

**FACTORS AFFECTING EMPLOYEE'S JOB SATISFACTION:  
A CASE OF NEPALESE COMMERCIAL BANKS**

A Dissertation submitted to the office of the Dean, Faculty of  
Management, in partial fulfillment of the requirements for the Degree of  
Masters of Business Studies

By

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### **Certification of Authorship**

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**Factors Affecting Employee's Job Satisfaction: A case of Nepalese Commercial Banks**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Nimisa Dey Shrestha

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### Report of Research Committee

**Ms. Nimisa Dey Shrestha** has defended research proposal entitled "**Factors Affecting Employee's Job Satisfaction: A case of Nepalese Commercial Banks**" successfully. This research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidance of supervisor Mr. Bikash Shrestha and submit the thesis for evaluation and viva voce examination.

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## Approval Sheet

We have examined the dissertation entitled "**Factors Affecting Employee's Job Satisfaction: A case of Nepalese Commercial Banks**" presented by **Ms. Nimisa Dey Shrestha** for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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## Abbreviation

ADB	Agriculture Development Bank
BOK	Bank of Kathmandu
CBL	Civil Bank Limited
EBL	Everest Bank Limited
GIBL	Global IME Bank Limited
HBL	Himalayan Bank Limited
KBL	Kumari Bank Limited
LBL	Laxmi Bank Limited
MBNL	Mega Bank Nepal Limited
NB	Nepal Bank Limited
NBL	Nabil Bank Limited
NCCBL	Nepal Credit and Commerce Bank Limited
NIBL	Nepal Investment Bank Limited
NMBBL	NMB Bank Limited
NSBL	Nepal SBI Bank Limited
PBL	Prabhu Bank Limited
RBB	Rastriya Banijya Bank
SBL	Sanima Bank Limited
SCBL	Standard Chartered Bank Limited
SDBL	Siddhartha Bank Limited

## Abstract

*Banking sector is very important for any country. It works as a back bone for an economy. An effective banking system can aid in rapid economic growth. The process of internal marketing is seen as particularly important in the financial services sector. Internal marketing is becoming the rising issue in Nepalese business industries. The study aimed to assess the relationship between employee's job satisfaction and internal marketing in the Nepalese banking industry. In order to achieve the objectives, primary data collection was performed by providing questionnaire to 400 employees of 20 commercial banks. The questionnaire was Yes, No, Ranking Scale, Likert and other demographic information were used to collect primary data. The Likert scale on the different variables on internal marketing dimensions and employee satisfaction were measured in 5-point Likert scale and weighted mean value of each variable were used to examine the relationship between dependent and independent variables as for the study purpose. The major conclusion of the study is that supervisory support, organizational support, retention policy, selection and appointment play a prominent role in determination of employee job satisfaction. Employee of the Nepalese commercial bank gives highest ranking to motivation followed by, organizational support, training and development, supervisory support, retention policy and communication for the most important internal marketing tools that represents employee job satisfaction. Likewise, employees of the Nepalese commercial bank give highest ranking to employee loyalty followed by employee commitment, reputation and image of bank, bank's productivity and competition as the most important factors influencing the internal marketing and employee job satisfaction. The sound and rational motivational practices are essential for the success of any of the organization. It is concluded that motivation, organizational support, training and development, supervisory support, retention policy and communication are very effective in Nepalese commercial banks.*

**Key Words**    *Internal Environment, Performance, Employees*

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the study

The concept of internal marketing (IM) was first proposed in the mid 1970's as a way of achieving consistent service quality a major issue in the services area. Its basic premise was to have satisfied customers and the firm must also have satisfied employees. This could be best achieved by treating employees as customers, i.e. by applying the principles of marketing to job design and employee motivation. Internal marketing orientation began as a method to motivate and satisfy employees and developed through a customer orientation phase (Ahmed, Rafiq & Saad, 2002). Internal marketing is about, how a company can market its mission, vision and values to each of its major stakeholders. The company has to view its customers as its strategic starting point and address them in their full humanity and with attention to their needs and concerns. The rationale behind the importance of internal marketing is that a firm must first build the confidence of its employees about the quality of its products and services before it can successfully add value to its customers (Gounaris, 2006; Shih& Yu,2010; Mieres & Vijande2012). Internal marketing's goal is to hire, train and motivate employees so that they serve their customers well (Kotler, 1991), and to treat employees as customers (Berry & Parasuraman, 1991). Employees are the most intimate consumers of the company. They need to be empowered with authentic values.

Gronroos (1996) defined the IM concept as a statement of strategy for the internal marketing process that identifies a product, target customers, and capabilities. The products are jobs and the work environment that influence employees' motivations. The target customers are top management; supervisors; contact personnel; and support personnel. Internal marketing refers to all the actions that an organization has to perform in order to develop, train and motivate its employees, so as to enhance the quality of the services provided to its customers. Internal marketing also enhances the productivity

of the employees and improves customers' satisfaction which increases earnings.

Internal marketing is the process of motivating and empowering the employees of a company to work as a team for the overall wellbeing of the customers and thereby the company itself. Kolter (2000) stated that internal marketing is more important than the traditional external marketing. That is because employees are also consumers, where the organization has to take care of its employees and build organization value for even' member to follow (Kolter, 2006). Internal marketing is a new and emerging discipline that has been practiced in many big organizations particularly, under different names. Some might refer it as internal marketing while others might call it as employee engagement or internal communication. Nevertheless, the concept is the same i.e. to align, motivate and empower employees at all functions and levels- to consistently deliver positive customer experiences that are aligned with the firm's organizational goals. This definition of internal marketing advances the notion that the discipline is more than communication tactics such as workplace posters and employee meetings- or a way to build employee satisfaction.

Instead, it recognizes that IM can be deployed as a strategic tool to help an organization to achieve its business objectives. Nowadays internal marketing has been recognized as a strategy for market orientation. The related studies in this ground reveal that internal marketing activities improve organization's competitiveness through influence and creating of motivation in employees and enhance competences (Ahmed, Rafiq & Saad, 2002).

Internal marketing stresses the importance of the marketing concept internally, within the firm, by focusing on the employees and providing a source of competitive advantage (Panigyrakis & Theodoratos, 2009). Differentiation is one of the most critical sources of sustained competitive advantages for business. Therefore, banks have used several approaches to gain a competitive advantage, such as creative financial products, customize IT system, alliances and joint ventures. The objective of internal marketing is to create an internal environment in which customer consciousness proliferates among personnel (Carruna & Calleya, 1998).

Internal marketing exists through employees, organizations, external customer satisfaction, and cross functional units, which all require communication for success (Ahmed, Rafiq & Saad, 2002). Communication plays a key role in the relationship

between the supervisor and the employees and is necessary for achieving job satisfaction (Carriere & Bourque, 2009). Banking has traditionally operated in a relatively stable environment for decades. However, today the industry is operating under new and more complex atmosphere resulted from the major changes in the economic and political conditions, and the storming effects of the financial crisis which the whole world is still recovering from. All these factors have forced the banks to find a new basis for competition in order to build and protect their competitive position. Most major banks have realized that improving service quality and creating customer relationships that deliver value beyond the provided by the core product itself is the key for fighting competition and driving performance.

Gregory (2011) stated that employees' satisfaction is essential to the success of any business. A high rate of employees' satisfaction is directly related to a lower turnover rate. There are numerous reasons that can be used to explain about why employees can become discouraged with their jobs and resign, including high stress, lack of communication within the company, lack of recognition, or limited opportunity for growth.

Bank as a service sector has a great influence in the economy of the country. It plays very important role in economic development. The growth rate of economy largely depends on the rate of investment which, in fact depends on the level of saving. Higher saving leads to higher level of capital formation which is crucial for economic growth and development. The primary function of commercial bank is to accept deposit and provide loans. The commercial banks play major role in mobilizing saving for capital formation. The role of commercial banks in economic development includes saving promotion, saving mobilization, promotion trade, industry and employment allocation of funds, and transfer of money (Mishkin, 2011).

Services have increasingly assumed a more important role in the economic growth and development of countries worldwide. The deregulation of services in many nations during the 1980s, especially in the areas of banking, insurance, telecommunication, transport and healthcare has led to a stiff and intensified competition among various businesses. Increased competition, expectations and changing technological and business propositions made many service organizations to think of a marketing approach to deliver satisfaction to the customers. Therefore,

operating in such a changing environment requires the right type of personnel to survive. It is at this point that the concept of internal marketing and internal customer satisfaction arises (Kameswari & Rajyalakshmi, 2012).

Internal marketing should be as a priority before external marketing. Internal marketing starts with the organization recruiting the right people in the position to reach the point where these employees are satisfied and willing to do their job and accomplish customer satisfaction. The concept of internal marketing has evolved from the original conceptualization of employee motivation by treating employees as customers and jobs as products for improving service quality (Kotler, 2006). The main concept of internal marketing is to make the employees as important as the external customers by treating them as internal customers. The importance of internal marketing lies in motivating the employees and encouraging them to offer super services to customers who will improve the customer satisfaction of the company's services (Nsour, 2013).

Employees make everything happen in bank by making decision for all functions like planning, leading, organizing and controlling. The efficiency and effectiveness of bank largely depends upon the effectiveness of employees. Most of the today's managers have come to learn that the characteristic that differentiates successful banks from their less successful depends on the quality of employees they are able to get and retain (Dessler, 2009).

Mushrooming of the service industry became the reality as there were less entry and exit barriers. Banking industry is one of the significant types of service industry. Nepalese banking sector is emerging industry, so it is turning toward competitiveness, and striving toward the modernization of corporate activities. Their focuses are on how well they can use their resources and adopt a competitive position as they are facing lot of challenges. Intense competition has brought a challenge for managers of bank to identify and motivate the intellects within as well as attract and retain capable people outside the institutions.

Employee retention and finding the right talent have emerged as the latest challenges for banking sector. Due to lack of attention given to human resource the banking sector is facing manpower crisis. This has created the need for efficient bank employees and this situation is supposed to grow further more in coming years.

Retention and hiring of staffs has become the major issues causing the banks to make heavy investments in screening the right employee for the bank. Not only this, when banks show unwillingness to spend money on training and education of staff for fear of losing them to their competitors, the situation gets worse (Bader, Hashim, & Zaharim,2013).

In the context of Nepal, Maharjan (2012) reported a positive association between work motivation and job satisfaction of teachers. The result also showed that work motivation and job satisfaction are highly positively correlated and indicated that the administration must increase the scale of salary according to the market price of other commodities to motivate the teachers in their teaching. Maharjan (2012) showed positive relationship between HR management and employee performance. The result clearly' showed the evidence that high assessment organization of Nepal is doing better firm performance than low assignment organization. The most significant result is that it is found that high assignment organizations are successfully increasing labor productivity, financial performance, rate of innovation, employee satisfaction.

Subedi (2013) stated that working condition and nature of work showed the positive association on attribution and the significance level is also high. Organizational philosophy, salary and career progression has negative association on the attribution but these were insignificant. The result also showed that there is not much association of salary, organizational philosophy and career progression with attrition at the level. Chaulagain and Khadka (2012) argued that no association was found in between socio-demographic characteristics and job satisfaction. Variables such as responsibility, opportunity to develop, staff relations and patient care were significantly influencing factors for job satisfaction. Chapagai (2011) revealed that employee participation is an important determinant of job satisfaction. Increased employee participation makes a positive effect on job satisfaction of Nepalese banking employees.

The above discussion shows that the studies dealing with the impact of internal marketing on employee job satisfaction are of great significance. Though there are these findings in the context of different countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Hence, this study attempts to



analyze the relationship between internal marketing factors and employee job satisfaction in Nepalese commercial banks.

Job Satisfaction or work satisfaction is also multi-dimensional phenomenon. The team that make work satisfaction are creating something new using skills. working whole heartedly, using initiative and having responsibility mixing with people and working with people know their job on the contrary doing repetitive work making only a small part of something doing unless tasks felling sense of in security and being too closely supervised arise dissatisfaction on the employee. Further the factor that contribute to overall satisfaction can be classified into two categories on the job factor over found to be important for the determination of job satisfaction. Working condition opportunity for advancement work loaded and stress level respect from co-worker relationship with supervisor financial and financial rewards are some major factor of job satisfaction. A job satisfaction is a widely researched and complex phenomenon it fallows concept. Job satisfaction can be defined as an individual's total feeling about their job and attitudes they have towards various aspects of their job as well as an attitude and perception that could consequently influences the degree of fit between the individual and the organization (Invancevich & Matteson, 2002). (Spector, 1997) a person with high job satisfaction appears to hold generally positive attitudes and one who is dissatisfied to hold negative attitudes towards their job.(Robbins, 1993) explains the researchers to understand these attitudes, they need to understand complex and interrelated facts of job satisfaction. A facets job satisfaction can be described an any part of a job that produces feelings of satisfaction or dissatisfaction (Spector, 1997).

Research has indicated that job satisfaction does not come about in isolation, as it is dependent an organizational variable such as structure, size, play, working conditions and leadership which represent the organizational climate (Sempane, Rieger &Roodt,2002).

However, if job satisfaction is absent and other work opportunities present themselves turnover could well increase (Martins & Coetzee, 2007). Job satisfactions can be viewed as a reaction to a job arising from what an individual seeks in a job in comparison with the actual outcomes that the job provides to the individual (Rothmann & Coetzee, 2002).

## 1.2 Problem statement

It becomes clear that successful marketing can only be implemented if the firm is involved not only in external but also in internal marketing. The internal marketing concept holds that the organization's personnel are the first market of a company. The key motive behind the launch of internal marketing within banks is the need to achieve attitudinal change among staff towards service-mindedness and customer focus that will enable the organization to compete more successfully in the external market place (Papasolomous & Kitchen,2004).

Globalization made a whole world like a small market. There is tough competition in the competitive world. So, organization should motivate their employee to come out with new ideas and knowledge which helps to achieve the organization goal and mission. Internal marketing has great importance in a company and can be the outlook as win-win situation between employees and companies (Lin & Zhang,2011). Banks largely depend on competitive marketing strategy that determines their success and growth. They have control over a large part of the supply of money in circulation and for that matter they are often considered as the mainstay of economic progress of a country. The economic development highly depends upon the extent of mobilization of resources and investment and on the operational efficiency of various segment of the economy. It seems that implemented internal marketing in such a service organization improves the performance (Abzari, Ranjbarian, Fathi & Ghorbani,2009).

Greene, Walls and Schrest (1994) hypothesized that internal marketing refers to the application of marketing philosophy and methods to employees who serve customers in order to utilize and conserve employees and guarantee that they will strive to finish tasks and duties. Therefore, the concept of internal marketing notices employees as internal customers and their work as internal "products", and, consequently, dedicates efforts to the design of products that better satisfy employee needs and wants (Longbottom, Osseo-Asare Jr, Chourides & Murphy,2006).

Service organizations need to attract and retain customers to ensure a sustainable competitive advantage as the employees play a central role in attracting, building and maintaining relationships with customers. An empirical study conducted on the impact of internal marketing factors on job motivation and job satisfaction in the retail stores revealed that the working conditions and hours, hygiene & sanitation, rest

rooms, support from superior, and attitude of colleagues have highest influence on job satisfaction and motivation. Job satisfaction is of vital importance for the growth of any organization. The satisfied employees are the biggest asset to an organization whereas dissatisfied employees are the biggest liability (Sree & Satyavathi, 2017). The aspects of job satisfaction like pay, colleagues, supervisors, working conditions, job security, promotion aspects and the nature of work to be the most researched and stated that all these aspects are positively intercorrelated with job satisfaction (Sang, Dainty & Ison, 2009). Responsibility, opportunity to develop, staff relations and patient care were significantly influencing factors for job satisfaction (Chaulagain & Khadka, 2012).

Zeithamal and Bitner (2000) pointed that in the service triangle. The objective of external marketing is to launch commitment, interactive marketing to fulfill commitment, and internal marketing to develop the capability to fulfill commitment. In other words, the three types of marketing in the service triangle are critical to successful service and higher corporate profits. Internal marketing is a communication process, and the purpose is to create the customer-oriented organizational culture (Bernstein, 2005).

However, despite the critical role of internal marketing as a link between the organization's external marketing objectives and its internal capabilities, very few organizations use IM (Internal Marketing) in practice (Gounaris, 2006). This can be attributed to the fact that most of the work on IM is normative and the proportion of the empirical studies still limited (Vary, 1995). Even most of these empirical studies focused on examining the relationship between internal marketing and employees' satisfaction and commitment, with a little focus on examining the effect of internal marketing practices on enhancing the external marketing outcomes. There is also little clear empirical evidence of a positive relationship between IM practices and organizational performance (Ahmed et al., 2002).

Customers are taken as the king or god of the organization and their satisfaction is the mainstay for the banking institutions, at the same time employees are also the backbone of the bank. Every employee is the assets for the organization. Losing one employee is big loss for the entire organization. So, organization should always try to motivate their employee in right track (Sree & Satyavathi, 2017).

In the context of Nepal, Chaulagain and Khadka (2012) examined the factors influencing job among healthcare professionals at Tilganga eye center. The results showed that of healthcare professionals were satisfied with their current jobs in overall job at Tilganga Eye Centre. No association was found in between socio-demographics and job satisfaction. Variables such as responsibility, opportunity to develop, relations and patient care were significantly influencing factors for job satisfaction.

