**Exploring Internal Marketing Dimensions in the Banking Sector of Bosnia and Herzegovina**

**ABSTRACT**

**Aims:** This paper aims to investigate internal marketing dimensions in banks in the market of Bosnia and Herzegovina (BiH). The research aims are: 1) To determine the attitudes of employees and management regarding the presence of the observed internal marketing dimensions (familiarity with the vision, reward system, training and development, internal communication) in the banks in BiH, 2) To determine the existence of a statistically significant difference in the attitudes of employees and management regarding the presence of the observed internal marketing dimensions in the banks in BiH, 3) To determine the impact of socio-demographic characteristics on the attitudes of employees and management regarding the presence of the observed internal marketing dimensions in the banks in Bosnia and Herzegovina.

**Study design:** A quantitative research approach was employed to investigate internal marketing dimensions, utilizing a survey method to collect empirical data from management and employees in banks across Bosnia and Herzegovina.

**Place and Duration of Study:** The data were collected in Bosnia and Herzegovina from management and employees of the banks during the last quarter of 2023.

**Methodology:** This paper is based on empirical data collected through the written structured questionnaire. The total of 250 questionnaires were collected, of which 184 were included in the analysis. The total number of validated responses was 63 from managers and 121 from employees. To analyze the data, an independent samples t-test was conducted to determine whether significant differences existed between employees' and management's perceptions of internal marketing dimensions. Additionally, a chi-square (χ2) test was used to examine the relationship between socio-demographic characteristics and respondents' attitudes toward internal marketing dimensions.

**Results:** The results indicate that the attitudes of employees and management differ in two out of four observed internal marketing dimensions: familiarity with the vision and the presence of the reward system in BiH banks. However, no significant differences were found in attitudes toward training and development or internal communication. Additionally, socio-demographic characteristics did not show any significant correlation with internal marketing perceptions.

**Conclusion:** This study highlights the need for a more consistent and strategic approach to internal marketing within BiH banks, particularly in aligning employees and management on key dimensions. Addressing these gaps could enhance organizational cohesion and effectiveness.

***Keywords:*** *Internal Marketing, Vision, Reward System, Training and Development, Internal Communication, Management, Employees, Banks*

1. **INTRODUCTION**

Internal marketing is an important concept through which companies attract and retain the best employees, achieve defined goals, and improve their business results. The growing globalization of the market and the rapid development of the service sector led to an increased demand for high-quality employees who would be ready to deliver services of the highest quality to end users. Since the creation and delivery of a service is directly linked to the human factor (employees), the delivery of high-quality services is determined by an adequate understanding of employee demands and needs, as well as the improvement of their motivation and satisfaction. This indicates that company management must pay special attention to the concept of internal marketing, as its proper implementation may result in higher employee motivation and satisfaction, which ultimately reflects on improving the company’s competitiveness and achieving better business performance. Many authors in their studies show that internal marketing is an effective system for improving employee motivation and satisfaction, as well as company’s market efficiency (Milanović & Miletić, 2023; Amitov et al., 2022; Taştan & Davoudi, 2020; Yu et al., 2019; Mainardes, Rodrigues & Teixeira, 2019; Park & Tran, 2018; Fang et al., 2014; Rodrigues & Pinho, 2012; Lings & Greenley, 2009; Varey, 1995)

The concept of internal marketing in the field of service marketing first appeared in the mid-1970s in the works of Berry and collaborators, Sasser and Arbeit, and many others. It was introduced as a solution to the problem of delivering high-quality services, establishing the link between employee satisfaction and customer satisfaction, and achieving business success for companies (Berry, Hensel, Burke, 1976; Sasser & Arbeit, 1976, Grönroos, 1978; Heskett, 1977; Kotler, 1972). However, a greater number of studies in the field of internal marketing showed up during the 1980s and 1990s (Berry, 1981; Grönroos, 1981, 1994; Piercy & Morgan, 1990, 1991; Foreman & Money, 1995; Varey, 1995; Sergeant & Asif, 1998; Pitt & Foreman, 1999; Rafiq & Ahmed, 1993; Varey & Lewis, 1999).

