A Study of the Linking Between Job Satisfaction and Customer Satisfaction: A Case Study of Iran Insurance; Kerman; Iran

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Customer satisfaction is the holy grail of success for businesses in the customer service industry. A vast array of measurements and tools are implemented to ensure and measure customer satisfaction. Thus, this study examines the link between job satisfaction and customer satisfaction. We used library method to collect literature and regression analyze for analyzing data. The statistical sample is 30 employees of Iran insurance of Kerman, Iran and 30 customers of this company. Findings show there is a positive relation between job satisfaction and service quality and there is a positive relation between service quality and customer satisfaction, also there is a positive relation between job satisfaction and customer satisfaction.

INTRODUCTION

In the competing world, customer satisfaction is a vital goal for every organization. Massad, Heckman and Crowston(2004) also recognize that the service provided by employees help to build a good relationship with customers and in some cases, increases their loyalty. Bruke, Graham and Smith (2005) stated that when individual purchase a particular service, the employee directly influences the customer's perception of the quality of the transaction. Moreover, depending on the personal experience, a non-satisfied customer would buy service elsewhere and share the negative experiences with others. In contrast, a satisfied customer may result in a positive word of mouth recommendation and loyalty (Torres & Kline, 2006).

Customer satisfaction is influenced by the interpersonal encounters between customers and employees in a service setting (Wansoo,2009).In addition, the big challenge for today's service relays on the excellent service quality and a high customer satisfaction (Hung, Huang & Chen, 2003).The aim of this study is to find a relationship between the variables ,customer satisfaction and employee satisfaction.

LITERATURE

Job Satisfaction and Employee Satisfaction

Employees have attitudes or viewpoints about many aspects of their jobs, their careers, and their organizations. However, from the perspective of research and practice, the most focal employee attitude is job satisfaction. The most-used research definition of job satisfaction is by Locke (1976), who defined it as " a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (p. 1304). Implicit in Locke's definition is the importance of both affect, or feeling, and cognition, or thinking.

According to Ilham (2009), employee satisfaction refers to the positive or negative aspects of employee's attitude toward their jobs or some features of the job. Employee satisfaction is the terminology used to describe whether employees are happy and contented and fulfilling their desires and needs at. Many measures report that employee satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the workplace. Employee satisfaction while generally a positive in our organization can also be a downer mediocre employee's stay because they are satisfied with our work environment (Bin Hussin, 2011).

Employee satisfaction is impacted by employees' perceptions of their job and the organization for which they work (Eskildsen & Nussler, 2000). Homburg & stock (2004) stated that employee satisfaction is "an attitude that results from an evaluative process, where some comparison standard about the work environment is performed with the actually perceived work environment.

Service Quality

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994; Asubonteng et al, 1996; Wisniewski and Donnelly, 1996).Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990).

Customer Satisfaction

Hung , Huang and Chen (2003) stated that the big challenge for today's service relays on the excellent service quality and high customer satisfaction. Customer satisfaction refers to the customer's overall evaluation of the performance of a service(Gustaffson,Johnson&Roos,2005).A satisfied customer might become a repeat buyer and this overall satisfaction has a strong positive effect on customer loyalty intentions(Prayukvonge,Sophon,Hongpukdee&Charupas,2007).At the time the customer reaches or exceeds the expectative and satisfaction, he or she can become a loyal customer but it always depends on the personal experience and perception of quality.(Yu,Lei-Yu&Yu-Ching,2005). DiCostanzo (2008) explains that non-satisfied customer would prefer to buy the product or service anywhere else. On the other hand, a satisfied customer can be a positive word of mouth recommendation and improve loyalty (Torres&Kline,2006).If follows that positive word-of-mouth might create new customers to business(Yu et al,2005).

For the purpose of this study, we will define customer satisfaction as the degree to which a customer reflects a positive impression of services received. There are many different types of service encounters, and different elements create customer satisfaction in each scenario. Berry, eta1(1991)identified some principal dimensions customers use to judge service: tangibles such as the physical appearance of the building, personnel, and materials; and intangibles such as reliability, responsiveness, assurance, and empathy. In a face-to-face customer service interaction, such as purchasing a meal at a restaurant, tangibles like the overall appearance of the service environment and employees and the quality of the product purchased, play the most significant a role in the customer's perception of the experience.