Chapagai (2011) examined the relationship between employee participation and job in Nepalese commercial banks for which four Nepalese commercial banks. The indicated that there is strong positive relationship between employee participation and job satisfaction in Nepalese banking sector. The statistically significant result the significant explaining capability of employee participation to employee job satisfaction. The result revealed that employee participation is an important determinant of satisfaction. Increased employee participation makes a positive effect on job satisfaction banking employees. The result also indicated that there is no statistically significant influence of demographic variables on job satisfaction level in the commercial banks of Nepal. Chapagai (2011) showed negative significant coefficient of gender the regression model indicates that the female perceived low-level job satisfaction and that the employee participation is the one of the explaining variables of the employee satisfaction in Nepalese banks. The study focuses on getting the answers to the under listed questions:

1. What is the relationship between determinants of internal environment and employee's job satisfaction in Nepalese commercial banks?
2. What factors need to be improved to ensure an improvement in the levels of employees' job satisfaction of bank?

### **1.3 Objectives of the study**

The objective of this study is to identify the relationship between employee's job satisfaction and internal marketing in the Nepalese banking industry. The study has the following objectives:

1. To examine the relationship between motivation with employee's job satisfaction in commercial banks of Nepal.

2. To identify the relationship of training & development with employee's job satisfaction in commercial banks of Nepal.
3. To examine the relationship between organizational support with employee's job satisfaction in commercial banks of Nepal.
4. To analyze the relationship of selection & appointment with employee's job satisfaction in commercial banks of Nepal.
5. To identify the relationship of retention policy with employee's job satisfaction in commercial banks of Nepal.
6. To identify the relationship of communication with employee's job satisfaction in commercial banks of Nepal.
7. To analyze the relationship of supervisory support with employee's job satisfaction in commercial banks of Nepal.

#### **1.4 Hypotheses of the study**

In accordance with the provided theoretical and conceptual framework of this study, employees' job satisfaction is the function of motivation, organization, support, training & development, selection & appointment, retention policy, supervisory support and communication. Based on this, the study develops the following hypotheses:

H1: There exists positive relationship between motivation and employee's job satisfaction.

H2: There exists positive relationship between training & development and employee's job satisfaction.

H3: There exists positive relationship between organization support and employee's job satisfaction.

H4: There exists positive relationship between selection and appointment and employee's job satisfaction.

H5: There exists positive relationship between retention policy and employee's job satisfaction.

H6: There exists positive relationship between communication and employee's job satisfaction.

H7: There exists positive relationship between supervisory support and employee's job satisfaction.

### **1.5 Rationale of the Study**

Banking sector is the key service industry for the development of a country. Nowadays, banking industry has to recognize the change and challenges that face them. Global deregulation, increasing the demand level, and intensely competitive environment are the issues that bank must consider in maintaining their competitive advantage (Mishkin, 2011). There is a cut throat competition in the market and customer has many options to choose because all of the banks provide similar types of products. In such situation, service delivery plays a determining role for the customers to select a bank (Kameswari & Rajyalakshmi, 2012).

Customer wants to continue with those banks that can provide the better service facility than banks. Service provided by the internal staff counts a lot to attract customers. As we know that employee satisfaction leads to customer satisfaction. Therefore, to have customer, it is necessary to have satisfied employees (Sree & Satyavathi, 2017) activities are much repetitive and monotonous. Thus, an employee may find it to perform banking activities regularly in an efficient manner (Mishkin, 2011). Thus, it much necessary for a human resource manager to identify what motivates employees what increases their enthusiasm to provide a quality service to the customers.

Internal marketing refers to all the actions that an organization has to perform in order to train and motivate its employees, so to enhance the quality of the services provided customers. It helps to enhance the productivity of the employees and to improve customer's satisfaction, which leads to increases earnings of the organization (Ha, Bakar & Jaafar, 2007). Implementing an internal marketing plan helps in educating, stimulating, guiding and workforce to higher levels of performance and gratification. Banks can enhance their satisfaction through internal marketing (Sang, Dainty & Ison, 2009). According to Nsour (2013), internal marketing is a promoter of employees' organizational commitment, and also make employees glad to offer improved service quality to their customers. The employee as an internal customer' is a very promising concept in every business as it totally helps in employees' satisfaction, increases job motivation and urges to provide better customer service with minimal or even not a

single customer This study contributes in understanding what internal marketing actually is and gives light on its importance to increase employees' efficiency and effectiveness in encounters.

First of all, this study concern with the issues relating to importance of internal marketing in as well as employee's knowledge to it and secondly, it deals with employee' satisfaction and various dimensions of it. Likewise, the study analyses the relationship employee satisfaction and internal marketing while determining overall performance the bank. Further, the study could be useful in understanding crucial aspects of internal and employee satisfaction in Nepal and can be used as a resource for future regarding internal marketing and employee satisfaction.

There is lack of literature on the internal marketing and employee satisfaction focusing on Nepal, the study is expected to be important as it analyses the demographic characteristics of employees and also measure the level of employee satisfaction by taking the dimensions of internal marketing such as motivation, training and development, selection and appointment, organization support, supervisory support, retention policy, and communication.

### **1.6 Limitations of the study**

The study aimed in understanding the internal marketing factors on employee job satisfaction in Nepalese commercial banks. Data problem is more acute in conducting this kind of study in the context of Nepal. Despite of the sincere efforts made for arriving at meaningful conclusions from the study, there always exist some limitations. The major limitations of the study were as follows:

a. The study was predominantly based on primary source of data regarding the impact of internal marketing on employee job satisfaction. Therefore, the reliability of conclusions of the study depends upon the accuracy of the information provided by the respondents.

b. Besides, this study did not focus on a different industry. As HR practices in different industry, the selection of companies from diverse industries might have influenced the analysis and the conclusions. It did not include other financial institutes in the study like development bank, finance companies and micro finance.

c. The survey was conducted within the Kathmandu valley. So, the area for study was limited to specific organizations that are quite a small area to judge job satisfaction and performance level.

d. The study was based on the assumption of linear regression between the dependent and explanatory variable. The study excluded the nonlinear regression assumptions.

### **1.7 Chapter Plan**

This thesis report has been divided into five chapters and their brief discussion is projected below:

In the first chapter, the introduction and background of the study has been included along with the problem statement, objective of the study, hypothesis of the study, rationale of the study, limitation of the study and chapter plan of the study.

The second chapter presents the review of relevant literatures along with the findings of various scholars in their research.

The third chapter includes the research design along with the population and sample of the study and the analytical tools and techniques used in this study.

The fourth chapter presents the findings and discussions by analyzing the data collected. The practical use of tools and techniques prescribed in chapter three will be seen in this chapter.

Lastly, chapter five highlights the conclusion and recommendations of the study. The practical and theoretical contributions emanating from the study are discussed in this chapter.



## **CHAPTER II**

### **LITERATURE REVIEW**

This chapter provides conceptual framework of the study and deals with review of empirical studies associated with effect of internal marketing and employee job satisfaction of Nepalese commercial bank. This chapter is divided in three sections. The first section is review of related literature which provides description relevant to internal marketing. The second section is research gap that deals with the different research question based on reviewed literature. Finally, the third section highlights the conceptual framework of this study brief explanation on the internal marketing and its determinants.

#### **2.1 Theoretical review**

Some of the theories reviewed under this study are : Maslow's Hierarchy of Needs Theory and Herzberg's Two-Factor Theory of Motivation.

##### **2.1.1 Hierarchy of Needs Theory**

The Hierarchy of Needs Theory was developed by Abraham Maslow in 1943. This theory is a classical depiction of human motivation. Maslow's hierarchy of needs theory is based on the assumption that there is a hierarchy of five needs within each individual which are

Physiological needs, Safety needs, Social needs, Esteem needs and Self-actualization need. According to Maslow, individuals are motivated by unsatisfied needs. As each of these needs is significantly satisfied, it drives and forces the next need to emerge. Maslow grouped the five needs into two categories - Higher-order needs and Lower-order needs. The physiological and the safety needs constituted the lower-order needs. These lower-order needs are mainly satisfied externally. The social, esteem, and self-actualization needs constituted the higher-order needs. These higher-order needs are generally satisfied internally, i.e., within an individual. Thus, we can conclude that during boom period, the employees lower-order needs are significantly met.

##### **2.1.2 Herzberg's Two-Factor Theory of Motivation**

The Two-Factor Theory of Motivation was developed by Frederick Herzberg in 1959. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. Herzberg stated that the

opposite of “Satisfaction” is “No satisfaction” and the opposite of “Dissatisfaction” is “No Dissatisfaction”. Herzberg classified these job factors into two categories which are Hygiene factors and Motivational factors. Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. Hygiene factors are also called as dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit.

## 2.2 Empirical review

The empirical study has been conducted to get more understanding on the factors affecting internal marketing environment and employee’s job satisfaction in Nepalese commercial banks. The review of various journal and articles showed that employee's job satisfaction is affected by various internal marketing factors such as motivation, training and development, organizational support, selection and appointment etc. Some of the major articles and journals reviewed under this study are presented below.

Table 1

### *Review of empirical studies*

Study	Major findings
Hwang and Chi (2005)	<ul style="list-style-type: none"> <li>• Revealed a positive and significant relationship between relationship marketing and bank performance indicators.</li> <li>• Found relationship quality and relation benefits to be positive and significant determinants of bank performance.</li> <li>• Revealed direct marketing and internal marketing were insignificant predictors of bank performance.</li> </ul>
Ha, Bakar and Jaafar	<ul style="list-style-type: none"> <li>• Showed strategic reward and senior leadership had a significant relationship with business performance.</li> </ul>

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| (2007)   | <ul style="list-style-type: none"> <li>• Found significant positive relationship between internal marketing practices and service quality.</li> </ul>   |
| Tsai and Tang (2008)   | <ul style="list-style-type: none"> <li>• Found Internal marketing (IM) mix to be a reliable measure and strongly related to business performance.</li> </ul>  |
| Panigyrakis and Theodoratos (2009)                             | <ul style="list-style-type: none"> <li>• Found organizational competencies mediate the relationship between the IM mix and business performance.</li> </ul>   |
| Ibrahim, Abed and Dmour (2010)                                 | <ul style="list-style-type: none"> <li>• Showed demographic factors such as age, years of experience, and level of education had an impact on the relationship between independent variables and job satisfaction, while the variable of sex did not have any impact on this relationship</li> <li>• Showed incentives was the most influential factor in job satisfaction.</li> </ul>  |
| Mishra (2010)  | <ul style="list-style-type: none"> <li>• Observed internal marketing proposed as a mechanism for ensuring the motivation of service employees.</li> <li>• Observed internal marketing was a tool that harnesses the employee power and creates an environment where every member acts as both a client and customer in order to create responsibility.</li> </ul>   |
| Satiti (2010)  | <ul style="list-style-type: none"> <li>• Found internal marketing simultaneously influenced employee's job satisfaction significantly.</li> <li>• Found the greatest factor that influenced employee's job satisfaction was motivation, followed by communication factor.</li> </ul>  |
| Chapagai (2011)  | <ul style="list-style-type: none"> <li>• Explained capability of employee participation on employee job satisfaction and revealed employee participation is an important determinant of job satisfaction.</li> </ul>  |
| Gad (2011)   | <ul style="list-style-type: none"> <li>• Found internal marketing (training and development, organizational support, incentives and motivation. and retention policy) had a positive effect on the job satisfaction.</li> </ul>   |
| Ahmad and Al-Borie (2012)                                      | <ul style="list-style-type: none"> <li>• Showed internal marketing (selection and appointment, training and development, organizational support, incentives and motivation, and retention policy) had a positive effect on job satisfaction, and organizational commitment.</li> </ul>  |
| Kameswari and Rajyalakshmi (2012)                              | <ul style="list-style-type: none"> <li>• Found internal marketing dimensions had positive and significant relationship with employee job satisfaction.</li> </ul>   |
| Maharjan (2012)  | <ul style="list-style-type: none"> <li>• Revealed positive association between work motivation and job satisfaction of teachers.</li> </ul>   |
| Ogunnaike, Oyeniya, and Adeniji (2012)                         | <ul style="list-style-type: none"> <li>• Showed internal marketing had resultant effects on three major areas or components such as understanding of organizational vision and values, quality delivery of external marketing as well as quality delivery of interactive marketing.</li> </ul>  |
| Poor and Akhlaq (2012)   | <ul style="list-style-type: none"> <li>• Found there was positive relationship between internal marketing and employee's behavior.</li> </ul>   |
| Sthapit (2012)   | <ul style="list-style-type: none"> <li>• Revealed the significant impact of strategic factors on training effectiveness, and strategic human resource development factors influence induction training evaluation.</li> <li>• Showed training and development had the highest impact on employees' job satisfaction followed by motivation, empowerment, and communication, respectively.</li> </ul>                                      |
| Al-Hawary Al-Qudah, Abhutayeh, Abutayeh, and Al-Zyadat. (2013) | <ul style="list-style-type: none"> <li>• Found internal marketing had positive impact on job satisfaction, organizational commitment and customer orientation.</li> </ul>   |
| Inda, Bakar and Rohaizat (2013)                                | <ul style="list-style-type: none"> <li>• Revealed job security, employee relation, adequate and fair compensation, safe and healthy working environment, opportunity to develop human capacity, growth and lastly autonomy respectively play most influencing factor of quality of work life.</li> </ul>  |
| Lama (2013)  | <ul style="list-style-type: none"> <li>• Showed there is no statistical relationship between internal marketing and both of recruiting appropriate employees and retaining the best employees.</li> </ul>   |
| Nsour (2013)   | <ul style="list-style-type: none"> <li>• Showed the positive relationships between internal marketing and internal service quality (employee's motivation, employee's capabilities development and effective support system)</li> <li>• Indicated internal marketing orientation was positively correlated with employee job satisfaction.</li> </ul>   |
| Salem (2013)   | <ul style="list-style-type: none"> <li>• Found internal marketing dimensions had the strongest influence on employee's job satisfaction mediating the employee engagement.</li> <li>• Found work content, supervisor support and coworker support were also the good motivator of the employee's job satisfaction towards their job.</li> <li>• Found the only factor that was lesser effective to the job satisfaction is the</li> </ul> |

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Shahzad and Naeem (2013).	<ul style="list-style-type: none"> <li>• training that the employee received.</li> <li>• Observed that quality of training and workplace support showed positively significant relationship with the employee effectiveness.</li> <li>• Found job satisfaction had mediator role in relation with internal marketing and customer-based behavior.</li> </ul>
Subedi (2013)	<ul style="list-style-type: none"> <li>• Found employees with a higher understanding of internal marketing had higher levels of job satisfaction and organizational commitment that they in their turn lead to higher levels of customer-based behavior.</li> </ul>
Tanhai, Skandri, Poor and Sabrkonande (2013)	<ul style="list-style-type: none"> <li>• Showed creating conditions for increasing employees' job satisfaction can play a major role in the effectiveness of internal marketing on customer-centric behavior of employees.</li> </ul>
Zargara, Sarmadsaidi and Esmailpour (2013)	
Naveed (2014)	<ul style="list-style-type: none"> <li>• Showed there was a significant positive relationship exists between employee training and development and the employee performance</li> </ul>
Shrestha and Mishra (2015)	<ul style="list-style-type: none"> <li>• Revealed the positive relationship between public service motivation and organizational commitment.</li> <li>• Showed employees' commitment had significant positive influence on their performance which in turn results in increased organizational performance.</li> </ul>
Mainardes, Rodrigues, and Teixeira. (2019)	<ul style="list-style-type: none"> <li>• Showed internal marketing tends to mediate the relationship between financial rewards and job satisfaction and the relationship between psychological rewards and job satisfaction.</li> <li>• Showed internal marketing did not moderate the relationship between job satisfaction and the intention to leave the bank.</li> </ul>
Milojicic (2020)	<ul style="list-style-type: none"> <li>• Showed positive relationship between motivation, career development, training and the existence of internal communication with job satisfaction.</li> </ul>
Nasrie, Binti Tajuddin and Guliling (2021)	<ul style="list-style-type: none"> <li>• Found positive relationship between internal marketing and job satisfaction.</li> </ul>

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Hwang and Chi (2005) undertook a study on the effect of relationship marketing process on bank performance. The study examined the management and performance of marketing relationships from the perspectives of direct marketing, internal marketing, banks' relationship quality and customer's relation benefits in Nigerian context. The study was based on descriptive research design. The data for the study were gathered, through questionnaire adapted from Ismail, from three out of six states in the southwestern geopolitical zone of Nigeria. The finding revealed a positive and significant relationship between relationship marketing and bank performance indicators. The relationship quality and relation benefits were found to be positive and significant determinants of bank performance. The study further revealed that direct marketing and internal marketing are insignificant predictors of bank performance.

Ha, Bakar and Jaafar (2007) undertook a study on internal marketing issues in service organizations in Malaysia and the aim of the study was to find out the issue of internal organizations in Klang valley area. For the data collection, questionnaire method was used. The finding of the study was that there was a relationship between internal marketing and business performance. It recommended that service organizations in Malaysia must create a specific and focused internal marketing plan to guide its internal strategy. However, when each internal marketing dimensions' relationship

with business performance was examined, only two dimensions (strategic reward and senior leadership) had a significant relationship with business performance. Strategic reward is an important concept because it is the rewards given to acknowledge efforts taken to help an organization achieve specific strategic goals. By having such system in place, it motivates employees to push themselves to accomplish the goals stated. An important element here is that employees are informed on how and why they were rewarded, thus giving them not only monetary or physical rewards but also a sense of accomplishment and help to improve their self-actualization level. The second dimension that has a significant relationship with business performance is senior leadership. Overall, this study proved that the concept of internal marketing can be applied to the organizations. Managers and policy-makers in the organizations must open their minds to new ideas such as internal marketing and apply this concept in a more focus and thorough manner. It should serve as a bridge to link the organization's external marketing strategies and its employees.

