

Chapter-1

INTRODUCTION

1.1 Introduction

With a view to acquiring theoretical knowledge about the practical orientation and experiences of dynamic business world, it is obligatory to undertake an extensive study to prepare a term paper by the students of BBA program, Stamford University of Bangladesh, who are desirous to the successful completion of their BBA degree. As part of the program, I am highly proud to join with First Security Islami Bank Limited as Intern and selecting topic “Relationship between employee satisfaction and customer satisfaction of First Security Islami Bank Limited, Motijheel branch” I was placed in First Security Islami Bank Limited, Motijheel Branch for a period of three months. This internship is an orientation to the entire working activities of First Security Islami Bank Limited, and a study on an overall banking area. Though I had worked there in several departments, but I had to select an area of study in which I can make detailed research and present my understanding in the report. This report is an attempt to analysis of how customer satisfaction is related with employee job satisfaction.

The degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses. But a company should also focus their employees' satisfaction because satisfied employees play vital role to retain customer. Employees and customers in most service industries are part of a service factory that can be compared to a performance in a theatre. In the customers' point of view, indeed employees are the service. The service actors' commitment to their roles, like employee job satisfaction and loyalty, do have a strong impact on the audiences' perception of the performance, leading to a situation of customer satisfaction in which actual performance and expectations are aligned. Simultaneously, the audiences' reactions to the performance are also of influence to the role acting of the actors. Actors and audience are communicating with each other through the transparent wall that separates them only symbolically.

1.2 Objectives:

Broad Objective:

The broad objective of this report is to know the “Relationship between employee satisfaction and customer satisfaction of First Security Islami Bank Limited, Motijheel branch”

Specific Objectives:

1. To identify the customer satisfaction variable of First Security Islami Bank Limited at Motijheel Branch.
2. To identify the employee satisfaction variable of First Security Islami Bank Limited at Motijheel Branch.
3. To measure the customer satisfaction level
4. To measure the employee satisfaction level
5. To find out the correlation between customer satisfaction and employee satisfaction.

1.3 Scope:

In twenty-first century’s world without banking any organization can’t survive for a moment.

Basically my topic is “Relationship between employee satisfaction and customer satisfaction of First Security Islami Bank Limited”. Here I intended to find out different variables which are strongly correlated with employee and customer satisfaction. I had to work to different sector during interne working period completed a survey by providing questionnaire that come show different sections and collected data from the employee and customer .The scope is that , this report may give idea to the management regarding to increase employee satisfaction in order to increase the customer satisfaction of First Security Islami Bank Limited.

1.4 Limitations:

- ❖ The main constraint of the study is time limitations. Many of the aspects could not be discussed in the present report.
- ❖ Every organization has their own secrecy that is not revealed to others. So I cannot disclose much information for the sake of the confidentiality of the organization.
- ❖ The insufficiency of information is main constraint of the study. Moreover employees are not interested to provide all information due to security and other corporate obligation Limitations of the study
- ❖ Since the bank personnel were very busy, they are not able to give me enough time to complete the report.
- ❖ Such a study was carried out by me for the first time. So, inexperience is one of the main factors that constituted the limitation of the study.
- ❖ Since the non-probability sampling process has been employed in doing the research and it has been conducted for academic purpose, so it may not represent the overall scenario of service quality of the Bank.

1.5 Methodology of the study:

For achieving the main objective and supportive objectives of this study, data were gathered from both primary and secondary sources, this report has been prepared on the basis of experience this gathered during period of internship regarding employee and customer satisfaction of First Security Islami Bank Limited. To prepare this report have used both primary and secondary data to collect the Information. Both the qualitative and quantitative methods are used for this research. In quantitative method collected data are processed and analyzed using Statistical Package for Social Sciences (SPSS).

1.6 Data collection method:

For the purpose of data collection is considered two types of sources, which are primary and secondary sources. The prospective primary and secondary sources of data are as follows-

Both primary and secondary data source were used to generate the report.

Primary data: Primary data collect through the following ways-

- Information that are collected through questionnaire and observation method.
- Conversation face to face with employees and different customers of First Security Islami Bank Limited.
- Practical experience at the different desk of First Security Islami Bank Limited.
- Informal conversation with the employees and customer.

Secondary data: Secondary date collected through the following ways-

- Banking journal.
- Various books related with the subject.
- Brochures of the First Security Islami Bank Limited.
- Various national and international articles related with the topic
- Annual report of First Security Islami bank Limited
- Various web sites related with customer satisfaction

1.8 Sample size:

The study has taken 60 samples from the clients of First Security Islami bank Motijheel Branch for customer satisfaction and 30 samples from Motijheel Branch employees for employee satisfaction.

1.9 Data Analysis Method:

In analyzing data here used simple statistical method such as descriptive statistics, frequency table, and regression and Pearson correlation. The characteristics of the data are represented by these values. To prepare this report data are analyzed by using SPSS which are presented elaborately with number of charts in the analysis part.

1.10 Data Collection Techniques:

The primary data were collected through the questionnaire survey on 60 customers and 30 employees of First Security Islami Bank, Motijheel Branch. The secondary data will be collected through the websites, articles, and bank brushier.

1.11 Target Population:

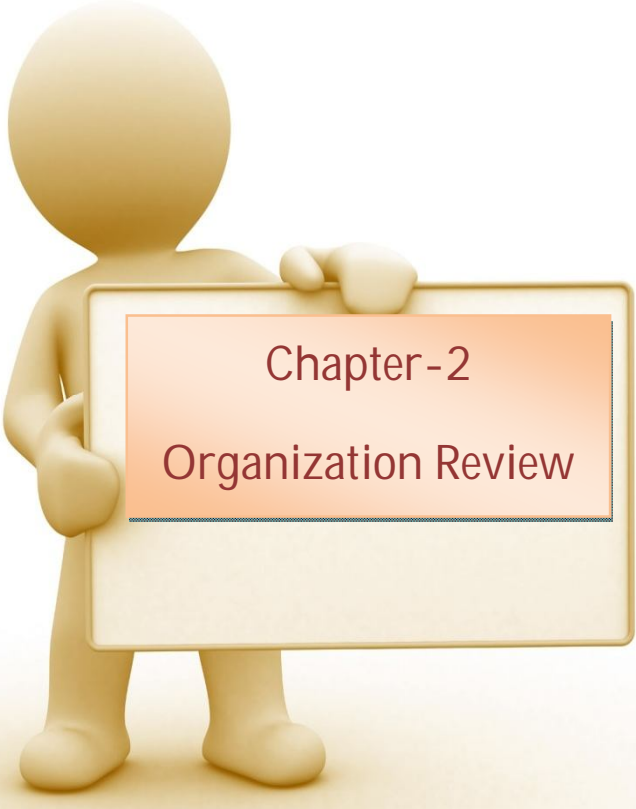
All customers and employees of First Security Islami Bank, Motijheel Branch are target population.

1.12 Sampling Method:

The samples procedures are Simple random Sampling.

1.13 Scaling Techniques:

We have used Likert scale to get the response from the customers and employees. It is needed to know whether arestrongly agree (1), agree (2) neither agree nor disagree (3), disagree (4), and strongly disagree (5) with each statement. There is no right or wrong answers. Respondents have been asked close-ended, short length and short time question.



Chapter-2
Organization Review

2.1 OVERVIEW OF First Security Bank Limited.

First Security Islami Bank Limited (FSIBL) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit.

The company philosophy "A step ahead in time" has been precisely the essence of the legend of Asian success; the bank has been operating with talented and brilliant personnel, equipment with modern technology so as to make it most efficient to meet the challenges of 21st century. At first in 1999 the bank incorporated as First Security Bank Ltd. and then in January 01, 2009 the bank changes its name and mode of business and incorporated as First Security Islami Bank Ltd.

2.2 Corporate Information of JBL

Name of the Company :	First Security Islami Bank Ltd.
Chairman:	Mohammad Saiful Alam
Vice Chairman:	Alhaj Mohammad Abdul Maleque.
Managing Director :	A.A.M. Zakaria
Company Secretary (Current Charge):	Abdul Hannan Khan
Legal Status :	Public Limited Company
Date of Permission from Bangladesh Bank :	22 September 1999
Registered Office :	House#SW(I)1/A, Road#8, Gulshan-1, Dhaka-1212, Bangladesh.
Line of Business:	Banking
Authorized Capital :	Tk.3, 600 Million
Paid up Capital :	Tk.2, 300 Million
Date of consent of IPO :	04 June 2008
Phone :	9560229 (Hunting), 9550334, 7171029-30
Fax :	880-02-9561637
E-mail :	bcs@fsiblb.com
Website :	www.fsiblb.com

2.3 Financial Information

Financial Ratings	: <u>FRISK[®] Score</u>
Latest Financial Statements and Analyse	: 9/30/2014 <u>Annual Financials</u> <u>Quarterly Financials</u>
Current Fiscal Period	: 3Q 2014
Last Audit	: 12/31/2013
Auditors	: Syful Shamsul Alam & Co
Audit Opinion	: Unqualified

2.4 General Information

Number of Employees:	2,206	(As of 12/31/2013)
Outstanding Shares:	516,066,711	(As of 9/30/2014)
Shareholders:	51,535	(As of 12/31/2013)
Stock Exchange:	DSE	
Fax Number:	+880 29570118	

2.5 Capital Structure of First Security Islami Bank Limited:

The paid-up capital of the First security islami bank ltd. was TK. 2300.00 million at end of the year 2009, and TK.3036.00 million capital at end of the year 2010. The Bank total statutory reserve TK. 263.17 million at end of the year and TK. 460.17 million in 2010.

Particulars	2013	2012
Tier I Capital	4854.55	3054.14
Paid up capital	2230.09	1621.88
Non repayable Share Premium Account		
Statutory Reserve	1229.45	816.48
Retained Earnings	660.61	615.78
Right Issue subscription money	734.40	-
Tier II Capital	1491.47	943.53
Provision against Unclassified Loans	508.82	332.64
Provision against off balance sheet exposure	206.38	147.49
Revaluation reserve of HFT securities	244.59	463.37
Asset revaluation reserve	531.75	-
Exchange Equalization Fund	-	0.33
Total Capital(Tire I+ Tire II)	6346.02	3997.67

2.6 Organization Structure of FSIBL



Fig2.1: Organogram of FSIBL

2.7 Organization structure of FSIBL Motijheel Branch

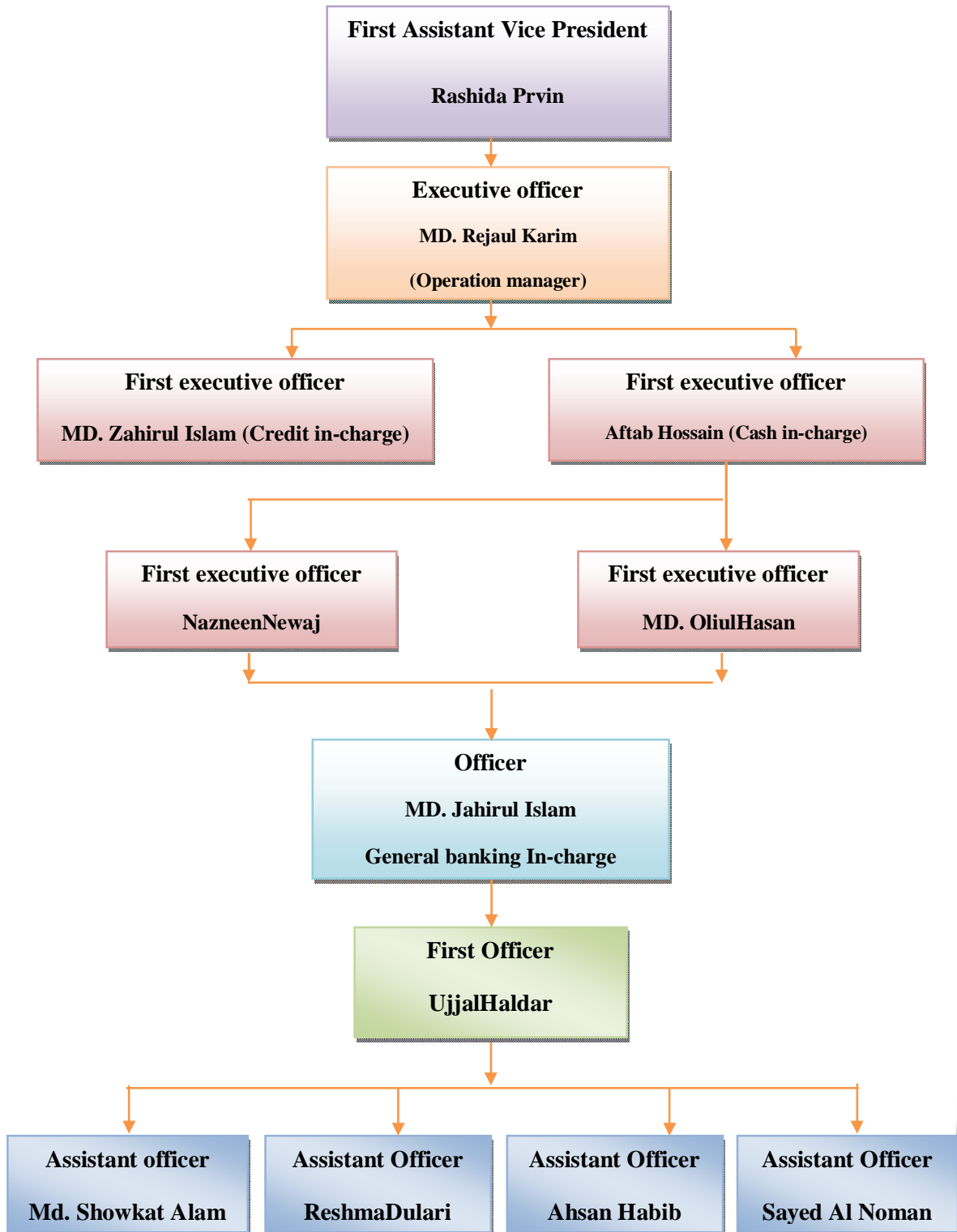


Fig 2.2: Organization Structure of FSIBL Motijheel Branch

2.8 Mission, Vision, Objectives & Strategies of the Bank:

Mission-

Efforts for expansion of the bank's activities at home and abroad by adding new dimensions to the banking services are being continued unabated. Alongside, the bank is also putting the highest priority in ensuring transparency, account ability, improved clientele service as well as to its commitment to serve the society through which it wants to get closer and closer to the people of all strata. Winning an everlasting seat in the hearts of the people as a caring companion in uplifting the national economic standard through continuous up gradation and diversification of our clientele services in line with national and international requirements is the desired goal we want to reach.

Vision-

The Bank is committed to satisfying diverse needs of its customers through an array of products at a competitive price by using appropriate technology and providing timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional workforce.

Motto:

The Bank will be a confluence of the following three interests:

- Of the Bank : Profit Maximization and Sustained Growth.
- Of the Customer : Maximum Benefit and Satisfaction.
- Of the Society : Maximization of Welfare.

Objectives-

- Earn and maintain CAMEL Rating 'Strong.'
- Establishing relationship banking and improve service quality through development of Strategic Marketing Plans.
- Remain one of the best banks in Bangladesh in terms of profitability and assets quality.

- Introduce fully automated systems through integration of information technology.
- Ensure an adequate rate of return on investment.
- Keeping risk position at an acceptable range (including any off balance sheet risk).
- Maintain adequate liquidity to meet maturing obligations and commitments.
- Maintain a healthy growth of business with desired image.
- Maintain adequate control systems and transparency in procedures.
- Develop and retain a quality work-force through an effective human Resources Management System.
- Ensure optimum utilization of all available resources.
- Pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels.

Corporate Culture-

Employees of FSIBL share certain common values, which helps to create a FSIBL Culture-

- ❖ The Client comes first.
- ❖ Searched for professional excellence.
- ❖ Openness to new ideas & new methods to encourage creativity.
- ❖ Quick decision- making.
- ❖ A sense of professional ethics

Strategic Priorities-

- To manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund.
- To strive for customer satisfaction through quality control and delivery of timely services.
- To identify customers' credit and other banking needs and monitor their perception towards our performance in meeting those requirements.
- To review and update policies, procedures and practices to enhance the ability to extend better service to customers.

- To train and develop all employees and provide them adequate resources so that customers need can be reasonably addressed.
- To promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to employees in a timely fashion.
- To cultivate a working environment that fosters positive motivation for improved performance
- To diversify portfolio both in the retail and wholesale market
- To increase direct contact with customers in order to cultivate a closer relationship between the bank and its customers.

Strategic Business Plan-

- Though First Security Islami Bank Limited is engaged in conventional commercial banking, it also considers the inherent desire of the religious Muslims, and has launched Islami Banking System and established one Islami Banking Branch in the year 2003. The Islami Banking Branch is performing its activities under the guidance and supervision of a body called “Shariah Council”
- The bank is committed to continuous research and development so as to keep pace with modern banking.
- The operations of the bank are computerized to ensure prompt and efficient services to the customers.
- The bank has introduced camera surveillance system (CCTV) to strengthen the security services inside the bank premises.
- The bank has introduced customer relations management system to assess the needs of various customers and resolves any problem on the spot.
- The bank has also introduced full online banking facility to the customer.

Management:

FSIBL is managed by highly professional people. The present Managing Director of the bank is a forward –looking senior banker having decades of experience and multi discipline knowledge to his credit both at home and abroad. He is supported by an educated and skilled professional team with diversified experience in fiancé

and banking. The Management of the bank constantly focuses on the understanding and anticipating customers' needs and offer solution thereof. First Security Islami Bank Limited has already achieved tremendous progress within a short period of its operation. The bank is already ranked as one of the quality service providers & known for its reputation.

Sponsors:

The Sponsors of First Security Islami bank limited are highly successful leading entrepreneurs of the country having stakes in different segments of the national economy. They are eminent industries & businessmen having wide business reputation both at home & abroad.

2.9 Credit Rating Report of First Security Islami Bank limited:

Credit rating report (Strong Capacity and High Quality)

Credit rating was done by the Credit Rating Agency of Bangladesh (CRAB) on the basis of Audited Financial statement as on December 31, 2013. The summary of rating is presented below-

Credit rating Report (Surveillance Rating)

	Long Term	Short Term
Rating outstanding (Updated May 18, 2014)	A1 (Strong Capacity And High Quality)	ST- 2(High Grade)
Validity Of Outstanding	June 30, 2015	

Credit Rating Agency of Bangladesh (CRAB) assigned A1 (pronounced as Single A One) rating of Jamuna Bank Limited in the long term and S2- in the short term. This level of ratings indicates Strong Capacity and High Quality based on Audited Financial Statements as on 32 December, 2013 and other relevant information.

