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# Ethical Employee Behaviour and Customer Satisfaction of Deposit Money Banks in Rivers State, Nigeria

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**Abstract:** *This study seeks to extend extant literature by examining the influence of ethical employee behaviour on customer satisfaction in deposit money banks in Rivers State, Nigeria. The study adopted a descriptive research design and utilized a structured questionnaire as the instrument of inquiry. Data were drawn from 100 senior staff of deposit Money banks. The regression analysis was used as the test statistic, relying on SPSS version 22.0. The study found that ethical employee behaviour has a significant influence on customer satisfaction through repeat purchase and word-of-mouth. Therefore, the study concludes that ethical employee behaviour predicts customer satisfaction and recommends that deposit money banks that desire sustainability through accelerated customer satisfaction should key in effectively to sustainable ethical employee behaviour that engenders repeat purchase and word-of-mouth.*

**Keywords:** *Customer satisfaction, ethical employee behaviour, repeats purchase, word-of-mouth*

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## INTRODUCTION

The present economic situation forces enterprises in nearly every industry to take every chance they can get to secure their position in the market (Glebe, 2009; Schneider, 2009). Company managers usually cannot out-rightly, control circumstances in the environment, but they can influence conditions inside the company. One of the most important factors is the human resources. How content are employee's with their working conditions? What kind of emotional climate does one have in the group? Leadership style also seems to be an important factor that determines whether activities are successful or not; and science supports this theory. Numerous studies support the idea that there is a link between employee satisfaction and customer satisfaction, leadership, productivity and financial results (Rotzel, 2012; Malik, 2008; Smithey *et al.*, 2003; Rosenstiel, 2003; Wright, 2001).

Employees contribute significantly to customer's perception about any organization. Yet, most firms overlook the importance of employees to achieving financial and nonfinancial objectives. Companies thus spend resources to creating positive customer perception and induce loyalty without adequately factoring the place of employees in the equation. Keeping in view today's extremely competitive atmosphere in which companies operate, employees can perform a vital role in influencing customers' minds, thoughts and hearts. Various recent studies on employees' behaviour (Roman, 2003; Roman & Ruiz, 2005; Alrubaiee, 2012) examined the role of ethical employee behaviour in developing and maintaining customers' relationships (Roman, 2003). Some of these studies argue that ethical employee behaviour actively and successfully builds strong customer relationships, which in turn increase the customers' satisfaction, trust and commitment (Hansen & Riggle, 2009; Walter *et al.*, 2001; Goff *et al.*, 1997). Also, Lin (2012) reports that ethical behaviour of employee influence customer satisfaction, trust, loyalty,

relationship quality and customer perceived confidence while Hensen and Riggle (2009) confirm that ethical behaviour of the employees is crucial to the customer-firm relationship development process. Hence, studies on ethical employee behaviours exist (see Alburabee, 2012; Roman & Ruiz, 2003; Rashid & Ho, 2003; Liljander & Mattson, 2002); and some of these are conducted in the banking industry. However, only a handful of these studies focus on Rivers State as their geographic scope; and even less specifically examined deposit money bank employees. With a view to contributing to literature on ethical employee behaviour therefore, this study focuses on examining deposit money bank employees' ethical behaviour and its impact on customer satisfaction in Rivers State, Nigeria.

## **LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

### **Ethical Employee Behaviour**

Ethical behaviour is notably, a societal norm (Anderson, 1993) which includes honesty, fair play and full disclosure. Roman and Ruiz (2005) conceive ethical employee behaviour as employees' behaviour towards customers which are anchored on fair and honest actions that facilitate long-term relationships; and which produces trust and loyalty. Unethical employee behaviour is thus any action that enables employees gain at the expense of customers, including lying, cheating, providing false information, exaggerating product benefits and using manipulative techniques to sell products (Roman & Ruiz, 2003; Legace *et al.*, 1991). Service employees generally, interact with customers. Hence, their actions and behaviour have weighty effect on the general opinion of the public towards a firm (Mantel, 2005). Additionally, ethical behaviours of employees represent a good start to initiate and maintain rapport with customers (Liu & Jang, 2009; Narayandas & Rangan, 2004; Lemon *et al.*, 2002). By being ethical in the perception of customers, there stand a better chance for customers to come back to the store or outlet. Inarguably, there is a strong pressure on service employees in to be ethical in all their interfaces with customers; even as meeting targets put pressure on their consideration of ethical and unethical behaviours (Alburabee, 2012).

