

Banks Employees Satisfaction as a Lead to Customers Satisfaction

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Abstract

This study analyses the psychological impact that influence the relationship between the bank employees on one side and its associated customers on the other side. The impact elements considered in this study are represented in banking functions, training programs, wages, communication within the bank organization itself, team work, job satisfaction, promotion opportunities, appropriateness of the bank organization, customer loyalty and provision of high quality services to clients that comply with their needs. It is found out that when bank acts to improve job satisfaction leads to raising customer satisfaction and loyalty. Furthermore, employment satisfaction reflects significantly on their behaviour towards costumers and strengthens the hypothesis that satisfied employment produces better.

Introduction

Recent studies focus on the development of banks services and organization structure in the way to provide high service quality and analyse customers' needs. Several research studies in the last three decades focused at the development of new services, restructuring organization dimensions, provision of new instruments and services to meet customers' needs (storey, 1998).

Previous researches did not give adequate attention to improve the employees performance and work environment conditions which form the basis of providing better services which are reflect at the customer's satisfaction and loyalty and ruling factors (sanden, 2003).

Modern trends are interested in measuring employees reactions by shaping the revolution of the personnel management as it began to look at employees satisfaction as a key component elements of motivation at work and addressing the factors that influence job satisfaction as a key positive relationship of work performance achievements (Zoghbi, 1998).

Hesket outlined that the growth of organizations is achieved through customer loyalty to organization, satisfied of the value of the service received provided by the staff having good quality of life conditions offered by the organizations (Heskett, 1997)

The aim of this research is to address how to improve the banking internal work environment which is considered the basis of providing better services, achieve customer satisfaction and loyalty, analyze the work environment and the effective factors such as giving attention to marketing, human resources and it is impact on the performances of banks skilfully staff needed to gain customer satisfaction.

This research focuses also at the role of bank towards employee's interests and how to improve their working conditions physically, socially, administratively and psychologically. It is realized that the managers must pay attention to employees' psychological matters to impress workers as a key element of banking success.

In conclusion, the satisfaction of employees is reflected on customer satisfaction by providing good service quality and loyalty. The customer satisfaction is crucially important to keep customers and win their loyalty as long as possible.

Literature Review

Jun Cia identifies the importance of the satisfaction of the employees as internal customers in the organization and their significant influence at the quality of internal services. Workers within any service provider organization have a major role in the effective and evaluate the quality of internal services. Employees are considered customers within the organization, which in some researchers work is seen that the internal customer's in the organization is the final judge of the quality of service provided. (Jun, 2010)

Kuei found out that there is also evidence confirms the existence link between increased satisfaction among employees, improving the product quality and increase customer satisfaction. This is due to the existence of a positive correlation between internal service quality, satisfaction of employees and retain customers. (H.CH, 1999)

Bellou and Adranikids mentioned that to increase the quality of services within the organization it must be organized to improve the efficiency of its employees by training and rehabilitation, and to improve their behaviour, and achieve the common cooperation among workers in the organization as a team without internal conflict that may affect at the service provided. This therefore, can maintain a high level of internal service and leads to a high level of services provided to customers. (AdroniKids, 2008)

The intense competition between banks confirmed the importance of customer satisfaction to pursue perfect services and increase profit. This outcome depends on the quality of internal service and on the behaviour of workers providing service to customers that leads to customer satisfaction. (AdroniKids, 2008)

Malhotra and Mukherj identify that the organizations provide service are looking to be effective and distinctive. This depends on the degree of satisfaction of its users who are service providers as the main objective of these organizations. (Mukherjee, 2004)

Importance of the Study

The importance of research lies in how to contribute to customer loyalty by the provision of job quality and satisfaction of the employees, and its positive impact on customer loyalty to banks.

Objectives of Study

Provide recommendation to decision makers how to improve performance needed to win the confidence of job satisfaction of the banks employee's that can be reflected on improving the banking services among competitive banks and gain customer retention and loyalty.

