MAKERERE UNIVERSITY
MANAGERIAL COMPETENCE, INTERNAL MARKETING AND CUSTOMER SATISFACTION: A CASE OF COMMERCIAL BANKS BRANCHES IN JINJA DISTRICT
BY

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DECLARATION

I Wakibi Aziz, declare that this is my original dissertation which has never been published and /or presented in any Institution of higher learning for academic purposes.

Signed ………………………………………… Date…………………………………………

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APPROVAL

This Dissertation has been submitted to the University with our approval as University supervisors.

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DEDICATION

The dissertation is dedicated to my beloved mother Hajat Hadijah Wakabi and late father Haji Jowal Wakabi,

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ACRONYMS

ATM   Automatic Teller Machine

CSAT Customer satisfaction

CVI   Content Validity Index

IM   Internal Marketing

MC   Managerial competence

SPSS   Statistical package for social scientists

UGX   Uganda Shillings

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Abstract

This study investigated the relationships between managerial competence, internal marketing and customer satisfaction in commercial banks in Jinja District. The study objectives were; to establish the relationship between managerial competence and internal marketing in banks; to establish the relationship between managerial competence and customer satisfaction; to establish the relationship between internal marketing and customer satisfaction and to establish the relationship between managerial competence, internal marketing, and customer satisfaction in banks.The study was cross sectional in nature and adopted descriptive, quantitative approach. Both bank staff and the banks clientele were targeted as respondents. Sample size of 80 bank staff and 384 clients were used and the response rateof 95.3%. A five point Likert scale questionnaire was used for data collection. SPSS version 20.0was used to analyze the data in order to generate descriptive and inferential statistics. The findings revealed that there are positive relationships between; internal marketing and managerial competence, managerial competence and customer satisfaction, between internal marketing and customer satisfaction. In reference to the regression model, it was revealed that of the two independent variables, Internal Marketing was the more significant predictor of customer satisfaction in commercial banks.

The study recommends that commercial banks should improve on their internal marketing processes most especially on communication, training and development in order to improve customer satisfaction. In consideration for future studies, the study recommends an investigation of; the effect of internal marketing on customer attitudes and consequently customer preferences. The mediating role of managerial competence on customer satisfaction and resulting bank performance; the banks' perspective in regards to customer satisfaction

CHAPTER ONE
INTRODUCTION

1.1   Background to the study

Customer satisfaction is viewed as the consumer's fulfillment response. It is a judgment that a product or service feature, or the product of service itself is providing a pleasurable level of consumption-related fulfillment (Naeem, 2011). Johnson and Fornell (2002), look at customer satisfaction as the overall evaluation of the performance of an offering to date. This overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories, including banking services (Fornell, 2006). As an overall evaluation that is built up over time, satisfaction typically mediates the effects of product quality, service quality, and price or payment equity on loyalty (Bolton and Ruth 2009; Fornell, 2006). Many myths on loyalty held assumptions that, Loyal customers are less expensive to service than nonloyal customers, attract customers from competitors, help grow a business through positive word of mouth and are less price sensitiveKeiningham et al. (2005) In banks, customer satisfaction can be gauged using common indicators like variety of financial services, adding or making changes to accounts without customer's consent, interest rate competitiveness, branch number and location, understanding account information and ability to explain to clients any particulars relating to their accounts, ATM number, location and efficiency, staff courtesy and financial transaction speed (Kumar et al, 2009).

Traditionally, commercial banks in developing countries have inadequate managerial competencies to run certain activities especially regarding internal marketing tasks. Managerial competence is considered to be "the ability of the person (employee) to perform the job, to the required extent and desired quality of a particular job or activity."(Almazari, 2011)
Technical/professional knowledge alone is certainly needed to make the "technical side" of doing the business work, but is not sufficient for successful development of the commercial banks. The growth of small financial institutions leads to new situation, which require managerial skills, (Kumar et al, 2009). Although the competencies that are required of the members are known, there is evidence that some of the banks are usually poorly run and this is evidenced by poor internal marketing which eventually affects customer satisfaction (Sarkar, 2009).

Internal marketing has emerged as a discipline that is practiced in multiple companies under different names. Internal marketing is considered to be the process of creating market conditions within the organization to ensure that internal customers' wants and needs are met. Thus, the crux of internal marketing effort is the management of relationship between internal customers and internal suppliers (Schultz, 2006). It is generally recognized that all employees must be motivated and trained to behave in a market- oriented manner (Ismail, 2009). The objective of internal marketing is to get motivated and customer conscious employees in order to achieve excellence customer satisfaction. The use of marketing in the IM context suggests an emphasis on the application of marketing techniques, approaches, concepts, and theories aimed at achieving customer satisfaction in the context of internal customers, in order to achieve success

in the external market (Gronroos, 2010). Drake et al. (2010) suggest that the effective implementation of marketing techniques internally can create significant bottom-line results.The basic purpose for applying internal marketing concept is to get motivated employees and to make them conscious at each and every level to serve customer in a better way (Rafiq, 2013).

Stanbic bank is the largest commercial bank in the country by assets, with an estimated asset valuation of over US$1.2 billion (UGX:3.09 trillion), accounting for approximately 20% of the total bank assets in Uganda, as of December 2012. Although the bank is generally performing well, there are increasing cases of poor internal marketing which is evidenced by staff involvement in fraudulent cases caused by lack of motivation, training and development, for instance in Feb 24, 2013, it was reported that 1 billion in Kumi branch (Bogere, 2013). In another case in Oct 2nd, 2008 - Two Bank officials at Stanbic Bank Masaka Branch were sacked for fraud (Uganda radio network). Such scenarios scare customers who may think that their money is at risk and therefore opening up several accounts in different banks. This is further aggravated by, long queues, network failure which springs frustration hence affecting customer retention, unexplained bank charges tends to affect customer trust which is a fundamental component of customer loyalty, mistreatment by some staff either due to absence of incentives, ongoing opportunities to learn and grow, training and growth or poor attitude and skills among other causes. This study sought to investigate whether impediments that deter banks from practicing internal marketing lead to low customer loyalty and retention.

1.2   Statement of the Problem

Commercial banks in Uganda have undergone tremendous changes, transformation, innovations all aimed at satisfying clients within the financial sectors. However, evidence within financial sector in Jinja revealed high continued customer turn over, dormant accounts, long queues, network failure, unexplained bank charges and mistreatment by some staff. This might be attributed to managerial competence and internal marketing.In Stanbic bank alone, it was reported that despite the efforts, they continue to experience 21% customer turnover and employee turn-over as well. (Stanbic Bank Managerial Report, 2013). It is against this background that the study intends to investigate how managerial competence and internal marketing influence customer satisfaction

1.3   Purpose of the study

The study sought to establish the relationship between managerial competence, internal marketing and customer satisfaction of banks in Jinja district.

1.4   Objectives of the study

The study was guided by the following objectives;

i.   To establish the relationship between managerial competence and internal marketing of banks in Jinja district

ii.   To establish the relationship between the managerial competence and customer satisfaction of banks in Jinja district.

iii. To establish the relationship between internal marketing and customer satisfaction of banks in Jinja district.

iv.   To establish the relationship between managerial competence, internal marketing, and customer satisfaction of banks in Jinja district.