Internal marketing is defined as a strategy that uses marketing techniques within a company to help employees better serve customers (Berry, 1981; Kotler & Armstrong, 1991). According to Lovelock, internal marketing is the process of training and motivating employees to deliver high service standards to customers (Lovelock, 1992). Thise process take place within the company and help motivate employees to serve end customers (Foreman, 1995). Internal marketing is considered an approach aimed at creating happy and satisfied employees through the available resources of the company, focused on the relationship between the company and its employees. This ensures high-quality services and customer satisfaction through effective external marketing in banking sector (Tomić Osmanović, Muratović, Čivić, 2024; 54). According to Kong et al., internal marketing is a management philosophy aimed at satisfying employee needs, improving their satisfaction, and achieving company’s better business performance through the delivery of higher-quality services (adapted from Kong, Bu, Yuan, Wang, Kong, Wang, 2020; 2).

The studies dealing with the issue of internal marketing highlight two main reasons for studying this topic. The first involves complementing external strategic marketing efforts through the interaction between employees as internal customers and service users as external customers. Two-way communication based on honesty and trust is considered a significant predictor of encouraging and attracting customers, as well as achieving their satisfaction (Rafiq, Ahmed, 2000; Dahl, Peltier, 2017; Dwyer, 2005; Bansal et al., 2001). The second reason for studying internal marketing lies in the fact that investing in employee training and development leads to increased motivation and satisfaction among employees (Boukis et al, 2015; Bailey, Albassami, Al-Meshal, 2016; Ferdous & Polonsky, 2014; Hernandez-Diaz, Calderon-Abreu, Amador-Dumois, 2017; Sohail & Jang, 2017).

The previously mentioned definitions demonstrate that the foundation of successfully meeting the needs of external customers and achieving the company’s business success lies in satisfied employees. Creating their satisfaction can be achieved through various internal marketing programs (dimensions), which include an adequate reward system, employee training and development system, an appropriate interactive communication system, familiarity with the company’s vision, and more. George and Theodoridis believe that internal marketing programs are important predictors of company’s business success, as reflected in the quality of services delivered to customers, customer awareness, organizational commitment, employee turnover, etc., (Panigyrakis, Theodoridis, 2009; 609). Keeping this in mind, bank management must make significant efforts to develop internal marketing strategies in order to motivate employees and foster satisfaction among them. This, in turn, will lead to satisfied customers, contributing to the bank's competitive advantage and overall market success.

The previous literature indicates that the concept of internal marketing has been primarily explored in the service sector, including banking, hospitality, and healthcare institutions. However, there is a lack of empirical studies that examine the persistence of differences in the perceptions of managers and employees regarding the presence of specific internal marketing dimensions in the banking sector of Bosnia and Herzegovina. Most previous research has focused on the general implications of internal marketing for employee satisfaction and business success but has not thoroughly analyzed the existence of differences in respondents' perceptions of individual internal marketing dimensions between employees and management. Therefore, this study fills the existing research gap by providing insight into the presence of key internal marketing dimensions in the banking sector of Bosnia and Herzegovina and analyzing differences in perceptions between employees and management.

The goal of the paper is to highlight the significance of internal marketing (through the presence of adequate interactive communication, appropriate reward system, employee training and development, employee familiarity with the company vision, etc.) primarily on employee motivation and satisfaction, and consequently, on creating a competitive advantage and achieving a better market position for the banks in BiH.

Considering the identified research gap in the literature, the research questions of this paper are:

1. To what extent are the dimensions of internal marketing (familiarity with the company’s vision, reward system, employee training and development, internal communication) present in the banking sector of Bosnia and Herzegovina?
2. Are there statistically significant differences in the attitudes of employees and managers regarding the presence of specific internal marketing dimensions in banks in Bosnia and Herzegovina?
3. What is the impact of socio-demographic characteristics on the attitudes of employees and management regarding the presence of the observed internal marketing dimensions in banks in Bosnia and Herzegovina?

