

UNIVERSITI TEKNOLOGI MARA

**THE EFFECTS OF INTERNAL
MARKETING ON JOB
SATISFACTION AMONG ISLAMIC
BANK EMPLOYEES IN SABAH: THE
MEDIATING EFFECTS OF
EMPLOYEE ENGAGEMENT**

NUR AZWANIE BINTI MOHD NASRIE

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ABSTRACT

Islamic banking is everywhere in the world today Malaysia is considered as the leader of Islamic banking as it has succeeded in creating a full-fledged Islamic banking system parallel to the existing conventional system irrespective of the challenges it faced. The issues of Islamic banking employees not having sufficient training and career development in their work had led to the serious issues and it is the manager's responsibility to curb these issues. Hence, the purpose of this research is to verify the relationship of internal marketing on job satisfaction in Islamic bank Sabah. Three dimensions of internal marketing were selected which involves training, career development and leadership with the mediating effects of employee engagement. The research adopts a quantitative, descriptive, correlational study using cross-sectional survey design cross-sectional research methodology. Data was collected using online questionnaire, which involves 160 bank employees. Statistical Package for Social Scientist (SPSS) and Partial least squares–structural equation modelling (PLS-SEM) is employed to verify the predicted relationships. The findings of this research shown that training and career development has significant relationship on job satisfaction, training and career development has significant relationship on employee engagement and employee engagement as mediating has significant effects on training and career development on job satisfaction. Thus, the result of this research will give better understanding into internal marketing that could elevate job satisfaction among employees and engagement of employees. This research will contribute to existing knowledge by studying the effects of internal marketing on job satisfaction among Islamic bank employees in Sabah with the mediating effects of employee engagement.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter begins with the background for the research; and provides an overview of Islamic banking in Malaysia and the issues that arise in Islamic banks. The problem statement addresses the various issues and gaps identified in this study. This is followed by the research questions, research objectives, scopes of study, significant study, and definition of the term.

1.2 Research Background

The banking industry in Malaysia can be traced back to the early 1990's with the setup of various foreign and domestic banks (Yucel, 2012). A banking institution is a financial organisation that provides financial services to consumers, businesses, and governments. Darko (2015) highlights that banking services are able to accelerate the development of businesses through their professional and well-trusted services. The banking sector is made up of various financial institutions, which include commercial banks, merchant banks, foreign banks, and Islamic banks. In Malaysia, Bank Negara Malaysia is the nation's central bank and is responsible for overseeing financial services provided, such as investment banking, Islamic banking, trade, and share financing. Islamic Banking (IB) is the provision of financial services in accordance with sharia law and is prevalent in the Islamic economies (Mariadas; et al., 2017; Nurdin, 2017; Setyobudi et al., 2016; Riaz et al., 2017; AlMaimani et al., 2015; Buchari et al., 2015; Butt et al., 2010; Muhamat et al., 2008; Akbar, 2008); Shari'ah is often simply defined as Islamic law, but a better and far more accurate definition is as follows: Sharia law refers to a "code of laws or divine injunctions" that govern the conduct of people in their individual and collective lives (Ayub, 2013).

Islamic Banking is currently world's greatest concern due to the global goal of poverty alleviation (Mariadas, et al., 2017; Louati et al., 2015; Kamarulzaman et al., 2013; Akbar, 2008) and improved socio-economic status of the people in Islamic economy and the rest of the world (Setyobudi et al., 2016; AlMaimani et al., 2015;