THE EFFECT OF EMPLOYEES’ CUSTOMER ORIENTATION, CUSTOMER’S SATISFACTION AND COMMITMENT ON CUSTOMER’S SUSTAINABILITY

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Abstract
Many researchers have emphasized on the key role of employees associated with the customer or the forefront staff at the success of Service organizations. Positive outcomes for service organizations such as customer satisfaction, the loyalty, and the verbal publicity could significantly effects personal interaction between personnel service provider and customers. This study has attempted to evaluate the effect of customer orientation of employees, satisfaction and engagement of customer on customers’ retention at workers Welfare bank in Parsabad city. The Applied objective of this research and in nature was descriptive – survey. To test the research hypothesis and obtain results was used Lisrel path and analysis model. The results of the hypotheses of this study showed that customer-orientation of staffs positively effect on customer satisfaction, customer commitment, and persistence (retention) of customer. Customer satisfaction positively affects customer retention and customer commitment. Commitment to the customer positively has an impact on customer retention. The rate of customer orientation of Refah Bank employees, customer satisfaction, customer commitment, and customers’ retention of Parsabad e Moghan Refah Bank was located in a proper level.

Keywords: customer orientation, satisfaction, commitment, customer retention

INTRODUCTION
Many researchers have emphasized on key role of personnel associated with customers or personnel of the front-line in service organizations success. Positive outcomes for service organizations such as customer satisfaction, loyalty, and Positive Word-of-Mouth can significantly impact the personal interaction between personnel’s service providers and customers.

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The objective of relationship marketing strategy is also acquisition and retention of valuable customers (Macintosh, 2007). Because of the intangible nature of interactive services, consumers often focus on the employee's behavior of service provider when they judging about the quality of a service. As a result, customer orientation of staffs is an important factor for the success of service organizations (Hennig-Thurau, 2004). Also, in marketing theories mentioned organizations that focus their activities on customers (in a manner of customer orientation behavior) than other organizations have better performance (Hennig-Thurau, 2004). Undoubtedly, all organizations are looking to achieve the highest quality and increase customer satisfaction. But this has more important in service organizations. And in this regard the banks as one of the service centers which have very closely related to their customers are not exempted from this issue.

Financial services and banking services include an important part of service industries. Banks, both public and private banks in recent years, highly developed, the number of branches has highly increased in the cities and in the villages, customers and their needs seriously have become more complex, their needs and wants have changed, and variety of services offered by banks has increased. In this competitive environment, banks must be able to be a way to distinguish themselves from other banks, one of the main methods for obtainment of competitive advantage is offering of service by personnel who have the necessary attention to customer needs. Attention to customer needs and customer orientation have more benefits for many service organizations such as banks. Customer domination leads to customer satisfaction, customer loyalty, increase market share, customer retention and new customer acquisition, improved productivity, financial and profitability performance. So in this study is an attempt to investigate the impact of employees' customer orientation on customers’ satisfaction, commitment and retention of the workers welfare bank.

LITERATURE REVIEW

1) Customer Orientation

Different definitions of Customer Orientation are presented in different studies. Some of these definitions are mentioned below:

Customer orientation is the knowledge of customers and target customers to be able to create superior value consistently superior to them. Another definition is customer orientation consist of a set of beliefs that it provides customer benefits in the first place (Matsuo, 2006). Customer orientation is the willingness to help customers to assess their needs and appropriate decisions order right by them, provide services that meet customer needs, and avoid high-pressure sales tactics (Lee et al, 2011). Customer orientation is the tendency or inclination of employees to meet customer needs in the context of job responsibilities (Lee et al, 2013). Customer orientation is the organization's needs and ability to identify, analyze, understand and respond to customer needs (Yazdani and others, 2011). Customer orientation is the expansion of customer information across the organization, formulation of strategies and special techniques to meet market needs more practical form and from all parts of the organization and sense of commitment to the related program throughout the organization (Rsjoei, 1387)

2) The dimensions of customer orientation

Brown et al (2002) have proposed two dimensions of customer orientation: Needs 2. Enjoyment

The needs dimension related to the employee's beliefs about their ability to meet customers' needs. Enjoymt dimension is correlated with that employees are able to get pleasure from the interaction and service to the customers' requirements. This two-dimensional view allows to
suggest this point that employee customer orientation is not only related to satisfying customer needs. But also, it has a personal pleasure to serve the customer (Lee et al, 2011).

