# Customer Service Department and Clients Satisfaction: An Empirical Study of Commercial Bank of Surkhet, Valley

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**Abstract:** The purpose of this article is to examine the effect of customer service departments' employee behavior such as friendliness, helpfulness and respectfulness on customer satisfaction. Data was collected through closed structure paper questionnaire with seven-point Likert scale from twenty-two commercial banks located at Surkhetvalley. Simple random sampling technique was applied to select 202 respondents. IBM SPSS 20 version was used to analyze the data. Regression statistical tool was used to test the hypothesis. The finding of this study is friendliness, helpfulness and respectfulness behavior of employee has positive impact on customer satisfaction.

**Keyword**: Employee Helpful, Employee Friendliness, Employee Respectful Behavior

## I.    Introduction

In today's competitive environment delivering high quality service is the key for sustainable competitive advantage. Customers' satisfactionhas positive effect on organization's performance. Researchers point out the fact that satisfied customers share their experiences withother people to the order of perhaps five or six people. On the contrary, dissatisfied customers are morelikely to tell another ten to twenty people of their experience with product or service (Angelova & Zekiri, 2011). Therefore, while providing service by any organization the maximum efforts should be focused on customers satisfaction which mostly depends on employee behavior.

Bank is an institution, which deals with money and credit. It accepts deposits from the public and mobilizes the funds to different productive sector.  Therefore, bank is known as the dealer of the monetary transaction. In addition to this, bank should performvarious activities such as remittance, exchange of currency, performing joint venture transaction, underwritings, issue of bank guarantee, discounting bills etc. All these activities are performed through customers service department keeping in mind that customers are most important visitors and they should be satisfied for the success of any organizations.

Customers service is the process of ensuring customer satisfaction with a product or service. Often, customer service takes place while performing transaction, such as making a sale or returning an item. Customer service can take the form of an in-person interaction, a phone call, self-service systems, or by other means. For this Customer Service Department (CSD) is an important department that provides different services to the customers. Customer Service Department (CSD) is a front-line service where customers interact with banking officers and provides various types of services, often-essential ones such as open bank account, providing ATM card, cheque book, general information of the bank, information about transaction procedures and other permits and services of banks. In service organization employee behavior is the critical factor of customers satisfaction.In the process of delivering service, employee friendliness, helpfulness and respectfulness behavior play determinants role in customer satisfaction.

Friendliness refers to "the warmth and personal approachability rather than physical approachability of the contact staff, including cheerful attitude, the ability to make the customer feel welcome (Johnston, 1997). Friendliness is an intangible nature of employee's behavior and emotional activity. Most of the professional service require positive emotion that affect the perception of overall service quality and create higher customer satisfaction (White, 2010). The study found customers were more satisfied with high friendlinessprofessional services(Yan, 2014).

Employee helpfulness refers to the extent to which frontline staff either provides help to the customer or gives the impression of being interested in the customer and shows willingness to help (Johnston, 1997).Helping behaviorof

employees typically through "prompt service," "truthiness", "responsiveness" increase the customer satisfaction(Yan, 2014).

Respect is a self-esteem need of customers which heighten individual's self-esteem. Employee's respectful behavior help to satisfy the customer's self-esteem needs (Tyler & Blader, 2000). Respect includes an appreciation to the customer such as recognizing, appreciating, communication and value of the customer. Respectful behaviors make customer feel appreciated in their importance and worth (Dotson & Patton, 1992). Employee's respectfulness is a key element that determines the quality of service and customer satisfaction (Dubinsky, 1994).

While performing the service through customer service department, there may be various factors that may affect customer satisfaction. In this study, among these variables   employee's behavior such as friendliness, helpfulness and respectfulness are taken as the independent variables and customer satisfaction has been taken as the dependent variable.

## II.      Research Objectives

The main objective of this study was to examine the customer service department employee behavior that may impact on customer satisfaction. The general objectives have been categorized into following specific objectives.

