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Effects of Internal Marketing on Job Satisfaction Among Islamic Bank Employees in Sabah: A Review Paper

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Abstract

Malaysia is still considered the leader and cranium of Islamic banking; despite numerous challenges, it has succeeded in creating a full-fledged Islamic banking system parallel to the existing conventional system. Islamic banking issues of not having sufficient training and career development for their employees had led to serious issues, and it is the manager's responsibility to curb these issues. Thus, this paper aims to verify the relationship between internal marketing and job satisfaction in Islamic banks in Sabah. Three dimensions of internal marketing are considered: training, career development, and leadership. The paper adopts a quantitative, descriptive, and correlational study using a cross-sectional survey design of a cross-sectional research methodology. Data are collected through an online questionnaire involving 200 bank employees. Statistical Package for Social Scientist and Partial least squares–structural equation modeling is used to verify the predicted relationships.

Introduction

Malaysia's financial services industry has an increasing turnover rate from 7.4% in 2012 to 13.3% in 2013 (Willis Towers Watson, 2013). The financial and banking sector is found to have the highest turnover rate, with 18.3% (Letchumanan, Apadore & Ramasamy, 2017). The turnover rate will increase if employees are dissatisfied; thus, it will negatively impact organizational effectiveness (Adigwe & Oriola, 2015). Employee turnover is a complex business problem that entails business leaders' participation; losing well-trained workers negatively affects profitability, productivity, and administrative sustainability (Jehanzeb, Hamid, & Rasheed, 2015). The drops in productivity and profitability are due to employees' job dissatisfaction (Usman et al., 2015).

Currently, Malaysia's Islamic finance talents do not have formal Islamic finance qualifications. This is supported by Hassan, Albasri, Rusli, & Ahmad (2018) whereby professional bankers with a background in modern economics or conventional law lack Islamic economics principles on how Islamic banks operate. Finance Accreditation Agency (FAA), in cooperation with the Islamic Finance News (IFN), revealed that Islamic finance practitioners require more training and skill development (Ali, 2017). Moreover, there is limited

opportunity for professional training in Sabah to enhance Islamic banking skills among bank employees (Amir, The Borneo Post, 2016).

Therefore, successfully implemented internal marketing activities have many important benefits and consequences for individuals and organizations (Dunne & Barnes, 2000: 196). The implied assumption is that satisfied employees will perform their jobs better, which positively impacts customer satisfaction (Berry, 1981; Chi et al., 2016). In turn, satisfied internal customers will be faithful and unlikely to change their jobs resulting in a lower turnover.

Literature Review

Internal Marketing

Internal marketing has been defined as an effort to make available internal products (jobs) that satisfy the needs of an important internal market (employees) while satisfying the firm's objectives (Berry et al., 1976, p. 8; Berry & Parasuraman, 1991). A study conducted by Shahzad and Naemm (2013) showed that internal marketing is positively related to job satisfaction. Findings from past research concluded that applying internal marketing can help employees achieve external customer satisfaction because employee satisfaction is within the internal marketing scope and also externally oriented (Gounaris et al., 2010). Thus, internal marketing is not only related to motivation and satisfaction but also scope and practice. It has been confirmed, either conceptually and empirically, that there is a positive relationship between internal marketing and job satisfaction (Chang & Chang, 2007; Ro & Chen, 2011; Back et al., 2011).

Training – Internal Marketing Indicator/Dimensions

According to Jabbour (2013), training is “a systematic organizational process that gives employees the knowledge, attitudes, and skills to help organizations implement their missions and visions.” Thus, based on the definition by Jabbour (2013); Dusuki and Abdullah (2007); Dusuki and Irwani (2008), training can give employees knowledge, attitudes, and skills according to Islamic beliefs, namely Shari’ah. The term Shari’ah can be defined as “a system of ethics and values covering all features of life including personal, social, political, economics and intellectual with rigid attitudes, as well as major means of adjusting to change as inseparable from Islamic beliefs, values and objectives” (Dusuki & Abdullah, 2007; Dusuki & Irwani, 2008).