This paper contributes to the internal marketing literature by providing empirical evidence on the presence of observed internal marketing dimensions (familiarity with the company’s vision, reward system, employee training and development, and internal communication) in the banking sector of Bosnia and Herzegovina. The study highlights the importance of articulating the company's vision, implementing an adequate reward system, enhancing employee competencies through training and development programs, and ensuring effective internal communication in achieving employee satisfaction and the overall success of banks. The practical contribution of this study lies in formulating recommendations for banks, whose effective implementation could create the necessary conditions for improving competitive advantage and market positioning.

1. **THEORETICAL FRAMEWORK**

Although many authors attempted to provide a comprehensive explanation of the theoretical concept of internal marketing and its practical application, they were not entirely successful. This is primarily because most authors do not have a unified stance on what internal marketing truly represents and what its purpose is. Additionally, the number of empirical studies on this topic is rather negligible (Berry, 1984; Grönroos, 1985; Tansuhaj et al., 1987; Ballantyne, 2003; Rafiq & Ahmed, 2000; Schultz, 2004; Gounaris, 2006).

Despite the confusion surrounding the field of internal marketing, it is important to highlight that it has been the subject of interest for a significant number of authors from the fields of human resource management and marketing. In recent years, this concept also gained attention in sectors such as banking, healthcare, tourism, hospitality, and other service industries (Ahmed & Rafiq, 1995; Altarifi, 2014; Awwad, 2019; Dahl, Peltier, 2017; Kelemen, Papasolomou, 2007; Jaworski, Kohli, 1993; Papasolomou & Vrontis, 2006; Mainardes et al., 2019; Sleiman, Ismail, Sheriff, 2021).

Internal marketing is a process in which effective communication, training, motivation, employee involvement, and rewards lead to greater satisfaction for end customers. According to Ballantyne, internal marketing is a form of relationship management where employees play a key role in delivering value to customers (Ballantyne, 2003; 42). Defining internal marketing as a multidimensional process, Musa et al. argued that its primary purpose is to assist companies in understanding employee demands and needs, recognizing the importance of their training, and achieving interactive communication. This, in turn, improves teamwork, contributes to better relationships among employees, and helps implement the company’s defined strategy focused on enhancing employee satisfaction and achieving better business performance (adapted from Musa, Ijaiya, Zubairu, 2021: 36).

Considered from the perspective of the banking sector, internal marketing refers to marketing directed towards the bank's employees, enabling them to effectively perform the tasks assigned to them. This includes, among other things, the way they establish contact with potential banking customers and adequately meet their demands and needs, which indirectly impacts the achievement of the bank's business performance (Tomić Osmanović, Muratović, Čivić, 2024; 53). According to Brown, internal marketing in banking represents a strategic approach aimed at enhancing the satisfaction of banking employees and their retention through continuous development, transparent reward systems, open two-way communication, and inclusive decision-making (adapted according to: Brown, 2025). Internal marketing in banks, according to Sulejman and Mohammad, represents the process of implementing marketing principles within the bank, aiming to improve employee motivation and internal communication, as well as increase their commitment to the bank, thereby contributing to better market positioning of the bank (according to Awwad, Agti, 2011). It also represents the systematic efforts of the bank's management to increase employee satisfaction through effective internal communication, adequate employee development programs, and incentive reward systems, which ultimately results in better business performance of the bank (adapted according to Mainardes, Rodrigues, Teixeira, 2019).

Based on the previously mentioned definitions, we can conclude that the philosophy of internal marketing believes that internal customers are just as important as external customers. Therefore, the goal of every manager should be to create an environment within the company that encourages employees to give their best while serving external customers. This is because only satisfied customers are a clear indicator that management is doing the right things, which will lead to better positioning in the market.

The activities available to company’s management in their efforts to adequately satisfy and motivate their employees are numerous. According to Jarvi, the core activities of internal marketing are based on proper internal provision of information to employees, their internal training, fostering a sense of unity and teamwork, as well as creating an appropriate system of rewards and motivation (Jarvi, 2009). Herington et al. believe that only the work environment based on collaboration, interactive communication, understanding, an adequate reward system, commitment, and trust between employees and their superiors can influence employees' dedication and commitment to their tasks. This, in turn, is reflected in the quality and satisfaction by the services provided to the end customers (adapted according to Herington, Scott, Johnson, 2005; Jovović et al., 2022). Key dimensions of internal marketing, according to Akroush et al., include employee motivation, recruitment, internal communication, staff training, staff retention, and job security (according to Črnjar, Dlačić, Milfelner, 2020: 52).

