

The impact of employee satisfaction on customer satisfaction: Theoretical and empirical underpinning

Barween Al Kurdi^{a*}, Muhammad Alshurideh^b and Ahmad Alnaser^a

^aAmman Arab University, Jordan

^bThe University of Jordan, Jordan

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ABSTRACT

Employee satisfaction is significant when it comes to define organizational success, particularly in the service industry. The need to enhance employee satisfaction is critical because it is the key to better business operations as it increases long-term employee productivity and retains profitable customers. The purpose of this study is to observe and test practically the relationship between employee satisfaction and customer satisfaction. The study discusses five employee variables that impact on customer satisfaction, namely, communication and rewards as well as employee loyalty, retention and commitment. A set of hypotheses were then developed theoretically and tested practically using the SEM-PLS approach. In conclusion, it was found that customer satisfaction had a causal relationship with employee satisfaction and an understanding of the employees' satisfaction role was extremely important in this context. The paper also discusses further findings from the study as well as suggests future related research areas.

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1. Introduction

The influence of employee satisfaction on customer satisfaction has not been intensively researched in marketing literature and application in recent times. It has been debated that the behavior of satisfied employees plays a significant role in the formation of customer understandings of business interactions (Jeon & Choi, 2012). This understanding proposes that employees who have a higher level of job satisfaction also believe they are able to transfer excellent services. It is also expected that contented or satisfied employees in the workplace tend to display positive emotions and are more disposed to share these positive feelings with customers (Grandey, 2000). In retail companies, contact employees play an essential role in extending customer satisfaction because they are “the major contact point for the customer before, during and after the purchase. By having a close contact with the customer, employees strongly influence the customer's experience and create encounter and relationship satisfaction, concepts which appear to be quite distinct from the customer's point of view” (Van Dolen et al., 2004, p. 437). It is important to consider that a limited number of applied studies show that it is not possible to keep satisfied and loyal customers in the absence of satisfied and loyal employees (José Vilares & Simões Coelho, 2003). As a result, it has been reported that there is a twice positive effect from higher employee satisfaction for a firm because improving employee satisfaction can directly lead to better customer satisfaction (Evanschitzky et al., 2011).

2. Study importance

Researching factors that influence employee and customer satisfaction has received considerable attention in marketing literature and practice in recent years. However, not that many studies have been conducted to study the effect of employee

* Corresponding author.

E-mail address: balkurdi@aau.edu.jo (B. A. Kurdi)

satisfaction on customer satisfaction. Various empirical studies have found that it is not possible to maintain a satisfied and loyal customer base without having satisfied and loyal employees. These studies suggested that customer satisfaction is often related to an improvement in employee attitudes and behavior (Alshurideh, 2017; Alshurideh, 2016a; Schmit & Allscheid, 1995). Accordingly, in this research, the study argues that the study of the association between employee satisfaction and customer satisfaction might reveal a new understanding to determine the level to which the behavior of satisfied employees impacts on customer satisfaction. Therefore, this study is important because it discusses two main issues affecting customer and employee satisfaction, namely, the effect of:

- 1- employee satisfaction on customer satisfaction.
- 2- a set of employee satisfaction antecedents.

Section 3 provides more clarification on employee satisfaction antecedents and then illuminates how employee satisfaction shapes customer satisfaction.

3. Literature

Although various empirical studies show a high positive relationship between employee and customer satisfaction (Chi & Gursoy, 2009; Jeon & Choi, 2012), this research attempts to investigate the effect of employee satisfaction on customer satisfaction. In addition, few studies have investigated the antecedents of employee satisfaction and how these antecedents might affect customer satisfaction. These findings might support the need for positive changes in employee attitudes, which might lead to positive changes in customers satisfaction. It is important to note that employee satisfaction does not occur by chance. As a result, there is a need to discuss and test employee satisfaction pre-determinants and their interrelated consequential elements, which have been highlighted in different occasions by many scholars such as (Al-dweeri et al., 2017; Alshurideh, 2014b; Alshurideh et al., 2012; Ammari et al., 2017; Widarto & Anindita, 2018). These elements are seen as core drivers that influence employee satisfaction and require intensive investigation, which is this study's core contribution. In particular, this research aims to contribute empirically to employee and customer satisfaction knowledge by examining the relationship between employee satisfaction and customer satisfaction in one of the emerging markets. This aim was achieved by testing a set of employee satisfaction requirements, namely, communication, rewards, employee loyalty, retention and commitment.

