

**Nexus between Job Rewards and Job Satisfaction: a mediating Effect of Internal Marketing in commercial banks of Sindh Pakistan**

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**Abstract**

The main theme of this study is to examine the indirect effect of internal marketing on job satisfaction in association with job rewards of employees working in commercial banks of Sindh Pakistan. This study is being conducted to verify the direct impact of job rewards on job satisfaction as independent variables i.e.: psychological reward, and financial reward are independent variables while internal marketing plays a mediating role while job satisfaction is the dependent variable. Six hypotheses were developed in contrast with the previous literature. A survey questionnaire was utilized to collect the data. The questionnaire was based on demographic questions on age, gender, education, marital status, income level, and bank region. For measuring these four constructs different scales were used for measuring psychological rewards the scale of De Geiter (2010) scale was used, for measuring financial rewards Heneman and Schwab (1985) scale was employed, for internal marketing Narteh (2012) scale was use to measuring the job satisfaction the Mulinge and Mueller (1998) scale was used. This research study has employed quantitative research methods in cross sectional settings. Responses were gathered from 413 frontline employees of commercial banks of Sindh Pakistan through physical visits and online. The overall response rate of respondents was 68% approximately. Later on, collected data was processed through SPSS for extracting descriptive analysis and Smart PLS for extracting inferential analysis. Cranach's Alpha was used to measure the internal consistency and reliability, AVE was used to measure convergent validity, and Former & Larcker criteria for Discriminant validity and outer loadings were also extracted for the authenticity of constructs. Structural Equation Modeling (SEM) was applied to validate the measurement model. The results and findings have suggested that all assumptions/thresholds for meeting the minimum criteria and validation of the measurement model are accepted. The results suggest that all the proposed hypotheses were found supported by the relevant and prior studies in the context of job satisfaction respectively. The study concludes that the results of this study are confirmed with the prior studies by testing the hypotheses. Investigating the impact of mediation could provide light on the information that a direct cause-and-effect relationship cannot convey. This study's theoretical contribution is accompanied by the evidence that the correlations between numerous dimensions in banking marketing may be explained by indirect effects and mediator effects. Relationships between conventionally researched components, such as job rewards, job satisfaction, and internal marketing, demonstrate these impacts. Although these indirect impacts (mediators) may help to explain and improve diverse interactions, they have received very little attention in the research on banking marketing.

**Keywords:** Internal Marketing, Psychological Reward, Financial Reward, Job Satisfaction.**Introduction: Background of the Research**

The success or failure of a business in a competitive market is largely dependent on its employees. If an employee is happy in their position, they will do a good job for their organization. Therefore, employers must be aware of what influences employee satisfaction, as this in turn impacts employee performance. The prosperity of service businesses depends on the satisfaction of their internal consumers. Attaining organizational goals through establishing the environment and behavior for service delivery, understanding, developing, and managing sustainable relations with internal customers (employees) Amenuvor (2023) and providing high-quality service to final consumers Eltayib (2022) are of the utmost important in banking marketing.

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The idea behind internal marketing is that all departments would work together to ensure "customer satisfaction". According to Teixeira *et al.* (2019) the majority of the existing research has focused on IM practices as an emerging marketing trend that is being incorporated into HRM. It is thought that selling a job to your employees as if they were buyers of a product or service; the goal is to motivate them to do a good job, keep them around, encourage them to put the customer first and get them invested in the company's success.

As competition increases, it becomes more difficult for organizations to provide value for their consumers, whether they are internal or external Hussin *et al.* (2023). To accomplish customer satisfaction and organizational objectives, banking marketing focuses extensively on organizing, controlling, and motivating employee relationships and interactions Teka (2022). According to Ali (2016), one such perspective is that internal marketing is crucial for the efficient management of employee relations. The marketing part of internal marketing is coordinating the efforts of company personnel to achieve common goals, as stated by Rafiq and Ahmed (2000).

Nowadays, to succeed in a competitive market, banks need to differentiate from the competition. Some say that internal marketing plays a key role in this process. Even if there are a lot of ideas about internal marketing in the literature, the main points are that it should prioritize employee motivation and satisfaction to have a stronger emphasis on external customers Al-Meshal (2015).

According to Berry (1981) in his study on internal marketing, organizations should prioritize their employees as their most valuable customers. This is because employees have the power to build relationships, influence the perceptions of external customers, and ultimately, establish a competitive advantage for the organization. First, in an industry like banking, where every service is essentially the same, employees are a unique and irreplaceable asset Albassami (2016).

The market-oriented practice of internal marketing is fully focused on and derived from the final consumer satisfaction (Awwad, 2011). This is because the satisfaction of bank employees who are essentially internal customers—certainly affects the level of satisfaction that end customers perceive Polonsky (2014). The primary goal of banks should be to meet the needs of internal customers rather than those of external consumers (Ballantyne, 2000).