The results obtained in the research conducted by the aforementioned authors show that recruitment and training of employees, along with effective internal communication, significantly impact employee motivation. Consequently, this positively influences job security and leads to lower employee turnover within the company. The research by Chang & Chang (2007), Tsai & Tang (2008), and Braimah (2016) provides a more comprehensive overview of internal marketing dimensions. In addition to the previously mentioned dimensions, they emphasize administrative support, teamwork, reward system, and employee empowerment. George believes that the support provided to employees by management through adequate training, effective two-way communication, proper personnel management, and certain external activities are key aspects of internal marketing (George, 1990: 68). According to Joseph, a successful internal marketing strategy is based on mechanisms that encourage management to listen to the opinions, demands, and desires of their employees, understand their mood, encourage their progress and development, and foster positive attitudes among all members of the organization (adapted according to Chen, Wu, 2016: 19). Although the company’s growth and development are determined by the availability of financial resources, these alone are not sufficient to ensure its survival. In addition to material investment, companies need a qualified, competent, satisfied, and motivated workforce (employees). Pointing to the importance of employee motivation, Rafiq and Ahmed emphasize that various employee motivation strategies act like the "bloodstream" that keeps employees alive, thus influencing company's competitiveness and business success. According to this group of authors, the key internal marketing dimensions include opportunities for employee advancement, the work environment, internal communication, reward system, employee training and development, as well as employee autonomy and freedom in performing delegated tasks (adapted according to Usman, Basheer, Shabib, 2016: 562-563). Analyzing the impact of internal marketing on employee motivation, Berry (1981) concludes that an adequate system of employee incentives and effective two-way communication lead to increased motivation, which in turn enhances the quality of distributed services and improves customer satisfaction. Furthermore, by examining whether internal marketing strategies contribute to the achievement of the company’s business goals, Ahmed and Rafiq (2003) demonstrate that an effective internal marketing strategy, primarily based on healthy internal communication, training, and employee development, improves cohesion within the company and contributes to the overall success of its business activities. Similar results were achieved by Lings (2000), who concluded that effective employee motivation, communication and training lead to higher employee satisfaction, which in turn contributes to the achievement of better business results for the company. Analyzing the role of internal marketing in achieving the company's strategy, Piercy (2006) finds that internal marketing based on efficient internal communication, employee training and development allows for better orientation of the company towards the end user, thereby enhancing competitiveness and achieving long-term business success of the company.

In terms of research on the impact of implementing internal marketing on the business performance of financial institutions, the studies related to banks are predominant. For example, by analyzing a sample of 100 managers from ten banks in the United Kingdom, Ahmed and Rafiq find that the implementation of internal marketing (primarily based on motivation, communication and employee training) positively influences employee motivation and the quality of services provided to end customers, which further contributes to banking performance and customer satisfaction with banking services (Ahmed, Rafiq, 2003). The research conducted by Lings in eight banks in the United Kingdom, surveyed both management and lower-level employees. Through interviews with 50 employees and bank managers, it was found that successful internal marketing in banks improves internal relationships, communication, and employee satisfaction, leading to better customer service and greater competitiveness of banks in the market (Lings, 2000). Analyzing the impact of employee training and development programs on their productivity, Kaur, in her studies conducted on 400 banking employees, finds that high-quality training and development contribute to enhancing employee productivity, which consequently leads to greater customer satisfaction and strengthens the bank's market positioning (Kaur, 2016). Surveying 300 employees in ten Indian banks, Sureshchandar et al. state that internal marketing implemented through efficient communication, motivation, employee training and satisfaction improves employee motivation, increases their engagement, and leads to greater client satisfaction, which ultimately contributes to increasing banks’ profitability (Sureshchandar, Rajendran, Anantharaman, 2002).