Hennig-Thurau (2004) also states that, customer orientation is the level of employee behavior in personal interaction with customers, to meet customer needs. He states the concept of customer orientation in four dimensions. All these four dimensions to the extent that employees are able to behave in a manner oriented. These four dimensions are: social skills, technical skills, motivation, and decision-Making Authority (Hennig-Thurau, 2004). These four dimensions of customer orientation are apart from each other. Technical skills of employees refer to knowledge and those technical skills that an employee provides service in order to meet individual customer needs during the interactive process should have them. Such technical specifications are essential to meet customer needs. And service organizations are requiring employees that consistently meet customer requirements. Social skills focus on the ability of service personnel to take and gain customers’ perspective during interactions. Specially, such an approach could be achieved 1. Visually (i.e employees know what the customer sees and what Understand) 2. Cognitive (i.e employees understand to what the customer) thinks) 3. Emotional (Employees understand what the customer feels) All these three aspects, which enables employees to recognize customer needs and thus they are critical to meet customer needs. Motivating employees to serve customers include three elements: Positive attraction-oriented behavior and the consequences related to such behavior; Perceptions of their ability to behave in a customer-oriented manner; and expectations of employees to achieve desired outcomes through participation in such behavior-oriented (e.g, happy clients, and reward from employer).

Motivation is essential to turn social and technical skills to customer-oriented behavior. Decision-Making Authority or power is the extent to which service providers have decision-making power about issues related to interests and needs of customers. This power is related to the concept of empowerment at related literature. In addition to motivation, Decision-Making Authority of employees for the transfer of technical and social skills, staffs play a critical role with customer-oriented (Hennig-Thurau, 2004).

3) Customer Satisfaction

Customer satisfaction is the customer good feel which arises as a result of her perception of proper product performance or serve with his expectations (Liang and Zhang, 2012). Satisfaction is positive feeling that is created in every person after using the goods or services. If goods and received services by the customer to meet his expectations, he may be satisfied. If the level of goods and service is above the customer’s expectations, will lead to his dissatisfaction (Abdolahian and Foroozandeh, 2011). Customer satisfaction will have a significant impact on an organization present and future life. An optimal service lifecycle are presented based on the relationship between customer satisfaction and employees’ satisfaction in Figure 1.

Figure 1: Optimal service cycle (Rezaei and Shekari, 2006)
Satisfaction caused to increase tolerance threshold to pay higher for the needed product and by this way, the amount of benefits and the level of wages payment to employees increased. It reduces withdrawal and substitution of labor force. In addition to providing job satisfaction and improving workplace morale, likely customer satisfaction also increases. Customer satisfaction is expected:

- For longer duration, remain among the organization customers.
- With the release of positive verbal message about organization to others (potential customers) increased their interest for to use organization products
- For more products in the best case, they provided a sense of satisfaction, organizations to increase their share of the purchase.

Creating the process of monitoring customer satisfaction, the organization can help to identify potential problems before the commercial situation of organization faces with serious risks. Customer is considered as the survival key and success in business firms. Accordingly, we will focus on the following:

- Understand and identify the needs and requirements of customers
- Measuring Customer satisfaction and striving to improve it.
Customer satisfaction models composed of 3 major sections of inputs, approval and disapproval processes, and outputs. But customer loyalty goes beyond the acquisition of emotional ties. While customer satisfaction is obtained as a result of positive performance of the organization with optimum function of the product and supplied services.

