

# Influence of Internal Marketing Practices on Employees' Job Satisfaction in New Generation Banks

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## Abstract

In the present monetary vulnerability and upheaval, ensuring and safeguarding compatibility with banking employees are essential for banks' business achievement. Internal marketing represents a marketing strategy which is created by considering their representatives their first market – their internal customers. Internal marketing makes a domain that empowers banks to concentrate on whatever necessitates changing inside so they can upgrade their external commercial center execution. Internal marketing enables banks to convey better client encounters by adjusting, organizing, and inspiring employees.

In this article, the researcher attempts to highlight how internal marketing philosophy helps the new private sector banks in achieving employees' job satisfaction and to evaluate the benefits of internal marketing orientation for the banks success. The research is conducted at new generation banks in Thrissur District, Kerala. The researcher has chosen 150 respondents of new generation banks as sample. The questionnaire in this study was designed as closed – end questions. To understand the demographic profile of the respondents, questions related to age, sex, qualification and monthly salary etc were included. The samples are selected on a random basis after visiting various banks in the district with no bias on considering or dismissing a specific respondent. Pilot survey and Cronbach's Alpha were used. Hypotheses were tested using correlation coefficient(r), and multiple regression analyses. The SPSS software is used to measure the data obtained from the respondents. Findings indicate that internal marketing and all its components has significant and positive associations with employees' job satisfaction. The findings have provided an insight to the new generation banks provides on the area to be focused on in retaining and satisfying their employees.

**Key Words:** - Internal Marketing, Job Satisfaction, Marketing Strategy, New Generation Banks

## 1. Introduction

In this time of aggressive competition, accomplishment of any organization is based upon its human asset. Banks aren't any unique case to this. The personnel of the Bank are worthwhile benefits for the organization. In the

event that they are profoundly fulfilled they produce extra and it is profitable for the enterprise. So in this situation it is vital to recognize the personnel's perspectives towards their job and to measure the level of satisfaction with numerous elements. Proficient human asset and maintaining up higher employment

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achievement degree in banks determine the performance of the bank in addition to affect the improvement and execution of the whole financial system. Along these lines, for the achievement of banking it's far vital to oversee human asset effectively and to find out whether its representatives are fulfilled or not just on the off danger that they are fulfilled, they may work with obligation and task and present an effective impression of the banks. Satisfied employees contribute more and it's way too much beneficial for the corporation (C. Sumitha and R. Padmaja, 2017).

Employees are the internal customers of the Bank and their perception and satisfaction are of utmost important factors in order to achieve the goal of customer satisfaction. With the increasing level of customer and employees expectations, it is essential that New Generation Banks have to design innovate strategies and promotes technology-driven, user friendly services to increase the market share as well as image building. One of the handy tools which helped in improving the performance in banks is use of internal marketing practices through communication, supervision, intangible benefits, compensation, motivation and intermediary.

Increased competition, highly educated customers and increased standard of living are forcing new generation banks in Kerala to review their marketing strategy. The researcher has taken the topic "the influence of internal marketing practices on employees' job satisfaction in new generation banks in Thrissur district, Kerala", to know how internal marketing concept helps the banks to realize the improvements in job satisfaction and retention, reduce cost of recruitment and training, increase sales and revenue and create and maintaining customers.

## 2. Review of Literature

### Internal Marketing

"Internal marketing is based on the notion that a service organization must focus on its employees, or internal markets, before successful programs can be directed at customers". (Kerin, Hartley, Berkowitz, Rudelius, 2007). Internal advertising is the project of hiring, schooling, and motivating capable employees who need to serve customers properly (Philip Kotler & Kevin Lane Keller, 2016). Internal Marketing means that every person in the company embraces marketing ideas suitable for customer service (Kotler & et. al., 2009).

### Employees Job Satisfaction

Employee satisfaction is conceptualized as the extent to which an employee reacts with happiness to his/her job in general. Bak et al. (1994) pointed out a positive relationship between internal marketing and employee satisfaction. In service organizations such as banks, an internal customer's satisfaction can be significantly influenced by service encounters experienced with internal service providers (Papasolomou and Kitchen, 2004). Locke (1976) defined employee satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience". Reilly (1991) defines job satisfaction as the feeling that a worker has about his job or a general attitude towards work or a job and it is influenced by the perception of one's job.

