

JOB SATISFACTION AND CUSTOMER ORIENTED BEHAVIORS AS OCBs

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ABSTRACT

One of the interesting areas in management has been exploring how employee individual attitude and behaviors affect the organizational performance. This study aimed to study the association between employee attitude, job satisfaction and customer orientation behaviors association. Employee opinion from one of the trust worthy life insurance organization was considered to explore the relationship. After one decade of steady increase in life insurance business, the industry started efficiency measures due to economic and regulatory measures. In this scenario, studying how organizational practices affect the attitude and behaviors of employees is very important for organizational effectiveness. The empirical study analysis of 118 valid questionnaires of self-report nature by employee's resulted that the two job satisfaction factors, Satisfied with the pay and Work I do. The study also helps to understand the job satisfaction and customer orientation behavior of the employees. Correlation and hierarchical multiple regression analyses performed for assessing the importance of demographics.

KEYWORDS: Attitude, Behavior, Customer Oriented Behavior, Job Satisfaction, Organizational Citizenship Behavior

INTRODUCTION

For a service organization, people are valuable assets and key source to realize their goals.

Management employs policies and practices to shape work environment and other factors for employee well-being. Employee reaction to the environment and other job related factors results individual levels and organizational outcomes. Employee interpret how the practices affect their own lives, these perceptions result attitudes or behaviors. The attitude linked with a personal feeling of achievement is job satisfaction, these positive feelings affects strength of motivation. Job satisfaction is moreover essential in everyday life for both employee and organization. Employees, who feel support from their organization, satisfy with their job. According to human relations approach, the job satisfaction influences the performance. The satisfied employee exerts behaviors that affect the organizational performance. These work-related attitudes and helping behaviors may be part of or not part of employee job description, and these attitudes and behaviors are very important for an service organization. Especially, in financial services industry, employee attitudes and behaviors play crucial role. Employee involve face to face with customer in co-production and services. Service quality research explained various facets of quality and importance of employee attitude or behaviors for delivering quality customer service. Employee's Job satisfaction and customer orientation behaviors in service settings are said to be determine many organizational outcomes. This study aimed to explore employees' job satisfaction and customer orientation behaviors as Organizational citizenship behaviors in financial services sector.

LITERATURE REVIEW

Job satisfaction has been established topic as an employee attitude of research for many decades. It is explained as

attitude one has toward his or her job. It was defined as an affective-laden attitude in the studies. Locke (1976) defined as the positive emotional state resulting from the appraisal of one's job or job experiences. Spector (1997) defined as the attitudinal variable assessing how people feel about their job or different aspects of their job. Job satisfaction refers to an affective or attitudinal reaction to a position of employment. Later the definition includes cognitive components and it was explained as collection of positive or negative feelings that an individual holds toward the job or job situation (Weiss, 2002). However, largely studies defined it as an affective reaction to one's job, resulting from the employee's comparison of actual outcomes with those that are expected (Cranny et al 1992). When the individual find job has personal meaning, feel motivated at work and receive feedback, receive intrinsic rewards for efforts, and makes him bonded with organization and satisfied with the job. In a global perspective, satisfaction is the attitude towards the job as a whole. Job satisfaction is the individual level attitude. It considered as strong predictor of overall individual well-being (Peccei, 2004; Singh 2012).

The facet approach of job satisfaction, it is a collection of individual attitudes on various aspects of the job. The satisfaction on internal and external perspectives of the job in combination called as job satisfaction. Intrinsic dimension represents qualitative facets of the job, and it depends on the employee characteristics, such as ability to take initiative, relations with superior, and job that employee performs realistically. Extrinsic dimensions are financial and non-financial benefits associated with the job, they reflect work environment factors such as pay, promotion etc. Employee satisfaction regarding scope for using skills and abilities; influence over their job; involves me in decision-making; sense of achievement employee get from my job includes intrinsic facets of job satisfaction. Employee satisfaction with promotion opportunity provided within organization; relationship with colleagues of the firm; compensation paid for employee efforts; and sense of achievement employee get from their job includes extrinsic facets of job satisfaction.

Employee satisfied with job characteristics in turn results happy customers, these results consequently benefits the organization with greater revenue and market share (Heskett et al. 1994). This affective attitude is important for both employee and organizations; it has effect on the quality of work-life and influence important work related behaviors. Lawler (2001) explained satisfied employees show reciprocal behaviors and support parties from whom they benefited. Support parties include co-employees, information flows and relationship with co-employees and customers. Job satisfaction of employees would have a positive effect on customer-oriented behavior.