1.5   Research Questions

i.   What is the relationship between managerial competence and internal marketing of banks in Jinja district?
ii.   What is the relationship between the managerial competence and customer satisfaction of banks in Jinja district?
iii.   What is the relationship between internal marketing and customer satisfaction of banks in Jinja district?
iv.   What is the relationship between managerial competence, internal marketing, and customer satisfaction of banks in Jinja district?

1.6   Scope of the Study
1.6.1   Conceptual Scope

The study focused on determining the relationship between managerial competence, internal marketing and customer satisfaction in banks.

1.6.2   Geographical Scope

The study was carried out in commercial bank branches in Jinja district because of the Jinja district's position as a base for many commercial banks. Jinja would make the study viable due to the researcher's proximity to the commercial banks under study given that the researcher worked and resided in Jinja at the time of the study.

1.7   Significance of study

i.   The study may help banks in formulating strategies of increasing customer satisfaction and equipping staff with appropriate skills to increase their competence.
ii.   The study could help the researchers and academicians to expand their research into banks financial services as literature review concerning managerial competence, internal marketing   and customer satisfaction.
iii.   The commercial banks policy makers could use the study findings to enact policies aimed at improving customer satisfaction to increase the demand for banks services.

1.8   Conceptualization
Figure 1: Conceptual framework

Managerial competence
- Skills
- Knowledge
- Attitude

Internal marketing
- Motivation
- Empowerment
- Communication
- Training &development

Customer satisfaction
- Customer loyalty
- Customer retention

e ofAlmazari (2011),Rafiq and Ahmed, (2012), Jham & Khan
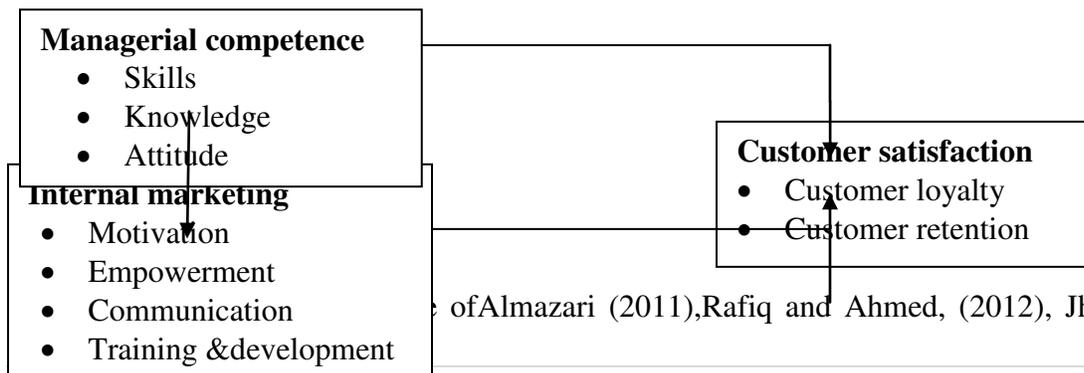
1.8.1Description of the conceptual Framework

The conceptual framework is derived from the literature indicating that managerial competence is explained using dimensions of; skills, knowledge and attitude, which measures lead to customer satisfaction and also lead to internal marketing which is explained in terms of; motivation, empowerment, communication and training &development. Customer satisfaction the dependent variable is measured using the dimensions of customer loyalty and customer retention.

CHAPTER TWO
LITERATURE REVIEW

2.0   Introduction

This chapter reviewed prevailing theories and related literature on managerial competence, internal marketing and customer satisfaction as well as their interrelationships according to research objectives. It brings out an appreciation of what has been done on the variables under study and also the gaps that were identified in the existing body of literature.

2.1   Managerial competence

Managerial competencies play today an important role in different types of organizations. The aim of enterprises is to move the performance of their employees still further and further. The Competencies can detect the differences between average and excellent managers. Perhaps the potential power of organization is to possess excellent or above average employees, they eliminate the average employees with incessantly education and development of their personality (Ramlall, 2006)

The concept of competencies is used by many scholars to refer to knowledge, skills, abilities, and personality attributes required for an individual to be successful at a particular job or task (Zarook et al, 2013). Further, they found that competencies are observable performance dimensions like individual knowledge, skills, attitudes and behaviors which are essential for effective job performance since they are associated with the ability to perform a task adequately. This is in agreement with Martin and Staines (2009), who said that competencies are a means of effectiveness and are predictive of success in management. Bolden and Gosling (2006) concur that competencies facilitate superior performance on the job.

According to Korten (2009) when managers are empowered with resources, they are able to transform visions into objectives which are achievable in a short and measureable period of time. Therefore managerial competence helps organizations to achieve the required performance by fulfilling their vision in the market. Managers who are able to meet targets with subordinates on a sustained basis are regarded as competent. Managerial competence is determined by knowledge, skills and attitudes of the managers to do the job per the required expectations (Vincent et, al, 2012).

2.2   Internal marketing

Internal marketing emerged in 1960s as a way to deliver high quality products and services (Rafiq and Ahmed, 2012; Bennett and Barkensjo, 2008). The rationale behind internal marketing is the belief that by satisfying internal customers (employees) the organizations will strengthen its human capital and will be better positioned to satisfy the requirements of its external customers (Berry et al, 2011). This is based on the assumption that fulfilling employees' needs will increase their motivation and commitment, and enhance their performance. The aim of Internal Marketing on a strategic level is the creation of an appropriate environment that will support employees' interest in external customer satisfaction.

The term internal marketing is used widely as a means of highlighting commitment to improving the effectiveness of the services offered by organizations' resources (Gilmore, 2012).

Hsin-Hsin (2010) identified five dimensions of internal marketing: training, administrative support, internal communication, external communication, human resources management,

communication, and training and development. According to Broussard and Garrison (2009) motivation is "the attribute that moves us to do or not to do something".

Empowerment: Participation is a process by which influence is shared among individuals who are otherwise hierarchical unequal (Wagner& Vikas, 2014). Empowerment has been described as a venue to enable employees make decisions (Bowen & Lawler, 2008) and as a personal experience where individuals take responsibility for their own actions. According to communication is defined as "the process whereby people within an organization give and receive messages". According to Ahmed and Rafiq (2012).Training and development: training increase or develop the managerial skills and attitudes required by employees to perform adequately on a given task or job

Papasolomou and Vrontis, (2010) argue that IM through its emphasis on "internal customers" creates a people oriented culture that sets the foundation for building a strong corporate service brand. Budhwar, et al, (2009) suggested that well-structured and rationalized internal marketing approach can significantly improve employee relations with management and overall organizational competitiveness and performance.