A study by Siddiqui and Usmani (2014) stated that it is compulsory for Islamic banking and finance sector to fulfill and accomplish all the requirements of Shari’ah, in terms of their business operations and employer-employee and organization relationships. In order to achieve better Shari’ah compliance, which will significantly reflect their career developments, it is suggested that Shari’ah training should be given to employees (Shafii et al., 2013). For smooth and professional Islamic banking operations, it is crucial to have a properly skilled human resource. As a result, trained employees can maintain their relationships with customers as they are trained and responsible to make a big impact through increasing company efficiency. A study by Persaud (2010) concluded that training plays a vital role in employees' satisfaction and reduces turnover intention drastically.

Career Development – Internal Marketing Indicator/Dimension

Missbach (2015) indicated that career development is an instrument that could accommodate the information needs of career opportunities for organizational members. It

can help employees to get clear career direction, define their career goals, find out the requirements of their target position, and motivate them to do the needful. Past literature suggested that employees will be satisfied when there is a good career development system, and the company designs the system for managerial and professional staffs (McCracken, 2002; Rutherford, 2005).

Consequently, it is vital to ensure employees' job satisfaction to be a successful organization, as employees' satisfaction is not only about their financial needs. Additionally, their sense of fulfilment gives them great meaning. Thus, organizations need to invest in their employees' well-being and career development. Research by Choo and Bowley (2007) also recommended that training and development programs influence job satisfaction which, in turn, would retain employees of the organization.

Leadership – Internal Marketing Indicator/ Dimensions

Fitzgerald and Schutte (2010) stated that leaders from transformational perspective should motivate and inspire employees towards their visions, understand employees' needs, and help employees to reach their potential; all of which give the best outcomes for the organization. Transformational leadership is about the relationship between leaders and followers aimed at elevating the value and motivation of their followers to a higher level. Previous studies stated that employees working with a transformational leader have greater satisfaction, feel more identification with both their leader and jobs and have strong motivation to show greater performance (Bass & Bass, 2008).

Job Satisfaction – Dependent Variable

Job satisfaction refers to a particular employee's perception and evaluation of work based on his/her needs, values, and expectations. It is defined by Porter (1962) (as cited in Rayton & Yalabik, 2014) as the degree to which employee perceives job needs as being fulfilled. According to Davidman (2004), 'motivation' views individuals' commitment towards work and workplace originated from within themselves, from the point of view of individual needs, likes, and preferences.

Based on Herzberg's concept, motivation factors, or motivators, are intrinsic to the job and lead to positive behavior towards work since they satisfy the 'need for growth or self-actualization' (Herzberg, 1966, p.75). Motivation aspects are correlated to a person's job satisfaction and include advancement, the work itself, possibility of growth, responsibility, acknowledgement, and attainment (Herzberg, 1966). Intrinsic motivation is a basic feature of a person who is mindful towards employee participation in work responsibilities; some worker takes part beyond the task interest. Intrinsic motivation is the result of the individuals or the activity itself (Skinner, 1953), which impacts the performance, attitude, and worker's well-being, directly and positively. Thus, intrinsic motivation is developed within the person without any concern or reassurance from others but purely based on their readiness.

Research Framework

Figure 1 illustrates the relationship and effects of internal marketing on job satisfaction. This model has been taken to be used as a vehicle for the research framework of the current study.

