

Effects of Perceived Employee Emotional Competence on Customer Satisfaction and Loyalty: The mediating Role of Rapport

Satram Das Meghani^{1*} Madam Raheela Haque² and Niaz Ahmed Bhutto³

¹Student of MBA, Sukkur Institute of Business Administration, Sukkur, Sindh, Pakistan

²Assistant Professor at Sukkur IBA MS (HRM), Sukkur Institute of Business Administration, Sukkur, Sindh, Pakistan

³Associate Professor at Sukkur IBA HEC-Approved Supervisor, PhD in Economics from Hacettepe University Ankara, Turkey

Abstract

Recent years have witnessed a dramatic change in the service encounters due to change in the behaviors of customers, emerging demands of customers and new trends in the hair styles have led the employees to take care of customers emotions. In this regard, the objective of our research is to recognize and point out the elements that have influence on the customer satisfaction and customer loyalty, more specifically our spot light would be on the factors which build the reputation and relationship with the customers. Several researchers have worked on this topic and have proved the positive relationship of the employee emotional competence on customer satisfaction and customer loyalty and rapport mediates the relationship and our results have proved same. Using the causal research design in this research, survey method was adopted. Questionnaires were interviewed one to one with service providers (barbers) and customers at the same time. Moreover, SPSS was used to as the statistical tool for analyzing results of the respondents. Sample of 400 respondents was taken and was analyzed using correlation and regression techniques. Managerial implication of this research is that it would help and assist service providers and managers to deeply and succinctly understand the desires of the customers in a best way. Furthermore, if employees will understand the emotions and needs of customers then surely customers will be satisfied and they will post-encounter the service. Some limitations to this research are that, it had only focused the context of Pakistan, and Sukkur in particular. So there lies a gap in which this research could be done in some other context as well. Moreover, the tool used in this research is SPSS V.18, for future researchers' floor is open to conduct a research and use some other updated statistical tool to ensure the accuracy and persistence of these research findings.

Keyword: Employee emotional competence • Rapport • Customer satisfaction • Customer loyalty

Introduction

The field of marketing has always been dynamic, every minute of every day, with technology growing rapidly and the world becoming increasingly globalized, the consumer has more avenues to seek information and is getting more informed. Moreover, marketing field has diversified its scope in many ways especially in services. Because service industry plays very important role in customer satisfaction and loyalty. Employee who involves in providing the service is key player in maintaining the service. Employee emotional competence is the ability of oneself to know the need, requirement, obligation and the most important the insight of customers that what actually they desire to have. Furthermore, it is the capacity for recognizing our feelings and the feelings of others, for motivating others and for managing emotions well in ourselves and our relationship first ever discussed by Michael and Davitz [1,2]. In understanding this very thing, front line employees are involved in this delivery process. Companies and large restaurant, hotels, banquet and other service related firms invest millions of rupees on employees training just because employees can understand well the desires of the customers that what they actually want. These employees work closed to the customers and these employees are called the key to success for the firms. Moreover, Emotional competence is an important part of personal self- empowerment, people who are comfortable with their emotions and with expressing they are more powerful. Being comfortable with anger, for instance, helps people to

be able to deal with aggression or abuse, being comfortable with fear helps people to handle danger well.

Study suggests that the effect of emotional employee competence on customer satisfaction in service encounter [3,4]. Weng report conflicting result [5]. Kenbach and Schutte show a positive relationship between customer satisfaction and employee emotional competence [4]. Weng finds a positive, but weak, relationship between customer satisfaction and employee emotional competence [5]. If employee will be good at understanding the behaviors of customers then customers will be fully satisfied and they will come regularly for service encounters. However, the study on employee emotional competence in service encounters examines customer perceptions on employee emotional competence and their effect on customer satisfaction and loyalty. This happens, because the most of the time it is suggested that perceptions of customers are considered the most accurate predictors of measuring the satisfaction and loyalty [6]. Many of the firms allocate substantial resources in measuring and monitoring satisfaction and loyalty level of customers so that firms want to retain customers and they also want to improve the service by training the employees in a way so that they can serve employees in a best way.