Foreman and Money (1995) created a scale to assess internal marketing, which put the revitalized concept on top throughout the mid-90s. On the other hand, researchers disagree on the dimensions of Internal Marketing Bendixen (2015). In the late 2000s, additional motivational scales were developed to assess the concept of Internal Marketing. While some scholars have focused on the importance of leadership in internal marketing, others have argued that internal marketing encompasses all the elements that motivate employees to form stronger associations (Gounaris, 2008).

According to Dabija (2021), rewards play a crucial role in the relationship exchange between employers and employees. Thus, incentives are seen as a means to recruit and retain workers, as well as to guide their actions and output while keeping them satisfied and motivated Hwang and Der-Jang (2005). For these reasons and more, internal marketing has long made use of reward theory and research to motivate workers to meet corporate objectives Sheriff (2017).

Both the internal effects on the company and the external environment may be enhanced by the strategies presented in the literature by Narteh (2012). One definition of internal marketing is "*an approach that prioritizes the satisfaction of internal customers and the efficiency of organizations by constantly enhancing both the tasks that people do and the surroundings in which they do them*" (Foreman, 1995).

There is a lot of service homogeneity in the banking sector, which makes it hard for rivals to retain satisfied employees. One of the biggest challenges for rival banks in the same industry is finding ways to keep their satisfied employees Fernando (2012). Internal marketing actions help banks understand what their customers want because the satisfaction of their external customers is directly tied to the way their employees deliver service (Kashem, 2012). On the one hand, different marketing actions impact employee satisfaction levels; on the other hand, the optimal reward structure determines job satisfaction Priporas (2011). This is essential for satisfying both external customers and internal customers employees Raymond (2015).

According to future research by Vrontis (2006), several factors contribute to job satisfaction, including engagement, financial and psychological rewards, organization structure, workplace, and organizational strategies. An experienced model of internal marketing and internal quality services in

tourist restaurants in Jordan was developed by Alshurideh (2015). The impact of job rewards (JR) on employee satisfaction in the workplace was also investigated by Hofmans (2013). There are two kinds of persons, which he investigated. When asked what factors contribute most to their employee satisfaction, those in Type 1 would say financial rewards (FR) and psychological rewards (PR) are on equal footing Hofmans (2013).

It is confirmed by Mainardes (2019) that IM can assess the relationship between job satisfaction and job rewards. Specifically, this research will look at how internal marketing acts as a mediator between factors like job satisfaction, psychological reward, and financial reward.

Internal marketing may influence workplace relationships in both direct and indirect ways, according to research by Yao, Chen, and Cai (2013). In addition, by weaving its values into the fabric of the entire organization, internal marketing can mediate relations between Fernando (2012) and particular behaviors displayed by banking sector employees (Altunoğlu, 2016).

Nevertheless, there has been little progress in the research on the topic of internal marketing's mediating effects on banking employees' satisfaction. Employees who are satisfied in their jobs and who have been with the same bank for a while are more likely to have the knowledge and experience to help customers and are more likely to establish trusting relationships with them, which is crucial for marketing Shafait (2019). From internal customers to external customers, the primary goal of internal marketing is to make sure employees are satisfied while also creating goods and services to make external customers happy. According to Abbott (2011) in today's service industry, attracting and retaining internal consumers is the main priority.

In more than one manner, this research adds to what is already known in the field. First, it clarifies the function of internal marketing as a mediator of the linkages between antecedent and subsequent actions related to job satisfaction Choi (2007). Considering that there is more evidence of internal marketing's direct influence on employee behaviors in the literature (Sarangal, 2021; Dabija, 2021; Balta, 2018) there are gaps in understanding of internal marketing's mediating role.

### **Research Gap**

The existing literature in banking marketing, the "mediating influence of internal marketing" on HR policies, organizational culture, and employee behavior has produced some progress, but there is still a lack of research that broadens the concept of internal marketing as an HR tool. So far, all the aspects of internal marketing have focused on improving organizational HR strategies. On the other hand, according to Bailey (2016), future researchers should focus on improving employee behavior about their reward structure, which is a key factor in job satisfaction. Therefore, internal marketing should be thoroughly studied to establish its efficacy as a tool to boost job satisfaction. This research study fills that void.

### **Problem Statement**

The tremendous growths of the banking industry the fierce rivalry on the one hand, and the rising expectations of customers (both internal and external) on the other, have made it very difficult for banks to achieve and maintain a dominating position in the market. Banks that care about their employees and do what they need to succeed are the ones who succeed. Because people are notoriously tough to please, finding a job that fulfills you is no easy feat. Consequently, the banking sector may benefit from internal marketing, and aspects of employees should be investigated.

