THE IMPACT OF INTERNAL MARKETING ON EXTERNAL MARKETING IN OIL AND GAS INDUSTRY



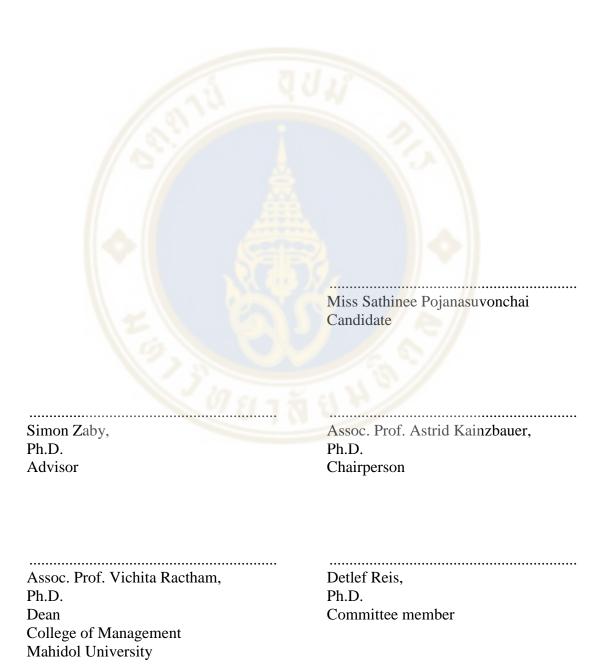
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ABSTRACT

The oil and gas industry has long been one of the biggest business sector in the world. However, this industry is undergoing business downturns due to an increasingly dynamic business environment, effect of pandemic and environmental issues. To survive and remain competitive in the market, it is irrefutable that internal customers, or employees, within an organization play a crucial role in attracting and retaining external customer. Therefore, effective management of internal marketing directed at internal customers can be essential to external marketing efforts. The purpose of this research is to study the impact of internal marketing on external marketing through job satisfaction in the oil and gas industry. The five internal marketing elements included in this study are employment security, generous rewards, knowledge management and knowledge sharing, company's sharing of information and employee empowerment. Semi-structured interview with predetermined open-ended questions was employed for this research.

The results of this study show that all five internal marketing elements have an impact on job satisfaction and all of them also affect work performance, except employment security. Reward system and employee empowerment are considered extremely crucial factors affecting employee's job satisfaction. The findings also suggest that job satisfaction can positively influence employees to perform extra-role behaviors directed at external customer. Hence, this shows that effective internal marketing is the precedent of successful external marketing.

KEY WORDS: Internal Marketing/ Job Satisfaction/ External Marketing/ Oil and Gas Industry

37 pages

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CHAPTER I INTRODUCTION

The oil and gas industry has played an influential role in the global economy as the world's primary fuel source especially in developing regions. (Johnson, Blakemore, & Bell, 2021). According to ibisworld (2021), the industry of oil and gas exploration and production is ranked 8th global biggest industry in terms of revenue generation in year 2021. However, there is a trend around the world that many countries are encouraging the use of substitute technologies, especially renewable energy. Furthermore, there are new technologies supporting the use of renewables, for example, electric and hydrogen vehicles. Due to economic turmoil, including fluctuations in business environment globally in the past years, together with the COVID-19 pandemic, the oil and gas industry has been dramatically experienced business downturn due to unprecedented economic disruption. Many oil and gas companies in various countries e.g., China, Russia, United Kingdom etc. have started implementing workforce reduction plan. However, the oil and gas industry was the not only industry affected by this crisis. Other industries which had to downsize their businesses to survive include airlines, apparel retail, as well as the hotel and tourism industry. With many countries issuing lockdowns and work from home orders, transportation is widely reduced. This slows down the local economics as well as the consumption of oil and gas. Thus, a fear of being laid of remains in the employee's mind. The remaining employees seeing their friends leave the company are likely to perceive job insecurity and lose trust towards that organization.

Since the competitive advantage of commodity become less important, the only essential factors required for an organization to be outstanding in the competitive environment are its employee and how they perform business activities (Pfeffer, 1995). It is undeniable that human resource is still the key that contributes towards the success of the business. In order to achieve business goal, organizations are required to emphasize on developing and retaining organizational culture that values the well-being of internal customer. As internal customers play a major role in attracting and retaining

external customer during economic downturns, the focus on external customer should be equally balanced to its focus on internal employees (Bansal, Mendelson, & Sharma, 2001). Employees have long been playing a crucial role in achieving company success. The way an organization achieves competitive advantage and its goal involves organizational attitudes towards its workforce and employee relationship. Organizations which regard its workforce as a source of their strategic advantage are prone to successfully beat and outperform their competitors (Pfeffer, 1995). Instead of finding employee substitutes and limiting their scope of activities, a firm should focus on working with them to achieve its goal.

According to The U.S. Energy Information Administration (EIA)'s report regarding the forecast of U.S energy consumption from year 2021 – 2050 which is indicated in Figure 1 below, there is still a strong demand of petroleum and natural gas, despite a significant increase in other renewable energy.

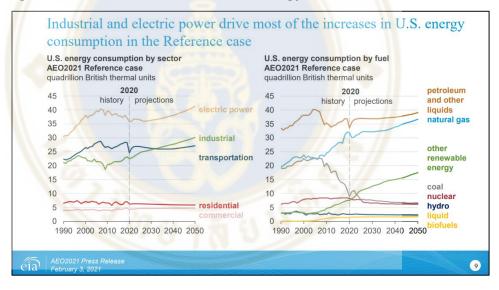


Figure 1.1 Forecast of U.S. energy consumption from year 2021-2050 (Nalley & LaRose, 2021).