2.3   Customers Satisfaction

Customer satisfaction is the key to long term success of any organization (Peppers & Rogers, 2005). Keeping the importance of customer satisfaction in mind, banks need to maintain stable and close relationships with their customers. Customer satisfaction levels need to be judged. The application of the knowledge of customer satisfaction is imperative to establishing and maintaining a long-term relationship with customers and long-term competitiveness (Kumar & Reinartz, 2009). Banking is a high involvement industry. Banks recognize the fact that delivery of quality service to customers is essential for success and survival in today's global and competitive banking environment (Wang et al, 2003). Researchers have found that customer satisfaction has a measurable impact on purchase intentions (Carter, 2010), on customer retention (Voss & Voss, 2008) and on a firm's financial performance (Chalmeta, 2006).

Further, Woodruff et al, (2009) mentioned that a customer's positive or negative attitude toward the value of using a business service in a specific situation is customer satisfaction. Tse et al (2010) posit customer satisfaction as an "evaluation of the perceived discrepancy between Prior expectations and the actual performance of the product" Customer satisfaction can further be posited as a post-purchase evaluation of a product or service given pre-purchase expectations. It has also been suggested by some commentators that satisfaction is really about subjective evaluations of their experiences and outcomes as they buy or use products and services.

According to Richards & Jones, (2008) Customers' wants, needs, and expectations change quickly. Therefore, what would have delighted and surprised them a short while back might not satisfy them at present. In addition banks may not be able to provide superior services to the customers unless customer expectations are known (Leverin&Liljander, 2006). Customer expectations can be known through the knowledge of satisfaction levels of customers (Jham& Khan, 2009). This necessitates the measurement of customer satisfaction level. Customer satisfaction cannot be measured unless the factors affecting customer satisfaction are determined. This necessitates an in-depth study about the factors affecting customer satisfaction.

Comparison between expectation and performance achieved leads either to customer's satisfaction or dissatisfaction of customer. This is an interesting suggestion since it links the service process which culminates in purchase with post-purchase phenomena such as attitude change, loyalty and repurchase. It also means that managers must adopt a multi-stage approach to fully conceptualize customer satisfaction. In other words: elements existing before exposure to the service or product have an impact on the evaluation which takes place after consumption, suggesting pre-purchase elements are compared by consumers against some baseline derived from the purchase experience (Carter 2010).

In their justifications on Customer satisfaction, Jham & Khan (2009) put that customer satisfaction is measured basing on customer loyalty and customer retention. Customer loyalty is a deeply held commitment by a customer to rebuy or repatronize a particular product and or service consistently or repetitively in the future. It is a reflection of the relationship between the customer's relative attitude towards the service provider that is often based on past experiences as well as future expectations of service quality.

In addition, Pfeifer (2011) stated that customer satisfaction has measurable impact on customer loyalty in that when satisfaction reaches a certain level; on the high side, loyalty increases dramatically; at the same time, when satisfaction falls to a certain point, loyalty reduces equally dramatically. Yi (2010) expressed that the impact of customer satisfaction on customer loyalty by stating that "customer satisfaction influences purchase intentions as well as post-purchase attitude".

Sirdeshmukh and Singh, (2010) suggested the customer loyalty as "the market place currency of the twenty-first century". Ndubisi (2014) and Pfeifer (2011) pointed out that the cost of serving a loyal customer is five or six times less than a new customer. This statement shows the importance of customer loyalty. Almazari, (2011) mentioned that it is better to look after the existing customer before acquiring new customers.

Customer satisfaction is positively related to customer retention (Kotler & Keller, 2009) to retain a customer, it is necessary to satisfy him. Satisfied customer is more likely to return and stay with a company than a dissatisfied customer who can decide to go elsewhere customer satisfaction leads to retention and the retention is not simply because of habit, indifference or inertia (Desai et al, 2008); customer retention is central to the development of business relationships, and these relationships depend on satisfaction.

The most widely accepted conceptualization of the customer satisfaction concept is the expectancy disconfirmation theory (McQuitty, Finn and Wiley, 2000). The theory was developed by Oliver, who proposed that satisfaction level is a result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) occurs when product or service is better than expected. On the other hand, a performance worse than expected results is dissatisfaction (negative disconfirmation). Studies show that customer satisfaction may have direct and indirect impact on business results. Luo and Homburg (2007) concluded that customer satisfaction positively affects business profitability. The majority of studies have investigated the relationship with customer behaviour patterns (Dimitriades, 2006; Olorunniwo & Hsu 2006; Chi & Qu, 2008; Faullant & Matzler, 2008). According to these findings, customer satisfaction increases customer loyalty, influences repurchase intentions and leads to positive word-of-mouth.

2.4   The relationship between managerial competence and internal marketing

First benefit that Banks achieve from applying internal marketing programs is improvement of service goodness through bank individuals' focus on providing distinguished service to his/her colleagues which lead to find distinguished service that is received by customers (Al-Ofaishat, 2011). Lan Lings (2010) explains that workers satisfaction is a basic condition and first step to achieve customer satisfaction. Besides, service goodness is connected basically with quality of individuals who produce and provide these services. Therefore, reaching quality of services required and achieving customers satisfaction depends on using internal marketing program that satisfies needs and conforms to aspirations of working individuals (Lings, 2010).

Competent managers design system of updating and centralizing job descriptions and getting employee acknowledgement, provides better clarity and understanding of responsibilities, and improves employee satisfaction. The participants noted how the performance management software actually drove regular and meaningful interaction between manager and employee, something that was often lacking (Gummesson, 2011).

Managerial competence helps organizations provide clarity on employee goals, and track and communicate progress. Competent manager set goals and employs a system that tracks performance, and managing employee goals. Employee performance management software makes this much easier by providing a structure and a reminder system that keeps focus on goals and creates an easy system for documentation, follow through, and dialogue (Tansuhaj et al, 2010).

Competent managers install communication systems that provide a positive feedback on employee performance. Performance management software makes it easy to document positive employee feedback. And because it is easy to document and is visible and accessible, it creates an environment that encourages managers and employee documentation of employee accomplishment. This promotes recognition, which drives higher employee satisfaction. (Farquhar, 2010)

2.5   The relationship between managerial competence and customer satisfaction

Customer satisfaction is one of the biggest priorities of businesses. In the services industry, customer satisfaction levels are revealed during what we like to call the "moments of truth" (Lewis and Entwistle, 2010). Management is particularly important in formulation of policies and rules that govern the customers' satisfaction. Strong managers organize all the important factors of production to serve customers satisfactory (Kohli, 2013).

Competent managers organize and provide a variety of products and services to meet customer demands. Competent managers design training, employee appraisal system, promotion, reward and motivational programs to front line managers to ensure that clients are served diligently. In addition, a strong management puts in place a complaint management desk that addresses complaints from the clients to ensure that they served diligently (Abiodun, 2009).

In his study(Zarook et al, 2013), indicates that managerial competence provides relevant information and is the most significant factor for customer satisfaction. He further puts that customer satisfaction is the only acceptable measure of future corporate performance. In addition

Customer satisfaction is a function of customer expectations and perceptions of the services. Managerial competence expectations have a major impact on customer satisfaction. Stauss and Mang (2009) imply that customers who have clear expectations of the service performance react strongly in cases where the service performance deviates from their expectations.

