2002

The impact of employee satisfaction on customer satisfaction with the sales interaction

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DOI: <https://doi.org/10.31979/etd.z6k7-36uu>
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**THE IMPACT OF EMPLOYEE SATISFACTION ON CUSTOMER
SATISFACTION WITH THE SALES INTERACTION**

A Thesis

Presented to

the Faculty of the Department of Psychology

San Jose State University

In Partial Fulfillment

Of the Requirements for the Degree

Master of Science in Industrial/Organizational Psychology

by

Kristina J. Treytl

December 2002

UMI Number: 1411634

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ABSTRACT

THE IMPACT OF EMPLOYEE SATISFACTION ON CUSTOMER SATISFACTION WITH THE SALES INTERACTION

By Kristina J. Treytl

Extensive research has been conducted investigating the link between employee satisfaction and customer satisfaction in an attempt to drive customer satisfaction and profitability. However, little research has been conducted focusing on the satisfaction of specific employee groups on a particular facet of customer satisfaction. This study examined the relationship between the satisfaction of sales professionals and the overall satisfaction customers reported with the sales process. Employee satisfaction data of sales professionals from a Fortune 500 software company were correlated with data from the customer satisfaction survey. The results indicated a significant correlation between employee satisfaction on training, management, performance management and compensation/benefits. Business implications of these results are discussed.

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The Impact of Employee Satisfaction of Sales Professionals on the Overall Customer Satisfaction with the Sales Interaction

Introduction

Since the groundbreaking studies of Reichheld & Sasser (1990) found that customer satisfaction can directly influence a company's profitability, much focus has been placed on examining employees as the primary influence on customer satisfaction. Numerous studies have examined the relationship of employees on customer perception and satisfaction (Allen, D. R. & Wilburn, M, 2002; Schmit, M. J., & Allscheid, S. P., 1995; Brandt, R. D. 2000). However, few studies have looked at a specific subset of the employee population and their direct influence on customer satisfaction.

The purpose of this study is to specifically examine the influence of employee satisfaction of sales professionals on customer satisfaction with the sales process. Sales professionals were chosen due to their direct contact with customers and the influence they exert as typically the first interaction customers have with a company. Due to their role, sales professionals are in a unique position to directly color a customer's perception of the company and influence the customer's interaction with a company throughout the life of the relationship. Therefore, it is of interest to see what, if any, impact the satisfaction of the sales

professional has on the customer's satisfaction and perception of the sales process.

Customer Satisfaction and Profitability

Why is customer satisfaction important? The impact of customer satisfaction and loyalty/retention on company performance has been a topic of intense study over the past decade. Frederick Reichheld and W. Earl Sasser in a ground-breaking Harvard Business Review study (1990) found that a five percent increase in customer loyalty/retention can result in an increase in the organization's profitability from 25%-85%. Another study by SatMetrix Systems (2001) found that the average stock price-to-earning ration (P/E) of companies with above average customer loyalty ratings was more than double the P/E ratio of companies with below-average customer loyalty scores. A growing number of companies have put this theory to practice and, as a result, have enjoyed measurable increases in profitability. In 1991, Xerox conducted an analysis of the repurchasing propensity of customers based on their satisfaction ratings and found that customers who rated their satisfaction at a '5' rating (the highest rating) were six times more likely to repurchase Xerox equipment than even those customers who gave a 4 rating.

Loyal customers will also act as references for future customers. Burke Inc. (1993) conducted a national survey among purchasing decision makers for

Employee influence on customer satisfaction

Employees are the primary contact between a company and customers, and therefore, are one of the greatest influencers of customer satisfaction. According to the Service-Profit-Chain (1997) by Heskett, Sasser & Schlesinger, the key to customer satisfaction is employee satisfaction. The service-profit-chain establishes relationships between employee satisfaction, employee loyalty/productivity, customer loyalty and organizational profitability. For example, in 1999 a study of 800 Sears Roebuck stores found that for every 5% increase in employee satisfaction, customer satisfaction increased 1.3% and corporate revenue increased 5% (Sears, Rucci et al. 1998).

