THE RELATIONSHIP BETWEEN EMPLOYEE SATISFACTION AND CUSTOMER RETENTION IN SOMALIA COMPANIES

Ali Ibrahim Mohamed[1], Abukar Hassan Omar[2], Ilyas Shiekh Ahmed Ibrahim[3]

Faculty of Business and Accountancy, SIMAD University, SOMALIA.

[1] alidugaal95@hotmail.com, [2] abokarhassan65@yahoo.com, [3] Ilyaas200@hotmail.com

ABSTRACT

This study was designed to investigate the relationship between Employee Satisfaction and Customer retention in Mogadishu. Emphasis was put on trying to establish the relationship between Employee Satisfaction and Customer retention in Mogadishu-Somalia. The study employed the use of both descriptive and correlation research design to establish the nature of the relationships. To analyze the data, the spearman correlation statistical tool was used with the aim of establishing the relationship between above mentioned variables. This formed the basis of the detailed analysis, conclusions and recommendations.

The findings revealed the existence statistically significant has a positive relationship between Employee Satisfaction and Customer retention, the study also indicate that there is a statistically significant weak positive relationship between Employee Satisfaction and Customer retention. On the basis of the findings, the researchers made the following conclusions. Telecommunication companies should provide good Employee Satisfaction that will improve performance of employee. Telecommunication companies should give care the customer retention that based on their system of their promotion to better satisfactory. Telecommunication companies should promote their employee satisfaction in order to satisfy it. Finally, telecommunication companies should not supposed only think about resource or money but take into account that there are other factors that can effects their employee satisfaction.

Keywords: Employee satisfaction, customer retention, promotion, customer retention, buying, communication and effectiveness

INTRODUCTION

In the developed countries, Employees are the backbone of an organization. Hence, the retention of the employees is important in keeping the organization on track. In order to retain the best talents, strategies aimed at satisfying employee's needs are implemented, regardless of global companies or small-sized firms. According to Armstrong and Kotler (2008), it is vital for firms to apply the right Marketing strategies in order to succeed. Traditionally, organizations have focused their marketing strategies of attracting new customers and increasing their market share. However, due to improved business strategies, most industries and markets are appropriate more and more competitive forcing significant changes in the way firms do business (ibid). In order to retain customers in industries characterized by high competition, firms need to meet each individual customer's needs and expectations (ibid). Gambeson (2002) argues that it is the value of the customer experiences with the product/service that is important, therefore, customers needs are important to consider when developing products and services

In the context of Africa, Kotler and Kallen(2007) describe highly satisfied customers are behaving positively towards the following ways. They stay loyalty by buying more and less price sensitive to price. They speak positively about the firm in comparison newer customers;

they are also less expensive and easier to serve. Robbines and Judge (2007) indicate that satisfied employees were increase the customer retention this is especially true of frontline employees working customer sectors and are directly related to the customers. However, according to Hamberg and Stock (2007) even though job satisfaction and customer retention are significant business outcome and have been widely studied, the relationship between the two variables been studied at the organizational and service level of the firms, with limited studies of two variables within business to business context.

In Somalia, private companies have done for public services providing the basic services and maintaining the corporate social responsibility since the collapse of Somali republic in 1991. Private telecommunication companies have made the telephone system and the internet possible to communicate, send and receive a lot of information quickly. According to Naaji (2012), the major dilemma in Somali communication companies, they do not measure the satisfaction of their customers, while the customer is related directly to the profitability. If your customers are happy, they tend to be loyal. In addition, if they are loyal they not only buy more, but also attract other customers. Well-established research found that, for many companies, an increase of 5% in customer retention could increase profits by 25% to 95% (ibid).