CORRELATION BETWEEN JOB SATISFACTION AND SERVICE QUALITY

The study of the relationship between job satisfaction and job performance has a controversial history. The Hawthorne studies, conducted in the 1930s, are often credited with making researchers aware of the effects of employee attitudes on performance. Shortly after the Hawthorne studies, researchers began taking a critical look at the notion that a "happy worker is a productive worker". (Saari & Judge, 2004)

Research on employee attributes and performance has traditionally resided in the domain of organizational psychology. However, as operations managers are increasingly involved in service management (Oliva and Sterman 2001, Ukko et al. 2007), they find employee attributes potentially a vital factor for operational efficiency.

CORRELATION BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

Service quality and customer satisfaction are important concepts to academic researchers studying, consumer evaluations and practitioners as a means of creating competitive advantages and customer loyalty. Many industries are paying greater attention to service quality and customer satisfaction for reasons such as increased competition and deregulation (Reichheld&Succer, 1990; Schelisinger&Heskett, 1991). Service quality is defined similarly as a comparative function between consumer expectations and actual service performance (Parasuraman et al,1985). In the customer satisfaction literature this model is referred to as the "Disconfermation Paradigm", in the service quality literature is referred to as the "Gap Model"(Iacubocci & Ostrom, 1995).

A study stated that products and services of high quality leads to customer satisfaction and higher profits (Matzler, et al, 2004). Customer's perceptions of satisfaction are almost always dependent on the factors of quality, facilities and service that the company offers, resulting in loyal customers and favorable word of mouth exchanges (Praukvong, et al, 2007).With the purpose of improving their competitive position, many companies use some form of customer satisfaction programs for the evaluation and control their products and services (Maztler, et al, 2004).

HYPOTHESES

H1: There is a positive relation between job satisfaction and service quality.
H2: There is a positive relation between service quality and customer satisfaction.
H3: There is a positive relation between job satisfaction and customer satisfaction.

VARIABLES

There are three variables in this study. They are job satisfaction, service quality and customer satisfaction.

METHODOLOGY

We used library method to collet literature. The statistical universe is employees of Iran Insurance and customers of this company in Kerman, Iran. Statistical sample is 30 employees of Iran insurance of Kerman and 30 customers of this company. The questionnaire has reliability with Cronbach alpha 0.88.

RESULTS

We used regression analyze to analyze the data. Regression analyze for assessing three hypotheses is shown below:

TABLE 1
RESULTS OF REGRESSION ANALYZE

Independent variable	Dependent variable	B	t	Standardized Beta	Sig F-change	r	r^2
Job Satisfaction	Constant	1.81	3.31		0.02	0.42	0.18
	Service quality	0.39	2.43	0.42			
Service Quality	Constant	1.54	2.68		0.01	0.47	0.22
	Customer satisfaction	0.51	2.81	0.47			
Job Satisfaction	Constant	2.83	4.34		0.65	0.087	0.01
	Customer satisfaction	0.1	0.46	0.1			

As table 1 shows there is a positive and significance relation between job satisfaction and service quality(r = 0.42, B=0.39, sig=0.02), so the first hypothesis is accepted.

According to table 1, there is a positive relation between job satisfaction and customer satisfaction (B =0.51, r= 0.47, sig= 0.22).So hypothesis 2 is accepted.

As B=0.1 and sig= 0.01 in the table 1, we can conclude there is a positive relation between job satisfaction and customer satisfaction and the third hypothesis is accepted too.

DISCUSSION

By considering that customer satisfaction is a vital factor for company succession, it is important companies identify effective factors on customer satisfaction. Employees are key sources for every industry because they present products. Employees attitudes about their job can be seen in their products and services. So in this study we want to understand the link between job satisfaction and customer satisfaction. Findings show there is a positive relation between job satisfaction and service quality and a positive relation between service quality and customer satisfaction. Also there is a positive relation between job satisfaction and customer satisfaction.

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