In 1993, Brown & Mitchell examined the relationship between employee satisfaction and customer satisfaction more closely, specifically looking at several different constructs of employee satisfaction and their impact on customer satisfaction. This study of 52 branches of a large, publicly held savings bank found that the employee satisfaction variables of working conditions, co-workers, environment and access to timely information were significantly related to customer satisfaction. Specifically, co-worker obstacles, work environment and workspace sharing were associated with lower satisfaction scores and the component of the delivery of timely information was associated with increased customer satisfaction.

An evaluation of Southwest Airlines' customer value and FAA performance measures further underscores this point. Southwest Airlines enjoys the highest levels of customer satisfaction in the industry and has remained profitable for 21 consecutive years. Southwest attributes this phenomenal success to its commitment to employee satisfaction and loyalty (Heskett, Jones, et al., 1994).

In a similar study of the impact of employee satisfaction on customer satisfaction and revenue, Ford Motor Company found that higher employee satisfaction scores were positively correlated with higher customer satisfaction, higher business volume, higher market share and lower employee turnover (Johnson, Ryan & Schmit 1994). It was further found that overall job and company satisfaction indicated by employees were positively related to customer satisfaction and market share. Clearly, organizations are beginning to understand the impact of satisfaction on organizational performance and use this information to target training, employee retention and satisfaction programs to directly impact customer retention and the bottom line.

Influence of Sales Professionals on Customer Perception

It has been found through the research discussed here that customer satisfaction has a direct impact on organizational profitability and market share; further, that employee satisfaction is positively correlated to customer satisfaction. But do certain types of employees have a direct impact on customer satisfaction?

Specifically what impact do sales professionals, as typically the first interaction a customer will have with a company, have on a customer's perception of the company and the propensity to continue the relationship and become a satisfied, loyal customer?

Intuitively, as typically the first point of contact with the customer and the primary conduit for driving sales and revenue, sales professionals have a particularly strong opportunity to impact customer satisfaction and revenue. However, few studies have looked at the direct impact a salesperson has on customer satisfaction, loyalty and retention. Hayday & Beaven (1991) investigated employee, customer and sales performance of a major retailer over a period of two years. They found that a one-point increase in employee commitment and satisfaction could lead to £200,000 in sales per store. Evans et al. (2000) specifically looked at the impact of a salesperson's first impression on the sales effectiveness of an initial sales encounter. It was found that the first impression predicted sales effectiveness and the ability to successfully complete a sale. However, this study did not link sales effectiveness to customer satisfaction, but was rather contained to the salesperson's perceptions and skills.

Pettijohn & Pettijohn (2002) investigated the influence of a salesperson's skill, motivation and training on customer-oriented selling, which they defined as the practice of focusing on servicing the customer and a commitment to providing customers with greater levels of satisfaction. In this study of 109 retail salespeople

it was found that job satisfaction was essential for effectively servicing customers. Particularly that the variable of job satisfaction was significantly related to customer orientation. However, like the limitations of Evans et al., this study did not go so far as to link customer orientation to actual customer satisfaction.

One study that did examine the impact that technical account managers have on customer satisfaction was conducted internally at a Fortune 500 software company (Hayes, 2001). This company introduced a customer lifecycle model that proposed that customers progress through three stages: Attract, Acquire and Service throughout the relationship with a company. Marketing and advertising comprise the Attract phase. In this phase, potential customers are attracted to a company through marketing and advertising components. Once a potential customer has been attracted, they move to the Acquire phase. In the Acquire phase, the sales professionals interact with the potential customer, present the company's products and value proposition, and, if effective, close the sale and turn the potential customer to a committed customer. This is the most critical phase of the customer lifecycle. The salesperson has the greatest impact on whether or not a potential customer will be transformed to a committed customer. The ability and impression of the salesperson will also impact the customer's perceptions throughout the remaining relationship with the company (the Service phase, which encompasses the remaining product delivery, service, and maintenance of the customer lifecycle).

This perception was quantified by examining customer satisfaction on the three phases of the employee lifecycle. This longitudinal study found that customers who rated their satisfaction with the technical account manager were more likely to indicate higher satisfaction levels with the value and price of the product, as well as to indicate that the product met their expectations. It was also found the satisfaction with the sales process positively influences customer satisfaction with the Service, or final phase in the customer lifecycle.