Tsai and Tang (2008) investigated a study on the role of internal marketing factors in explaining service quality. The study adopted a cross-sectional design on the nurses of a hospital to examine the relationship between internal marketing and service quality with structural equation modeling. The results showed that there is a significant positive relationship between internal marketing practices and service quality. The results demonstrated that training programs have a strong association with service quality but the relationship between performance incentives and service quality was not found. Therefore, to deliver excellence service to patients, service organizations must provide training programs and establish a clear vision about service excellence to their employees.

Panigyrakis and Theodoratos (2009) examined anew internal marketing (IM) implementation model as a framework for implementing marketing strategies. The study proposed the concept of IM mix or a set of controllable instruments inside the organization that can be used effectively to influence employees so that they are motivated and act in a customer-oriented fashion. In the model organizational competencies mediate the relationship between IM mix and business performance. Additionally, the model postulates that application of marketing-like philosophy and marketing like tools internally moderates the relationship between IM mix and organizational competencies. All the major hypotheses were supported by the

empirical research. In particular, the IM mix was shown to be a reliable measure and strongly related to business performance. The study supported the view that organizational competencies mediate the relationship between the IM mix and business performance.

The effects of internal marketing in the job satisfaction of sales personnel in the Jordan telecom group was examined by Ibrahim, Abed& Dmour(2010). The study examined the components of internal marketing such as the recruitment, development, and internal communications, incentives, and to know the impact of a number of demographic factors (gender, age, experience and education) in the relationship between internal marketing and job satisfaction. The study concluded the existence of an impact of internal marketing on job satisfaction variables, in particular incentives. It was also found that demographic factors such as age, years of experience, and level of education had an impact on the relationship between independent variables and job satisfaction, while the variable of sex did not have any impact on this relationship. Further the study found that incentives were the most influential factor in job satisfaction. The study recommended giving more attention to the moral and material incentives, and need of applying internal marketing from a marketing perspective. This should be a joint effort by the human resources and the marketing department. And greater care should be given to the internal communication policies of the group and to activate contact between sales employees and the marketing department. It was recommended studying the real causes of job insecurity among sales employees. Finally, the study emphasized the interest in demographic factors such as age, years of experience, and level of educations, which have an impact on the sales staff and their satisfaction with the work.

Mishra (2010) investigated a study on internal marketing in India. The objective of the study was to analyze HR challenges in service industry globally. The study found that internal marketing is proposed as a mechanism for ensuring the motivation of service employees. The implementation of an internal marketing program ensures that motivation is at the forefront of managements' priorities and is not solely the responsibility of human resources but must be adopted by all managers throughout the organization. It is believed organizational problems are internal, not external and therefore, implementation of an internal marketing program creates the opportunity to improve quality throughout the organization. The study concluded that internal

marketing is a tool that harnesses the employee power and creates an environment where every member acts as both a client and customer in order to create responsibility.

The relationship between internal marketing and employee's job satisfaction in context of Bali was studied by Satiti (2010). The study aimed to investigate the influence of the relationship between internal marketing and job satisfaction of employees with independent variables that consist of training, motivation, empowerment, and communication. This study had used probability sampling method to collect data. The result found that internal marketing simultaneously influenced employee's job satisfaction significantly. The greatest factor that influenced employee's job satisfaction was motivation, followed by communication factor. And other factors such as outside training, motivation, empowerment, and communication were also able to influence employees' job satisfaction.

Chapagai (2011) examined the relationship between employees' participation and job satisfaction in Nepalese commercial banks for which four Nepalese commercial banks. Primary data were adopted a questionnaire survey on 200 employees from the assistant to manager levels of the sample organizations and it received response from altogether 146 respondents. The result indicated that there is strong positive relationship between employee participation practices and job satisfaction in Nepalese banking sector. The result showed the significant explaining capability of employee participation on employee job satisfaction. The result revealed that employee participation is an important determinant of job satisfaction. Increased employee participation makes a positive effect on job satisfaction of Nepalese banking employees. The result also indicated that there is no statistically significant influence of demographic variables on job satisfaction level in the commercial banks of Nepal. Overall, the result revealed that negative significant coefficient of gender in the regression model indicates that the female perceived low level job satisfaction and stated that the employee participation is the one of the explaining variables of the employee job satisfaction in Nepalese banks.

Gad (2011) investigated the role of internal marketing in job satisfaction of employees in the National Bank of Egypt. In this study the independent variables were internal marketing factors which are represented by training and development, organizational

support, incentives and motivation, and retention policy. The dependent variable is represented by job satisfaction. The study showed that internal marketing (training and development, organizational support, incentives and motivation, and retention policy) had a positive effect on the National bank of Egypt employees' job satisfaction. The study had two main contributions to internal marketing in the context of banks. First, the findings from this study allow bank managers to re-examine their internal services strategy development, particularly in the context of increasing employee satisfaction and their retention. Secondly, the assessment of the dimensions of internal marketing allows bank management to improve their internal service quality which leads to improvement in employee job satisfaction and which in return influences customer satisfaction and increased customer loyalty. The recommendation made by this study was that Public-sector banks must concentrate on improving the internal quality of services to the employees to withstand the competition and emerge out successfully.

Ahmad and Al-Borie (2012) analyzed the impact of internal marketing on job satisfaction. The purpose of this study was to examine the impact of internal marketing on job satisfaction and organizational commitment of the teaching hospitals in kingdom of Saudi Arabia. The independent variables were internal marketing factors which were represented by selection and appointment, training and development, organizational support, incentives and motivation, and retention policy. The dependent variables were represented by and job satisfaction and organizational commitment. The study's findings showed that internal marketing (selection and appointment, training and development, organizational support, incentives and motivation, and retention policy) had a positive effect on Saudi teaching hospitals physicians' job satisfaction, and organizational commitment. This study will make a positive contribution in the direction of internal marketing factors and its impact on physicians' job satisfaction and organizational commitment in Saudi teaching hospitals in KSA.

The role of internal marketing in job satisfaction of employees in state bank of India was examined by Kameswari and Rajyalakshmi (2012). The study examined the relationship between satisfaction of employees with job, training and skill development activities, work environment, superior support, coworker support and recognition for the work done in State Bank of India in Visakhapatnam city. The data



used in this study were collected by self-selection sampling method, non-probability sampling technique from the employees. The major finding of the study was that internal marketing dimensions have positive and significant relationship with employee job satisfaction. The recommendation made by the study was that public-sector banks must concentrate on improving the internal quality of service to the employees to withstand the competition and emerge out successfully.

Maharjan (2012) examined the association between work motivation and job satisfaction of teachers with convenient sampling technique; only 112 responses are usable out of 150 questionnaires in the context of Nepal. The empirical result revealed positive association between work motivation and job satisfaction of teachers. The result also indicated that the administration must increase the scale of salary according to the market price of other commodities to motivate the teachers. Overall, the result revealed that teachers are motivated with their work and also, they are satisfied with their job.

Ogunnaike, Oyeniyi and Adeniji (2012) investigated internal marketing practices and its relationship with job satisfaction in a Nigerian university environment. Results indicated that internal marketing have resultant effects on three major areas or components such as understanding of organizational vision and values, quality delivery of external marketing as well as quality delivery of interactive marketing. These findings were discussed and situated within the Nigerian university environment. It was recommended that the university should place more emphasis on internal marketing practices thereby enhancing the quality delivery of both interactive and external marketing of the university. The university, was advised to promote intrinsic job satisfaction among its staff. The findings from this research present some policy and research challenges. On the policy side, it is recommended that sustained efforts be made by management of the university to ensure that internal marketing practices and culture become the integral part of the university policies. It is not just good enough to market the products, vision and core values to the employees, it is equally important to ensure that emphasis is placed on those internal marketing practices that will translate into better interactive and external marketing. For example, it was observed from the findings of the study that the university needed to be prompt in recognizing service errors and rectify the situation appropriately.

Poor and Akhlaq (2012) analyzed the effect of internal marketing on employees' behavior. The main objective of the study was to investigate the factors of internal marketing behaviors and internal customers (employees) private insurance companies in Guilan province as service organizations. The study investigated the concept of domestic marketing as the reason for confidence-building, job satisfaction and loyalty of employee. The data used in this study were collected by the method of questionnaire using 130 staff and finally selected 115 questionnaires. For the analysis purpose Lisrel software was used. The study found that there is positive relationship between internal marketing and employee's behavior. The recommendation made by the research was that employees should be treated as asset by the organization and the concept of internal marketing had to be used by the service organization to get competitive employees.

Sthapit (2012) examined the strategic human resource development factors affecting the evaluation of induction training effectiveness in Nepali banks. The study is based on the recent survey on 104 low and middle-level managers of Nepalese development banks. The empirical result revealed the significant impact of strategic factors on training effectiveness, and strategic human resource development factors influence induction training evaluation. The result also revealed that instrumental in providing important strategic inputs to human resource managers and human resource development-professionals in designing and delivering the induction that should effectively apprise and develop the employees, inter alia, about the organization, work culture and expectations.

Al-Hawary, Al-Qudah, Abhutayeh, Abutayeh and Al-Zyadat (2013) investigated the impact of internal marketing on employee's job satisfaction of commercial banks in Jordan. The purpose of the study was to investigate the effect of internal marketing practices represented by the empowerment, training, leadership and motivation, on job satisfaction of Jordanian commercial banks. Based on the statistical analysis and the values, the finding of the study was that training and development has the highest impact on employees' job satisfaction followed by motivation, empowerment, and communication, respectively. Thus, there was effect of the internal marketing practices on employees' job satisfaction. The study recommended that human power is the greatest resource in Jordan, decision makers and managers have to give motivation their full focus and attention in turning their employees into their most

reliable and permanent asset. And they have to focus on developing the different skills in the employees and encourage them to be creative and discover their abilities by assigning them in training courses that suit each employee skills or his/her interest.

Inda, Bakar and Rohaizat (2013) on job satisfaction, customer orientation and organizational commitment. The concept of internal marketing is how smart motivate internal customer to consistently deliver high quality service to external customer. The purpose of this research was that to investigate how internal customer service behavior affects their service on external customer by investigating the linkage between internal marketing on employee job satisfaction and organizational commitment. The logic of internal marketing is how to satisfy the employee need that can enhance their motive and could achieve the higher-level job satisfaction, commitment and customer oriented in their service behavior. The data collection instrument used was a questionnaire which was administrated to a total sample of 340 respondents. The study concluded that internal marketing has positive impact on job satisfaction, organizational commitment and customer orientation.

Lama (2013) conducted a study on quality of work life among the employees of commercial banks in Nepal. The sample size was obtained for 14 commercial banks where 3 public banks, were joint venture and 6 were owned bank of Nepal. The total numbers of respondents were 112. Descriptive analysis was used in the study. The empirical result revealed that joint venture and privately-owned bank have almost similar results than the public bank in terms of employees' perception towards the factors influencing the quality of work life. The result also revealed that job security, employee relation, adequate and fair compensation, safe and healthy working environment, opportunity to develop human capacity, growth and lastly autonomy respectively play most influencing factor of quality of work life.

Nsour (2013) examined the relationship between internal marketing & internal service quality in Saudi public hospitals. The objective of this study was to determine the relationship between internal marketing and internal service quality (employee's motivation, employees capabilities development, recruiting appropriate employees, retaining the best employees and effective support system) of public hospitals working in Riyadh. The study was based on a sample of 500 customers, and convenience sample was used after pilot study. The study results proved that there is

no statistical relationship between internal marketing and both of recruiting appropriate employees and retaining the best employees. On the contrary study results proved the positive relationships between internal marketing and internal service quality (employee's motivation, employee's capabilities development and effective support system) in Saudi public hospitals working in Riyadh.

Salem (2013) analyzed on investigation of the relationship between internal marketing orientation and employees job satisfaction in public sector. The result indicated that internal marketing orientation is positively correlated with employee job satisfaction. To accomplish such relation, three dimensions of internal marketing orientation which were internal marketing research, internal communication, and internal response have been used within this study. While, the two dimensions that measure employee job satisfaction were intrinsic satisfaction and extrinsic satisfaction. Data were gathered through a questionnaire survey of supporting staff at University Utara Malaysia. Correlation and regression analysis were used to examine the relationship between internal marketing orientation and employee job satisfaction. This research will assist future research to examine the relationship between the internal marketing orientation and employee job satisfaction in other organizations and sectors.

The role of internal marketing in employee engagement leading to job satisfaction of employees in private banks of Pakistan was analyzed by Shahzad and Naeem (2013). The Purpose of this study was to examine the relationship between internal marketing and job satisfaction with the mediating effect of employee engagement. The result found that internal marketing dimensions had the strongest influence on employee's job satisfaction mediating the employee engagement. It indicates that when employee gets recognition from the bank management and gets recognition work that will be the good motivator of the employee motivation and job satisfaction. Work content, supervisor support and coworker support are also the good motivator of the employee's job satisfaction towards their job. The only factor that is lesser effective to the job satisfaction is the training that the employee received. This study has two main contributions to the internal marketing in the aspect of banking. First, the study suggested the bank managers to re-examine the internal marketing strategy for the development of employees and as well as the employee retention to the bank. Secondly, the study tells the managers to improve the service quality of the internal

services which will improve the skills of the employee and then it will turn to customer satisfaction and increased customer loyalty.

Subedi (2013) examined the extent of transfer and identify factors influencing it in the context of civil and corporate sector organizations of Nepal. Data were collected from 299 cases (56 managers, TS supervisors and 165 employees). The empirical result revealed that operating more positively in the corporate than in the civil sector that possibly led to the higher extent of transfer of training. The result also identified as positively influencing transfer of training included job-related design of training courses, building confidence and willingness to change after training, training based on job or performance requirements and quality of training for the employees. The result also showed that quality of training and workplace support showed positively significant relationship with the employee effectiveness. Overall, the result also revealed that quality of training and workplace support, trainee characteristics such as personal ability, self-efficacy, motivation; commitment and willingness to seek opportunity to perform better are factors that seemed to be more powerful in influencing transfer of training.

Tanhai, Skandri, Poor and Sabrkonande (2013) carried out a study on investigation of commitment impact in job satisfaction on internal marketing. The study was executed to find the effect of internal marketing on customer-based behavior of employees at insurance industry. The study method was descriptive-survey and based on modeling structural equations. The findings of the study were that job satisfaction had mediator role in relation with internal marketing and customer-based behavior and employees with a higher understanding of internal marketing have higher levels of job satisfaction and organizational commitment that they in their turn lead to higher levels of customer-based behavior.

Zargara, Sarmadsaidi and Esmailpour (2013) examined the effect of internal marketing perception on job satisfaction and employee commitment. The data for the study was gathered from 285 persons through structured questionnaire. The result of the study showed that implementation of internal marketing plans in human resource management has an important impact on attraction, retention and job satisfaction of employee as internal customers of Mellat bank. In addition, the staff can provide high quality services to external customers of the company only if they are seen as internal

customers. In fact, with regard to the type of work being done by frontline staff, it would be better to increase job satisfaction of employees, who are interacting with external customers, through internal marketing. The result of this study showed that creating conditions for increasing employees' job satisfaction can play a major role in the effectiveness of internal marketing on customer-centric behavior of employees. These conditions include participation of employees in organization's important decisions, clarification of organization goals for them, and review of employees' payroll system.

Naveed (2014) examined the impact of employees training and development on employee's performance. The results showed that there is a significant positive relationship exists between employee training and development and the employee performance. The statistical population of this study is Banking Sector of northern Punjab which covers 100 employees of 11 banks and data was collected through a questionnaire. The study further found that training plays significant role in achieving organizational objectives by keeping in view the interest of employees and organization. To achieve the organizational goals employee performance is important that depends on a variety of factors. It further showed that training includes 'soft' skills such as software training, management training whereas development focuses upon the activities that enhances employee skills for future.

Shrestha and Mishra (2015) examined the instrumentality and generalizability of public service motivation instrument developed in Nepali context. The empirical result revealed the positive relationship between public service motivation and organizational commitment. Similarly, employees' commitment has significant positive influence on their performance which in turn results in increased organizational performance. Since employees who perceive less politics in their organizations and those with high level of public service motivation have been showed to be more committed to their organizations, the government organizations can have committed employees. The result also showed that positive relationship between self-sacrifice, commitment to public interest and attraction to policy making dimensions of public service motivation and employees' organizational commitment. Overall, the result that employee who have high levels of self-sacrifice and commitment to public interest and have greater attraction to policymaking are more likely to be committed in civil service.

Mainardes, Rodrigues and Teixeira(2019) examined the impact of internal marketing on job satisfaction. The purpose of this paper was to verify the relationship of job satisfaction in the banking sector with its antecedent constructs (financial rewards and psychological rewards) and the mediating role of internal marketing in this relationship and to verify the relationship between job satisfaction in the banking sector and its consequent constructs (work engagement and the intention to leave) and the moderating effect of internal marketing on this relationship. Data were collected through an online questionnaire, which involved 355 bank employees and partial least squares–structural equation modeling was used to verify the predicted relationships. The results showed that internal marketing tends to mediate the relationship between financial rewards and job satisfaction and the relationship between psychological rewards and job satisfaction. Internal marketing presents a moderating effect on the relationship between job satisfaction and work engagement, but internal marketing does not moderate the relationship between job satisfaction and the intention to leave the bank.