Due to current economic downturn in the oil and gas industry, this could cause low employee morale within many companies. Hence, it is very important for firms to ensure job satisfaction in order to retain talents within the company because satisfied employees are more likely to generate productivity and value to the business.

Employee satisfaction can be resulted from effective internal marketing practices; therefore, satisfied employees could generate higher customer satisfaction (Heskett et al., 1994). Morrison (1996) stated that if a firm prioritizes developing long-term relationships with employees, it will be more likely to foster job commitment and trust that are necessary for organizational citizenship behavior. With strong commitment and trust towards organization, employees would be willing to go extra-mile in doing their tasks. Galpin (1997, p.12) calls Internal marketing as "organizational influence system". The outstanding business performance can be generated from individual and organizational competencies which are driven by effectiveness of internal marketing mix strategy (Ahmed, Rafiq, & Saad, 2003).

Employees in organizations play an important role in generating business values and competitive advantages and they are the direct point of contact with the external customer. This thematic paper aims to study the linakage of the influence of internal marketing to external marketing through job satisfaction. Many past studies showed that the success of external marketing is contingent on the success of how well it markets itself internally in the context of service organizations (e.g., Morrison et al., 1996). This study aims to explore the same concept in the oil and gas industry.

Therefore, the research objectives of this study are:

- 1) To examine perceptions of employees in the oil and gas industry on internal marketing elements.
- 2) To identify the internal marketing factors which affect job satisfaction
- 3) To analyze how employee job satisfaction can contribute to external marketing success in terms of extra-role directed at external customer.

CHAPTER II LITERATURE REVIEW

2.1 Job Satisfaction

Job satisfaction is a popular term within occupational and organizational psychology areas. There are several definitions of job satisfaction defined by various researchers and practitioners. However, for the purpose of this thematic paper, job satisfaction is defined as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values" (Locke, 1975, p.1342). Job satisfaction provides a sense of optimistic feeling towards work and job environment, it can be achieved through various aspects including but not limited to job itself, achievement, career development, security, independence and sharing of knowledge (Azzam et al., 2016). According to Kukreja (2017), satisfaction of internal employees is usually predecessor of external customer satisfaction. Understanding the meaning and value of job satisfaction is necessary for both organizations and individuals (Chemeli, 2003). Employee satisfaction and retention have always been important issues for employers. In accordance with the literature, job satisfaction influences employee turnover and productivity in the company, and these two aspects are extremely essential for an organization to gain competitive advantage and outperform competitors in the market (Saeed, 2016). Satisfied employees tend to be more productive, creative and committed to their employers. Recent studies have shown a direct correlation between staff satisfaction and customer satisfaction (Gandhi, 2012).

2.2 Relevance of Internal Marketing

According Helman (1992), internal marketing was originally proposed in service management business context. This term involves applying traditional marketing concept within organizations where the employees are regarded as organization's customers with the purpose to improve corporate effectiveness. Gronroos (1981, p. 236)

defines internal marketing as "selling the firm to its employees". Another definition of internal marketing was suggested by Joseph (1996, p. 55) which is "the application of marketing, human resource management, and allied theories, techniques, and principles to motivate, mobilize, co-opt, and manage employees at all levels of the organization to continuously improve the way they serve external customer and each other". Ballantyne (1991) stated that it is essential for companies to motivate a staff in order to promote change effectively so that the staff could see the company from the customer's point of view. A good relationship between employer and employee can be developed through effective internal structures and processes. Hence, it can influence the staff to drive and maintain organizational competitive advantage (Gay & Salaman, 1992). The employees should be regarded as assets to an organization to be invested rather than costs to be managed. This would influence the employees to be more committed to a company and its goal which could result in better organizational performance. On the contrary, organizations with poor commitment to its internal customer often result in low employee involvement and affective commitment.

2.3 Elements of Internal Marketing

The relationship between internal marketing and job satisfaction had always been an issue of many researchers (Azzam et al., 2016). According to previous studies (e.g., Hogg, Cater & Dunne et al., 1998), various elements are crucial for internal marketing and these elements were studied in terms of their effect on job satisfaction. For example, employment security, training and skills development, work environment, communication, generous reward, relationship with supervisor, empowerment, decentralized decision, knowledge management and sharing of information. In this study, five internal marketing elements will be highlighted; employment security, generous rewards, knowledge management and knowledge sharing, company's sharing of information and employee empowerment.

2.3.1 Employment Security

Employment security can be defined as "providing employees with sufficient assurance that they will not be laid off, even during downturns of an organization"

(Bansal et al., 2001, p. 66). According to Pfeffer (1998), in an event of economic downturns which result in low profitability, organizations should transfer and execute job rotation to retain the employees instead of layoffs. For example, Lincoln Electric has not had any layoffs since 1978 despite the fact that the company had gone through many difficult times. This company avoided layoffs by implementing redeployment strategy to rotate their staff to other areas. This had made Lincoln Electric significantly increased market share and penetration even during economic recession in the early 1980s. In addition, Lincoln Electric had substantial growth in productivity comparing to other manufacturers in the same industry. Past studies mentioned about favorable outcomes of perceived employment security on commitment, trust, and job satisfaction. On the contrary, perceiving low level of job security could result in turnover intention, lower commitment and decrease in job satisfaction (Ashford, Lee, & Bobko, 1989).