3) Customer Commitment

Factors that widely have been studied the cause of changes in the company by the customer or customer’s retention with company included in quality, satisfaction, the change costs of company, alternative options, and social pressure. However, the fact of the matter was not addressed in these studies is aspects of the relationship between customers and service providers (company /seller).

In a study Dube and Shoemaker (2000) have cited in the related literature that to understand vendor’s behavior change by the customer, it is necessary to look beyond the transactional variables and including relational variables to this issue.

One of the essential concepts in relational marketing paradigm is customer commitment. Customer Commitment is attitude that reflects willing to stay for the value relation. And also it has been studied in Business-to-Business environments and customer environments (Bansal et al, 2004).

Commitment is the belief of one side of the transaction or relationship to an ongoing relationship and maintaining contact with the other side is important and use absolutely his effort to keep it. Commitment is known as one of the main determining factors establishing long-run relationship between the vendor or the organization and the customer (Gil-Saura and Ruiz- Molina, 2009).

In the context of marketing relationship, Customer Commitment has been recognized as main part and integral long-term relationships. In many cases, costumer commitment has been described as a final intention of costumer to create and maintain a long term relationship (Walter et al, 2002). Customer Commitment includes implicit or explicit pledge of the Customer to
continuity relationship with his business partner (vendor) Pledge or Psychological Attachment of the customer to the vendor organization (Bansal et al, 2004)

4) Customer Retention
Customer retention is a persistent shopping of services and products by customer in a limited period (Chiat, et al, 2012). Customer retention is the customer's obligation to continue to do business and deal with a particular company on an ongoing basis (Hansemak and Albinsson, 2004). Another definition is given in terms of customer retention to continuation of the activity or customer shopping from organization (Hening-Thurau, 2004).

4-1) Theoretical perspective on customer retention managing
Theoretical literature on customer retention management arises from three perspectives:

1. Services Marketing perspective;
2. Industrial marketing perspective; and
3. General Managing

From a Services Marketing point of view, the method of keeping customers is improving service quality and customer satisfaction. In a related study, Ennew and Binks (1996) they were examined the relationship between service quality and customer retention in the context of the relationship between banks and their customers in England. Their findings supported the hypothesis that retention of employees is influenced by service quality (functional and technical) and customer relationship. From the industrial marketing perspective, customer retention and preservation methods, including Multi-Level Bonds belong to financial, social and structural. Turnbull and Wilson (1987) through a case study, the potential benefits of maintaining profitable relationships with customers in the industrial market were identified not only because of social belonging, but also due to structural fixations.

According to the authors social belonging refers to positive interpersonal relationships between buyer and seller. Structural fixations refer to the relationship which has been formed based on the joint venture and will continue until completion.

From public administration perspective, the views and opinions of authors have stated based on their observations and studies. DeSouza (1992) has emphasized on the assessment and measurement of customer retention and prevent the learning of organization role by customers from previous customers, analysis complaints and service data to customers, and identify and increase the customers’ leaving barriers.

Reichheld has used the triad perspective for persisting state and maintaining of investors, employees and customers. In this view, he emphasizes on creating value for the three groups mentioned. His idea is that disloyal employees likely will not be able to create loyal customers and investors will not support from the long-term relationship programs (Ahmad and Buttle, 2002).

MODEL AND RESEARCH HYPOTHESES
Conceptual framework and research model has shown in Figure 3.

In this study, by using this model the effect of customer orientation of employee’s on satisfaction, commitment and retention of customers has been studied in working welfare bank.
Figure 3: Conceptual framework and research model

The research hypotheses based on the research model are:

1. Employees customer orientation positively affects customer satisfaction.
2. Employees customer orientation positively affects customer commitment.
4. Employees customer orientation positively impact on the sustainability (maintaining) of customer.
5. Customer satisfaction positively influence on the customer retention.
7. The rate of customer orientation of Refah Bank employees located at the appropriate level.
8. The rate of Customer satisfaction of welfare Bank is at the appropriate level.
9. The rate of Customer Commitment of welfare bank is at the appropriate level.
10. The rate of customer retention of Refah Bank is located at the appropriate level.