Commercial Banks rated A1 in the long term belong to “Strong Capacity and High Quality” cohort. Banks rated A1 have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes

in circumstances and economic conditions than commercial banks in higher rated categories. Such banks are judged to be of high quality and are subject to low credit risk.

Commercial Banks rated in the short term ST-2 (High Grade) category are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds is outstanding.



2.10 Description of product:

Corporate Banking-

The motto of FSIBL's Corporate Banking services is to provide a personalized solution to our customers. The Bank distinguishes and identifies corporate customers' need and designs tailored solutions accordingly. First Security Islami Bank Ltd. offers a complete range of advisory, financing and operational services to its corporate client groups combining trade, treasury, investment and transactional banking activities in one package. Whether it is project finance, term loan, import or export deal, a working capital requirement or a forward cover for a foreign currency transaction, our Corporate Banking Managers will offer you the accurate solution. Our corporate Banking specialists will render high class service for speedy approvals and efficient processing to satisfy customer needs.

Corporate Banking business envelops a broad range of businesses and industries. Leverage on our know-how in the following sectors mainly:

❖ Industry (Import Substitute / Export oriented)

- Textile Spinning, Dyeing Printing
- Export Oriented Garments, Sweater.
- Food & Allied
- Paper & Paper Products
- Engineering, Steel Mills
- Chemical and chemical products etc.

❖ Telecommunications

❖ Information Technology

❖ Real Estate & Construction ·

❖ Wholesale trade

❖ Transport · Hotels, Restaurants

❖ Non-Bank Financial Institutions

❖ Project Finance · Investment Banking

❖ Lease Finance · Hire Purchase · International Banking

❖ Export & Import Finance

Retail Banking-

Retail Banking of First Security Islami Bank offers wide-ranging products and services matching the requirement of every customer. Transactional accounts, savings schemes or loan facilities from First Security Islami Bank Ltd. Their cooperative & friendly professionals working in the branches will make your visit and enjoyable experience. This not only meet financial need of the customer but also have raised their standard started its retail operation in 2009; JBL has continued its success. The products of retail banking are-

❖ **LOAN PRODUCT**

Loan Products

- Any Purpose Loan
- Personal Loan
- Salary Loan
- Doctors Loan
- Education Loan
- Overseas Job Loan

❖ DEPOSIT PRODUCT

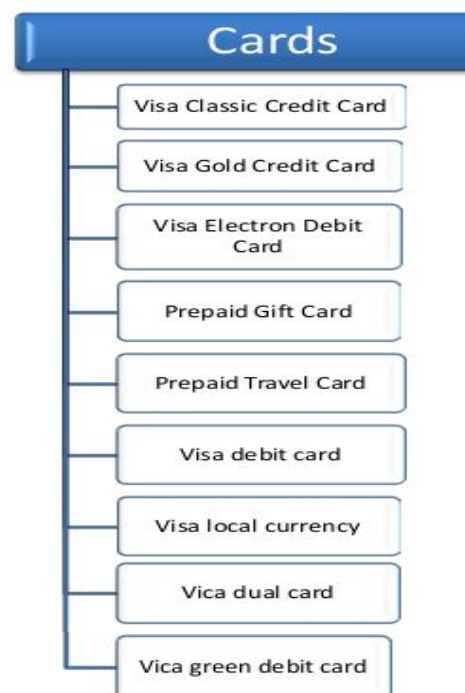


❖ SPECIAL DEPOSIT SCHEME:

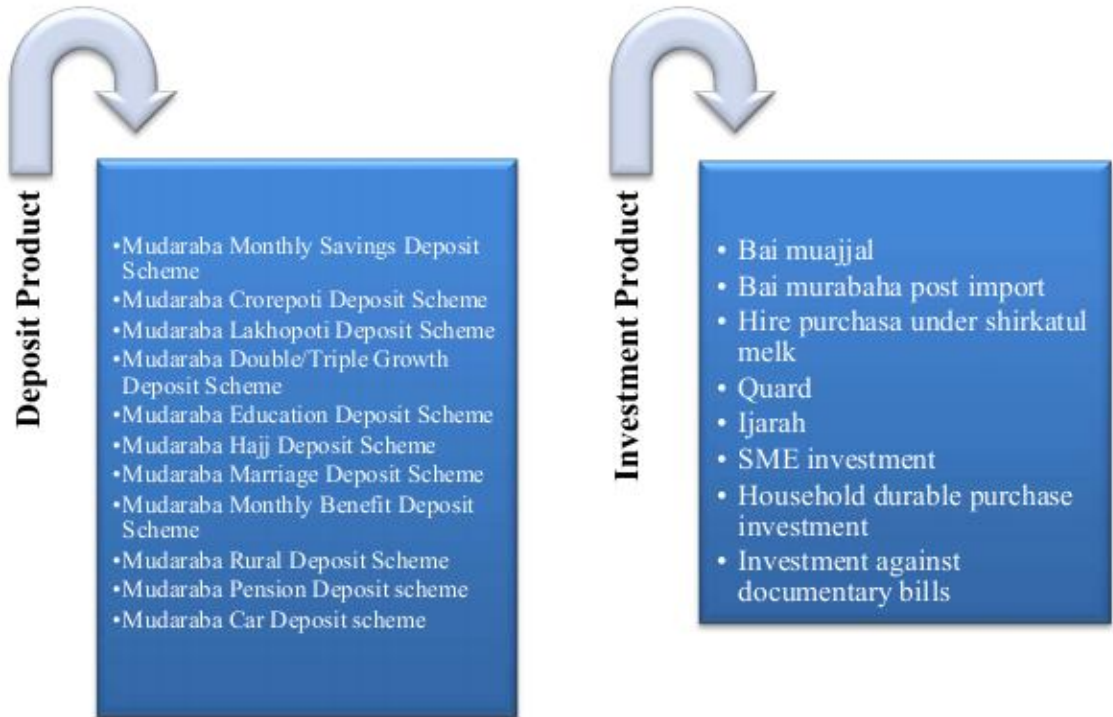
<ul style="list-style-type: none"> • Crorepati Deposit Scheme • Education Saving Scheme • Marriage Deposit Scheme • Tuition Savings Deposit Scheme • Senior Citizen Benefit Scheme 	<ul style="list-style-type: none"> • Millionaire Deposit Scheme • Lacpati Deposit Scheme • Marriage Deposit Scheme • Monthly Benefit Scheme • Triple Growth Deposit Scheme
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❖ CARDS

Card division was launched in 2006. Since then it has been operating with good reputation. First Security Islami bank has been awarded principal membership of visa international. Card division on (P&D) introduces to the customers with a Variety of products. Our card division continuously meets the challenges of developing new products and services to match the specific requirements of custom



❖ ISLAMIC BANKING



TREASURY



❖ **ELECTRONIC PRODUCTS:**

- Real time On-Line any branch banking
- 24 hours ATM
- Debit card
- Credit card
- Telephone banking
- SMS banking
- Internet Banking

❖ **OTHER PRODUCTS**



2.11 Principal activities of First Security Islami bank Ltd.

The principal activities of the bank are to provide all kind of commercial bank activities encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions and performing other related services such as safe keeping, collections, issuing guarantees, acceptances and letters of credit to its customers through its branches in Bangladesh.

THE BANKER – CUSTOMER RELATIONSHIP

The Banker – Customer relationship is essentially a debtor-creditor contractual relationship. This relationship may be divided into two categories,

- ✚ Legal relationship
- ✚ Behavioural relationship

After the contractual relationship is established between the banker and customer, they have to avoid by some implied conditions of the contract as well as practices of the bank.

SOME OF THE CONDITIONS AND PRACTICES ARE AS FOLLOWS:

- ✚ Customer is to use chequebooks while demanding payment from his account.
- ✚ Customer should keep chequebooks in his safe custody.
- ✚ Customer must inform the bank on time for any loss of cheque leaf or chequebooks.
- ✚ Customer while depositing money or presenting cheque, they must do that during business hour of the bank.
- ✚ Banker also should give necessary banking advice and help the customer in various banking activities.

RIGHTS OF A CUSTOMER AND DUTIES AND OBLIGATION OF EMPLOYEES

Rights of a customer	Duties and Obligation
Right to deposit money in his A/C on time.	Must credit the deposited the amount to the customer's
Right to demand repayment by issuing cheque or written order properly in proper time and place.	Must honor cheque if otherwise in order.
Right to get pass book/statement of A/C.	Must supply pass boo/statement of A/C as demanded.
Right to stop payment on his cheque.	Must abide by the stop payment order.
Right to give standing instructions.	Must abide by the instructions.
Right to claim interest of his deposit balance in the interest bearing account.	Must pay/credit interest as per rule.
Right to have secrecy of his account.	Must maintain secrecy of customer's A/C if the banker's not bound to disclose it under certain conditions.
Right to claim damages of any loss and for defamation due to wrongful/willful dishonor of cheque by bank.	Must compensate the loss.
Right to demand the proceeds of the instrument deposited for collection and collected accordingly.	Must collect the proceeds of the instrument in customer's A/C and honor the cheque drown against the amount.
Right to claim money paid by bank from his A/C wrongly or payment is not made in due courses.	Payment should be made in due courses in good faith and without negligence
Right to return deposit if not in proper manner and time.	Must deposit the amount properly and in time.
Right to return the cheque if not drown properly or in time or for some other reason.	Must demand payment by issuing cheque or written order
Right to debit customer's A/C for any charges, interest and commission if recoverable.	Must pay the bank charges, interest and commission if payable

2.12 Corporate social responsibilities of First Security Islami Bank

First Security Islami Bank is the 3rd generation junior most bank. From the beginning, the bank is keen to serve the society and welfare of the people as the corporate social responsibilities. To make effective contribution by these CSR activities, the governing body of the bank established First Security Islami Bank Foundation in the year of 2007. The bank has appeared as a satisfactory bank to the central bank.



First Security Islami Bank every year spends portion of its profit for backward people of the country. CSR activities of Jamuna Bank foundation are:

- Anti-drug Movement
- Blood Donation Program
- Medical college & Hospital along with free Eye camp and Dental camp
- Scholarship giving ceremony
- Providing free Treatment
- Qirat competition
- Relief distribution for Disaster affected people
- Discussion on Significance of Ramadan & Lifestyle of Prophets
- Blanket & Cloth distribution among cold-hit distressed people
- Sewing Training Center
- Establishment of Free Primary School
- Providing Computer Training by Jamuna Bank Foundation

- Tree Plantation & Distribution
- Annual School Sports Day & Award-giving Ceremony
- Donating in Nimtoli Tragedy
- Donating for Development of Sports for the country
- Monthly Donating for BDR Tragedy

2.13 SWOT ANALYSIS

❖ STRENGTHS:

- First Security Islami Bank Ltd has already established a favourable reputation in the Banking industry of the country. It is one of the leading private sector commercial Banks in Bangladesh. The Bank has already shown a tremendous growth in the profits and deposits sector.
- First Security Islami Bank Ltd has provided its Banking service with a top leadership and management position. The top management officials have all worked in reputed Banks and their years of Banking experience, skill, and expertise will continue to contribute towards further expansion of the Bank.
- First Security Islami Bank Ltd has already achieved a high growth rate accompanied by an impressive profit growth rate in 2008. The number of deposits and the loans and advances are also increasing rapidly.
- First Security Islami Bank Ltd has an interactive corporate culture. The working environment is very friendly, interactive and informal. And, there are no hidden barriers or boundaries while communicate between the superior and the employees. This corporate culture provides as a great motivation factor among the employees.
- First Security Islami Bank Ltd has the reputation of being the provider of good quality service to its potential customers

❖ OPPORTUNITIES:

- In order to reduce the business risk, First Security Islami Bank Ltd has to expand their business portfolio. The management can consider options of starting merchant Banking or diversify into leasing and insurance sector.
- The activity in the secondary financial market has direct impact on the primary financial market. Banks operate in the primary financial market. Investment in the secondary market governs the national economic activity. Activity in the national economy controls the business of the Bank.
- Opportunity in retail banking lies in the fact that the country's increased population is gradually learning to adopt consumer finance. The bulk of our population is middle class.
- Different types of retail lending products have great appeal to this class. So a wide variety of retail lending products has a very large and easily pregnable market.

❖ WEAKNESS

- The main important thing is that the Bank has no clear mission statement and strategic plan.
- The Banks not have any long-term strategies of whether it wants to focus on retail Banking or become a corporate Bank. The path of the future should be determined now with a strong feasible strategic plan.
- Some of the job in First Security Islami Bank Ltd has no growth or advancement path. So lack of motivation exists in persons filling those positions. This is a weakness of First Security Islami Bank Ltd that it is having a group of unsatisfied employees.
- In terms of promotional sector, First Security Islami Bank Ltd has to more emphasize on that. They have to follow aggressive marketing campaign.
- In addition of those things, First Security Islami Bank Ltd can introduce special corporate scheme for the corporate customer or officer who have an income level higher from the service holder. At the same time, they can introduce scheme or loan for various service holders. And the scheme should be separate according to the professions, such as engineers, lawyers.

- A large number of private banks are coming into the market in the recent time. In this competitive environment First Security Islami Bank Ltd must expand its product line to enhance its sustainable competitive advantage.

❖ THREATS:

- All sustaining multinational Banks and upcoming foreign and private Banks pose significant threats to First Security Islami Bank Ltd. If that happens the intensity of competition will rise further and Banks will have to develop strategies to compete against these local and foreign Banks.
- The default risks of all term loans have to be minimized in order to sustain in the financial market. Because of default risk the organization may become Bankrupt. First Security Islami Bank Ltd has to remain vigilant about this problem so that proactive strategies are taken to minimize this problem if not eliminate.
- The low compensation package of the employees from mid-level to lower level position is not able to keep the employee motivation. As a result, good quality employees leave the organization and its effects the organization as a whole.
- Finally it can be said that, top management officials have experience skill and proficiency on Banking. FSIBL has got impressive decoration, for that it creates the attention of the potential customers. Lovely environment boosts up capability of the employees. Besides these FSIBL has adequate capital, high interest rate for DPS and Savings account and its goodwill. For this reason right people are also not in right place for reference appointment. Another weakness is low interest rate of FDR, for to a company in near future, such as withdraw of tax, incentives, export, exemption and more credit facilities etc. FSIBL can also adopt diversification strategy in expanding the business line into leasing and insurance company. It analyzes the threats, which may face the company such as international law, withdraw of most favourable nation (MFN) and GSP facilities etc.



Chapter- 3
Literature Review

Satisfaction means a feeling of pleasure because one has something or has achieved something. It is an action of fulfilling a need, desire, demand or expectation. Satisfaction is defined by another way when feelings derived from the fulfilment of one's wishes, expectation and need is termed as satisfaction. The business has also concept of satisfaction. By receiving more than or equal than expectation one feels good and motivated, that state is his satisfaction (Allen and American Society for, 2004). Kotler (2000) defined satisfaction as a person's feelings of pleasure or disappointment resulting from the comparison of product's perceived performance in reference to expectations.

3.1 Satisfaction mirror

Satisfaction mirror expresses the belief that if workers experience job satisfaction when performing customer service jobs then they will provide good service, and customers will also experience satisfaction. Providing a satisfying work environment for employees is therefore seen as essential for competing effectively in service markets on the basis of good customer service.

In a cross-sectional single-unit analysis, the satisfaction mirror can be defined as the correspondence between levels of customer satisfaction and job satisfaction, where a greater correspondence reflects a "stronger" mirror. This can be measured, for example, as the absolute difference between the two satisfaction measures, where smaller differences indicate a "stronger" mirror. In a multi-unit or longitudinal study, correlation can be used to assess correspondence.

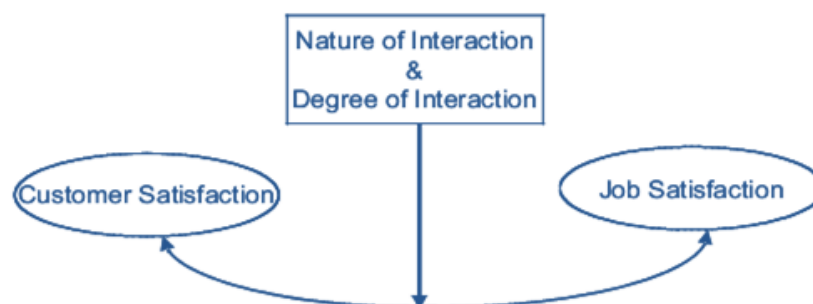


Fig 3.1: Satisfaction mirror

Balance theory (Heider, 1958) suggests that customer-employee relationships will only last when they are balanced; that is, the customer is satisfied with the service provider and the employee is satisfied with the work environment associated with the service provision. In unbalanced relationships, customers and employees are assumed to interact in order to establish balance (Homburg and Stock, 2005). Hence, the satisfaction mirror can be posited to have a level of strength depending on the nature and degree of customer-employee interaction. According to our framework (illustrated in Figure 1), the existence of the satisfaction mirror is based on the notion that employees and customers aim to achieve balance and the nature and degree of customer-employee interaction moderate this correlation.

3.2 The External and Internal Satisfaction Mirror

Service can be provided either to external customers, that is, customers who are not employees of the service-providing organization, or to internal customers, that is, to fellow staff members. A natural extension of the traditional satisfaction mirror concept is to posit a second satisfaction mirror that operates for internal customers, since internal customer satisfaction and service quality parallel to a significant extent their external counterparts (e.g., Gremler, Bitner and Evans, 1994). As a result the generic satisfaction mirror framework can be applied to internal and external customer-employee relationships.