### **Research Objectives**

1. To verify, the relationship between job rewards and job satisfaction.
2. To examine the indirect effect of internal marketing between job rewards and job satisfaction.

### **Research Questions**

To get to the bottom of the research issue, this study tackles the following questions:

- RQ1: What is the relationship between psychological reward and job satisfaction?
- RQ2: What is the relationship between financial reward and job satisfaction?
- RQ3: What is the relationship between psychological reward and internal marketing?
- RQ4: What is the relationship between financial reward and internal marketing?
- RQ5: What is the relationship between internal marketing and job satisfaction?
- RQ6: Does internal marketing influence indirectly on job satisfaction?

## Theoretical Background and Literature Review

### Internal Marketing

In marketing, IM is defined as the application of marketing principles and practices to the purpose of encouraging the completion of certain tasks by an organization's employees rather than by its external customers. According to George (1990) internal marketing helps organizations become more service- and customer-oriented, and it seeks to inspire employees to effectively execute plans by establishing a setting that helps them meet their own needs, which in turn leads to happy customers. According to Shahzad (2016), internal marketing treats employees as consumers within the company, and their positions are seen as goods that the company provides to meet their demands.

Organizations utilize IM to cater to their employees' needs and enhance customer service on an ongoing basis. Studies have shown that when organizations engage in internal marketing activities through marketing and HRM strategies, employees are more motivated and committed to the organization, which in turn leads to better service for external customers (Salaria, 2014; Ismail, 2016; Al Samman, 2021). Organizations rely heavily on internal marketing strategies to foster customer- and service-oriented staff, which in turn increases customer happiness and loyalty. According to research (Shahzad, 2016), IM boosts organizational commitment, customer satisfaction, and financial success by making employees happier.

An organization's employees are treated as internal customers, according to the core principle of internal marketing Berry (1981). According to this view, employment is an internal product that needs to be able to draw in, train, inspire, and retain employees to produce high-quality services for external customers, who will in turn be loyal and satisfied customers (Berry, 1981). Rafiq and Ahmed (2000); Ronicah (2011); Narteh and Odoom (2015) concluded that it is still difficult to conceptualize internal marketing. According to Narteh (2012) as he offers internal marketing as a four-dimensional construct consisting of empowerment, incentive system, communication, and training and development; this research shares this viewpoint.

For this research, the author found that Narteh (2012) scale worked best. Here are the reasons why: It is the most recent scale among existing ones; it has been tested, and validated in various countries. Sohail (2018) used to identify the major internal marketing variables. This research takes a holistic approach." When it comes to understanding of connection between job rewards and job satisfaction.

### Job Rewards and Job Satisfaction

One of the most researched topics in organizational science, job satisfaction has had an exponential growth in study since the 1930s (Locke, 1976; Hofmans *et al.*, 2013). Locke (1976) both agree that an individual's appraisal of their job and their sense of the attainment of work-related values contribute to job satisfaction, which is an emotional state of pleasure.

According to Locke (1976), an individual's level of job satisfaction is determined by how they engage with their surrounding environment. Several elements, both before and subsequent, are shown by this interaction (Hofmans *et al.*, 2013; Locke, 1976; Adeniji, 2012). Financial and psychological rewards have long been seen to be predictors of job satisfaction, among other antecedent factors discovered in organizational research (Farea, 2016; Hofmans *et al.*, 2013).

Abugre (2013) and Hashim (2015) found evidence in the literature that job rewards, whether financial or psychological, may be used to direct and reinforce certain actions in employees. A study by Hofmans *et al.* (2013) found that financial compensation is the most important factor in employees' satisfaction on the job. A significant part of the bargaining power between an employer and employee is the value of rewards. The goal is to find ways to keep the best employee happy and motivated while also guiding their behavior and performance.

According to Pepermans (2013); Hofmans *et al.* (2013), rewards have a significant role in influencing employee satisfaction and motivation. Financial compensation is one of the antecedents of work satisfaction a study of hospital nursing practitioners in the nursing sector of many hospitals in Belgium, used Carraher (1991) financial reward scale to compare the findings with a scale measuring psychological rewards.

Based on their findings, the authors conclude that financial and psychological rewards have a good effect on several workplace behaviors, including job satisfaction. A more recent study by Hofmans *et al.* (2013) examines a service-based industrial sector (one that includes healthcare, education, and advertising).

The research looks at three groups of workers representing the most varied areas of the service sector. Three groups of workers reported higher levels of job satisfaction after receiving psychological rewards, and two samples reported higher levels of job satisfaction after receiving financial rewards. Since providing financial services are at the heart of the banking sector, this research also recommends keeping an eye on the connections between psychological and financial rewards concerning job satisfaction.