2.6   The relationship between internal marketing and customer satisfaction

According to Richards & Jones (2008) Employees are the most important elements in banks that participate in the formulation of the image that customers get in relation to the offered service. Because of the importance of this interaction with the customer, employees have to communicate effectively the quality standards of their organisation to new starters. Excessive training, motivation, empowerment and rewards are required in order for the existing employees to enable them to respond to queries in relation to the same. Along the same line, new staff has to be supported so they develop their communicational and problem solving skills so they can provide effective customer support.

According to Jaworski and Kohli, (2013), banks have to develop programmes that will be addressed to the internal market (their employees) as well as the external market (Gummesson, 2011).
Lastly, this will enable them to work with different departments of the oganisation better and will contribute to the feeling of job satisfaction (Narver and Slater, 2010).

The above points help us derive the meaning of Internal Marketing, guiding employees on how to achieve greater levels of customer satisfaction and loyalty. In addition, it was empirically proven that the adoption of these guidelines assist in creating a sentimental attachment and the establishment of a co-operative environment amongst employees (Jaworski and Kohli, 2013). They found that Internal Marketing Activities in financial institutions had a significant impact on customer satisfaction.
Kohli et al, (2013) argued that internal marketing activities in financial institutions had a significant impact on customer satisfaction. The authors present an internal marketing programme and demonstrate the benefits of internal marketing in improving staff attitudes and client interaction, as portrayed by the enhanced relationships arising out of the programme.

2.7   The relationship between managerial competence, internal marketing and customer satisfaction

According to Heskett et al., (2014) in order to improve the quality of its internal and external services, banking organizations have to take a number of steps such as: increase training levels especially on techniques aiming to improve communications, provide services knowledge, sales skills, reward and recognition system improvement, increase of employee morale and hiring of experienced staff. In particular, they believe that loyal customers contribute in the business' profitability as their satisfaction is determined by the quality of the services delivered by the company employees. The latter deliver quality services when they are satisfied with the returns they achieve from the company they work for (Spreng and Mckoy, 2011).The quality of the services provided by employees in banks determines in great extent the level of customer satisfaction and analyzing the latter can help banks identify their weak points and act as a wake-up call for management and employees alike. For this reason most banks consider customer

satisfaction as the primary criterion in their strategic planning since it is directly related to the institutions' profitability.

In their study, Jaworski and Kohli, (2013), support that since Internal Marketing involves promoting the company products to its employees the management at the service based company have to develop programmes that will be addressed to the internal market (their employees) as well as the external market (customers).

Further, Gummesson, (2011) notes that, According to several authors customer satisfaction should involve identifying customer needs and satisfying them better than the competition which is all attributed to successful internal marketing and managerial competence which further can lead to a successful business

Internal marketing facilitates superior performance as it leads to greater attraction and retention of the best employee, which enhances the ability of the organizational to deliver high quality service (Berry et al, 2011). Similarly, Gronroos (2010) postulates that employee satisfaction leads to more highly motivated and customer-conscious employee, which leads to improved service quality and organizational performance. Development of specific/ individual competencies can lead to improved and consistent quality of work as well as enabling the customization of product and thereby meeting customer needs more accurately. It also helps to improve the self-effect of individual, and thus improves their and organizational performance (Conger and Kanugo, 2012; Rafiq and Ahmed, 2010).

Several studies have shown that it costs about five times to gain a new customer as it does to keep an existing customer (Naumann, 1995) and thisresults into more interest in customer relationships. Thus, several companies are adopting customer satisfaction as their operational goal with a carefully designed framework. Hill and Alexander (2000) wrote in their book that "companies now have big investment in database marketing, relationship management and customer planning to move closer to their customers". Jones and Sasser (1995) wrote that "achieving customer satisfaction is the main goal for most service firms today

CHAPTER THREE
RESEARCH METHODOLOGY

3.0   Introduction

This chapter provides a detailed conduct of the study. It covers research design, study population, sample size, sampling procedures, data source, collection instrument, validity and reliability, measurement of study variables, data processing and analysis.

3.1   Research Design

The research adopted a cross sectional design. In addition a quantitative approach which is descriptive and inferential in nature was used. This is because data was being collected at a snapshot within a single moment in time.

3.2 Study Population

The study population comprised of comprised of 105 bank staff and 151,919bank clients. This total population was arrived at by summing up individual branch clients of the 15 commercial banks as provided by the branch managers.

3.3Sampling Procedures and Sample Size

The study population was divided into two separate groups according to two criteria and later stratified random sampling technique was used to select respondents.

Using Krencie & Morgan (1970) sampling table, a sample of 384 respondents was determined from a populationof 152,024; 105 staff and151, 919clients to give a sample of 80 staff and 304 clients respectively.

Table1: Sample Size

Stratum	Respondents	Population	Sample
Strata I	Bank Staff	105	80
Strata II	Bank Clients	151,919	304
Total		**152,024**	**384**

3.4 Data Sources
3.4.1 Primary Data

Primary data was collected from the selected branch manager, employees and customers who visited the bank during the time of the study. This was done through administering a structured likert-scale questionnaire. Interview schedule were planned with the help of one research assistant. Respondents were guided through the questionnaires to ensure high level of accuracy in the data collection process.

3.4.2 Secondary Data

Secondary data was sourced from review of related literature by earlier scholars who investigated issues related to the study variables.

3.5 Data Collection Instrument

Primary data relating to managerial competence, internal marketing and customer satisfaction, was captured through administering a questionnaire. The questionnaires enabled the reader to understand the questions, more reliable in providing accurate data and it used a 5-likert scale (Strongly disagree, Disagree, Not sure, Agree, Strongly agree). Secondary data was obtained through literature review of previous research findings and existing literature on each study variable.

3.6 Measurement of Variables

The study variables were measured using a 5 point likert scale ranging from Strongly agree (SA), agree (A), not sure (NS), disagree (D), strongly disagree (SD) as responses from respondents. Managerial competence was measured by skills, knowledge and attitude(Almazari 2011), internal marketing was measured by communication, empowerment, motivation, training and development (Rafiq and Ahmed 2012), and customer satisfaction was measured by customer retention and customer loyalty (Jham & Khan 2009).

3.7 Validity and Reliability of the instrument

Content Validity Index (CVI) measurement (*Min=0.7*) was based on a five-point likert scale from not relevant (*1*) to very relevant (*5*).Questionnaires were sent to three experts to rate the relevance of the questions to the study variables using a five point scale of relevance, quite relevant, somewhat relevant and not relevant. A pretest of the designed questionnaires was carried out to test their reliability in commercial banks using 3 (targeted respondents) senior bank staff to refine the instrument. The Cronbach`s alpha-α test (*Min=0.7*) measured the scale reliability for internal consistency of the items. This made the researcher reassess the constructs and the instrument such that it captures the desired phenomena. Some changes were made to this effect as feedback served as a mechanism to clarify, refine and enhance the instrument. Table 2 shows the content validity and reliability results.

Table 2:Below shows the Alphacoefficient of the different variables

Variable	Anchor	Cronbach Alpha Coefficient	CVI
Managerial Competence	5 point	.796	0.891
Internal marketing	5 point	.759	0.763
Customer Satisfaction	5 point	.713	0.917

Source: Primary data

Results in Table 2 showed that the instrument was both reliable and valid since content validity index and Cronbach alpha coefficients were well above the minimum 0.6 for all the three variables (Wang et al, 2003; Nunnally, 1978).