Employee pride is conceptualized because the quantity to which a worker reacts with happiness to his/her task in popular. Bak et al. (1994) pointed out that advantageous courting between internal advertising and marketing and worker pleasure. In carrier companies which include banks, an internal patron's delight can be notably encouraged by provider encounters experienced with inner carrier providers (Papasolomou and Kitchen, 2004). Locke (1976) defined worker

satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience”. Reilly (1991) defines task delight as the feeling that a employee has approximately his task or a general mind-set toward work or a process and its miles influenced through the perception of one's process.

### 3. Scope of the study

The study is conducted in New Generation Banks, Thrissur District, namely: HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Axis Bank, Yes Bank and IndusInd Bank. The study on the influence of internal marketing practices on employees' job satisfaction in New Generation Banks is conducted from January 2019 to April 2019. The study specifically looked at the respondents' profile and influence of internal marketing practices on employees' job satisfaction in new generation banks.

### 4. Statement of the problem

From the problem discussion researcher has formulated the following research questions.

1. How internal marketing helps the new generation banks to provide the job satisfaction among bank employees?
2. Which internal marketing dimensions are essential in forming satisfaction among bank employees in association with new generation banks?

### 5. Objectives

1. To examine the influence of internal marketing variables on employees' job satisfaction in new generation banks.
2. To identify the interrelationships between internal marketing and employees' job satisfaction in new generation banks and to identify the benefits of this relationships.

### 6. Hypothesis

H01 : There is no significant relationship between communication and employees' job satisfaction.

H02 : There is no significant relationship between supervision and employees' job satisfaction.

H03 : There is no significant relationship between intangible benefits and employees' job satisfaction.

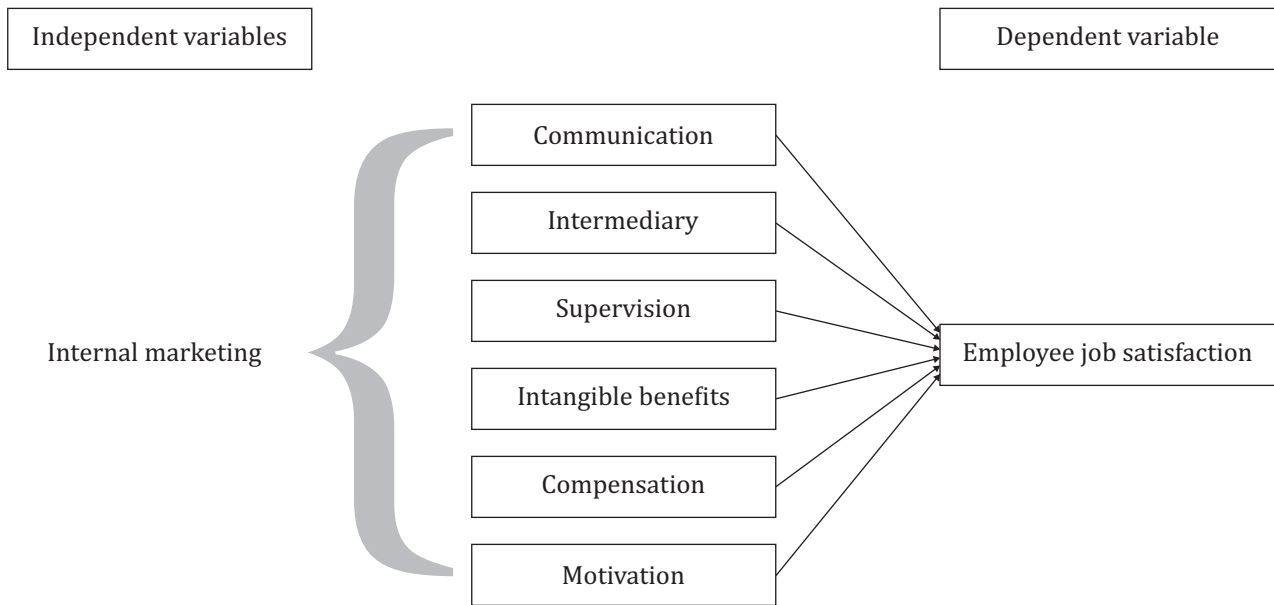
H04 : There is no significant relationship between compensation and employees' job satisfaction.

