

“THE IMPACT OF EMPLOYEES MOTIVATION ON CUSTOMER SATISFACTION”

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ABSTRACT

Employees are the most important factor in the success and failure of any organization. Employees motivation towards their job plays a very important role in serving the customer's needs. This study focuses on the impact of employee motivation and its components e.g. work environment, pay and benefits, management systems and organizational vision on customer Satisfaction. Those employees who have direct interaction with customer satisfaction highly influence the customer satisfaction level. It is evident from results that pay and benefits plays key role in motivating employees towards their organizational goal of higher customer satisfaction. Employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity.

Keywords: Motivation, Customer Satisfaction, Work Environment, employees motivation

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INTRODUCTION

Motivation is a psychological and sociological concept as it relates to human behavior and human relations. It is the most fundamental and all pervasive concept of psychology. For motivation, sweet words are useful but are certainly not adequate. Motivation basically relates to human needs, desires and expectations. Motivation is next to directing or leading. Motivating employees means encouraging people to take more initiative and interest in the work assigned. It is an art of getting things done willingly from others.

Motivation avoids clashes and non-cooperation and brings harmony, unity and co-operative outlook among employees. For this, effective communication, proper appreciation of work done and positive encouragement are necessary and useful. This creates favorable environment because of which employees take more interest and initiative in the work and perform their jobs efficiently. Motivation is a technique of creating attraction for the job. The process of motivation is a continuous one (circular one) and is beneficial to both - employer and employees. It is through motivation that employees can be induced to work more, to earn more and to give better results to the Organization. It is rightly said that employees are human assets of an organization. It is the responsibility of an employer to motivate his employees. Motivational factors like Communication, Challenging and exciting work, Recognition and reward for performance are beneficial for the organization as well as the employee. Customer satisfaction, a business term, is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is part of the four perspectives of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Organizations need to retain existing customers while targeting non-customers; Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace. Customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other factors the customer, such as other products against which the customer can compare the organization's

products. The usual measures of customer satisfaction involve a survey with a set of statements using a Likert Technique or scale. The customer is asked to evaluate each statement in terms of their perception and expectation of performance of the service being measured. Because the concept of customer satisfaction is new to many companies, it's important to be clear on exactly what's meant by the term. Customer satisfaction is the state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service.

The achievement of customer satisfaction leads to company loyalty and product repurchase. There are some important implications of this definition:

- Because customer satisfaction is a subjective, no quantitative state, measurement won't be exact and will require sampling and statistical analysis.
- Customer satisfaction measurement must be undertaken with an understanding of the gap between customer expectations and attribute performance perceptions.
- There should be some connection between customer satisfaction measurement and bottom-line results.

"Satisfaction" itself can refer to a number of different facts of the relationship with a customer. For example, it can refer to any or all of the following:

- Satisfaction with the quality of a particular product or service.
- Satisfaction with an ongoing business relationship.
- Satisfaction with the price-performance ratio of a product or service.
- Satisfaction because a product/service met or exceeded the customer's expectations.

Each industry could add to this list according to the nature of the business and the specific relationship with the customer. Customer satisfaction measurement variables will differ depending on what type of satisfaction is being researched. For example, manufacturers typically desire on-time delivery and adherence to specifications, so measures of satisfaction taken by suppliers should include these critical variables. Clearly defining and understanding customer satisfaction can help any company identify opportunities for product and service innovation and serve as the basis for performance appraisal and reward systems. It can also serve as the basis for a customer satisfaction surveying program that can ensure that quality improvement efforts are properly focused on issues that are most important to the customer.

OBJECTIVE

The main objectives of this study are:

- To identify the factor which improves the satisfaction level of employees.
- To identify the factors which influence the job satisfaction of employees.
- To assess the importance of customer satisfaction.
- To identify and study the factors which motivates a customer to stay longer with the organization.
- To suggest a suitable models which would Act as technical expert to provide and to make suitable quality suggestions, regarding the improvement of effectiveness of customer satisfaction practices.

RESEARCH METHODOLOGY

The present study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive where the focus is on fact-finding investigation with adequate interpretation. For this purpose secondary data were collected. The secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites.

Importance of Motivation

Motivation is necessary, as human nature needs some sort of inducement, encouragement or incentive in order to get better performance. Motivation of employees offers many benefits to the Organization and also to the employees. It is an integral part of management process itself. In motivation, efforts should be made to satisfy the different needs of employees so that they will be satisfied, happy and away from tensions.