Milojicic (2020) conducted a study between internal marketing and human resource management to investigate the nature of the relationship between internal marketing and employee satisfaction in the Republic of Serbia. The aim of the study was to determine which of the key elements of internal marketing lead to employee satisfaction. The research was conducted by the method of focus group interview, with 6 respondents who agreed to participate in the research, employed in three banks operating in the Republic of Serbia. Based on the results obtained, the study confirmed the importance of internal marketing to the satisfaction of bank employees. Based on the overall analysis, it was concluded that the better the employees assessed motivation, career development, training and the existence of internal communication, the more they were satisfied with the content of work, earnings, and the possibility of career advancement.

Nasrie, Binti, Tajuddin and Guliling (2021) conducted a study on effects of Internal Marketing on Job Satisfaction Among Islamic Bank Employees in Sabah. This paper aimed to verify the relationship between internal marketing and job satisfaction in Islamic banks in Sabah. The paper adopted a quantitative, descriptive, and correlational study using a cross-sectional survey design of a cross-sectional research methodology. Data were collected through an online questionnaire involving 200

bank employees. Statistical Package for Social Scientist and Partial least squares–structural equation modeling was used to verify the predicted relationships. Research design for this study was a correlational study using a cross-sectional survey design seeking to test the relationship between independent variables (training, and leadership, career development), dependent variable (job satisfaction). The study proved positive relationship between internal marketing and job satisfaction. It further indicated that human resource management must concentrate on the employee engagement, if the employees are engaged then they will represent their organization positively. Hence, it will create positive internal marketing. The results of this study may help the bank leaders to improve employee job satisfaction, increase profitability and promote employee wellness.

### **2.3 Research Gap**

Research gap is the difference between previous work done and the present work. Earlier works conducted by the previous researchers are very useful and appreciated by the personnel in various related field. The suggestions and recommendation given by the previous researchers help to improve and increase the data for the related topic. In comparison to previous studies, this study has tried to give some new perception in this topic by providing some primary information through personal observations and perception.

The literature reviews of Internal marketing environment revealed that the Nepalese commercial banks are generally not aware about the link between internal marketing environment and its effects on employee job satisfaction and financial performance. The relationship between the internal marketing environment and Employee job satisfaction was almost untouched by the other researchers in Nepal. There are very few study conducted on finding the relationship between internal marketing (Motivation, Training and development, organization support, selection and appointment, retention policy, communication, supervisory support) and Employee job satisfaction. Thus, this study attempts to identify the impact of internal marketing environment and Employee job satisfaction in Nepalese commercial banks. On the basis of the literature review this study tries to link the various internal marketing environment and Employee job satisfaction.



Numerous quantitative studies have been carried out to establish, largely in samples of multiple industries about internal marketing and impact on employee job satisfaction. Such analysis, however, have produced conflicting results any attempt to given a generalized and coherent conclusion has proved inadequate. The analysis from the study has tried to see the impact of those seven independent variables (motivation, training & development, selection and appointment, organizational support, supervisory support, retention policy and communication) upon the employee satisfaction level in Nepalese commercial banks.

This study attempts to explore the impact of internal marketing on employee job satisfaction in the context of Nepalese commercial banks. Review of different literatures reveals the different studies conducted in different period relating to internal marketing and its influences on the employee job satisfaction in different way. In relation with the present study, many studies were conducted in the international arena but there is lacking of such study in the Nepalese context which is identified as a major research gap. Moreover, the research of Nepal covers only few domains in the internal marketing which make difficult in gathering the necessary information related to this study.

Many studies indicated that there are link between employee job performance and internal marketing factors. Based on the review of all literatures related with the study, certain research gaps were found. Training and motivation program in order to enhance the efficiency and performance that has revolutionized the banking industry worldwide has turned out to be nucleus issue of various studies all over the world. Khan and Sattar (2015) revealed that significant differences exists between employees of Public Sector and Private Sector Banks regarding various aspects of job satisfaction, pay and fringe benefits, supervision, training and development. McCloy and Wise (2002) showed that motivation is a tool to improve performance through learning. In contrary, employees who perceive the work's potential for satisfying their needs would highly involve in their jobs (Kanungo, 1979).

The study on internal marketing was found almost untouched by many studies in Nepal though it has been a subject of growing interest these days. The study related to internal marketing and employee job satisfaction has been conducted in developed and developing countries. Comprehensive studies are not conducted in developing

countries like Nepal. Thus, academic study is most urgent to know the situation of Nepal with comparison to developed country by taking the special reference of Nepalese commercial banks loyal employees. So, considering the research gaps particularly in Nepalese context, this study proposes a framework to determine the key factors from internal marketing and employee job satisfaction in Nepalese commercial banks. This study is just a start. This study stimulates more literatures in this direction by filling the gap in case of examining the employee job satisfaction from internal marketing.

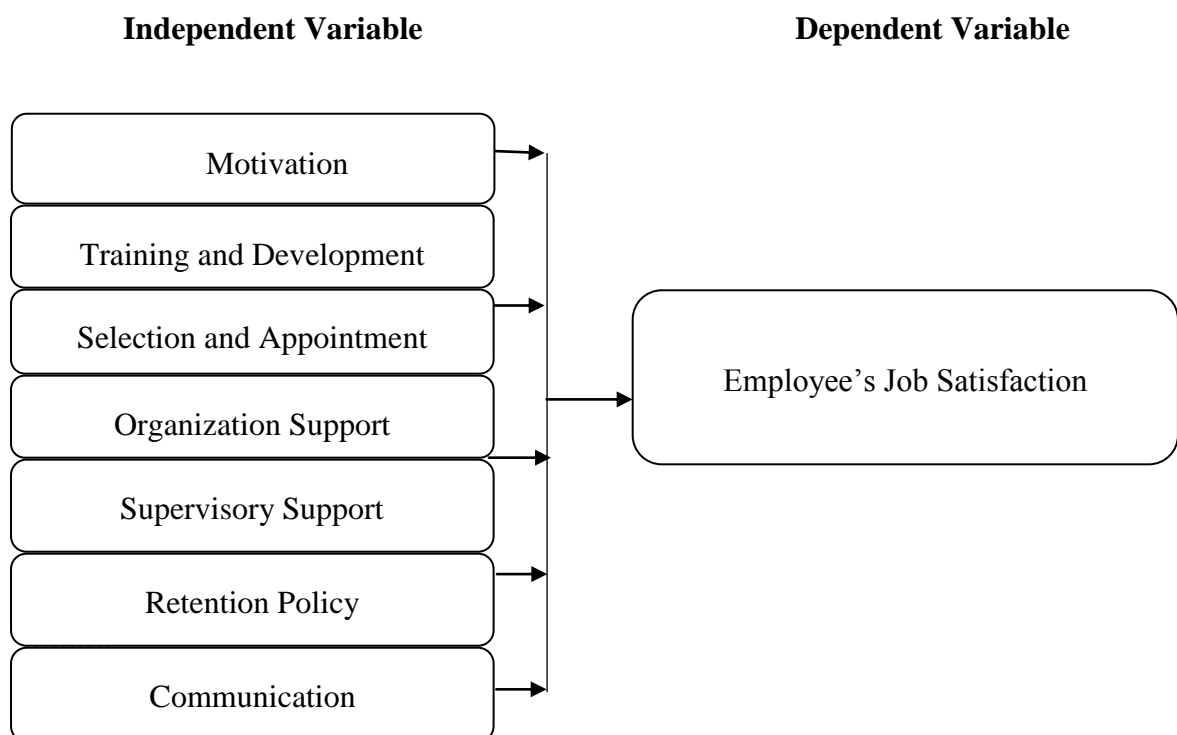
## CHAPTER III

### RESEARCH METHODOLOGY

Research methodology sets out overall plan associated with a study and it provides a basic framework on which the study is based. Before presenting the analysis and interpretation of data, it is necessary that research methodology be described first. In the absence of methodology, it is likely that the conclusion drawn may be misunderstood. This chapter therefore explains the methodology employed in this study. This chapter presents research design, describes the research methods, sampling techniques and the instruments employed in the data gathering.

#### 3.1 Research framework and definition of the variables.

Conceptual framework is an analytical tool which act like a map that give coherence to empirical inquiry as the research framework are potentially so close to empirical inquiry and take different forms depending upon the research question or problem.



*Figure 1: Research Framework of the Research*

Based on the various models developed for measuring the internal marketing and employee's satisfaction the conceptual framework of this study has been developed. The conceptual framework of this study is shown in figure 1.

In this analytical study employees' job satisfaction is the function of motivation, organization, support, training & development, selection & appointment, retention policy, Supervisory support and communication. The above figure shows the impact of each internal marketing dimension on employees' job satisfaction in selected Nepalese commercial banks. The framework shows relationship of employees' satisfaction with each internal marketing dimension for identifying which dimension has high impact on customer satisfaction in Nepalese commercial banks.

### **7.1.1 Internal marketing**

Internal marketing is a coordinated philosophy using a traditional marketing approach to motivate, train, and guide employees to implement change (Turkoz & Akyol, 2008). It is the philosophy of treating employees as customers and it is the strategy of shaping job-products to fit human needs (Berry & Parasuraman, 1991). Internal marketing means applying the philosophy and practices of marketing to the people who serve the external customer so that the best possible people can be employed and retained and they will do the best possible work. Therefore, the phrase internal marketing refers and concerns marketing to employees. More specifically, internal marketing is viewing employees as internal customers, viewing jobs as internal products, and (just as with external marketing) endeavoring to design these products to meet the needs of these customers better.

### **7.1.2 Employee's job satisfaction**

Employee satisfaction is the factor that gives an understanding about the thinking and the emotions of employees related to their workplace and job. Moreover, it refers to the function, in which employee between needs relating to job are satisfied. Gregory (2011) stated that employee satisfaction is essential to the success of any business. A high rate of employee satisfaction is directly related to a lower turnover rate. There are numerous reasons that can be used to explain about why employees can become discouraged with their jobs and resign, including high stress, lack of communication within the company, lack of recognition, or limited opportunity for growth.

### **7.1.3 Motivation**

Motivation is an internal process that makes a person move toward a goal. Motivation, like intelligence, can't be directly observed. Instead, motivation can only be inferred by noting a person's behavior. It is also the process of stimulating people to actions to accomplish the goals. Motivation refers to the reasons underlying behavior (Guay et al., 2010). Broussard and Garrison (2004) broadly define motivation as the attribute that moves us to do or not to do something. Motivation to employees is important to achieve the goal of the organization. If managers should motivate the employee, then they should come out with different new ideas and concept which alternatively helps to achieve the final target of the organization.

### **7.1.4 Training and development**

Training is the process of planned programs of employee's performance in terms of his and procedures undertaken for the improvement attitude, skills, knowledge and behavior. These training and development programs can significantly improve the overall performance of organization. It focuses on individual performance or team performance. Training is an organized method of learning and development which expand the efficiency of individual, group, and the organization (Goldstgein & Ford, 2012). Development program help the employees to learn and facilitating them to become a critical philosopher (Garger, 1999). Sears Roebuck & Co. remains careful on this idea as organization doesn't want that all employees think similar but the organizations need to give those employees conceptual skills to think in a different way (Gerbman, 2002).

### **7.1.5 Organization support**

Organizational support theory (Eisenberger, Huntington and Sowa, 1986) supposes that to determine the organization's readiness to reward increased work effort and to meet socio-emotional needs, employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well-being. The greater the care organization shows towards their employees lower is the absence behavior. It is also seen that better relationship and being satisfied with the supervisor helps in increasing employee career satisfaction and aids in lower job stress.

### **7.1.6 Selection and appointment**

Selection can be defined as process of choosing the right person for the right job from a pool of different candidates who applied for a certain job whereas appointment is the act of giving a particular job or position to someone or the act of appointing someone a job or duty that is given to a person. Recruitment is the process of finding suitable job applicants using advertisements, employment agencies and word of mouth. Likewise, Recruitment and selection is the process of finding and hiring the right person for a job in the right way (French & Rumbles, 2010). The study on impact of people management practices on business performance found that there is a positive relationship between profitability and selection and recruitment induction, training and appraisal systems (Patterson, West, Lawthom & Nickell, 1997). Similarly, French and Rumbles (2010) study on Human resource practices found that there is positive relationship between recruitment and selection and employee satisfaction.

### **7.1.7 Retention policy**

Retention policy is the condition of keeping something. The main objectives of a retention policy are to keep important information for future use or reference, to organize information so it can be searched and accessed at a later date and to dispose of information that is no longer needed. It is the ability of an organization to retain its best employees. Retention policy is the effort by a business to maintain a working environment which supports current staff in remaining with the company. Retention is considered as all-around module of an organization's human resource strategies. It begins with the hiring of right people and continues with practicing programs to keep them engaged and committed to the organization (Eisenberger, Stinglhamber, Vandenberghe, Sucharski & Rhoades, 2002).

### **7.1.8 Communication**

Communication is the act or process of using words, sounds, signs, or behaviors to express or exchange information or to express ideas, thoughts, feelings, etc. to someone else. It is also the ways of sending information to people by using technology. Communication can be defined as the process of transmitting information and common understanding from one person to another (Keyton, 2011).

### **7.1.9 Supervisory support**

Supervisory Support is defined as the degree of consideration expressed by the immediate supervisor or manager for his subordinates. Supervisory support can be in the form of peer cohesion, equal and fair treaty among employees, and feedback to their performance. The employees tend to seek supervisory advice, support and guidance in handling the daily duties (David, Martha & Neil, 2007) Furthermore, the supervisor is always the source of reference when an employee faces any difficulties or customer complaints. Nevertheless, rather than formal meeting, employees prefer an informal discussion with their superior to resolve any issue discretionally.

### **3.2 Research Design**

This study has employed descriptive and causal comparative research designs to deal with the fundamental issues associated with impact of internal marketing on employees' job satisfaction in commercial banks of Nepal. The descriptive research design has been adopted for fact-finding and searching adequate information about factors influencing internal marketing for employees' job satisfaction. This design has also been employed to assess the opinions, perception and characteristics of respondents such as manager, officer and assistant with respect to need assessment of job satisfaction.

Causal comparative research design helps to investigate the possible causes affecting employee job satisfaction by observing the existing consequences and searching for the possible factors leading to change in employee job satisfaction of selected samples. This research design is used to find out the cause and effect relationship between employee job satisfaction and internal marketing factors.

### **3.3 Population and sample, and sampling design**

Population refers to the entire group of people, events or things of interest that studies are conducted. The population of the study consists of selected banks that internal marketing program of Nepalese commercial banks. As Kathmandu is the economic capital of Nepal where most of the commercial banks has its presence here, Kathmandu valley has been taken for the study. In this study, all the 20 commercial banks were selected as the sample out of total population of 26 commercial banks. Likewise, for the selection of the sample respondent, convenience sampling has been

used. This study was based on primary data of commercial banks of Nepal which are listed in Nepal stock exchange limited (NEPSE). Table 2 shows the list of sample banks along with the total number of observations.

Table 2

*List of sample banks along with total number of observations  
(This table shows the total numbers of respondents of commercial banks)*

SN	Name of the Bank	Establishment Date	Distributed Sample
1	NB	15/11/1937	30
2	RBB	21/01/1966	22
3	ADB	21/01/1968	22
4	NBL	12/07/1984	20
5	NIBL	09/03/1986	16
6	SCB	28/02/1987	16
7	HBL	18/01/1993	16
8	NSBL	07/07/1993	14
9	EBL	06/06/1994	20
10	BOK	12/03/1995	20
11	NCCBL	14/10/1996	16
12	KBL	03/04/2001	16
13	LBL	03/04/2002	18
14	SDBL	03/04/2002	20
15	NMBBL	02/06/2008	20
16	PBL	07/05/2009	20
17	GIBL	02/01/2007	20
18	MBNL	23/07/2010	30
19	CBL	13/10/2011	24
20	SBL	15/02/2012	20
Total			400

### 3.4 Nature and sources of data collection, and the instrument of data collection

This study was based on primary data. For primary data collection a set of questionnaires was utilized as instrument consisting of multiple-choice question, yes/no questions and open-ended questions, distributed to the selected respondents. Mean, percentage frequency distribution method is used to explain the responses collected from primary data. After collecting the distributed questionnaires, the responses derived were coded in a way that all responses can be assessing easily. A



coded file was prepared and analysis through SPSS package and Microsoft excel in order to obtain meaningful results from the primary data.

### **3.5 Method of analysis**

A model is a simplified mathematical description that is constructed based on the knowledge and experience of the analyst combined with data from the past. Model selection requires both the mathematical form of the model and number of parameters in the model.

This section gives a description on how the empirical data was used for research purpose to study the factor affecting employee job satisfaction of Nepalese commercial banks. Under the study, questionnaire was formulated to know the employee's view on the internal marketing of the respective bank and its impact on employee job satisfaction of Nepalese commercial bank. The methods of data analysis consisted four sections. First included primary data analysis which included summary of descriptive statistics associated with general information of the respondents like gender, age, academic qualification and designation along with the percentage frequency distribution of the general information of the respondents. Cross tabulation on the basis of the strata of the respondents was performed in order to test for the significance of the response.

Second section analyzed the descriptive statistics such as mean and weighted average means a value of seven influencing factors of employee job satisfaction i.e. motivation, training and development, selection and appointment, organization support, supervisory support, retention policy, and communication. These were used to describe the characteristics of sample during the period. The descriptive statistics such as mean and weighted average mean values of dimension dependent variable i.e. EJS (Employee job satisfaction) were used to describe the characteristics of sample during the period. Third section deals with Kendal's Tau correlation coefficients which examine internal marketing and its impact on employee job satisfaction of Nepalese commercial bank.