**H1:** *Psychological reward positively influences job satisfaction.*

**H2:** *Financial reward positively influences job satisfaction.*

**H3:** *psychological reward positively influences internal marketing.*

**H4:** *financial reward positively influences internal marketing.*

#### **Internal Marketing and Job Satisfaction**

Furthermore, several studies have found that internal marketing does contribute to job satisfaction. One of these is the work of Cilliers (2018) who looked at the service industry in the Congo to confirm this relationship. They found that internal marketing did, in fact, positively impact job satisfaction. Another study by Priporas (2011) suggested a similar and significant relationship between IM & JS.

Internal marketing helps employees feel more secure in their jobs and more invested in what they do, which, according to the reciprocity theory, may increase their happiness at work (Shiu, 2010; Rafiq, and Ahmed, 2000). Employees report higher levels of satisfaction and motivation in their work lives after receiving IM training. Many researchers (George, 1990; Berry, 1981) have shown that aspects connected to internal marketing are predictors of job satisfaction, which is a major term in management that relates to assessments of workplace components. Internal marketing aspects including the incentive system, internal communication, training, empowerment, and job stability affect work satisfaction, according to Rafiq, and Ahmed (2000).

**H5:** *Internal marketing positively influences job satisfaction.*

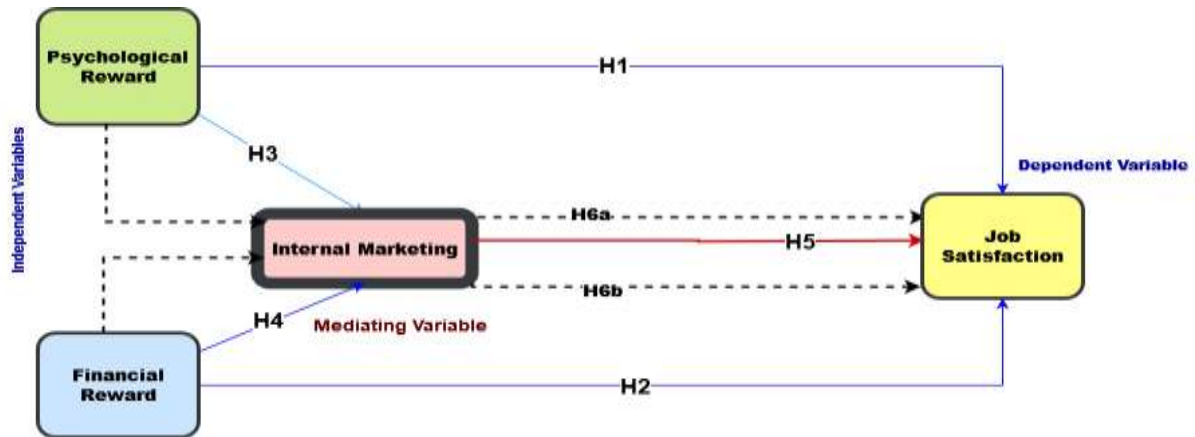
Internal marketing is one of the many factors that Bailey, Albassami, and Al-Meshal (2016) study to determine its effects on employee satisfaction, loyalty, and sense of belonging to the bank. Employees of Saudi Arabian banks provided the authors with the data used in this research. They show that internal marketing has an indirect effect on the connection between loyalty, identification with the bank, and work happiness. While researching the banking industry Mohammadi (2022) also discovered indirect impacts related to internal marketing on employees' behavior as job satisfaction. Job satisfaction is a complicated concept with a multitude of interactions that might impact it, according to Hashim (2015) who investigated its antecedents of job satisfaction as job rewards. Consequently, this research contends that internal marketing may mediate the link between financial and psychological reward, which can impact job satisfaction, and the fact that there are indirect impacts of internal marketing in the literature.

**H6:** *Internal marketing positively mediates between psychological reward (a), financial reward (b), and job satisfaction.*

#### **Conceptual Framework**

This article builds a model to test the hypothesis that there is a correlation between financial rewards psychological rewards, and job satisfaction. This study builds on prior work by Hofmans *et al.* (2013) and Narteh (2012) to identify the relationships between internal marketing and the factors of financial and psychological rewards—that are believed to contribute to job satisfaction.

**Research Model**



Source: Author

**Research Methods**

According to Cassell (2004) there are two main research approaches—the deductive and the inductive—that use different research techniques. The study is grounded in positivist research, which is the philosophical foundation of the study. Easton (2010) defined epistemology as "the philosophical basis for claiming to know what we know; the substantive basis for our knowledge claims" (p.370).