Organizational Citizenship Behaviors (OCBs)

Initially this concept referred to extra role behavior, afterward this behavior named as OCB. Organ (1988)'s conceptualization of organizational citizenship behavior as discretionary behaviors, that are not explicitly recognized by the formal reward system, and in the aggregate promotes the efficient functioning of the organization, became reputable and resulted increasing number of research studies. OCB consists of three elements, one it is a discretionary behavior, two, it benefits supporting colleagues and the organization, and three, citizenship behavior is beyond job duties. These behaviors play crucial role in fostering organizational effectiveness. There are different forms of citizenship behaviors exist in the literature. They include helping behavior, Sportsmanship, Organizational loyalty, Organizational compliance, Individual Initiative, Civic virtue and Self-development. Though there are number of conceptualizations of OCBs, the underlying principle is the same (Jena & Goswami, 2013).

Service organization depend on person-to-person interaction between employee and customer, as such, customer orientation is an important behavior for success. Latest study suggests that OCB exhibited by employees is very crucial in establishing service quality and can be source of advantage for the firms (Organ et al. 2006). Donovan et al. (2004) study

defined customer orientation as need to pamper the customer, need to read the customer needs, need for personal relationship, and need to deliver the service required. The study described OCBs as the non-compulsive, helpful and constructive behaviors directed to the organization or to its members and found customer-oriented employees are motivated to help fellow employees as a means of ultimately satisfying customers. Rafaeli et al. (2000) argued that customer orientation is associated to Citizenship behaviors concept, and it refers to a predisposition to behave in ways that promote customer goals and thus expected to promote organizational effectiveness. The study found significant relation between customer orientation behaviors and customer ratings of service quality. Bettencourt et al. (2001) proposed customer focused OCBs, loyalty, participation and service delivery and it refers to behaviors. Employee through loyalty acts as advocates to outsiders not only of their organization's products and service and of its image. Employee by participation takes individual initiative, especially in communications, to improve their own service delivery, of their team members and organization. Employee through service delivery performs in a conscientious manner adjacent to service delivery to customers.

However, all the three concepts of OCBs describe employee behaviors that serve customers' interest and which are not described in job description. Research studies pointed customer orientation has positive relation with service quality (Rafaeli et al. 2000; Organ et al. 2006). Donovan et al. (2004) observed a positive link between customer orientation and employee's commitment and assist employees. These consequences of service quality, employee performance and commitment results positive organizational performance. Peccei & Rosenthal (1997) observed employees' day-to-day engagement and effort behaviors in serving customer and they found employee beliefs could make a difference to delivered service quality only when they result in actual employee behavior.

Job Satisfaction and COBs

Prior research states that, attitudes help the individual to adapt to internal work environments and forms basis for future behaviors. When employee satisfied with their job, have positive feeling towards the customer and work to benefit the customers. The effective management of organizational factors influences employee attitudes and behaviors, which are critical for the competitive advantage and success of the firms (Kusluvan, 2003). At high levels of satisfaction employees are well motivated and feel committed to the organization, these factors results employee discretionary behaviors helps for organization (Purcell et al. 2003).

Bateman and Organ, (1983) found job satisfaction is the determinant of customer orientation behavior at the individual level. It was observed that job satisfaction was positively associated to pro-social behaviors in organizations (Smith et al. 1983). Organ (1988) stated job satisfaction enhances positive employee citizenship behaviors. Job satisfaction is very important for both employee and organisations, it has effect on the quality of work-life and influence other work related behaviors and attitudes (Spector, 1997). Rooted in the attitude model, Schmit and Allscheid, (1995) found positive influence of attitude on employees' customer orientation behaviors. Homburg and Stock (2004) observed job satisfaction has positive impact on customer interaction.

The job satisfaction of employee demonstrates reciprocal behaviors and supports the parties from whom they benefit, says affect theory of social exchange. Emotions is core feature of social exchange process that individual engage in to show reciprocal behaviors (Lawler, 2001). When employee feels, the organization cares about their well-being, this positive feeling linked to satisfaction and organizational citizenship behavior (Nishii et al, 2008). Organizational policies and practices helps to maximize employee positive affective reactions at work, these reactions in turn, makes employees,

more willing to put extra efforts on behalf of organization, finally contribution to effectiveness (Guest, 1997).

The job satisfaction level of employee towards the organizational practices expected to have influence on their attitude to customer service. Satisfied employees behaves friendly, positive helps to responsive, and build long-term customer relationships, hence satisfied employees expected to develop positive attitudes towards better customer oriented behaviors. Chih and Li (2006) observed the reciprocity levels of the employee perceptions over organizational practices are by engaging in citizenship behaviors directed at the organization. Jena and Goswami (2013), found the strength of relationship between job satisfaction and organizational citizenship behaviors are credible. This study takes into account a variety of job satisfaction facets, as employee positive feeling about the job resulting from evaluation of its characteristics. This study proposes Job satisfaction of employees would have a positive influence on citizenship behaviors.