The term employee satisfaction literally has many definitions, which a great number of authors defined, such as Robbins (2003) defines "Job satisfaction as means what are the feelings of different employees about the different dimensions of their jobs". Job satisfaction may be the general behavior emerged due to different happenings at the work place; it may be supervisor's behavior, relationship with peers or the work environment (Janet, 1987).

he second variable of the study is customer retention and according to Egan (2004) defines customer retention as the strategies focusing on firms existing customers with the aim of securing a customer's loyalty over time. Ranaweera and Prabhu (2003) defined customer retention as the tendency for customers to stay with their services providers. Researchers were use the definition of Ranaweera and Prabhu (2003) customer retention as the tendency for customers to stay with their services providers because it is clear, concise statement with more meaningful.

Since there is a need to investigate the kind of relationship that could exist between the employee job satisfaction and the customer retention in Some Selected Telecommunications Industry in Mogadishu, this study examine the relationship between employee job satisfaction and customer retention.

This study were be guided by the theory of motivation and job satisfaction advanced by Herzberg et al. (1959). The theory suggests that there are two clusters of factors involved in motivation and job satisfaction. They identified five factors as strong determinants of job satisfaction: achievement, recognition, work itself, responsibility, and advancement. It was adopted for this study because theories on job satisfaction are numerous, including theories of motivation and organizational behavior that have been interpreted as theories of job satisfaction in various empirical studies (for a historical overview see Locke, 1976, for a more recent discussion see Cranny et al., 1992).

Employee satisfaction is one of the central factors that can help the employer to improve the personnel and organizational performance. Job satisfaction refers to how employees recognize their jobs (Mc Shane & Glinow, 2005). It is an emotional state resulting from experiences at work. If employees experience high satisfaction with their jobs, it may create enjoyable emotional State (Bartolo & Furlonger, 1999). On the other hand, it is significant for service providers to understand why the customers stay or leave and what creates value for

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them also, firms require to recognizing those customers with whom they want to create long-term strategy Jobber (2001).

According to the researchers knowledge awareness it seems that most telecommunication companies exist in Mogadishu do not provide more consideration to their employees as well as to their customers, they do not measure the satisfaction of their customers, while the customer is related directly to the profitability and it seems that they use product-centered philosophy instead of costumer-centered philosophy (Naaji, 2012).

Since there is a need to investigate the kind of relationship that could exist between the employee job satisfaction and the customer retention in Some Selected Telecommunications Industry in Mogadishu, this study examine the relationship between employee job satisfaction and customer retention. The Study has two objectives which are:

1. To identify the relationship between employee satisfaction and customer retention in some selected telecommunication companies in Mogadishu Somalia

2. To examine the different factors influencing the employee satisfaction in some selected telecommunication companies in Mogadishu Somalia

EMPLOYEE SATISFACTION AND CUSTOMER RETENTION CONCEPTS

Job satisfaction also relates to the attitude of an employee toward his or her job, including pay, promotions, the degree of supervision, working environment and the work itself (Chen, 2006). Job satisfaction may be the general behavior emerged due to different happenings at the work place; it may be supervisor's behavior, relationship with peers or the work environment (Janet, 1987). Job satisfaction represents a mixture of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences, which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Employee satisfaction is closely linked to that individual's behavior in the work place (Davis et al., 1985).

According to Egan (2004) defines customer retention as the strategies focusing on firms existing customers with the aim of securing a customer's loyalty over time. Ranaweera and Prabhu (2003) defined customer retention as the tendency for customers to stay with their services providers. Researchers were use the definition of Ranaweera and Prabhu (2003) customer retention as the tendency for customers to stay with their services providers because it is clear, concise statement with more meaningful. According to Clause (2007), there are six effective strategies to retain the customers

Customer's value proposition means that the organization has something attractive to offer that is perceived as valuable to a customers. Meaning that an organization, must be understand what makes the organization attractive to potential customers, and current employees. Branding his or her organization as a provider of choice is not just a slick set of marketing tactics. The best supporters for an organization's brand are its current customers. Each organization should have all the typical customer caring mechanisms common to their permanent and temporary customers. As discounts might temporarily retain customers, it does not all the time equate with engagement. People would like to have a chance to get different things and recognize them by the by the organization. Most managers and frontline employees are not charmed with the frequently serving repetitive customers in their organization. Yet, an effective customer relationship management serves many purposes, and that include, give a quick feedback when a customer have a problem with the product or service. Ongoing customer feedback allows customers to better known where they stand,

gives them a formal means to provide input, and indicates that their organizations pay attention to them and that their buying habits. This feedback contributes to employee engagement and retention