Similarly, fourth section deals with the regression analysis of primary data. A multiple regression model was applied to estimate the relationship between dependent variable i.e. employee job satisfaction and independent variable (factors from ATM internal

marketing) i.e. motivation, training and development, selection and appointment, organization support, supervisory support, retention policy, and communication. The collected data were analyzed with the help of SPSS (Statistical Package of Social Science).

Total responses collected from the respondent were coded and tabulated into SPSS worksheet. The function of SPSS is to analyze the result of the questionnaire and then helps to intercept the findings. The various tools such as frequencies, descriptive statistics, and casual comparative and reliability analysis (Cronbach's alpha) have been applied to derive the result.

To understand the internal marketing and employees' job satisfaction of the selected Nepalese commercial banks following model is used:

Employee job satisfaction:  $f$  (internal marketing factors)

More specifically,

$$ES: \beta + \beta_1MOT_i + \beta_2TA_i + \beta_3SA_i + \beta_4OS_i + \beta_5SS_i + \beta_6RP_i + \beta_7CI_i + \varepsilon_i$$

Where,

ES: employee job satisfaction is dependent variable,

MOT: motivation,

TA = training & development,

SA = selection & appointment,

OS = organizational support,

SS = supervisory support,

RP = retention policy

C = communication are independent variables

$\varepsilon_i$  = error term.

### 3.5.1 Reliability and Validity

Validity refers to the truthfulness of findings. It determines whether the study truly measures what it was intended to measure or how truthful the study results are. It refers to the accuracy of a measure and a measurement is valid when it measures and perform the functions that it supports to perform. Reliability, on the other hand, refers to the credibility of the test, and it mainly tests measurements results and

measurement tools (stability and consistency). The extent to which results are consistent overtime and an accurate representation of the total population under study is referred to as reliability, and if the results of a study can be reproduced under a smaller methodology, then the research instrument is considered to be reliable.

The reliability and validity of the data are tested to find out the strength of each scale. Validity and reliability are two important characteristics of behavioral measure. Validity is the extent to which a test measures what it is supposed to measure. Reliability is the degree to which a test consistently measures whatever it measures (Gay, 1987). Cronbach's alpha is used to test reliability and validity of the primary data (Gliem, 2003). As a general rule, a coefficient greater than or equal to 0.7 is considered acceptable and is a good indication of construct reliability. The table represents the coefficient of Cronbach's alpha for all the primary data. Table 5 shows the validity and reliability of the study.

Table 3

*Coefficient of Cronbach's Alpha*

*(This table shows the coefficient of Cronbach's alpha of the study)*

Variables	No. of items	Cronbach's Alpha
Motivation	5	0.967
Training and development	4	0.955
Selection and appointment	3	0.943
Organizational support	5	0.982
Supervisory support	5	0.973
Retention policy	5	0.974
Communication	5	0.973
Job satisfaction	9	0.983

*Source: Response on survey Likert questionnaire, 2022*

For testing reliability and validity of Likert type question Cronbach's alpha was used. The value of Cronbach's alpha for the variables selected for the study i.e. motivation, training and development, selection and appointment, organizational support, supervisory support, retention policy, communication and job satisfaction were 0.967, 0.955, 0.943, 0.982, 0.973, 0.974, 0.973 and 0.983 respectively which is greater than 0.70. This reveals that it consists internal consistency and the data is reliable. Hence, further tests can be done from these data.

## CHAPTER IV

### RESULTS AND DISCUSSIONS

This chapter provides systematic presentation and analysis of primary data. Different statistical and regression model described in chapter three have been used for the study purpose. This section is divided into three sections. The first section deals with the presentation and analysis of the primary data and presents the results of questionnaire survey. The second section covers the analysis of regression model including correlation analysis. The third section of this chapter deals with concluding remarks associated on the basis of findings from primary data analysis.

#### 4.1 Analysis of data

This study was based on primary data analysis, which mainly deals with qualitative aspects in terms of internal marketing factors in Nepalese commercial banks. This section also reports the result of questionnaire survey conducted among different groups of customers. Questionnaire survey was designed to understand the views of the respondents in relation to their job satisfaction level with the internal marketing factors like motivation, training & development, selection & appointment, organizational support, supervisory support, retention policy and communication. A set of questionnaires including yes/no types, multiple choices and Likert scale questions were provided. The respondents profile along with their personal characteristics and result of the survey are presented in the following sections. The percentage, frequency, mean value, weighted average mean value was calculated to do the proper analysis of the data.

##### 4.1.1 Respondent Profile

Personnel characteristics of respondents have very significant role to play in expressing and giving the responses about the problem, keeping this in mind, in this study a set of personal characteristics namely, age, gender, academic qualification, designation etc. of the 388 respondents from the commercial banks inside Kathmandu valley were examined and presented. Out of the total questionnaires distributed to the employees of the commercial banks, only 388 of them responded, which consisted of 162 assistant level, 154 officers, 40 managers and 32 junior levels. The response from the assistants is high as compared to managers, officers and junior levels. Table 6

shows the demographics characteristics including gender, age, academic qualification, designation of respondents.

Table 4

*Demographic characteristics of respondent's*

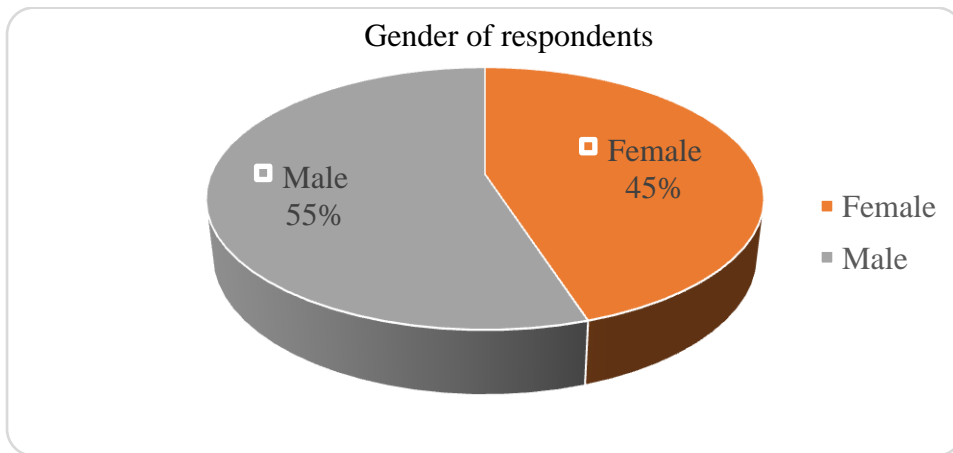
*(This table shows the number of respondents with the classification on gender, age, academic qualification and designation from different commercial banks used in questionnaire survey of the study. 'Number', represents the number of respondents of each category and 'percentage' refers to the respondent's number in particular category out of total)*

Respondents Character	No. of responses	Percentage
<b>Gender</b>		
Female	174	45
Male	214	55
Total	388	100
<b>Age Group (in year)</b>		
Below 20	8	2
21-30	202	52
31-40	144	37
41 and above	34	9
Total	388	100
<b>Academic Qualification</b>		
Intermediate level	12	3
Bachelor degree	194	50
Master's level	182	47
Total	388	100
<b>Designation</b>		
Manager level	40	10
Officer	154	40
Assistant	162	42
Junior level	32	8
Total	388	100

*Note - SPSS results based on researcher's survey, 2022*

## Gender

Gender is an important variable in expressing and giving the responses about the problem. Hence the variable gender was investigated for this study. Data related to gender of the respondents is presented in the Figure 2. The figure shows that majority of the respondents are 55 percent male followed by 45 percent female.

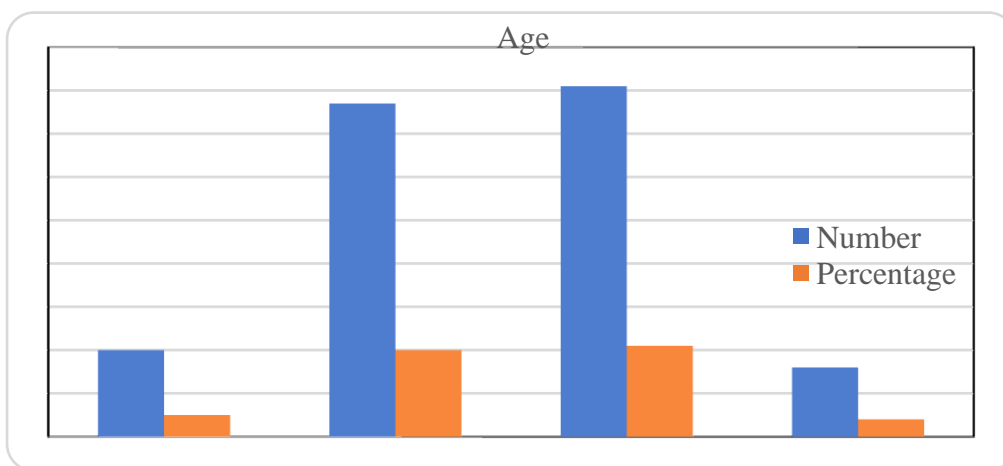


*Figure 2. Classifications of respondents by gender*

*Note - SPSS results based on researcher's survey, 2022*

### **Age**

Age of the respondents is one of the most important characteristics in understanding their views about the particular problems by age indicates level of maturity of individuals in that sense age becomes more important to examine the response. Data related to age of the respondents is presented in the figure 3.



*Figure 3. Classification of the respondents by age*

*Note - SPSS results based on researcher's survey, 2022*

Of the total respondents, majority of the respondents (52 percent) were in age group between 21 to 30 years and 37 percent were between 31-40 years. Likewise, 9 percent were in age group above 41 years followed by 2 percent of respondents who were below 20 years.

### Academic qualification

Education is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena. In a way, the response of an individual is likely to be determined by educational status and therefore it becomes imperative to know the educational background of the respondents. Hence the variable 'Academic qualification' was investigated and the data pertaining to education is presented in figure 4.

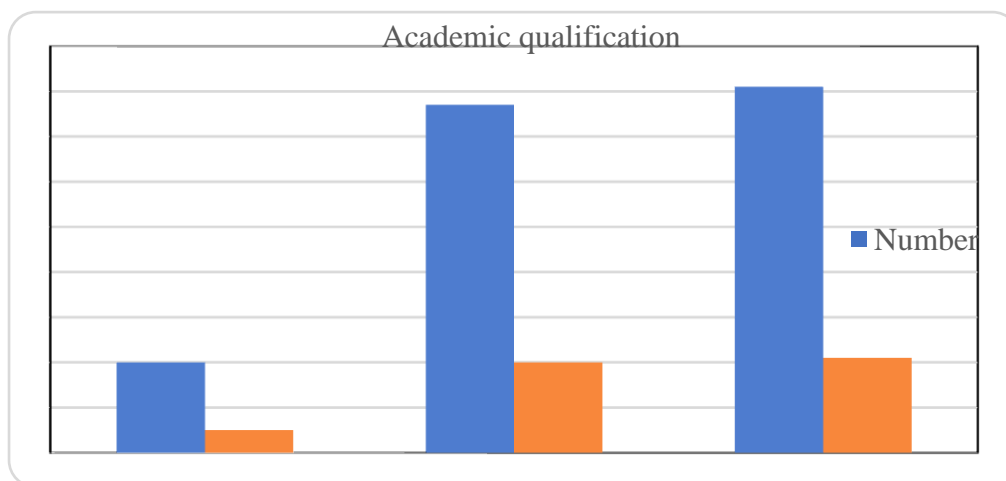


Figure 4. Academic qualification of respondents

Note - SPSS results based on researcher's survey, 2022

Majority of the respondents (50 percent) has completed their bachelor level whereas 47 percent of the respondents have completed their Masters level. Likewise, 3 percent of the respondents have completed their intermediate level.

### Designation

Designation is one of the most important characteristics in understanding the views about the particular problems. The designation of the respondents is categorized into four levels i.e. junior level, assistant level, officer level and manager level are shown in the figure 5.

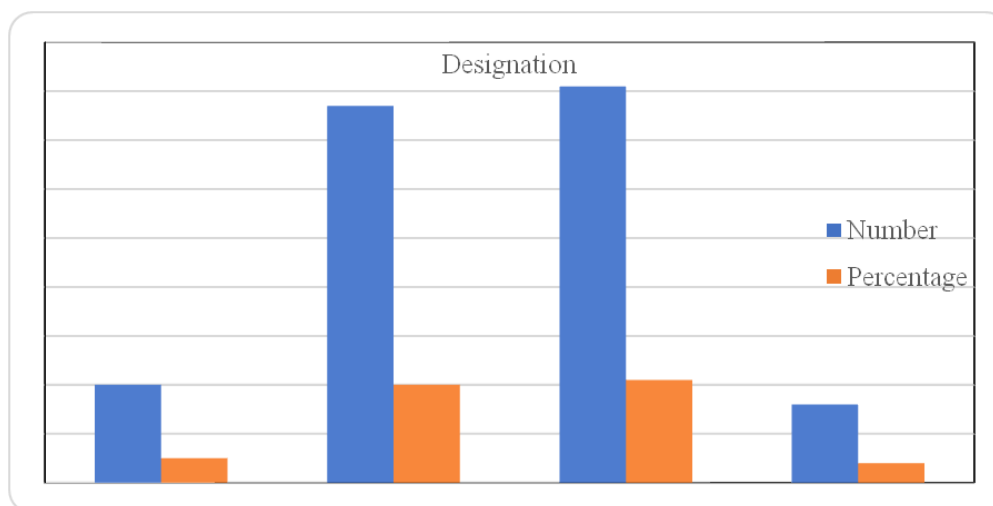


Figure 5. Designation of respondents

Note - SPSS results based on researcher's survey, 2022

Of the total respondents, majority of the respondents are assistant level (42 percent) followed by officer level (40 percent), manager level (10 percent) and junior level (8 percent).

#### 4.1.2 Cross Tabulation Analysis of the Respondents.

A cross tabulation (often abbreviated as cross tab) displays the joint distribution of two or more variables. The following table shows the cross-tabulation analysis of different responses. The responses regarding job satisfaction of employees is presented in table 5.

Table 5

*Are you satisfied with your present job?*

*(This table shows the number and percentage of managers, officers, management trainees and assistants expressing their views towards importance of corporate culture in Nepalese commercial banks. The reported figures are the percentage of respondents indicating particular response.)*

Response	Manager		Officer		Assistant		Junior level		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	40	10	128	33	118	31	20	5	306	79
No	0	0	18	4	38	10	8	2	64	16
No idea	0	0	8	3	6	1	4	1	18	5
Total	40	10	154	40	162	42	32	8	388	100

Note - SPSS results based on researcher's survey, 2022



Table 5 reveals the views of different levels of respondents towards satisfaction level of employee in the Nepalese commercial banks. The aggregate result shows that majority of respondents (79 percent) agreed that they were satisfied with their present job. Likewise, 16 percent were not satisfied with their present job whereas, 5 percent were neutral about this statement.

Out of 388 respondents 10 percent managers agreed that they were satisfied with their present job of Nepalese commercial banks followed by 33 percent officer, 31 percent of assistant and 5 percent of junior level. Likewise, none of the managers agreed that they were not satisfied with their present job of Nepalese commercial banks followed by 4 percent officer, 10 percent of assistant and 2 percent of junior level were not satisfied with their present job. Similarly, none of the managers agreed that they were neutral with their present job of Nepalese commercial banks followed by 3 percent officer, 1 percent of assistant and 1 percent of junior level were neutral about the statement.

The responses regarding banks treatment to employees is presented in table 6.

Table 6

*Does your bank treat you as the bank's internal customer?*

*(This table shows the number and percentage of managers, officers, assistants and junior levels expressing their views towards the bank treating as a bank's internal customer. The reported figures are the percentage of respondents indicating particular response.)*

Response	Manager		Officer		Assistant		Junior level		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	40	10	84	22	78	20	22	6	224	58
No	0	0	18	5	48	12	4	1	70	18
No idea	0	0	52	13	36	10	6	1	94	24
Total	40	10	154	40	162	42	32	8	388	100

*Note - SPSS results based on researcher's survey, 2022*

Table 6 reveals the views of different levels of respondents towards the treating employee as bank's internal customer in Nepalese commercial banks. The aggregate result shows that majority of respondents (58 percent) agreed that they were treated as the banks internal customer. Likewise, 18 percent felt that they were not treated as the banks internal customers whereas, 24 percent were neutral about this statement.

Out of 388 respondents 10 percent managers agreed that they were as the banks internal customer in Nepalese commercial banks followed by 22 percent officer, 20

percent of assistant and 6 percent of junior level were treated as the banks internal customers. Likewise, none of the managers felt that they were not treated as the banks internal customer's in Nepalese commercial banks followed by 5 percent officer, 12 percent of assistant and 1 percent of junior level. Similarly, none of the managers agreed that they were neutral with the statement followed by 13 percent officer, 10 percent of assistant and 1 percent of junior level were neutral about the statement.

The responses regarding the implementation of internal marketing tools of employees are presented in table 7

Table 7

*Have your organization implemented the strategy for internal marketing?*

*(This table shows the number and percentage of managers, officers, assistants and junior levels expressing their views towards the bank or organization implemented the strategy for internal marketing or not. The reported figures are the percentage of respondents indicating particular response)*

Response	Manager		Officer		Assistant		Junior level		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	32	8	92	24	104	27	10	3	238	62
No	0	0	12	3	12	3	4	1	28	7
No idea	8	2	50	13	46	12	18	4	122	31
Total	40	10	154	40	162	42	32	8	388	100

*Note - SPSS results based on researcher's survey, 2022*

Table 7 reveals the views of different levels of respondents towards implementing the strategy for internal marketing in the Nepalese commercial banks. The aggregate result shows that majority of respondents (62%) felt that their organization had implemented the strategy for internal marketing in Nepalese commercial banks. Likewise, 7 percent of the respondents felt that their organization had not implemented the internal marketing strategy whereas, 31 percent of the respondents were neutral about this statement.