Hypothesis: H₁: Job satisfaction affects Customer Orientation Behaviors positively.

METHODOLOGY

This research study applied quantitative method, used questionnaire surveys to carry out the quantitative study.

Sample Case

The employee respondents belong to one of the most trusted and renowned life insurance company, which took over erstwhile AMP sanmar life insurance company one decade ago. Convenience sampling methods used to collect the data. Questionnaires distributed among employees via personally and e-mail. The respondents were from Andhra Pradesh area.

Profile

Majority of the employee respondents of 118, includes female (16, 13.6 %) and male (102, 86.4%), they belong to age groups, under 30 (11, 9.3%), 31-40(57, 48.3%), 41-50(46, 39%), 51 and above (4, 3.4%). Employee's education criterions were Graduate (40, 33.9%), Post Graduate (78, 66.1%). The overall industry experience of employee, 6.1 to 10 years (32, 27.1%), 10 to 20 years (86, 72.9%). Respondents include Sales Managers (92, 79%), Territory Managers (21, 17.8%) and Senior Territory Managers (5, 3.2%) .

Measures

Job satisfaction refers to the extent to which an employee is satisfied with various internal and external facets of a job.

Customer orientation behaviors (COBs), refers to the extent to which an employee engages in continuous improvement and exert efforts on the job for benefit of customers.

Analyses and Interpretation

The reliability of questions for analyzing job satisfaction and customer orientation behaviors was tested through Cronbach Alpha. For job satisfaction questions such as the scope for using skills and abilities, influence over the job, decision making, sense of achievement, training and extrinsic dimensions includes promotion opportunity, colleague relations, pay for performance, job security and work they do were as asked for which Cronbach alpha was 0.792 which indicates good internal consistency amongst the questions asked.

In case of customer orientation behaviors such as employee always work to improve the service, ideas and suggestions for service improvement and efforts components include, effort to satisfy customers, always first for customer service and helping the customers were asked. The Cronbach alpha 0.717 indicates good internal consistency.

Means and Standard Deviations

The mean scores of job satisfaction characteristics ranged from 3.08 to 2.90, the average mean score was 2.98 and standard deviations scores ranged from 0.98 to 1.16. The customer orientation behaviors mean scores ranged from 3.47 to 3.21, with average score was 3.29 and standard deviations scores ranged from 1.04 to 1.15. For the statement, ‘I have specific ideas about how to improve the service I give to customer services’ has lowest means score in sample organizations. Employee perceptions on Job satisfaction was moderate, Customer Orientation Behaviors was moderate to high.

Correlation between Job Satisfaction Factors and COBs

Table 1: The Correlation between Job Satisfaction and COBs

Factors	N	Pearson Correlation	Significance**	
Job Satisfaction	COBs	138	0.688	0.000

**Correlation is significant at the 0.01 level

The correlation between job satisfaction and customer orientation behaviors was conducted. The r-value of 0.68 suggests that customer orientation behaviors have large effect size and significant. This implies that when job satisfaction increased, employee’s customer orientation behaviors also improved.

The Influence of Job Satisfaction Factors on Customer Orientation Behaviors

The organization when designing organizational policies and practices, it considers various demographic variables into account. Job satisfaction level and customer orientation behaviors can be varying due to the individual employee background. To verify whether demographic variables influence job satisfaction and customer orientation behaviors, in the process to reduce the effects of satisfaction on employee behaviors, this study changed the demographics to dummy variables for control. The hierarchical regression analysis results of model 1 revealed, when R² was 0.40 when demographics were included to regression equation, they affected behaviors significantly (F = 12.85, p < .05). When job satisfaction characteristics added to the equation, the value of R² increased to 0.50 in model 2. Hence, the regression of the job satisfaction explain the 58 % of the variance of customer orientation behaviors and F-test resulted job satisfaction explain employee behaviors significantly (F = 17.59, p < .001). Examination of regression co-efficient test of two models found that “satisfied with the pay for performance” and “Satisfied with the work I do” characteristics significant influence customer orientation behaviors as regression coefficient was positive. The more the employee satisfied with these elements, the more they exert customer orientation behaviors. The tolerance and variance inflation factor (VIF) reached the acceptance levels explaining there is no co-linearity problems among job satisfaction variables.