Brown (2025), in a qualitative study conducted using individual and group interviews with 38 banking employees, confirms the positive impact of personal development programs, reward systems, open internal communication, and inclusive decision-making on Generation Z employees. Similarly, Awwad et al. (2011) highlight the importance of internal marketing, viewed through training, motivation, and internal communication, for the successful implementation of a bank’s marketing orientation. Regarding the impact of internal marketing on job satisfaction, Mainardes et al. (2019) concluded that dimensions such as training and development, reward systems, and effective internal communication significantly contribute to employee job satisfaction in the banking sector.

Based on available literature, it can be said that the presence of internal marketing dimensions in banks in BiH is an insufficiently researched topic. However, considering the theoretical insights from previous studies, it can be assumed that a more comprehensive implementation of internal marketing may serve as an important determinant of efficient customer service and the successful realization of banks’ business activities. Therefore, the following analysis will focus on the attitudes of the respondents (employees and management of BiH banks) regarding the presence of specific internal marketing dimensions (internal communication, reward systems, training and development, and familiarity with the vision) in the banks in BiH. Additionally, it will examine whether there is a significant difference in attitudes between employees and management regarding the presence of the aforementioned dimensions, as well as the impact of socio-demographic characteristics on the attitudes of employees and management concerning the presence of these internal marketing dimensions in the banks in BiH.

1. **DATA AND METHODOLOGY**

Research aims: 1) To determine the attitudes of employees and management regarding the presence of the observed internal marketing dimensions (familiarity with the vision, reward system, training and development, internal communication) in the banks in BiH, 2) To determine whether there is a statistically significant differences in the attitudes of employees and management regarding the presence of the observed internal marketing dimensions in the banks in BiH, 3) To determine the impact of socio-demographic characteristics on the attitudes of employees and management concerning the presence of the observed internal marketing dimensions in the banks in BiH.

The population for this research consisted of 23 banks from Bosnia and Herzegovina. The research was conducted using a questionnaire which was distributed electronically to the entire population of the banks. The target group of respondents in this study composed of marketing managers, human resources managers, and employees of banks operating in the market of Bosnia and Herzegovina. Out of the 23 banks, 13 participated in the research. A total of 250 questionnaires were collected, of which 184 were included in the analysis. The total number of validated responses was 63 from managers and 121 from employees.

The questionnaire was structured from questions related to the socio-demographic characteristics of the respondents and their attitudes regarding the dimensions of internal marketing. These attitudes were measured on a Likert scale ranging from 1 - „total disagree “to 5 – „total agree“.The data were collected during the last quarter of 2023, specifically from marketing managers, human resources managers, and employees in the participating banks.

According to the objectives set in the study, an independent samples t-test was conducted to determine the consistency of differences in respondents' attitudes regarding the representation of the observed dimensions of internal marketing in the banks of Bosnia and Herzegovina. Additionally, the Chi-Square (χ²) test was used to examine the impact of respondents' demographic characteristics on their attitudes toward the observed dimensions of internal marketing in Bosnian-Herzegovinian banks. Data analysis was conducted using SPSS software.

1. **RESULTS AND DISCUSSION**

The results of the analysis on the respondents' attitudes regarding the presence of the observed internal marketing dimensions, the existence of statistically significant differences in their attitudes concerning the development of the observed dimensions, and the impact of the respondents’ socio-demographic characteristics on their attitudes about the presence of the observed internal marketing dimensions in the banks in BiH are given in the following section.