Out of 388 respondents, 8 percent of managers agreed that organization has implemented the strategy for internal marketing in Nepalese commercial banks, followed by 24 percent officer, 27 percent of assistant and 3 percent of junior levels. Likewise, none of the managers felt that their organization had not implemented the internal marketing strategy, followed by 3 percent of officers, 3 percent of assistants and 1 percent of junior level staffs. Similarly, 2 percent of managers were neutral

about this statement followed by 13 percent of officers, 12 percent of assistants and 4 percent of junior level staffs.

The responses regarding the use of internal marketing tools in the banks of employees are presented in table 8

Table 8

*How often the tools of internal marketing used in your bank?*

*(This table shows the number and percentage of managers, officers, assistants and junior levels expressing their views towards the bank or organization wed the tool of internal marketing. The reported figures are the percentage of respondents indicating particular response.)*

Response	Manager		Officer		Assistant		Junior level		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	16	4	48	12	32	3	0	0	96	25
No	24	6	74	19	98	26	22	6	218	56
No Idea	0	0	32	8	32	13	10	3	74	19
Total	40	10	154	39	162	42	32	9	388	100

*Note - SPSS results based on researcher's survey, 2022*

Table 8 reveals the views of different levels of respondents towards the organization using the tools of internal marketing in Nepalese commercial bank. The aggregate result shows that majority of the respondents (55%) felt that their banks sometimes use the internal marketing tools. Likewise, 19 percent of the respondents felt that their organization often use the internal marketing tools in Nepalese commercial bank. Similarly, 11 percent of the respondents felt that their organization rarely use the internal marketing tools whereas, 13 percent of the respondents were not aware about the internal marketing tools in their organization.

Out of 388 respondents, 10 percent of managers agreed that their organization use the internal marketing tools followed by 37 percent of officers, 32 percent of assistants and 6 percent of junior level staffs. Likewise, neither of the managers agreed that their organization use the internal marketing tools followed by 0 percent of officers, 2 percent of assistants and 0 percent of junior level staffs. Similarly, none of the managers were neutral about this statement followed by 2 percent of officers, 8 percent of assistants and 3 percent of junior level staffs.

Table 9

*Ranking scores of the important factors that mostly represent the internal marketing tool of Nepalese commercial bank*

(This table presents the observed responses of the important factors that mostly represent the internal marketing tool of Nepalese commercial bank. The rank order 1 indicates the extremely important one and 5 indicates the least important one. Also reported are the weighted mean value of rank score and overall ranks.)

Factors	Ranks						Mean	Overall Rank
	1	2	3	4	5	6		
Motivation	164	36	40	14	60	74	2.26	I
Organization Support	98	144	62	14	48	22	2.99	II
Training & development	58	76	180	32	12	30	3.01	III
Supervisory support	20	70	70	174	28	26	4.34	V
Retention Policy	24	42	34	74	172	42	4.05	IV
Communication	24	20	2	80	68	194	4.35	VI

Note - SPSS results based on researcher's survey, 2022

Table 9 indicates the respondent responses on ranking scores of the important factors that mostly influence the internal marketing tool of Nepalese commercial bank. Mean rank score for the "Motivation" is 4.53 making it the most important factor influencing internal marketing tool of Nepalese commercial bank. The second most important factor is "organization support" with mean score of 5.99. "Training and Development" has been ranked third by the respondents with the mean score of 6.01. Mean score for "Retention Policy", "supervisory Support" and communication is regarded as the least important factors and are ranked as fourth, fifth and sixth respectively.

Table 10

*Ranking score of factors influencing internal marketing and its impact on employee satisfaction*

(This table presents the observed responses that internal and employee satisfaction is important for commercial bank. The rank order 1 indicates the extremely important one and 5 indicates the least important one. Also reported are the weighted mean value of rank score and overall ranks.)

Factors	Ranks					Mean	Overall Rank
	1	2	3	4	5		
Employee Loyalty	140	92	48	30	78	2.52	I
Employee Commitment	60	134	72	100	22	2.72	II
Reputation/ Image of bank	38	70	196	62	22	2.90	III
Bank's productivity	62	76	34	176	40	3.14	IV
Competition	88	16	38	20	226	3.72	V

Note - SPSS results based on researcher's survey, 2022

Table 10 indicates the respondent's responses on ranking scores of factors influencing the internal marketing and employee satisfaction. Mean rank score for the "Employee Loyalty" is 2.52 making it the most important factor influencing internal and employee satisfaction of Nepalese commercial bank. The second most important factor is Employee Commitment with mean score of 2.72 followed by "Reputation and Image of bank" which has been ranked as the third important factor with the mean score of 3.14. The "Bank's productivity" and "Competition" is regarded as the least important factors and are ranked as fourth, and fifth respectively.

#### 4.1.3 Major aspects of motivation practices on the Nepalese commercial banks

This section provides the information regarding motivation. Motivation plays very vital role in employee's work. The employees play a key role as they provide the services and are in direct contact with the customer. So, to ensure the success of the bank it is therefore vital that good motivation is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing is presented in table 11.

Table 11

##### *Major aspects of motivation practices on the Nepalese commercial banks*

*(This table shows the motivation practices perceived by employee in the Nepalese commercial bank. The number as frequency, percentage, and mean of respondent in five Likert scale 1 as strongly disagree (SD), 2 disagree (D), 3 neutral (N), 4 agree (A) and 5 strongly agree (SA) are shown.)*

Statement	Ratings										Total		Mean
	SD		D		N		A		SA		N	%	
	F	%	F	%	F	%	F	%	F	%			
The measurement system of performance and incentives in the bank encouraged to work well.	74	19.1	182	46.9	64	16.5	54	13.9	14	3.6	388	100	3.64
The bank is keen to measure and reward employee performance that contributes to achieving its vision.	172	44.3	30	7.7	46	11.9	74	19.1	66	17	388	100	3.43
The bank depends on the use of data and information collected from staff to improve their jobs.	42	10.8	46	11.9	104	26.8	120	30.9	76	19.6	388	100	2.63
The bank informs the staff about the importance of service roles that they do.	78	20.1	30	7.7	48	12.4	92	23.7	140	36.1	388	100	2.52

Bank staffs that provide excellent services get a good reward.	22	5.7	100	25.8	72	18.6	134	34.5	60	15.5	388	100	2.72
Weighted Average Mean													2.98

*Note - SPSS results based on researcher's survey, 2022*

The table 11 shows that the majority of the respondents (66 percent) do not believe that the measurement system of performance and incentives in the bank encouraged working well while 16.5 percent of the respondents neither agrees nor disagrees with this statement and 17.5 percent of the respondents do not felt that the measurement system of performance and incentives in the bank encouraged working well.

The majority of the respondents (36.10 percent) believe that the bank is keen to measure and reward employee performance that contributes to achieving its vision while 11.9 percent of the respondents neither agrees nor disagrees with this statement and 52 percent of the respondents that does not believe that the bank is keen to measure and reward employee performance that contributes to achieving its vision.

The majority of the respondents (50.50 percent) believe that the bank depends on the use of data and information collected from staff to improve their jobs while 26.8 percent of the respondents neither agrees nor disagrees with this statement and 22.70 percent of respondents do not believe that the bank depends on the use of data and information collected from staff to improve their jobs.

The majority of the respondents (59.8 percent) believe that that their bank informs the staff about the importance of service roles. While 2.4 percent of the respondents neither agrees nor disagrees with this statement and 27.8 percent of the respondents do not believe that their bank informs the staff about the importance of service roles that they do.

The majority of the respondents (50 percent) believe that bank staffs that provide excellent services get a good reward. While 18.5 percent of the respondents neither agrees nor disagrees with this statement and 31.8 percent of the respondents do not believe that staffs that provide excellent services get a good reward.

Weighted average mean for motivation is 2.98 which indicate that motivation in the context of Nepalese commercial bank has been executed properly. This also indicates

that the in Nepalese commercial banks employees are satisfied and the motivation system of banks is good.

#### 4.1.4 Major aspects of training and development practices on Nepalese commercial banks

This section provides the information regarding training and development practices. Training and development plays a very vital role in employee's work. The employees play a key role as they provide the services and are in direct contact with the customer. So, to ensure the success of the bank it is therefore vital that good training and development is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing factor as training and development practices is presented in table 12.

Table 12

*Major aspects of training and development practices on Nepalese commercial banks (This table shows the number and percentage of respondents who involved in Nepalese commercial banks at various job position. The figures reported are number, of respondents, percentage of respondent number, and mean. The statement based on training and development in five Likert scale 1 as strongly disagree (SD), 2 disagree (D), 3 neutral (N), 4 agree (A) and 5 strongly agree (SA) are shown.)*

Statement	Ratings										Total		Mean
	SD		D		N		A		SA		N	%	
	F	%	F	%	F	%	F	%	F	%			
The bank works on the development of its staff to achieve better performance.	22	6	62	16	196	50	70	18	38	10	388	100	2.89
The bank considers developing knowledge and skills of staff as an investment.	40	10	176	45	34	9	76	20	62	16	388	100	3.14
The process of developing the knowledge and skills of staff is an ongoing process in the bank.	226	58	20	5	38	10	16	4	88	23	388	100	3.72
In the bank, staff receives training to be able to perform the banking service correctly.	80	21	76	20	134	34	8	2	90	23	388	100	3.12
Weighted average mean												3.21	

*Note - SPSS results based on researcher's survey, 2022*

The table 12 shows the analysis of training and development in the context of Nepalese commercial banks. The majority of the respondents (55 percent) do not believe that the bank considers developing knowledge and skills of staff as an investment while 9 percent of the respondents neither agrees nor disagrees with this statement and 36 percent of the respondents believe that the bank considers developing knowledge and skills of staff as an investment.

The majority of the respondents (50 percent) are neutral on the statement that the bank works on the development of its staff to achieve better performance while 22 percent of the respondents do not believe that the bank works on the development of its staff to achieve better performance and 28 percent of respondents believe that the bank works on the development of its staff to achieve better performance.

The majority of the respondents (63 percent) do not believe that the process of developing the knowledge and skills of staff is an ongoing process in the bank. While 10 percent of the respondents neither agrees nor disagrees with this statement and 27 percent of the respondents believe that the process of developing the knowledge and skills of staff is an ongoing process in the bank.

The majority of the respondents (41 percent) do not believe that in the bank, staff receives training to be able to perform the banking service correctly while 34 percent of the respondents neither agrees nor disagrees with this statement and 25 percent of the respondents that believe that in the bank, staff receives training to be able to perform the banking service correctly.

Weighted average mean for training and development is 3.21 which are good in average. Thus, it can be concluding that Nepalese commercial banks provide virtuous training and development to its employee and employees are satisfied in overall basis. Therefore, training and development variable have significant effect on employee satisfaction with their job and banks.

#### **4.1.5 Major aspects of selection and appointment practices on Nepalese commercial banks**

This section provides the information regarding selection and appointment practices. Selection and appointment play a very vital role in employee's work. The employees play a key role as they provide the services and are in direct contact with the



customer. So, to ensure the success of the bank it is therefore vital that good selection and appointment is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing factor as selection and appointment practices is presented in table 13.

Table 13

*Major aspects of selection and appointment practices on Nepalese commercial banks (This table shows selection and appointment practices perceived by employee in the Nepalese commercial banks. The number as frequency, percentage, and mean, of respondent in five Likert scales 1 as strongly disagree (SD), 2 disagree(D), 3 neutral(N), 4 agree(A) and 5 strongly agree (SA) are shown.)*

Statement	Ratings										Total		Mean
	SD		D		N		A		SA		N	%	
	F	%	F	%	F	%	F	%	F	%			
The bank management is keen to place a staff in a job position that is appropriate with their specialization.	2	0.5	4	1	64	16	190	49	128	33	388	100	1.87
The bank management is keen to attract employees who possess the ability to deal with customers.	12	3	20	5	84	22	178	46	94	24	388	100	2.17
The bank is keen to follow specific procedures and objectives during the selection and appointment of staff.	8	2	12	3	146	38	148	38	74	19	388	100	2.31
Weighted Average Mean												2.11	

*Note - SPSS results based on researcher's survey, 2022*

The table 13 shows the analysis of selection and appointment in the context of Nepalese commercial banks. The majority of the respondents (82 percent) believe that the bank management is keen to place staff in a job position that is appropriate with their specialization while 16 percent of the respondents neither agrees nor disagrees with this statement and 1.5 percent of the respondents do not believe that the bank management is keen to place staff in a job position that is appropriate with their specialization.

The majority of the respondents (70 percent) believe that the bank management is keen to attract employees who possess the ability to deal with customers while 22 percent of the respondents neither agrees nor disagrees with this statement and 8

percent of the respondents that does not believe that the bank management is keen to attract employees who possess the ability to deal with customers.

The majority of the respondents (57 percent) believe that the bank is keen to follow specific procedures and objectives during the selection and appointment of staff. While 38 percent of the respondents neither agrees nor disagrees with this statement and 5 percent of the respondents that does not believe that the bank is keen to follow specific procedures and objectives during the selection and appointment of staff.

Weighted average mean for selection and appointment is 2.1 I which indicate that selection and appointment in the context of Nepalese commercial bank has been implemented properly. This also indicates that Nepalese commercial banks selection and appointment system of staff is fair.

#### 4.1.6 Major aspects of organizational support on Nepalese commercial banks

This section provides the information regarding organizational support. Organizational support plays very vital role in employee's work. The employees play a key role as they provide the services and are in direct contact with the customer. So, to ensure the success of the bank it is therefore vital that good organizational support is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing factor as organizational support practices is presented in table 14.

Table 14

##### *Major aspects of organizational support on Nepalese commercial banks*

*(This table shows the percentage frequency and mean of employees' perception regarding Organization Support on the Nepalese commercial banks. The statement based on organization support in five Likert scales 1 as strongly disagree (SD), 2 disagree(D), 3 neutral(N), 4 agree(A) and 5 strongly agree (SA) are shown.)*

Statement	Ratings										Total		Mean
	SD		D		N		A		SA				
	F	%	F	%	F	%	F	%	F	%	N	%	
The bank is keen to provide a suitable working environment.	2	0.5	10	2.5	78	20	178	46	120	31	388	100	1.95
Management is very much receptive toward employee's suggestion.	8	2	6	1	80	21	160	41	134	35	388	100	3.74
Employees can	0	0	6	2	52	13	190	49	140	36	388	100	1.8

participate in decision making.														
Bank provides favorable job condition.	2	0.5	8	2	90	23	188	48.5	100	26	388	100	2.03	
Employees can depend on the bank if there is any work-related problem.	0	0	10	2	76	20	194	50	108	28	388	100	1.96	
Weighted Average Mean													2.29	

*Note - SPSS results based on researcher's survey, 2022*

The table 14 shows the analysis of organization support in the context of Nepalese commercial banks. The majority of the respondents (85 percent) believe that employees can participate in decision making while 13 percent of the respondents neither agrees nor disagrees with this statement and 2 percent of the respondents do not believe that employees can participate in decision making.

The majority of the respondents (78 percent) believe that employees can depend on the bank if there is any work-related problem while 20 percent of the respondents neither agrees nor disagrees with this statement and 2 percent of respondents do not believe that employees can depend on the bank if there is any work-related problem.

The majority of the respondents (77 percent) believe that the bank is keen to provide a suitable working environment. While 20 percent of the respondents neither agrees nor disagrees with this statement and 3 percent of the respondents that does not believe that the bank is keen to provide a suitable working environment.

The majority of the respondents (76 percent) believe that management is very much receptive toward employee's suggestion while 21 percent of the respondents neither agrees nor disagrees with this statement and 3 percent of the respondents that does not believe that management are very much receptive toward employee's suggestion.

The majority of the respondents (74.5 percent) believe that bank provides favorable job condition while 23 percent of the respondents neither agrees nor disagrees with this statement and 2.5 percent of the respondents that does not believe that bank provide favorable job condition.

Weighted average mean for organization support is 2.29 which indicate that organization support in the context of Nepalese commercial bank has been performed properly. Thus, it can be concluded that employee perception toward organization

support is good. Employees are satisfied with the organization support system in their organization.

#### 4.1.7 Major aspects of supervisory support on Nepalese commercial banks

This section provides the information regarding supervisory support. Supervisory support plays very vital role in employees' work. The employees play a key role as they provide the services and are in direct contact with the customer. So, to ensure the success of the bank it is therefore vital that good supervisory support is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing factor as supervisory support practices is presented in table 15.