### **Customer Satisfaction**

Oliver (1997) define satisfaction as "the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with prior feelings about the consumer experience". Consumer satisfaction is essential to long-term business success. It is also one of the most frequently researched topics in marketing (Pappu & Quester, 2006). Consumer satisfaction is also important in terms of firm's economic performance; as it influence repeat purchase intentions (Cronin & Taylor, 1992) and behavior (LaBarbera & Mazursky, 1983). Marketers consider improved customer satisfaction as a principal strategy for gaining loyalty, improving willingness to pay more, and enhancing customers' lifetime value (Hogan *et al.*, 2002; Keller & Lehmann, 2006). It is widely accepted that satisfied consumers are less price conscious and are loyal to the firm longer than dissatisfied ones (Dimitriades, 2006). Customer satisfaction is a critical component of brand equity (Kotler, 2000). Improving service elements can be costly; often it requires substantial reorganization of a business. However, companies spend significant resources to achieve customer satisfaction (Homburg & Giering, 2001). When high a level of service delivery is achieved, loyalty can be maintained and customer retention level improved (Torres & Tribo, 2011; Keller & Lehmann, 2006). Prior studies have found a positive relationship between customer satisfaction and employee behaviour (Torres & Tribo, 2011; Ha *et*

al., 2010; Chen, 2009; Pappu & Quester, 2006; Blackston, 2000; Keller, 1993; Aaker, 1991). In this study, customer satisfaction is assessed as repeat purchase and word-of-mouth.

### Ethical Employee Behaviour and Customer Satisfaction

Ateke (2019) conceptualized ethical employee behaviour as actions of employees aimed at increasing long-term customer satisfaction and circumventing actions that sacrifice the interest of customers, co-workers and competitors in a bid to make immediate gains. Ateke (2019) further states that ethical employee behaviour represents fair and honest actions of employees that enables them proffer satisfaction to customers, earn their trust and foster long-term relationships. As representatives of their firms to customers, service employees are required to be bastions of ethical behaviour as this enables them build trust and elicit loyalty (Alrubaiee, 2012). This is because customers get at ease, develop trust, and generally derive more satisfaction when service employees provide correct product information (Ateke, 2019). The forgoing suggests that ethical employee behaviour informs customer satisfaction and elicit company-favourable customer behaviours. The outcome of previous studies lends credence to this position. For instance, Basnayake and Hassan (2015) in an investigation on employees' ethical behaviour and its effect on customer satisfaction and retention on multinational Fast Food Restaurants in Malaysia found that ethical behaviour of employees predicts customer satisfaction and retention. Similarly, Hans-Jurgen (2015) observed that employee satisfaction relates to customer satisfaction, and raises company value. This study contends that ethical employee behaviour follows from employee satisfaction. Also, Shahzad (2018) reports that employee motivation in terms of pay and benefits, working atmosphere, vision of organization and management systems have a significant positive impact on customer gratification. In view of the forgoing, the study formulates the following hypotheses and develops the conceptual framework in fig. 1.

**H<sub>01</sub>:** Employee behaviour does not significantly influence repeat purchase.

**H<sub>02</sub>:** Employee behaviour does not significantly influence word-of-mouth.

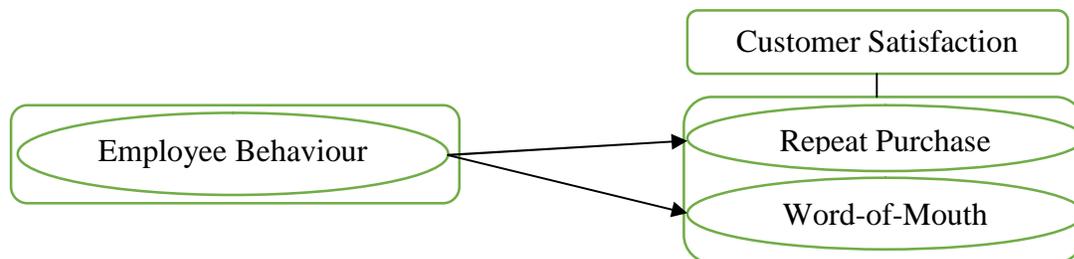


Fig.1: Conceptual Framework of ethical employee behaviour and customer satisfaction  
Source: Authors review of literature, (2019).

### METHODOLOGY

The focus of this study was to examine the nexus between ethical employee behaviour and customer satisfaction. The study adopted a descriptive research design and utilized questionnaire as the instrument of inquiry. The population of the study comprised deposit money banks in Rivers State. A total of 105 copies of questionnaire were administered on 105 senior staff of 21 deposit money banks. After data cleaning, a total of 100 copies of questionnaire (representing 95.2% response rate) were used in the final analysis of the study. 55 respondents were male (55%) while 45 were female (45%). Among the respondents 44% are single and 56% are married. 22% respondents are below 25 years, 34% of respondents are aged between 26-35

years. 22% respondents are aged between 36-45 years. 18% respondents are aged between 46-55 years. 4% respondents are 56 years and above. 76% of respondents are Nigerians and 24% are foreigners. In terms of education, 20% respondents hold a diploma, followed by 65% respondents with undergraduate degree, and finally 15% respondents holds a master degree. Procedure For this research in accordance to the purpose of the study, the simple random sampling method has been chosen for the study. For each bank, the researcher brought 5 sets of questionnaire to be distributed randomly to senior staff of the bank.