**Table 1. The average ratings of the attitudes of employees and management** **regarding the presence of the observed internal marketing dimensions in the banks in BiH**

| Internal marketing dimensions | Employees | | Management | |
| --- | --- | --- | --- | --- |
| Average value | Standard deviation | Average value | Standard deviation |
| D1 | 3.8271 | 0.81893 | 4.1248 | 0.67751 |
| D2 | 3.4274 | 0.78603 | 3.7695 | 0.79599 |
| D3 | 3.4186 | 0.97880 | 3.6705 | 0.99115 |
| D4 | 3.5458 | 0.81571 | 3.7881 | 0.82201 |
| **Note:**  D1 –The respondents’ familiarity with the bank’s vision  D2 –The reward system in the bank  D3 –The training and development system in the bank  D4 –The internal communication system in the bank | | | | |

Source: Authors, the results of the empirical research

Table 1 brings the average ratings and standard deviations regarding the attitudes of employees and management on the presence of the observed internal marketing dimensions in the banks in BiH. The results show that bank management assigns slightly higher ratings to the presence of the observed internal marketing dimensions than the employees of the same banks. The highest rating, 4.124, indicates that management is familiar with the bank’s vision, while the average rating of 3.788 highlights that the internal communication system in their bank is somewhat above the average level of development. Although previous research suggests that reward, training, and development systems represent significant determinants of progress and business success for banks (Papasolomou-Doukakis, 2002: 65-70; Dikshit, Kumar Jain, 2017; Shakeel, Muazzam, Fazar, Safdar, 2015; Güllü, 2016; Saritprava, Preeti, 2018; Kikoito, 2014; Sehran, Salloum, Abdo, 2021), these internal marketing dimensions, according to management’s attitudes, are the least present in the banks in our country (the average ratings of 3.769 and 3.670, respectively). The employees rank the presence of individual internal marketing dimensions in the same way, giving them somewhat lower average ratings. According to their attitudes, the lowest average rating is given to the presence of the employee training and development system (3.418), followed by the reward system (3.427), and the internal communication system (3.545). The highest rating is given to the dimension related to employees’ familiarity with the bank’s vision (3.827). Based on the results obtained, it can be concluded that the management of BiH banks needs to make a significant effort to enhance and further develop the observed internal marketing dimensions to motivate and increase employee satisfaction. This would, in turn, encourage employees to improve customer satisfaction with banking services in BiH and thus contribute to the overall improvement of the banks’ business performance.

To determine whether there is a statistically significant difference between the respondents (bank employees and managers) in the average ratings regarding their attitudes towards the presence of the observed internal marketing dimensions in the BiH banks, we conducted an independent samples t-test. The results of the t-test are presented in Table 2.

By analyzing the data provided in Table 2 and the Levene's Test section (values in the significance column “Sig.”) for testing the homogeneity of variance for each observed internal marketing dimension for the two groups (employees and managers), it is possible to determine that the values in the "Sig." column for all the observed dimensions, except for the attitude towards the first dimension (D1 - familiarity with the bank’s vision), are greater than 0.05. Therefore, we conclude that for the other three observed internal marketing dimensions, the assumption of equal variances (variability) of attitudes can be accepted for both groups of the respondents (employees and managers). For dimension D1, there is a difference in the variability of the average ratings of attitudes between employees and management.

**Table 2. The independent samples t-test of attitudes between employees and management regarding the presence of the observed internal marketing dimensions in the banks in BiH**

| The independent samples t-test | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| The reward system elements | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | |
| F | Sig. | t | df | Sig. (2-tailed) | *μz= μm*  *ili*  *μz≠ μm* |
| D1 | Equal variances assumed | 3.956 | .048 | -2.476 | 180 | .014 |  |
| Equal variances not assumed |  |  | -2.628 | 147,966 | .009 | *μz≠ μm* |
| D2 | Equal variances assumed | 0.451 | .503 | -2.789 | 182 | .006 | *μz≠ μm* |
| Equal variances not assumed |  |  | -2.778 | 124,373 | .006 |  |
| D3 | Equal variances assumed | .142 | .707 | -1.649 | 182 | .101 | *μz= μm* |
| Equal variances not assumed |  |  | -1.643 | 124,379 | .103 |  |
| D4 | Equal variances assumed | 1.933 | .166 | -1.907 | 182 | .058 | *μz= μm* |
| Equal variances not assumed |  |  | -1.902 | 124,909 | .059 |  |
| **Note:**  D1 –The respondents’ familiarity with the bank’s vision  D2 –The reward system in the bank  D3 –The training and development system in the bank  D4 –The internal communication system in the bank  *μz= μm -* the hypothesis of equality of the average rating for the attitudes of employees (*μz*) and management (*μm*)  *μz≠ μm -* the hypothesis of inequality of the average rating for the attitudes of employees (*μz*) and management (*μm*) | | | | | | | |