Scholars from many disciplines have investigated rapport. Rapport is such a familiar concept that almost everyone can identify when it is presented in a relationship, yet pinning down a precise definition is not an easy task. Rapport has been considered differently in the variety of studies. Tickle-Degen and Rosenthal suggested that people experience rapport when they click with each other or feel the good interaction due to their same nature/psyche [7]. Barber has been described as "the quality of the relationship" in investigating psychotherapist-client interactions [8] as the "quality of relationship characterized by satisfactory communication and mutual understanding" in looking at college roommate relationships and as a "It is the harmonious relationship with the mutual relationship of two or more than two person or connection between interactants, especially relations marked by harmony, conformity, accord and affinity. Satisfaction is fulfillment of one's wish, expectations and needs. The concept of customer satisfaction occupies

***Address for Correspondence:** Satram Das Meghani, Student of MBA, Sukkur Institute of Business Administration, Sukkur, Sindh, Pakistan, Tel: +923463471699, E-mail: satram.iba@gmail.com

Copyright: © 2021 Satram Das Meghani, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Received 12 September 2021; **Accepted** 24 September 2021; **Published** 01 October 2021

a central position in marketing thought and practice. Satisfaction is a major outcome of marketing activity and serves to link processes culminating in encountering and consumption with post encounter phenomena such as attitude change, repeat purchase [9]. A recent conceptualization of satisfaction as a composite construct by Oliver defines satisfaction as “the customer’s fulfillment response, the degree to which the level of fulfillment is pleasant or unpleasant”. Since the early 1970s the volume of customer satisfaction research has been impressive. Numerous theoretical structures have been proposed to examine the antecedents of satisfaction and develop meaningful measures of the construct. The vast majority of these studies have used some variant of the disconfirmation paradigm which holds that satisfaction is related to the size and direction of the disconfirmation experience.

Loyalty has been defined and measured in many different ways [10]. Garland defined the customer loyalty as the relationship between relative attitude and repeat patronage [11]. Perhaps the common assessments of loyalty are behavioral measures expressed over time or repurchase patterns [12]. According to Odin and Florence the only way to understand a single-brand loyalty is to examine the belief, affect (attitude), and conative structure of the customer’s orientation to the service [10]. Some recent work has discussed loyalty within this cognitive-affect-action perspective but a few empirical studies have tested the entire relationship between service delivery, satisfaction and loyalty [13]. Some studies have tested the relationship between service quality, satisfaction and intention-based-loyalty [14] and assume these relationships to be positive.

In our country Pakistan there is big gape of research work on haircut/hairstylist industry. There is a huge opportunity exist to work on this area. Whereas, all the service providers/firms are just focusing to get more and more work from their employees, but up to a certain level their employees cannot give them more productivity and cannot satisfy customers up to their expectations due to different reasons. If service providers/employees are not mentally satisfied than they cannot work better also cannot understand the emotions of customers. So in this regard we want to know in our research that How perceived employee emotional competence effects customer’s satisfaction and loyalty? Now a days, the organizations concern about the employees emotional competence. For this reason service firm offer trainings for their employees so that they can easily understand insights of customers and they can also satiate their desire in haircut. However, the study determines the effect of perceived employee emotional competency on customer satisfaction and loyalty that how hairdressers build the strong rapport with customers for long term relationship and loyalty.

Literature Review

Although many of the researchers and philosophers have long been talking upon the service encounters and its effect on customer loyalty and satisfaction but the concept of the emotional employee competence has received very little attention in marketing literatures. The following section briefly reviews literature pertaining to customer’s loyalty, customer satisfaction and mediating role of rapport which leads to a discussion of the mentioned key words that how they create the important role in dealing with service encounters.

Employee emotional competence

The concept of emotional competence emerged from the notion of social intelligence, which defines as “the ability to understand and manage man and women, boys and girls- to act wisely in human relation”. Conceptualization of emotional competence usually comprises four dimensions [15].