METHODOLOGY

Since this study is an attempt to study the effect of customer orientation on employee satisfaction, commitment and Customer retention among workers welfare bank, so the purpose of the present study is an applied study and in terms of research methodology is descriptive- survey. The statistical population of this study consisted of all customers of worker welfare bank in Parsabad e Moghan city bank among city workers. Total sample size was done by using Morgan table and due to being infinite the statistical population was obtained 384 persons. The data collection tool was a questionnaire based on external questionnaire. The reliability of the survey instrument was tested using Cronbach's alpha. Coefficient alpha for the whole questionnaire were obtained from the experiment at the testing phase 0.875 and final phase 0.872 respectively which showed the high reliability of research instrument. In order to investigate the research hypotheses were used the path analysis model and the binomial test. In this section, we review and test hypotheses through the path analysis model. After explaining the model and data collection, model estimation begins with a set of known relationships between measured variables. The path models as a logical extension of multiple is regression models.
RESULTS
In the analysis of path there are the possibility of each number of independent and dependent variables, and any number of equations. In the output of graph are tested the significance of all coefficients and model parameters. For significance of a coefficient, the significant numbers should be greater than 1.96 or less than -1.96. The results of the path analysis model and significant path coefficient are shown in Figures 4 and 5.
Figure 4: A the path analysis model (standardized coefficients)

![Path Analysis Model (Standardized Coefficients)](image)

Figure 5: Path Analysis models (significant numbers)

![Path Analysis Models (Significant Numbers)](image)

Continued to show better relationships and coefficients of the model parameters, the tables are presented as follows.
Table 1: Calculation of direct and indirect effects and total effects of the independent and dependent variables

<table>
<thead>
<tr>
<th>The total effect</th>
<th>Indirect effect</th>
<th>The direct effect</th>
<th>Dependent variable</th>
<th>Independent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.79</td>
<td>--------</td>
<td>0.79</td>
<td>Customer Satisfaction</td>
<td>Customer orientation</td>
</tr>
<tr>
<td>0.77</td>
<td>0.53</td>
<td>0.24</td>
<td>Customer</td>
<td></td>
</tr>
</tbody>
</table>
According to Table 1, among the variables, customer orientation has highest total effect (0.83) on customer retention variable. The highest indirect effect is related to customer orientation on customer commitment with coefficient effect 0.53.

Table 2: Results of standard coefficients and significant numbers (approve or reject the hypothesis)

<table>
<thead>
<tr>
<th>approve or reject the hypothesis</th>
<th>Significant numbers (t values)</th>
<th>Coefficient Standardized</th>
<th>Dependent variable</th>
<th>Independent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>25.19</td>
<td>0.79</td>
<td>Customer Satisfaction</td>
<td>Customer orientation</td>
</tr>
<tr>
<td>Approved</td>
<td>5.92</td>
<td>0.24</td>
<td>Customer Commitment</td>
<td>Customer orientation</td>
</tr>
<tr>
<td>Approved</td>
<td>8.78</td>
<td>0.31</td>
<td>Customer retention</td>
<td>Customer orientation</td>
</tr>
<tr>
<td>Approved</td>
<td>16.18</td>
<td>0.67</td>
<td>Customer Commitment</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>Approved</td>
<td>6.14</td>
<td>0.27</td>
<td>Customer retention</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>Approved</td>
<td>9.40</td>
<td>0.40</td>
<td>Customer retention</td>
<td>Customer Commitment</td>
</tr>
</tbody>
</table>

As it can be seen in Table 2, the standard coefficients for the six first hypothesis research, the significant numbers (more than 1.96) and thus the 6 first hypothesis was confirmed in this study.