Rather than constructing theories, this study employs a deductive research strategy that begins with an existing theory in the literature and then moves on to test hypotheses or frames using statistical techniques based on the responses obtained from the targeted sample in an empirical setting. Based on the results, the theories are reduced Yin (2009).

This research uses just hypothesis testing in a cross-cultural context. By emphasizing the measurement of relationships between variables and statistics, it utilizes the quantitative research method—often seen as synonymous with positivism LaPlaca (2009).

To summarize, the main objective of this study is to depict the mediating of internal marketing. To test the correlation between constructs, six hypotheses were developed using existing literature.

**Survey Instrument**

The four constructs that have been included in this study are as follows: Job Rewards (financial Reward, psychological reward), Internal Marketing, and Job Satisfaction. All of the bank employees were asked to fill out a survey questionnaire that had thirty-five items. For measuring these four constructs different scales were used for measuring psychological rewards the scale of De Geiter's (2010) scale was used, for measuring financial rewards Heneman and Schwab (1985). Scale was employed, for internal marketing Narteh (2012) scale was used and for measuring job satisfaction the Mulinge, and Mueller (1998) scale was used. The questionnaire also included demographic questions such as age, gender, income, marital status, education level, and region of the bank. The survey used a five-point Likert scale to assess each issue, with 1 representing strongly disagree, 2 disagree, 3 agree, 4 agree, and 5 Strongly Agree.

**Population of Study**

The participants in this study were found to be working professionals in the commercial banking sector in Sindh, Pakistan. There are 32 commercial banks in Pakistan, with 14,922 reporting branches, and 223,830 are employed by these banks. Of these, 32 have branches in Sindh, and the bank structure classifies Sindh into five regions: Karachi, Hyderabad, Sukkur, Mirpur Khas, and Larkana.

Region	No. of Branches	No. of Employees	Percentage
Pakistan	14,922	223,830	
Sindh	3542	53,130	100
Karachi Region	2,226	33,390	63
Hyderabad Region	538	8070	15
MirpurKhas	176	2640	5
Larkana Region	212	3180	6
Sukkur Region	390	5850	11

Source: State Bank of Pakistan  
 Sample Selection

Region	No. of Branches	No. of Employees	Proportion	No. of Questionnaires Distributed
Karachi	2,226	33,390	240	350
Hyderabad	538	8070	58	100
Mirpurkhas	176	2640	19	40
Larkana	212	3180	23	45
Sukkur	390	5850	42	65
Total	3542	53130	382	600

Primary research makes use of two main kinds of sampling procedures. Two Methods of Sampling: Probability and Non-Probability (Noordzij, M 2010). Depending on the kind of research, a sampling strategy is used to ascertain the population's reaction more accurately. Using a probabilistic sampling approach, it has been observed that the reaction of the largest number of employees should be considered equally. Methods of probability sampling come in a variety of forms. To make sure that every employee had an equal chance to participate, this research employed a stratified sampling approach. In this research, the target population (employees of commercial banks of Sindh) is Larkana, Sukkur, Mirpur Khas, Hyderabad, and Karachi. The stratified sampling approach uses the same divisions to sample the population. Using stratified sampling, researchers may divide the population into groups with similar socioeconomic status. Hedges, and Cooper, (2009) published a work. According to Koyuncu, and Kadilar, (2009), this method is advantageous since it allows the researcher to disregard the variability across units.

**Data Collection Procedure**

Respondents are persons, working at commercial banks, as is customary for such surveys. Bank employees endure very difficult working circumstances. They just do not have the luxury of leisure time to respond. Data from bank employees has been collected in different methods by the researcher. The researcher has used all appropriate means to get in touch with the managers and employees. The researcher initially sought approval from their supervisor in the form of a letter of consent before approaching the bank administration. Additionally, the researcher has distributed the survey by email and courier. Bank employees were given 600 surveys, which is 50% higher than the minimum acceptable sample size of 400 replies needed for statistical significance analysis. 413 filled-out surveys out of 600 were obtained valid for further data processing. The descriptive statistics in SPSS were used and inferential statistics, Structural Equation Modeling (SEM) technique Smart PLS were used.