2.3.2 Generous Rewards

Pfeffer (1995) suggests that the way a firm provides talents higher than industry average salary is one of the techniques to attract and retain the best employees within an organization. In addition to a higher base salary, rewarding them according to employee's productivity and company's profitability (e.g., bonuses, employee stock option plans) can act as extra incentives to keep employees committed and motivated to achieve company's goals. Contingent pay or incentive pay is a powerful tool to reward employees because it is how a company gives rewards according to the performance of an individual and its profitability (Pfeffer & Veiga, 1999). According to Bansal, Mendelson & Sharma (2001), organizations that reward their employees with incentive pay and provide higher than industry average base salary are prone to have high level of employee job satisfaction. Furthermore, employees in these organizations tend to have higher level of job commitment and management trust, when comparing to industry average.

2.3.3 Knowledge Sharing and Knowledge Management

Awad (2007) stated that knowledge management is the way organizations gather related information and disseminate to their employees in order to help them understand and utilize related knowledge in their routine tasks. It is also crucial that

knowledge should be distributed across functions and parties in an organization. King (2007) suggests that knowledge management acts as a process in which different members within an organization circulate or exchange information among one another. This is considered one of the crucial components to effectively implement knowledge management in the company. Knowledge management concept was also revealed by Kearns & Sabherwal (2003) that knowledge could propel values of an organization and also lead it towards competitive advantage. Knowledge sharing and job satisfaction are key elements for employees to play an active role in achieving organization objectives. The employees are likely to perceive more engagement and have higher motivation to accomplish organizational goals when they feel satisfied with their job (Bontis, Richards, & Serenko, 2011). This implies that job satisfaction and knowledge sharing may have connection.

2.3.4 Company's Sharing of Information

It is important for organizations to operate in a transparent manner in order to create trust among employees. Companies are required to honestly share their information on corporate strategies, financial performance, and expenses (Pfeffer & Veiga, 1999). When organizations share these information, it allows employees to reflect how their performance affects an organization as a whole. Hence, sharing of information by the company is regarded as a powerful feedback to its employees. (Robbins, 1998). Besides, if company shares information among employees, it can enhance organization members' ability to deliver and disseminate valuable information among different departments. When more employees gain more understanding about company, they tend to appreciate and provide better quality of service to their customers (Bansal et al., 2001).

2.3.5 Employee Empowerment

Fulford and Enz (1995) revealed that employee satisfaction and loyalty towards organizations can be affected by employee's perception of empowerment. The way an employee feels that he or she is empowered could lead to job commitment, satisfaction and organizational pride. This can result in an increase of employee's service capability. Traditional organizations are generally bureaucratic, which lean heavily on

a command-and-control corporate culture. As a consequence, organizations with low employee empowerment generally lack freedom, which leads to lower employee job satisfaction, trust, organizational loyalty, as well as lower level of customer satisfaction (Bowen & Lawler, 1992). Besides, employee empowerment is a crucial element impacting employee attitudes and behaviors, and thus, the quality of service provided to external customer (Morgan & Piercy, 1998). Organizations where employees are empowered have decentralized structure (Day, 1997). In addition, Pfeffer (1995) also found that organizations implementing a decentralized organizational structure, where employee participation is encouraged and autonomy in decision making is provided, can increase both employee satisfaction and productivity. Empowered employees who have more power to control their own work processes not only tend to perform their job better than non-empowered employees, but they also perceive that an empowerment is another form of reward, apart from monetary compensation. The impact of empowerment can result in higher level of job satisfaction and lower employee attrition rate (Thorkalson & Murray, 1996).

2.4 Linking Internal Marketing to External Marketing

Internal marketing is an effective tool for organizational management as this concept utilizes marketing perspective to create organizational competencies internally for external success (George, 1990). It is argued that the internal marketing elements are capable of linking organizational competencies with business performance. Moreover, organizational competencies can be driven when internal employees perceived job satisfaction, which is the result of effective internal marketing implemented within firms (Ahmed, Rafiq, & Saad, 2003). Gounaris (2006) suggests that external marketing involves business performance, company's revenue and customer satisfaction. His study also found that effective of internal marketing is the precedent of effective marketing strategy implementation. If internal marketing is successfully developed, it will enable company to build up capabilities inside an organization which lead to achievement of external market objectives. Nagel & Cillier (1990) indicated the positive correlation between satisfaction of external and internal customers. Furthermore, Cowherd & Levine

(1992) also stated that internal customer satisfaction could influence product quality, which could impact the level of external customer satisfaction in return.



CHAPTER III RESEARCH METHODOLOGY

3.1 Conceptual Framework

According to the literature, the company should focus on the effectiveness of internal marketing implemented within the organization. Effective application of internal marketing elements could result in employee job satisfaction, and therefore extrarole behaviors directed at external customer. This study aims to focus on how five elements of internal marketing which include employment security, generous rewards, knowledge sharing and management, company's sharing of information and employee empowerment affect job satisfaction and its relationship with extra-role behaviors directed at customers.