3.8   Data processing and analysis

After collecting the data using a pre-coded questionnaire, it was edited. The researcher carried out tests for assumptions of parametric data and missing values of the data set. Statistical package for social scientists (SPSS) version 20.0 was used for data entry and analysis in order to generate descriptive and inferential statistics.Pearson correlation analysis was used to establish the relationship between managerial competence, internal marketing and customer satisfaction of banks. Multiple Regression analysis was used to determine how the predictor variables explained the dependent variable. This is because there was more than one variable affecting the dependent variable.

CHAPTER FOUR
PRESENTATION, ANALYSIS AND INTERPRETATION OF THE FINDINGS

4.1 Introduction

This chapter presents the findings, analysis and interpretation of the results based on primary data from the field while addressing the fundamental objectives of the study. It's divided in three basic parts. The first part covers the response rate and respondent characteristics. The second part presents the analysis of the correlation coefficient while the third part captures regression analysis.

4.2 Response rate

A total of 384 questionnaires were prepared and circulated. Though only 366 of the collected/ returned questionnaires could be used in the analysis representing a response rate of 95.3%

4.3 Respondent characteristics

The results in table 3 below show the respondent characteristics of; Gender, Education level, Period of service at the bank.

Table 3: Respondent Characteristics

Characteristics			Respondent Category		Total
			Bank Staff	Clients	
	Male	Count	34	200	234
Gender		Column %	46.6%	68.3%	63.9%
	Female	Count	39	93	132
		Column %	53.4%	31.7%	36.1%
Total		Count	73	293	366
		Sample %	20%	80%	100.0%

Source: Primary Data

			Respondent Category		Total
			Bank Staff	Clients	
	Post Graduate	Count	10	20	30
		Column %	13.7%	6.8%	8.2%
	Degree	Coun	53	89	142
Education Level		Column %	72.6%	30%	38.8%
	Diploma	Count	10	129	139
		Column %	13.7%	44%	38%
	Certificate	Count	0	56	56
		Column %	0.00%	19.2%	15%
Total		Count	73	293	366
		Sample %	20%	80%	100.0

Source: Primary data

			Clients	Staff	Total
			Respondent Category		**Total**
Period of service at bank	**0 - 2 years**	Count	67	26	93
		Column %	22.9%	35.6%	25.4%
	3 - 4	Count	142	34	176
		Column %	48.5%	46.6%	48.1%
	5 years & above	Count	84	13	97
		Column %	28.6%	17.8%	26.5%
Total		Count	293	73	366
		Sample %	80%	20%	100.0%

A sample representation of 20% (n=73) and 80% (n=293) for bank staff and clients respectively was constituted in the sample. There were more male respondents in the customer category at 68.3% (n=200) while the female respondents were at 31.7% (n=93) in that category. However, in the case of the bank staff category there were more female respondents at a percentage level of 53.4% (n=39) compared to the male that represented at 46.6% (n=34). In summation, there were more male respondents in the sample at 63.9% (n=234) compared to the female at 36.1% (n=132).

Education level, most of the respondents in the sample had attained degree level of education (38.8%, n=142), followed by those at diploma level (38%, n=139), while 15% (n=56) of the sample had attained a certificate. The least level of education attained in the sample was postgraduate with a percentage representation of 8.2% (n=30). In the Bank staff category, respondents had attained a minimum of diploma while in the clients' category; respondents had a minimum qualification of a Certificate.

Period of service at the bank, shows that 48.8% (n=142) of the customers had been served by the bank for a period of 3 to 4 years while 46.6% (n=34) of staff had served in the bank for a period of 3 to 4 years. On the other side, 22.9% (n=67) of the customers had been served by the bank for a period less than 2 years while 35.6% (n=26) of the staff had served in the bank for a period of less than two years. Alternatively 28.6% (n=84) of the customers had been served by the bank for a period of five years and above while 17.8% (n=13) of staff had served in the branch for a period of five years and above.

Table 4; Status of respondents with the bank

Status	Frequency	Percentage%	Cumulative Percentage %
Manager	15	4.1	4.1

Credit Officer	24	6.6	10.7
Cashier	23	6.3	17
Customer care officer	11	3	20
Client	293	80	100%
Total	**366**	**100%**	

Results in table 4 above show that in total sample, majority of the respondents were banks' clients with a representation of 80% (n=293). In total, the bank staff had a 20% (n=73) representation in the sample, of which 6.6% (n=24) acted in the capacity of Creditofficers, the Cashiers were 6.3% (n=23), followed by Bank Managers represented by 4.1% (n=15). The least participants in the study were customer care officers with a percentage representation of 3% (n=11).

4.3.2Bank characteristics
Table 5 shows the bank characteristics of; Duration of the bank and Number of clients
Table 5: Sample Characteristics

Characteristics		Frequency	Percent	Cumulative percent
Duration of the Bank(Years)	5-10	11	73.3	73.3
	10-15	3	20	93.3
	>15	1	6.7	100%
Total		**15**	**100.0**	
Number of Clients	Less than10000	2	13.3	13.3
	10001-15000	10	66.7	80
	10001-20000	2	13.3	93.3
	Over 25000	1	6.7	100.0
Total		**15**	**100.0**	

Source: Primary Data

Table 5 shows that 73.3% (n=11) of the banks in Jinja had been in existence for a period of 5 to 10 years, while 20% (n=3) of the banks had operated in Jinja for a period between 10-15years. It was revealed that only one bank with a 6.7 representation had operated in Jinja for a period over 15 years.

Further, results also revealed that majority of the banks had clients in the range of 10001-15000 giving a percentage representation of 66.7%, while 13.3% of the banks had had less than 10000 members. The results indicate that 13.3% of the banks had over client population in the 10001-20000 range whereas only one bank with a 6.7% representation had clients above 25000.

4.4Person's correlation analysis

Results in the table below were presented so as to examine the nature of the relationships between the study variables (managerial competence, internal marketing and customer satisfaction). This was affected using the Pearson's (r) correlations coefficient which ranges between -1.000 and 1.000.

Table 6: Pearson's correlation analysis coefficients of the variables.

Variables	MC	IM	CS
Managerial competence (MC)			
Internal marketing (IM)	.264		
Customer satisfaction (CS)	.335	.394	

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data

It can be deduced from Table 6 that the two variables namely managerial competence and internal marketing have a positive association with customer satisfaction.

4.4.1 The relationship between managerial competence and internal marketing

The results show that there is a positive association between managerial competence and internal marketing represented by r=0.264 with p<0.01. This means that managerial competence affects staff performance.

4.4.2 The relationship between managerial competence and customer satisfaction

The results show that there is a positive association between managerial competence and customer satisfaction which is represented by r= 0.335 with p<0.01.

4.4.3 The relationship between internal marketing and customer satisfaction

Interestingly, the results indicate that there is a strong positive association between internal marketing and customer satisfaction which is represented by r = 0.394 with p<0.01. This implies that internal marketing greatly affects customer satisfaction among bank clients in the case study.