Sales professionals who are experienced, committed and knowledgeable about the company and product, more effectively satisfy and customers with the sales process as a whole, and positively impact customer perception and satisfaction of the company and product throughout the relationship. While the salesperson's contact with the customer may be brief and limited to the initial phases of the lifecycle, their impact can influence the tone for the relationship to come.

Purpose and Hypothesis

The research to date has examined the relationship between employee satisfaction and customer satisfaction, as well as the relationship between sales persons and customer satisfaction. However, no study to date has attempted to bridge these two areas and examine the influence of the employee satisfaction of

sales professionals with the overall satisfaction of customers with the sales process.

The purpose of this study is to identify the impact that employee satisfaction has on customer satisfaction in the early phases of the customer lifecycle. Specifically, we will examine the impact that employee satisfaction on ten employee satisfaction measures including overall satisfaction/loyalty of sales professionals has on customer satisfaction in the sales process and acquisition phase of the customer lifecycle. It is hypothesized that there will be a positive correlation between employee satisfaction of sales professionals and customer satisfaction with the overall sales process. The study will examine this relationship at the overall employee satisfaction level as well as break down specific areas of employee satisfaction.

Method

Participants

Employee

Data were collected from an employee satisfaction survey conducted in December 2001, and a customer satisfaction survey, conducted in Q1 2002 from a Fortune 500 software company in Silicon Valley. The participant data used from the employee satisfaction survey were 40 sales representatives from the global sales organization. These participants were primarily from the United States, with

minor representation from Europe and Asia Pacific. The participants were selected based on whether or not they had a customer who had completed the Customer Satisfaction Survey. The data for the employee satisfaction and customer satisfaction surveys were linked at the sales representative level.

Customer

The participants from the customer satisfaction survey were customers of the software company who had just completed the initial phase of the sales process (delivered three months after the completion of the license sale). These companies were first-time customers and represent a wide range of industries including bio-tech, manufacturing, high-tech and communication/media. A total of 64 customer respondents were used. The respondents of the survey were key points of contact with the sales organization and were primarily project managers for the software implementation.

Measures

Employee Satisfaction Survey

The employee satisfaction survey used in this study was an anonymous electronic survey administered by an external vendor. The survey is conducted semi-annually in Q2 and Q4 globally and all regular full-time employees within the company are able to participate. The survey utilizes an importance/satisfaction/gap model where employees rate each item on a scale of 0

– 10 (0 = Not Satisfied or Important; 10 = Extremely Satisfied or Important) the level of importance they feel each item is and then the level of satisfaction they feel against each item. Calculating the difference between the stated importance and the stated satisfaction against each item derives a gap score. For the purposes of this study, only the satisfaction measure was utilized.

The survey is comprised of ten sections: The Company; Your Job; Training & Development; Your Work Group; Executive Staff; Your Manager; Core Values; Performance Management; Compensation & Benefits; and Your Overall Opinions. Each section of the survey examined a specific aspect of employee satisfaction and includes an average of six satisfaction questions per measure. Table 1 on page 25 shows a sample of the questions asked in each section of the survey. The satisfaction ratings for each of the following sections of the Employee Satisfaction survey: The Company; Your Job; Training & Development; Your Work Group; Executive Staff; Your Manager; Core Values; Performance Management; Compensation & Benefits were averaged to derive nine overall satisfaction scores (one for each section). The five overall satisfaction items were also averaged together. Since these items used a binary unit of measure (yes/no) instead of the 1-10 satisfaction scale, the data were transformed as follows:

1. Would you recommend the company as a place to work? Yes = 10;

No = 0

2. Will you be looking for a job move outside the company within the next year? Yes = 0; No = 10
3. Overall, are you proud to say you work for the company? Yes = 10; No = 0
4. In comparison with the last survey (if applicable), are you more satisfied, less satisfied, or about the same with working at the company? More = 10; Same = 10; Less = 0
5. Overall, how satisfied are you with the company as an employer of choice? 0 –10; 0 = Not Satisfied, 10 = Very Satisfied

The reliability for the ten employee satisfaction scales was calculated. The results of the reliability analysis indicate that all of the scales have good reliability (ranging from 0.70 – 0.91). The results for all scales are displayed in Table 2 on page 27.