Workers more and more value a balance between work and life. They want more flexible ways to engage with their employer. To attract and retain customers with different buying habits and career expectations, organizations have to be more flexible in structuring work and its expectations. It calls for a different managerial mindset and practices that involve letting go of old ways of controlling workers' time and attendance in favor of result criteria such as output, productivity and quality. Employees have become more connected with others in the organization (and the broader supply-and-customer chain) through project-based teamwork and process management activities. Employees at that were paying more attention to the customer and serving them with satisfied and happy mood. Organizations that create the culture and climate allow people, processes and customers to become fully connected and engaged with one another. Engaged employees are more likely to stay with their employer. Management and first line worker's practices greatly contribute to the customer's decision making to leave a company to company or to be loyal to a particular organization. However, it is imperative to provide supervisors and managers with adequate tools of dealing with the customers.

Employee satisfaction characterizes one of the most difficult areas facing today's managers when it comes to managing their employees (Aziri, 2011). Many studies have demonstrated an unusually large impact on the employee satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations. According to Locke (1979) specified that employee satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job experiences. Also Specter (1997) refined the definition of employee satisfaction to constitute an attitudinal variable that measures how a person feels about his or her job, including different facets of the job.

METHODOLOGY

Research Design

This study was conducted through descriptive and correlation research design. correlation is a research design that researcher determine whether or not, and to what extent an association exist between two or more paired and quantifiable variables (Oso & Onen, 2008). The main purpose is to explain the relationship between two variables, employee satisfaction and customer retention (Oso & Onen, 2008). This design is considered to be suitable for because is to determine whether and to what degree a relationship exists between quantifiable variables. So the questionnaire technique was used in collecting the data

Research Population

The target population of this study is 200 because of reference in our literature, and then were selected suitable sample that can cover the data needed. Therefore, the researchers categorize the population into three categories such as high-level managers, middle level managers and low-level employees.

Sample Size

In sample size, the researcher decides to take sample of telecommunication companies because of data availability and high market share that the researchers choose 133 respondents in all groups, which makes total of 133 respondents to test the relationship

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between employee satisfaction and customer retention. *Slovenes formula* was used to check the sample of the data.

n=N/ (1+ (N*e^2)).

Sampling Procedure

This study was employed non- probability sampling, the technique was used for purposive sampling to select the sample size. In the purposive sampling, the researchers were decided who can participate the sample; the main objective of this sample is to collect focused information. The researchers choose this method because it reduces time and money consumption.

Research Instrument

This study was used questionnaire instrument as main tool for collection data, which used in quantitative research and questionnaire was adapted from (Tandoh, 2011). Questionnaire may be defined as technique of data collection in which each person is asked to respond to the same set of questions in predetermined order. The selection of this tool has been guided by the nature of data to be collected, the time available as well as by the objectives of the study and the overall aim of study is to investigate the relationship between employee satisfaction and customer retention. And questionnaire techniques have been adopted in collecting primary data as it provides and efficient way of collecting responses from a large sample size. The researchers were used questionnaire of this study because of time constraints and information needs can be easily described in writing (Oso & Onen, 2008). The response modes and scoring are as follows: (1) Strongly Agree (2); Disagree (3); Natural (4); Agree (5) Strongly Agree.

Validity and Reliability of the Instrument

Validity refers to the extent to which data collection method accurately measures what it was intended to measure or to the extent to which research findings are about what they are claimed to be about (Saunders, Lewis & Thornhill, 2009). Generally, validity of each question or group of questions were assesses rather than of the questionnaire as a whole. In order to increase validity of the questions in this research; the research team were utilize content validity index for the reason that the research team were construct the questions as clear as possible, measuring only one thing at the time. The research team was provided the main definitions of employee's satisfaction and customer retention in some selected telecommunication companies in Mogadishu-Somalia to the respondents to avoid possible different interpretations of the main concept. English being the language of the research might have had some influence in decreasing the validity of questions. However, a great care was exercised to reduce the error.