Internal Marketing External Marketing Employment security Internal Generous rewards Customers Extra-role behaviors Job Satisfaction directed at external customers Knowledge sharing and management Company's sharing of information Employee Empowerment

The conceptual framework of this study is illustrated in the Figure 2 below:

Figure 3.1 Conceptual Framework (based on study of Bansal et al., 2001)

3.2 Data Collection

Qualitative research method is a suitable tool to seek understanding for attitudes, behaviours and reasons behind (Alasuutari, 2009). The open-ended questions can help to gain an in-depth understanding of the details relative to the research topic. Besides, qualitative study allows to explore people's thoughts and feelings which are normally very hard to discover through traditional research methods (Corbin & Strauss, 1990). Therefore, this study exercised qualitative method in order to explore participants' perception towards internal marketing elements in their organization and how those elements can affect job satisfaction and its relationship with external marketing success.

This study employed semi-structured interview as the data collection method. This type of interview is carried out using pre-determined open-ended questions based on topics to be explored (Mathers, Fox, & Hunn, 2000). Semi-structured interview is considered the most appropriate research method for this topic. By using semi-structured and open-ended questions, the interviewees are allowed to freely share and discuss in-depth about their point of view on a certain topic. This type of interview also allows to gain more understanding about participants' attitudes and reasons behind their behaviours which is very beneficial to this research's purpose.

3.3 Sampling

The sample selected for this study comprises employees working in the oil and gas company located in Thailand. Nine interviewees working in different departments were selected in order to cover the participants from different work backgrounds. The respondents can be divided into two main categories based on their business functions of the oil and gas industry, which are "Fuels & Lubricants" and "Chemical". The reason that these groups of respondents were selected is they act as company representatives to the external market. Thus, they are the main point of contact with customers. These groups of people play an important role in driving customer satisfaction and profitability of the company. Therefore, it would be worthwhile to understand their opinions towards internal marketing elements, their impact on job satisfaction and how these can influence the way they support customers.

The interviewees details are illustrated in the Table below.

Table 3.1 Interviewees Details

Inter-	Work	Job Position	Business	Country
viewee	experi-		Functions	portfolio
	ence			
A	2 years	Customer Service	Fuels	Singapore
			& Lubricants	& Thailand
В	2 years	Customer Service	Fuels	Australia, New
		3 002	& Lubricants	Zealand, and
	// 5	161		Hong Kong
С	3 years	Customer Service	Fuels	Australia, New
	1/ 00/		& Lubricants	Zealand, Thai-
/				land and Singa-
		44444		pore
D	4 years	Customer Service	Fuels	South Asia
\		N. Co. M.	& Lubricants	Pacific countries
Е	15 years	Territory Manager	Fuels	Thailand
	1		& Lubricants	
F	5 years	Customer Service	Chemical	China
G	3 years	Customer Experience	Chemical	Japan
		Specialist		
Н	10 years	Customer Experience	Chemical	Japan
		Specialist		
Ι	4 years	Customer Account	Chemical	India
		Specialist		

3.4 Interview Questions

The interview session started with introducing the research topic and research objectives and continued with the prepared interview questions. The majority of the questions are open-ended questions which encourage the participants to freely share

opinions. Initial questions aim to understand more about their opinions towards current job and satisfaction in working for the company. Then, two followed questions were asked to explore their opinions on factors that make them satisfied and dissatisfied with their job. The fifth question aims to investigate the participants' opinions regarding five internal marketing elements in their company which are employment security, rewards, knowledge management & knowledge sharing, company's sharing information and employee empowerment. Moreover, this question also comprises open-ended questions on how these internal marketing elements play a role in their job satisfaction. In the following question, the respondents were asked to suggest the first thing that they want the company to improve in order to increase employees' job satisfaction. At the end of the interview, the participants were asked if the satisfaction towards their job could influence how they support customers in the daily tasks.

Interview questions are as the following:

- 1. How long have you been working with the company?
- 2. In regards to your current position, how do you feel about your job? Are you satisfied with working for this company?
- 3. What is the most important factor that makes you feel satisfied with your job? Please explain.
- 4. What is the main factor that makes you feel dissatisfied with your job? Please explain.
- 5. Please share your opinion about the following factors.
 - 5.1 Employment security
 - According to current business situation, do you have any concerns about your job? How?
 - Does this affect your job satisfaction and work life? If yes, how?

5.2 Rewards

- Do you feel that you are rewarded fairly for the work that you do?
- How does that affect your job satisfaction and work performance? If yes, how?
- 5.3 Knowledge management & Knowledge sharing

- How does your company share information about products and services to employees?
- Does company's sharing of knowledge impact how you perform work? If yes, how?
- Does knowledge sharing affect your job satisfaction? If yes, how?

5.4 Company's sharing of information

- Does your company share corporate strategy, business performance or financial statement with employees?
- Does sharing of such information affect your job satisfaction? If yes, how?

5.5 Employee empowerment

- How much are you involved in making decisions that affect your work?

 (Do you have full autonomy over your work?)
- Does your company culture encourage employees to come up with and share their own ideas? If yes, how?
- Does the empowerment affect your job satisfaction and your work life?

 If yes, how?
- 6. If you were allowed to change something, what would be the first thing you want the company to improve to make employees feel more satisfied with their jobs? And how do you want it to be improved?
- 7. Do you think satisfaction towards your work can influence how you support your customers? If yes, how?

CHAPTER IV DATA ANALYSIS

The data analyzed in this chapter was collected by using semi-structured interview to gain in-depth understanding of the interviewees' perception towards the internal marketing elements and its impact on their job satisfaction. The interview also aims to explore the relationship between job satisfaction and extra-role behaviors directed at customers. Nine employees were interviewed using the same seven questions described in the previous chapter.