1) To examine the impact of friendliness behavior of customer service department employee
on customer satisfaction.
2) To examine the impact of helpful behavior of customer service department employee on
customer satisfaction.
3) To examine the impact of respectful behavior of customer service department employee on
customer satisfaction.

## III.      Review of Literature

Service quality and customer satisfaction in the banking sector depends considerably on employee behavior. The behavior displayed by employees towards customers in the process of service determine the customers perceptions of service quality as well as their satisfaction. It is of great significant that if employee display appropriate behavior for a service the customer perceives as pleasing and high quality. Successful customer-employee encounter can help establishment to ensure their continuation and increase their profitability (Turkay & Senguel, 2014).

Customer satisfaction is defined as a pleasurable levelwhen customers purchase a product or receive a service tofulfill their needs and goals. Therefore, satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire (Singh, 2006).

Customer satisfaction is a short-term emotional reaction to a specific service performance. Customers may be satisfied while purchasing a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these (Mathe & Shapiro, 1990). Satisfying customers is a core business challenge which has attracted considerable research attention. The (Mwegerano, 2014) cited, (Oliver, 2000) defines customer satisfaction as "attitude-like judgment following a purchase act or series of consumer product interactions.

In general, satisfaction is a people's feeling of pleasure or disappointment resulting from comparing a product's perceived performance outcomes in relation to his / her expectations. If the performance lags the people's expectation, the customer is unhappy. If the performance goes with the expectations, the customer is happy. If the performance exceeds his / her expectation, the customer is delighted.

Customer satisfaction is the main concern in every business sector, their researchers are always conducting research about the customers especially on what relates to their satisfaction. In this competitive world customers plays a very important role to make success to any organization.If a company wants to survive then it should look forward to the determinants of customer satisfaction. Though it is a very subjective issue that differs from individual to individual yet, identifying some basic parameters of customer satisfaction is important. There are many factors that affect customer satisfaction associated to employee behavior. These factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service etc.

**Employee Friendliness and Customer Satisfaction**

Friendliness has direct impact on customer satisfaction through generating positive customer effect while performing transaction. Friendliness of employee can help to build rapport with the customer. Customer expectation of concerned employee are mostly linked with functional quality.

For example, (Jones & Dent, 1994) found that a smiling face has a beneficial effecton customer satisfaction. As well, several studies have indicated the importance of friendly type behaviors (friendliness, familiarity, caring, politeness, responsiveness, trustworthiness,helpfulness, and understanding) of service staff to improve service performance and outcomes and long-term relationships (Kattara, Weheba, & Ahmed, 2015).

The empirical results of this study indicate that the emotions of service employees significantly influence the positive affect of customers. This study concludes that, in the process of a service encounter, if the service employee enables a customer to perceive that they are being treated sincerely rather than with a fake emotional disguise, the positive affect of the customer will be triggered and the customer will feel pleasant and enjoy the process of the service encounter and will feel satisfied with the services (Wu & Shen, 2013).Therefore, this study proposes the following hypothesis:

Ha$_1$: There is significant positive relationship between employee friendliness and customer satisfaction.

**Employee Helpfulness and Customer Satisfaction**

The behavior displayed by employee towards customer in the process of service production determines the customer perception of service quality as well as their satisfaction. Employee have greater impact than other factors on customer satisfaction. In this sense, it is of great significance that employee display appropriate behavior for a service experience that customer perceives as pleasing and high quality.Face to face encounters between customer and service employees are of critical importance to customer satisfaction (Turkay & Senguel, 2014).Frontline employee's helpfulness or willingness to spend extra time and effort helping the customer are causes of delight. This arises positive emotion on customers and forms the basis of front-line employee performance evaluation of customers. Therefore, this study proposes the following hypothesis:

Ha$_2$: There is significant positive relationship between employee helpfulness and customer satisfaction.

**Employee Respectfulness and Customer Satisfaction**

An experimental study conductedon impact of employee behavior on overall satisfaction and found the effect of respectfulemployees' behavior have positive result on customer satisfaction (Kattara, Weheba, & Ahmed, 2015).