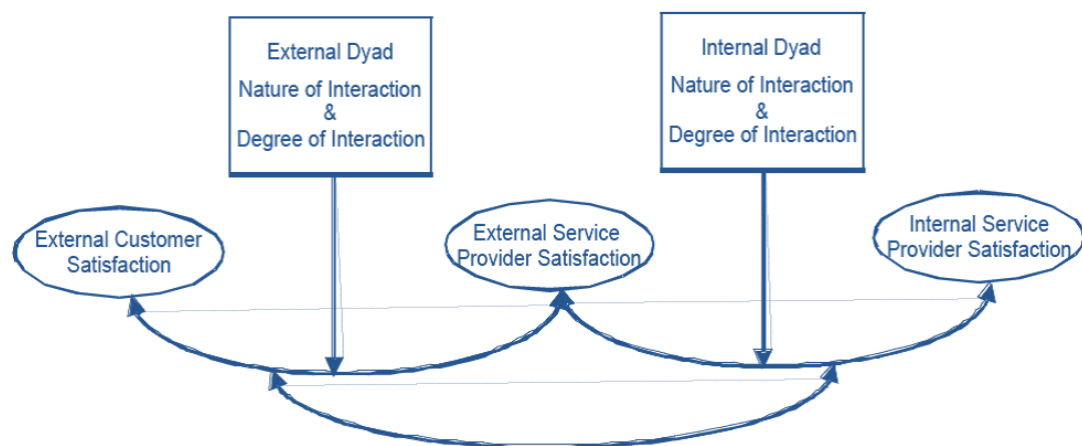


Fig 3.2: The external and internal Satisfaction Mirror

It is this integrated perspective that suggests that the internal and external satisfaction mirrors are not also be simultaneously the internal customer of services within the organization. This possible role implies that, according to balance theory, the strength of both mirrors is aligned.

Our conceptualization suggests that the front-line service-providing employee has not only a psychological contract with the employer, but also with the external customer and, possibly, with an internal service provider.

3.3 Customer satisfaction

Customer satisfaction is an emerging issue for the organizations today especially the firms that are operating beyond the boundaries. The satisfied customer is a permanent advertisement and good will of the company, so they are now putting their efforts to satisfy the customer up to maximum level. In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel—even though its facilities and service would be deemed superior in “absolute” terms.

3.4 Globalization and Customer Satisfaction

Today it's an era where the information technology has made great progress. Latest IT techniques and instruments have made this earth like a global village and many things across the boundaries are now in access of the human beings. The firms competing for their business are also taking effect from globalization. Now they have their customers overall the world and satisfaction is compulsory for all the customers, at domestic and foreign, level to be satisfied. Emergence of worldwide production markets enabled broader access to a range of foreign products and services for consumers and companies. It is particularly movement of material and

goods between and within national boundaries. International trade in manufactured goods increased more than 100 times. So to retain the customer overall the world the customer satisfaction is compulsory. Many techniques are used to check the customer satisfaction about some particular company. One phenomenon says that the satisfied employees can create the customer satisfaction. Here the topic is also concerned with satisfaction of employees and satisfaction of customer in services sector. A satisfied customer may be retained for a long time, so satisfactions will improve the overall performance of the company. As satisfied customer will make the good will in other general public so he will be a resource of advertisement for the company. Services sectors are dominant in Pakistan and have major role now as other manufacturing and production sectors have been affected due to adverse load shedding. They are also showing good performance. So it was decided to study the relationship in services sector about employee satisfaction and customer satisfaction.

3.5 General definition of customer satisfaction:

Kotler (2000) defined satisfaction as: “a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”.

According to Hansemark and Albinsson (2004), “satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire”.

Hoyer and MacInnis (2001) said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight.

Westbrook and Reilly define- Customer satisfaction is as emotional response to the experience provided by, (or associated with) particular products or services purchased, retail outlets, or even molar patterns of behaviour, as well as the overall marketplace. (1983, 3)

Another author Hunt (1977) defines customer satisfaction as a process of evaluation rendered that the experience was at least as good as it was supposed to be.

Test and Wilton (1988) elaborated hunt definition where they said ‘customer satisfaction is a process of consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption’.

Satisfaction is the customer’s fulfilment response. It is a judgemental that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfilment. (Oliver 1977). ‘This definition approaches two sides where the first approach defines satisfaction as a final situation or as end-state resulting from the consumption experience and the second approach emphasizes the perceptual, evaluative and psychological process that contributes to satisfaction’. (Evangelos and Yannis 2010, 2)

3.6 Importance of customer satisfaction

In modern business philosophy business should be customer oriented and the implementation of the main principles of continuous improvement, justifies the importance of evaluating and analyzing customer satisfaction. In short, customer satisfaction is considered as baseline of standardize and excellence of performance for many business. It also helps to identify the potential market opportunities. (Evangelos and Yannis 2010, 1-2)

Mentioning about importance of customer satisfaction in business perspective Zairi (2000) said in one magazine ‘Customers are the purpose of what we do and rather than them depending on us, we very much depend on them. The customer is not the source of a problem, we shouldn’t perhaps make a wish that customers ‘should go away’ because our future and our security will be put in jeopardy.’ However, the concept of customer satisfaction is not a new one. It hit the business sectors in early 1980’s where some researchers considered that customer satisfaction is the best window into loyalty. They also found that it has direct relationship with company profitability, ROI (return on investment), or share of market. Satisfied customer

think twice or several times before switching to alternatives because they become attached emotionally and also afraid to believe on alternatives quality. Oliver (1997)

Zairi (2000) mention more about the importance as- ‘numerous studies that have looked at the impact of customer satisfaction repeat purchase, loyalty and retention. They all bring the similar message. First, satisfied customers share their experience with average five or six people and dissatisfied customers normally tell ten people about their unfortunate experience. Secondly, many customers do not complain about dissatisfaction but it is needs to realize by the company and it differs from industry to industry. Finally, people do not think dealing customer satisfaction is not as costly as to recruit a new customer. Actually it is only twenty five percent of the recruit a new customer’.

3.7 Variables of customer satisfaction

Customer satisfaction is one of the most important issues concerning business organizations of all types. Business organizations try to give best service to the customer and also look for the reason that can increase the satisfaction level. According to Hokinson (1995, 13), these factors include friendly employees, knowledgeable employees, Helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service.



Figure 3.3: Factors that affecting customer satisfaction

However, Zeithaml et al also expressed some determinates that cause's customer satisfaction and they are mentioned below,

❖ *Product and service features*

Customer satisfaction is significantly influenced by the customer's evaluation of product or service features. Thus, firms also study concerning satisfaction what features and attributes of their services customer measure most and that firms measures the perceptions of those features and overall service satisfaction. In this regard, research has found that normally customers make trade-offs among service like, price level versus service quality or friendliness of personnel versus customization. (Zeithaml et al. 2006, 110-111)

❖ *Consumer emotions*

Consumer emotions played a significant role with the product or services satisfaction. When a customer in a happy moment of life or positive frame of mind that influenced the service experience and feel good. Alternatively when customers passing through bad mood or negative feelings they might over react or respond negatively towards the service. It is normally seen that positive emotions had a

stronger effect than negative one. Specific emotions may also be influenced by the consumption experience itself, influencing consumers' satisfaction with the service. (Zeithaml et al. 2006, 111)

❖ *Attributions for service success or failure*

Attributions are a cause to influence perceptions of satisfaction. Even when customers do not take responsibility for the outcome, customer satisfaction may be influenced by other kinds of attributions. Like sometime customers do not take any consideration of fault made by the personnel, if they found it rarely happens or it is beyond an agent's control. (Zeithaml et al. 2006, 112)

❖ *Perceptions of equity and fairness*

Perception of equity and fairness has a great impact on customer satisfaction. Customers usually think about whether they were treated fairly compared to other customers, was the price eligible for the service, was they get good service. These senses of fairness are central to customer satisfaction, particularly in service recovery situations. (Zeithaml et al. 2006, 112)

❖ *Others consumers, family members and co-workers*

Customer satisfaction not only depends on the product or service features, one's own experience rather it also influenced by other customer perception, experiences etc. As for example, family members' satisfaction or dissatisfaction influenced tremendously towards particular service – like a vacation trip. Sometimes friends and families other member experience stopped thinking of that service. (Zeithaml et al. 2006, 112)

❖ *Customer loyalty and retention*

Customer loyalty means sticking with a supplier who treats him well and gives him good value in the long term even if the supplier does not offer the best price in a particular transaction. (Lovelock and Wirtz 2007, 486) Lovelock and Wirtz (2007, 486) also mention in their book that customer loyalty is much more than repeat purchases. They might not buy products frequently, but they drive business top-line growth. Loyal customer's recommendation to their friend, family and colleagues indicate that business give the best economic value of the product or service.

Moreover, loyal customer indirectly increase the number of new customer -at no charge to the company- which on the other hand, increase company's' growth. Sivadas and Baker- Prewitt (2000) said, 'the ultimate objective of the customer satisfaction measurement should be customer loyalty. Actually satisfaction fosters loyalty to the extent that is prerequisite for maintaining a favourable relative attitude and for recommending and repurchasing from the supplier'.

'Only customer satisfaction is not enough in today's business perspective rather there has to be extremely satisfied customer, because it leads to customer loyalty. Some author also mention that building customer loyalty is not a choice for business, but it is the only way of building sustainable competitive advantage. Though there is no definite rule to create customer loyalty but study shown these following aspects might help to build that, firstly- focus on key customers, secondly- generating high level of customer satisfaction with everyinteraction proactively, thirdly- understand customer needs and demand, then respond to them before the competition does, fourthly- develop closer ties with customers and finally- create a value perception'. Bonsal and Gupta (2001)

❖ *Price influence on customer satisfaction*

Price is a very popular tactic for consumer satisfaction. Customer will indicate higher levels of satisfaction when they get a better deal (pay less price) relative to a comparison other than they will when they pay more for relative worse deal. They thought they paid less than the published price for that item if the customer is satisfied.

According to Zeithaml et al. (1996, 116-128) the customers' use of price as a signal to quality depends on several factors, they are accessibility of services cues to quality, brand names that offer evidence of a company's, level of advertising and the risks associated with the service purchase.

Usually when the price is high, customer expects higher quality and better services. On the other hand, when the price is too low, customer may doubt about the quality of services. discounts, rebates, preferred customer discount, holiday sales or other countless marketing offers they should be very careful about their product.

3.8 Customer Satisfaction in banking sector

Financial liberalization and deregulation has increased the competition among banks to attract potential customers. Every banker tries to provide superior services to keep satisfied customers. Firstly, they are competing with their peers and secondly they have to cope with the conventional banks. Customer satisfaction is a set of feelings or outcome attached with customer's experience towards any product/service (Solomon, Yi (1990) defined customer satisfaction as a cumulative outcome of perception, evaluation and psychological thinking of customers when they utilize any service. There are a number of studies that measured the customer satisfaction towards services in the banking sector (Anderson *et al.*, 1993; Brenhardt *et al.*, 1994; White, 1994; Bedal and Power, 1995; Holliday, 1996; Dispensa, 1997).

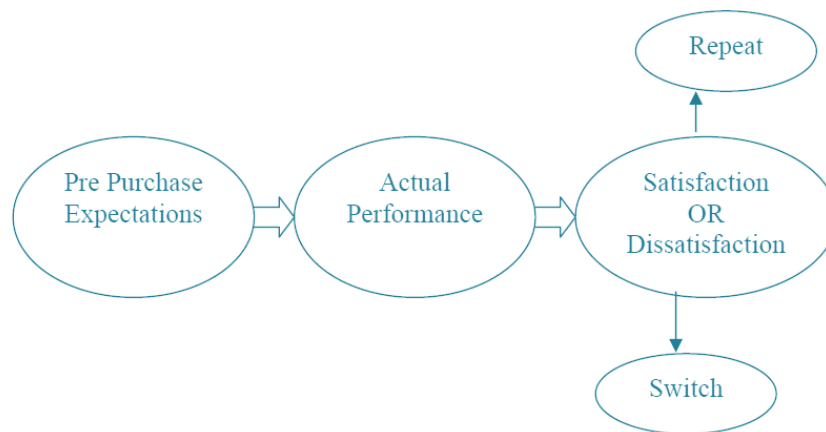


Figure 3.4: Expectation-Outcome Experience of Customers

Figure 3.4 reflects expectation-outcome experiences of customers among bank customers. Customer satisfaction leads to better profitability by retaining existing customers and to attract new ones. Every organization deploys a reasonable amount to have satisfied customers. Satisfied customer leads to delighted customers that eventually create the sense of brand loyalty among customers. The sequence of customer satisfaction in reference to satisfied customers, delighted customers and loyal customers can be expressed in figure 3.5



Figure 3.5: Customer Satisfaction for better Performance

Organization should convey an attractive message to their customers about their product mix on rationale basis because exaggeration and unrealistic promises may result in dissatisfaction among customers. Customer satisfaction is an urgent challenge for Islamic banks as it was considered in case of conventional banks. Customer satisfaction became the center of organizational efforts. Financial institutions have experienced an intense competition and changing expectations of the customers (Cheng *et al.* 1996).

3.9 Employee Satisfaction

According to Nancy C. Morse (1997) “Satisfaction refers to the level of fulfillment of one’s needs, wants and desire. Satisfaction depends basically upon what an individual wants from the world, and what he gets.” Employee satisfaction is a measure of how happy workers are with their job and working environment. It is sure that there may be many factors affecting the organizational effectiveness

and one of them is the employee satisfaction. Effective organizations should have a culture that encourages the employee satisfaction, Bhatti & Qureshi, (2007)

Employees are more loyal and productive when they are satisfied Hunter & Tietyen, (1997), and these satisfied employees affect the customer satisfaction and organizational productivity, Potterfield, (1999).

There is no limit for the employees to reach the full satisfaction and it may vary from employee to employee. Sometimes they need to change their behaviors in order to execute their duties more effectively to gain greater job satisfaction, Miller, (2006). Having good relationships with the colleagues, high salary, good conditions, training and education opportunities, career developments or any other benefits may be related with the increasing of employee satisfaction.

Employee satisfaction is the terminology used to describe whether employees are happy, contented and fulfilling their desires and needs at work. Many measures support that employee satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the work place. □ Susan M. Heath field (About.Com). Cranny, Smith & stone (1992) defined ES as the combination of affective reactions to the differential perceptions of what he/she wants to receive compared with he/she actually receives. According to Moyes, Shao & Newsome (2008) the employee satisfaction may be described as how pleased an employee is with his or her position of employment. As Spector (1997) defined job satisfaction as all the feelings that a given individual has about his/her job and its various aspects. Employee satisfaction is a comprehensive term that comprises job satisfaction of employees and their satisfaction overall with companies □ policies, company environment etc.

3.10 Need of employee satisfaction

Everyone from managers, retention agents to HR need to get a handle on employee loyalty and satisfaction – how committed is the workforce to the organization and if workers are really contented with the way of things for

gauging their likelihood to stay with the company. One of the main aspects of Human Resource Management is the measurement of employee satisfaction. Companies have to make sure that employee satisfaction is high among the workers, which is a precondition for increasing productivity, responsiveness, and quality and customer service.

The litmus test is to study turnover and average length of service. If turnover is on the rise, loyalty levels are low and vice versa. Comparing them to industry averages gives good idea of attrition probabilities. Staff attendance, compliance with policies and confidence in leadership are other indirect indicators of allegiance while excessive theft and sabotage spell obvious lack of commitment. According to Heskett et al (1994), more satisfied employees, stimulate a chain of positive actions which end in an improved company performance. In another research it is said that employee satisfaction influenced employee productivity, absenteeism and retention, Derek R. Allen & Merris Wilburn, (2002). The success of any company is directly link to the satisfaction of the employees who embody that company, that retaining talented people is critical to the success of any organization, Freeman, (2005) .Studies shows that businesses that excel in employee satisfaction issues reduce turnover by 50% from the norms, increase customer satisfaction to an average of 95 % & lower labor cost by 12%., Carpitella, (2003). The more satisfied an employee is, the less turnover and absenteeism occurs, Maloney, & Mc Fillen, (1986). Judge, et. al, (1993), on the other hand, mentions that employee satisfaction is positively correlated with motivation, job involvement, organizational citizenship behavior, organizational commitment, life satisfaction, mental health, and job performance, and negatively related to absenteeism, turnover, and perceived stress and identify it as the degree to which a person feels satisfied by his/her job. In contrast, Rousseau (1978) identified three components of employee satisfaction: they are characteristics of the organization, job task factors, and personal characteristics.

Profit and growth are stimulated directly (and primarily) by customer loyalty. Customer loyalty is a direct consequence of customer satisfaction. Customer satisfaction is heavily influenced by customer perceptions of the value of services they receive. Value is created by satisfied, loyal and productive employees. Employees who feel a sense of teamwork and common purpose, a strong commitment to communication, and managerial empowerment are most able, and willing, to deliver the results that customers expect (Employee Satisfaction”, 2005)

Human Relations perspective posits that satisfied workers are productive workers (e.g., Likert, 1961; McGregor, 1960). Thus, organizational productivity and efficiency is achieved through employee satisfaction and attention to employees' physical as well as socio emotional needs. Human relations researchers further argue that employee satisfaction sentiments are best achieved through maintaining a positive social organizational environment, such as by providing autonomy, participation, and mutual trust (Likert, 1961).

Employees' job satisfaction sentiments are important because they can determine collaborative effort. Consistent with this reasoning, Likert (1961) has argued that collaborative effort directed towards the organization's goals is necessary for achievement of organizational objectives, with unhappy employees failing to participate (effectively) in such efforts.

In a unique study conducted by Harter et al. (2002), based on 7,939 business units in 36 organizations, the researchers found positive and substantive correlations between employee satisfaction-engagement and the business unit outcomes of productivity, profit, employee turnover, employee accidents, and customer satisfaction.

The predominant view has focused on the situational context (e.g., supervisory support) as a cause of satisfaction and has argued that high-performance work practices and thus a positive working climate foster employee satisfaction

(see, e.g., Bowen, & Ostroff, 2004; Wright, Dunford, & Snell, 2001; Wright, Gardner, Moynihan, & Allen, 2005).

Keen observation of employee reactions and conduct is by far the most obvious and easiest technique. Casually walk around the office, watching employees working, interacting with each other and talk to them informally. Are they smiling, energized, cooperative and alert or listless, inactive and unhelpful? You can even employ a professional consultant as an objective third-party to assess the work atmosphere and compare with other companies.

Taking simple observation to the next level by asking employees outright in attitude surveys, focus groups and exit interviews and analyzing the results to determine staff attitude, opinions and motivation. While satisfied employees are not necessarily loyal or loyal ones always satisfied, it cannot be denied that job satisfaction fuels loyalty. After all it's been rightly said that, the more satisfied an employee is regarding his or her working conditions, the more likely is he or she to develop a psychological attachment or commitment to the organization. According to Mark graham Brown, (2006), there is a strong link between employee satisfaction and customer satisfaction and between customer satisfaction and future revenue.