Table 2: Results of Regression Analysis of Relations with COBs

Variables	Model 1		Model 2	
	$\beta(P)$	VIF	$\beta(P)$	VIF
Department	-0.03(0.76)	2.79	0.00(0.94)	2.95
Industry Experience	0.14(0.17)	1.85	0.12(0.22)	2.13
Organization Experience	0.34(0.00)	1.63	0.09(0.38)	2.45
Education	0.06(0.71)	4.95	-0.01(0.83)	5.28
Age	0.22(0.26)	6.97	0.12(0.51)	7.65
Gender	0.19(0.11)	2.55	0.10(0.38)	2.82
Skills & Abilities			-0.04(0.57)	1.43
Influence Over Job			0.01(0.82)	6.39
Decision Making			0.04(0.62)	1.54
Sense of Achievement			0.04(0.60)	1.50
Training received			0.01(0.88)	2.93
Promotional Opportunities			0.20(0.03)	1.88
Colleague relations			-0.03(0.72)	2.01
Pay for performance			0.26**(0.00)	2.52
Job security			0.01(0.87)	1.31
Work I do			0.24**(0.00)	2.37
R ² (adjusted R ²)	0.40 (0.02)		0.50(0.13)	
ΔR^2	0.44		0.58	
F-change	12.85*		17.59**	
Significant F-change	0.00		0.00	

* $p < 0.05$; ** $p < 0.01$

DISCUSSIONS AND MANAGERIAL IMPLICATIONS

In line with expectations, the study found the job satisfaction and customer orientation behaviors were positively associated. Thus, the hypothesis of the study, Job satisfaction affects positively Customer Orientation Behaviors is supported and the association is large effect size and significant. Besides, the analyses include controlling the demographics of the employees. The characteristics of job satisfaction, nature of the job employee do and pay for performance identified as the very important elements at work and they do have a significant influence on customer orientation behaviors. The stronger relationship between job satisfaction and customer orientation behaviors is valid (Jena and Goswami, 2013). Therefore, both the facets of satisfaction become a predictor of work behaviors and crucial for organizational effectiveness. The organization should use this finding for more effective management.

The results suggest that service organization has to take measures to enhance job satisfaction. for instance, pay for performance, when employee satisfied at being respected by the firm and being paid in return for their efforts is positive sign, and the management has to handle the employee perceptions on skills and abilities from long-term perspective. Employee may feel dissatisfied when the salary does not comply with their competencies and start exploring other opportunities. Satisfaction scores analysis also portray that, employees perceptions on participation in decision making were moderate, this is due to uniqueness of the insurance system, where there is restriction in job autonomy, that makes employees unable to take own decisions and offer solution to customer's issues as part of the job. In insurance process initially employees given freedom to do their jobs effectively and in later stages up to stage of realize the product for customer benefit, employees has to follow higher authorities' decisions.

In order, to improve customer orientation behaviors for more effectiveness, the organization has to address the factors causing the dissatisfaction. The organization must inculcate good work culture, that involves Job security, realistic targets, open and friendly atmosphere, encouraging employee's career development etc., since employee motivation for

performance forms the basis to exert attitude and positive behaviors in insurance industry. The study observed employees exhibit citizenship behaviors as Customer orientation behaviors having specific ideas to improve the customer service and putting efforts for customer satisfaction, in this process employee promote organization image, by keeping customer interest is always first. The employees engages in behaviors enhances long-term customer satisfaction, that determines the organization future. This behaviors also contributes to organization success reciprocally enhancing job satisfaction (Zablah et al. 2012).

CONCLUSIONS

This study used correlation and regression to examine the hypothesis. The findings are sufficient to prove that customer orientation behaviors as OCBs influenced by job satisfaction. Result affirm to the organization, to put every effort to satisfy the employees. The satisfied employee engages to improve the customer service and efforts to satisfy the customer. When organization tries to enhance job satisfaction of their employees the customer orientation behaviors also improve. Earlier research reveals that customer oriented behaviors is related to job satisfaction (stock & Hoyer 2005; Zablah et al. 2012). Compared to past results, this study has verified that customer orientation behaviors influenced by job satisfaction. The limitations of the study include, though there are number of organizational factors that would influence the customer orientation behaviors, like psychological contract, leadership styles, and HR practices. The study is limited to prosocial behaviors of one organization, in the insurance industry. The findings of the research may not be generalized, to the whole industry as a whole, as the organization is rather unique. As only few branches are part of the study, the facts found can only be indicative of a possible trend rather than a definite reality. Further research can be done for same factors and other behaviors tested in other companies, and how behaviors affect the organization performance.

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