1. To perceive emotions, or accuracy with which people identify emotions in themselves and in other people.
2. To use emotions or the ability to employ emotions to facilitate thought and assist reasoning by directing these emotions toward constructive activities.
3. To understand emotions, or the ability to understand one’s own emotions

and the emotions of other people, that how emotions evolve over time, how emotions differ and which emotions is most appropriate in a given context.

4. To regulate emotions or the ability to manage one’s own and other’s moods and emotions.

Salovey and Mayer’s approach conceives of employee emotional competence as the ability of employees to adapt affect, emotional, and so as to have the potential to be effective in a variety of situations. In contrast, so-called mixed models are based on the ability model but add other psychological attributes [16]. They include not only emotional ability but also emotion-based attributes that may be products of emotional competence, such as political awareness.

H1: Customer-perceived EEC affects customer satisfaction:

Rapport

Relationships are an important aspect of doing business and few businesses can survive without establishing solid relationship with their customers. Although the marketing literature suggests that personal relationships can be important to service firms, little specificity has been provided as to which relational aspects should receive attention. In this study, the authors examine one specific aspect of customer-employee relationships, rapport, that they believe may be particularly salient in service businesses characterized by a high amount of interpersonal interactions. Rapport has received relatively little attention in the marketing literature; the goal of this study is to fill this gap in the literature. In two different service contexts, the authors find support for two empirically distinct dimensions of rapport. They also find a positive relationship between these dimensions and satisfaction, loyalty and word of mouth communication. They conclude by suggesting future research directions for further academic inquiry of rapport in service context. In summary, given the variety of conceptualizations found in the literature, we do not claim to have captured the entire conceptual domain of the rapport construct in the enjoyable interaction and personal connection dimensions. However, evidence from our Furthermore, rapport plays very mainstream role in developing the relationships with customers. It gives a way to long term relationship and brings connectedness in customers and employees so that firm can take care of its customers in a well and best way.

H2: Customer-perceived EEC affects customer loyalty:

Customer satisfaction

The concept of customer satisfaction occupies a meaningful position in marketing specially service sectors because it is the backbone of any business. If the customers of any business will be fully satisfied surely they will bring more other customers and they will create good word of mouth. In addition to, customer satisfaction also is the source of profits, revenues and sales figures and these all things are related with the level of satisfaction. Satisfaction is a major outcome that serves as a post purchase phenomenon of customers. Large businesses, firms and companies invest thousands of rupees to retain and maintain their customer in order to satiate their needs and wants because one satisfied customer is equal to 10 new customers or he/she can bring 10 new customers.

Customer loyalty

Loyalty is an important part of any business or company. Loyalty plays as important role as other marketing tool are. Loyalty is willingness or a personal sacrifice to strengthen any relationship. Loyal customer creates true relations and feelings for the product or the services that business offers. Lack of customer loyalty is a major cause of failure or success for any business, company or relation. Companies who focus on their customer base they bring loyalty program in which they offer variety of services and engagement program to show the customers that how deeply and carefully we take care our customers. Moreover, in services the loyalty has a durable meaning and that is why all the successful business focuses to initiate the customer loyalty program to create trust and faith them with the business.

H3: Rapport mediates the relationship between EEC and customers’

satisfaction H4: Rapport mediates the relationship between EEC and customer loyalty:

Conceptual Model and Hypotheses

Our conceptual model, which we will describe subsequently. Here, we first elaborate upon the hypotheses related to the employee emotional competence with customer satisfaction, employee emotional competence with customer loyalty, the mediating role of rapport on customer satisfaction and the role mediating role of rapport with customer loyalty.