Companies should try their best to evaluate why employees leave or what kindles their dissatisfaction. Examine the root causes – where does the problem lie? Is it earnings or benefits? Does it have something to do with job quality or workplace support? Or is lack of appreciation or growth to blame. The onus is on the management to keep employees engaged and happy, so as to persuade them to stay. In fact, this is critical to organizational success.

3.11 Variables on which Employee Satisfaction Depends:

Through review of literature, we can classify the variables in mainly 2 broad categories namely:-

- Organizational Variables
- Personal Variables

❖ Organizational Variables:

The organization determinants of employee satisfaction play a very important role. The employees spend major part of their time in organization so there are number of organizational variables that determine employee satisfaction of the employees. The employee satisfaction in the organization can be increased by organizing and managing the organizational variables or organizational factors. Following these 10 variables comes in this category:-

ORGANIZATION DEVELOPMENT

Organizational development is an ongoing, systematic process to implement effective change in an organization. Its objective is to enable the organization in adopting-better to the fast-changing external environment of new markets, regulations, and technologies. It starts with a careful organization-wide analysis of the current situation and of the future requirements. In other words we can say that Organization development is the process through which an organization develops the internal capacity to most efficiently and effectively provide its mission work and to sustain itself over the long term. This definition highlights the explicit connection between organizational development work and the achievement of organizational mission. Following these points come under this category:

- Brand of organization in business field and their comparison with leading competitors.
- Potential development of the organization.

POLICIES OF COMPENSATION AND BENEFIT:

This is the most important variable for employee satisfaction. Compensation can be described as the amount of reward that a worker expects from the job. Employees should be satisfied with competitive salary packages and they should be satisfied with it when comparing their pay packets with those of the outsiders who are working in the same industry. A feeling of satisfaction is felt by attaining fair and equitable rewards. Following these points come under this category:

- Wage and salary.
- Reward and penalties.

PROMOTION AND CAREER DEVELOPMENT:

Promotion can be reciprocated as a significant achievement in the life. It promises and delivers more pay, responsibility, authority, independence and status. So, the opportunity for promotion determines the degree of satisfaction to the employee. Following these points come under this category:

- Opportunity for promotion.
- Equal opportunity to grow despite being male or female
- Training program.
- Opportunity for use skills and abilities.

JOB SATISFACTION:

Job satisfaction is the favorableness or un-favorableness with which employees view their work. As with motivation, it is affected by the environment. Job satisfaction is impacted by job design. Jobs that are rich in positive behavioral elements- such as autonomy, task identity, task significance and feedback contribute to employee's satisfaction. Following these points come under this category:

- Job design
- Task identity
- Recognition
- Responsibility
- Empowerment
- Quantity of task.
- Difficult level of task

JOB SECURITY

Job security is an employee's assurance or confidence that they will keep their current job. Employees with a high level of job security have a low probability of losing their job in the near future. Certain professions or employment opportunities inherently have better job security than others; job security is also affected by a worker's performance, success of the business and the current economic environment. Following these points come under this category:

- Facility of transfer
- Accessible / reasonable target
- Leaves

WORKING ENVIRONMENT & CONDITION:

Employees are highly motivated with good working conditions as they provide a feeling of safety, comfort and motivation. On contrary, poor working condition brings out fear of bad health in employees.

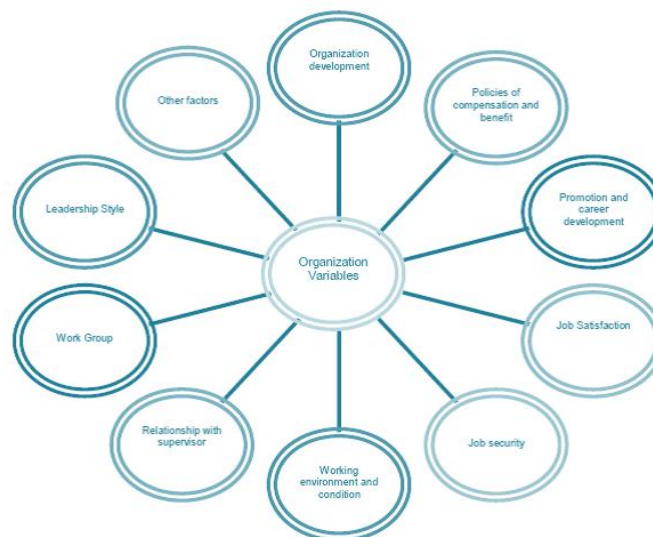


Figure 3.6: Types of organizational variable

The more comfortable the working environment is more productive will be the employees. Following these points come under this category:

- Feeling safe and comfort in working environment.
- Tools and equipments.
- Working methods
- Security guards and parking facility.
- Well ventilated with good light fans and air- conditioning.
- Neat and clean office place, rest area and washrooms.

RELATIONSHIP WITH SUPERVISOR:

A good working relationship with your supervisor is essential since, at every stage, you need his or her professional input, constructive criticism, and general understanding. Following these points come under this category:

- Relationship with immediate supervisor.
- Communication between employees and senior management.
- Treatment to employee.

WORK GROUP:

There is a natural desire of human beings to interact with others and so existence of group in organization is a common observable fact. This characteristics result in formation of work group at the work place. Isolated workers dislike their job. The work groups make use of a remarkable influence on the satisfaction of employees.

Following these points come under this category:

- Relationship with the group members.
- Group dynamics
- Group cohesiveness
- Need for affiliation.

LEADERSHIP STYLES:

The satisfaction level on the job can be determined by the leadership style. Employee satisfaction is greatly enhanced by democratic style of leadership. It is because democratic leaders promote friendship, respect and warmth relationship among the employees. On contrary, employees working under authoritarian and dictatorial leaders express low level of employee satisfaction. Following these points come under this category:

- Prefer democratic style of leadership
- Friendship, respect and warmth relationship. .

OTHER FACTORS:

There are some other important variables which affect the level of employee satisfaction in organization. Following these points come under this category:

- Group outgoing (feel like a part of family).
- Encouragement and feedback.
- Use of internet and other technology for doing job.

❖ **Personal Variables:**

The personal determinants also help a lot in maintaining the motivation and personal factors of the employees to work effectively and efficiently. Employee satisfaction can be related to psychological factors and so numbers of personal variables determine the employee satisfaction of the employees. Following these 5 variables comes in this category:-

PERSONALITY:

The personality of an individual can be determined by observing his individual psychological condition. The factors that determine the satisfaction of individual and his psychological conditions is perception, attitude and learning. Following these points come under this category:

- Competencies and personality of employee are suitable for job.
- Perception, attitudes and learning of employee.

EXPECTATION:

The expectation level of employees affects their satisfaction level. If one receives more outcome than expected then he will be highly satisfied and vice-versa.

AGE:

Age can be described as noteworthy determinants of employee satisfaction. It is because younger age employees possessing higher energy levels are likely to be having more employee satisfaction than older age employees.

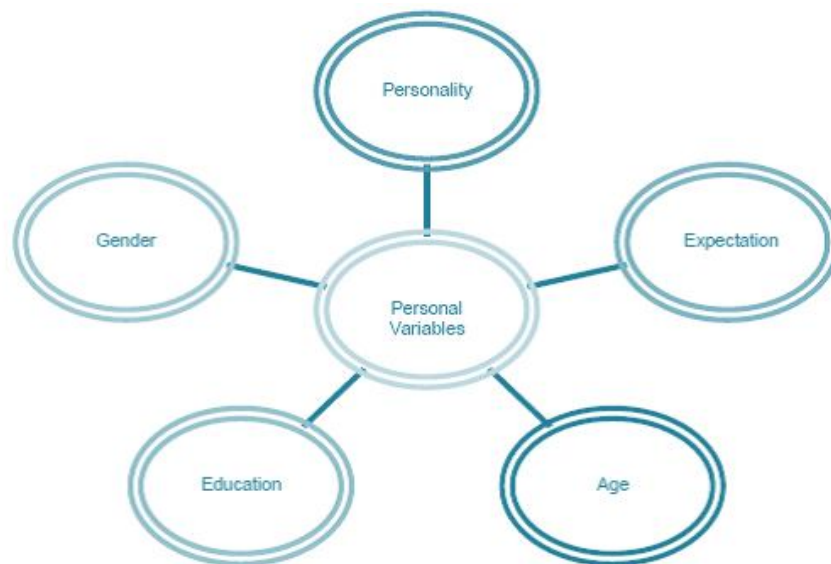


Figure 3.7: types of personal variable

EDUCATION:

Education plays a significant determinant of employee satisfaction as it provides an opportunity for developing one's personality. Education develops and improves individual wisdom and evaluation process. The highly educated employees can understand the situation and assess it positively as they possess persistence, rationality and thinking power.

- Highly educated employees possess rationality and thinking power.
- Education develops individual wisdom and evaluation process.

GENDER DIFFERENCES:

The gender and race of the employees plays important determinants of employee satisfaction. Women, the fairer sex, are more likely to be satisfied than their counterpart even if they are employed in same job. . Following these points come under this category:

- Generally women are more likely to be satisfied than men.

3.12 *The relationship between customer satisfaction and employee satisfaction*

Numerous empirical studies show a strong positive relationship between employee satisfaction and customer satisfaction (e.g., Band, 1988; George, 1990; Reynierse & Harker, 1992; Schmitt & Allscheid, 1995; Schneider & Bowen, 1985; Schneider, White, & Paul, 1998; Schneider, Ashworth, Higgs, & Carr, 1996; Johnson, 1996; Ulrich, Halbrook, Meder, Stuchlik, & Thorpe, 1991; Wiley, 1991). As suggested by this wealth of findings, positive changes in employee attitudes lead to positive changes in customer satisfaction.

Some investigations have provided explicit measures of this relationship. For example, a study at Sears Roebuck & Co. showed that a five-point improvement in employee attitudes led to a 1.3 rise in customer satisfaction which, in turn, generated a 0.5 increase in revenues. Brooks (2000) reviewed the relationship between financial success and customer and employee variables (e.g., customer satisfaction, employee satisfaction, etc.) and found that, depending on market segment and industry, between 40 and 80 percent of customer satisfaction and customer loyalty was accounted for by the relationship between employee attitudes and customer-related variables. Similarly, Vilares and Cohelo (2000) found that perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived product quality and on perceived service quality (see model below).

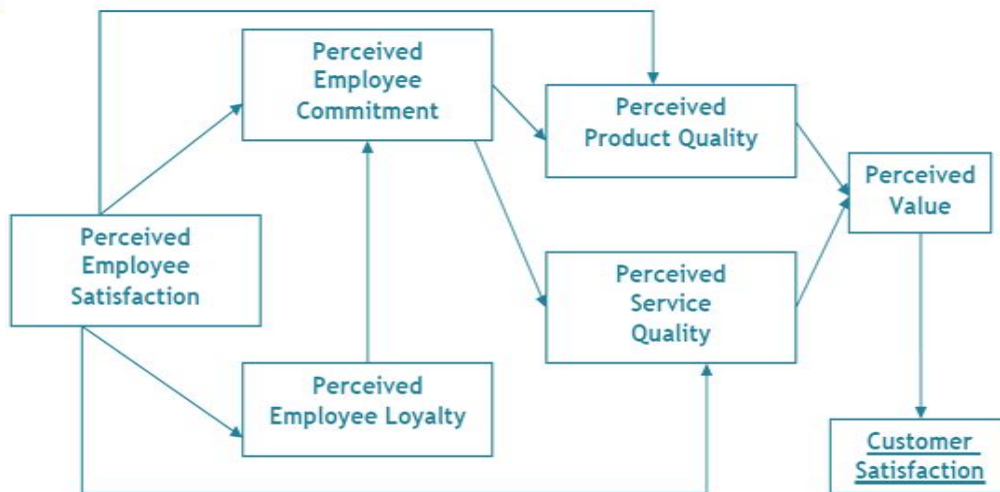


Figure 3.8: Customer satisfaction and perceived value

According to their model, employee satisfaction not only affects employee commitment and employee loyalty, but it also has a twofold impact (i.e., direct and indirect) on critical customer satisfaction-related variables.

The relationship between employee satisfaction and customer satisfaction has received further empirical confirmation from two methodologically strong studies. Specifically, a recent met analytic investigation (Harter, Schmidt, & Hayes, 2002), based on 7,939 business units in 36 companies, found generalizable relationships, large enough to have substantial practical value, between unit-level employee satisfaction-engagement and business-unit outcomes such as customer satisfaction, productivity, profit, employee turnover, and accidents. Finally, Berhardt, Donthu, and Kennett (2000) measured the relationship between employee satisfaction, customer satisfaction, and profit longitudinally showing that, although the effects of employee satisfaction and customer satisfaction on business profit at a given point in time might not be detectable, they become visible and prominent over time. Specifically, these researchers found a positive relationship between change in customer satisfaction and change in profit/sales, a positive relationship between change in employee satisfaction and change in business profit, and a strong relationship between employee satisfaction and customer satisfaction at any point in time.

Some researchers have focused on organizational antecedents of employee satisfaction and employee customer service. A model offered by Yoon, Hyun Seo, and Seog Yoon (2000) identifies three antecedents:

1. Perceived organizational support (POS), that is, the extent to which employees perceive that the organization values their contributions and cares about their well-being.
2. Perceived supervisory support (PSS), that is, the extent to which supervisors develop climate of trust, helpfulness, and friendliness; high PSS implies that important socio-emotional resources are immediately available in the work environment.
3. Customer participation, that is, the extent to which a customer is physically, mentally, and emotionally involved in the delivery of a service/product. At this level, both the resources/information that customers bring into the transaction and the actual behaviors they engage in are important.

A representation of this model is shown below:

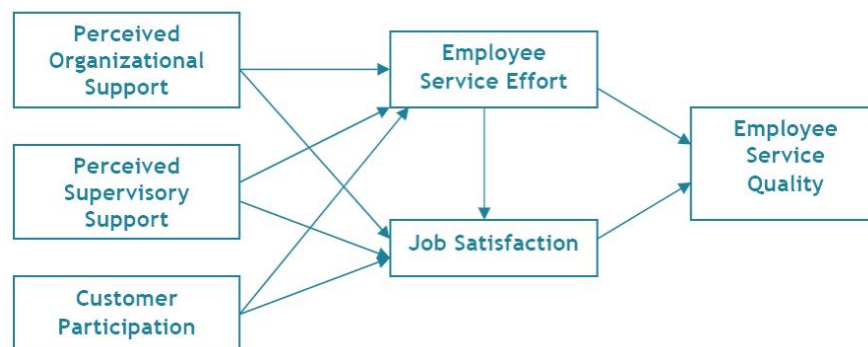


Figure 3.9: Employee service quality

As the model indicates, all three antecedents affect employee service quality through their effect on employee service effort and perceived job satisfaction. Empirical findings suggest that:

1. Of the three antecedents, perceived supervisory support is the single most powerful predictor of job satisfaction and employee service effort.

2. Job satisfaction is a more important predictor of employee service quality than employee service effort.

A model by Hee Yoon and Beatty (2001) presents two antecedents of job satisfaction and employee service quality:

1. Supportive management, that is, the extent to which management is supportive of and shows concern for employees.
2. Service climate, that is, employees' shared perceptions of how much the organization values service.

A representation of this model is shown below:



Figure 3.10: Service climate affects work effort but not job satisfaction

As illustrated in the model, service climate affects work effort but not job satisfaction. However, supportive management has both an effect on work effort and perceived job satisfaction. Work effort influences employee service quality directly as well as through job satisfaction. An empirical test of the model showed that, relative to work effort, job satisfaction was a better predictor of employee service quality.

The Effects of Employee Satisfaction on Customer Outcomes

Maintaining a satisfied staff has positive effects on customer base and company bottom line. Employees that are happy in their work not only stay with company and boost productivity; they also can help maintain a happy customer base as well. The effects of employee satisfaction on customer outcomes are something that each business owner should understand.

The value of product is based on customer perception. If customers perceive product as being valuable, then can set pricing accordingly. According to a February 2005 study by Guide Star Research, part of the perception of value by clients is the satisfaction and dedication of your employees. Customers see employee satisfaction as a commitment by the company to general quality. That helps to improve the perception of value for your product and can allow you to charge more.

Administrative Costs

When having a staff of satisfied employees, customers are taken care of in an efficient and friendly manner. If customers continually get the same friendly and efficient service each time they contact with the company, then customer satisfaction goes up and the cost of administering customer service goes down. The decreased costs of customer service add to the overall profitability of the company.

Customer Retention

When customers have an issue with company or product and they get excellent customer service from satisfied employees, then that creates satisfied customers. Company is more likely to retain satisfied clients when staff continually shows the ability to exceed customer expectations. Customer retention is critical in maintaining a steady flow of revenue.

Reputation

Satisfied employees that are given the resources necessary to do their jobs effectively present an intelligent and proactive image to customers. Company will develop a reputation as a positive company to do business with, and that kind of information will travel through the marketplace and help to attract new clients.

3.13 Previous Studies of Employee-Customer Satisfaction Links

a. Studies on employee and customer satisfaction

With the rising share of the service sector in the global economy, academics and managers have tried to adapt the best practices in the functional areas of production, human resource management and marketing from the manufacturing industry to the service industry. Thereby, services have become topics of specialization, most notably in the field of marketing. The characteristics of services are so idiosyncratic that marketing of services has matured as a topic separate from general marketing. As the production and marketing of services involve human interaction between the producer and the consumer, leading to the 'people is product' notion, the question is relevant to what extent the marketing function intersects with the production and HRM functions. In this respect, a particular relevant strand of research deals with the relationship between employee satisfaction and customer satisfaction. If the two are mutually reinforcing, then company policies in both areas should start from that position.