H05 : There is no significant relationship between motivation and employees' job satisfaction.

H6 : There is no significant relationship between intermediary and employees' job satisfaction.

H7 : Internal marketing may does not have influence on employees' job satisfaction.

**7. Theoretical Framework**



**Figure 3 – Research Framework**

**8. Research methodology**

This study mainly used descriptive research design to analyze the influence of internal marketing on employees' job satisfaction. The targeted population of the present study is new generation bank employees. The research is conducted at new generation banks in Thrissur district, Kerala viz, HDFC Bank, Axis Bank, Yes Bank, Kotak Mahindra Bank, ICICI Bank and IndusInd Bank. The researcher has chosen 150 respondents of new generation banks as sample. The study used simple random method as its sampling method, to arrive at representative sample size. The present study used primary records gathered through a pretested questionnaire approach. The questionnaire changed into pretested with the aid of conducting pilot observes and appropriate amendment has been made inside the questionnaire regarding the take the study. Data concerning to the study

collected from January 2019 to April 2019. The questionnaire consists of two components. The first component consists of general information of the respondents and second component includes numerous dimensions of internal marketing on employees' job satisfaction. In the first part, the respondent's general information was asked such as name, gender, age, marital status, occupation, qualification, bank name, experience and monthly salary. The second part consists of 30 items. This part was divided in seven dimensions. The first six dimensions, "communication, supervision, intangible benefits, compensation, motivation and intermediary" consist of four questions and the sixth dimension which consists of "employees' job satisfaction" contained six questions.

**Reliability Test**

From table 1 proven that Cronbach's Alpha 0.774 hence we will say the reliability of the questionnaire is at fairly correct degree.

**Table - 1: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.774	.774	30

## 9. Analysis and Results

### Correlation Analysis

H01 : There is no significant relationship between communication and employees' job satisfaction.

From the table-2, it can be observed that the correlation coefficient between communication and employee job satisfaction is 0.673, at a significant level of 0.01 (Pannervselvam, 2014). Hence we reject the H01. In other words communication and employee job satisfaction are related with a moderate positive relationship ( $r = 0.673^{**}$ ).

**Table-2**

		Communication	Employees' job satisfaction
Communication	Pearson Correlation	1	.673**
	Sig. (1-tailed)		.000
	N	150	150
Employees' job satisfaction	Pearson Correlation	.673**	1
	Sig. (1-tailed)	.000	
	N	150	150

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

**H02 : There is no significant relationship between supervision and employees' job satisfaction.**

employees' job satisfaction is 0.740, at a significant level of 0.01. Hence we reject the H02. In other words supervision and employees' job satisfaction are related with a high positive relationship ( $r = 0.740^{**}$ ).

From the table-3, it can be observed that the correlation coefficient between supervision and

**Table 3**

		Communication	Employees' job satisfaction
Supervision	Pearson Correlation	1	.740**
	Sig. (1-tailed)		.000
	N	150	150
Employees' job satisfaction	Pearson Correlation	.740**	1
	Sig. (1-tailed)	.000	
	N	150	150

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

**H03 : There is no significant relationship between intangible benefits and employees' job satisfaction.**

From the table-4, it can be observed that the correlation coefficient between intangible

benefits and employees' job satisfaction is 0.745, at a significant level of 0.01. Hence we reject the H03. In other words intangible benefits and employees' job satisfaction are related with a high positive relationship ( $r = 0.745^{**}$ ).

**Table 4**

		Intangible benefits	Employees' job satisfaction
Intangible benefits	Pearson Correlation	1	.745**
	Sig. (1-tailed)		.000
	N	150	150
Employees' job satisfaction	Pearson Correlation	.745**	1
	Sig. (1-tailed)	.000	
	N	150	150

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

**H04 : There is no significant relationship between compensation and employees' job satisfaction.**

From the table-5, it can be observed that the correlation coefficient between compensation

and employees' job satisfaction is 0.654, at a significant level of 0.01. Hence we reject the H04. In other words compensation and employees' job satisfaction are related with a moderate positive relationship ( $r = 0.654^{**}$ ).

