in practice. Bruhn and George, 2000 and Quarter and

Kelly, 1999 defined internal marketing a strategic tool to achieve better service quality and thereby higher customer satisfaction. Ahmed and Rafiq (2003) outlined actions and behaviors of employees as a tool for enriching marketing brand positioning in the minds of the customers. Gronroos (1997) and Barkensjo (2005) and Kukreja (2017b) interpreted internal marketing as a tool for motivating employees. Education, training and development of employees is crucial for serving clients effectively. Internal marketing is a management function the success of which is dependent on internal communication. Internal marketing aims at creating customer orientation (Berry, 1981). Lings (2004) and Caruana and Calleya (1998) laid emphasis on enhancing service quality. They viewed it as instrumental for the successful implementation of the components of strategic leadership and vision awareness which are factors of internal marketing. Bailey et al., (2016) reported through their research in Saudi Arabian banks that internal marketing exercises significantly high impact on job satisfaction and organizational commitment.

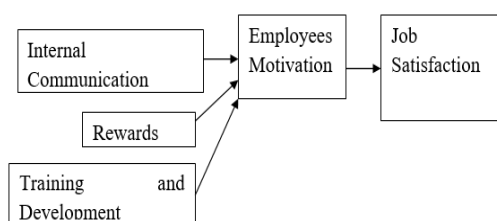
George (1990) and Ballantyne (2003) stated that many companies have started to focus on employees as these are crucial linking pins to the external audiences and instruments of promised service delivery. These frontline employees are the service enablers and perception-creators for the quality of products and services. Customers are the first priority in service industry (Kukreja, 2019c). Service-contact personnel need to be ethical and oriented towards providing services to customers as their topmost priority (Kukreja, 2019d). Middle level service personnel are second rank though equally important. It is thus essential for the customer-contact touch-points to be conscientiously oriented and willing to comprehend and respond to customers' needs, wants and demands.

## II. Research methodology

Job satisfaction scale was composed of the items adapted from Macdonald and MacIntyre, 1999 while the internal marketing scale of Narteh, 2012 was taken to explore the understanding of internal marketing practices in the banking industry. The statements brought insights on dimensions of internal communication, training and development and rewards for employees' motivation.

## III. Research model:

Based on Narteh (2012), the model had been simulated except one factor of empowerment that had been dropped out of low scores on factor analysis. Thus the variables for the study of internal marketing practices included management initiatives such as internal communication, and support factors such as rewards and training and development as extrinsic sources of motivation. Job satisfaction is an outcome of internal marketing practices leading to employees' motivation enhancing level of satisfaction towards job of employees. The research model is presented below:



## IV. Research objectives

- To explore if internal communication, rewards and training and development increase employees' motivation
- To establish that both internal marketing and employees' motivation can enhance job satisfaction

## V. Research hypothesis

H1: Increase in the level of employees' motivation can enhance job satisfaction

H2: Internal Communication as a component of internal marketing increases employees' motivation

H3: Rewards as a component of internal marketing increases employees' motivation

H4: Employee training and development builds employees' motivation

## VI. Research methodology

A structured questionnaire was administered to 300 bank employees. While 40 employees who had kept for responses to be marked later misplaced them and 32 were returned with incomplete responses thereby generating response rate of 76 percent. The items of internal communication scale were derived from Conduit & Mavando (2001) and those of the scale of rewards were sourced from Ahmed et al. (2003). Further, Gounaris, 2008 was referred to form scale of employee training and development. Items for the formulation of job satisfaction were sourced from Price and Mueller, 1981. Factor analysis and goodness of fit indices have been reported in the study through the application of SPSS 23.0 version and AMOS 18 software.

## VII. Findings:

Demographic profile of the respondents is maintained through the table depicted as follows. An attempt of maintaining equity of both the genders with 118 females who cooperated for the study and constituted as 51.75 percent had been rightly juxtaposed to 48.74 males represented through a count of 110. Further, age group of the three tier structure with 88 respondents belonging to the age group of 21-30 years and 37.28 percent being represented by 31-40 years had formed the sample set for the study. A small number of the respondents, however, ranged from 41-50 years of age bracket. 85 respondents out of a sample size

of 228 ranged in the experience of less than and equal to 5 years with 59 respondents in the age group of 6-10 years. 70 respondents constituting 30.70 percent were in the experience bracket of 11-15 years and a small number of more than 15 years of experience were 14 respondents. 180 frontline employees constituted the panel of sample for the study only 48 supervisory managers agreed to be a part of the study. For the analytical viewpoint of the educational background of the sample respondents 100 graduates and 128 post-graduates were analyzed for the demographic profile of the respondents.

