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# SURVEYING THE RELATIONSHIP BETWEEN THE EMPLOYEES' ORGANIZATIONAL CITIZENSHIP BEHAVIOR WITH CUSTOMER SATISFACTION

#### Afsaneh Pirvali<sup>1</sup>, Hamid Sabet ghadam<sup>2</sup>, Ali Asadi<sup>3</sup>

<sup>1</sup> M.A. Student, Department of Management, Islamic Azad University, Boroujerd Branch, Iran, Email: <sup>2</sup> M.A. Student, Department of Management, Islamic Azad University, Malayer Branch, Iran, <sup>3</sup> M.A. Student, Department of Management, Islamic Azad University, Boroujerd Branch, Iran

#### **Abstract**

The aim of current research is surveying the relationship between the employees' organizational citizenship behavior (independent variable) with customer satisfaction (dependent variable) to provide an appropriate strategy for promotion of organizational citizenship behavior as well as help to service-oriented organizations regarding customers' satisfaction and achieving the organization's goals. In this study, Agricultural Bank of Ilam province is considered as a statistical society that is selected via Cochran sampling formula in two levels including first level with 177 employees and second level with 383 credit customers. Research method is correlation and questionnaire is used for gathering data independently and separately and their Cronbach's alpha coefficient is obtained as 0.904 and 0.924, respectively. Finally, a set of data is analyzing by using two software of SPSS and EQS 6.1 with structural equation modeling (SEM). Pearson r test or hypothesis statistic is used for hypothesis test according to t test and the following results are gained. Employees' citizenship behavior has significant positive effect on customer satisfaction directly and indirectly (through perceived quality of services).

Keywords: Citizenship Behavior, Customer Satisfaction, Perceived Quality of Services

#### Introduction

Today, service organizations or those organizations that service providing is an important part of their activity are seeking to create a system for communication between human resources management and expected performance of service employees to create a positive effect on customer perceiving of the provided services' quality and as a result, improvement of the organization's financial outcomes since it is confirmed that there is a relation between positive perception of the customer from the provided services' quality and improvement of the organization's financial indicators in different researches. The concept of organizational citizenship behavior was provided in the organizational research's literature at early of 1980s for the first time and the first attitude in OCB studies was determining responsibilities and behaviors that were mainly ignored and not considered in measuring the employees' job performance enough. On the other side, new concept of organizational citizenship behavior is one of the main concept for the organizational researchers that is effective on the customer's perception from services' quality since they find a relation between skills, attitudes and behaviors of the organization's employees and their customer-orientation and as a result, their loyalty. Employees' organizational citizenship behavior is some activities that in it people believe that they are contributed in the long term success of the organization's services. Totally, OCB points to meta-role behavior including behavioral specifications that depend on personal initiatives.

### Background of the research

OCB citizenship behavior: it is conceptualized in political philosophy by using "urban citizenship" term. Graham considered several behavioral attitudes and believes that were combined together with using

Vol. 6, No.7, March 2017

classic philosophy and modern political theory in 1991 and named them as "active citizenship signs" including three relative main parts of urban citizenship responsibilities.

First part is respecting to the structures and regular processes which means that citizens are recognized the responsibility of legal- logic authority and complies with the law.

Second part is loyalty that citizen provides the society interests and hidden values of it, totally. Loyal citizens improve their societies, protect them and try a lot for being good.

Third part is partnership, responsible and active involvement in controlling the society under the law. Responsible citizens have enough information regarding total matters that are effective on the society, exchange their information and ideas with other citizens and help for managing the society and encourage others to have such a behavior.

The term of organizational citizenship behavior (OCB) was first introduced by Organ and his colleagues in 1983. Development of this concept is gained via Barnard's writings about attitude to cooperation in 1938 and Katzs' studies about initiative and spontaneous behaviors and performance in 1964, 1966 and 1978 .) Castro et al 2004(

In first definition of organizational citizenship behavior that was provided via Bateman and Organ in 1980s, totally some kinds of behaviors that are done via employees and create benefits for organizations without any obligation from the organization for doing them, are concerned (Kwantes, 2003).

Related activities to the role that are done beyond one's expectations of his duty are defined as meta-role behavior. This kind of behaviors is considered in some cases and via several writers as citizenship behavior (Hosni Kakhaki, 1386).

#### Job satisfaction

Generally, job satisfaction and OCB reinforce each other. For example, Bateman and Organ (1983) in a research on the university's employees found that there is a significant relation between general measures of job satisfaction and OCB (Wech, 2002).