### Measurement of Variables

The conceptual framework in fig. 1 clearly identifies the dependent variable as well as the independent variable. The dependent variable is customer satisfaction (CS), whilst the independent variable is ethical employee behaviour (EEB); where repeat purchase (RP) and word-of-mouth (WoM) are adopted as measures of customer satisfaction. Regression equation, which represents the function is “a statistical technique used to explain or predict the behaviour of a dependent variable”. Generally, a regression equation takes the form of  $Y=a+bx+c$ , where  $X$  is the dependent variables and in the case of this study is (customer satisfaction measured by RP and WoM), that the equation tries to predict,  $Y$  as the independent variable which in this case is (ethical employee behaviour) that is being used to predict  $X$ ,  $a$  is the  $Y$ -intercept of the line, and  $c$  is a value called the regression residual. Using the regression formula which states:

$$Y_i = b_0 + b_1X_{1j} + b_2X_{2j} + \dots\dots\dots+b_kX_{kj} + e_j,$$

Where:

$Y_i$  is the dependent variable from the population of the interest,  
 $b_0, b_1, \dots, b_k$  are the population partial regression coefficients; and  
 $X_{1j}, X_{2j}, \dots, X_{kj}$  are observed values of the independent variables  $X_1, X_2, \dots, X_k$ , respectively.

In view of the above, the following models are developed for this study:

$$CS = f(EB) \text{----- (1)}$$

$$RP = f(EB) \text{----- (2)}$$

$$WOM = f(EB) \text{.....(3)}$$

In the linear form, Equation (2) & (3) convert to:

$$RP = b_0 + b_1(EB) + e$$

$$WOM = b_0 + b_1(EB) + e$$

### Method of Data Analysis

The data collected was analyzed using the linear regression guided by a Regression Model to analyze the relationship of the variables identified. The Statistical Package for Social Sciences (SPSS 22.0) was relied upon to subject the variables to complementary statistical test and the results were used for analysis and for hypotheses testing.

### RESULTS AND INTERPRETATIONS

The regression analysis is between the independent and dependent variables: The independent variable is ethical employee behaviour, while the dependent variable is customer satisfaction. The study sought to ascertain the influence of ethical employee behaviour on customer satisfaction measured as repeat purchase and word-of-mouth. The simple linear regression was applied to each of the hypothesis and the decision taken depended on the P Value obtained.

Where the P value is less than 0.05, a significant influence exists between the variables. Where the P Value is more than 0.05, a significant influence does not exist between variables. The test of hypotheses is presented below:

**Influence of Ethical Employee Behaviour on Repeat Purchase**

**Table 2: Influence of Ethical Employee Behaviour on Repeat Purchase (n=100)**

<b>Model Summary</b>								
Model	R	R square	Adjusted R Square	Std error of the estimate	R	df1	df2	Sig. F Change
1	.681 <sup>a</sup>	.464	.459	2.391	.464	1	179	.000

Source: SPSS 22.0 window output (based on 2019 field survey data)

**ANOVA<sup>b</sup>**

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	485.482	1	485.482	84.925	.000 <sup>b</sup>
	Residual	560.228	179	5.717		
	Total	1045.710	180			

**Coefficients<sup>a</sup>**

Model		Unstandardized		Standardized		
		Coefficients		Coefficients		
		B	Std. error	Beta	T	Sig.
1	(constant)	6609	1.124		5.880	.000
	Employee Behaviour	.789	.086	.681	.681	9.215

Source: SPSS 22.0 window output (based on 2019 field survey data)

In order to establish the statistical significance of the independent variable on the dependent variable (RP), regression analysis was employed to show the coefficient of determination also called R square as .681. This implies that the predictor variable (ethical employee behaviour) explains 68.1% of the variables in repeat purchase in deposit money banks in Rivers State. The

correlation coefficient of .464 indicates that the predictor variable have a moderate and positive correlation with repeat purchase. The Analysis of Variance (ANOVA) on Table 2 shows that the effect of ethical employee behaviour was statistically significant in explaining changes in repeat purchase in money deposit banks in Rivers State. This is demonstrated by a P value of 0.000 which is less than the acceptance critical value of 0.05. There is also a standardized coefficient of .789 which is perfect, as well as corresponding P value (sig.) of 000 which is less than alpha 0.05. Therefore, we conclude that ethical employee behaviour significantly influences repeat purchase.