4.5 Regression Model

Table 7 shows the results of regression tests that were run to determine the predictive power of managerial competence and internal marketing on customer satisfaction in banks. The regression analysis results explain the variations that occur in customer satisfaction as a result of a change in managerial competence and internal marketing.

Table 7: Regression model

Model	Unstandardized Coefficients		Standardized	T	Sig.	Dependent Variable Customer satisfaction	
	B	Std.Error	Beta				
(constant)	.803	.244		3.289	.002	R Square	.334
Managerial competence	.500	.103	.531	4.862	.000	Adjusted R Square	.316
Internal marketing	.082	.099	.541	.830	.000	Sig.F Change	.000

The results in Table 7 above show that the predictors explain up to 31.6% change in customer satisfaction (Adjusted R Square= 0.316).This implies that 68.4% of the variance in customer satisfaction is explained by other factors outside the model used.The results further indicate that internal marketing (Beta=.541, Sig. =.000), is a better predicator followed by managerial competence (Beta = .531, Sig. =.000). This means that a change in internal marketing leads to 54.1% change in customer satisfaction, while managerial competence contributes 53.1% change in customer satisfaction.

The results from the regression analysis are in line with those in Table 6 which were got using Pearson's correlation analysis.

Therefore Banks in Jinja should put more emphasis on internal marketing followed by managerial competence in a bid to increase customer satisfaction. The regression model was also observed to be significant at 99% confidence level (p<0.01) and could thus be used to reliably make deductions and recommendations for the Banks in line with customer satisfaction.

CHAPTER FIVE
DISCUSSION, CONCLUSION AND RECOMMENDATIONS
5.1 Introduction
The study focused on the relationship between managerial competence, internal marketing and customer satisfaction. This chapter is divided into four sections, .discussion of findings, conclusions, recommendations and areas for further research. These sections are guided by the study objectives.

5.2 Discussion of Findings
The discussion of the findings in relation with the objectives of the study.

5.2.1   The relationship between managerial competence and internal marketing
The results demonstrate that managerial competence and internal marketing are positively correlated. This finding is supported by extant findings of Korten (2009), who assert that the internal relationship between the organization and its management is the focus of internal marketing. Early attempts to incorporate an internal perspective of marketing to complement the external focus arose from the marketing literature. This concept is relevant for aligning corporate responsibility efforts with management, by building understanding of the relationship between

the firm and the external market while simultaneously and synergistically ensuring that the internal relationship with management is also addressed(Ramlall, 2006)

Bagnoli and Watts (2003) assert that firms with good corporate citizenship strategies are conducting a profit-maximizing business. Recently, Fernandez et al, (2010).The above points help us derive the meaning of Internal Marketing, guiding management on how to achieve greater levels of customer satisfaction and loyalty. In addition, it was empirically proven that the adoption of these guidelines assist in creating a sentimental attachment and the establishment of a co-operative environment amongst employees (Jaworski and Kohli, 2013). They found that Internal Marketing Activities in financial institutions had a significant impact on customer satisfaction. The authors present an Internal Marketing programme and demonstrate the benefits of Internal Marketing in improving staff attitudes and client interaction, as portrayed by the enhanced relationships arising out of the programme.

Hsin-Hsin Chang, (2010) support that Internal Marketing can be applied to all types of businesses with greater application to those in the services industry not forgetting managerial competence. Spreng and Mckoy (2011), support the same opinion and they are also adding in their approach that the process can be used in order to manage change. Spreng and Mckoy, (2011) recognized a type of Internal Marketing which recognizes who the customer and who the marketer is, supporting the view that an institution can be both customer and marketer at the same time. The quality of the services provided determines in great extent the level of managerial competence and analyzing the latter can help banks identify their weak points and act as a wake-up call for management and employees alike. For this reason most banks consider customer satisfaction as the primary criterion in their strategic planning since it is directly related to the institutions' profitability (Spreng and Mckoy, 2011).

5.2.2 The relationship between managerial competence and customer satisfaction

The results demonstrate that managerial competence and customer satisfaction are positively correlated. This finding is supported by extant findings. According to (Zarook et al, 2013), he found out that managerial competence provides relevant information and is the most significant factor for customer satisfaction. He further notes that customer satisfaction is the only acceptable measure of future corporate performance. Managerial competence expectations have a major impact on customer satisfaction. Stauss and Mang (2009) imply that customers who have clear expectations of the service performance react strongly in cases where the service performance deviates from their expectations. Therefore, customer expectations should be influenced through communication. High level of customer satisfaction is widely believed to be a good indicator describing company's profitable operations in the future Kotler& Keller, (2009).

This implies that the main decision makers believe that having proper managerial competencies will mostly lead to customer satisfaction. Worth noting in this study is that managerial competence for financial institutions is more significant.

5.2.3 The relationship between internal marketing and customer satisfaction

Remarkably, the correlation results show that internal marketing is associated with customer satisfaction. This implies that employees are more concerned with internal marketing (Motivation, Empowerment, Communication and Training & development) as a significant determinant in customer satisfaction.

The findings in this study show that Motivation, Empowerment, Communication, Training and development greatly influence customers' satisfaction with banking services in Uganda. The findings are consistent with other studies for example (Carter,2010) confirm that managerial competencies identification and development are important tools of human resources management that is aimed at achieving strategic organizational goals. Due to current dynamic development and changes, more and more attention is being paid to the personality of managers and their competencies, since they are viewed as important sources of achieving a competitive advantage.

In this study, internal marketing was the most significant factor in the customer satisfaction by those who are already using the banking services. This is consistent with (Drake, 2010) who found out that in order to be effective in that regard the manager must possess the characteristics most often associated with the description of emotional intelligence: self-awareness, self-regulation, motivation, empathy and social skill. Additionally, the manager must be effective at spreading these same characteristics throughout the internal customers, since having these skills concentrated in a single individual within the organization is not optimal.

5.2.4 The relationship between managerial competence, internal marketing, and customer satisfaction in banks

The results demonstrate that managerial competence and internal marketing are both having a positive correlation with customer's satisfaction. This finding is supported by extant findings that show the constructs of managerial competence (skills, knowledge and attitude) and the constructs of internal marketing such as (motivation, empowerment, communication and training & development) were all found to significantly influence customer satisfaction. This implies that for customers to be satisfied the internal marketing processes have to be aligned with the various managerial competences. These findings were in line with the teachings of McQuitty et al, (2000), who confirms that customer satisfaction is one of the biggest priorities of businesses. In the services industry, customer satisfaction levels are revealed during what we like to call the "moments of truth"; being the moment that the customer comes in contact with a front-line employee of the firm (Berry et al, 2011; p. 105; Lewis and Entwistle, 2010).On the other hand, (Jaworski and Kohli, 2013), support that since Internal Marketing involves promoting the company products to its employees the management at the service based company have to develop programmes that will be addressed to the internal market (their employees) as well as the external market (customers) (Lovelock & Gummesson 2004; Tansuhaj et al, 2010; Gummesson, 2011).