The analysis of the data gathered from the interview are illustrated in five parts. First, overall job satisfaction. Second, important factors which make employees satisfied with their job. Third, important factors which make employees dissatisfied with the job. Forth, internal marketing elements which comprises employment security, generous rewards, knowledge management and knowledge sharing, company's sharing of information and employee empowerment. The last part describes impact of job satisfaction on extra-role behaviors directed at external customer.

4.1 Overall Job Satisfaction

Six of nine interviewees are satisfied with their current job to a certain extent. There are three major reasons the respondents are satisfied with the job. First, the job enables them to develop knowledge and skills. Second, they perceive their work challenging, and this enables them to see holistic business process they support. Thus, it could make them see their own potential to deliver business value. Third, the interviewees perceive that there is an opportunity for career growth in the company. The other three interviewees mentioned that they used to be happier with the job, the level of job satisfaction has significantly has decreased. The most common reasons are the respondents are bored with repetitive task and the job makes them feel stressed and pressured.

4.2 Important Factors Which Make Employees Satisfied with The Job

The factor considered as the most important among participants is "compensation & benefit". The majority of the interviewees think that they get paid more than industry average for the same job. Moreover, the company's benefit packages are highly competitive. An interviewee gave two examples of his company's benefits. First, Home Ownership Assistance Program, which helps employees pay interest of their home mortgage loan. Second, Education Assistance Program, which helps the employees pay the tuition fee for Master's degree. The interviewee H said that "Even though our company suffers from unprecedented economic downturns, the benefit programs still remain unchanged, unlike other companies which cut out employee benefit". The other common factors that the interviewees mentioned are corporate culture, work environment including relationship with colleagues. Two of all participants mentioned that they like their "Job content". Interviewee E mentioned that "This Territory Manager job is very suitable with my personality type and working style, I have full control over my job and high work flexibility" Interviewee G stated that "I really like customer service job. When I receive positive feedback and appreciation from the customers, I am so happy that my work can contribute to add more business value to the company".

4.3 Important Factors Which Make Employees Dissatisfied with The Job

Even though two of respondents considered "Job content" is a satisfying factor, three of the interviewees feel dissatisfied with their job due to this factor. Two of the participants commented that the job scope is too narrow, hence they are unable to show their full potential. The employees get bored of their job very quickly. Interviewee A mentioned that "Since Bangkok is a business center is the support many portfolios globally, the whole work process is fragmented into quite a small scope. This makes an employee possess expertise in only specific areas which makes it difficult for me to see the clear picture of entire business process". Another influencing factors that make employees feel dissatisfied with the job is the company policy, which is quite bureaucratic. The important decisions need to be made by managerial positions. Moreover, the policy

is sometimes too strict, hindering employee's creativity and improvement of work process. The other issue that negatively influences employee's job satisfaction is workload. Since the company is downsizing, many employees had to exit the organization, leaving more workload on existing employees.

4.4 Internal Marketing Elements

4.4.1 Employment Security

According to current business situation, most of the interviewees feel less secured about their job. Many of them mentioned that "Seeing my friends leave the company makes me afraid that this might happen to me". This factor massively impacts job satisfaction. Interviewee E commented that "Covid-19 situation caused unprecedented disruption to our business. Since I have been working here for 15 years, this is the first time I feel insecure about my job. I am starting to look for a new job and thinking about back-up plan if I were to be fired". Interviewee H expressed his concerns that "As Thailand's labor cost seems not to be competitive anymore, I think there is a possibility that the company may move the business center to other countries where labor cost is lower e.g., Vietnam". However, two of the interviewees still perceive their job security at the same level. The business downturn in the oil and gas industry does not affect job satisfaction. They understand about how the company is trying to deal with the business disruption, they also agreed that it is common for business to layoff in order to remain competitive in the market.

In terms of impact of job security on work performance, seven of the interviewees mentioned that perceived job insecurity does not affect how they perform the job. They still have a high commitment to do their job well. Some of them also said that "I would be even more motivated to work and I will try show my full potential because I am afraid to be laid off if I do not perform my job well". In contrast, two of the interviewees said that perceived job insecurity has an effect on their work performance. They are less motivated to perform well, as they are likely to focus on looking for other job opportunities and only do what is required.

4.4.2 Generous Rewards

All of the interviewees agreed that their company's reward system is fair because the more people contribute to create business value, the more reward they get. The majority of participants also agreed that they receive a competitive monetary compensation and benefits. Interviewee B also added that "The company does not provide the reward in only monetary form, but the company also provides training opportunities to develop employee's knowledge and skills for those who are high performers". In addition, some of the employees, who are deemed to have potential, are rewarded with job opportunities, for example, expatriate assignments. These types of non-monetary rewards can make employees feel that the company values and invests in them. On the contrary, two interviewees also mentioned that they are not rewarded appropriately according to their work contribution this year because there was no raise in salary due to unprecedented business disruption.

The respondents all agreed that the reward system strongly affects job satisfaction and work performance. Interviewee B stated that "When I get a fair reward, it makes me feel motivated to put my time and effort for the job, I would like to exceed job expectation". In contrast, if the employees feel that they are not rewarded fairly, they will be demotivated to perform their jobs. Interviewee F said that "Reward is what keeps me motivated. The company communicates clearly about how the reward system works and it is clear to me what goals I need to achieve".