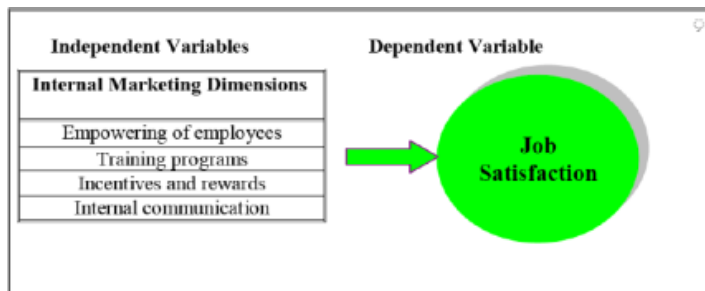
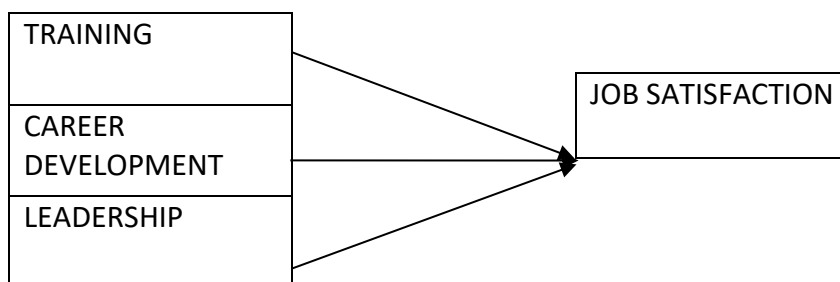


Figure 1: Adopted from Al-Khasawneh, Yahya (2016). Impact of Application of the Internal Marketing on Job Satisfaction for the Employees in the Islamic Banks a Case Study of Jordan

Conceptual Framework



Hypothesis

Based on the theoretical and conceptual framework provided, this study develops the following hypotheses.

- H: To determine the relationship between internal marketing and job satisfaction
- H₁: To determine the relationship between training and job satisfaction
- H₂: To determine the relationship between leadership and job satisfaction
- H₃: To determine the relationship between career development and job satisfaction
- H₄: To validate the proposed research model

Research Method

The researcher chose the quantitative research technique for this research. Research design for this study is 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). Data that collected are the primary sources. The primary data would be collected from through the distributed questionnaire. The entire online sources of data collection are preferred accordingly to analysis from various references and their reliability check (Kaur, 2013).

The target population of this study consists of female and male employees from Islamic banks' employees from different departments and levels, including officers, executives, and managers of the management and operational level of two (2) Islamic banks (Bank Islam and Bank Muamalat) located in Kota Kinabalu, Sandakan, and Lahad Datu. This study depends on the primary sources of data gathered from respondents by filling in the distributed questionnaires. The sample size is estimated around 200 of the whole employees of Islamic banks (Bank Islam and Bank Muamalat). The researcher uses the recommendation by Hair et al. (2010), whereby he suggests the minimum sample size is 100 when considering models containing five or fewer constructs. Each construct has more than three (3) items. As indicated by G Power 3.1.9.4. calculation, the minimum sample for this study is 153 respondents ($f^2 =$

0.15, the number of predictors = 7). Thus, this study will apply G Power 3.1.9.4 to adopt the recommended number of the targeted population.

In this study, purposive sampling technique under non-probability sampling is used in this research, which refers to the way a sample is selected; each respondent (employees of the organization) will be sent an internet-based survey through email. The full-fledge Islamic banks in Sabah according to the district which is Bank Islam in Kota Kinabalu, Keningau, Tawau, Lahad Datu, Sandakan, Alamesra and Bank Muamalat in Kota Kinabalu, Tawau, Sandakan.

Conclusion

This study may likewise prompt improvement in business activity in light of the fact that satisfied employees convey better services to the customers and help to maximize productivity and profit (Salleh, Sulaiman, Mohamad, & Sern, 2015). Apart from that, if the business activity improved, hence the community or customer will be satisfied as well.

Additionally, the significance of this study employee job satisfaction effects and promotes employee wellbeing (Basri, Rashid, Abashah, & Samah, 2017; Javed, 2014). Internal marketing is created to enhance company employee-bonds (Peltier et al., 2013). Das (2003) suggested 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.

The research work broadens the knowledge of the researcher. The findings of this study would also contribute to knowledge and literature about internal marketing and possibly provide management with valuable information on how to use internal marketing to achieve corporate objectives. This study may add to positive social changes by including information about the general study of job satisfaction, which could help diminished employee job satisfaction in different industries (Orumwense, 2018).

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