According to several authors customer satisfaction should involve identifying customer needs and satisfying them better than the competition which is all attributed to successful internal marketing and managerial competence which further can lead to a successful business Gummesson, (2011). Whilst conducting interviews with managers and senior executives, Kohli and Jaworski (2013) described marked coordination as the "systematic market research, communication of theresearch's results to all the departments of the organization and movement of the business towards achieving a common goal". They also emphasized the importance of individual as well as team effort in order to achieve enhanced performance.

5.3 Conclusion

The study focused on establishing the relationship between managerial competence, internal marketing and customer satisfaction in Commercial Banks. Therefore the following conclusions can be put forward.

The findings revealed that there is a weak positive relationship between managerial competence and internal marketing in commercial banks. This implies that when managers are trained to in order enhance their knowledge and skills they can be in a better position to create a working environment that motivates, empowers and develops its internal customers who are the employees.

The results showed a positive relationship between managerial competence and customer satisfaction. In this respect, managers in commercial banks can use their skills, knowledge, and attitude to adopt to dynamic business environments and as such design mechanisms to put in place business practices to boost customer satisfaction in commercial banks.

The result further showed that there is a moderate positive relation between internal marketing and customer satisfaction. This implies that when employees of commercial banks are accorded a conducive working environment through motivation, training and development with the necessary decentralized empowerment, it enables them to have the basic tools to serve customers satisfactorily and hence maintain customer retention and customer loyalty in the banks.

Lastly, the results further showed that both managerial competence and internal marketing have a positive relationship to customer satisfaction. This implies that both internal marketing and managerial competence have an impact on customer satisfaction levels in commercial banks. Internal marketing though is a better predictor on the dependent variable compared to Managerial competence. Therefore commercial banks need to give more attention to improving their internal market to retain and create more customer satisfaction.

5.4 Recommendations
The following recommendations based on the findings of the study are meant for the management of commercial banks with emphasis on improvement in managerial competence and improvement ininternal marketing in order to enhance customer satisfaction.

Management of commercial banks should set up human resource practices that aim to develop managerial competence in order to bridge gaps in internal marketing.

Commercial banks should train managers to acquire skills, knowledge and experience of delivering quality services to customers to impact on customer loyalty and customer retention. Furthermore, commercial banks should formulate and adjust credit policies basing on the prevailing business environment in order to serve the customer better and beyond their expectation to enhance customer experience with the commercial banks.

In enhancing customer loyalty and retention, it is important for commercial banks to understand that it through skilled, trained and developed managers coupled with a motivated employee work force with full empowerment that they will be able to deliver perfect service especially in a high paced competitive sector like the financial services. This makes it important for banks to understand not only how to increase customer satisfaction levels but also manage service failures and ultimately customer dissatisfaction in order to minimize the potential adverse effects of this.

Commercial banks should consider investing more in internal marketing than in managerial competence because the regression analysis revealed that the former was a better predictor of customer satisfaction than the latter. Therefore investing in internal marketing would unleash the potential power of banks to boost customer satisfaction.

5.5 Areas for Further Research

Since the study was limited to a given scope and specifics, the following areas need to be taken into consideration for future studies;

i. The effect of internal marketing on attitude and consequent customer satisfaction needs to be further investigated.

ii. The mediating role of managerial competence and customer satisfaction was not studied in-depth.

iii. The bankers' perspective in regards to customer satisfaction is another area that can be examined since it's the engine behind the provision of the service.

iv. There is a need for an in depth analysis of the dimensions of internal marketing (empowerment, communication, motivation, training and development) and howthese relate to customer satisfaction.

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Appendix one;
12.3 QUESTIONNAIRE

MAKERERE UNIVERSITY
QUESTIONNAIRE

(To be filled in by the employees and managers of banks)

Dear Sir/Madam

I am Wakibi Aziz a student of Makerere University pursuing a Masters Degree in Business Administration with registration number 2012/HD10/2074U. I am conducting a study on the topic "Managerial Competence, Internal Marketing and Customer Satisfaction in Commercial Banks in Uganda"., I kindly request you to spare some few minutes of your time and fill this questionnaire for me, the purpose of this study is basically for academic purposes and all the information given will be treated with confidentiality.

Thank you in advance for your cooperation.

INSTRUCTIONS
Please tick or fill in the blank spaces with what is most appropriate to you
SECTION A : BACKGROUND INFORMATION
(Tick the response that describes you)
1. Name of bank …………………………………………………………..
2. Gender of the respondent
    A) Male ☐   b) Female ☐
3. Status with the Bank
    a) Manager ☐
    b) Credit officer ☐
    c) Cashier ☐
    d) Customer care officer ☐
       If any other specify……………………………………………………………..
4. Education level,
    a) Certificate ☐
    b) Diploma ☐
    c) Bachelors ☐
    d) Masters ☐
    e) Professional ☐

6. Period of service at the Bank,
    a) 0-2 years ☐
    b) 3-4 years ☐
    c) 5 years and above ☐

7. Number of clients
a) Less than 10000 ☐

b) 10001 – 15000

c) 10001 – 20000

d) Above 25000

Section B: MANAGERIAL COMPETENCIES

For each of the statements, please indicate the extent of your agreement or disagreement on a 5 point scale ranging from **"SD -strongly disagree"(1), "D"- Disagree (2), "N"- Neutral (3), "A"- Agree (4), to"SA - strongly agree"(5)**

SKILLS		SD	D	N	A	SA
s1	We have an effective communication system in our Bank	1	2	3	4	5
s2	We usually emphasize team work in our Bank	1	2	3	4	5
s3	We always involve our employees in developing programs, procedures and policies	1	2	3	4	5
s4	Staff are always trained on how to carry out Bank's activities	1	2	3	4	5
s5	Staff are normally allowed to attend continuous professional development programs	1	2	3	4	5
s6	We always mentor staff on performance standards	1	2	3	4	5
s7	Business training workshops are often organized for staff on a monthly basis	1	2	3	4	5
s8	We emphasize coaching staff who fail t et targets	1	2	3	4	5
s9	We train staff to acquire the necessary skills needed to perform their duties	1	2	3	4	5
s10	We foster critical thinking in employees	1	2	3	4	5
s11	Staff who consistently meet targets are promoted	1	2	3	4	5
s12	We always give orientation to all new employees	1	2	3	4	5
s13	We normally train employees to meet the needs of our Bank	1	2	3	4	5
s14	We often emphasize effective utilization of resources	1	2	3	4	5
s15	We bring people of different skills to work together	1	2	3	4	5
KNOWLEDGE						
k1	We effectively handle conflicts among employees on time	1	2	3	4	5
k2	We often operate effectively in different Bank programs	1	2	3	4	5
k3	We often develop working schedules	1	2	3	4	5
k4	We often build employee teams that can perform to their potential	1	2	3	4	5
k5	We usually visit other similar Bank's to see how affairs are handled	1	2	3	4	5
k6	We have the ability to analyze complex information to create visions and solve problems.	1	2	3	4	5
k7	We always aim at having people with the right understanding in the right roles	1	2	3	4	5
k8	We focus at involving right decision-makers at the right level in our Bank	1	2	3	4	5
k9	Client satisfaction rates are measured daily by managers	1	2	3	4	5
k10	Staff are normally appraised basing on set targets	1	2	3	4	5
k11	We always seek knowledge of consultants on how to achieve goals	1	2	3	4	5
k12	Client satisfaction can be predicted easily by managers	1	2	3	4	5