Methodology

Sample and procedures

The research design that we have adapted for our analysis and evaluation is causal research because we want to know about the effect of perceived employee emotional competence on customer loyalty and satisfaction and rapport plays the role of mediation. The data collection method we have used to collect is through questionnaire. The questionnaire is comprised of 29 questions in which two sections are divided, one section encompasses 8 questions which are related with barbers and others 21 questions are related with the customers at the same time interview is conducted from both respondents. We have used the convenience data on the 400 sample size on different barbers shops located in Sukkur city and in return we successfully interviewed 312. Our target population is the customers more than the 15 years of age and having the enough education will be taken for our research and for knowing and gathering the data we will use the questionnaire to inquire about the relationship between the barbers' shop and customer satisfaction and customers' loyalty. Furthermore, we have applied convenience sampling technique to collect data and fill the questionnaire. Total of 312 interviews were taken from the different areas of Sukkur. Our respondents were the men, having some educational background. To measure the intensity of answers we took 5 point likert scale and respondents were asked to answer in between 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree.

Measures

Primary source (Questionnaire) was used to collect data. Here we use only 29 questions in the survey for obtaining data for all variables so questionnaires were interviewed to the respondents. The questionnaire included scaling questions with different levels of agreeableness/disagreeableness or neutrality. We used a 5-points Likert scale, ranging from "Strongly Disagree" to "Strongly Agree" (Except control variables).

For analyzing independent variable (EEC) we used 8 items such as: "Do you

always know customers' emotions from their behaviors" and we have taken these items which were given by author Law, Wong. Moreover, we have taken 16 items of Dependent variables "Rapport and Customer Satisfaction" given by author Gremler and Gwinner and finally, 5 items were adapted by Zeithmal et al, for customer loyalty. One of those items is: "Do you say positive things about your barber to other people". Furthermore, we have taken 5 control variable namely Gender, Age, Income Group, Employment Status, Qualification and Frequency of haircut in a month.

Data analysis

For the research analysis purpose we have used "SPSS V.18". First of all, for the screening of our data we have found missing value from our data. Moving ahead, we have performed aberrant method and then we have filtered data for finding outliers and aberrant. Moreover, we have calculated the means of independent and dependent variables and after finding out all these factors we executed regression on the basis of those means which we found. Finally we developed descriptive statistics and correlation table 1.

Regression

H1: Customer-perceived EEC affects customer satisfaction:

Above model summary table 2 shows that our r^2 is .165 that means our independent variable employee emotional competence contributes 16.5% on dependent variable. Furthermore, other factors affect 83.5% effects on the dependent variable customer satisfaction.

Above values shows that our beta is .345 that is positive which shows that our independent variable emotional employee competence positively impacts on dependent variable customer satisfaction and our p value is less than 0.05 so we fail to reject our null hypotheses.

H2: Customer-perceived EEC affects customer loyalty:

Above model summary table 3 shows that our r^2 is .128 that means our independent variable employee emotional competence contributes 12.8% on dependent variable customer loyalty. Furthermore, other factors affect 87.2% effects on the dependent variable customer loyalty.

Above table 4 shows that our beta is .345 that is positive which shows that our independent variable employee emotional competence positively impacts on dependent variable customer loyalty and our p value is less than 0.05 so we fail to reject our null hypotheses.

H3: Rapport mediates the relationship between EEC and customers' satisfaction

We further tested the validity of Model A by examining the significant and effect sizes of the significant mediated paths. As given here are direct, indirect and total effects are significant. However, the indirect effects have rather low effect size, which suggest that this result should be interpreted

Table 1. Correlations.

Qualities	MEAN	Standard Deviation	Employment				EEC-mean	R-mean	CS-mean	Mean CL-mean
			Age	Education	Income	F-Visit				
Gender	-	-	-	-	-	-	-	-	-	
Age	2.05	1.06	-	-	-	-	-	-	-	
Education	3.05	1.36	-.183**	-	-	-	-	-	-	
Employment	2.75	1.437	0.061	-0.11	-	-	-	-	-	
Income	2.68	1.265	.238**	.398**	-.113*	-	-	-	-	
F-Visit	1.88	0.857	-.153**	.488**	-.121*	.531**	-	-	-	
EEC-mean	4.0429	-	0.022	-.124*	0.056	-0.039	-0.089	0.853	-	
R-mean	4.1716	0.4556	.186**	-.186**	-0.058	0.001	-.183**	.498**	0.789	
CS-mean	4.3385	0.52199	.172**	-0.062	0.053	0.091	-0.016	.407**	.631**	
CL-mean	4.1147	0.59389	.300**	-.246**	0.029	-0.027	-.286**	.358**	.577**	

**Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

Table 2. EEC affects customer satisfaction.