Understanding the impact of employees' performance is critical in the service sector, because the intangibility of services leads customers to rely on employees' behavior in forming opinions about the service offering (Clark, 1997). Research has focused on the nature and the strength of links between employee satisfaction and customer satisfaction. There is growing evidence that supports a positive relationship between the two (Schneider, 1973; Hostage, 1975; Schneider et al., 1980; Carlzon, 1987; Schneider & Bowen, 1985; Schlesinger & Zornitsky, 1991; Schlesinger & Heskett, 1991a; Wiley, 1991; Rosenbluth & Peters, 1992; Dahlgaard et al., 1998: 355). Heskett et al. (1997) describe the relationship between employee and customer satisfaction with their analogy of the *satisfaction mirror*, which conveys the idea that business success results from employee satisfaction being reflected in terms of customer satisfaction. Schlesinger and Heskett (1991b) claim that staff frustrations lead to high turnover, merely reinforcing the organizational

approach of minimal training, poor rewards and poor customer service in a *cycle of failure* (Schlesinger & Heskett, 1991a). The mirror effect is also central to Normann and Ramirez' (1993) work on the value for designing interactive strategy and also to Liedtka et al.'s (1997) generative cycle of mutually reinforcing, self-sustaining employee and client development in professional services. In particular, the strength and richness of Heskett et al.'s contribution lies in the fact that the model interlinks and integrates many drivers of performance, drawing together many disparate claims about these interdependencies (Silvestro & Cross, 2000).

Several studies involving empirical analysis of some of the links in the service-profit chain have been undertaken. For example, Schneider and Bowen (1985, 1993) provide documented evidence of the relationship between employee and customer satisfaction. Several empirical studies have shown that it is impossible to maintain a satisfied and loyal customer base without satisfied and loyal employees. Those studies suggest a significant impact on customer satisfaction following an improvement in employee attitudes. Brooks (2000) overviews the research on the relationships between financial performance and customer and employee variables. According to his research, between 40 and 80 percent of customer satisfaction and loyalty is determined by the customer-employee relationship, depending on the industry and market segment that is being considered. For example, at Sears (Rucci et al., 1998), employee satisfaction accounts for 60 to 80 percent of customer satisfaction. At The Royal Bank of Canada (Brooks, 2000), 40 percent of the difference in how customers view its services can be directly linked to their relationships with bank staff.

Studies of factors common to successful companies (Porras & Collins, 1994) indicate that those companies whose goals reflect the interests of both employees and customers produce better results. High levels of customer satisfaction are predicted when employees are satisfied and loyal to the organization. Direct and quantifiable links exist between customer variables and employee variables, and financial performance.

b. The service-profit chain as an integrative framework for studying employee and customer satisfaction

The service-profit chain (Heskett et al., 1994) is a research framework that comprises the linkages of employee variables, customer variables and organizational performance.



Figure 3.11: Service- profit chain framework

Employee variables consist of employee perception of internal service quality which organization provides to its employees, employee satisfaction and employee loyalty. Customer variables comprise the customer's perception of the quality of the service delivered by employees, customer satisfaction, and customer loyalty. Causal relationships run from employee variables to customer variables and corporate profitability. The model provides an integrative framework for understanding how employee variables are related to customer variables regarding the perception of the service and intended behavior, and how these ultimately translate into profit. The argument of the service-profit chain (Heskett et al., 1994: 164-165) proceeds as follows:

“Profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of the services provided to customers. Value is created by satisfied, loyal and productive employees. Employee satisfaction results primarily from high-quality support service and policies that enable employees to deliver results to customers.”

Heskett et al. (1997) collected empirical evidence from 20 large service organizations supporting many of the linkages in the chain. However, they appeared not to have subjected any single organization to a simultaneous analysis of all the linkages in the chain. Based on the service- profit chain framework, an empirical study in a leading Chinese securities firm has been conducted to fill in this gap. The study assesses the service-profit chain by two interdependent models. The first

model describes customer-profit relations, while the second model deals with employee profit model (Xu, 2004). A third model synthesizes the interdependent models in an overall service- profit chain model. The first two models and their empirical tests are discussed in the next two subsections. The synthesized model is the treated in the section 3 and following.

c. The empirically tested customer-profit model

The customer-profit model, as the marketing module of the service-profit chain model, is presented in Figure 9. Even though the terminology of the main constructs (quality perception; customer satisfaction; loyalty) is about perceptions and behavior of consumers, it should be realized that these constructs are explicitly linked to what has been labeled the employee variables in the above. The perception of the relationship value, as a direct determinant of customer satisfaction and an indirect determinant of profitability, hinges on the trust that exists between the customer and the service provider as represented by the employees with whom the customer is in more or less frequent contact. Likewise, the perception of service quality is co-determined by the customer's perception of the employee. Although employees can be trained in politeness and helpfulness, it is probable that the general state of mind of employees is mirrored by the perceptions that consumers are holding. The general assumption therefore is that, although it is not explicitly specified in the model at this stage, employee satisfaction feeds into the model via the employee related variables that determine the main customer constructs.

Focusing on this part of the service profit chain, the empirical tests of the customer-profit model indicate positive causal relationships running from customer perception of service quality and relationship value to customer satisfaction and to customer loyalty and positive word of mouth, and ultimately profitability. Customer perception of service quality has a positive influence on customer satisfaction, and employee service attitude is more important than the provision of IT in the customer perception of service quality.

The customer perception of relationship value has a positive influence on customer satisfaction. Among the three components (social benefits, special benefits and trust) of relationship value perceived by customers, trust is considered to be most important by customers, followed by social benefits. and special benefits, suggesting that trust plays a key role in managing customer relationships.

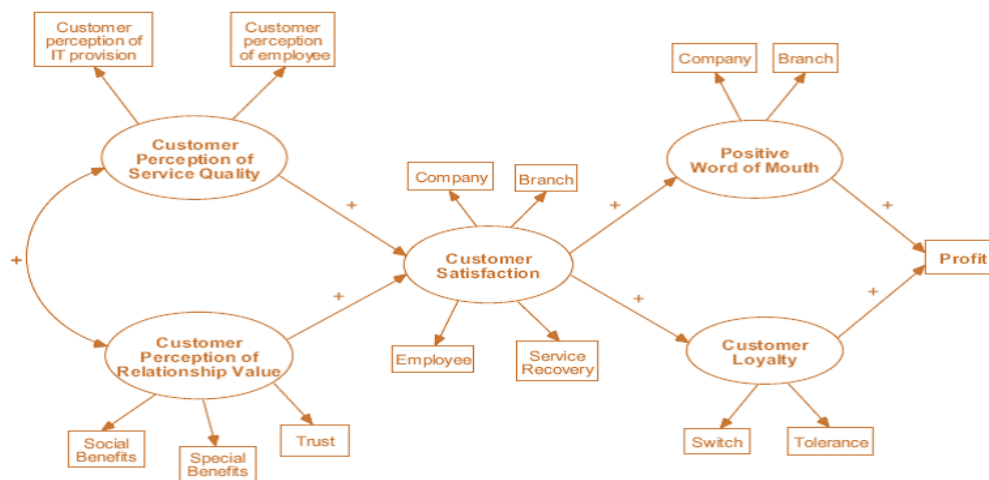


Figure 3.12: The Empirically Tested Customer-Profit Model

Customer satisfaction is an important determinant of repeat purchasing behavior, and therefore it is the essential component of sustainable competitive advantage (Van Montfort et al., 2000). Customer satisfaction is assumed to be one of the most important criteria for customer loyalty (Heskett et al., 1994). The empirical study of the customer-profit model has pointed out that customer satisfaction has a positive impact on customer loyalty and on the company's financial performance (profitability). Customer satisfaction, measured by customer rating of the company, branch, employee and service recovery, can be predicted by customer perception of the service quality and service relationship value. Customer satisfaction has a positive influence on customer loyalty, in terms of both intentions to switch and tolerance to price changes. Profitability is positively influenced by customer loyalty. For a detailed overview of the model specifications, the operationalization of the variables and the findings, we refer to Xu (2004).

In summary, as the attitude of employees and trust are prevalently instrumental in providing the basis for continued business with existing customers, and by word-of-mouth extending the customer base, a holistic view of HRM and marketing policies – rather than as distinct functions within the organization – seems to be viable.

d. The Empirically Tested Employee-Profit Model

The employee-profit model is presented in Figure 3. As in the customer-profit module of the service-profit chain, the employee variables are relatable to attitudes that reside at the level of customers. The strongest argument here is in the case of employee satisfaction, which is directly determined by job characteristics. As the perception of what makes the job attractive may be co influenced by how others (colleagues, customers) evaluate it, it is likely that the level of appreciation by customers – especially if they are in a position to communicate their satisfaction directly to the employee – is instrumental in the satisfaction of the employee. Taking a broad perspective of rewards, consisting of financial and non-financial rewards, it is equally likely that employees’ perception of the quality that they are delivering is influenced by the expressed opinions of managers, colleagues and the consumer as the final recipient and judge of their efforts.

The empirical test of the employee-profit model indicates that the internal service quality perceived by employees is a significant determinant of employee satisfaction. Five dimensions (work environment, work resources, cooperation, leadership and rewards) define the internal service quality in the model. The results suggest that employee satisfaction has a strong influence on employee turnover intention, and a somewhat less strong influence on tenure. Tenure appears to be a less important determinant of profitability.

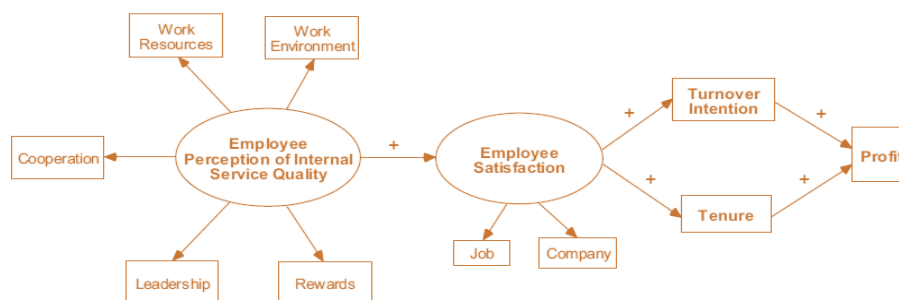


Figure 3.13: The Empirically Tested Employee-Profit Model

The study shows that employee satisfaction has a positive effect on employee loyalty and profitability of the company and that employee satisfaction is predicted by internal service quality perceived by employees. In order to make the company perform better, management should pay attention to cost efficiency measurements as well as employee satisfaction as the latter appears to significantly influence company profitability. Satisfied employees are a catalyst for alignment, as employees deliver satisfaction to customers. They also deliver value to customers and make the company competitive in its markets through their knowledge and experience. Employee satisfaction represents feelings of the employee about the job, defined as the overall evaluation of working for the company. According to the empirically tested model, employee satisfaction is a result from how well employees' financial, professional and personal needs are being met. The results indicate that if the company pays attention to those conditions that enable employees to do a good job, the profit will grow.

In summary, tests of the two interdependent models show the expected signs, that is, they provided support for the assumed strings of events in Heskett's service-profit chain that run from both employee and customer loyalty to profit. Apart from using the empirical model to check what determinants in the model are contributing most to the performance of the service company, on a more abstract level a case can be made for making the interdependencies between the two models explicit. That is, if a method can be found to show that indeed, customer satisfaction tends to be higher whenever employees are more satisfied, and vice versa, then the argument for designing company strategies based on the mutual reinforcement of employee and customer satisfaction in the service industry gains in power. A first attempt in this respect is subject of the next sessions.

3.14 Toward a synthesis of the employee and customer satisfaction models

a. A synthesized model

In the previous section, the two interdependent models of employee satisfaction and customer satisfaction were discussed. The customer-profit model shows that customer variables have a positive impact on profit, while some of the customer variables have clear links to employee-related variables (trust; perception of employee attitude). Similarly, the employee-profit model shows the positive impact of employee variables on profit, while arguing that the employee variables are linked to customer-related variables (expressed satisfaction; job content). Both models provide partial evidence for the relationships put forward by Heskett's in his service profit chain. In order to complete the whole picture, a synthesis of the two models is called for. To bring about this synthesis, use is made of the key variables in Figures 11 and 12, being customer satisfaction and employee satisfaction, and their impact on profit. Reducing the models to their core in this fashion enables building a bridge between the two interdependent models as a means of testing the service-profit chain. A simplified synthesized employee-customer satisfaction model is proposed in

Figure 13.



Figure 3.14: The Employee-Customer Satisfaction Connection

The following hypotheses are tested with the use of this model:

H1: Employee satisfaction is positively correlated to customer satisfaction.

H2: Employee satisfaction positively influences profitability of the company.

H3: Customer satisfaction positively influences profitability of the company.

Hypotheses 2 and 3 follow from the independent models. The added value of the synthesized model is that now it is assumed that both customer and employee satisfaction contribute directly to profitability, while recognizing that, within each company or part of the company, there are additional mechanisms leading from employee satisfaction to customer satisfaction and the other way round, that have the potential to generate accumulated effects. A strong correlation between employee and customer satisfaction implies serious rethinking of separated marketing and HRM strategies.

The literature offers several explanations as to why employee satisfaction affects customer satisfaction:

- ✓ Employees that interact with customers are in a position to develop awareness of and respond to customer goals and needs.
- ✓ Satisfied employees are motivated employees; that is, they have the motivational resources to deliver adequate effort and care.
- ✓ Satisfied employees are empowered employees; in other words, they have the resources, training, and responsibilities to understand and serve customer needs and demands.
- ✓ Satisfied employees have high energy and willingness to give good service: at a very minimum, they can deliver a more positive perception of the service/product provided.
- ✓ Satisfied employees can provide customers with interpersonal sensibility and social account (i.e., adequate explanations for undesirable outcomes). It has been suggested that these components of interactional justice (i.e., quality of interpersonal treatment provided in a negotiation/exchange) have a significant impact on customer satisfaction.

According to this view, because satisfied employees experience interactional justice, they can deliver it; that is, satisfied employees have enough emotional resources to show empathy, understanding, respect, and concern.

Chapter-4

Data Analysis



4.1 Customer Satisfaction Analysis

To measure the customer satisfaction level, this study asked some fixed questions (Questionnaire is attaching in appendix) to 60 different customers who visited First Security Islami Bank, Motijheel Branch frequently divided questionnaire based on some variable which are discussed in literature review. The study has randomly chosen samples for the survey. After completing the survey, analyzed those data by using SPSS.

Descriptive Analysis

INTERPRETATION: Based on 60 samples, Treated as a valued customer ranges from 1 to 2 with the mean of 1.7333 and standard deviation of .77834. Courteous employee ranges from 1 to 3 and the mean and standard deviation is 1.6667 and .60123 respectively. For Willingness to help customer, mean and standard deviation is 1.3333 and .47538 respectively with the minimum and maximum value ranges from 1 to 2. Knowledgeable to understand customer need, the mean and standard deviation is 1.7333 and 1.00620 ranges from 1 to 4 respectively. Prompt services to

	N	Minimum	Maximum	Mean	Std. Deviation
Treated as a valued customer	60	1.00	3.00	1.7333	.77824
Courteous employee	60	1.00	3.00	1.6667	.60132
Willingness to help customer	60	1.00	2.00	1.3333	.47538
Knowledgeable to understand customer need	60	1.00	4.00	1.7333	1.00620
Prompt services to customer	60	1.00	5.00	2.6000	1.15274
Accurate billing	60	1.00	4.00	2.0000	.90198
Detailed bill for each transaction	60	1.00	3.00	1.7333	.86095
Bank provides bill timely	60	1.00	4.00	2.1333	.81233
Affordable service charges	60	2.00	4.00	2.7333	.68561
Quality of financial services	60	1.00	3.00	1.7333	.68561
Satisfaction Level	60	1.00	4.00	1.8500	.77733
Valid N (listwise)	60				

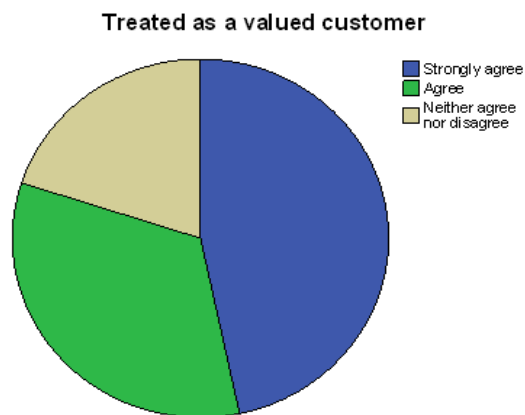
customer range from 1 to 5 and the mean is 2.6000 and the standard deviation is 1.15274. For Accurate billing, mean and standard deviation is 2.0000 and .90198 respectively with the minimum and maximum value ranges from 1 to 4. Detailed bill for each transaction ranges from 1 to 3 and the mean and standard deviation is 1.7333 and .86095 respectively. Bank provides bill timely ranging from 1 to 4 and the mean is 2.1333 and standard deviation is .81233. For Affordable service charges, a range from 2 to 4 and the mean is 2.7333 and standard deviation is .68561. Quality of financial services range from 2 to 4 and the mean is 1.7333 and standard deviation is .68561. For Satisfaction Level, mean and standard deviation is

1.8500 and .77733 respectively with the minimum and maximum value ranges from 1 to 4. It has been observed in the table that almost all the Mean are similar. High Standard Deviation means that the data are wide spread, which means that customers give variety of opinion and the low standard deviation means that customers express close opinion.

a. Frequency table and Pie chart:

1. Treated as a valued customer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	28	46.7	46.7	46.7
	Agree	20	33.3	33.3	80.0
	Neither agree nor disagree	12	20.0	20.0	100.0
	Total	60	100.0	100.0	

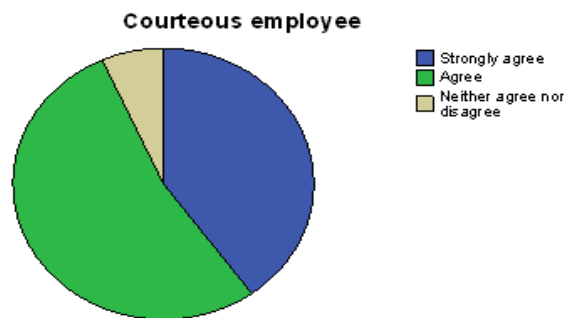


Willingness to help customer

INTERPRETATION:46.7% customers are highly satisfied that they are treated as valued customer of First Security Islami Bank, Motijheel Branch and 33.3% are satisfied and 20% customers are neither satisfied nor dissatisfied.\

2. Courteous employee

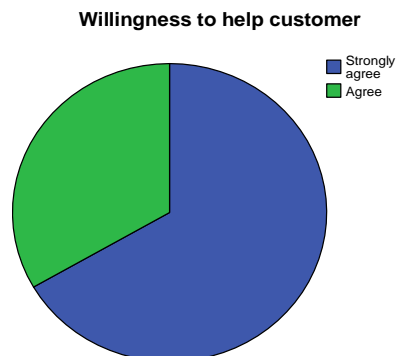
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	24	40.0	40.0	40.0
	Agree	32	53.3	53.3	93.3
	Neither agree nor disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	



INTERPRETATION: 53.3% customers are satisfied and 40% customers are highly satisfied but 6.7% customers are neither or nor satisfied on employees behaviour.