**Results & Findings**

**Descriptive Analysis**

The demographic profile of respondents was divided into seven demographic variables based on descriptive data collected from the SPSS 23 version. These variables include age, gender, marital status, education, income level, and bank region. A total of 337 males (or 81.4% of the total) responded, while 76 females (or 18.6% of the total) contributed data. Ages were broken down into three groups: those between the ages of 20 and 30, 31 and 40, and 41 and above. The majority of the 413 respondents (214, or 51.7% of the total) were in their twenties and thirties; 169, or 40.8%, were in their thirties and forties; and 30 people, or 7.5% of the total, were in their forties and beyond. There were 231 married bankers (55.8% of the total) and 182 single bankers (44.2% of the total) according to the marital status profile. According to the education level profile, most bankers had master's degrees. Out of the total respondents, 233 (56.3%) had master's degrees, 115 (28.0%) had bachelor's degrees, and 65 (15.7%) had doctoral degrees. Of the approximately 209 bankers surveyed, 50.5% have less than five years of experience, 37.7% have five to ten years of experience, and 48 have more than ten years of experience, accounting for 11.6% of the total. After the Karachi Region, which accounted for 144 respondents or 34.8% of the total, came the Karachi and Sukkur Region, which accounted for 125 respondents or 30.2% of the total, the Larkana Region, which accounted for 20.8%

of the total, the Hyderabad Region, which accounted for 52 respondents or 12.6% of the total, and the Mirpur Khas Region, which accounted for 6 respondents.

Demographics	Frequency	Percentage
<b>Gender</b>		
Male	337	81.6
Female	76	18.4
<b>Age</b>		
20-30 years	214	51.7
31-40 years	169	40.8
41 and above	30	7.5
<b>Marital Status</b>		
Single	182	44
Married	231	56
<b>Education</b>		
MS/MPhil/PhD	65	15.7
Masters	233	56.3
Graduation	115	28
<b>Experience</b>		
5 years	209	50.6
Greater than five years but less than ten years	156	37.7
10 years and more	48	11.7
<b>Region of Bank</b>		
Karachi.	144	38.8
Hyderabad	52	12.6
Larkana	86	20.8
Sukkur	125	30.2
Mirpur Khas	6	
<b>Income Level</b>		
25000 to 50000	217	52.9
50,001 to 75,000	85	20.7
75,000 and above	107	26.1

Source: Researcher

### Measurement Model Validation

In this study, structural equation modeling (SEM) through partial least squares (PLS) was utilized to assess the mediating effects of internal marketing. The model has been validated in two steps: first, as a measurement model; and second, as a structural model that can be used to solve the research problem. The measurement model measures the reliability of each item concerning the construct and its items, as well as the construct's internal consistency (e.g., composite reliability), average variance extracted from the construct, and finally, the construct's convergent and Discriminant validity. The main focus of the measurement model is to ensure that the construct meets the necessary statistical assumptions.

The PLS-SEM statistical package includes both a measurement model and a structural model for analyzing data. The reliability of each item is evaluated in the measurement model by looking at the indicator's outer loadings. The loading value of each indicator, which represents its variance and hence the dependability of individual items, is assumed to be larger than 0.70. Imagine for a second that the sum of all the indicators drops below the cutoff of 0.70. If that's the case, the indicator is removed from the subsequent analysis and won't have any impact on the value average variance used to determine convergent validity. To further assess the construct's convergent validity, the loadings value is used to calculate the Average Variance Extracted (AVE) (Hulland, 1999).

Second, composite reliability and Cronbach's alpha are used in the measurement model to find out how consistent the construct is internally. Composite dependability is often considered to be above 0.60 or 0.70 in social science research. On the other hand, it seems that a variation in a construct between 0.70 and 0.90 is acceptable. However, due to a redundancy issue and potential loss in construct validity, a composite reliability score larger than 0.950 is undesirable (Diamantopoulos,



2012). Lastly, according to Drolet, and Morrison (2001) composite reliability is consistently higher than Cronbach's Alpha.

Noteworthy, with loadings values larger than 0.70, are all markers of financial reward, psychological reward, internal marketing, and job satisfaction. With loading values larger than 0.70, each of the six items measuring financial reward was considered valid. All four items used to evaluate psychological reward had loading values higher than 0.70. There were thirteen items used to quantify internal marketing; however, several of them were eliminated from further research due to loading values below 0.70. Loading values larger than 0.70 were deemed statistically favorable for items IM1, IM2, IM3, IM4, IM5, and IM6. Twelve items were used to assess job satisfaction; several were deleted because their loading values were poor.

**Inferential Analysis (Path Analysis)**

<b>Latent Constructs</b>	<b>Loadings</b>	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted</b>
<b>Financial Reward</b>				
FR1	0.774			
FR2	0.771			
FR3	0.868	0.916	0.935	0.705
FR4	0.861			
FR5	0.893			
FR6	0.863			
<b>Psychological Reward</b>				
PR1	0.831			
PR2	0.848	0.767	0.850	0.590
PR3	0.784			
PR4	0.580			
<b>Internal Marketing</b>				
IM1	0.815			
IM2	0.830			
IM3	0.815	0.894	0.919	0.655
IM4	0.823			
IM5	0.803			
IM6	0.767			
<b>Job Satisfaction</b>				
JS1	0.777			
JS2	0.821			
JS3	0.800	0.853	0.891	0.578
JS4	0.765			
JS8	0.706			
JS11	0.684			

Discriminant validity, which indicates the degree to which one variable is different from another in a measurement Duarte (2015), is another method for evaluating construct validity. It can be determined using the Fornell, and Larcker, (1981). Criterion or Henseler's Criteria. To measure Discriminant validity Fornell, and Larcker, (1981) propose comparing the AVE of each construct to the square of the correlation of inter-construct. Put another way, a threshold for accurate Discriminant validity measurements is when the square root of the AVE of each construct is greater than the correlation of the latent construct.