Study Limits

This study is limited to addressing the impact of customer loyalty through by having satisfaction of the employees in banks existing in the city of Girne-North Cyprus. It attempt to introduce the concept of comprehensive banking services quality and analyse the factors affecting customer expectation.

Study Variable

The study variables are based on selecting samples of bank employments and customer by the use of questionnaire as a main tool to collect data from both the bank employees and customer. The variables to be measured are : the relationship between bank procedures and customer satisfaction, how much the bank procedures effect at the customer satisfaction and internal marketing programs that lead to satisfaction of employees and its impact on customer satisfaction.

Study Questions

Does the employee's performance effect to attract clients? Does customer loyalty reflect from job satisfaction of employees? Does job satisfaction increasing staff loyalty?

Study Methodology

In order to study the variables and characteristics of the samples, the causal method descriptive and analytical method will be used to obtain the data necessary and analyzing the results and give some recommendations.

Study Procedures

The study includes more than 50 samples of banks employment and customers in the city of Girne in North Cyprus for both employees and customers of the bank.

Samples Resources and Variable Measurement

Collecting information from books and references of previous studies as well as collecting data by questionnaire to measure the job satisfaction within the bank and their customer satisfaction.

Design of the Study

This study is based on two inputs: internal provided by the employees of the banks and external input provided by its customers. In order to be able to improve the outcome we must improve the internal employees inputs through training, incentives, increase coordination between bank employees and external customers in terms of happiness and loyalty that can be reflected on clients and their satisfaction and loyalty. It is important to maintain have good communication with customers so that they give preference to a particular bank based on the satisfaction with the eservice provided to them and show more loyalty in dealing with the bank.

Therefore, the bank which owns strong services will impact positively on the employees' behaviour and gain the more clients. Meanwhile the bank which has weak services will gain less customer loyalty. Hence, the powerful bank structure will have a pyramid shape at which employees and clients are on the top of the pyramid and managers are at the base.

Employees and Customers

Personal selling is provided directly by the bank employees to the clients through direct or indirect contact. The prestige, reputation and profitability of the bank by will affect attracting client and meets their needs or demand. The distribution ruled by factors such as: the nature of the services the bank provided, the nature of the bank market and the technical ability of the bank.

Kinds of Customers

There are two types of customers:

Internal clients: They are employees within the organization. Every member is considered a client for another group of individuals, which they have different coefficients among themselves. Thus, every member is considered a user and a producer of the service at the same time. Each of them participate in the relationship between the client and the service provider. **External client:** Customers are benefiting from the banking services. In order to reach the external customers, attention must be paid attention to internal customers who are our means to reach to external customers. (William, 1990)

Job satisfaction of employees: The outcome of different actions carried out by the worker towards his work. (jerozalim open unversity, 1995)