3.1 Communication and employee satisfaction

Currently, there have been various studies which have found that employee communication satisfaction have impacted on organizational commitment, which has tended to increase employee performance and loyalty (Aburayya et al., 2020; Ammari et al., 2017; Obeidat et al., n.d.; Turkyilmaz et al., 2011). Pincus (1986) found that employees' perceptions of top management and their communication styles and associated management activities influenced employee job satisfaction. Also, Richmond et al. (1982) declared that management communication style and type affected employee satisfaction. In addition, many scholars such as Carriere & Bourque (2009) found that employees who reported a high level of communication satisfaction usually tended to express more satisfaction, which, in turn, affected their performance positively. The relationship between management communication and employee satisfaction can be hypothesized as:

H₁: Employee communication positively influences employee satisfaction.

3.2 Rewards and employee satisfaction

The indirect benefit of rewards and employee satisfaction occurs when employee satisfaction boosts the relationship between customer satisfaction and customer purchase intentions (Al Dmour et al., 2014; Maxham & Netemeyer, 2002; Wangenheim et al., 2007). The relationship between employees and customers is important and needs to be discussed, especially for service firms that rely heavily on human interaction delivering their services in areas such as restaurants and hotels. To increase customer satisfaction, it is important to consider and study some aspects of satisfaction that is related to employee interactions. To have satisfied employees who treat customers well and ensure customer satisfaction, it is important that employee rewards and benefits (such as pay, promotion, recognition, personal growth and meaningful work) are pleasing and exceed employee expectations. Thus, employee and customer wants and needs should be monitored and met consistently and even exceed their expectations to be retained and delighted (Alshurideh et al., 2020; Alzoubi et al., 2020; Rust et al., 1996). Mottaz (1985) claimed that both intrinsic and extrinsic rewards are considered predeterminants of employee satisfaction. Indirect rewards and even psychological rewards such as labor satisfaction also matter and affect employee satisfaction (Lawler & Porter, 1967). Indirect rewards such as job satisfaction propose that employees who usually have high levels of work satisfaction tend to improved job performance and also believe they are able to deliver excellent services if management offers better utilization of their jobs' rewards (Shankar et al., 2003). It also has been found in many situations that some organizations have tried to utilize their reward system to stimulate employees to share not just their knowledge with customers but also to express more desire to share these positive emotions and behavior with customers (Alshurideh et al., 2015; Lin, 2007; Tsai, 2001). The relationship between rewarding employees and employee satisfaction can be hypothesized as:

H₂: Rewards positively influence employee satisfaction.

3.3 Employee satisfaction and employee loyalty

It is important to explain what employees understand loyalty to mean. Loyalty can be defined as the employees' intention to stay with the company, which suggests that the company is a good place to work. According to Matzler & Renzl (2006), employee satisfaction is considered to be one of the most important drivers of both quality and productivity. Also, the study found that employees' interpersonal trust strongly influenced employee satisfaction and boosted employee loyalty. In addition, Anne & Grønholdt (2001) found that satisfied and loyal employees represented value assets to a company, and Turkyilmaz et al. (2011) found that low job satisfaction led to low loyalty to an organization. Accordingly, employee satisfaction impacted on customer understanding of the value of the product and service, which, in turn, influenced customer satisfaction, and this satisfaction led to customer loyalty. In addition, corporate financial results were directly influenced by customer loyalty (José Vilares & Simões Coelho, 2003). However, there are many other factors that might affect employee satisfaction such as employee training. Alshraideh et al. (2017) and ELSamen & Alshurideh (2012) found that employee training affected their organizational satisfaction and enhanced their work organizational performance. The relationship between employee satisfaction and employee loyalty can be hypothesized as:

H₃: Employee satisfaction positively influences employee loyalty.