Using Barnard's idea (1938) according to this matter that satisfaction leads to one's attitude for cooperation and help to collaborative systems, organ uses Social exchange theory to describe this matter: "when employees are satisfied of their jobs, they retaliate that includes being committed to the organization and organizational citizenship behavior." Here satisfaction includes a lot of dimensions like satisfaction of the colleagues and supervisors, satisfaction of the job, satisfaction of immediate and long-term rewards (Seyed Javadin and others, 1385). In 1983 Smith and his colleagues found job satisfaction as a mental state that is a prerequisite for being conscientious as one of the dimensions of OCB (Konovsky et al, 1996).

Moorman (1992) examined this matter that the relation between citizenship and job satisfaction can depend on job satisfaction's criteria. He emphasized that cognitive job satisfaction (according to a logical evaluation of job situation, opportunities and outcomes) has more important in predicting OCB than effective job satisfaction (Schappe, 1998).

**Customer satisfaction:** it is feeling or attitude of the customer towards good or service that acts as a bridge between different ways of consumer's purchasing behavior. Customer satisfaction is the amount of desirability that customer gains because of different specifications of the good and is a resource for revenue and a cause for continuing the organization's activity (Seyed Javadin and others, 1385).

**Quality of services:** according to Sommer (1994), service quality is difference degree between customers' perception and their expectations of services. Quality is a multidimensional phenomenon. Therefore, without identifying the important dimensions of quality, we cannot reach to the services' quality. Gronroos (2000) quoted to services' quality in his discussion as three dimensions of technical quality of outcome, duty quality in servicing, and company's mental image.

#### Research's method

In this study, Agricultural Bank of Ilam province is considered as a statistical society that is selected via Cochran sampling formula in two levels including first level with 177 employees and second level with

Vol. 6, No.7, March 2017

383 credit customers. Sampling method is Simple Random Sampling. Research method is correlation and questionnaire is used for gathering data independently and separately and their Cronbach's alpha coefficient is obtained as 0.904 and 0.924, respectively. In order to determine the reliability and validity of the questionnaire, it was consulted with faculty supervisor and advisor as well as bank's exerts after preparing it and finally, the final questionnaire was approved after some adjustments. Then, a set of data is analyzing by using two software of SPSS and EQS6.1 with structural equation modeling (SEM). Pearson r test or hypothesis statistic is used for hypothesis test according to t test.

#### Data analysis

**Hypothesis 1:** employees' citizenship behavior has positive effect on perceived quality of the service from customer's side.

H1= there is a relationship between employees' citizenship behavior and perceived quality of the service. H0= there is no relationship between employees' citizenship behavior and perceived quality of the service.

H1 claimed that employees' citizenship behavior affects the perceived quality of the service. According to model 1, the correlation coefficient between two latent variables of citizenship behavior and perceived quality of the service is equal to 0.28 that has a positive relation with t=2.28 since it is bigger that t of the table with 0.05 (t=1.96); therefore, h0 is rejected and h1 is confirmed. It means that there is a positive relation between citizenship behavior and the perceived quality of the service and increase in citizenship behavior causes increase in the perceived quality of the service via customer.

Hypothesis 2: employees' citizenship behavior has positive effect on customer's satisfaction.

H1= there is a relationship between employees' citizenship behavior and customer's satisfaction.

H0= there is no relationship between employees' citizenship behavior and customer's satisfaction.

H1 claimed that employees' citizenship behavior affects the customer's satisfaction. The path coefficient between two latent variables of citizenship behavior and customer's satisfaction is equal to 0.22 that has a positive relation with t=2.25 since it is bigger that t of the table with 0.05 (t=1.96); therefore, h0 is rejected and h1 is confirmed. It means that there is a positive relation between citizenship behavior and customer's satisfaction and increase in citizenship behavior causes increase in customer's satisfaction.

**Hypothesis 3:** perceived quality of the service has positive effect on customer's satisfaction.

H1= there is a relationship between the perceived quality of the service and customer's satisfaction.

H0= there is no relationship between the perceived quality of the service and customer's satisfaction.

H1 claimed that the perceived quality of the service affects the customer's satisfaction. The path coefficient between two latent variables of the perceived quality of the service and customer's satisfaction is equal to 0.62 that has a positive strong relation with t=4.78 since it is bigger that t of the table with 0.05 (t=1.96); therefore, h0 is rejected and h1 is confirmed. It means that there is a positive relation between the perceived quality of the service and customer's satisfaction and increase in the perceived quality of the service causes increase in customer's satisfaction. Therefore, hypothesis 3 is accepted. According to the available evidences and data, it can be said that increase in the perceived quality of the service via customer has a strong effect on increase in customer's satisfaction.

