

FACTORS INFLUENCING MANAGEMENT OF CUSTOMER RELATIONSHIP OF FRONTLINE EMPLOYEES IN SELECTED SERVICE-SECTOR ORGANIZATIONS

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Abstract: *In modern business environment, customers are more aware and informed. So, their expectation and satisfaction levels are very high from the service provider. Moreover, customization and personalization of services has made customer satisfaction challenging, which plays vital role in expanding any service organizations competitive growth. But, the main challenge is to get an insight of the factors affecting ability of the frontline employees (FE) to manage customer. The present study is a modest attempt to understand the factors affecting ability to manage customer relationship among FEs in service-sector organizations. It is an effort to understand as to what extent, and in what way, these factors affect their ability to manage customer. A pretested well-structured questionnaire was administered personally to 900 frontline service employees. Factor analysis was carried out to identify various factors that are responsible for FEs' ability to manage customer relationship. The findings of the present study reveal nine factors, i.e., knowledge, reliability, managing relationship, attitude, job satisfaction, managing self, efficiency, dependability, and communication, which influence the ability of FEs to manage customer relationship.*

Keywords: *Frontline Employees, Service-Sector Organization, Ability to Manage Customer Relationship*

INTRODUCTION

Ability

Not all individuals are born with equal abilities; they differ from each other with respect to their different abilities (Greenberg and Baron, 2003). According to Robbins (1998), ability refers to an individual's current capacity to perform the various tasks in a job. Similarly, McShane, Glinow and Sharma, (2006) defined ability which includes both the natural aptitude and learned capabilities required to successfully complete a task; accordingly, they viewed that abilities of employees make a difference in behavior and task performance. Tyler (1974) stated that everyone has strength and weaknesses in terms of ability that make him or her relatively superior or inferior to others in performing certain tasks or activities; at a workplace, it becomes important to know how people differ in abilities and knowledge and use this information to increase the likelihood that an employee would perform his or her job well. Here, the human resource managers, while selecting candidates particularly for service organizations, need to understand what abilities lead to job fit for their organization. According to Robbins, Jugde and Vohra (2012), abilities are of two major types: (i) intellectual abilities and (ii) physical abilities. Greenberg (2012) defined

ability as mental or intellectual abilities and physical capacities to perform various tasks. According to Greenberg and Baron (2003), intellectual abilities (intelligence) involve the capacity to perform various cognitive tasks; whereas, physical abilities involve the capacity to perform physical actions.

Intellectual Ability

It generally refers as one's capacity to understand complex ideas, which are very important to succeed on a job and one must have the mental capacity to undertake the intellectual challenges associated with it. Wherever mental competency is not the only kind of intelligence, which one individual has, there are several other distinct types of intelligence such as:

(i) Cognitive Intelligence

Traditionally, the term "smart" is used to refer to a specific kind of intellectual ability that sometimes is termed as cognitive intelligence. It involves the ability to understand complex ideas, adapt effectively to the job environment, learn from experience, engage in various forms of reasoning, and overcome obstacles by careful thoughts (Sternberg, et

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al. 1995). Different jobs require different levels of cognitive intelligence for success such as:

- Verbal comprehension: the ability to understand written materials quickly and accurately;
- Verbal reasoning: the ability to analyze verbal information so as to make valid judgments on the basis of logical implications of material;
- Word fluency: the ability to express oneself rapidly, easily, and with flexibility;
- Numerical ability: the ability to analyze logical relationships and recognize the principles underlying them;
- Space visualization: the ability to visualize three-dimensional forms in space and be able to manipulate them mentally; and
- Symbolic reasoning: the ability to think and reason abstractly using symbols, rather than words or numbers, manipulate abstract symbols mentally, and make logically valid judgments based on them.

These are involved in people's selection for various carrier alternatives. Interestingly, it is assumed widely that people who have high level of cognitive intelligence have an edge over those who don't, when it comes to job performance.

