

## Factors Influence Job Satisfaction of Bank Employees: An Internal Marketing Outlook

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### Abstract

Internal marketing is a continuous process of service organizations to motivate and empower the employees. It would help the companies to deliver the quality services consistently to the customers and to witness satisfaction of customer experiences. Apart from marketing strategies of companies, the role of employees at the front line would carry a powerful emotion that would communicate the customers about the service intentions. However, employees would influence by several factors during their performances with a service orientation. Hence, this paper discussed such factors and revealed the influence of those factors on job satisfaction of bank employees in India.

**Keywords:** Job Satisfaction; Customer Experiences; Service Intentions; Front Line Employees.

### Introduction

In services industry customer satisfaction levels revealed during what we like to call the “moments of truth” where the customer would contact with a front-line employee of the firm. This made the interaction between people within the organization and the external customers more important and vital. In these kinds of situations, the measurement of employee satisfaction and customer service quality is a challenging task to several companies. To overcome this challenge companies would focus on internal marketing activities which come across three stages such as attract appropriate employees as contact persons and in management positions, retain good and appropriate employees, and influence and motivate employees in order to make them customer oriented and market oriented as well. The logic behind this focus was service organizations need satisfied

and motivated employees in order to provide consistent quality in their service to customers.

Suffice to mention that banking is highly customer oriented service industry therefore the customer is the focus and customer service is the differentiating factor. Frontline employees must be in a position to understand the customers’ requirements as they play a major role in satisfying their customers. In this context, this paper was mainly addressed the factors that would influence the employees’ job satisfaction with reference to banking sector of India.

With this introduction, the very next section of this article briefed on Indian banking sector and the reforms in the sector followed by conceptual dialog on internal marketing in banking sector, the factors effect the job satisfaction of bank employees, and conclusion.

### Banking Reforms in India

Traditionally, banking had been restricted from private participation in India and public sector banks had been enjoying complete protection. This scenario has changed since 1990s. The decade of 1990s witnessed a vast change in the working of the banking sector. The entry of technology has made a tremendous impact and revolutionized the working style of many public sector commercial banks of India by introducing ‘anywhere banking’ and ‘anytime banking’ to meet the emergent customer needs.

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However, the banking industry in India, like many other financial service industries, is facing unprecedented set of challenges such as a quickly changing market, new technologies, economic uncertainties, fierce competition with more demanding customers and the changing climate. Hence, the industry was highly regulated to face the dynamics emerging in the financial sector globally. Although a series of reforms were undertaken from 1985 onwards, the first phase of comprehensive reforms in banking sector were undertaken in June 1992 by implementing the recommendations of the Narasimham Committee in 1991 on the Indian financial system which was laid under the purview of Reserve Bank of India (RBI).

Since then despite the competition today Indian banking has come a long way in terms of complexity of operations and the elaborateness of the structure. Moreover, Indian banking system, the way it has evolved, has come to acquire certain peculiarities of its own that did not found in the banking systems of other countries. Because the Indian banking structure comprises a heterogeneous mass covering a wide spectrum ranging from the unorganized indigenous bankers at the one end to the overseas banks at the other.

### Internal Marketing of Banks

It has become more and more important for service organization like banks to differentiate themselves from their opponents by effectively offering a high quality service with the support of an efficient and strong workforce. Therefore, banks to be more successful are needed to understand the role of its employees in monitoring and managing services that lead to customer satisfaction. However, the shift towards recognizing the importance of human capital in the wake of banking reforms across the world has also led many companies across the globe to change their paradigms about people management.

The history revealed that people with right competencies in the right job not only bring increased productivity and profitability to the service organizations but also satisfied customers. Therefore, the role of employees in the growth and development of a service organization cannot be overemphasized. The effective adaptation of customer centric philosophy is possible only when employees are involved, motivated and satisfied. This philosophy recently recognized throughout the world as an internal marketing of companies.

Within this framework, satisfying the needs of customers of banks at the accurate time in a proper

manner is possible only when the employees must be in a position to understand the customers' requirements and recommend various schemes for better customer services. However, in banking industry the frontline employees would play a major role in interacting with the customers. In this context, this paper focused on the realization of the internal marketing factors that lead to job satisfaction of employees in banking sector of India.

### Factors Influence Job Satisfaction of Bank Employees

Following factors of internal marketing would affect the job satisfaction of bank employees.

1. *Type of work* – this would refer to kind of work doing by employees in banks. The nature of job can be repetitive or changing, creative or monotonous, easy or difficult. However, jobs that are both motivating and satisfying were to be those that facilitate skill variety, task identity, task significance, and autonomy.
2. *Development of job skills* – this was about acquisition of knowledge and skills and attitudes to enhance the performance of employees over the time. The systematic development of the skills and expertise is required to effectively perform a given task or job.
3. *Career orientation* – this was an argument of promotional opportunities that have great impact on level of job satisfaction. Usually the organization guidelines and their fair implementation would provide the employees' chances for promotion.
4. *Workplace ambience* – this would focus on working conditions that are the actual constrains under which workers perform their tasks, after they have been recruited and placed on the job. Such working conditions would depend on hours of work, availability of resources such as workspace, machines, tools, lighting, air conditioning and certain minimum necessities to the employees at their work place.
5. *Collegial relationships* – this factor emphasize the supervisory support that have been linked with encouragement and maintaining a positive contribution to the subordinate's career development. It reflects the relationship management and employees' knowledge sharing for enhancing a close relationship between superiors and colleagues to improve teamwork settings.
6. *Coordination in peer groups* – this is to make a working culture with a pleasure or pleasant place to spend your time. Coworker support refers to

co-workers assisting one another in their tasks when needed by sharing knowledge and expertise encouragement and support as well.

7. *Identity* – this is about acknowledgement of individual contribution and showing appreciations to reward the individual for accomplishment of work or for good performance. It is about making the employees feel appreciated by their co-workers and superiors for their contributions to the organization.
8. *Benefits* – it refers to the amount of financial reward that an individual receives as well as the extent to which such compensation would perceive to be equitable. Compensation and earnings are a cognitively complex and multidimensional factor in job satisfaction. Because, salaries not only support people to attain their basic needs but also instrumental in satisfying the higher-level needs of employees.
9. *Counseling* – it refers to the degree to which the employee carrying out the work activities as anticipated and the information obtained about the effectiveness of his or her performance.
10. *Purpose of job* – this is about the orientation or the degree to which an organization or its employees focus their efforts on understanding and satisfying customers. It mainly refers to employees chance to be of service to people, handling the definite needs and wants of customers, response given to customer enquiries, prompt service given to customers, and handling customer complaints.

## Conclusion

This paper aims to identify the internal marketing factors that bring job satisfaction among the employees in banking sector. It tries to highlight the various factors that would influence the internal marketing activities of banks more specifically about job satisfaction of bank employees. About ten factors were identified that would influence the employees satisfaction in their jobs such as type of work, development of job skills, career orientation, workplace ambience, collegial relationships, coordination in peer groups, identity, benefits, counseling, and the purpose of job. This discussion in this article on the selected factors is helpful to the bankers to enhance the satisfaction of employees as well as customers. Further research can focus on perceptual studies of internal customers on these stated factors.

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