4.4.3 Knowledge Management & Knowledge Sharing

Since the interviewees were selected from two different business functions which are Chemical, and Fuels & Lubricants, it was very evident that style of knowledge management and knowledge sharing between these two functions is quite different. The Fuels & Lubricants function manages this element better. The staff from this function also seem to be happier with their job compared to the other function. According to the interview, product knowledge training is a prerequisite in the job handover process. Participants working in Fuels & Lubricants function are well educated and know the products they are offering to their customers well. In addition, interviewees from this function also mentioned about monthly meeting which aims to keep employees updated

about new product, service, promotion and new marketing campaign. Conversely, product knowledge training does not seem to be a requirement for job handover in Chemical business function. The interviewees mentioned that there is no training about company's product during job handover process. Most of them gain product knowledge after they already started to perform their jobs.

In terms of the effect of knowledge management and knowledge sharing on job satisfaction, the majority of the participants agreed that this factor has an impact on job satisfaction. They mentioned that knowing about company's business help increase employee engagement and organizational pride. The related knowledge provides a clear vision of the company's business, and it helps them understand the linkage to their job. The interviewees mentioned that it would make them appreciate their work and have a clearer picture of how they can create more value to the business. Interviewee I mentioned that "business knowledge helps me understand more about business I am supporting, and this can increase my job satisfaction".

All of the participants agreed that knowledge management and knowledge sharing essentially affect their work performance. The interviewees mentioned two major points. The first point is related knowledge helps them serve customers better. This is because it allows them to deal with the problem well and also enhances confidence. The more they know about the product, the more they feel confident to service their clients. Interviewee E mentioned that "When I possess business knowledge, it enables me to see market opportunity more easily. I could match company's product with the needs of consumers better, thus generating more profitability". Second, having knowledgeable staff helps gain customer trust. As they all act as company's representatives, their roles can significantly influence corporate image and customer satisfaction. The interviewee also said that providing training about product knowledge is the way company equips staff with knowledge and skills to serve the clients better and outperform the competitors.

4.4.4 Company's Sharing of Information

The company's business situation and past business performance are shared to the staff on a regular basis. Interviewees mentioned that the business plan, corporate

strategy, including earning, are shared on monthly, quarterly and annual basis. Management team also keeps them informed about business growth rates and how well each product under business is performing. Seven of nine interviewees mentioned that sharing of this information has an effect on their job satisfaction. The majority of them think that their performance and business performance are correlated. Interviewee B stated that "If the company could gain high profitability, I would be very happy with my job. I feel that I really contributed to company's success". On the other hand, the interviewee said that if the business is operating at a loss, she would try to work harder to pull in more customers in order to increase more profit. Moreover, the participants also said that sharing of information helps them to see a clearer picture of the company's direction. As a result, it also allows them to have better understanding of their work goals. A respondent also added that it is very significant for the company to have clear execution plan during business downturns.

The other two participants mentioned that sharing of corporate strategy or business planning do not have impact on their job satisfaction. They do not link their work performance with business performance. Interviewee F mentioned that "Whether the company gains profit or operates at a loss, I do not feel affected because it does not directly impact my pay. Managing profit and loss is not my responsibility".

4.4.5 Employee Empowerment

The majority of the respondents feel that they have autonomy over their work. They feel that they are recognized as an expert in their job scope, and stakeholders always respect their opinions. The participants also mentioned that they can work more effectively and efficiently when they are empowered. When encountering the problems, they could solve it right away. Having autonomy over work can also make them gain customer trust because it enables them to make decisions straightaway in front of the customers. Empowerment essentially allows employees to support customer faster and better, hence improving service quality. Interviewee C mentioned that "Due to having autonomy, it allows me to grab sale opportunity faster than the competitors". Furthermore, the participants also mentioned that their work environment also encourages them

to share new ideas, and new initiatives also can turn into a reward. However, an interviewee commented that her manager is sometimes conservative, therefore, new different ideas raised to the manager are unlikely to be approved.

Every participant said that empowerment strongly affects job satisfaction. The more they are empowered, the more they are satisfied with their job. Empowerment enables them to change their work process to be more effective. Besides, empowerment also motivates employees to initiate new things, therefore, making them feel valuable to the company. On the contrary, if the employees are not empowered, they would feel discouraged to come up with work improvement and feel demotivated to work.

4.5 Impact of Job Satisfaction on Extra-Role Behaviors Directed at External Customer

All of the participants agreed that job satisfaction undeniably influences how they support clients. If employees are happy with their job, they would definitely perform beyond job scope to support customers and ensure best customer experience. Moreover, the respondents also feel that job satisfaction is a factor driving them to contribute more to the business. They would offer clients more options or try to up-sell the products because they really want to drive business growth. In addition, the interviewees also said that they would proactively reach out the customer, detect problems and prevent them from happening in order to ensure smooth operation. An interviewee mentioned that she would be willing to spend more time and effort trying to understand problems thoroughly, analyze customer needs and build good relationships with stakeholders, thus, providing company more chances to generate sales. Interviewee D stated that "I always go-extra mile to support clients. I exchanged WhatsApp with a client just to make sure that I can keep him updated about his case as quickly as I can. I am willing to call suppliers at night, even it is not my working hour, to ensure that clients' problems are solved as quickly as possible. And all of these examples are not my job require*ment*". When the employees are happy with their job, they work at their best to provide the best service. This does not only lead to customer satisfaction but also customer loyalty. Interviewee C told a story that "The customer asked to buy a poster at gas station in Australia because her dad really likes motorbike model in the poster and she wanted to give her dad as a birthday present. However, that poster was not on sale. So, I made an arrangement with marketing team to have that poster delivered to her home at no cost. The result was that the client really appreciated with our extra-service and sent our team a very positive feedback that her family would definitely continue to be our loyal customers". In contrast, the respondents said that if they are not happy with the job, they would perform their job for only what is required. The employees would only work just to complete day-to-day tasks. They also do not feel motivated to put extra time and effort to support the clients.