Finally, the following equations are derived:

Equation 1: c (0.96) + citizenship behavior (0.28)= the perceived quality of the service R2=0.08

Equation 2:  $\varsigma$  (0.75) + citizenship behavior (0.22) + the perceived quality of the service (0.62) = customer's satisfaction

R2 = 0.43

In equation 1, the variable of citizenship behavior describes 0.28 of the changes for the perceived quality of the service; and other changes of the perceived quality of the service depend on other variables and elements that are out of model. Zeta value or error variable (residual) for the variable of the perceived

Vol. 6, No.7, March 2017

quality of the service is equal to 0.96 that its square is 0.92. It means that 0.92% of the variable's changes of the perceived quality of the service are not explained that are dependent to other variables.

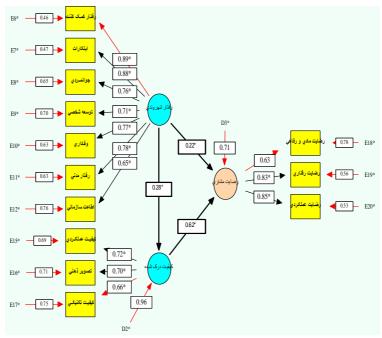
In equation 2, two variables of citizenship behavior and the perceived quality of the service describes 0.43 of the changes for the customer's satisfaction. As it can be seen, the variable of the perceived quality of the service has the strongest effect on the customer's satisfaction. It seems that the most effect of citizenship behavior on the customer's satisfaction is via the perceived quality of the service. It can be said that appearance of citizenship behavior on the behavior and performance of the bank's employees cause customers consider the quality of the provided services better and their satisfaction increase. Meanwhile, seeing citizenship behavior like helping behavior, generosity and etc. cause increase in the customers' satisfaction directly. The amount of direct relationship between two variables is equal to 0.22 that shows a moderate and positive relation between two variables. Zeta value or error variable (residual) of this equation is equal to 0.75 that shows 0.75 of the variable's changes of customer's satisfaction are not explained and depend to elements out of the current equation.

Table 1-Fitting indices of model 1 and path coefficients

(Multiple items per construct)											
Paths						$\epsilon$		Standard estimations of the path		R2	
citizenship behavior and the perceived quality of the service				γ12		2/82		0/28*		0/08	
citizenship behavior and customer's satisfaction				γ11		2/25		0/22*		0/43	
the perceived quality of the service and customer's satisfaction				β21		4/78 0		0/62*			
Fitting indices of model 1											
Index	P-Value	<b>?</b> 2	D.F	GFI	AGFI	CFI	R.M.S.E.A		IFI	RMR	NFI
The amount of the index	0/06	165/43	62	0/969	0/901	0/971	0/071		0/974	0/026	0/940
The allowed amount	$\frac{\chi^2}{d.f} < 3 =$	$\Rightarrow \frac{165/43}{62} =$	= 2.67	More than 0.9	More than 0.9	More than 0.9	<0/08 x0/05		More than 0.9	Close to zero	More than 0.9

Chi Sq.=165.43 P=0.04 CFI=0.97 RMSEA=0.07

Vol. 6, No.7, March 2017



Structural equation of citizenship behavior and customer satisfaction

#### **Conclusions**

The current research is done with the aim of surveying the relationship between variables of the citizenship behavior, the perceived quality of the service and customer satisfaction to provide an appropriate strategy for promotion of organizational citizenship behavior as well as help to service-oriented organizations regarding customers' satisfaction and achieving the organization's goals.

Generally, according to the gained results, it can be said that different dimensions of organizational citizenship behavior affect directly on the bank's customer satisfaction but its main effect is via affecting the perceived quality of the service by the customer. It can be said when a Bank customer is satisfied within a framework of formal relation with bank's employees, probably he wants to continue this relation for a long time and has more attitude for developing his activity with that organization. In fact, the employees' citizenship behavior is too important for service organizations since these behaviors cause and creates elements (customer satisfaction, customer loyalty, the perceived quality of the service) that have a positive effect on the bank's performance. Bank's managers can improve the employees' relation with each other as well as the relationship between the employees and customers with making the culture of citizenship behavior in employees. Increase and improve of employees' relationship with customers cause better perception of the services by customers and finally increase the customer's satisfaction.

Vol. 6, No.7, March 2017

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