**Fornell and Larcker Criterion (1981) Discriminant Validity**

	1	2	3	4
<b>FR</b>	<b>0.840</b>			
<b>PR</b>	0.552	<b>0.809</b>		
<b>IM</b>	0.688	0.523	<b>0.768</b>	
<b>JS</b>	0.463	0.525	0.467	<b>0.760</b>

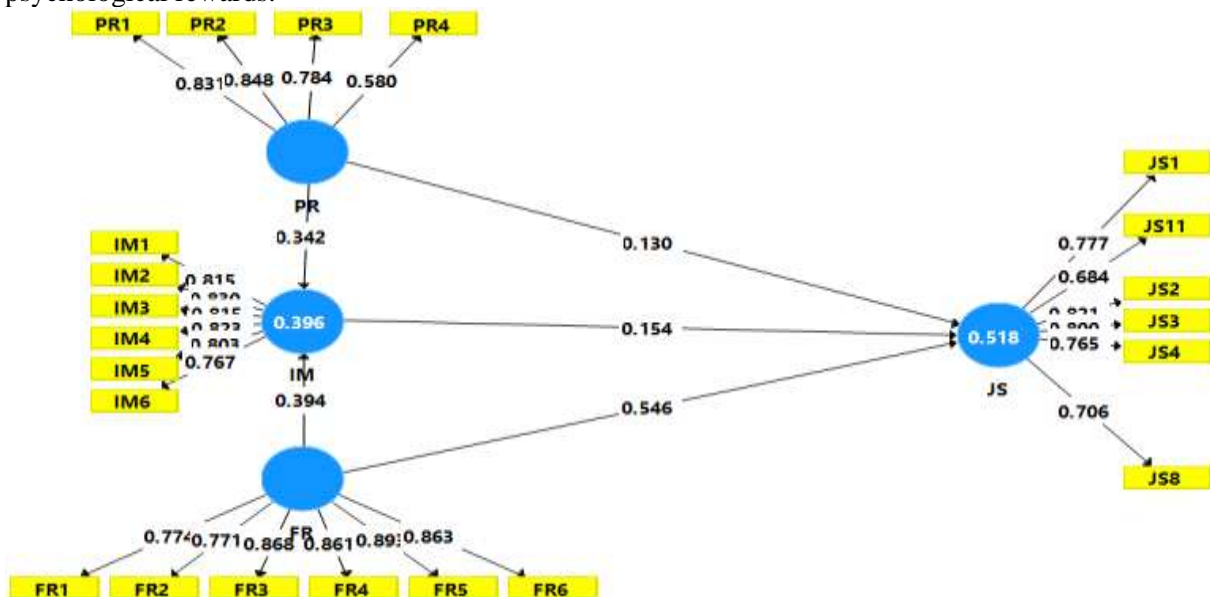
**Hypotheses Testing**

A structural equation modeling approach was used in this work to quantify the direct and indirect relationships between endogenous and exogenous variables, and previously established hypotheses were evaluated using the following metrics: beta, standard deviation, T, and significant level. According to the previous literature, this was created to evaluate the beneficial impact of psychological rewards on the job satisfaction of banking sector employees. Hypotheses are tested on the given assumptions of Ringle (2013) that the beta value should be positive if the hypothesis proposed a positive significant relationship, and negative if the proposed negative. The t statistics value should be greater than 1.96 as the Z score. T statistics is measured by dividing the beta value of each item in a construct with the standard deviation of each measure in a construct. Finally, the significance level should be less than 0.05 at a confidence interval of 95%. Therefore, in this current study in all hypotheses, all three assumptions are meeting the minimum threshold for testing a hypothesis.

The hypothesis that financial rewards have a positive effect on job satisfaction of banking sector employees was found to be supported by meeting the assumptions of hypothesis test fit, which are in agreement with the prior literature and the results. The hypothesis that was developed to assess the positive influence of psychological reward on internal marketing in the banking sector was found to be supported and agrees with the prior literature and the results.

In line with previous research and findings, the hypothesis was determined to be supported by bootstrapping results. This lends credence to the hypothesis that financial reward has a positive impact on internal marketing in the banking industry. To test whether or not internal marketing increases job satisfaction, the aforementioned hypothesis was developed. By prior research and findings, the hypothesis is supported by the bootstrapping results with positive beta, good t statistics, and significance level.