3.4 Employee satisfaction and employee retention

There are extensive studies which discuss customer retention and how it becomes a competitive advantage within today's competitive business environment (Alshurideh, 2019; Alshurideh, 2016b; Alshurideh, 2010). Customer retention is seen to be key for the survival of most organizations (Alshurideh, 2010, 2014a, 2016c). To achieve this, many scholars have claimed that the key to customer satisfaction and retention is having satisfied employees. Employee satisfaction cannot be achieved by chance. Organizations who care more about their employees' satisfaction have a greater possibility of having higher levels of employee retention as well as more satisfied customers (Alshurideh, 2019; Alshurideh et al., 2014; Alshurideh, 2016; Schneider & Bowen, 1985). These findings highlight how good employee behavior is a reflection of their satisfaction, which enables them to minimize the defection rate, which, in turn, results in the provision of high quality services, which also minimizes customers switching and boosts overall profitability (Reichheld & Sasser, 1990).

Currently, some service firms have provided good resources to keep their good employees because it has been found that reducing employee turnover usually influences organizational performance positively, minimizes operational costs, increases profit and the net income between employees and customers (Alshurideh, 2013; Bitner, 1990; Ghannajeh et al., 2015). While Van Dolen et al. (2004) demonstrated that employee performance that was presented by employees' polite interactions and behaviors with customers allowed a better acknowledgment of customer positive relationships which led to customer satisfaction. In another study, part of the organization's intangible assets were having well-experienced and skilled employees who provided better interaction with customers. Thus, employee satisfaction is also related to having skilled workers, which not only enhances customers satisfaction, but has become critical for many sectors such as the hospitality sector (Matzler & Renzl, 2007). Trained and highly skilled workers and employees are becoming rare especially those that provide friendly and polite interactions that ensure better treatment of customers (Al Kurdi, 2017; Alshurideh et al., 2019; Alshurideh, Alsharari, & Al Kurdi, 2019; Kurdi, 2016). These employees should be treated differently to increase their loyalty. As a result, the relationship between employee satisfaction and employee retention can be hypothesized as:

H₄: Employee satisfaction positively influences employee retention.

3.5 Employee satisfaction and employee commitment

It has been found that if organizations motivated their employees appropriately this would enable them to perform their duties in a way that met customer needs. The outcome of having satisfied customers might contribute significantly to employees own satisfaction as well (José Vilares & Simões Coelho, 2003; Dappa et al., 2019). So, compelling evidence shows that there is a direct connection between employee commitment and employee satisfaction (Jaworski et al., 2018; Nartey et al., 2018; Porter et al., 1974). It has become clear that business success requires not just satisfied employees but loyal ones as well. Alternatively, organizations need the type of employees who are willing to serve both the company and the customers with high commitment. Accordingly, employee commitment represents employee sincerity to assist the company to accomplish its goals. Singh & Singh (2018) studied a set of job satisfaction determinants and their impact on affective, continuance and normative commitment of IT organization employees. The study found that there were a set of factors that extracted job satisfaction, which included working conditions, fair treatment, management practices and growth opportunities. The study's results also found that affective commitment was created mainly by management practices and growth opportunities whereas fair treatment was found to ensure both continuance and normative commitment among the IT employees. The relationship between employee satisfaction and employee commitment can be hypothesized as:

H₅: Employee satisfaction positively influences employee commitment.

3.6 Employee satisfaction and customer satisfaction

Employees who interact with customers are in a situation to improve consciousness of and respond to customer's goals and needs. Also, it can be claimed that satisfied employees are seen as motivated employees who do not just deliver adequate efforts and provide better care for customers but they also can please customers better (Alshurideh et al., 2012; Hartline & Ferrell, 1996). Moreover, satisfied employees can be seen as empowered employees who have the resources and training to perform their duties effectively. On the other hand, unsatisfied employees, often do not perform effectively by showing understanding when serving customer needs and in responding to their requests appropriately (Ugboro & Obeng, 2000). Also, it has been found that satisfied employees are motivated and desire to give good services at every opportunity and present positive perceptions of services/products when selling (Bulgarella, 2005). This research extended prior research by examining the extent to which employee satisfaction affected customer satisfaction as recommended by (Alshurideh et al., 2017; Alshurideh, 2014b; Rust et al., 1996). Additionally, the findings supported evidence that satisfied employees exhibited not only peer positive attitudes and emotions that affected their productivity and performance positively in the workplace (Matzler & Renzl, 2007; Porter et al., 1974), but they also enhanced their administrative effectiveness and citizenship behavior (Alshurideh et al., 2015). Some studies hypothesized that employee attitudes differed and these differences impacted on employee performance and customer satisfaction (Alshurideh et al., 2012; Brayfield & Crockett, 1955). The relationship between employee satisfaction and customer satisfaction can be hypothesized as:

H₆: Employee satisfaction positively influences customer satisfaction.

4. Study Model and Hypotheses

This research adopted a positivist research approach (Kaplan & Duchon, 1988; Myers, 1997) and applied a double methods strategy to explore and understand the drivers of employee satisfaction first, and then it explored the impact of employee satisfaction on customer satisfaction. While it is not enough to study employee satisfaction, it is important to report the effect of employee satisfaction pre-determinants, which are rewards, communication, employee loyalty, retention and commitment as seen in Fig. 1, which is the study's model.

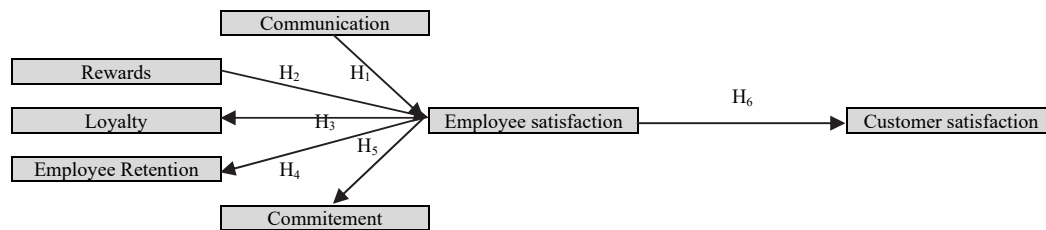


Fig. 1. The proposed study

Employees satisfaction is believed to be shaped, developed and created by having effective business systems and well-developed business processes (Van Dolen et al., 2004). According to the study model, the study hypotheses can be stated as follow:

- H₁: Employee communication positively influences employee satisfaction.
- H₂: Employee rewards positively influence employee satisfaction.
- H₃: Employee satisfaction positively influences employee loyalty.
- H₄: Employee satisfaction positively influences employee retention.
- H₅: Employee satisfaction positively influences employee commitment.
- H₆: Employee satisfaction positively influences customer satisfaction.

5. Study methodology

This study relied on both primary and secondary data to collect the needed information. The secondary data was collected based on interrelated previous studies. The survey was developed, organized and reviewed according to the data collected. For the study, 425 questionnaires were distributed and 371 were used for analysis with a response rate of 87.3%. The data was collected from employees who worked for service organizations in Jordan. About 54% of the data was collected from female employees. The sample's participant ages ranged from 24 to 58 years and the majority of them (78%) were educated employees (namely, holding bachelor degrees).

5.1 Data analysis

Scientists have observed a widespread usage of Smart PLS for the PLS-SEM (Partial Least Squares-Structural Equation Modeling), which it is an application designed by (Ringle et al., 2005). As far as this study is concerned, the structural models and

the measurements were evaluated with the help of PLS-SEM (Chin, 1998; Kurniawaty et al., 2019). The measurement model (outer model) is usually described by the association between the indicators, whereas the structural model is signified by the association between the latent constructs. The SEM-PLS was used in combination with the greatest probability method to measure the proposed model (Anderson & Gerbing, 1988). To determine convergent validity and reliability, researchers have performed various measurements, which entailed the Factor Loadings, Average Variance Extracted and Composite Reliability. Moreover, they have employed factor loadings to determine the correlation value and weight of every questionnaire variable as a perceived indicator, while, the representation of the factors' dimensionality could be realized through the bigger load value. The CR (Composite Reliability) measure was proposed to measure the reliability. The CR has a similar goal, since an accurate value is presented by using factor loadings in the constructed formula. The average quantity of variance describing the latent construct was indicated by the Average Variance Extracted (AVE). The researchers employed the AVE to examine the convergence of every factor, when the discriminate validity was found greater than one factor. Table 1 reveals that the condition for the convergent validity and reliability was exceeded by our experiment outcome for the convergent validity and questionnaire reliability. Besides outlining the analysis finding for every factor by presenting the variable obtained from the questionnaire, Table 1 demonstrates a summary of the validity and reliability of the questionnaire.