(ii) Practical Intelligence

It is the ability to devise effective ways of getting things done, which is different from the kind of intelligence measured by IQ tests; particularly, in jobs having direct exposure to solve wide range of business settings. The secret of their success exists in tacit knowledge, that is, knowledge about how to get things done. In contrast to formal academic knowledge, tacit knowledge includes the following major characteristics like action-oriented and allows an individual to achieve goals they personally value and acquire without direct help from others. People with high level of practical intelligence are adept at solving the problems of everyday life, including how they relate to their jobs.

(iii) Emotional Intelligence

This type of intelligence is about managing the feelings side of life. It is third important kind of intelligence that can play an important role in behavior of individuals in organizations known as emotional intelligence (EI). Originally, EI was defined as a cluster of abilities relating to the emotional or "feeling" side of life involving four basic components: self-awareness, self-regulation, motivation, and managing relationships. However, extensive research on EI suggests that it is predictive of important aspects of organizational behavior. According to Goleman (1998), EI is related to other

aspects of behavior like work performance, carrier success, leadership skill, job satisfaction, stress, and burnouts. So, being high in various competencies of EI can be an important determinant of carrier success. In job performance, having high levels of EI appears to compensate for having lower levels of cognitive intelligence.

Physical Abilities

It refers to people's capacities to engage in the physical tasks required to perform a job. Although different jobs require different physical abilities, there are several types of physical ability that are relevant to a wide variety of jobs. These include the followings:

- **Strength:** the capacity to exert physical force against various objects;
- **Flexibility:** the capacity to move one's body in an agile manner;
- **Stamina:** the capacity to endure physical activity over prolonged periods; and
- **Speed:** the ability to move quickly.

Almost all jobs require both cognitive and physical abilities for success. On the one hand, individuals must have the degree of strength, flexibility, stamina, and speed to able to perform their jobs; on the other, they must possess appropriate cognitive and non-cognitive abilities so as to assess the complex demands of jobs.

ROLE OF ABILITY TO MANAGE CUSTOMER RELATIONSHIP IN FRONTLINE EMPLOYEES

In service industry, employees, particularly the frontline employees (FE), need to be equipped with certain kinds of abilities to serve the customers. The physical presence, behavior, and attitude displayed by service employees during the service-delivery process make them different from the manufacturing industries. Especially in service organizations, employee job fit is only possible, if an employee has various abilities viz. cognitive, non-cognitive, and physical abilities to serve the customers. In this industry, along with the intellectual ability and physical ability, they need to behave and respond in a way in which customers feel comfortable and return. It is only possible when these FEs are equipped with such competencies. It is believed that employees who have higher levels EI could have better ability to serve the customers. The FEs, while serving to the customers, will be always in direct contact with them; thus, they need to understand the needs of the customers and accordingly respond to them. Goleman (1995) has very rightly explained

that it is the individual's intellectual ability that brings to the job; but, to sustain and retain in job successfully, one should be highly equipped with emotional ability. In service performance, customers need to feel that they are being properly cared, given attention, and dully valued by the service employees. Sometimes ambiguity develops among the customers while interacting with the service providers of the organizations. During these situations, if the service provider understands possible difficulties which the customers might have like what they want, what support facilities they desire ultimately builds trust between either party. The customers like this gesture of the service providers and the organizations; it ultimately builds brand loyalty, store loyalty and organizational loyalty and what not and ultimately develops long-lasting relationship with the customer. Here, individual ability of service provider, particularly the FEs, plays a vital role. Paying personal attention, communicating with care, and expressing concern lead to emergence of healthy relationship with customers, which could be one of the prominent reasons for customers to return or retain with the organization.

Thus, it is the need of the hour for marketers and service-providing organizations to give due emphasis on enhancing the service ability, especially of FE, who are involved in establishing and managing the relationship with their customers. It is high time for these organizations to give due emphasis at the entry point. According to Robbins, Judge and Vohra (2011), employees should consider it a factor in hiring employees, especially in jobs that demands a high degree of social interaction. Khokar and Kush (2009), in their study, found superior performance among individuals with respect to efforts expended, speed, and quantity of work. While selecting service providers for the organization, there should be use of intelligence test including cognitive and non-cognitive ability of candidates. The organization should set a minimum standard score for intelligence level in a candidate, without which the person should not be offered a service provider's job within the organization. Besides the test, there should be formal provision in manpower-selection policy of the organization to conduct an interview to assess this ability in candidates to manage customer relationship. If required, especially service-sector organizations (SSO) should develop a tailor-made test to assess the service performance ability of candidates while selecting their employees. Moreover, as these abilities can be enhanced in a person, organizations should assess the existing status of their employees and accordingly proper training and development programmes should be developed and organized from time to time for those existing employees, so that they could develop their service performance ability to meet changing expectations and requirement of customers for building a strong customer relationship in present dynamic business environment.