SECTION C: INTERNAL MARKETING

For each of the statements, please indicate the extent of your agreement or disagreement on a 5 point scale ranging from **"SD -strongly disagree"(1), "D"- Disagree (2), "N"- Neutral (3), "A"- Agree (4), to"SA - strongly agree"(5)**

	MOTIVATION	**SD**	**D**	**N**	**A**	**SA**
M1	When I do something extraordinary, I know that I will receive some financial bonus/reward.	1	2	3	4	5
M2	I am working in the most respected bank in the country	1	2	3	4	5
M3	My income and the annual increases are very closely tied to my qualifications and my performance.	1	2	3	4	5
M4	Everyone gets an annual bonus regardless of their performance.	1	2	3	4	5
M5	My income and the annual increases are much related to those of people with similar qualifications working in this or any other industry.	1	2	3	4	5
	TRAINING					
T1	In our bank, training is closely related to the individual needs of each employee.	1	2	3	4	5
T2	A newly hired employee is helped to find his own answers to the requirements of the job.	1	2	3	4	5
T3	We always get training regarding our daily activities and job description.	1	2	3	4	5
T4	If one is moved from one department to another, the new supervisor will personally train him/her for a pre-specified period of time.	1	2	3	4	5
T5	Our bank sets aside adequate resources to train employees.	1	2	3	4	5
T6	Our training and development programme are clearly directed at creating the competencies that are important to our business.	1	2	3	4	5
	COMMUNICATION					
C1	Before any policy change my supervisor informs me phase-to- phase in advance	1	2	3	4	5
C2	Supervisors are sincerely interested in listening to what subordinates have to say about their jobs.	1	2	3	4	5
C3	Supervisors takes subordinates' suggestion to the problems seriously	1	2	3	4	5
C4	If an employee has a certain personal problem that influences negatively his (her) work performance, (s)he is encouraged to discuss it with his/her supervisor	1	2	3	4	5

C5	Supervisors are never too busy if one of their subordinate wishes to meet personally	1	2	3	4	5
C6	Our supervisors spend time with their subordinates, explaining them company objectives and how these objectives affect what the company expects from each individual employee	1	2	3	4	5
	EMPOWERMENT	1	2	3	4	5
E1	My supervisor allows me to use my own judgment in solving problems	1	2	3	4	5
E2	My supervisor encourages me to take initiatives	1	2	3	4	5
E3	My supervisor allows me a high degree of initiative	1	2	3	4	5
E4	My supervisor trusts me to exercise good Judgment	1	2	3	4	5

SECTION D: CUSTOMER SATISFACTION

For each of the statements, please indicate the   nt of your agreement or disagreement on a 5 point scale ranging from **"SD -strongly disa   "(1), "D"- Disagree (2), "N"- Neutral (3), "A"- Agree (4), to"SA - strongly agree"(5)**

	Customer loyalty	Strongly(1) disagree	Disagree(2)	Not sure (3)	Agree (4)	Strongly Agree
L1	We immediately address customers' complaints on time	1	2	3	4	5
L2	The Bank is concerned about how to serve its customers in a better way	1	2	3	4	5
L3	We provide a wide range of products to customers	1	2	3	4	5
L4	We effectively communicate with clients	1	2	3	4	5
L5	We encourages customer to complain	1	2	3	4	5
L6	The Bank is easily accessible	1	2	3	4	5
L7	I am satisfied with the way we serve customers	1	2	3	4	5
	Customer Retention					
R1	Our lending rates are friendly	1	2	3	4	5
R2	I will continue using services from this institution as am served on time	1	2	3	4	5
R3	We encourage clients to continue using services in this bank	1	2	3	4	5
R4	Our banking charges are friendly and competitively	1	2	3	4	5
R5	We maintain short queues in the bank	1	2	3	4	5
R6	We encourage the use of ATM to have 24 hours services	1	2	3	4	5
R7	We advise clients on better deals in the bank	1	2	3	4	5
R8	We provide a wide product portfolio to meet client's needs	1	2	3	4	5
R9	We inform clients on new innovations in the bank	1	2	3	4	5

Thank You!

MAKERERE UNIVERSITY QUESTIONNAIRE

(To be filled in by the clients of banks)

Dear Sir/Madam

I am Wakibi Aziz a student of Makerere University pursuing a Masters Degree of Business Administration with registration number 2012/HD10/2074U. I am conducting a study on the topic "Managerial Competence, Internal Marketing and Customer Satisfaction in Commercial Banks in Uganda"., I kindly request you to spare some few minutes of your time and fill this questionnaire for me, the purpose of this study is basically for academic purposes and all the information given will be treated with confidentiality.

Thank you in advance for your cooperation.

INSTRUCTIONS

Please tick or fill in the blank spaces with what is most appropriate to you

SECTION A: BACKGROUND INFORMATION

(Tick the response that describes you)

1. Name of bank …………………………………………………………..

2. Gender of the respondent

   A) Male ☐   b) Female ☐

3. Education level,

   f)   Above degree ☐
   g)   Degree diploma ☐
   h)   below diploma ☐

Others Specify:…………………………….

4. Period when using the service of this Bank

   d)   0-2 years ☐
   e)   3-4 years ☐
   f)   5 years and above ☐

5. Status with the Bank

g) Manager
h) Credit officer ☐
i) Cashier ☐
j) Customer care officer ☐
k) Clients ☐

SECTION B

	Customer loyalty	Strongly(1) disagree	Disagree(2)	Not sure (3)	Agree (4)	Strongly Agree
L1	The Bank consistently meets my expectations	1	2	3	4	5
L2	The Bank is concerned about how to serve its customers in a better way	1	2	3	4	5
L3	I am satisfied with the services of my Bank	1	2	3	4	5
L4	I effectively communicate with the Bank's management	1	2	3	4	5
L5	The Bank's management always encourages customer to complain	1	2	3	4	5
L6	I always make sure that conflicts do not arise in my relationship with the Bank's management	1	2	3	4	5
L7	The Bank is easily accessible	1	2	3	4	5
L8	I am satisfied with the Bank services	1	2	3	4	5
	Customer Retention					
R1	I consistently use services from this institution irrespective of the lending rates	1	2	3	4	5
R2	I will continue using services from this institution as am served on time	1	2	3	4	5
R3	I am always encouraged to continue using services in this bank	1	2	3	4	5
R4	The bank charges are competitive	1	2	3	4	5
R5	There are short queues in the bank	1	2	3	4	5
R6	The bank encourages the use of ATM to have 24 hours services	1	2	3	4	5
R7	Clients are advised on better deals in the	1	2	3	4	5
R8	The bank has a wide product portfolio to meet client's needs	1	2	3	4	5
R9	Clients are informed on new innovations in the bank					

Thank You!

Appendix

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size

"S" is sample size.

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", <u>Educational and Psychological Measurement</u>, 1970.