5.2 Measurement model analysis

To determine the relative amount of convergent validity, factor loadings, variance extracted and reliability (consisting of Cronbach's Alpha and composite reliability) were used as indicators. For all of the constructs, the composite reliability (CR) and reliability coefficient went above the value of 0.7, which depicts internal consistency among multiple measurements of a construct (Hair et al., 1998). Table 1 illustrates that the acceptable value of 0.7 was exceeded by the Cronbach's Alpha scores (Gefen et al., 2000; Nunnally & Bernstein, 1978) and range of composite reliabilities of constructs was observed from 0.833 to 0.913. Moreover, the condition to explain 50% of variance extracted among a set of items was fulfilled by all the average variance extracted (AVE) values, which usually ranged from 0.559 to 0.724 (Falk & Miller, 1992); (Kurdi, 2016). Consequently, the convergent validity was achieved by the scales that were used for evaluating the constructs. According to Table 1, the researchers fulfilled the requirements of discriminant validity since all AVE values were found above the squared correlation between the constructs in the measurement model (Fornell & Larcker, 1981; Hair et al., 1998). Researchers suggest that a minimum of 50% of the measurement variance might be found by the construct, when the AVE value is above 0.5. The discriminate value was evaluated with the help of Partial Least Squares (Smart PLS ver. 3.2.6). The loadings and cross-loadings illustrated on Table 1. Rather than loading on other constructs, the measurement items load and stack broadly on their own latent constructs and this was revealed in a detailed investigation of the loadings and cross-loadings. The Cronbach's Alpha, CR and AVE analysis are also included in Table 1. Their values are found more than 0.70% which indicate that they came with the acceptable ranges. Moreover, the square root of the AVE scores is depicted by the bold diagonal elements.

Table 1

Convergent validity results –Acceptable values (Factor loading, Cronbach's Alpha, composite reliability ≥ 0.70 , AVE > 0.5)

Study Constructs	Study Items	Factor Loading	Cronbach's Alpha	CR	AVE
Communication	COMMU-1	0.781	0.766	0.748	0.727
	COMMU-2	0.758			
	COMMU-3	0.772			
Commitment	COMMI-1	0.823	0.771	0.887	0.701
	COMMI-2	0.747			
	COMMI-3	0.861			
	COMMI-4	0.751			
Customer satisfaction	CUS-SAT-1	0.861	0.871	0.861	0.766
	CUS-SAT-2	0.771			
	CUS-SAT-3	0.859			
Employee satisfaction	EMP-SAT-1	0.723	0.732	0.771	0.761
	EMP-SAT-2	0.792			
	EMP-SAT-3	0.719			
	EMP-SAT-4	0.771			
Employee retention	EMP-RET-1	0.717	0.849	0.852	0.605
	EMP-RET-2	0.771			
	EMP-RET-3	0.713			
	EMP-RET-4	0.797			
Rewards	REW-1	0.739	0.766	0.701	0.612
	REW-2	0.889			
	REW-3	0.832			
Loyalty	LOY-1	0.831	0.730	0.712	0.650
	LOY-2	0.747			
	LOY-3	0.842			
	LOY-4	0.766			

On the contrary, the correlations between the constructs were signified by off-load diagonal elements. Table 2 is clearly indicative of the fact that the range of 0.755 to 0.910 encapsulated the square root of the AVE values, and this range was higher than the suggested value of 0.5. The AVE was higher than any correlations with the construct, by which a greater

variance of all constructs with their own measures, was clearly represented instead of other constructs in the model that improved the discriminate validity.