Source: Authors, the results of the empirical research

Given this, for all internal marketing dimensions (except for dimension D1), the values in the first row (Equal variances assumed) in the "Sig. (2-tailed)" column are considered. For dimensions where the p-value of the t-test is smaller than 0.05 (the risk of a Type I error), the null hypothesis of equality of average ratings for the observed attitudes of employees and management is rejected. In our case, this situation occurs for dimension D2 - the presence of the reward system in the bank. Based on this, we conclude that there is a statistically significant difference in the average ratings of the attitudes of the respondents

(both employees and managers) when it comes to the development of the reward system in the banks in BiH (dimension D2).

For the dimensions where the observed p-value is greater than 0.05, we accept the null hypothesis of equality of the means and conclude that there is no statistically significant difference in the average ratings of the attitudes of the observed groups of the respondents (bank employees and management) regarding the specified internal marketing dimensions. In our case, these dimensions are D3 - The training and development system in the bank (Sig. 2-tailed = 0.101) and D4 - The internal communication system in the bank (Sig. 2-tailed = 0.058).

Since the value of Sig. in the Levene's Test column for testing the homogeneity of variance for the first internal marketing dimension (D1) is less than 0.05 (in our case 0.048), we observed the second row (Equal variances not assumed) for the Sig. value of the t-test. Based on the value of 0.009, we reject the null hypothesis of equality of the means and conclude that there is a statistically significant difference in the average ratings of the respondents (employees and managers) regarding their familiarity with the bank's vision. Based on all the above, we conclude that the attitudes of employees and management differ in two out of the four observed internal marketing dimensions in the BiH banks. However, when considering the average ratings given by employees and management for the presence of training and development system (D3) and internal communication system (D4), we cannot be satisfied with the results obtained. The bank management must pay special attention to improving both formal and informal communication channels with their employees, as well as improving material and non-material reward systems if they wish to maintain and enhance the performance of their bank.

In addition to the previously conducted analysis, it would be interesting to examine whether certain socio-demographic characteristics of the respondents influence their attitudes towards the presence of specific internal marketing dimensions in the BiH banks. Therefore, in the following section of the paper, we present the results of the Chi-Square (χ²) test (Table 3).

**Table 3. The impact of socio-demographic characteristics on the attitudes of the respondents towards the presence of the reward system in the banks in BiH**

| Independent variable | Elements of the Chi-Square test | Dependent variables (the attitudes of the respondents towards the observed internal marketing dimensions | | | |
| --- | --- | --- | --- | --- | --- |
| D1 | D2 | D3 | D4 |
|  |  |  |  |  |  |
| Age | Pearson Chi-Square  (Asymp. Sig. (2-sided)) | .477 | .716 | .781 | .595 |
| Cramer's V | .477 | .716 | .781 | .595 |
| Contingency Coefficient | .477 | .716 | .781 | .595 |
|  |  |  |  |  |  |
| Gender | Pearson Chi-Square  (Asymp. Sig. (2-sided)) | .090 | .861 | .854 | .143 |
| Cramer's V | .090 | .861 | .854 | .143 |
| Contingency Coefficient | .090 | .861 | .854 | .143 |
|  |  |  |  |  |  |
| Educational level | Pearson Chi-Square  (Asymp. Sig. (2-sided)) | .064 | .951 | .215 | .620 |
| Cramer's V | .064 | .951 | .215 | .620 |
| Contingency Coefficient | .064 | .951 | .215 | .620 |
|  |  |  |  |  |  |
| Work experience in the bank | Pearson Chi-Square  (Asymp. Sig. (2-sided)) | .718 | .590 | .470 | .812 |
| Cramer's V | .718 | .590 | .470 | .812 |
| Contingency Coefficient | .718 | .590 | .470 | .812 |
| **Note:**  D1 –The respondents’ familiarity with the bank’s vision  D2 –The reward system in the bank  D3 –The training and development system in the bank  D4 –The internal communication system in the bank | | | | | |