Model summary				
Model	R	RSquare	Adjusted R Square	Std. Error of the Estimate
1	.407a	0.165	0.163	0.47768

a. predictors: (constant), OEP mean

Table 3. Dependent Variable: CS_mean.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.945	0.18		16.366	0
	EEC_mean	0.345	0.044	0.407	7.834	0

Table 4. Dependent Variable: CL-mean.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.720	.209	.358	12.997	.000
	EEC_mean	.345	.051		6.743	.000

with caution. Based on the foregoing results, there is empirical evidence to support the claim that Model a fits the data better than Model B.

The beta value of (paths a) independent variable and mediation show that one unit increase in the emotional employee competence .3683 increase in rapport and its significant because $p < 0.05$. Now the (paths b) mediation and dependent variable show that as one unit increase in rapport then 0.6534 increase in the customer satisfaction and its significant because $P < 0.05$ and the (path c) where we see the direct impact of independent variable to dependent variable so here the beta value is 0.3447 which show as increase one unit in employee emotion competence and its significant because $P < 0.05$. The model is also significant.

H4: Rapport mediates the relationship between EEC and customer loyalty:

To insure our mediation is going on so we see that the indirect effect is also significant. The bootstrap results the data estimate of a and b path of indirect effect .2406 and the boot is .2404 so it's very v similar and now the confidence intervals we see the lower and upper bound and to know the indirect effect is significant or not. One thing we note that zero is not include in the path intervals lower bound is .1839 which is above then zero and upper value is also positive so our indirect effect is significant.

Managerial Implications

The main purpose of this research is that it would help the service managers and service providers (Barbers) to implement those strategies which can increase the understanding and comprehension level of customer's emotions. By keeping view this research service providers and service managers try to increase the emotional competence level high by giving the training to its staff so that they can build strong relationship with customers. If the employees emotional and competence level will be high then surely customers will be more satisfied and will be more loyal with the particular service provider, and same as the case with the employees who will be high capable of knowing the emotions of customers will be developing stronger and long lasting relationship with customers. On the whole this research can help those service managers who are looking for the bright and prospecting future of their service.

Limitation and Future Research Directions

This research is only restricted in Pakistan and particular for the Sukkur region which is having a huge gap of understanding the employee's emotions competence with customer satisfaction and loyalty. In other countries this

research may have been taken place in order to know the dire need of the customers that what they actually want from the service provider and employees. So we are unaware about the others thoughts about this topic. The current research was limited because it has been conducted on the basis of cross-sectional survey method, thus this study can be conducted longitudinally as well to know about the customer satisfaction and customer loyalty. This research can also been done through longitudinal process which is very time consuming and very lengthy process we have less time and we have to complete this research work within given time period that's why we have selected cross sectional research process. Beside this we have used SPSS VERSION 18 which is initial version for data analysis. This research can also be performed on other latest versions like (AMOS and CFA) but due to getting rid of complexities we used SPSS for the data analysis purpose. We have used four 1 independent variables (emotional employee competence) there is one mediating variable which is Rapport and finally we have two dependent variables which are customer satisfaction and customer loyalty, which altogether give authentic results. Furthermore, we have taken a small sample to conduct our research, which also limits the scope of our study. If some other researchers want to study the same topic then they should better use large sample so that they can get more accurate and pervasive data. In addition to it though the research work ant this study has so far shown that employee emotional competence affects greatly the customer satisfaction and customer loyalty. So for that, our recommendation would be to study this topic under both quantitative and qualitative methods like observation and experiments. So that, its results could be much more vivid, clear and furnished.