Table 2
Correlation among the study constructs

	Communication	Commitment	Customer satisfaction	Employee satisfaction	Employee retention	Rewards	Loyalty
Communication	0.768						
Commitment	0.476	0.848					
Customer satisfaction	0.537	0.571	0.837				
Employee satisfaction	0.461	0.561	0.515	0.910			
Employee retention	0.442	0.563	0.415	0.641	0.876		
Rewards	0.448	0.471	0.446	0.569	0.487	0.841	
Loyalty	0.388	0.511	0.568	0.533	0.671	0.534	0.775

5.3 Coefficient of determination

Using the coefficient of determination (R^2 value) measure, researchers usually inspect the structural model (Lin et al., 2010). This coefficient is treated as the squared correlation between a specific endogenous construct's predicted and actual values (Lin et al., 2014). Moreover, this coefficient can be used to decide the predictive accuracy of the model. The coefficient is also supposed to indicate the joined effect of the exogenous latent variables on an endogenous latent variable. The squared correlation between the actual and predicted values of the variables is none other than the coefficient. From this point, the degree of variance in the endogenous constructs secured by each exogenous construct is also indicated by this coefficient. As mentioned by (Chin, 1998), the 0.67 in Table 3 was observed as the high value, nevertheless, the qualities in the range of 0.19 to 0.33 described the weak values and the qualities in the range of 0.347 to 0.846 were direct values (Liu et al., 2005). Moreover, the estimation was inadmissible, if it was lower than 0.19.

According to Table 3 and Fig. 2, a moderate predictive power of the model also existed, supporting very nearly 37.5%, 39.5%, 34.7%, 36.2% and 40.8% of the variance in the commitment, communication, employee retention, loyalty and rewards, respectively. Moreover, the R^2 value of customer satisfaction was found to explain 84.6% of the variance, which meant a high predictive power of this construct.

Table 3
 R^2 of the endogenous latent variables

Constructs	R^2	Results
Commitment	0.375	Moderate
Communication	0.395	Moderate
Customer satisfaction	0.846	High
Employee retention	0.347	Moderate
Loyalty	0.362	Moderate
Rewards	0.408	Moderate

5.4 Structural model analysis

By employing a structural equation model and SEM-PLS, with the maximum likelihood estimation, the relationships among the theoretical constructs for the structural model were evaluated. The purpose of all of this activity was to analyze the proposed hypotheses. Table 4 and Figure 2 are indicative of the outcomes. As illustrated in Figure 2 and Table 4, it can be deduced that all hypotheses were found to be significant. Based on the data analysis hypotheses, H1, H2, H2, H3, H4, H5 and H6 were supported by the empirical data. The results showed that employee satisfaction significantly influenced communication ($\beta=0.613$, $P<0.001$), rewards ($\beta=0.628$, $P<0.001$), loyalty ($\beta=0.920$, $P<0.001$), employee retention ($\beta=0.581$, $P<0.001$), and commitment ($\beta=0.602$, $P<0.001$) supporting hypotheses H1, H2, H3, H4 and H5. Furthermore, employee satisfaction was determined to be significant in affecting customer satisfaction ($\beta=0.639$, $P<0.001$), supporting hypothesis H6. More information about the hypotheses testing results is shown in Table 4.

Table 4
Results of structural Model - Research Hypotheses Significant at $p^{**}=<0.01$, $p^* <0.05$

H	Relationship	Path	t-value	p-value	Direction	Decision
H1	Employee satisfaction → Communication	0.613	12.917	0.000	Positive	Supported**
H2	Employee satisfaction → Rewards	0.628	11.798	0.000	Positive	Supported**
H3	Employee satisfaction → Loyalty	0.920	87.926	0.000	Positive	Supported**
H4	Employee satisfaction → Employee retention	0.581	10.330	0.000	Positive	Supported**
H5	Employee satisfaction → Commitment	0.602	13.457	0.000	Positive	Supported**
H6	Employee satisfaction → Customer satisfaction	0.639	13.312	0.000	Positive	Supported**