**Hypothesis7.** Levels of customer orientation of welfare bank employees were at the appropriate level.

For this theory, statistical assumptions were made as follows:

\[ H_0 : N \leq 50\% \]

\[ H_1 : N > 50\% \]

\( H_0 \): The rate of customer orientation of welfare bank employees is not located at the right level. 
\( H_1 \): The rate of customer orientation of welfare bank employees located at the appropriate level.

Table 3: Binomial test of related to suitability of customer orientation

<table>
<thead>
<tr>
<th>Sig</th>
<th>Test Probability</th>
<th>Probability Views</th>
<th>Mean</th>
<th>N</th>
<th>Statistical hypothesis</th>
<th>Seventh hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>0.50</td>
<td>0.27</td>
<td>3.35</td>
<td>104</td>
<td>N \leq 50%</td>
<td>( H_0 )</td>
</tr>
</tbody>
</table>
According to Table 3, the average employee customer orientation is at average of 3.35 and a low level (between 1 to 5). And because the significance level of the observed test statistic (0.73) is below 0.05, the null hypothesis is rejected and the first hypothesis confirmed. Therefore we can say that there is an appropriate level rate of customer orientation of welfare bank employees.

**Hypothesis 8.** The rate of customer satisfaction of welfare bank is at the appropriate level.

In this theory, statistical hypothesis were made as follows:

\[
H_0 : N ≤ 50\% \\
H_1 : N > 50\%
\]

H0: The rate of welfare bank customer satisfaction is not located in appropriate level.

H1: The rate of welfare bank Customer satisfaction is at the appropriate level.

<table>
<thead>
<tr>
<th>Sig</th>
<th>Test Probability</th>
<th>Probability Views</th>
<th>Mean of variations</th>
<th>N</th>
<th>Statistical hypothesis</th>
<th>Seventh hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>0.50</td>
<td>0.26</td>
<td>3.55</td>
<td>98</td>
<td>N ≤ 50%</td>
<td>H0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.74</td>
<td>286</td>
<td>286</td>
<td>N &gt; 50%</td>
<td>H1</td>
</tr>
</tbody>
</table>

According to Table 4, the average customer satisfaction level is 3.55 and located in above average (between 1 to 5). And because the level of observed significant statistic test (0.74) is below than 0.05, so the null hypothesis is rejected and hypothesis H1 is confirmed. It can be said that the rate of welfare bank customers' satisfaction is located at an appropriate level.

**Hypothesis 9.** The rate of welfare bank customer’s commitment is located at the appropriate level. In this theory, statistical hypothesis were made as follows:

\[
H_0 : N ≤ 50\% \\
H_1 : N > 50\%
\]

H0: The rate of welfare bank customer’s commitment is not located at the appropriate level.

H1: The rate of welfare bank customer’s commitment is located at the appropriate level.

<table>
<thead>
<tr>
<th>level of Significance</th>
<th>Test Probability</th>
<th>Probability Observed</th>
<th>Mean of variables</th>
<th>N</th>
<th>Statistical hypothesis</th>
<th>Seventh hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>0.50</td>
<td>0.26</td>
<td>353</td>
<td>107</td>
<td>N ≤ 50%</td>
<td>H0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.74</td>
<td></td>
<td>277</td>
<td>N &gt; 50%</td>
<td>H1</td>
</tr>
</tbody>
</table>

According to Table 5, average of customer commitment is 3.5 and is located in medium high level (between 1 to 5). And because the significance level of observed statistic test (0.74) is below than 0.05. So, the null hypothesis is rejected and hypothesis H1 is confirmed. Therefore we can say that the rate of customers’ commitment of welfare bank is located in appropriate level.