Reliability refers to the consistency in reaching the same result when the measurement is made repeatedly. When it comes to the questionnaire pre-testing, revision and further testing of it may increase its reliability (Webb, 2002). To increase the reliability of this research adopted Questionnaires were used. Before handing out the questionnaire the research team was doing pilot testing with five experts including the supervisor some changes as well as reformulations of questions and possible amendments were made as the result of that pilot test?

Data Gathering Procedures

This study the data was collected from 133 respondents of three categories such as high-level managers, middle level managers and low-level employees in Mogadishu-Somalia. The data was collected by hand and the researchers are responsible for this collection when collecting.

Data Analysis

Data was analyzed by using statistical package of social science (SPSS.Version 16.0) to measure degree of relationship between employee satisfaction and customer retention as well as correlation in order to explain the relationship between employee satisfaction and customer retention in some selected telecommunication companies in Mogadishu, Somalia

FINDINGS AND DISCUSSION

Demographic

Gender

As shown in the table 1 below Gender of the respondents was as flows, 96 which relevant to 72.2% of the respondents were male which shows most people working these companies are male while other 37 equal to 27.8% were female. In term of age 59 of the respondents which equal to 44.4% were less than 30 yrs, 53=39.8% were between 41-50 and other 12 which are 9% of the total respondents were above 50yrs. At the side of status 104 (78.2%) were marriage while 29 (21.8%) were single. According to the job title of the respondents four levels were asked, employee, lower level manager, middle level manager and top manager and responded 88 (66.2%), 23 (18%), 13 (9.8) and 8 (6%) respectively. And Company names as stated in chapter three, the researchers selected two companies such as Hormuud and Nationlink the responds received were as flows: 60 (45.1%), 73 (54.9) respectively.

Table 1. Demographic Data

Characteristics	Classification	Frequency	%	Cumulative %
Gender	Male	96	72.2	72.2
	Female	37	27.8	100
Age	Less than 30	59	44.4	44.4
	31-40	53	39.8	84.2
	41-50	12	9.0	93.2
	Above 50	9	6.8	100.0
	Total	133	100.0	
Marital Status	Marriage	104	78.2	78.2
	Single	29	21.8	100
Job Title	Employee	88	66.2	66.2
	Lowe manager	24	18.0	84.2
	Middle manager	13	9.8	94.0
	Top manager	8	6.0	100.0
	Total	133	100.0	66.2
Company name	Hormuud	60	45.1	45.1
	Natoinlink	73	54.9	100.0
	Total	133	100.0	

Data Presentation and Analysis

In this section, the researchers presented independent variable and focused on the how employees of two mentioned companies are satisfied on their jobs. The answers of the

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respondents were almost all positive and the mean range of the six questions above is as follows: The value of mean of 3.71 of question one which is How satisfied are you working for the company shows that the employees of the two above mentioned companies are satisfied on their jobs. Also the researchers asked there is good communications from managers to employees, the responds shown mean value of 3.82 this means that the managers have good communication with their subordinates. The third question that researchers asked was 'my managers actively listen to my suggestions' the answers shows mean value of 4.03 which means employees are satisfied the way managers listen to their suggestions. The flowed question was 'I have the training, tools and resources I need to do my job' its mean value became 3.39 this shows the two companies do not pay more resource to the employee's trainings. The researchers also asked 'my jobs give me the opportunity to learn' the responds show mean 3.41 this telecommunication companies allow their employees opportunity to learn. The last question was 'I feel like I am party of the company' it takes mean of 3.57 this is evidence that the employees fill they own the organization. As table below shows all mean value and standard deviations are acceptable limits.