The management of organizations has to move from traditional criteria for selection of employees based on their cognitive skills to high level of emotional self-awareness and empathy in order to build long-term relationship. These employees should be trained and developed with due emphasis to build their emotional capability and competencies by using appropriate trainers and techniques. The higher the emotional intelligence of employees, the better will be their relationship with customers, and the higher will be their ability to manage customer relationship, which will ultimately build goodwill and profitability of the organization. In the aforesaid backdrop, present study is an attempt to assess how much and how far EI of FEs is related and influences their ability to manage customer relationship of frontline.

NEED AND OBJECTIVE OF THE STUDY

The need for the study arises, as the research focusing on identifying the factors responsible for determining ability to manage customer relationship especially in SSO has not been explored so far. The present study aims to fulfill the gap with the following objective:

To identify the factors influencing ability to manage customer relationship among FEs in SSOs

RESEARCH METHODOLOGY

The present study is mainly based on primary survey; data were collected from 900 service sector employees (banks, hospitals, and insurance) with the help of questionnaire designed for the study. For the purpose of study, a total 900 FEs were randomly selected from the nationalized banks, hospitals, and insurance located in the state of Chhattisgarh to constitute sample for the study. The responses of the FEs range from strongly agree to strongly disagree (Strongly agree-5, Agree-4, Neutral-3, Disagree-2, and Strongly Disagree-1). The study was carried out during the September-November 2016 in the state of Chhattisgarh. A properly developed, tested, and validated instrument to measure Ability to Manage Customer Relationship was used as questionnaire having reliability (Cronbach's alpha) of .90. Data were analyzed by using SPSS package.

DATA ANALYSIS AND RESULTS OF FACTOR ANALYSIS

Before applying the factor analysis, testing of the reliability of the scale is very important as it shows the extent to which

a scale produces consistent results if measurement results are made repeatedly. This is done by determining the association between scores obtained from different administrations of the scale. If the association is high, the scale yields consistent results, and thus is reliable. Cronbach's alpha is the most widely used method. It may be mentioned that its value varies from 0 to 1 but, satisfactory value is required more than 0.6 for the scale to be reliable (Malhotra, 2002; Cronbach 1951). In the present study, the Cronbach's alpha scale was used as a measure of reliability. Its value is estimated as 0.90, which indicates that scale is reliable. After checking the reliability

of the scale, it was tested whether data so collected are appropriate for the factor analysis.

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is a useful method to show the appropriateness of data for the factor analysis. The KMO statistics varies from 0 to 1. Kaiser (1974) recommended that the value greater than 0.5 is acceptable (Field, 2000). In this study, the KMO value for overall matrix is 0.912 thereby indicating that sample taken to process factor analysis is significant. Bartlett test of sphericity is another test applied in the study for verifying appropriateness, whose value is significant. Table 1 indicates that data are appropriate for the factor analysis.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.912
Bartlett's Test of Sphericity	Approx. Chi-Square	14447.506
	Df	820
	Sig.	.000

PRINCIPAL COMPONENT FACTOR ANALYSIS

The present study employs the principal factor analysis. This method is recommended when the primary concern is to determine the minimum number of factors that will account for maximum of variance. After deciding upon the method of extraction, the decision has to be made regarding the criterion for the numbers of factor to be extracted. Principal component method, followed by Varimax rotation (Hair et al., 1990), was performed on the data. It reduced 41 statements (considered in the study to nine factors).

The Varimax Rotated nine factors' satisfactory solutions so derived in Table 2. These factors explained percentage of the total variance, which is very much acceptable for principal component varimax rotated factor loadings procedure, i.e., 50% (Johnson and Wichern, 2002). The latent root criterion is used for extraction of factors. As per it, factors with Eigen values greater than 1 are considered significant and the factors with Eigen values less than 1 are considered insignificant and disregarded. Table 2 depicts the construct that can be represented by nine factors (Eigen values > 1) with their respective Eigen values and cumulative percentage of variance explained.