**Hypothesis 10.** The rate of customer retention of welfare bank is located in the appropriate level.
In this theory, statistical hypothesis were made as follows:

\[
H_0 : N \leq 50% \\
H_1 : N > 50% 
\]

**H_0**: The rate of customer retention of welfare bank is not located at the appropriate level.

**H_1**: The rate of customer retention of welfare bank is located in the appropriate level.

Table 6: binomial tests related to Suitability of customer retention

<table>
<thead>
<tr>
<th>level of Significance</th>
<th>Probability Test</th>
<th>observed Probability</th>
<th>Mean of variables</th>
<th>N</th>
<th>Statistical hypothesis</th>
<th>Seventh hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>0.50</td>
<td>0.18</td>
<td>3.72</td>
<td>68</td>
<td>N ≤ 50%</td>
<td>H_0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.82</td>
<td></td>
<td>316</td>
<td>N &gt; 50%</td>
<td>H_1</td>
</tr>
</tbody>
</table>

According to Table 6, the average of customer retention is 3.72 and is located at above average (between 1 to 5) and because the significance level of observed statistic test (0.82) is below than 0.05, So, the null hypothesis is rejected and H_1 is confirmed. Therefore we can say that the rate of customers’ retention of welfare bank is located at the appropriate level.

**CONCLUSION**

As results and test hypotheses indicated customer orientation of employees positively affect customer satisfaction, commitment, and sustainability (maintaining). Customer satisfaction positively impact on customer commitment customer retention. Customer’s commitment positively influence on customer retention. The rate of Customer orientation of welfare bank employees, the rate of

Customers’ satisfaction, commitment, and retention of welfare bank in Parsabad city are located in a proper level. Due to the impact of customer orientation of employee on customer’s satisfaction, commitment, and retention, and due to the fact that the level of customer orientation of welfare bank employees is approximately average. This bank by improving customer oriented of their employees behavior, trying to improve satisfaction, commitment and ultimately, to improve their customer retention. To this end, the following suggestions are offered:

- Holding period of intermittent and continuous training for employees in order to gain information, knowledge, expertise and their technical competence. After recruiting both technical and professional skills of the job and the desired behavior of employees should be trained to employees. Training should include the entire working life, to enable employees be responsive against technology changes and customer and job requirements.
- Establishing an effective reward system to encourage staff to best meet the needs of customers.
- Motivation of the personnel using financial and non-financial instrument In order to better solve most problems of customer.
- Giving sufficient authority and independence to employees in order to meet customer needs.
Management of customer complaints. Another solution of customer orientation could be the importance of customer complaints. Most customers do not bother complaining to inappropriate treatment and sometimes even threatening employee does not allow the protest and continue to have the same shape. So welfare bank must do actions and programs to find the causes of discontent and resolve the identified problems. According to customers’ satisfaction on commitment and their retention, welfare bank in addition to improving customer orientation, their employees in order to improve customer satisfaction with different actions try to increase customer satisfaction and, consequently, improve commitment and their retention.

In this regard, the following recommendations are offered:

- **Creating favorable expectations in customers**
  One of the grievances of our people from these service organizations is that these organizations have created expectations that they are not able to provide appropriate and timely service. Exceeded expectations and unrealistic ultimately lead to customer dissatisfaction. But the desirable and achievable expectations lead to customers’ satisfaction and motivation. Welfare bank should establish appropriate expectations and meet the needs of customers, more to obtain their consent.

- **Human resource management is the key to satisfy customers**
  Appropriate personnel which supported by the system management are the key to satisfy customers. According to the four major principle of welfare bank, by training and support, can make ensure about the desirability of their employees. Recognize the importance of different dimensions of service quality from customers’ view and also evaluation of performance and quality of bank service, and identifying the week points of bank contributed to improve the quality of services provided by banks and finally lead to customer’s satisfaction.

With regard to impact of customer commitment to their sustainability, the following suggestions are proposed to improve customer commitment and consequently to increase their retention to welfare bank:

- Recognizing loyal customers with considerable financial transactions and offering rewards to them and promotion of this activity in the media in order to encourage customers to greater commitment to the Bank.

Efforts to improve personality and brand image of bank using different measures such as positive social activities in the interests of society.

**References**