3. Willingness to help customer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	40	66.7	66.7	66.7
	Agree	20	33.3	33.3	100.0
	Total	60	100.0	100.0	

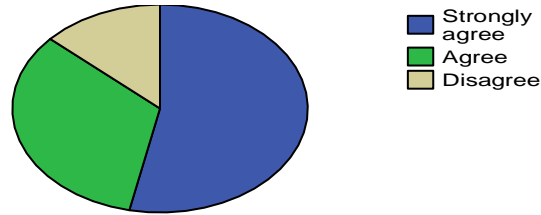


INTERPRETATION: 66.7% customers are highly agreed to this statement that employees have willingness to help them.

4. Knowledgeable to understand customer need

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	32	53.3	53.3	53.3
	Agree	20	33.3	33.3	86.7
	Disagree	8	13.3	13.3	100.0
	Total	60	100.0	100.0	

Knowledgeable to understand customer need

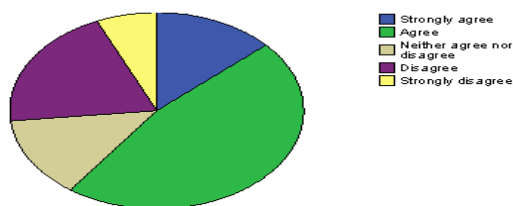


INTERPRETATION: 53.3% customers are highly satisfied that employees have enough knowledge to clearly understand their need. 33.3% customers are satisfied and 13.3% are dissatisfied on employees of First Security Islami bank, Motijheel Branch.

5. Prompt services to customer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	13.3	13.3	13.3
	Agree	28	46.7	46.7	60.0
	Neither agree nor disagree	8	13.3	13.3	73.3
	Disagree	12	20.0	20.0	93.3
	Strongly disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

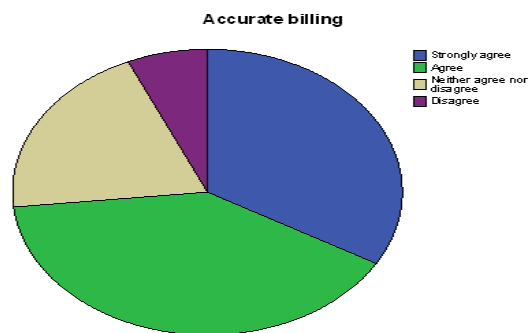
Prompt services to customer



INTERPRETATION: Customers have given varieties opinion in this statement. 13.3% respondents are strongly agreed, 46.7% are agreed that they get fast services from bank. 13.3% are neither agreed nor disagreed. For prompt services to customer, 20% and 6.7% are disagreed and strongly disagree respectively with this statement.

5. Accurate billing

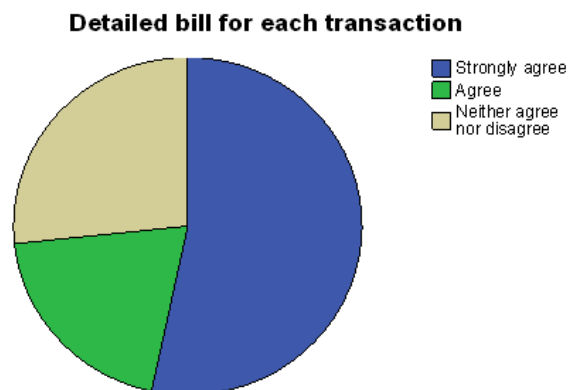
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	20	33.3	33.3	33.3
	Agree	24	40.0	40.0	73.3
	Neither agree nor disagree	12	20.0	20.0	93.3
	Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	



INTERPRETATION: For accuracy of billing, from 60 respondents 33.3% and 40% are strongly agreed and agreed respectively. 20% have not clear opinion and 6.7% are disagree with regarding to this statement

6. Detailed bill for each transaction

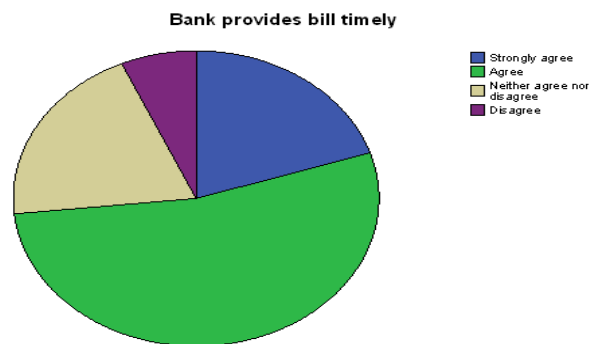
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	32	53.3	53.3	53.3
	Agree	12	20.0	20.0	73.3
	Neither agree nor disagree	16	26.7	26.7	100.0
	Total	60	100.0	100.0	



INTERPRETATION: 53.3% and 20% respondents are strongly satisfied and satisfied respectively. 26.7% are neither satisfied nor dissatisfied with this statement.

7. Bank provides bill timely

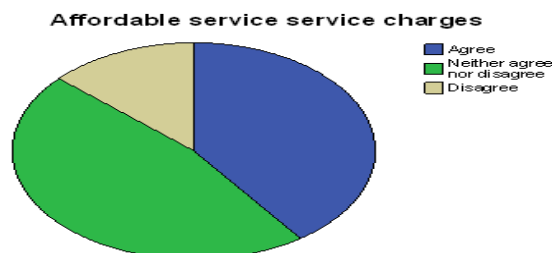
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	12	20.0	20.0	20.0
	Agree	32	53.3	53.3	73.3
	Neither agree nor disagree	12	20.0	20.0	93.3
	Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	



INTERPRETATION: From 60 respondents 53% are satisfied, 20% are highly satisfied, 20% are neutral and 6.7% are dissatisfied with regarding to bank provides bill timely.

8. Affordable service charges

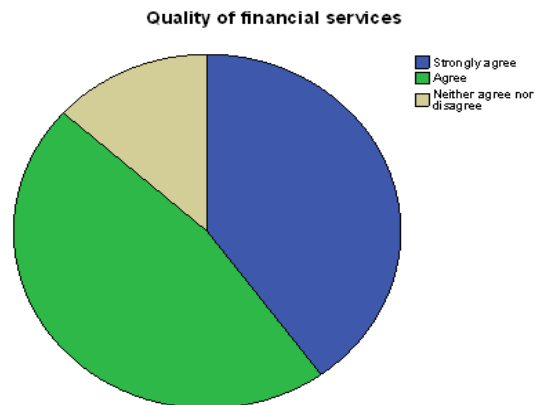
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	24	40.0	40.0	40.0
	Neither agree nor disagree	28	46.7	46.7	86.7
	Disagree	8	13.3	13.3	100.0
Total		60	100.0	100.0	



INTERPRETATION: From 60 respondents 40% are satisfied, 46.7% are neither satisfied nor dissatisfied and 13.3% are dissatisfied with regarding to affordable service charges.

9. Quality of financial services

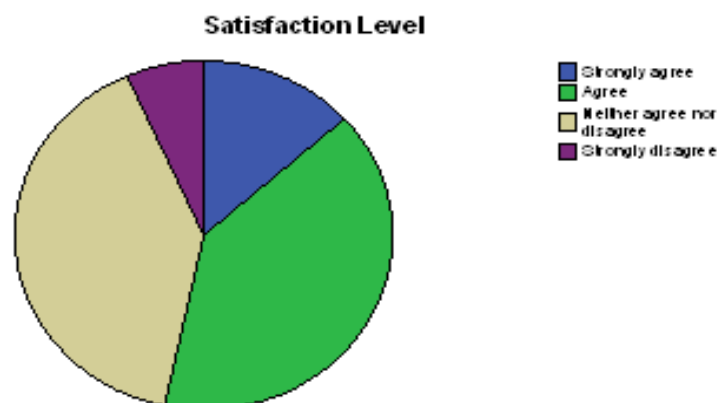
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	24	40.0	40.0	40.0
	Agree	28	46.7	46.7	86.7
	Neither agree nor disagree	8	13.3	13.3	100.0
	Total	60	100.0	100.0	



INTERPRETATION: 40% and 46.7% respondents are strongly satisfied and satisfied respectively. 13.3% are neither satisfied nor dissatisfied with this statement.

Satisfaction Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	13.3	13.3	13.3
	Agree	24	40.0	40.0	53.3
	Neither agree nor disagree	24	40.0	40.0	93.3
	Strongly disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	



INTERPRETATION: In the context of overall satisfaction, 13.3% are highly satisfied, 40% are satisfied, 40% are neither satisfied nor dissatisfied and 6.7% are highly dissatisfied among 60 respondents.

b. Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	.184	.435		.423	.674
	Treated as a valued customer	-.305	.173	-.246	-1.762	.084
	Courteous employee	-.325	.183	-.202	-1.777	.082
	Willingness to help customer	.053	.257	.026	.205	.838
	Knowledgeable to understand customer need	-7.73E-005	.149	.000	-.001	1.000
	Prompt services to customer	.365	.164	.436	2.225	.031
	Accurate billing	.816	.349	.762	2.337	.024
	Detailed bill for each transaction	-.361	.314	-.322	-1.149	.256
	Bank provides bill timely	-.215	.099	-.181	-2.166	.035
	Affordable service charges	.475	.215	.337	2.204	.032
	Quality of financial services	.282	.308	.200	.916	.364

a Dependent Variable: Satisfaction Level

Interpretation: We know that-

$$Y = a + bx \quad [\text{Equation of Linear Regression}]$$

$$Y = \{.184 + (-.305) V1 + (-.325) V2 + (.053) V3 + (.005) V4 + (.365) V5 + (.816) V6 + (-.361) V7 + (-.215) V8 + (.475) V9 + (.282) V10\}$$

Here,

Y= Customer satisfaction

a= Constant

x= Independent variable

V1= Treated as a valued customer

V2=Courteous employee

V3=Willingness to help customer

V4=Knowledgeable to understand customer need

V5=Prompt services to customer

V6=Accurate billing

V7=Detailed bill for each transaction

V8=Bank provides bill timely

V9=Affordable service charges

V10=Quality of financial services

a. Interpretation: Pearson Correlation (from appendix 1)

A correlation coefficient is a very useful way to summarise the relationship between two variables with a single number that falls between -1 and +1 (Welkowitz et al., 2006). Morgan et al. (2004) stated that:

- -1.0 (a perfect negative correlation)
- 0.0 (no correlation)
- +1.0 (a perfect positive correlation)

Satisfaction level is positively correlated with V1, V2, V3, V4, V5, V6, V9, where V2, V3, V4, V5 are directly related with employee's performance.

- ✚ V1 (Treated as a valued customer) is highly influenced by V5V9, V10 and V5 (Prompt services to customer) is correlated with employee's performance.
- ✚ V2 (Courteous Employee) is highly influenced by V4 and V6 in which V4 (Knowledgeable to understand customer need) and V2 are related with each other.
- ✚ V3 is highly effected by V5
- ✚ V4 is positively correlated with V2, V6, V7 where V2 is based on employee's behaviour
- ✚ V5 is positively correlated with V1, V3, V9 where V1 and V3 is employee related
- ✚ V6 is positively correlated with V2, V4, V7 and V10. Here V2 and V4 is employee related
- ✚ V7 is positively correlated with V4 and V7
- ✚ V8 is negatively correlated with V1, V2, V5, V9 and V10.
- ✚ V9 is positively correlated with V1, V5 and V10 where V1 and V5 is related with employee's performance
- ✚ V10 is positively correlated with V1, V6 and V9.

4.2 Employee Satisfaction Analysis

a. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Communicating goals and strategies	30	1.00	2.00	1.1000	.30513
Opportunities for professional growth	30	1.00	4.00	1.9000	.84486
Receiving training for doing job well	30	1.00	3.00	1.7667	.62606
Clear job responsibilities	30	1.00	2.00	1.1667	.37905
Physically comfortable workplace	30	1.00	5.00	2.4667	1.25212
Resources for doing job well	30	1.00	3.00	1.8000	.92476
Praise and recognition From manager	30	1.00	3.00	1.8333	.69893
Teamwork and cooperation	30	1.00	2.00	1.5333	.50742
Sharing information and knowledge	30	1.00	2.00	1.5667	.50401
Policies for promotion and advancement	30	1.00	4.00	2.3333	.92227
Competitive salary	30	1.00	2.00	1.7333	.44978
Comparable benefits	30	1.00	2.00	1.6667	.47946
Disagree with manager without fear of getting in trouble	30	1.00	4.00	2.2000	.88668
Suggestion and leadership	30	1.00	2.00	1.5667	.50401
Quickly and courteously respond to customer need	30	1.00	2.00	1.3667	.49013
High expectation to company	30	1.00	2.00	1.3333	.47946
Management gives top priority to employee satisfaction	30	1.00	2.00	1.6333	.49013
Overall job satisfaction	30	1.00	4.00	2.1000	.92289
Valid N (listwise)	30				

Interpretation: Based on 30 samples, communicating goals and strategies ranges from 1 to 2 with the mean of 1.1000 and standard deviation of .30513. Opportunities for professional growth ranges from 1 to 4 and the mean and standard deviation are 1.9000 and .84486 respectively. Receiving training for doing job well, mean and standard deviation are 1.7667 and .62606 respectively with the minimum and maximum value ranges from 1 to 3. Clear job responsibilities, the mean and standard deviation are 1.1667 and .62606 ranges from 1 to 3 respectively. Physically comfortable workplace ranges from 1 to 5 and the mean is 2.4667 and the standard deviation is 1.25212. Resources for doing job well mean and standard deviation are 1.8000 and .92476 respectively with the minimum and maximum value ranges from 1 to 3. Praise and recognition from manager range from 1 to 2 and the mean and standard deviation are 1.8333 and .69893 respectively. Teamwork and cooperation range from 1 to 2 and the mean is 1.8333 and standard deviation is .50742. Sharing information and knowledge, a range from 1 to 2 and the mean is 1.5667 and standard deviation is .50401. Policies for promotion and advancement range from 1 to 4 and the mean is 2.3333 and standard deviation is .92227. For Competitive salary, mean and standard deviation are 1.7333 and .44978 respectively with the minimum and maximum value ranges from 1 to 2. Comparable benefits range from 1 to 2 with the mean of 1.6667 and standard deviation of .44978. Disagree with manager without fear of getting in trouble ranges from 1 to 4 and the mean and standard deviation are 2.2000 and .88668 respectively. For Suggestion and leadership, mean and standard deviation are 1.5667 and .50401 respectively with the minimum and maximum value ranges from 1 to 2. Quickly and courteously respond to customer need, the mean and standard deviation are 1.3667 and .49013 ranging from 1 to 2 respectively. High expectation to company ranges from 1 to 2 and the mean is 1.333 and the standard deviation is .47946. Management gives top priority to employee satisfaction mean and standard deviation are 1.633 and .49013 respectively with the minimum and maximum value ranges from 1 to 2. Overall job satisfaction ranges from 1 to 4 and the mean and standard deviation are 2.1000 and .92289 respectively. It has been observed in the table that almost all the Mean are similar. High Standard Deviation means that the data are wide spread, which means

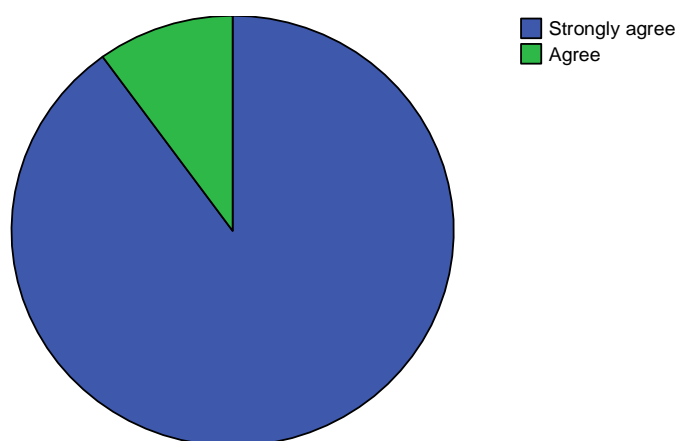
that customers give variety of opinion and the low standard deviation means that customers express close opinion.

b. Frequency table and Pie Chart:

1. Communicating goals and strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	27	90.0	90.0	90.0
	Agree	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Communicating goals and strategies

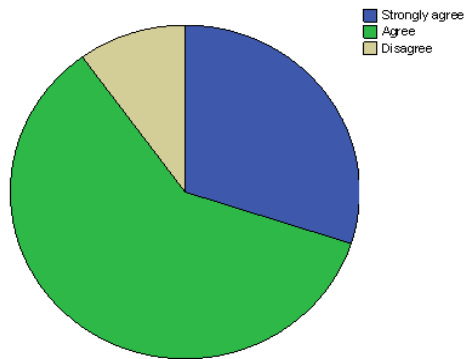


INTERPRETATION: From 30 employees, 90% strongly agreed and 10% agreed that First Security Islami Bank clearly communicates with goals and strategies to employees.

2. Opportunities for professional growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	9	30.0	30.0	30.0
	Agree	18	60.0	60.0	90.0
	Disagree	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Opportunities for professional growth

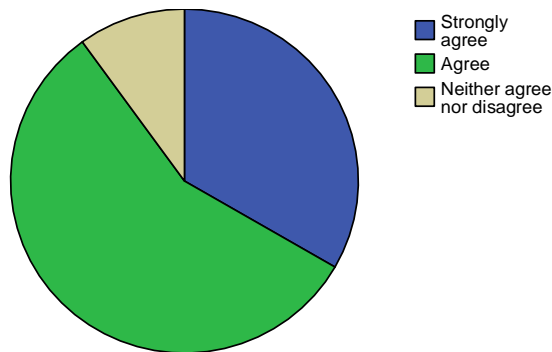


INTERPRETATION: From frequency table, we can see 30% employee strongly agree, 60% agree that they have enough opportunity for professional growth in First Security Islami Bank but 10% disagree with this.