Table 2: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.530	28.121	28.121	11.530	28.121	28.121	3.778	9.216	9.216
2	2.669	6.509	34.630	2.669	6.509	34.630	3.652	8.907	18.123
3	1.618	3.947	38.578	1.618	3.947	38.578	2.811	6.857	24.980
4	1.472	3.589	42.167	1.472	3.589	42.167	2.654	6.473	31.453
5	1.349	3.290	45.456	1.349	3.290	45.456	2.598	6.337	37.789
6	1.313	3.202	48.659	1.313	3.202	48.659	2.186	5.331	43.120
7	1.196	2.918	51.577	1.196	2.918	51.577	2.172	5.298	48.418
8	1.121	2.735	54.312	1.121	2.735	54.312	2.080	5.074	53.492
9	1.052	2.566	56.878	1.052	2.566	56.878	1.388	3.385	56.878

10	.984	2.399	59.277						
11	.948	2.312	61.589						
12	.906	2.211	63.800						
13	.872	2.127	65.927						
14	.814	1.986	67.913						
15	.781	1.905	69.817						
16	.759	1.852	71.669						
17	.741	1.808	73.477						
18	.711	1.733	75.210						
19	.668	1.629	76.840						
20	.663	1.617	78.457						
21	.626	1.526	79.983						
22	.608	1.484	81.466						
23	.597	1.455	82.922						
24	.570	1.390	84.312						
25	.547	1.333	85.645						
26	.505	1.231	86.876						
27	.492	1.199	88.075						
28	.483	1.178	89.253						
29	.459	1.121	90.374						
30	.441	1.076	91.450						
31	.420	1.023	92.474						
32	.385	.939	93.413						
33	.375	.914	94.327						
34	.357	.872	95.198						
35	.355	.866	96.065						
36	.321	.782	96.847						
37	.300	.732	97.579						
38	.292	.712	98.290						
39	.258	.629	98.919						
40	.243	.592	99.512						
41	.200	.488	100.000						
Extraction Method: Principal Component Analysis.									

INTERPRETATIONS OF FACTORS

In interpreting factors, a decision is being made regarding, which factor loadings are worth considering. Factor loadings are the correlation of each variable and its factor (Hair et al., 2010). The higher factor loading makes the variable more representative of the factor. The criterion by Hair et al., (2010) where factor loading based on sample size is taken as the basis for decision about significant factor loadings,

was adopted. All the variables with factor loading of 0.45 (ignoring the signs) have been considered. The interpretation of factors also involves naming of the factor, which follows no rule but depends solely on researcher's intuition. An attempt, in the present study, is made to represent every component of the factor. The factor names, their constituent variables, and their factor loadings have been summarized in Table 3.