**Table 5**

		Intangible benefits	Employees' job satisfaction
Compensation	Pearson Correlation	1	.654**
	Sig. (1-tailed)		.000
	N	150	150
Employees' job satisfaction	Pearson Correlation	.654**	1
	Sig. (1-tailed)	.000	
	N	150	150

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

**H05: There is no significant relationship between motivation and employees' job satisfaction.**

From the table-6, it can be observed that the correlation coefficient between motivation and

employees' job satisfaction is 0.634, at a significant level of 0.01. Hence we reject the H05. In other words motivation and employees' job satisfaction are related with a moderate positive relationship ( $r = 0.634^{**}$ ).

**Table 6**

		Motivation	Employees' job satisfaction
Motivation	Pearson Correlation	1	.634**
	Sig. (1-tailed)		.000
	N	150	150
Employees' job satisfaction	Pearson Correlation	.634**	1
	Sig. (1-tailed)	.000	
	N	150	150

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

**H06: There is no significant relationship between intermediary and employees' job satisfaction.**

From the table-7, it can be observed that the correlation coefficient between intermediary and

employees' job satisfaction is 0.745, at a significant level of 0.01. Hence we reject the H06. In other words intermediary and employees' job satisfaction are related with a high positive relationship ( $r = 0.745^{**}$ ).

**Table 7**

		Intermediary	Employees' job satisfaction
Intermediary	Pearson Correlation	1	.745**
	Sig. (1-tailed)		.000
	N	150	150
Employees' job satisfaction	Pearson Correlation	.745**	1
	Sig. (1-tailed)	.000	
	N	150	150

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

### Multiple Regression Analysis

**Model Summary b Table 8 (a)**

Model	R Square	Durbin-Watson
1	.458	1.539

a. Predictors: (Constant), Communication, Supervision, Intangible Benefits, Compensation, Motivation , Intermediary

b. Dependent Variable: Employees' Job Satisfaction

In the column (table 8.a) labeled  $R^2$  model its value is .458 which means that employees job satisfaction for 45.8% of the variation in predictors. The value (1.539) is below 2 indicates a positive correlation. The table8 (b) b values tell us about the relationship between employees' job satisfaction and each predictor. The major hypothesis stated in this paper was "the internal marketing does not have influence on employees' job satisfaction." Regression analysis was used for

examining whether each internal marketing dimensions is affected by employees' job satisfaction. Thus since the hypothesis stated in the paper (hypothesis 7) that the internal marketing does not have any influence on employees' job satisfaction. Thus the major hypothesis stated is rejected. Hence we can say that Internal marketing has a positive impact on job satisfaction.



**Coefficients<sup>a</sup> Table 8 (b)**

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	.824	.196	
Intangible benefits	.199	.099	.208
1 Supervision	.301	.141	.318
Communication	.451	.121	.482
Intermediary	.311	.131	.328
Motivation	.426	.105	.442
Compensation	.455	.125	.492

a. Dependent Variable: Employees' Job Satisfaction.

## 10. Findings & Discussion

The present research finding supports the fact that internal marketing variables are significant factors which influences the employees' job satisfaction. Banks need to recognize the potency of internal marketing variables in keeping loyal relationships with their employees.

## 11. Recommendations & Scope for Future Research

The paper suggests that in order to strengthen its position, Banks need to take greater interest to attract and retain its valuable human resource from internal marketing perspective. It is advisable to maintain robust connection between bank and its employees since it is vital for bank to retain effective communication with its employees. Banks must take into consideration the variety of messages sent to the employees, in order to avoid an extra or deficiency of communication. It is also crucial for financial institution in the intangible benefits, compensation and motivation guidelines in particular for those represent the face of bank because they're represented on behalf of bank. However the limitation of this research is that it is conducted on the basis of available data and in

Thrissur district, Kerala only. It is recommended to carry out further research in other areas to find out other factors, if any . In future, this examine can be more suitable through studying the influence of internal marketing dimensions of public sector banks and old private sector banks. Similarly a study may also be conducted to study the influence of internal marketing on employees' job satisfaction of foreign banks and co-operative banks.

## 12. Conclusion

The present study has highlighted internal marketing as being an essential marketing method that efficiently layout and put in force applications and practices in dealing with market complexity. It has highlighted the need to utilize the six components of the internal marketing to fully address the employees' job satisfaction in banking industry. This particular research was carried out to analyze the effect of internal marketing on employees' job satisfaction. From the tests and findings all predictors including communication, supervision, intangible benefits, compensation, motivation and intermediary have positive correlation to employees' job satisfaction.

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