Source: Authors, the results of the empirical research

Based on the results of the Chi-square (χ²) test, the value of Pearson Chi-Square in terms of the connection between age (as an independent variable) and the respondents' attitudes towards the observed internal marketing dimensions (as dependent variables) is greater than 0.05. This leads to the conclusion that for the relationships between the independent and dependent variables, the null hypothesis is accepted, meaning there is no link between the respondents' age and their attitudes regarding the internal marketing dimensions in the BiH banks. The same conclusion can be made for other independent variables (respondents’ gender, education level, and work experience in the bank), as the Pearson Chi-Square value in each observed case is also greater than 0.05. Based on the results of the χ² analysis, we conclude that there is no relationship between the socio-demographic characteristics of the respondents and their attitudes towards the observed internal marketing dimensions in the BiH banks.

**5. CONCLUSION**

According to the aims set in the study, the attitudes of employees and management regarding the presence of individual internal marketing dimensions in the banks in BiH have been identified. The study also investigated the relationship between the socio-demographic characteristics of the respondents and their attitudes towards the observed internal marketing dimensions. The results presented in the paper show that employees and managers have partially similar attitudes regarding the observed internal marketing dimensions in the BiH banks. A significant difference in the attitudes of the surveyed employees and managers is found in two out of four observed dimensions namely (familiarity to vision, the reward system). The results of the study are in accordance with the previous research by Braun (2025), which confirmed the impact of internal marketing on Generation Z, particularly emphasizing the importance of the reward system as a dimension of internal marketing. Similarly, Mainardes et al. (2019) demonstrated the existence of a positive impact of the reward system and awareness of the vision on employee job satisfaction in the banking sector. Regarding the relationship between socio-demographic characteristics of the respondents and their attitudes about the internal marketing dimensions in the BiH banks, the results of the conducted χ² test show no significant relationship between the respondents’ socio-demographic characteristics and attitudes concerning the observed internal marketing dimensions.

The results of the research show that managers do not fully understand their employees' needs regarding their involvement in defining company goals and their reward for the tasks (activities) delegated to them. Managers however have a better understanding of their employees' needs for high-quality education and career development, as well as for two-way internal communication, since no statistically significant difference in attitudes is identified for these dimensions. Based on the results obtained, it is concluded that bank managers should pay due attention to improving employees' understanding of the defined goals and vision of the bank, as this approach significantly contributes to increasing employee motivation and their loyalty to the institution, which can result in providing high-quality services to customers. Enhancing both material and non-material reward systems represents an important internal marketing mechanism that can assist managers in encouraging employees to take a more proactive approach to performing tasks and achieving organizational goals. Furthermore, investing in employee education and personal development, as well as improving two-way communication between management and employees, contributes to finding innovative solutions when working with customers. Bank managers who choose to implement tailored employee training programs create the foundation for the long-term survival of the institution in the market. Internal marketing in the banking sector represents an integrated managerial approach, rather than a set of isolated activities, aimed at improving the work environment and employee job satisfaction, which, through customer satisfaction with banking services, contributes to achieving better business performance for the bank.

It seems that the research focuses on the banking sector and its application of internal marketing, but it also highlights the need to expand the research to other sectors, as well as to take a closer look at the dimensions of internal marketing that most affect employee satisfaction and the business performance of banks. The limitations of this research can be found in the fact that only four dimensions of internal marketing were considered, which are generally most used in literature. Future research may therefore consider a larger number of dimensions. Another limitation is the lack of a more detailed analysis of individual elements within the observed internal marketing dimensions. A more in-depth analysis of these elements would provide bank management with more specific recommendations on which activities within the observed dimensions should be improved or corrected so as to increase employee satisfaction. Furthermore, the study was conducted within the banking sector alone, and it would be valuable to extend the research to other sectors in the future. It would also be significant to explore how individual internal marketingdimensions’ influence employee satisfaction and the business success of banks.

**DISCLAIMER (ARTIFICIAL INTELLIGENCE)**

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of manuscripts.

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