CHAPTER V CONCLUSIONS

5.1 Research Summary

The oil and gas industry is experiencing economic downturns due to pandemic and environmental issues. It is undeniable that company's employees and business activities are critical for the business to survive and remain competitive in the current market environment. Hence, it is crucial for organizations to ensure effective internal marketing. This research's objective is to explore the impact of internal marketing on external marketing through job satisfaction. This study emphasizes on five elements of internal marketing which are employment security, generous rewards, knowledge management and knowledge sharing, company's sharing of information and employee empowerment.

According to the data collected from the interviews, compensation and benefits are considered the most important factors affecting job satisfaction. However, repetitive tasks and having a too narrow job scope could easily create boredom and job dissatisfaction. The results show that four out of five internal marketing elements impact participants' job satisfaction and work performance, whereas employment security affects only job satisfaction, but not work performance. Employee empowerment and fair reward systems are extremely crucial among the internal marketing elements. Employee empowerment could motivate employees to take initiative, therefore, making them feel valuable to the company. This is in line with the study of Fulford & Enz (1995). Companies should also reward its employees according to their contribution level. Based on Pfeffer (1995), it is true that rewarding employees according to productivity and organization's profitability can keep employees committed and motivated to achieve company's goals. In terms of knowledge management and knowledge sharing, different management styles between two different business functions are very evident. Employees from function having better management of this aspect have higher job satisfaction and could perform work more effectively. The findings clearly show that overall job satisfaction inevitably influences how employees support the clients. This is consistent with the study of Gounaris (2006) which indicated that effective internal marketing is the precedent of successful external marketing. When employees are satisfied with their job, they are certainly willing to perform beyond their job scope to support customers.

5.2 Managerial Implications

The findings of this research could provide important information and insights that could be utilized by management teams and Human Resources practitioners. Since job satisfaction is extremely crucial in determining the success of external marketing, in terms of extra-role behaviors directed at external customer. It is vital for organizations to pay attention to the quality of internal marketing elements as it has direct effect on employees' job satisfaction. According to the interviews, compensation and benefits were perceived as the most significant factors. Hence, companies should perform regular reviews of its compensation and benefits. Salary benchmarking with organizations in the same industry should be performed periodically, for example, a company may include compensation benchmarking process in its annual salary cycle. This activity can be performed internally by Human Resources professionals or consulting firms who can provide compensation services. Factors considered for salary benchmarking process may include service year, performance, market rates of pay for a similar position, job value, company's financial performance and its position relative to the market. In addition to base pay, organizations should take into account paid time off and vacation time. To ensure competitiveness of compensation and benefit packages, companies should offer equal or superior packages to market average. This can positively influence job satisfaction and retain key people in the long run.

In terms of rewards, companies should clearly communicate how their performance appraisal and reward systems work. Employees should be rewarded according to their contribution or performance level. The better the employees perform; the more reward they should get. This would help employees link their individual performance with incentives, thus motivating them to create greater business value. Organizations should also use discretionary rewards to recognize special contributions or accomplishments by employees beyond their Key Performance Indicators (KPIs). For

example, an employee should receive a special bonus when they achieve sales above the target, or special incentives should be paid upon completion of an additional project beyond their job scope. Discretionary bonuses and incentive stock options can be additional tools to motivate employees, drive performance and create higher job satisfaction. A fair performance appraisal process is also necessary. For instance, companies should apply 360 Degree Feedback to appraise performance across organizations. This is where supervisors receive feedback from people working around them. This feedback system usually consists suppliers, peers, and customers. The system also helps a company to understand better about strengths and weaknesses of its employees. Rewards can also be provided in terms of career development and expat assignments. Employees with exceptional performance should also be promoted and offered career opportunities. Managers should tailor career path and development plan for each high performer and they have to communicate this clearly to each individual. For instance, a supervisor may create a roadmap outlining the necessary skills and positions for an employee to become a manager in the next 5 years. This can keep employees motivated and satisfied with their job.

In terms of knowledge management and knowledge sharing, the training standard across different functions should be set. The training to educate employees about products and business knowledge under their resonsibilities should be a prerequisite for job handover process. For example, an employee in cutomer service should have full understanding of different fuels available in the gas stations that he or she is taking care of. Supervisors should ensure that each employee is well equipped with necessary product and business knowledge by requiring all employees to pass a "Knowledge Test" before starting the job. The test should also be performed on a regular basis with or without prior notice. This can help increase employee job satisfaction and engagement. Moreover, regular meetings should be held in order to keep employees updated about new business trends, new products or newly launched marketing campaigns. Having knowledgeable staff does not only ensure best customer experience but also helps gain customer trust. This contributes to creating good corporate image and company's profitability in a long run.