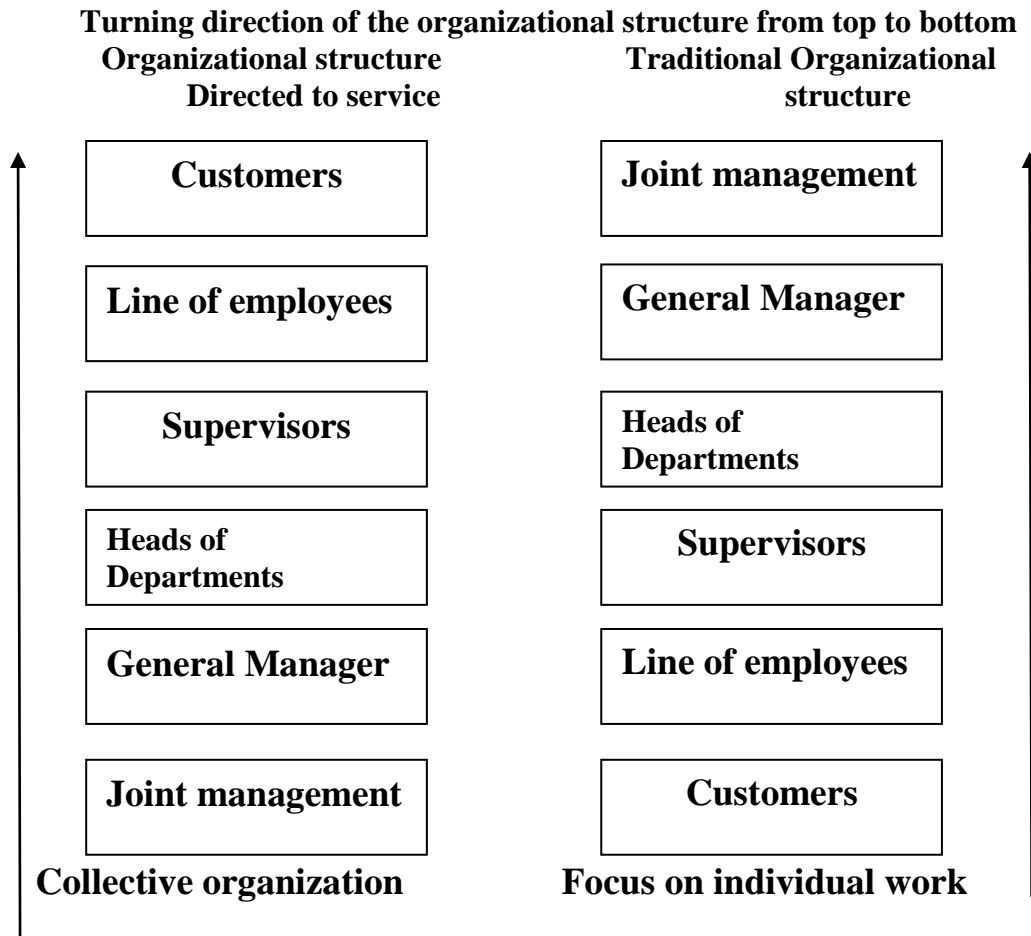
Customer Loyalty: The concept of loyalty a different set of ideas, which is the process of retaining customers as long as possible. (Duffy.d.i, 2003). Career satisfaction expression deals by the individual with his job and work. (Khaleq, 1982)

Herbert, (Herbert, 1980) addressed job satisfaction given to the feelings of employees towards their work. Al Rfai (rfai, 1981) noted that job satisfaction expresses the feelings of the individual and the sensations which can be considered a reflection of the extent of the saturation he gets from this work and groups that share it with him including his manager as well as the internal work environment.

Al Shenwani (Shenwani, 1976) outlined that job satisfaction is influenced by factors: some referred to the work itself, the other is related between work groups and its environment. It is a mistake to believe that if the individual pleased from a particular side of job. It means he is not necessarily satisfied for other aspects of functions. We may find someone pleased with the relationship with colleagues but not satisfied with the wage. So we find that if satisfaction of employees high, it leads to desirable results.

Wallance (johnson, 2004) also defined loyalty as a strategy to increase customer satisfaction and increase their loyalty to purchase and belonging to deal with the same company without other competing companies.

Based on the above, we can say that when the organization has a strong service culture, it will create a positive influence on behaviour of Individuals working and its organizational structure is moving from top to bottom as shown in the chart below. That is where employees and customers are now at the top of the organizational hierarchy and the administration supervisory is at the bottom of the structure. It is the type of organization where all employees working for customer service. Joint management help general director Service customer and general manager supports departments under his control to serve the customers. The heads of departments develop systems that will allow supervisors to provide good service to the customer with the help of employees directly or indirectly.