3. Receiving training for doing job well

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	33.3	33.3	33.3
	Agree	17	56.7	56.7	90.0
	Neither agree nor disagree	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Receiving training for doing job well

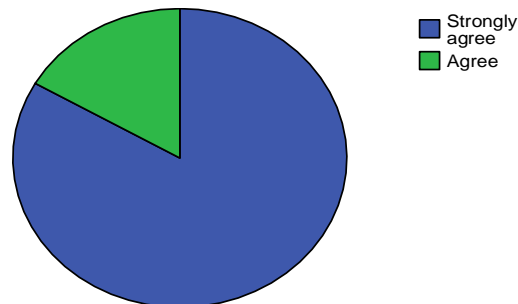


INTERPRETATION: The above analysis shows that 33.3% strongly agree, 56.7% agree and 10% neither agree nor disagree with the statement.

4. Clear job responsibilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	25	83.3	83.3	83.3
	Agree	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

Clear job responsibilities

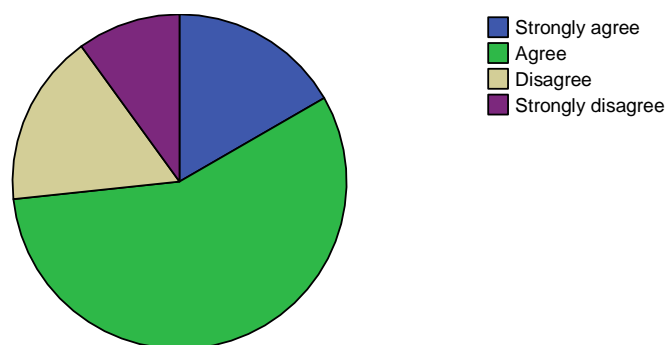


INTERPRETATION: Among 30 employees, 83.3% strongly agree and 16.7% agree that their job responsibility clear.

5. Physically comfortable workplace

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	5	16.7	16.7	16.7
	Agree	17	56.7	56.7	73.3
	Disagree	5	16.7	16.7	90.0
	Strongly disagree	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Physically comfortable workplace

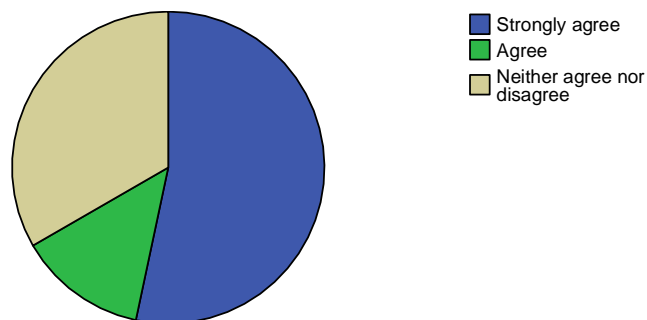


INTERPRETATION: For physically comfortable workplace, 16.7% strongly agree, 56.7% agree, 16.7% disagree and 10% strongly disagree.

6. Resources for doing job well

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	16	53.3	53.3	53.3
	Agree	4	13.3	13.3	66.7
	Neither agree nor disagree	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

Resources for doing job well

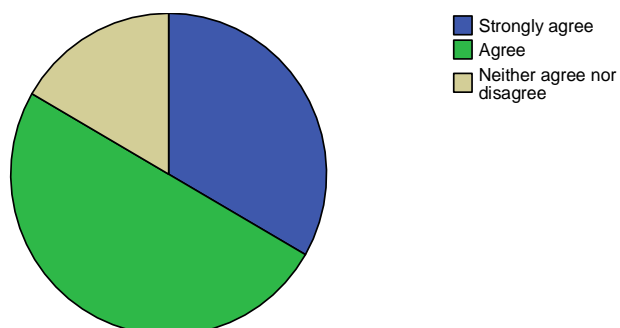


INTERPRETATION: The above analysis shows that 53.3% strongly agree, 13.3% agree and 33.3% neither agree nor disagree with the statement.

7. Praise and recognition from manager

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	33.3	33.3	33.3
	Agree	15	50.0	50.0	83.3
	Neither agree nor disagree	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

Praise and recognition from manager

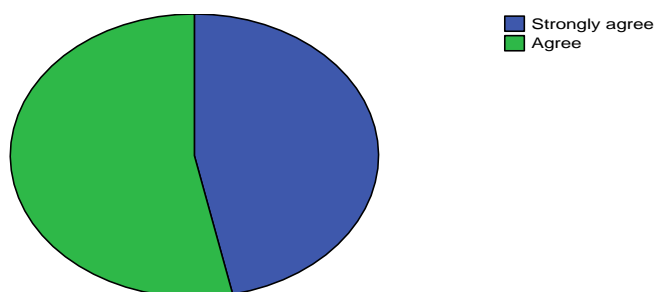


INTERPRETATION: From frequency table, we can see 33.3% employee strongly agree, 50% agree that they are praised and recognized by manager in First Security Islami Bank but 16.7% neither agree nor disagree with this.

8. Teamwork and cooperation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	14	46.7	46.7	46.7
	Agree	16	53.3	53.3	100.0
	Total	30	100.0	100.0	

Teamwork and cooperation

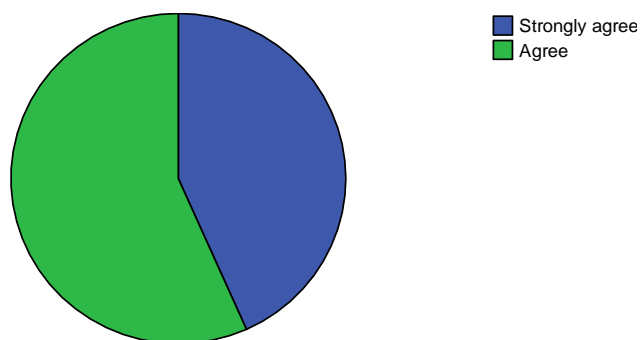


INTERPRETATION: The above analysis shows that 46.7% strongly agree, 53.3% agree with the statement.

9. Sharing information and knowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	13	43.3	43.3	43.3
	Agree	17	56.7	56.7	100.0
	Total	30	100.0	100.0	

Sharing information and knowledge

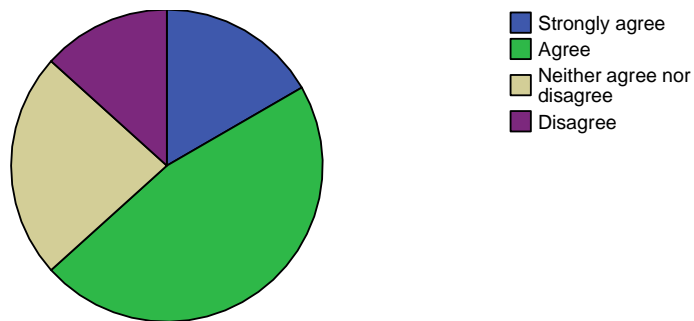


INTERPRETATION: From 30 employees, 43.3% strongly agree and 56.7% agree that they share information and knowledge with each other.

10. Policies for promotion and advancement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	5	16.7	16.7	16.7
	Agree	14	46.7	46.7	63.3
	Neither agree nor disagree	7	23.3	23.3	86.7
	Disagree	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

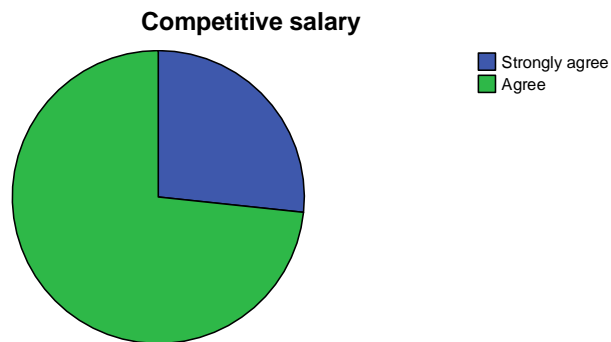
Policies for promotion and advancement



INTERPRETATION: Respectively 16.7% and 46.7% employees strongly agree and agree that policies for promotion and advancement are fair. 23.3% neither agree nor disagree and 13.3% disagree with policies for promotion and advancement.

11. Competitive salary

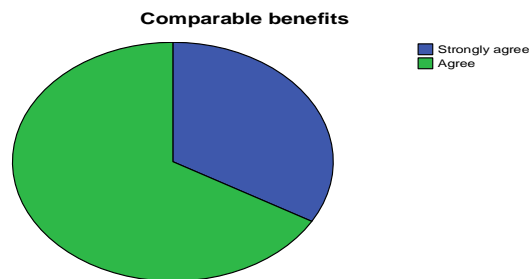
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	26.7	26.7	26.7
	Agree	22	73.3	73.3	100.0
	Total	30	100.0	100.0	



INTERPRETATION: From 30 employees, respectively 26.7% and 73.3% strongly agree and agree that they get competitive salary

12. Comparable benefits

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	33.3	33.3	33.3
	Agree	20	66.7	66.7	100.0
	Total	30	100.0	100.0	

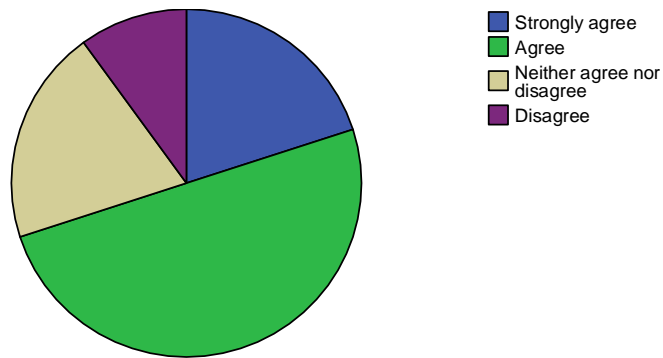


INTERPRETATION: From 30 employees, respectively 33.3% and 66.7% strongly agree and agree that they get comparable benefits.

13. Disagree with manager without fear of getting in trouble

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	6	20.0	20.0	20.0
	Agree	15	50.0	50.0	70.0
	Neither agree nor disagree	6	20.0	20.0	90.0
	Disagree	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Disagree with manager without fear of getting in trouble

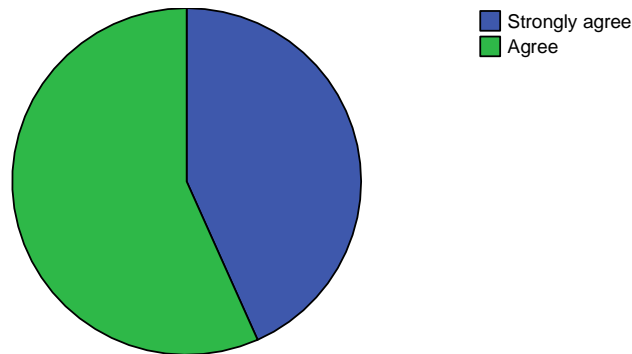


INTERPRETATION: Respectively 20% and 50% employees strongly agree and agree. 20% neither agree nor disagree and 10% disagree with this statement.

14. Suggestion and leadership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	13	43.3	43.3	43.3
	Agree	17	56.7	56.7	100.0
	Total	30	100.0	100.0	

Suggestion and leadership

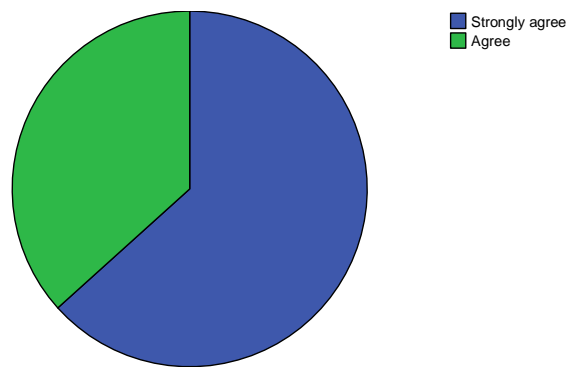


INTERPRETATION: Respectively 43.3% and 56.7% employees strongly agree and agree that management looks for suggestion and leadership from them.

14. Quickly and courteously respond to customer need

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	19	63.3	63.3	63.3
	Agree	11	36.7	36.7	100.0
	Total	30	100.0	100.0	

Quickly and courteously respond to customer need

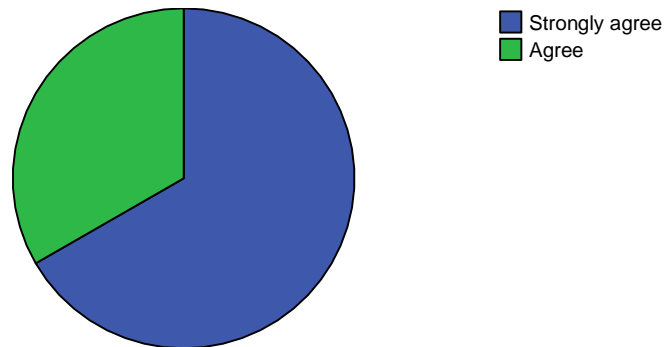


INTERPRETATION: Respectively 63.3% and 36.7% employees strongly agree and agree that they respond quickly and courteously to customer need.

15. High expectation to company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	20	66.7	66.7	66.7
	Agree	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

High expectation to company

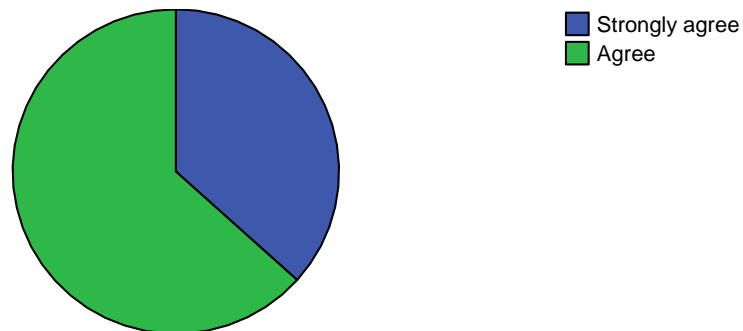


INTERPRETATION: Respectively 66.7% and 33.3% employees strongly agree and agree that they have high expectation to First Security Islami bank.

16. Management gives top priority to employee satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	11	36.7	36.7	36.7
	Agree	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

Management gives top priority to employee satisfaction

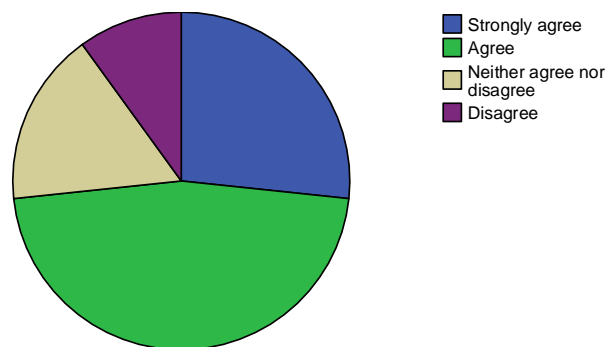


INTERPRETATION: From 30 employees, 36.7% strongly agree and 63.3% agree that Management gives top priority to employee satisfaction.

17. Overall job satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	26.7	26.7	26.7
	Agree	14	46.7	46.7	73.3
	Neither agree nor disagree	5	16.7	16.7	90.0
	Disagree	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Overall job satisfaction



INTERPRETATION: From 30 employees, 26.7% highly satisfy, 46.7% satisfy, 16.7% neither satisfy nor dissatisfy and 10% employee dissatisfy on First Security Islami bank, Motijheel Branch.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	-.182	.000		-5979738.054	.000
	V2. Opportunities for professional growth	.121	.000	.111	10584354.882	.000
	V6. Resources for doing job well	.333	.000	.334	50162297.847	.000
	V7. Praise and recognition from manager	1.061	.000	.803	95561167.873	.000
	V8. Teamwork and cooperation	-.061	.000	-.033	-4151290.026	.000
	V9. Sharing information and knowledge	-.394	.000	-.215	-36116358.037	.000
	V10. Policies for promotion and advancement	.212	.000	.212	26827486.293	.000
	V11. Competitive salary	-.424	.000	-.207	-28571629.974	.000
	V12. . Comparable benefits	.545	.000	.283	35375513.863	.000
	V14. Suggestion and leadership	-.758	.000	-.414	-46220631.229	.000
	V16. High expectation to company	.848	.000	.441	37667426.600	.000
	V17 .Management gives top priority to employee satisfaction	-.242	.000	-.129	-11821203.626	.000

c. Coefficients (a)

a Dependent Variable: Overall job satisfaction

$$Y = a + bx$$

$$Y = -.182 + .121V_2 + .333V_6 + 1.061V_7 + (-.061)V_8 + (-.394)V_9 + .212V_{10} + (.212)V_{11} + .545V_{12} + (-.758)V_{14} + .848V_{16} + (-.242)V_{17}$$

Here,

Y = Dependent Variable (Overall job satisfaction)

a = constant

b = coefficient and x = Variables

d. Correlation Analysis: From Appendix 2

1. Overall job satisfaction has positive correlation with V1, V2, V3, V5, V6, V7, V12 and V13
2. Communicating goals and strategies is correlated with V2, V5, V7, V13
3. Opportunities for professional growth is influenced by V1 and V5
4. Receiving training for doing job well, this variable is correlated with V5, V6, V10, V12 and V17
5. Clear job responsibilities is only related with V15
6. Physically comfortable workplace has positive correlation with V1, V2, V3, V6, V12 and V13
7. Resources for doing job well, this variable depends on V3, V13, V16, V17
8. Praise and recognition from manager is positively correlated with V1, V8, V13, V14
9. Sharing information and knowledge, it strongly depends on V13
10. Policies for promotion and advancement has positive correlation with V3, V12 and V17
11. Competitive salary, this variable is positively related with V15
12. Comparable benefits, this variable has positive relation with V3, V5, V10, V18

13. Disagree with manager without fear of getting in trouble, this variable has positive and strong correlation with V1, V5, V6, V7, V9
14. Suggestion and leadership, it depends on V7
15. Quickly and courteously respond to customer need, it depends on V4
16. High expectation to company, this variable is correlated with V6 and V18
17. Management gives top priority to employee satisfaction; this variable has positive correlation with V3, V6, V10, V12 and V16.