Customer Satisfaction Survey

The customer satisfaction survey utilizes the same format as the employee satisfaction survey. The company uses an external survey vendor to electronically survey customers to measure their satisfaction with the company, the products and the sales process. The survey is delivered within the first quarter (3 months) after a license sale and assesses customer satisfaction on the following topics: Supplier Selection and Product Usage, Overall Performance, Future Intentions (i.e. future purchase plans), Sales and Sales Consultants, and Product Issues. For the

purposes of this study, only the section of the survey, "Sales and Sales Consultants" was utilized. The items in this section of the survey are displayed in Table 3 on page 28.

Satisfaction ratings on the nine items in the section: Sales and Sales Consultants from the Customer Satisfaction were averaged to derive an overall satisfaction score with the sales and sales consultants, labeled the Sales Performance Measure. A Cronbach's alpha was conducted to analyze the reliability of the derived Sales Performance Measure, which resulted in an alpha of 0.91.

Design

These eleven measures (10 employee variables and one customer variable) were then correlated against each other to determine the relationship of employee satisfaction of sales professionals on customer satisfaction with the sales process. The unit of analysis used was at the sales representative level. The customer and employee satisfaction scores were linked for each sales representative. The scales were then calculated from the entire data set and used in the analysis.

Results

Correlation

A two-tailed Pearson's Correlation was conducted against each of the 10 employee satisfaction scales and the Sales Performance Measure

The results are displayed in Table 4 on page 29. Many of the employee satisfaction scales were significantly correlated with each other, which is to be expected. However, for the purposes of this study, we focused on the correlation between the employee satisfaction scales and the customer satisfaction measure. The results show a significant positive correlation between the Sales Performance Measure and the employee satisfaction scales: Training and Development (0.34); Your Manager (0.33); Performance Appraisal (0.37); and Compensation and Benefits (0.38). This indicates that the level of satisfaction the sales representatives have with training, their manager, the way their performance is measured and their overall compensation have a positive impact on the customer's satisfaction on the Overall Sales performance in the initial stages of the customer interaction. These items all impact the employee directly. The significant correlation with the section Training and Development suggests that an employee who is satisfied with the levels of training and development would be able to service the customer more effectively. If they feel they are adequately trained, they can interact with the customer with greater knowledge.

The other sections that achieved significance were Your Manager, Performance Appraisal, and Compensation and Benefits. As the manager has direct influence and control over many aspects of the employee's job, it is not surprising that there is a positive correlation between the employee satisfaction with the section Your Manager and customer satisfaction. Performance Appraisal

also falls into this paradigm and is closely related to manager and manager effectiveness. Employees who receive timely feedback against their performance would be able to know where they are performing acceptably and where they need to improve. This in turn will help the employee to develop more quickly and service the customer more effectively. The final item that achieved significance was Compensation and Benefit. The relationship between employees' satisfaction with their compensation and customer satisfaction is an interesting one. What this result indicates is that if employees are satisfied with their compensation and benefits, this will have a positive influence on customer satisfaction. Essentially, if employees feel satisfied that the company is taking care of them financially, they will have customers who indicate higher levels of satisfaction

The correlation on the scale "Your Job" approached significance, but did not represent a statistically significant relationship. This may be a result of a small sample size ($n = 40$). A larger sample might have revealed more significant relationships. This should be explored in future studies.

None of the other employee satisfaction measures elicited a significant result. The scales that did not approach significance (Overall Satisfaction; The Company; Your Work Group; Executive Staff; and Core Values) all assess employee satisfaction with constructs that are more associated with the company as a whole, rather than with factors that impact the employee's daily functions. The implication is that items that have a direct impact on the employee have a

greater influence on customer satisfaction than items that do not directly impact the employee. Interestingly the Overall Satisfaction measure did not approach significance (.378), which indicates that it is the specific facets of employee satisfaction that have an impact on customer satisfaction, and not satisfaction as a whole.