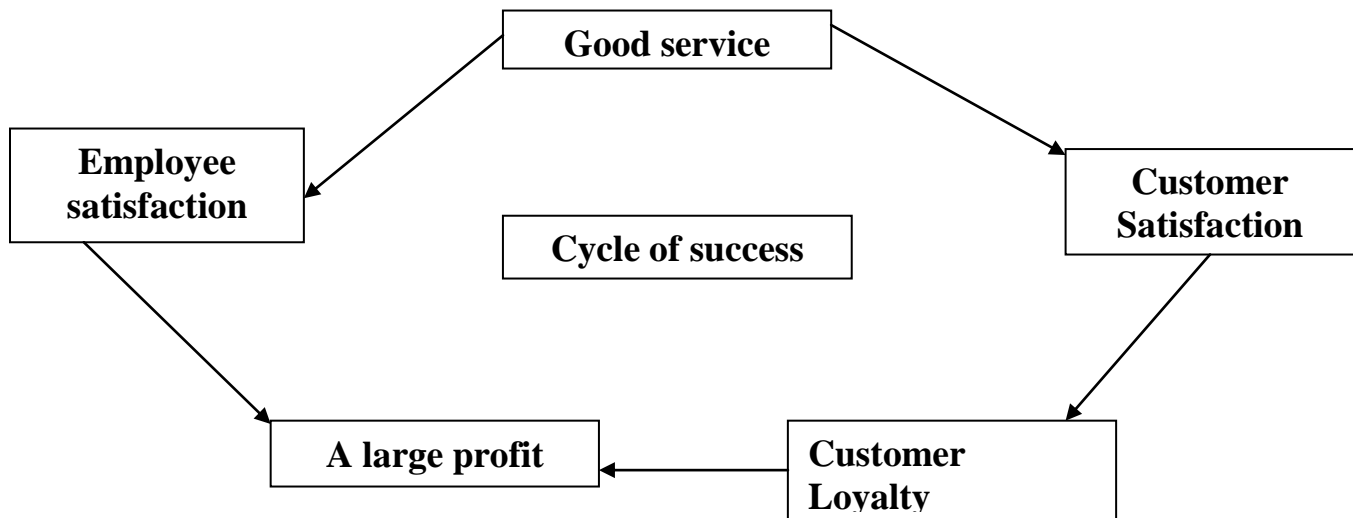
Source: Bashir Abbas Al Alaq and Hamid al-Tai 1999 marketing services strategic Entrance Dar Wael for publication Amman Jordan 369 . (Tai, 1999)

Literature Review

That's where the organizational structure oriented towards customer service beyond the main problem in the traditional organizational structure, that each person devotes work and effort to satisfy his supervisor in the organization with little attention to customers. (Khshab, 2005)

Employee is a fundamental pillar of the service and is considered the main key to achieve competitive advantage, which requires conscious practice of human resources management policies in terms of the selection, development and motivation to keep the customers. To achieve the concept of good service is based mainly on knowing the needs and expectations of customers, the right choice for those who mastered the art of customer service. Achievement of external customer satisfaction through excellent service is considered the link between reward and performance and then the internal customer satisfaction.

The cycle of good service enables the organization to keep the discerning employees as a result of their ability to provide distinctive service and retain customers as displayed in the following figure.



Source: Jamal al-Din Mursi and Mustafa Abu Bakr 2006 Customer service and sales skills: Entrance to achieve a competitive advantage in the contemporary business environment. University House (Baker, 2006)

(Armstrong, 1991) Defines employment satisfaction and motivation as building orientation and attention to customers through employees by training and motivation of all staff ,the front lines and back lines as team work. Therefore, management must take correct procedures in attracting employees and train them well, providing them with incentives according to their needs, and provide a comfortable atmosphere for them while they are working in order to ensure their satisfaction. This approach will definitely lead to better productivity and thus satisfy the needs of customers and attain their loyalty. Satisfaction of employee leads to satisfaction while providing their service duties. This culture can be achieved through good organizational procedures the enhancement of employees satisfaction.

Individuals or Service Providers of the Banks

Service providers play a great importance in marketing of banking services, they plays an important role in persuade customers as a link between the bank and customers. Therefore, the quality of the relationship between the service provider and the recipient decides the possibility of continuous exchange between the two sides. This acknowledges the importance of the human element, which is designed to encourage the effective behaviour of individuals who are attracting customers to the bank industry.