Table 15

*Major aspects of supervisory support on Nepalese commercial banks*

*(This table shows the percentage frequency, mean, median and standard deviation of employees' perception regarding supervisory support practices in the Nepalese commercial banks. The statement based on five Likert scale 1 as strongly disagree (SD), 2 disagree (D), 3 neutral(N), 4 agree(A) and 5 strongly agree (SA).)*

Statement	Ratings										Total		Mean
	SD		D		N		A		SA		N	%	
	F	%	F	%	F	%	F	%	F	%			
Equal and fair treatment among employees is adopted by supervisor.	6	1.5	22	5.7	70	18	176	45.4	114	29.4	388	100	2.05
Supervisor acts as the source of reference when subordinates face any difficulties or customer complaints.	8	2.1	30	7.7	98	25.3	160	41.2	92	23.7	388	100	2.23
Informal discussion between supervisor and subordinate is practiced in the bank.	2	0.5	12	3.1	118	30.4	156	40.2	100	25.8	388	100	2.12
Problems are solved on joint effort of supervisor and subordinate.	0	0	8	2.1	68	17.5	198	51	114	29.4	388	100	1.92
Supervisor provides feedback on the subordinate's work.	8	2.1	10	2.6	44	11.3	224	57.7	102	26.3	388	100	1.96
Weighted Average Mean												2.06	

*Note - SPSS results based on researcher's survey, 2022*

The table 15 shows the analysis of supervising support in the context of Nepalese commercial banks. The majority of the respondents (84 percent) believe that supervisor provides feedback on the subordinate's work while 11.3 percent of the respondents neither agrees nor disagrees with this statement and 4.7 percent of the respondents do not believe that supervisor provides feedback on the subordinate's work.

The majority of the respondents (80.4 percent) believe that problems are solved on joint effort of supervisor and subordinate while 17.5 percent of the respondents neither agrees nor disagrees with this statement and 2.1 percent of the respondents that does not believe that problems are solved on joint effort of supervisor and subordinate.

The majority of the respondents (74.8 percent) believe that equal and fair treatment among employees is adopted by supervisor while 18 percent of the respondents neither agrees nor disagrees with this statement and 7.2 percent of respondents do not believe that equal and fair treatment among employees is adopted by supervisor.

The majority of the respondents (66 percent) believe that informal discussion between supervisor and subordinate is practiced in the bank. While 30.4 percent of the respondents neither agrees nor disagrees with this statement and 3.6 percent of the respondents that does not believe that informal discussion between supervisor and subordinate is practiced in the bank.

The majority of the respondents (64.9 percent) believe that supervisor acts as the source of reference when subordinates face any difficulties or customer complaints while 25.3 percent of the respondents neither agrees nor disagrees with this statement and 9.8 percent of the respondents that does not believe that supervisor acts as the source of reference when subordinates face any difficulties or customer complaints.

Weighted average mean for supervisory support is 2.06 which indicate that supervisory support in the context of Nepalese commercial bank has been executed properly. This also indicate that the weighted average mean value is less than average value on this regard the employee perception toward supervisory support is good in overall basis.

#### 4.1.8 Major aspects of retention policy on Nepalese commercial banks

This section provides the information regarding retention policy. Retention policy plays very vital role in employees' work. The employees play a key role as they provide the services and are in direct contact with the customer. So, to ensure the success of the bank it is therefore vital that good retention policy is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing factor as retention policy is presented in table 16.

Table 16

*Major aspects of retention policy on Nepalese commercial banks*

*(This table shows the percentage frequency, number of respondents and mean of employees' perception regarding retention system on the organization. The statement based on five Likert scale 1 as strongly disagree (SD), 2 disagree(D), 3 neutral(N),4 agree(A) and 5 strongly agree (SA).)*

Statement	Ratings										Total	Mean	
	SD		D		N		A		SA				
	F	%	F	%	F	%	F	%	F	%	N	%	
My pay and benefits are better than that of another bank.	10	2.6	24	6.2	150	38.6	132	34	72	18.6	388	100	2.4
My growth opportunity is high in this bank.	14	3.6	30	7.7	172	44.4	132	34	40	10.3	388	100	2.6
Whenever I come to office I feel welcomed and valued.	2	0.5	20	5.1	136	35.1	170	43.8	60	15.5	388	100	2.31
I am dedicated to work for this bank.	10	2.6	16	4.1	80	20.6	184	47.4	98	25.3	388	100	2.11
I am not planning to leave this bank for at least 5 years	8	2.1	22	5.6	98	25.3	146	37.6	114	29.4	388	100	2.13
Weighted Average Mean												2.31	

*Note - SPSS results based on researcher's survey, 2022*

The table 16 Shows the analysis of retention policy in the context of Nepalese commercial banks. The majority of the respondents (72.70 percent) believe that they were dedicated to work for their bank while 20.6 percent of the respondents neither agrees nor disagrees with this statement and 6.7 percent of the respondents do not believe that they were dedicated to work for their bank.

The majority of the respondents (67 percent) believe that they were not planning to leave their bank for at least 5 years while 25.3 percent of the respondents neither

agrees nor disagrees with this statement and 7.7 percent of respondents believe that they were planning to leave their bank within 5 years.

The majority of the respondents (59.3 percent) believe that whenever they go to their office they feel they are welcomed and valued. While 35.1 percent of the respondents neither agrees nor disagrees with this statement and 5.6 percent of the respondents that do not believe that whenever they go to their office they feel they are welcomed and valued.

The majority of the respondents (52.6 percent) believe that their pay and benefits are better than that of other bank while 38.6 percent of the respondents neither agrees nor disagrees with this statement and 8.8 percent of the respondents that do not believe that their pay and benefits are better than that of another bank.

The majority of the respondents (44.3 percent) believe that their growth opportunity is high in their bank while 44.4 percent of the respondents neither agrees nor disagrees with this statement and 1.3 percent of the respondents that do not believe that their growth opportunity is high in their bank.

Weighted average mean for retention policy is 2.31 which indicate that retention policy in the context of Nepalese commercial bank has been is better. This also indicates that employee's perception toward retention policy of their organization is good and they are satisfied with it.

#### **4.1.9 Major aspects of communication on Nepalese commercial banks**

This section provides the information regarding communication. Communication plays very vital role in employees' work. The employees play a key role as they provide the services and are in direct contact with the customer. So, to ensure the success of the bank it is therefore vital that good communication system is to be generated in which employees feel involved and acknowledged. The respondent's opinion regarding the internal marketing factor as communication is presented in table 17.

Table 17

##### *Major aspects of communication on Nepalese commercial banks*

*(This table shows the percentage frequency, number of respondents and mean of employees' perception regarding communication system on the organization. The statement based on five Likert scale 1 as strongly disagree (SD), 2 disagree(D), 3 neutra(N),4 agree(A) and 5 strongly agree (SA).)*

Statement	Ratings										Total N	Total %	Mean
	SD		D		N		A		SA				
	F	%	F	%	F	%	F	%	F	%			
I am satisfied with the communication I have with my co-workers in the organization.	4	1	6	1.5	78	20.1	202	52.1	98	25.3	388	100	2.01
I am satisfied with the amount of information I receive concerning the department I belong to.	6	1.5	6	1.5	98	25.3	202	52.1	76	19.6	388	100	2.13
The communications I have with top management are open and free flowing.	6	1.5	22	5.7	106	27.3	178	45.9	76	19.6	388	100	2.24
My supervisor provides good feedback to my work.	2	0.5	16	4.2	68	17.5	208	53.6	94	24.2	388	100	2.03
Overall flow of information which I get from others is sufficient for me.	16	4.1	44	11.3	170	43.8	112	28.9	46	11.9	388	100	2.67
Weighted Average Mean													2.22

*Note - SPSS results based on researcher's survey, 2022*

The table 17 shows the analysis of communication in the context of Nepalese commercial banks. The majority of the respondents (77.8 percent) believe that their supervisor provides good feedback to their work while 17.5 percent of the respondents neither agrees nor disagrees with this statement and 4.7 percent of the respondents do not believe that their supervisor provides good feedback to their work.

The majority of the respondents (77.4 percent) believe that they are satisfied with the communication they have with their co-workers in the organization while 20.1 percent of the respondents neither agrees nor disagrees with this statement and 2.5 of respondents does not believe that they are satisfied with the communication they have with their co-workers in the organization.

The majority of the respondents (71.7 percent) believe that they are satisfied with the amount of information they receive concerning the department they belong to. While 25.3 percent of the respondents are neutral with this statement and 3 percent of the respondents do not believe that they are satisfied with the amount of information they receive concerning the department they belong to.



The majority of the respondents (65.5 percent) believe that the communications they have with top management are open and free flowing while 27.3 percent of the respondents neither agrees nor disagrees with this statement and 7.3 percent of the respondents do not believe that the communication they have with top management are open and free flowing.

The majority of the respondents (43.8 percent) about the statement while 43.8 percent of the respondents felt that the overall flow of information which they get from others are sufficient for them and 15.4 percent of the respondents that does not believe that overall flow of information which they get from others are sufficient for them.

Weighted average mean for communication is 2.22 which indicate that communication in the context of Nepalese commercial bank has been executed properly. Thus, it can be concluded that employees are satisfied with communication system among their coworkers.

#### 4.1.10 Major aspects of employee job satisfaction in Nepalese commercial banks

Major aspects of the employee job satisfaction level include respondents view on the questions to satisfaction level of employees in their respective commercial bank. Table 20 shows the perception of the employee on the employee job satisfaction of the Nepalese commercial banks. The statement is based on the employee job satisfaction and is measured in 5-point Likert scale 5 as 1 strongly disagree (SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA).

Table 18

#### *Aspects of employee's Job satisfaction on Nepalese commercial banks*

*(This table shows the percentage frequency, number of respondents and mean of employees' perception regarding employee satisfaction on the organization. The statement based on employee retention is in five Likert scale 1 as strongly disagree (SD), 2 as disagree (D), 3 neutral (N), 4 disagree (D) and 5 strongly agree (SA))*

Statement	Ratings										Total		Mean
	SD		D		N		A		SA				
	F	%	F	%	F	%	F	%	F	%	N	%	
I am satisfied with my current position in the bank.	18	4.6	46	11.9	118	30.4	154	39.7	52	13.4	388	100	2.55
I am satisfied with the current facilities provided by the bank.	8	2.1	32	8.2	90	23.2	192	49.5	66	17	388	100	2.29
I am satisfied with the	4	1	18	4.6	64	16.5	208	53.7	94	24.2	388	100	2.05

present working environment of the bank.													
I am satisfied with the opportunities for advancement in this bank.	24	6.2	40	10.3	114	29.4	130	33.5	80	20.6	388	100	2.48
I am satisfied with motivation technique of the bank.	0	0	4	1	38	9.8	208	53.6	138	35.6	388	100	3.05
I am satisfied with training and development program which is given in this bank.	0	0	8	2.1	62	16	218	56.2	100	25.7	388	100	1.94
I am satisfied with the communication which I have with my co-workers.	10	2.6	34	8.8	100	25.8	174	44.8	70	18	388	100	2.33
I am satisfied with the retention policy of the bank	4	1	20	5.2	38	9.8	232	59.8	94	24.2	388	100	1.99
Mechanism of my supervisor. I am satisfied with the feedback.	4	1	16	4.1	134	34.6	168	43.3	66	17	388	100	2.29
Weighted Average Mean													2.33

*Note - SPSS results based on researcher's survey, 2022*

The table 18 shows the analysis of aspects of employee satisfaction in the context of Nepalese commercial banks. The majority of the respondents (89.2 percent) believe that they are satisfied with motivation technique of the bank while 9.8 percent of the respondents neither agrees nor disagrees with this statement and 1 percent of the respondents do not believe that they are satisfied with the motivation technique of their bank.

The majority of the respondents (84 percent) believe that they are satisfied with the retention policy of the bank of accomplishment while 9.8 percent of the respondents neither agrees nor disagrees with this statement and 6.2 percent of respondents do not believe that they are satisfied with the retention policy of the bank.

The majority of the respondents (81.9 percent) believe that they are satisfied with training and development program given by their banks. While 16 percent of the respondents neither agrees nor disagrees with this statement and 2.1 percent of the respondents do not believe that they are satisfied with the training and development program given by their banks. The majority of the respondents (77.9 percent) believe

they are satisfied with the present working environment of the bank while 16.5 percent respondents neither agrees nor disagrees with this statement and 5.6 percent of the respondents do not believe that they are satisfied with the present working environment of their bank.

The majority of the respondents (66.5 percent) believe that they are satisfied with the current facilities provided by the bank while 23.2 percent of the respondents neither agrees nor disagrees with this statement and 10.3 percent of the respondents do not agree that they are satisfied with the current facilities provided by the bank.

The majority of the respondents (62.8 percent) believe that they are satisfied with the communication which they have with their co-workers while 25.8 percent of the respondents neither agrees nor disagrees with this statement and 11.4 percent of the respondents do not believe that they are satisfied with the communication which they have with their coworkers.

The majority of the respondents (60.3 percent) believe that they are satisfied with the feedback mechanism of my supervisor while 34.6 percent of the respondents neither agrees nor disagrees with this statement and 5.1 percent of the respondents do not believe that they are satisfied with the feedback mechanism of my supervisor.

The majority of the respondents (54.1 percent) believe that they are satisfied with the opportunities for advancement in their bank while 29.4 percent of the respondents neither agrees nor disagrees with this statement and 16.5 percent of the respondents do not believe that they are satisfied with the opportunities for advancement in their bank.

The majority of the respondents (53.1 percent) believe that they are satisfied with their current position in the bank while 30.4 percent of the respondents neither agrees nor disagrees with this statement and 16.5 percent of the respondents do not believe that they are satisfied with their current position in the bank.

Weighted average mean for aspects of employee job satisfaction is 2.33 which indicate that employee job satisfaction in the context of Nepalese commercial bank has been executed properly. Thus, it can be concluded that employees are satisfied with their job in Nepalese commercial banks.

#### 4.1.11 Correlation analysis

Correlation is a term that refers to the strength of a relationship between two variables. A strong or high correlation means that two or more variables have strong relationship with each other while a weak or low correlation means that the variables are hardly related.

Table 19

*Kendal's correlation matrix for the dependent and independent variables*

*(This table shows the correlation between dependent variable i.e. employee job satisfaction(EJS) and explanatory variables such as motivation (MOT), training and development (TD), selection and appointment (SA), organization support (OS), supervisory support (SS), retention policy (RP) and communication(C).)*

Variables	EJS	MOT	TD	SA	OS	SS	RP	C
EJS	1							
MOT	0.033	1						
TD	0.024	(0.443)**	1					
SA	0.369	0.018	(0.106)	1				
OS	(0.406)**	(0.005)	0.034	(0.503)**	1			
SS	(0.467)**	(0.032)	0.038	(0.468)**	(0.544)**	1		
RP	(0.490)**	(0.061)	0.022	(0.407)**	(0.462)**	(0.604)**	1	
C	(0.494)**	(0.057)	0.032	(0.322)**	(0.451)**	(0.530)**	(0.517)**	1

*Source - SPSS results based on researcher's survey, 2022*

*Note - \*\*sign indicates that correlation is significant at 0.01 level*

Table 19 shows the computation of Kendal's correlation coefficients. The results imply that all the variables have positive relationship with employees' job satisfactions.

Result shows that motivation is positively related to employee job satisfaction indicating that increased motivation increases the employee job satisfaction. Supervisory support and training and development programs are also found to be positively related to employee job satisfaction. This result indicates that better supervisory support and training and development program helps to enhance employee job satisfaction.

Organizational support is positively related with employee job satisfaction indicating higher organizational support to employee increases the employee job satisfaction. Further, correlation between selection & appointment and employee job satisfaction is found to be positive indicating that fair selection& appointment of the employees

increases the employee job satisfaction. Likewise, retention policy and communication are also positively related to employee job satisfaction. This indicates that better retention policy and communication system, higher would be the employee job satisfaction.

#### 4.1.12 Regression analysis

The regression of the independent variables namely motivation, training and development, selection and appointment, organization support, supervisory support, retention policy and communication on dependent variable, employee's job satisfaction is explained in table 20.

Table 20

*Regression of motivation, training and development, selection and appointment, organization support, supervisory support, retention policy and communication on employees' job satisfaction*

*(The results are based on 388 observations by using linear regression model. The model is  $ES: \beta + \beta_1MOT_i + \beta_2TA_i + \beta_3SA_i + \beta_4OS_i + \beta_5SS_i + \beta_6RP_i + \beta_7CI_i + \varepsilon_i$ . Where, EJS = employee job satisfaction, M = motivation, TD = training and development, SA = selection and appointment, OS = organization support, SS = supervisory support, RP = retention policy and C = communication. The reported results also include the values of F-statistics (F), Adjusted R<sup>2</sup>.*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	F	Sig.	Adjusted R <sup>2</sup>
	B	Std. Error	Beta					
1 (Constant)	0.272**	0.052		5.195	0.000			
MOT	0.131**	0.020	0.199	6.603	0.000			
TD	0.174**	0.014	0.115	5.090	0.000			
SA	0.179**	0.050	0.179	3.556	0.000	3231.765**	0.001	0.983
OS	0.216**	0.037	0.202	5.866	0.000			
SS	0.299**	0.047	0.300	6.389	0.000			
RP	0.246**	0.041	0.259	5.965	0.000			
C	0.382**	0.042	0.374	9.140	0.000			

*Notes:*

- (1) *Figures in parentheses are t-values.*
- (2) *\*\*denotes that the results are significant at 0.05 level of significance.*
- (3) *Employee job satisfaction as dependent variable.*

According to the table, the beta coefficient ( $\beta=0.246$ ,  $p<0.05$ ) for retention policy is positively significant with employee job satisfaction in the equation. It reveals that better the employee's retention policy, higher would be the employee job satisfaction level in Nepalese commercial bank. The finding is consistent with the finding of

Eisenberger et al. (2002). Likewise, the beta coefficient ( $\beta=0.131$ ,  $p<0.05$ ) for motivation is positive with employee job satisfaction in the equation. It reveals that increase in employee's motivation leads to increase the employee job satisfaction level in Nepalese commercial bank where beta coefficient is significant at 0.05 level of significance. The finding is consistent with the finding of Guay et al. (2010). The beta coefficient ( $\beta=0.174$ ,  $p<0.05$ ) for training & development is positive with employee job satisfaction. It reveals that increase in training to the employees leads to increase the employee job satisfaction level in Nepalese commercial bank. The finding is consistent with the findings of Garger (1999). Also, the beta coefficient ( $\beta=0.179$ ,  $p<0.05$ ) for selection & appointment is positive with ES. It reveals that fair the employee's selection and appointment procedures, higher would be the employee job satisfaction level in Nepalese commercial bank where beta coefficient is significant at 0.05 percent level of significance. The finding is consistent with the findings of Patterson et al.(1997).

