

To boost customer satisfaction, owners should pay attention to employee job satisfaction

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Previous studies have shown that customer satisfaction plays a key role in the health and future success of any company. When customers are satisfied, they keep coming back to the same store and invite their friends to do the same. Now, a new study from the University of Missouri has found that CEOs who pay attention to employees' job satisfaction are able to boost both customer satisfaction and "repurchase intentions," or the number of customers that intend to purchase products from the store.

"You might think that as an owner, you only need to pay attention to the customers, providing them with what they want. Yet, we found that keeping your [employees](#) satisfied with their [work experience](#), providing them with challenges and allowing them to have a sense of ownership in the business can have a tremendous effect on [customer satisfaction](#) and loyalty," said Christopher Groening, assistant professor of marketing in the Robert J. Trulaske, Sr. College of Business. "The link between customer satisfaction and [customer loyalty](#) is almost twice as strong when you have high employee satisfaction compared to when they are not satisfied with their jobs. This double-positive finding stands in contrast to the idea that a firm can neglect to satisfy their employees as long as they pursue customer satisfaction."

While Groening and coauthors Heiner Evanschitzky from Aston Business School in the United Kingdom, Vikas Mittal from Rice

University, and Maren Wunderlich from [T-Mobile](#) International, studied a large franchise, they believe the results would be comparable with a business of any size. In their study, the research team reviewed a European retail franchise system that has approximately 300 outlets with 933 employees and more than 20,700 customers. Satisfaction data was obtained from employees and customers regarding either working for or buying from the business. The study was published this month in the *Journal of Service Research*.

"This is not a one-way street where companies implement policies and can expect to experience gains solely through [customer service](#)," Groening said. "The relationships among the CEO, the employees and the customers are all linked. It's important for CEOs to know that they can have a large impact on customer service without ever talking with a customer or implementing a new customer service policy."

Following his study, Groening recommends the following actions, based on answers from the employee survey questions, to increase [employee satisfaction](#):

- Train and empower employees so they have the tools to make decisions. This allows them to make decisions that are beneficial for the company and each individual customer – instead of following a simple flowchart and possibly upsetting a customer with the final outcome.
- Hire managers who serve as examples and also can be mentors with employees. If a company policy is established, it should be honored by managers as well as employees. Additionally, managers should help employees know what is expected in order to advance in the company.

- Create good working atmospheres. Offer incentives or intangible benefits, such as flexible working hours, if possible.

"While many of these actions might seem like common sense, they can be very difficult to maintain," Groening said. "It's also very important to hire the right people in management positions who will take part in these activities – for example, serving as mentors – or employers might have difficulty meeting their goals."

Provided by University of Missouri-Columbia

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