The modern management consider the individuals the greatest assets of banking institutions, that is where the individuals are the most significant contributors to retain customers; we can classify individuals into the following (Ajarmeh, 2005):

1. **Communicating individuals:** The individuals who have direct and permanent connection with customers. They are present and ready to be trained, motivated to serve customers daily, and committed to respond to the needs of the customer. Therefore, they must be evaluated and rewarded.
2. **Pivotal:** Such as receptionists, who need to develop high levels of skills to deal with customers, hence, it is necessary to focus on their training and performance control.
3. **Influential:** Their role includes product development and marketing research, and motivates individuals towards the development of the customer loyalty. they rarely communicate with the customer,
4. **Incommunicado:** They complete the supporting functions, They are on a clear vision of the strategy, and they are contributing in creating added value to the customer.

The impact of Motivation at the Employees Performance

Based on the modern perception of the employees in the organization they are considered the greatest assets. Thus, the organization must motivate the workers to enable them to achieve the best performance. Motivation is every lure developed by the organization to make individuals behave in a certain way. (Salmi, 1998)

Motivation achieved several objectives by: Raising the morale of the workers, improving productivity, retention of excellent employees, rewarding outstanding performance, encouraging competition between individuals and providing appropriate contrast to the appropriate effort.

The Importance of Customer Satisfaction

Customer satisfaction is the most important priorities of organizations and a basic guarantee to seek to achieve its survival. It starts with identification of customer needs and achievement of their satisfaction to enable organizations to maintain a competitive position. We can highlight the importance of customer satisfaction in the following points:

- 1- Enable the organization to survive in the market by earning customer satisfaction.
- 2- Customer satisfaction from bank services weakens the possibility of customers to switch to other banks.
- 3- Customer satisfaction leads to repeat purchase, which creates loyalty of customer to the bank.
- 4- Customers with higher satisfaction are less sensitive to price.
- 5- Customer satisfaction representing feedback to the level of services provided, enables the bank to develop services provided to customers.

The Impact of Customer Satisfaction on Increasing the Profit

The provision of banking services that satisfy customers is a key factor in increasing the profitability of the organization as follows: (Murad, 2007)

- 1- The growing of customer satisfaction leads to increased customer loyalty.
- 2- Increased satisfaction of customers results to reduce the price elasticity for current customers.
- 3- Increased satisfaction of customers results to reduce the cost of transforming customers to another bank.
- 4- A higher level of customer satisfaction results in reducing the cost of attracting new customers because satisfied customers playing a major positive role in media about the bank and its services.
- 5- Increased customer satisfaction improves the reputation of the bank.

Employees Satisfaction

Job satisfaction representing feeling of the individual towards his work. This feeling reflects the degree of interaction characteristics between the individual and the job and the organization (Ahmadi, 2006)

There are several factors affecting the satisfaction of individuals the most important is: (Saqr, 1978)

- 1- The potential of the individual, knowledge and work skills Lead to satisfaction.
- 2- Good Individual relationship with others will enhance the satisfaction of their work.
- 3- Wages and salaries: whenever the level of income increased the worker satisfaction increase.
- 4- Development and promotions opportunities available to the individuals will achieve high degree of satisfaction.

The Study Result

The outcome of banking services on customer satisfaction, the impact of psychological and social factors on banking and the utilization of modern services have been investigated. For the sake of this objective, a survey has been conducted. One part of the survey has targeted the customers themselves, please refer to Appendix 1. Meanwhile, the other part targets the bank itself (employees) as shown in Appendix 2.

The survey covers a wide range of questions to evaluate the effect of psychological impact on banking services, the image of the bank, its traditional banking packages and usage of modern services such as telephone banking, internet banking, mobile banking and allocation of electronic points (ATM) machines.