Similarly, the beta coefficient ( $\beta=0.216$ ,  $p<0.05$ ) for organization support is positive with ES. It reveals that higher the organization support to employees, higher would be the employee job satisfaction level in Nepalese commercial bank where beta coefficient is significant at 0.05 percent level of significance. The finding is consistent with the study of Eisenberger et al. (1986). Also, the beta coefficient ( $\beta=0.299$ ,  $p<0.05$ ) for supervisory support is positive with employee job satisfaction in the equation. It reveals that higher the supervisory support to employees, higher would be the employee job satisfaction level in Nepalese commercial bank where beta coefficient is significant. The finding is consistent with the study of David et al. (2007). Likewise, the beta coefficient ( $\beta=0.382$ ,  $p<0.05$ ) for communication is positive with employee job satisfaction in the equation. It reveals that better the communication with employees, higher would be the employee job satisfaction level where beta coefficient is significant at 0.05 level of significance. The finding is consistent with the study of Keyton (2011).

On the basis of results shown in the table 20, variable of internal marketing (i.e. motivation, training and development, selection and appointment, organization support, Supervisory support, retention policy and communication) have significant and positive relation with employee job satisfaction, which supports  $H_1$  (motivation is positively related with employee job satisfaction),  $H_2$  (training and development is

positively related with employee job satisfaction), H<sub>3</sub> (selection and appointment is positively related with employee job satisfaction), H<sub>4</sub> (organization support is positively related with employee job satisfaction), H<sub>5</sub> (supervisory support is positively related with employee job satisfaction), H<sub>6</sub> (retention policy is positively related with employee job satisfaction), H<sub>7</sub> (communication is positively related with employee job satisfaction). From the table, it can be concluded that the relationship between internal marketing factors measured by motivation, training and development, selection and appointment, organization support, supervisory support, retention policy and communication have positive and significant relationship with employee job satisfaction.

## **4.2 Discussion**

This study has mainly focused on impact of internal marketing tools in the employee job satisfaction of the commercial banks of Nepal. This study has used internal marketing factors like motivation, training & development, selection & appointment, organizational support, supervisory support, retention policy and communication. The dependent variable is employee job satisfaction. The result documented in this study is based on the 20 selected commercial banks.

The result shows that there is positive relationship between motivation and employee job satisfaction which indicates banks having better motivation practices will have higher employee job satisfaction. This finding is consistent with Guay et al. (2010). Similarly, Result indicates that there is positive relationship between training & development and employee job satisfaction which shows that the better and improved training & development program, higher would be the employee job satisfaction. This finding is consistent with Garger (1999).

Similarly, positive relationship has been observed between selection & appointment and employee job satisfaction. Thus, result shows that fair selection & appointment system leads to an increase in the employee job satisfaction. This finding supports the finding of Patterson et al. (1997). Organizational support is also positively related with employee job satisfaction. Thus, better the organizational support system, higher would be the employee job satisfaction. Supervisory support is positively related with the employee job satisfaction which indicates that higher supervisory support practices will help to increase the employee job satisfaction. This finding is consistent

with the finding of David et al. (2007). The retention policy is positively related with employee job satisfaction. The result indicates that higher the retention policy higher would be the employee job satisfaction and the finding is similar to Eisenberger et al. (2002). The final variable communication is also positively related to employee job satisfaction which indicates that higher the communication among the co-workers, higher would be the employee job satisfaction. This finding is consistent to Keyton (2011).

After making the entire analysis of the data, variable of internal marketing (i.e. motivation, training and development, selection and appointment, organization support, Supervisory support, retention policy and communication) have significant and positive relation with employee job satisfaction, which supports H<sub>1</sub> (motivation is positively related with employee job satisfaction), H<sub>2</sub> (training and development is positively related with employee job satisfaction), H<sub>3</sub> (selection and appointment is positively related with employee job satisfaction), H<sub>4</sub> (organization support is positively related with employee job satisfaction), H<sub>5</sub> (supervisory support is positively related with employee job satisfaction), H<sub>6</sub> (retention policy is positively related with employee job satisfaction), H<sub>7</sub> (communication is positively related with employee job satisfaction). From the table, it can be concluded that the relationship between internal marketing factors measured by motivation, training and development, selection and appointment, organization support, supervisory support, retention policy and communication have positive and significant relationship with employee job satisfaction.



## **CHAPTER V**

### **SUMMARY AND CONCLUSION**

#### **5.1 Summary**

The purpose of this study is to identify the relationship between employee's job satisfaction and internal marketing in the Nepalese banking industry. The study is based on the primary data which were gathered from the respondents of 20 commercial banks in Nepal. The respondents' views were collected on motivation, training & development, selection & appointment, organizational support, supervisory support, retention policy and communication and employee job satisfaction level. The study has employed descriptive and causal comparative research design to deal with the fundamental issues associated with employee job satisfaction and internal marketing practices of the commercial banks in context of Nepal. The perception about employee's job satisfaction from internal marketing was gathered from the 388 respondents of the 20 commercial banks of Nepal.

Based on the analysis of data, the major findings of the study are summarized as follows:

1. Out of 388 respondents, 10 percent managers agreed that they were satisfied with their present job of Nepalese commercial banks followed by 33 percent officer, 31 percent of assistant and 5 percent of junior level. Likewise, none of the managers agreed that they were not satisfied with their present job of Nepalese commercial banks followed by 4 percent officer, 10 percent of assistant and 2 percent of junior level were not satisfied with their present job. Similarly, none of the managers agreed that they were neutral with their present job of Nepalese commercial banks followed by 3 percent officer, 1 percent of assistant and 1 percent of junior level were neutral about the statement.

2. Out of 388 respondents, 10 percent managers agreed that they were as the banks internal customer in Nepalese commercial banks followed by 22 percent officer, 20 percent of assistant and 6 percent of junior level were treated as the banks internal customers. Likewise, none of the managers felt that they were not treated as the banks internal customers in Nepalese commercial banks followed by 5 percent officer, 12

percent of assistant and 1 percent of junior level. Similarly, none of the managers agreed that they were neutral with the statement followed by 13 percent officer, 10 percent of assistant and 1 percent of junior level were neutral about the statement.

3. Out of 388 respondents, 8 percent of managers agreed that organization has implemented the strategy for internal marketing in Nepalese commercial banks, followed by 24 percent officer, 27 percent of assistant and 3 percent of junior levels. Likewise, none of the managers felt that their organization had not implemented the internal marketing strategy, followed by 3 percent of officers, 3 percent of assistants and 1 percent of junior level staffs. Similarly, 2 percent of managers were neutral about this statement followed by 13 percent of officers, 12 percent of assistants and 4 percent of junior level staffs.

4. Out of 388 respondents, 10 percent of managers agreed that their organization use the internal marketing tools followed by 37 percent of officers, 32 percent of assistants and 6 percent of junior level staffs. Likewise, neither of the managers agreed that their organization use the internal marketing tools followed by 0 percent of officers, 2 percent of assistants and 0 percent of junior level staffs. Similarly, none of the managers were neutral about this statement followed by 2 percent of officers, 8 percent of assistants and 3 percent of junior level staffs.

5. Majority of respondents (79%) agreed that they were satisfied with their present job. Likewise, 16 percent were not satisfied with their present job whereas, 5 percent were neutral about this statement.

6. Majority of respondents (58%) agreed that they were treated as the banks internal customer. Likewise, 18 percent felt that they were not treated as the banks internal customers whereas, 24 percent were neutral about this statement.

7. Majority of respondents (62%) felt that their organization had implemented the strategy for internal marketing in Nepalese commercial banks. Likewise, 7 percent of the respondents felt that their organization had not implemented the internal marketing strategy whereas, 31 percent of the respondents were neutral about this statement.

8. Majority of the respondents (55%) felt that their banks sometimes use the internal marketing tools. Likewise, 19 percent of the respondents felt that their organization often use the internal marketing tools in Nepalese commercial bank. Similarly, 11

percent of the respondents felt that their organization rarely use the internal marketing tools whereas, 13 percent of the respondents were not aware about the internal marketing tools in their organization.

9. Mean rank score for the "Motivation" is 2.26 making it the most important factor influencing internal marketing tool of Nepalese commercial bank. The second most important factor is "frequency of problem faced organization support" with mean score of 2.99. "Training and Development" has been ranked third by the respondents with the mean score of 3.01. Mean score for "Retention Policy", "supervisory Support" and communication is regarded as the least important factors and are ranked as fourth, fifth and sixth respectively.

10. Mean rank score for the "Employee Loyalty" is 2.52 making it the most important factor influencing employee satisfaction of Nepalese commercial bank. The second most important factor is "Employee Commitment" with mean score of 2.72 followed by "Reputation and Image of bank" which has been ranked as the third important factor with the mean score of 3.14. The "Bank's productivity" and "Competition" is regarded as the least important factors and are ranked as fourth, and fifth respectively.

11. Weighted average mean for motivation is 2.98 which indicate that motivation in the context of Nepalese commercial bank has been executed properly. This also indicates that the in Nepalese commercial banks employees are motivated and the motivation system of banks is good.

12. Weighted average mean for training and development is 3.21 which are good in average. Thus, it can be concluded that Nepalese commercial banks provide better training and development program to its employees and they are satisfied in overall basis.

13. Weighted average mean for salary and incentives is 2.11 which indicate that compensation system in the context of Nepalese commercial bank has been executed properly. This also indicates that the pay system in Nepalese commercial banks is good enough.

14. Weighted average mean for organizational support is 2.29 which indicate that organization support practice in the context of Nepalese commercial bank has been implemented appropriately. Thus, it can be concluded that employee perception

toward organization support is worthy. Employees are satisfied with the organization support.

15. Weighted average mean for supervisory support is 2.06 which indicate that supervisory support arrangement in the context of Nepalese commercial bank has been accomplished accurately. This also indicates that employees are satisfied with the supervisory support system of their organization.

16. Weighted average mean for selection and appointment is 2.31 which indicate that the selection & appointment policy in the context of Nepalese commercial bank fair enough. This also indicates that employee's perception toward selection and appointment system of organization is fair and good and they are satisfied with it.

17. The result reveals that motivation, training & development, organizational support, supervisory support, selection & appointment, retention policy and communication are found to have positive relation with employee job satisfaction.

18. The beta coefficients are positive for motivation, training and development with employee job satisfaction which shows that increase in motivation, training and development leads to increase in the employee job satisfaction.

19. The beta coefficients for organizational support, supervisory support, selection and appointment are positive with employees' job satisfaction. The beta coefficients are significant at 5 percent level of significance.

20. The beta coefficients for retention policy and communication are also positively significant at 5 percent with employees, job satisfaction.

21. Among all the independent variables, retention policy, communication, selection and appointment and supervisory support are the major determinants of employees, job satisfaction.

## **5.2 Conclusion**

The major conclusion of the study is that supervisory support, organizational support, retention policy and selection and appointment play a prominent role in determination of employee job satisfaction. Employee of the Nepalese commercial bank gives highest ranking to motivation followed by, organizational support, training and development, supervisory support, retention policy and communication for the most important internal marketing tools that represents employee job satisfaction.

Likewise, employees of the Nepalese commercial bank give highest ranking to employee loyalty followed by employee commitment, reputation and image of bank, bank's productivity and competitions the most important factors influencing the internal marketing and employee job satisfaction. The sound and rational motivational practices are essential for the success of any of the organization. It is concluded that motivation, organizational support, training and development, supervisory support, retention policy and communication are very effective in Nepalese commercial banks.

The study also concludes that the supervisory support, organizational support, retention policy and selection and appointment have positive and significant relationship with employee satisfaction in Nepalese commercial banks. The study also concludes that most of the respondents believe that the bank management is keen to place staff in a job position that is appropriate with their specialization. Likewise, the majority of the respondents believe that the measurement system of performance and incentives in the bank encouraged working well. Similarly, the majority of the respondents believe that the bank considers developing knowledge and skills of staff as an investment and as well as the majority of the respondents believes that employees can participate in decision making. Similarly, the majority of the respondents also believe that supervisor provides feedback on the subordinate's work.

### **5.3 Implication**

This study can be regarded as the preliminary steps in investigating the relation among internal marketing and employee satisfaction in context of Nepalese commercial banks. The study remains enough ground for future researchers which are listed below:

- 1.The future studies can be carried out by selecting other financial institutions like development banks and finance companies to grab wider view of internal marketing and employee satisfaction.
- 2.This study is based on the survey of commercial bank's branches inside the Kathmandu valley. Therefore, to incorporate wide geographical character of the respondents, further studies can be carried out by extending the survey outside the Kathmandu valley.

3. Future studies also can carry this type of study in financial sector such as insurance companies, mutual fund or also other non-financial institutions like manufacturing companies, educational institutes to find out the pattern of internal marketing and employee satisfaction.

4. This study has taken only primary data as sample. Academicians are suggested to take secondary data as a sample for more convenient result.

5. Future research may explore other constructs that relate to internal marketing tools.

6. This study has focused on factors from internal marketing and its effect on employee job satisfaction. However, the study has not focus on the association between employee satisfaction and organizational performance. Additional study will explore the relationship between these two constructs.

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3. Does training and development program conducted periodically?  
a) Yes [ ]                      b) No [ ]                      c) No idea [ ]
4. Do you think it is necessary to appraise performance of an employee?  
a) Yes [ ]                      b) No [ ]                      c) No idea [ ]
5. Appraising performance is a part of our organization?  
a) Yes [ ]                      b) No [ ]                      c) No idea [ ]
6. Does your bank treat you as the bank's internal customer?  
a) Yes [ ]                      b) No [ ]                      c) No idea [ ]
7. How often the tools of internal marketing used in your bank?  
a) Yes [ ]                      b) No [ ]                      c) No idea [ ]
8. Have your organization implemented the strategy for internal marketing?  
a) Yes [ ]                      b) No [ ]                      c) No idea [ ]

**Section 3:**

Please tick mark in one of the best option of the following questions.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

S.No.	Statement	Responses				
		1	2	3	4	5
<b>3</b>	<b>Motivation</b>					
3.1	The measurement system of performance and incentives in the bank encouraged to work well.					
3.2	The bank is keen to measure and reward employee performance that contributes to achieving its vision.					
3.3	The bank depends on the use of data and information collected from staff to improve their jobs					
3.4	The bank informs the staff about the importance of service roles that they do.					
3.5	Bank staffs that provide excellent services get a good reward.					
<b>4</b>	<b>Training and Development</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
4.1	The bank works on the development of its staff to achieve better performance.					
4.2	The bank considers developing knowledge and skills of staff as an investment.					
4.3	The process of developing the knowledge and skills of staff is an ongoing process in the banks.					

4.4	In the bank, staff receives training to be able to perform the banking service correctly.					
<b>5</b>	<b>Selection and appointment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
5.1	The bank management is keen to place staff in a job position that is appropriate with their specialization.					
5.2	The bank management is keen to attract employees who possess the ability to deal with customers.					
5.3	The bank is keen to follow specific procedures and objectives during the selection and appointment of staff.					
<b>6</b>	<b>Organizational support</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6.1	The bank is keen to provide a suitable working environment.					
6.2	Management is very much receptive toward employee's suggestion.					
6.3	Employees can participate in decision making.					
6.4	Bank provides favorable job condition.					
6.5	Employees can depend on the bank if there is any work related problem.					
<b>7</b>	<b>Supervisory support</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
7.1	Equal and fair treatment among employees is adopted by supervisor.					
7.2	Supervisor acts as the source of reference when subordinates face any difficulties or customer complaints.					
7.3	Informal discussion between supervisor and subordinate is practiced in the bank.					
7.4	Problems are solved on joint effort of supervisor and subordinate.					
7.5	Supervisor provides feedback on the subordinate's work.					
<b>8</b>	<b>Retention policy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
8.1	My pay and benefits are better than that of other bank.					
8.2	My growth opportunity is high in this bank.					
8.3	Whenever I come to office I feel welcomed and valued.					
8.4	I am dedicated to work for this bank.					
8.5	I am not planning to leave this bank for at least 5 years.					
<b>9</b>	<b>Communication</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
9.1	I am satisfied with the communication I have with my co-workers in the organization.					

9.2	I am satisfied with the amount of information I receive concerning the department I belong to.					
9.3	The communication I have with top management are open and free following.					
9.4	My supervisor provides good feedback to my work.					
9.5	Overall flow of information which I get from others is sufficient for me.					
<b>10</b>	<b>Job satisfaction</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
10.1	I am satisfied with my current position in the bank.					
10.2	I am satisfied with the current facilities provided by bank.					
10.3	I am satisfied with the present working environment of the bank.					
10.4	I am satisfied with the opportunities for advancement in this bank.					
10.5	I am satisfied with motivation technique of the bank.					
10.6	I am satisfied with training and development program which is given in this bank.					
10.7	I am satisfied with the communication which I have with my co-workers.					
10.8	I am satisfied with the retention policy of the bank.					
10.9	I am satisfied with the feedback mechanism of my supervisor.					