4.3 Correlation between Customer satisfaction and Employee satisfaction:

Correlations

		Customer Satisfaction level	Overall Employee job satisfaction
Pearson Correlation	Customer Satisfaction level	1.000	.732
	Overall Employee job satisfaction	.732	1.000
Sig. (1-tailed)	Customer Satisfaction level	.	.000
	Overall Employee job satisfaction	.000	.
N	Customer Satisfaction level	30	30
	Overall Employee job satisfaction	30	30

Sample Size Ratio between targeted employees and customers:

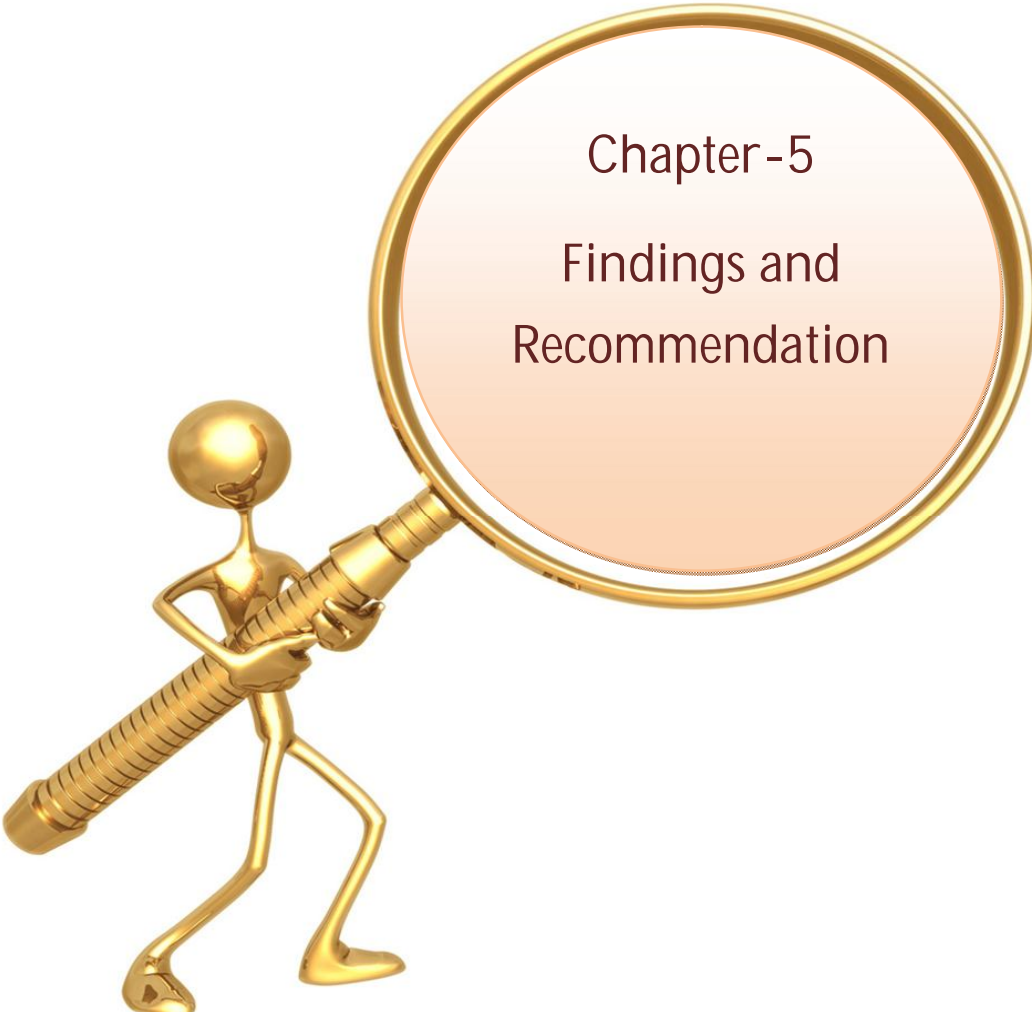
For calculating the correlation between customer satisfaction and employee satisfaction, we have taken 2 customers who are serving by 1 employee.

Employee: Customer

30 : 60

1 : 2

From the above table it is shown that Customer satisfaction is positively correlated with Employee satisfaction. When the value exceeds 500, it is said that the value is positive and strong regarding to the variables. Here it is noticed that the overall employee job satisfaction value is .732 which is showed that customer satisfaction largely depends on employee satisfaction.



Chapter-5
Findings and
Recommendation

5.1 Findings of Customer Satisfaction

a. For descriptive analysis,

If the mean values are below 3 and the standard deviation values are less than 1 those variables are holding positive perception by the customers. On the other hand if the mean values are above 3 and the standard deviation values are less than 1 those variables are holding negative perception by the customers. From the descriptive analysis, we can see that all the variables, which are taken from literature review, are positive situation because their mean value below 3 and most of the standard deviation are less than 1, so it is acceptable. It expresses both bank services and employees' performances are more preferable to their customers.

b. From Frequency table and pie chart analysis,

The study have found customer response on both bank services and employee performances by using table and these responses are shown in pie chart. According to these tables, on average 48% customers are satisfied and 35% are highly satisfied on First Security Islami bank Motijheel branch employees' performance and bank services.

c. According to Pearson Correlation analysis,

It has been found that customer satisfaction level is positively correlated with some variables among the total variables. These variables are- treated as valued customer, courteous employees, willingness to help customer, knowledgeable to understand customer need, prompt services to customers, accurate billing and affordable service charges. Among these variables, courteous employees, willingness to help customer, knowledgeable to understand customer need, prompt services to customers are directly correlated with employees' performances. So it's clear that customer satisfaction mostly depends on employee's better performances.

Here maximum people are agreed about the overall satisfaction of First Security Islami Bank Limited is make them satisfied to do transaction with them and they want to continue this relationship with the bank for a long period of time.

5.2 Findings of Employee Satisfaction

a. For descriptive analysis,

If the mean values are below 3 and the standard deviation values are less than 1 those variables are holding positive perception by the employees. On the other hand if the mean values are above 3 and the standard deviation values are less than 1 those variables are holding negative perception by the employees. From the descriptive table, it is shown that all the variable, which are taken from literature review, are in positive situation because their mean value below 3 and most of the standard deviation are less than 1 except the variable of physically comfortable workplace. Its standard deviation is more than 1 and means value is near to 3. The mean value of overall job satisfaction of employees is 2.100 and std. Deviation is .92289. So it's clear that employees are satisfied but overall not highly satisfied.

b. For frequency table and pie chart analysis

The study have found employee response on different variable which are used for determining their satisfaction level by using table and these responses are shown in pie chart. According to these tables, on average 46.7% employees are satisfied and 26.7 % are highly satisfied on First Security Islami bank Motijheel branch management and others facilities.

c. From correlation analysis,

It has been found that employees' job satisfaction is positively correlated with some variables. These are- Communicating goals and strategies, Opportunities for professional growth, receiving training for doing job well, Physically comfortable workplace, Resources for doing job well, Praise and recognition, Comparable benefits and job security (disagree with manager without fear of getting in trouble). Supporting management, that is, the extent to which management is supportive of and shows concern for employees. Service workplace, that is, employees' shared perceptions of how much the organization values service. Service workplace affects work effort and job satisfaction. Work effort influences employee service quality directly as well as through job satisfaction. When employees think that they have enough opportunity for professional growth, they try to attain companies' goal. During the time of face to face conversation of First Security Islami bank employees, they said that an employee satisfaction is related not only salary but the workplace, growth, recognition, authority and accountability and authority also motivated them to perform better. However, supportive management has both an effect on work effort and perceived job satisfaction.

5.3 From correlation analysis between customer satisfaction and employee satisfaction

The final analysis of the present study is to run the correlation on the significant variables on the both of the factor of the employee satisfaction and the customer satisfaction. In this way the study finds out the relationship between customer satisfactions on the employee satisfaction of First Security Islami Bank. As the table 4.3 suggest that the dimension of employee satisfaction chosen in the research is positively correlate with the dimensions of the customer satisfaction. Following are the main factors in Figure 5.1 which are highly positively correlated and suggested that employee satisfaction has impact on the customer satisfaction.

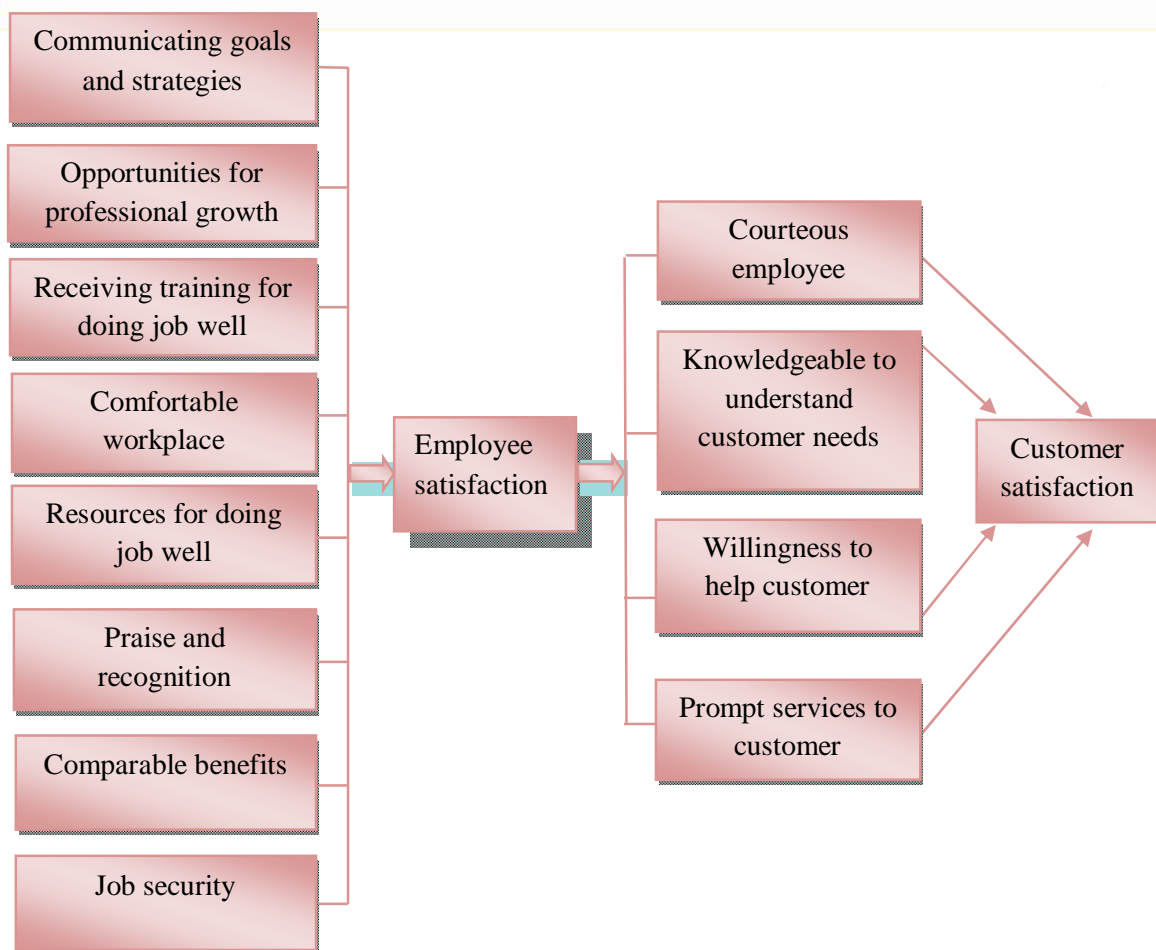
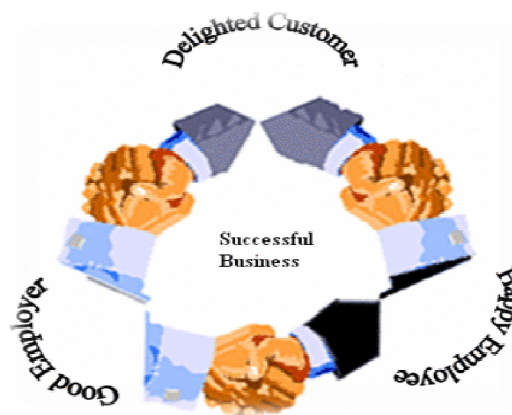


Fig 5.1: Correlation between customer satisfaction and employee satisfaction

After analysis, we have found the above result. The figure describes that employee satisfaction, especially First Security Islami Bank employees, depends on some variable. For example- when an employee gets, opportunity for growth, praise and recognition from manager, comparable benefits and job security, they become courteous with customer and willingly help them. Moreover when they get training and resources, they become knowledgeable to easily understand what a customer wants. During the time of study, it is noticeable that FSIBL Jurain branch is not physically comfortable for employees. It's so clumsy and suffocated for doing work patiently. For this reason, sometimes employees cannot provide prompt service to customers. This variable is not only directly correlated with employees' job satisfaction but also adversely affects on employees performance. From the above

figure it is clear that the satisfaction process is totally unilateral that comes from employee to customer.

Finally, it is being said that both employees and customers of FSIBL Jurain branch are satisfied but are not highly satisfied. The mean value of customer satisfaction and employee satisfaction are 1.8533 and 2.1000 respectively. According to the likert scale both of these are near to 2, that means the satisfaction level of customer and employee are about same. Moreover it is showed that Customer satisfaction is linked with employee satisfaction.



5.4 Problem Findings and Solution

From the analysis and findings part, we have found some problems both customer satisfaction and employee satisfaction. Actually both customers and employees are satisfied which are found from the analysis but they are not highly satisfied for some reasons. These problems are mentioned below-

FINDINGS FROM CUSTOMER SATISFACTION-

1. Customers are satisfied on employees' performance but they think that they don't get bill for each transaction on time.
2. Sometimes customers wait for a long time to get service.
3. Some customers think that the service charges are comparatively more than others banks.

SOLUTION-

1. Bank should recruit enough employees to maintain the banking activities. As a result, customers get bills timely and fast services.
2. Higher authority should be more conscious about their service charges. They should fix comparative service charges which is affordable for customers.

FINDINGS FROM EMPLOYEE SATISFACTION-

1. Branch working place is not physically comfortable. Employees are sited closely with each other which are created complication of their works.
2. Resources for doing job well have not enough for employees for their better performances.
3. Most of the employees think that the policies for promotion and advancement are not fair for all in the bank.
4. Employees cannot always disagree with manager about any matter.

SOLUTION-

1. First Security Islami Bank should expand Motijheel branch so that employee can work comfortably and provide better services to customer timely.
2. Bank should provide computer for each employee, it can be helped them to ensure the accuracy of work.
3. First Security Islami bank is a reputed bank in banking industry. So The Bank should give more concern about their promotional polices and will remain free from biasness.

5.5 Recommendation

Employee satisfaction typically reflects the moral of the company. In areas of customer service and sales, happy employees are extremely important because they represent the company to the public. Satisfaction, however, is not linked solely to compensation. Sure, a raise or benefits will probably improve employee contentment, at least temporarily, but small, inexpensive changes can have a long-term impact.

Based on the assessment of several characteristics of FSIBL, the following suggestions have been made:

Organization front line work 100% perfectly. They have to face some troubles. Alike, the First Security Islami Bank as a commercial association faces some troubles to give client service. To conquer this trouble, the banks can employee expert investigation by using client questioning tools.

- ✓ FSIBL ability must train up their HR staff, so that they can get a clear design about banking knowledge.
- ✓ There should be sufficient number of PC to serve the general service to the clients. Staff should be more professional & skilled to use the Flora software.
- ✓ Income configuration should be revised for the approval of the staff comparing with the other commercial private banks.
- ✓ The branch should expand to create it physically comfortable to employees.
- ✓ FSIBL can increase employee satisfaction by making job rotation, job enlargement like knowledge enlargement and task enlargement as well as job enrichment. Target should be accessible for employee.
- ✓ Policies of compensation and benefits are most important part of organization. The bank should build policies at “suitability” not “the best”.
- ✓ Develop programs to promote all titles in the organization and build programs for career development of each title. FSIBL should give opportunity to every employee for using their abilities, skills andcreativeness.
- ✓ We should focus on making proper communication channel, good and supportive relationship with co-workers and with supervisor. Employee satisfaction can be increased by demonstrating respect for everyone in the organization or company.
- ✓ Identify root causes of dissatisfaction among employees
- ✓ Conduct benchmark studies of best practices in selected other companies

- ✓ Develop employee satisfaction measurement systems that can be used corporate wide and worldwide
- ✓ Monitor employee satisfaction on a regular basis
- ✓ View employees as the primary source of competitive advantage
- ✓ Show concern for total employee well-being
- ✓ Develop meaningful employee involvement and effective communication channels
- ✓ Introduce managerial accountability for people management
- ✓ Assets formation should be stronger to serve accurately.
- ✓ Client service of bank has a better impact on its client. To supply smarter client service they need a call centre section is much admired now a day.

Given the impact of customer satisfaction on organizational profit, it is critical for organizations to understand what dimensions of service quality need to be monitored and used to develop accountability, customer satisfaction awareness, and customer oriented work behavior. The study recommends the following dimensions-

- ✓ Communication
- ✓ Competence
- ✓ Courtesy
- ✓ Credibility
- ✓ Reliability
- ✓ Responsiveness
- ✓ Security
- ✓ Tangibles
- ✓ Understanding of the customer needs
- ✓ Prompt services
- ✓ Accurate billing
- ✓ Affordable service charges

Finally, careful consideration should be given to how to create a link between employee satisfaction and customer satisfaction. We should remember “Happy Employee Makes Customer Happy”

Conclusion

This study scrutinized the factors of employee satisfaction and customer satisfaction that satisfy both which results in organizational success. The findings of this research suggested that impact of employee satisfaction on the success of organization is undeniable. Moreover, sustaining the satisfaction level of customers is a continuous process whose basics are intricately linked with the employees whose performance reflects through customer satisfaction and organization progress.

Banking Industry in Bangladesh is now in right track. The bankers are contributing much than the previous years for the growth and development of the country. Banking is becoming more and more vital for economic development of Bangladesh in mobilizing capital and others resources. As an organization, the Jamuna Bank Limited has earned the reputation of top banking operation in Bangladesh. The organization is much more structured compared to any other local bank operating in Bangladesh. It has a reputation as a partner for growth. Transparent and quick decision making, efficient team of performance, satisfied customers, online banking, effective internal control, diversification of investments etc. are the major strengths of JBL. After doing this intern report it has found that most of the customers of Jamuna Bank Limited have positive perception towards its service quality and employees’ performance. Thus, it is expected that Jamuna Bank Limited will be more concerned about their employee so that employee can provide better services to satisfy customer.

**“...happy employees
make for happy customers...”**

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