As for the first part of the survey over 16 questions, customers have shown a good level of satisfaction provided by the bank represented by two third (2/3) of the customers. Meanwhile, one third (1/3) third of the clients were unsatisfied by the banking service. It is very interesting to know that the majority of customers (87%) have shown a high trust in the bank service and its officers along with high security. This response indicator was for the bank favour with the maximum positive impact outcome (please refer to the response of Questions # 8 and # 9 . Customers receiving an adequate respect recorded an 80% positive response (as in Questions # 10). As with respect to using latest banking technology, online services, good banking quality and solving banking problems, they have receive a good response of 70% of the customers (please refer to Questions # 1, # 2, # 3, # 4 and # 6). Please refer to Figure 4 for more details. ..



Figure 4: Girne: Customers Satisfaction Survey

On the contrary, 60% of the customers have the negative impression that they do not have the feeling of receiving the right priority when dealing with the bank (please refer to Question response # 14). This records the most negative response. Additionally, customers responded negatively towards another two indicators: willingness and attention with a 50% disadvantageous impression as demonstrated in the response of questions # 7 and # 12. The bank should pay more attention to these values if it is willing to keep its clients and gain more. Moreover, the bank should pay attention to the timeline of the service it provides since 40% were unhappy as it can be seen from Question response # 5.



Figure 5: Girne Customers dissatisfaction Survey

Girne Banking Survey: Bank Employees

As mentioned in the previous part, the other part targets the bank itself (employees) as shown in Appendix 2. Some of the questions have been responded to; meanwhile some questions have been left blank as it is shown in their response below for the first 3 questions. For the other seven questions the response was very positive. Please refer to Figure 6 for details.

Q1-What is the Psychological Impact the Bank is implementing in Order to Receive the Attention of its Clients?

- Response 1: We attempt to approve friendly
- Response 1: blank
- Response 1: blank

2- How Could the Impact of the Social Environment Reflect on Banking Services?

- Response 1: If there are no customers
- Response 1: Everything for customer
- Response 1: blank

3- What Can the Psychological Impact of the Client Be Reflected on the Quality of the Bank Service?

- Response 1: I don't understand this
- Response 1: Blank
- Response 1: blank



Figure 5: Girne: Bankers Survey Response

We note from the above the majority of the components sample is responded by lower class employment. There is significant effect of job satisfaction and customer loyalty can be explained by the previous result which pointing out that job satisfaction and working conditions, nature of supervisor, employment relationship, reward and incentive system, promotion opportunities, social status, job security and safety, carry out functional duties, flexible working hours, structural system, and comfortable climate. Thus, the customer loyalty results from the point of view of employees' attention to customer care, understanding their needs and addressing it as soon as possible. As a result, if the bank takes action to increase job satisfaction, it will leads to increase customer satisfaction and loyalty. Additionally, employment satisfaction reflect on their behaviour towards costumers and strengthens the hypothesis that happy employment becomes more productive.

Conclusion

Satisfaction reflects the psychological case or emotional feeling that may affect the consumer as a result of comparison between the performance, good service and expectations. This indicates that the level of satisfaction is linked with the perceived quality of service and the degree of saturation determines the level of satisfaction.

This case study highlights the importance of customer satisfaction from bank services that may strengthen the decision of customer to keep dealing with the bank and sustain purchases. Therefore it will create customer loyalty to the services of the bank as well as customer satisfaction. It also represents a sense of feedback of the services provided by the bank for further development and improvement.

Additionally, the banks administrations must clarify the means between performance, incentives and rewards. It should also confirms to the employees that good performance will be recorded and followed by submission of the expected rewards without delay. This policy has to be fair and consistent based on the effort of the employee to achieve a sense of satisfaction and motivate him to achieveof higher needs.

Finally, some recommendations that may be useful to banks are suggested, such as: the banks must increase their marketing programs for it is employment to achieve its goal; the banks must increase employment training that lead to internal satisfaction and can be reflected on their performance and customer satisfaction and loyalty. This could achievable by providing physical and moral incentives and good motivation program; to focus and increase the study of personal trait and behaviour of employment needs such as: locus of control, self-esteem, need for achievement, need for clarity, need for autonomy, growth need; to serve customers just on time; to show the spirit of friendship with customers; to keep up-to-date the modern technology and raise it and to provide employees with appropriate modern and attractive tools.

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