**Influence of Employee Behaviour on Word-of-Mouth**

**Table 3: Influence of Ethical Employee Behaviour on Word-of Mouth**

<b>Model Summary</b>								
Model	R	R square	Adjusted R Square	Std error of the estimate	R Square	df1	df2	Sig. F Change
1	.613 <sup>a</sup>	.376	.306	12192.446	.301	1	179	.000

**ANOVA<sup>b</sup>**

Model	Sum of squares	Df	Mean square	F	Sig.
1 Regression	804490422.178	1	804490422.178	5.412	.000 <sup>b</sup>
Residual	1337901600824	178	148655738.425		
Total	1045.710	180			

**Coefficients<sup>a</sup>**

Model		Unstandardized	Standardized	T	Sig.
		Coefficients	Coefficients		
	B	Std. error	Beta		
1	(constant)	21302.937	.5655.862	3,767	.000
	Employee Behaviour	.602	.259	.613	2.326

**Source: SPSS 22.0 window output (based on 2019 field survey data)**

Table 3 shows the coefficient of determination also called R square as .613. This implies that the predictor variable (ethical employee behaviour) explains 61.3% of word-of-mouth in deposit money banks in Rivers State. The correlation coefficient of .376 indicates that the predictor variable have a weak and positive correlation with word-of-mouth. The analysis of variance

(ANOVA) on Table 3 shows that the effect of ethical employee behaviour was statistically significant in explaining changes in word-of-mouth in deposit money banks in Rivers State. This is demonstrated by a P value of 0.00 which is less than the acceptance critical value of 0.005. There is also a standardised coefficient of .602 which is perfect as well as corresponding P value (sig.) of 000 which is less than alpha (0.05). Therefore, we conclude that ethical employee behaviour significantly influences word-of-mouth.

### **Discussion of Findings**

Basically, ethical employee behaviour informs customer satisfaction (Ateke, 2019; Alrubaiee, 2012). A vital step in guaranteeing enhanced repeat purchase and word-of-mouth in deposit money banks is to understand the essence of ethical employee behaviour and address it appropriately. The expectation of this study that ethical employee behaviour will relate to customer satisfaction is supported by its findings. It is observed that ethical employee behaviour has a significant influence on repeat purchase and word-of-mouth. The findings of this study shows that bank's employees' ethical behaviour positively influence deposit money banks' experience of repeat purchase and word-of-mouth. The findings agree and support the findings of Basnayake and Hassan (2015) that employees' ethical behaviour positively and significantly impact customer satisfaction and retention. The findings of the study also coheres with the position of Ateke (2019) that customers get at ease, develop trust, and generally derive more satisfaction when service employees provide correct product information and that of Alrubaiee (2012) that ethical employee behaviour build trust and elicit loyalty. Furthermore, the findings corroborate Hans-Jurgen (2015) that employee satisfaction relates to customer satisfaction, and raises company value. This study argues that ethical employee behaviour follows from employee satisfaction. In addition, the finding aligns with the view that employee motivation in terms of pay and benefits, working atmosphere, organizational vision and management systems have a significant positive impact on customer gratification (Shahzad, 2018).

### **CONCLUSION, IMPLICATION AND RECOMMENDATIONS**

The focus of this study was to investigate the influence of ethical employee behaviour on customer satisfaction in deposit money banks in Rivers State, Nigeria. In view of the results of the quantitative analysis which demonstrates sufficient evidence that ethical employee behaviour affects customer satisfaction of deposit money banks in Rivers State and the discussions that followed, it was concluded that ethical employee behaviour predicts customer satisfaction expressed as repeat purchase and word-of-mouth; and that customer satisfaction (repeat purchase and word-of-mouth) depends on ethical employee behaviour.

The implications of this conclusion are twofold. First, deposit money bank administrators will be guided to focus more on building or inducing ethical employee behaviour that drive improved customer satisfaction measured as repeat purchase and word-of-mouth. Second, it will be a pointer to deposit money bank administrators to emphasize ethical employee behaviour, to develop exposures needed to accurately predict and timely package programmes that firmly establish success in enhanced repeat purchase and word-of-mouth. The study thus recommends that administrators of deposit money banks in Rivers State that seek improved customer satisfaction should be skilled in informing ethical employee behaviours and relate them genuinely to customer satisfaction, since this study revealed that ethical employee behaviour significantly influence repeat purchase and word-of-mouth. The study also recommends that

deposit money banks should key in effectively to ethical employee behaviour programmes that engenders repeat purchase and word-of-mouth in order to remain viable in their chosen markets.

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