According to (Armando, 2005), successful service providers can meet and, whenever possible, exceed consumers' needs and wants in delivering services, due to certain specific characteristics of services and to the human element, the 'face-to-face' interaction with the customer. In addition, (Kong & Jogaratnam, 2007) confirmed the fact that employee personalization and courtesy have a significant predictor of customer satisfaction. Thus,this study proposes the following hypothesis:

Ha$_3$: There is significant positive relationship between employee restfulness and customer satisfaction.

## IV.    Research Methods

This study is based on positivism philosophy and deductive research approach.Data have been collected through survey questionnaire methods. Simple random sampling method was used to select the customer of different banks in SurkhetValley. In this survey 202 respondent were participated from different 22 banks. Five background related questions and four subject related questions were asked to the respondent. Respondents were requested to give their response corresponding to items on a seven-point scale, having range from strongly disagree to strongly agree. Collected information were analyzed using SPSS software. Linear regression analysis was used to test the hypothesis.

## V.    Data Presentation and Analysis

In this article the friendliness, helpfulness and respectfulness behavior of employee working in the customer service department of commercial banks located in Surkhet has been studies and regression analysis has been used to analyze the independent and dependent variable.

**Friendliness andCustomer Satisfaction**

To measure the impact of friendliness of employee of customer service department on customer satisfaction seven questions were asked focusing on greeting by employee, said thank you, eye contact of employee, smiling behavior, feeling warmth by customer, pleasant and comfortable interacting with customer etc. Using these seven independent variable linear regression analyses have been used to test the hypothesis.

Table 1: Summary model of friendly behavior of employee and customer satisfaction

| Friendly behavior and client satisfaction | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| | 0.554 | .307 | .304 | 3.96154 |

Source: Field survey 2075

Table 1 presents the value of $R^2$ also called the coefficient of determination, that measures the proportion of the total variation in customer satisfaction about its mean explained by the regression of friendly behavior of customer service department. The friendly behavior of employee explains 30.7% of variation on customer satisfaction.

Table 2: ANOVA analysis of friendly behavior of employee and customer satisfaction

| Friendliness and customer satisfaction | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 1392.922 | 1 | 1392.922 | 88.756 | .000 |
| Residual | 3138.761 | 200 | 15.694 | | |
| Total | 4531.683 | 201 | | | |

Source: Field survey 2075

The result presents in Table 2 of ANOVA analysis shows "Sig" value (.000) of friendliness behavior of employee which is lower than .05 here. Therefore, at 5% level of significance, the result supported to alternative hypothesis. It indicates there is significant impact of friendliness behavior of employee on customer satisfaction.

Table 3: Coefficient of friendly behavior of employee and customer satisfaction

| Friendliness and client satisfaction | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 12.742 | 1.025 | | 12.426 | .000 |
| Friendly behavior | .327 | .035 | .554 | 9.421 | .000 |

Source: Field survey 2075

The Table 3 gives the information to determine whether friendly behavior and customer satisfaction are significantly related, and their direction and strength of their relationship. The sign of the coefficient of friendly behavior is positive. It confirms our assumption that friendly behavior increases the customer satisfaction. It means that when friendly behavior increases by one unit (i.e. 1 %), client satisfaction – on average – increase by 0.327 unit.

**Helpfulness and Customer Satisfaction**

To measure the impact of helpfulness of employee of customer service department on customer satisfaction six questions were asked focusing on provide prompt service to the customer, clear mentioned the processing of activities, ready for services, individual attention and care, competent employee etc. Using these six independent variable linear regression analyses have been used to test the hypothesis.

Table 4: Summary model of helpfulness behavior of employee and customer satisfaction

| Helpfulness and client satisfaction | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| | .637 | .406 | .403 | 3.67006 |

Source: Field survey 2075

Table 4 presents the value of R² also called the coefficient of determination, that measures the proportion of the total variation in customer satisfaction about its mean explained by the regression of helpfulness behavior of employee of customer service department. The helpfulness behavior of employee explains 40.6% of variation on customer satisfaction.