Table 2. Indicators of employee's satisfaction

Indicators of employees satisfaction	Mean	Std. Deviation	Interpretation
How satisfied are you working for the company	3.71	1.294	Agree
There is a good communication from managers to employees	3.82	1.392	Agree
My managers actively listen to my suggestions	4.03	1.261	Agree
I have the training, tools and resources I need to do my job	3.39	1.266	Neutral
My jobs gives me the opportunity to learn	3.41	1.376	Agree
I feel like I am party of the company	3.57	1.389	Agree

This section is the customer retention dimension, the mean of 4.07 in question one in this section which is 'Employees satisfaction creates customer retention' indicate that if the employees are satisfied will lead customer retention also the mean of 4.05 in question two which is 'highly satisfied employees leads customer loyalty' shows that if the employees are satisfied, employees tend to be loyal to the organization and this causes to behave with the customers kindly, which leads customer loyalty. The mean of 4.02 in question three which is 'highly satisfied employees leads attracting new customers' shows if the employees are satisfied it creates customer loyalty. The last question was 'Employees dissatisfaction causes customer lose' the mean of the responds was 4.22 this number shows if the employees are dissatisfied it leads customer lose because do not care about the customers. Below table summarize the questions that were asked to respondents, their means, standard deviations and interpretation.

Table 3. Indicators of customer retention

Indicators of customer retention	Mean	Std. Deviation	Interpretation
Employees satisfaction creates customer retention	4.07	1.169	Agree
Highly satisfied employees leads customer loyalty	4.05	1.257	Agree
Highly satisfied employees leads attracting new customers	4.02	1.228	Agree
Employees dissatisfaction causes customer lose	4.22	1.141	Strongly-Agree

Relation between Employee Mo Satisfaction and Customer Retention:

The objective of this study was to identify the relationship between employee satisfaction and customer retention in Hormuud and Nationlink. The correlation between employee satisfaction and customer retentions as table 4 shows is 0.199. It tells us that a one level increase of employee's satisfaction leads to 0.199 higher customer retention. The probability of this correlation coefficient occurring by chance is .022. This coefficient shows that there is a statistically significant weak positive relationship between employees satisfaction and customer retention (r =. 199[**] p =.022). Thus, questions are responded. The table below summarizes the correlations.

Table 4. Correlation between employees' satisfaction and customer retention

Variables		Employees Satisfaction	Customer Retention
Employees Satisfaction	Pearson Correlation	1	.199[**]
	Sig. (2-tailed)		.022
	N	133	133
Customer Retention	Pearson Correlation	.199[**]	1
	Sig. (2-tailed)	.022	
	N	133	133

**. Correlation is significant at the 0.022 level (2-tailed).

DISCUSSION AND CONCLUSION

First, the researchers found out a weak positive relationship between employee satisfaction and customer retention. The study confirmed that there is positive relationship, but other researchers argue that there is a strong relationship between these variables such as Hoppock (1935). They also highlight a positive relationship between employee satisfaction and customer retention. The second objective of this study was to examine the different factors influencing employee satisfaction in some selected telecommunication companies in Mogadishu Somalia. The study indicates factors of training, resources, opportunity to learn & others influence employee satisfaction in some selected telecommunication companies in Mogadishu.

The purpose of this study was to investigate the relationship between employee satisfaction and customer retention in some selected telecommunication companies in Mogadishu, Somalia. An empirical investigation was undertaken, using the simple correlation analytical technique, specifically the Pearson product movement correlation coefficient (PPMC).

The first objective of this study was to identify the relationship between employee satisfaction and customer retention in some selected telecommunication companies in Mogadishu, Somalia The second objective of this study was to examine the different factors influencing employee satisfaction in some selected telecommunication companies in Mogadishu Somalia. The study confirmed that there is positive relationship, employee satisfaction and customer retention in some selected telecommunication companies in Mogadishu, Somalia. The study also indicate factors of training, resources, opportunity to learn & others influence employee satisfaction in some selected telecommunication companies in Mogadishu.

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RECOMMENDATIONS

The researcher suggests the following recommendations:

1. Organizations should pay on special care about the employee's trainings.
2. Organizations should also allow their employees sufficient resource and authority.
3. Organizations should allow their employees opportunity to learn

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