ANOVA

While there were significant findings with the correlation, further analysis was conducted to explore these relationships more closely. Specifically, is the relationship between employee satisfaction and customer satisfaction a linear one? As one variable increases, does the other increase at the same rate? A series of one-way ANOVAs were conducted to examine if the relationships between the employee satisfaction scales and the customer satisfaction scale were linear. The employee satisfaction measures were re-coded to 0 – Low; 1 – Medium; 2 – High based on the responses. The responses were equally distributed to each scale (33% each). These three variables were then linked to the customer satisfaction measure of those sales professionals at the low, medium and high levels. The purpose was to determine if there was a significant impact of employee satisfaction at the three levels on customer satisfaction, and if so, is there a difference in impact at each level. Do employees who have high satisfaction levels have higher customer satisfaction scores and employees who

have low satisfaction levels have lower customer satisfaction scores? Does the level of employee satisfaction significantly impact customer satisfaction scores? The results are displayed in Table 5 on page 30.

It would be expected to see differences in the levels of employee satisfaction and customer satisfaction; however, the results of the ANOVA did not produce a significant result for any of the employee satisfaction scales. This may be a result of the small sample size. But while the results did not approach significance, certain trends were observed. For all of the employee satisfaction measures, there showed a difference between the Low, Medium and High groupings and the customer satisfaction scores. Namely, employees who were grouped as low satisfaction consistently indicated lower levels of customer satisfaction than those employees who were grouped as medium or high satisfaction. The only exception to this was the satisfaction levels on the scale: Executive Staff. Employees with low satisfaction had an average customer satisfaction of 7.53, compared with employees with medium satisfaction, which had an average customer satisfaction score of 7.09. This may indicate that there is little differentiation between low and medium satisfaction with the executive staff and its impact on customer satisfaction.

The employee satisfaction measures that showed a significant correlation with the customer satisfaction measure (Training and Development, Your Manager, Performance Appraisal, and Compensation and Benefits) also showed a

difference between the high, medium and low scores in the ANOVA, although none were statistically significant. This indicates that the correlation relationship between employee satisfaction and customer satisfaction appears linear.

Employees with low satisfaction had lower customer satisfaction scores than employees with medium satisfaction. Employees with high levels of satisfaction indicated the highest levels of customer satisfaction of the three groupings.

Interestingly, the sections: Overall Satisfaction, Your Job, Executive Staff and Core Values all indicated a difference ranging from .68- 1.23 between the low and the high satisfaction measures. This indicates that there is a difference between the low and high satisfaction measures and their customer satisfaction scores.

Another trend was that all scales indicated higher customer satisfaction scores when employees had high employee satisfaction scores, regardless of the employee survey section. On all scales, employees who had high levels of satisfaction also had higher levels of customer satisfaction than those employees who had medium or low satisfaction. This indicates that while there was not a statistically significant difference found, there does appear to be a linear difference in customer satisfaction scores depending on whether the employee indicates high, medium, or low satisfaction. That is, employees with high levels of satisfaction appear to have higher levels of customer satisfaction scores than employees with medium or low satisfaction. More research will need to be conducted to further explore this relationship.

Discussion

Summary of Findings

The initial findings indicated that the variables of Training and Development, Management, Performance Appraisal, and Compensation and Benefits had a significant positive correlation with a customer's satisfaction with the sales process. It would follow that sales professionals who are well trained and satisfied with their training and development would be able to service their customers more effectively and therefore, garner higher levels of satisfaction from customers on the sales process.

Sales professionals' satisfaction with their manager and performance appraisals also showed a significant positive correlation with customer satisfaction with the sales process. An employee's manager has a great influence on all aspects of an employee's job. Employees who are satisfied with their managers and the managers' style will be able to more effectively service their customers. Also, employees who receive feedback against their performance can more effectively and quickly address any areas of poor performance and improve service to the customer. This supports the research on employee satisfaction and performance that indicated that employees who have higher levels of satisfaction are more productive (Ostroff, 1992, Johnson et al., 1996). Finally, compensation also plays a key role in the level of customer satisfaction. Sales professionals who

are satisfied with their benefits and compensation will develop customers who are satisfied with the sales process. Intuitively, it follows that employees who feel they are properly compensated for their work are more motivated and therefore more likely to service their customers effectively.