As for company's sharing information, transparent communication is crucial, especially during business downturns. Companies are expected to communicate

clear business direction, corporate strategy and the current financial status. For instance, when a business is strongly affected from a pandemic, a company may need to divest refineries in some countries due to significantly lower demand. This should be communicated clearly to employees. Moreover, it should also have a solid action plan assigned for specific teams to bring the company through the crisis. The communication should come with a specific direction. For example, if the company's gas station is losing market share, a leader must communicate clearly on change in strategy that Territory Managers should focus more on retail stores or fast food restaurants which can attract customers, rather than focusing on premium gasoline. This would provide a clear picture of what staff can contribute to the organization in difficult times. When the company's communciation is too vague, it could deterioritate employee trust. In the situation where layoffs are inevitable, the leaders must be transparent about the selection criteria and numbers of affected employees. These should be communicated to every employee in the organization. Moreover, management team should also communicate financial status of the company quarterly, regardless of profit or loss. If the company is operating at a loss, leaders should specify which business unit is suffering. They should also communicate corporate strategy that they plan to implement in order to recover.

The other significant factor affecting employee's job satisfaction and work performance is employee empowerment. Creating a corporate culture where the employee's opinions and initiatvies are valued is essential. Management teams and Human Resources practitioners should regularly revisit company's guidelines to ensure that the employees are given sufficient power to improve work process within their job scope. The management team should value and reward employees who can come up with new initiatives, thus driving creativity within organization. For example, manager may launch a campaign encouraging employees to submit new ideas which can be turned into monetary rewards. To encourage leaders to be more open to new ideas, the company should start by creating core values where creativity or innovation is embraced. Initiatives should be included in KPIs of teams and individuals. Furthermore, employee empowerment should be one of the main focuses in the organization strategy scorecard, so that this organization goal will eventually be cascaded to all levels. Leaders in the company including managers and supervisors should set up a monitoring system to make sure that the progress can be achieved according to schedule. Having a too narrow job

scope is one of the influencing factors that negatively affect job satisfaction, organizations should ensure that a job rotation policy is adequately exercised in every department. For instance, the company should set a policy in which employees cannot stay in a certain position for over 4 years. This not only prevents boredom or burnout, but also enhances employee's career development and develops their knowledge and skills. Lastly, supervisors should often check on their subordinates to make sure that they are still happy about their job. This can help detect if the employee is stressed or bored with the job earlier so the supervisor could provide support in a timely manner. Regular coaching and feedback sessions should also be periodically provided. Supervisors should actively listen for subordinates' opinions and feelings. The sessions can also be held outside the workplace to create a casual environment, and personal relationship, for example, during lunch at restaurant or teatime at a café.

5.3 Limitations and Outlook for Future Research

This study has some limitations and the recognition of these limitations should help refine future research efforts. First, since the purpose of this research is to analyze impact of internal marketing on external marketing in the oil and gas industry, the sample selected for this study comprises employees working in the oil and gas company located in Thailand. Therefore, this group of respondents might not well represent the whole population of employees in this industry. In addition, the result of this study might not be applicable to the oil and gas industry operating in different countries due to different business environment and country contexts. Second, the data was collected from two main business functions which are Fuels and Lubricants and Chemical. Higher external validity of the study results can be achieved by including wider range of sampling of employees from different business functions and different countries. Third, the sample size was relatively small, only information from nine participants was used in this study. Thus, increasing sample size of interview and use of quantitative method to cover higher number of employees are recommended for future research. Forth, since compensation and benefits found to be the most influencing factor impacting employee's job satisfaction, future study may study further to look into this component. Fifth, future study may include more diverse interviewee groups. For example, Human Resources practitioners and management team may be included in the interview to gain different outlooks of how the internal marketing elements are managed. The example of the interview questions for Human Resources manager can be found in Appendix. Lastly, five internal marketing elements were chosen for this research. The proposed model can be extended to include other related components, for example, training and development, organization structures and reduced status distinction. The relationship between job satisfaction and these related components can be an interesting extension of this study.



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Appendix A: Interview Questions for Human Resources Manager

- 1. From your perspective, what are the factors that impact employee's job satisfaction?
- 2. How is employee moral affected during an economic downturn in oil and gas industry?
- 3. Referring to the 2nd question, does the company have strategy to deal with this situation?
- 4. Which area do you think you do well in terms of ensuring employee job satisfaction?
- 5. Which area do you think the company should improve in order to satisfy employees better?
- 6. Please share your opinion about the following factors.

Topics	Questions
a) Employment - In your opinion, how does employee's perception	
security	their job security impact job satisfaction?
121	- How does the company's reward system work?
19	- Does the company collect feedback from their employ-
	ees about reward system? If yes, can you please share the
b) Payranda	feedback?
b) Rewards	- Do you think the company's pay and benefits are com-
	petitive in the market?
	- How does the reward system contribute to employee
	job satisfaction?
	- How does the company share information about prod-
c) Knowledge	ucts and services to employees? Do you share the same
management	information to all departments?
& Knowledge	- Do you think employees having a better understanding
sharing	about the company's products and services impact their
	job satisfaction?

Topics	Questions
	- Does the company share corporate strategy, business
d) Company's	performance or financial statements with employees? If
sharing of in-	yes, how?
formation	- How do you think this sharing affect employee's job
	satisfaction
	- Does your company culture encourage employees to
	make decision that affect their work?
e) Employee em-	- Does the company culture promote employees to share
powerment	own ideas?
//_3	- Do you think having employees feel empowered impact
//63	their job satisfaction?

7. How do you think job satisfaction affects employee's work performance?