The findings reveal that financial reward and psychological reward are the independent factors that most strongly predict internal marketing (39.6%), whereas internal marketing, financial reward, and psychological reward all predict job satisfaction (51.8%). To find out how well independent factors may predict dependent ones, the R-squared test is used. The independent factors that impact internal marketing and work satisfaction in this research are financial rewards and psychological rewards.



**Hypotheses Decision**

	Beta value	Mean	STDEV	T Statistics	P Values	Decision
H1:PR -> JS	0.130	0.132	0.048	2.715	0.007	Supported
H2:FR -> JS	0.546	0.544	0.049	11.199	0.000	Supported
H3:PR -> IM	0.342	0.344	0.048	7.060	0.000	Supported
H4:FR -> IM	0.394	0.393	0.043	9.187	0.000	Supported
H5:IM -> JS	0.154	0.155	0.048	3.180	0.002	Supported
H6a:PR -> IM -> JS	0.052	0.053	0.018	2.991	0.003	Supported
H6b:FR -> IM -> JS	0.061	0.061	0.020	2.996	0.003	Supported

**Conclusion**

The purpose of this research is to provide credence to two hypotheses: first, those financial and psychological rewards are antecedents to job satisfaction in the banking industry; and second, that internal marketing acts as a mediator between job rewards and job satisfaction. It seems from the findings that job satisfaction is affected by both the factors that came before it and the factors that came after it. It has also been shown that internal marketing can regulate and modify the link between certain behaviors of commercial banks' employees. Thus, the research proves that internal marketing has a direct impact on job satisfaction. In addition when internal marketing works, banks can make their financial and psychological rewards seem more valuable than they are which makes people happy with their reward system and, in turn, makes them happier at work.

Therefore, the research concludes that bank employees are more likely to get engaged in their work when they sense job satisfaction. The correlation between contentment in one's employment and job rewards is further mediated by internal marketing. To rephrase, internal marketing strategies and practices have a mediating effect on bank employees: they make them more engaged in their work and more satisfied with their jobs. This could be linked to the employees' capacity to remain motivated and satisfied in the face of adversity, all in the pursuit of positive outcomes for the bank. When faced with such an unpredictable work environment, workers who are satisfied with their compensation are more inclined to take the initiative to make a difference, helping the company accomplish its objectives and put its plans into action

Research by Bailey (2016) provides theoretical support for the idea that internal marketing is multi-faceted and has the potential to impact employee behaviors in the banking industry, including their level of satisfaction. Nevertheless, our work contradicts other research by proving that internal marketing may mediate and facilitate the interaction between two constructs.

This research adds to the existing body of knowledge by investigating the mediating impacts of internal marketing in the banking industry. There are additional avenues to explore to comprehend the complex web of relationships between behaviors in a financial institution. Investigating the impacts of mediation could provide light on the information that a direct cause-and-effect relationship cannot convey. This study's theoretical contribution is accompanied by the evidence that the correlations between numerous dimensions in banking marketing may be explained by indirect effects and mediator effects. Relationships between conventionally researched components, such as job rewards, job satisfaction, and internal marketing, demonstrate these impacts. Although these indirect impacts (mediators) may help explain and improve diverse interactions, they have received very little attention in the research on banking marketing. So, this research adds to the existing body of knowledge by showing that internal marketing may enhance the impact of job rewards on job satisfaction. Employees are more invested in their work and the bank benefits from higher productivity as a consequence of internal marketing and other forms of job rewards.

Despite the high degree of product and service homogeneity in the banking sector, it is believed that their findings will assist managers in developing more effective internal marketing strategies. When this occurs, the quality of the services provided to customers is enhanced, which in turn gives the bank a competitive edge. Internal marketing is another tool that bank management may employ to increase morale and productivity.

**Limitations of Study**

First, there is limited room for interpretation of the data since the present research is cross-sectional and only data was collected from a single sector of the service industry therefore results can't be

generalized for all service sectors. Secondly, the research just used a sample of frontline employees in Sindh Pakistan's commercial banks to test the predicted associations. When it comes to internal marketing, it's all one-dimensional. The research has only relied on the mono technique. As far as Internal Marketing is concerned, there is no moderating effect between job engagement and satisfaction.

#### **Future Directions**

A longitudinal design in future studies would be more powerful in identifying relationships among the constructs of the current study. The generalizability of the findings to other employee categories, industries, and countries needs further investigation. Future research may find that different employee groups have different levels. Future researchers may use internal marketing with its sub-constructs. Future Researchers may use mixed methods of research. Future researchers may explore another suitable variable that can moderate between JS and WE.

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