Customer satisfaction

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The need to measure customer satisfaction

Satisfied customers are central to optimal performance and financial returns. In many places in the world, business organizations have been elevating the role of the customer to that of a key stakeholder over the past twenty years. Customers are viewed as a group whose satisfaction with the enterprise must be incorporated in strategic planning efforts. Forward-looking companies are finding value in directly measuring and tracking customer satisfaction as an important strategic success indicator. Evidence is mounting that placing a high priority on CS is critical to improved organizational performance in a global marketplace. With better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path future progress and improvement. Customer satisfaction measurement helps

to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company. Customer satisfaction is quite a complex issue and there is a lot of debate and confusion about what exactly is required and how to go about it. This article is an attempt to review the necessary requirements, and discuss the steps that need to be taken in order to measure and track customer satisfaction.

Expectations and customer satisfaction

Expectations have a central role in influencing satisfaction with services, and these in turn are determined by a very wide range of factors lower expectations will result in higher satisfaction ratings for any given level of service quality. This would seem sensible; for example, poor previous experience with the service or other similar services is likely to result in it being easier to pleasantly surprise customers. However, there are clearly circumstances where negative preconceptions of a service provider will lead to lower expectations, but will also make it harder to achieve high satisfaction ratings - and where positive preconceptions and high expectations make positive ratings more likely.

REVIEW OF LITERATURE

Companies conduct market surveys to investigate the preferences of the customers in a competing business environment. Frank and Enkawa (2007) established that companies conduct surveys on routine basis to know customer's priorities. Gilbert and Veloutsou (2006) revealed that to compete in today's business world organizations are monitoring the customer satisfaction level so that service quality can be improved continuously. Yang and Peterson (2004) found that improved customer satisfaction can lead to customer's loyalty. Employees must possess the required knowledge and skills while answering customer queries. In this way employees can contribute to customer satisfaction with their service. Customers evaluate service outcomes on the basis of their prior expectations and given specifications of a product. Service outcome could be positive or negative based on a comparison between actual service provided and customer's expectations. Customer's perceived value is a significant factor that influences customer satisfaction (Yang & Peterson, 2004). A large number of companies neglects to evaluate employee's motivation level while conducting customer satisfaction surveys however many studies have confirmed that employees are internal customers and their satisfaction contributes to the overall customer's satisfaction and organizational performance (Chen, 2011). In service sector excellent service quality is the core of customer satisfaction whereas motivated employees are essential for improving the quality of service (Chen, 2011). Employees must have the ability to understand and solve specific needs of the customer in a courteous manner. Motivated employees can bring better results as compared to unsatisfied employees. Employees perform their duty efficiently when they feel satisfied from their company (Zerbe et al, 1998). Simon and

DeVaro (2006) argued that investment in developing motivated employees is an expense for the firm which will benefit the organization in the long run as it improves employee efficiency and quality of the service. Gittell, Nordenflycht, and Kochan (2004) warned that it must be kept in mind that minimizing the employee cost may lead to lower employee productivity and service quality. Customer satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers. Customer satisfaction can be considered the essence of success in today's highly competitive world of business. Thus, the significance of customer satisfaction and customer retention in strategy development for a market oriented and customer focused firm cannot be overstated. Consequently, customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their product and services. Customer satisfaction is the feeling or attitude of a customer towards a product or services after it has been used and is generally described as a full meeting of one's expectations. Customer satisfaction is a major outcome of marketing activity whereby it serves as a link between the various stages of consumer buying behavior. For instance, if customers are satisfied with particular service offering after its use, then they are likely to engage in repeat purchase and try line extensions. A study conducted by Levesque and McDougall confirmed and reinforced the idea that unsatisfactory customer service leads to a drop in customer satisfaction and willingness to recommend the service to a friend. This would in turn lead to an increase in the rate of switching by customers. Fulmer et al (2003) described that attitude of the employees while dealing with customers can impact the customer's satisfaction level positively if they are able to satisfy the customer exert efforts to satisfy them. A number of studies have been conducted to identify employee's impact on customer's perception that builds brand image. Employees that provide direct service to the customers are a strong medium in building brand image. Employee motivation towards their job can have a vital impact on service quality and customer's satisfaction level (Gittell & Weiss, 2003). Studies have been done on evaluating the employee's impact on company's performance and the results often showed a positive relationship between the employee's attitude and the company's performance. Companies that are perceived as best companies motivate their employee's attitude by attracting them towards different advantages (Simon & DeVaro, 2006).

CONCLUSIONS

The Banking sector in India is undergoing major changes due to competition and the advent of technology. The customer is looking for better quality and services which can provide him/her with satisfaction. This study reveals the different levels of satisfaction that customer had with their banks and helps identify the factors (or relationship dimensions) responsible for satisfying the customer. This would help in enhancing the relationship between the two, and thus aid decision makers in banks to identify the major factors that determine satisfaction. Many service firms, including retail banks have been measuring customer satisfaction and quality to determine how well they are meeting customer needs. This study derives its basic findings and is also in line with empirical findings with respect to customer satisfaction by other researchers.

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