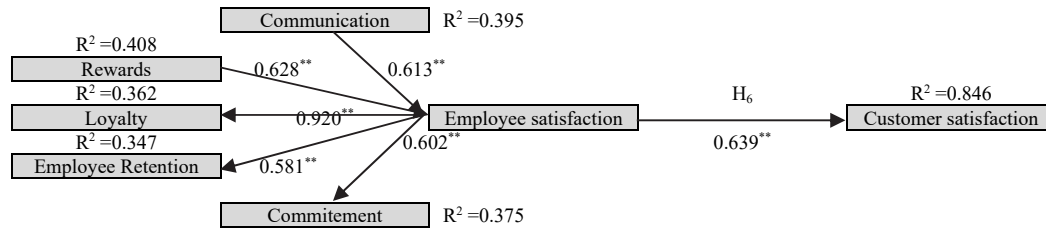


Fig. 2. Path coefficient results, significant counted at $p^{**} < 0.01$, $p^* < 0$

6. Findings, discussion and future directions

The business environment these days has been changed dramatically and has witnessed a high competition status. One of the approaches that scholars have suggested to minimize this competition is to ensure that more attention is paid to employee satisfaction and to minimize their turnover (Jamal, 1990). In addition, increasing employee satisfaction and retention is suggested to increase customer retention (Loveman, 1998). Customer retention will not be evident until high degrees of employee satisfaction are achieved. Thus, customer satisfaction has been considered one of the crucial topics that have received high frequency searches in business and marketing literature (Chi & Gursoy, 2009). Therefore, it can be concluded that for companies, both employee and customer retention are seen as being essential for competitive business advantage. This study aimed mainly to investigate the influence of employee satisfaction on customer satisfaction. This relationship was supported according to the study's findings. In order to investigate employee satisfaction properly, there was a need to investigate employee satisfaction through studying a set of employee satisfaction antecedents and consequences, which were employee loyalty, job satisfaction, management communication, employee commitment, employee retention and rewarding employees, according to (Wangenheim et al., 2007). This study showed that there was a high degree of connection between employee satisfaction and employee commitment, retention and even loyalty within the service sector and such relationship has been supported. Another notable finding was that employee satisfaction was influenced by both employee communication and how rewards were offered to them.

As customers are interacting with employees on a regular basis, this interaction should be studied carefully. Such customer-employee interaction is influenced by a set of direct and indirect drivers. One of the links that should be considered and tested practically is to what level employee satisfaction affects customer satisfaction. Such a relational link has not received much attention from scholars and practitioners. As a result, the study's main goal was to determine how employee satisfaction affected customer satisfaction. It is important to keep in mind that employee satisfaction is influenced by a set of drivers. Thus, satisfaction was tested in this study through employing a set of precedent satisfaction elements that affected employee behavior within a set of work environment considerations, which, in turn, affected customer retention. Thus, this study examined if there was a relationship between employee satisfaction and customer satisfaction. Such a relationship should be studied and monitored over time, not performed once a year. In agreement with past research, it can be concluded that customer satisfaction and employee job satisfaction were positively correlated (Wangenheim et al., 2007). However, scholars have not shown that much interest to test this relationship practically within the service context, especially within one of the emerging markets.

This study adds to the recommendations of previous studies, which have found that the relationship between employee job satisfaction and customer satisfaction is not simple as proposed as many other interrelated factors impact of the relationship between customer and employee satisfaction. For example, prior research has revealed that the personal characteristics of customers as well as employees influence the employee-customer satisfaction link (Crosby et al., 1990; Homburg & Giering, 2001). Other factors might also need to be considered, and as Hennig-Thurau (2004) mentioned, it is worth studying how employee satisfaction affects customer satisfaction with respect to other factors such as commitment, trust and work retention for both partners in the relationship. In addition, other factors need be considered as new research areas such as employee social and technical skills and employee motivation in addition to decision-making power given to employees. To add more, in employee-customer face-to-face interaction, other tangible elements might need to be considered such as the researcher's interests for further studies such as employee appearance and dress (Malhotra & Mukherjee, 2004). Moreover, it important to test the effect of employee satisfaction on service quality provided and the quality of service operations as found by (Voss et al., 2005). Accordingly, this paper provides theoretical evidence and initiates applied evidence for the effect of employee satisfaction on customer satisfaction in the service context.

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