Table 5 ANOVA analysis of helpful behavior of employee and customer satisfaction

| Helpful and customer satisfaction | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 1837.814 | 1 | 1837.814 | 136.444 | .000 |
| Residual | 2693.869 | 200 | 13.469 | | |
| Total | 4531.683 | 201 | | | |

Source: Field survey 2075

The result presents in Table 5 of ANOVA analysis shows "Sig" value (.000) of helpfulness behavior of employee which is lower than .05 here. Therefore, at 5% level of significance, the result supported to alternative hypothesis. It indicates there is significant impact of helpfulness behavior of employee on customer satisfaction.

Table 6: Coefficient of helpful behavior of employee and customer satisfaction

| Helpfulness and client satisfaction | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 6.690 | 1.339 | | 4.996 | .000 |
| Helpful behavior | .603 | .052 | .637 | 11.681 | .000 |

Source: Field survey 2075

The Table 6 gives the information to determine whether helpful and customer satisfaction are significantly related, and their direction and strength of their relationship. The sign of the coefficient of helpful behavior is positive. It confirms our assumption that helpful behavior increases the customer satisfaction. It means that when helpful behavior increases by one unit (i.e. 1 %), client satisfaction – on average – increase by 0.603 unit.

**Respectful and Customer Satisfaction**

To measure the impact of respectful of employee of customer service department on customer satisfaction seven questions were asked focusing on courteous and polite, well regarded by the employee, employee made feel important, treated with respect, showed interest to help, work performedconfidentially, served in a good manner etc. Using these seven independent variable linear regression analyses have been used to test the hypothesis.

Table 7: Summary model of respectful behavior of employee and customer satisfaction

| Respectful and customer satisfaction | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| | 0.771 | .595 | .593 | 3.02905 |

Source: Field survey 2075

Table 7 presents the value of $R^2$ also called the coefficient of determination, that measures the proportion of the total variation in customer satisfaction about its mean explained by the regression of respectful behavior of employee from customer service department. The respectful behavior of employee explains 59.5% of variation on customer satisfaction.

Table 8: ANOVA analysis of respectful behavior of employee and customer satisfaction

| Respectfulness and client satisfaction | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2696.657 | 1 | 2696.657 | 293.909 | .000 |
| Residual | 1835.027 | 200 | 9.175 | | |
| Total | 4531.683 | 201 | | | |

Source: Field survey 2075

The result presents in Table 8 of ANOVA analysis shows "Sig" value (.000) of respectfulness behavior of employee which is lower than .05 here. Therefore, at 5% level of significance, the result supported to alternative hypothesis. It indicates there is significant impact of respectfulness behavior of employee on customer satisfaction.

Table 9: Coefficient of respectful behavior of employee and customer satisfaction

| Restfulness and client satisfaction | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 3.745 | 1.088 | | 3.441 | .001 |
| Respectful behavior | .489 | .029 | .771 | 17.144 | .000 |

Source: Field survey 2075

The Table 9 gives the information to determine whether respectful behavior and customer satisfaction are significantly related, and their direction and strength of their relationship. The sign of the coefficient of respectful behavior is positive. It confirms our assumption that respectful behavior increases the customer satisfaction. It means that when respectful behavior increases by one unit (i.e. 1 %), client satisfaction – on average – increase by 0.489 unit.

## VI.    Further Direction

This research only focused on helpfulness, friendliness and respectfulness behavior of customer service department's employee and its impact on customer satisfaction. However, the research did not study the physical facility, technological services provided by the bank to its customer. Thus, it is advised to research in future in such areas.

## VII.    Conclusions

Based on the views and research done by numerous researchers and academicians, it can be concluded that customer satisfaction is very important. Thus, though customer satisfaction does not guarantee repurchase on the part of the customers but still it plays a very important part in ensuring customer retention.

The aim of this study was to measure the effect of customer service department's employee behavior on customer satisfaction. It attempts to measure the importance of each factor on customer satisfaction. Findings of the study indicate that there is a positive relationship between friendliness, helpfulness and respectfulness of employee behavior on customer satisfaction.

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