Discussion and Conclusion

In the light of literature review many researchers have proved that employee emotions competence has positive relation with customer satisfaction and loyalty. All these independent factors and dependent factors are most important factors that appeals customer to have a service encounters and post encounters. Basically service managers and providers try to make their employee competent and effective in communication in order to attract a customer to have a service. Employees emotions and employee understanding for their customer also play very important role for hair cut decision whenever customers enter into the shop the service providers try to attract the customers and build the strong relationship with customers by asking the customers that what type of service they want to have (beard, mustache, haircut etc), if shop is located in an attractive place that also enhance the sales of that particular shop and finally when it comes to services then different type of services offer can also influence customer to have any

particular service by the service provider. Mostly customer switch from one service provider to another because of their service and interior. We have got four results and all hypotheses are positively related and significant. The reason is that in Sukkur region has many shops and we have collected data from all where and finally we have concluded the results that our all four hypotheses have proved positive and significant relationships.

References

1. Joel R Davitz and Michael Beldoch. "The communication of emotional meaning." McGraw-Hill, New York (1964).
2. Daniel Goleman. "Emotional Intelligence: Issues in Paradigm Building From the book The Emotionally Intelligent Workplace." (1995).
3. Chaoying Tang, Craig R Seal and Stefanie E Naumann. "Emotional labor strategies, customer cooperation and buying decisions." *J Manag Mark Res* 29 (2008): 1-12.
4. Frank F Opuni, Emmanuel Opoku and Mary Oseku-Afful. "The effect of relationship marketing on service quality and customer satisfaction in the hospitality sector in Ghana: The moderating role of service providers' emotional intelligence." *British J Mark Studies* 2 (2014): 1-16.
5. Hui-Ching Weng, Hung-Chi Chen, Han-Jung Chen and Kang Lu. "Doctors' emotional intelligence and the patient doctor relationship." *Med Educ* 42 (2008): 703-711.
6. Dwayne D Gremler, Mary Jo Bitner and Kenneth R Evans. "The Internal Service Encounter." *Logistics Info Manag* 5 (1994): 34-56.
7. Linda Tickle-Degen and Robert Rosenthal. "The Nature of Rapport and Its Nonverbal Correlate." *Psychol Inquiry* 1 (1990): 285-293.
8. Barber J and Bejenke C. "Hypnosis and Suggestion in the Treatment of Pain: A Clinical guide." (1987).
9. Dawn Lacobucci, Amy L Ostrom and Kent Grayson. "Distinguishing Service Quality and Customer Satisfaction: The Voice of the Consumer." *J Consumer Psychol* 4 (1982): 277-303.
10. Yorick Odin, Nathalie Odin and Pierre Valette-Florence. "Conceptual and operational aspects of brand loyalty: an empirical study." *J Bus Res* 53 (2001): 75-84.
11. Ron Garland and Philip Gendall. "Testing Dick and Basu's Customer Loyalty Model." *Austral Mark J* 12 (2004): 81-87.
12. Johana Bolemer and Koen Pauwels. "Explaining brand loyalty, dealer sales loyalty and dealer after sales loyalty: The influence of satisfaction with the car, satisfaction with the sales service and satisfaction after the sales service." (1995)
13. Fue Zeng, Zuohao Hu, Rong Chen and Zhilin Yang. "Zeithmal Determinants of Online Service Satisfaction and Their Impacts on Behavioral Intentions." *Total Quality Manag* (2009): 953-969.
14. Gaby Odekerken and Josée Bloemer. "Constraints and Dedication as Drivers for Relationship Commitment." *J Relationship Mark* 3 (2004): 35-52.
15. Mayer JD and Salovey P. "What is emotional intelligence?" (1997).
16. Mayer JD, Salovey P and Caruso DR. "Emotional Intelligence: Theory, findings and implications." *Psychol Inquiry* 15 (2004): 197-215.

How to cite this article: Satram Das Meghani Madam Raheela Haque and Niaz Ahmed Bhutto, "Effects of Perceived Employee Emotional Competence on Customer Satisfaction and Loyalty: The mediating Role of Rapport." *J Account Mark* 10 (2021): 348.