Profile of the respondents	N=228	
Characteristics	N	%
Gender		
Males	110	48.24
Females	118	51.75
Age (years)		
21-30	88	38.59
31-40	85	37.28
41-50	55	24.12
Tenure (years)		
Less than & equal to 5	85	37.28
6-10	59	25.87
11-15	70	30.70
Greater than & equal to 16	14	.06
Organization level		
Employee	180	78.94
Manager	48	21.05
Education Level		
Graduate	100	43.85
Post-graduate	128	56.14

The mean and standard deviation of the constructs selected for the study are reported here (Table 2) for the analytical viewpoint formulation for the bank managers. Internal communication had been reported with the mean score of 4.36 with slight escalation of training and development as 4.66 and rewards scoring mean of 4.31. The mean score of employee motivation had been found to be 4.93 and that of job satisfaction as 4.42. Comparative high correlation had been found between motivation and rewards and with job satisfaction and employees' motivation. This proves hypothesis 1 and hypothesis 3.

Table 2: Mean, Standard Deviation and Correlation among constructs							
IC	4.36	1.21	-	-	-	-	-
T&D	4.66	0.83	0.32**	-	-	-	-
Rewards	4.31	1.34	0.52**	0.18**	-	-	-
Employee motivation	4.93	0.16	0.38**	0.23**	0.42**	-	-
Job Satisfaction	4.42	0.71	0.44**	0.36**	0.27**	0.31**	-

Measurement model of the study is reported as under (Table 3) with factor loadings of the various items deployed for the study. Cronbach alpha and composite reliability for the construct of internal communication is reported as above .70 which is considered to be acceptable for the analytical and inferential purposes (Hair et al., 2006). A score of above .80 is reported for cronbach alpha of the construct of training and development which is a very good score (Hair et al., 2006). Rewards yield a cronbach alpha score of .75 and composite reliability score of .81 and AVE scores of .72. Motivation scale reverted for score of .91 and .94 for both cronbach alpha and composite reliability respectively and job satisfaction returned .87 and .76 for cronbach alpha and composite reliability. Also, standardized loading of above .60 is reported for the entire scale with all the constructs and items. T-values have also been tabulated for reference.

Table 3: Properties of the measurement model					
Constructs and Indicators	Standardized loading	T value	Cronbach's Alpha	Composite Reliability	Avg. Variance extracted
IC			0.79	0.85	0.61
1	0.81	-			
2	0.77	14.34			
3	0.82	12.13			
T&D			0.82	0.80	0.68
1	0.69	-			
2	0.71	13.54			
3	0.63	11.14			
Rewards			0.75	0.81	0.72
1	0.85	-			
2	0.88	16.21			
3	0.73	14.52			
Motivation			0.91	0.94	0.56
1	0.87	-			
2	0.84	17.42			
3	0.84	11.35			
Job Satisfaction			0.87	0.76	0.59
1	0.72	-			
2	0.86	18.53			
3	0.89	15.67			



Among females and males, females have been reported to be slightly more motivated than males. The mean scores of motivations among females yielded a score of 2.83 viz-a-viz 2.78 of males.

Gender	N	Percent	Employee motivation			
			Mean	Std. Dev.	t-value	Sig.
Female	110	48.24	2.83	0.80	0.599	0.543
Male	118	51.75	2.78	0.83		

The model has been reported to be of a good fit with various measure of good model fit indices reported as under (Table 5). With all the goodness of fit indices scores yielding a value of above .070 the model of research is found to be satisfactorily acceptable (Hair et al., 2006).

**Table 5: Goodness of fit indices model of description**

Model	$\chi^2$	Df	RMSEA	GFI	AGFI	NFI	CFI
Full mediation model	719.34	228	0.078	0.79	0.89	0.91	0.77
Partial mediation model	662.58	228	0.078	0.81	0.89	0.93	0.83
Difference	53.73	1.9	0.005	-0.01	-0.02	-0.02	-0.02

### VIII. Conclusion:

Thus the above study concludes for the establishment of the formulated hypothesis as mentioned for the study as true with the factual analysis proved by scores of various means and measures. Communication within the organization is essential to breed the organizational productivity (Kukreja, 2019d). Training and development of employees not only makes the employees faster and more accurate but also prepare them for their future job roles (Martensen and Gronholdt, 2006). Lou, et al., 2007 corroborate with the findings of the paper that salaries and other set of rewards make an enhanced difference in the motivation of employees.

### IX. Managerial implications and theoretical contributions

Extremely relevant analysis has been processed and represented. Training and development of employees is crucial from the management perspective into not only building organizational competitive edge but also for analyzing and preparing for the future needs of the customers. For effective communication to take place it is essential to know the relevant and the art and science of prioritizing them. Through this study it is proved that the constructs of internal marketing are essential in the successful business operations of the firm that is fundamentally based on motivation of employees for the performance of their promised duties. Delivering not only promised but perceived services is essential for customer loyalty to be earned. Further, more often than not, the commitment to the assigned job roles and tasks requires rendering extra role behaviors which requires high levels of employees' motivation in the background which is built through successful implementation of the organizational culture supported by timely communication, rewards and training. The focus of internal marketing is to help sell organization more of jobs to its existing employees for the minimum requirement of recruitment and ensuring on-the-job training. An effective model of incurring job satisfaction of employees through internal marketing practices and motivation this research is in consonance with that of Tsu and Wu, 2011 who propounded internal marketing as a vehicle for enhanced employees motivation to achieve organizational goals steering towards making them loyal and committed.

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