Table 3: Summary of Factors

Factor Number	Factor Name	Ability to Manage Customer Relationship Scale	Factor Loadings
F1	Knowledge	I am thoroughly aware of various types of services being offered by my organization	.642
		I am knowledgeable to provide proper advice and guidance to customers in case of any difficulty	.550
		I am thoroughly aware of the policies and procedures of service delivery process of our organization	.651
		I am not at all confused in providing information to customers	.585
F2	Reliability	I try my best to create value for my customers money	.630
		I give optimum emphasis in confidentiality of customer	.615
		I try my best to ensure the security of services	.379
		I am highly ethical in service delivery	.584
		I try my best to operate within the boundaries of law	.511
F3	Managing Relationship	It is easy for me to comfortably build and maintain relationship with my customers	.464
		I make customer feel that I am attached to the services offered	.613
		I am highly concerned for the well-being and satisfaction of my customers	.592
		I feel customers trust me that I will provide service in their best interest	.511
		I maintain personal friendship with my customers	.577
F4	Attitude	I feel my customers think I have sense of commitment in my performance	.466
		Customers identify that I behave politely while delivering service	.731
		I happily accept the suggestions of my customers	.474
		Whenever customer complaints I manage to respond patiently	.667
		My behavior reflect my positive attitude to serve the customers	.634
F5	Job Satisfaction	The job I am in was my own choice	.642
		I am hopeful that I will grow to the top in this job	.669
		I think I am right choice for the present job profile	.696
		I am fully satisfied with my job	.656
		If I get better opportunity I may switch from my present organization	.422
F6	Managing Self	While in office I am able to separate my personal and professional life	.543
		My mood rarely influences my work performance	.439
		I easily handle my work load and make customer satisfy	.391
		I manage to keep smiling while dealing with customers	.408
		I easily get distracted if anything goes wrong	.430
F7	Efficiency	I always remain courteous in front of my customers	.469
		My reputation among customers is as a highly skilled employee	.471
		Every client is equally important for me	.370
		I manage to provide prompt services to my customers	.419
F8	Dependability	My customers feel safe with me during the service exchange process	.689
		My customers find me as dependable employee	.80
F9	Communication:	I have no hesitation while communicating with customers	.442
		I firmly listen and understand completely the needs and requirements of my customers	.791
		I manage to be polite while handling customers of every kind	.596
		My interpersonal skill acts as barrier while serving customers	.618
		It is easy for me to convince customers through the way I communicate	.370
		Besides any circumstances my behavior remain friendly toward my customer	.422

CONCLUSIONS AND DISCUSSION

To conclude, managing customer relationship in competitive environment is not only an opportunity, but also a necessity of service industry to gain competitive advantage. Gradually, with increase in competition where customers are extremely demanding, the moment when they feel that they are not cared or valued properly, they very easily switch to other options available. With the advanced sophisticated methods of service delivery process where the service provider is putting every effort to satisfy and retain their customer, there still exist gaps, which do not comply with the customers' expectations. The findings of present study are an effort to identify what are the various traits, which a service provider should possess. It is always noticed that there is huge turnover in the frontline positions in service organization; it might be due to the lacking of these traits, which are responsible for managing customer relationship. In literature, there exist vast studies on customer relationship management but there is a dearth of literature, which focuses on people's part while managing customer relationship, ignoring the fact that people are one of the important components of CRM. Although with the technological advancement in the service-delivery process, people are one of the most important components of service marketing, which should be taken care of. The present study is an effort to identify those factors that are responsible to influence the customer relationship management especially in FEs. As these employees need to be involved in providing service, they somehow or anyhow have to keep their customer satisfied and bring business. Thus, it can be concluded that service employees with ability to manage customer relationship not only improve the financial performance, but also maintain quality long-term relationship with their customers. Hence, along with the cognitive skill, these employees should be equally equipped with the non-cognitive skills and abilities to manage customer relationship by the individual effort and organizational efforts in order to attract, maintain, and retain customers so that both should be benefitted symbiotically. Moreover, there should be a provision for assessment ability of FEs to manage customer relationship in performance appraisal programme. If the company uses 360° performance-appraisal methods, and in case an employee has high score, the organization should reward them for this ability so that it will set example for others to make planned effort to develop this ability in them. Thus, it can be concluded that in the age of competition, customers are the ultimate destiny makers of any business and they cannot be ignored in any circumstances. In order to gain competitive advantage, it is essential either to recruit people with high ability to manage customer relationship so that they better serve customers or the organization should have provisions to develop this ability to manage customer relationship.

LIMITATION OF THE STUDY

The present study was limited to obtain data from only one state. The sample size of the study was not big enough to generalize the result for every SSO. The instrument used in data collection was a self-reporting instrument, which could potentially lead to inflation as the respondents could rate themselves highly. Further, the data were collected from the employees only, if customers would also have been considered, it might have helped in bringing a concrete generalization.

SCOPE FOR FUTURE RESEARCH

It is a fact that there exist some particular abilities to satisfy and manage customers, especially in the service industry. Paradoxically, there exists a dearth of research studies to generalize this belief. Theoretically, there are studies which tend to identify and generalize factors responsible to managing customer relationship, but there exist a very few studies to validate that relationship quantitatively especially among the FEs. So, future research should focus on the quantitative generalization of the relationship between the two constructs.

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