The overall findings in this study support the hypothesis that there is a correlation between sales professionals' satisfaction and the satisfaction customers report with the overall sales process. Moreover, the more satisfied sales professionals are, the greater the reported levels of customer satisfaction. Clearly, the impact of sales professionals on customers' satisfaction and perception of the sales process is significant. Curiously, there was not a significant correlation on any of the other scales, including the section, "Your Overall Opinions" which evaluated the employees' overall satisfaction. This is contrary to much of the research that has been conducted in this area (Allen, D. R. & Wilburn, M., 2002; Heskett, J. et al, 1997; Johnson, R. H., 1994; Lundby, K., F., 2001). One could interpret the results that a sales professional's overall satisfaction with the company has little influence on customer satisfaction, and it is only when investigating the specific aspects of employee satisfaction do one could begin to see an impact. This concept should be explored further in future studies. Because of the small sample size ($n = 40$), only four scales achieved a significant correlation. However, it would be interesting to assess whether any of the other scales reach significance if the sample size were to be increased.

The ANOVAs that were conducted also showed some promising trends indicating that there is a linear relationship between employee satisfaction and customer satisfaction. Employees who indicated high satisfaction had high customer satisfaction results, and employees with low satisfaction had low customer satisfaction scores. While the ANOVAs did not achieve significance, there were indications of trends that were apparent in the analysis. In future studies, a larger sample size should be used to see if these ANOVAs achieve significance.

Implications of Study

This study supports the existing research that employee satisfaction impacts customer satisfaction and further expands this paradigm by focusing on sales professionals and their influence on customer satisfaction with the sales process. The results of the study clearly indicate that there is a direct correlation between sales professionals' satisfaction levels and customers' perceptions of the sales process and therefore sales professionals' satisfaction can directly impact customer perceptions with the sales process. This information can be used by businesses to focus on the development and the satisfaction of sales professionals as a key influencer of customer satisfaction and perceptions. By focusing on a subset of employees, in this case, sales professionals, a company can directly impact customer satisfaction, which can impact revenue and profitability. The

results of this study could be further used by organizations to specifically target areas of development that would have the greatest impact on customer satisfaction. By understanding specifically which areas of employee satisfaction have the greatest impact on customer satisfaction, organizations can focus their resources more effectively to achieve the greatest return on their investment.

Strengths and Weaknesses of the Study

One of the primary strengths of the study was that the data could be collected and linked at the employee level. This allowed direct analysis of employee and customer satisfaction controlling for many external variables such as customer satisfaction (i.e., participants, subject of survey, and time). By being able to link employee and customer satisfaction data at the employee level, we could directly see the impact of a sales professional's satisfaction on their specific customer satisfaction scores (customers that sales professional services). This enabled us to have greater confidence in drawing inferences and conclusions from the analyses, even when the analytics did not achieve a significant result. Unfortunately, this advantage also resulted in one of the primary weaknesses of the study, which was the limited sample size. Because only employees with customer satisfaction results were used, the sample size was relatively small (40). Because to the small sample size, we might not have seen as many significant results as we may have with a larger sample size. Based on the results found in

this study, future research could explore this theory by using the data model described in this study with a larger population. Only then can more direct inferences be drawn from future analysis.

Conclusions

The purpose of this study was to examine the relationship between employee satisfaction of sales professionals and customer satisfaction with the sales process. Sales professionals are in a unique position to directly color a customer's perception of the company and influence the customer's interaction with a company throughout the life of the relationship. It was found that there is a positive correlation between certain aspects of employee satisfaction and customer satisfaction with the sales process. The implications of this study are far-reaching and can be used to focus specifically on certain sub-sets of the employee population and their direct influence on customer satisfaction. By targeting employee types, a company could significantly impact customer satisfaction and retention, which, in turn, could drive revenue and profitability. Future studies should further examine this relationship and perhaps expand to examine the influence of other employee types to assess what unique influence, if any, they have on customer satisfaction. By continuing to examine different aspects of the employee and customer satisfaction interactions, organizations can begin to better understand the specific dynamics of this relationship and leverage this information

to drive employee satisfaction, customer satisfaction, and to more effectively increase organizational effectiveness.

Table 1

Employee Satisfaction Survey - Sections and Sample Items

The Company: Measures satisfaction with communication of the corporate business plans and strategies.

- “Your understanding of the company’s business practices and strategies”
- “Business practices as they relate to your job are clearly communicated”
- “The company’s business practices as they relate to your job are clearly communicated”

Your Job: Measures satisfaction with specific areas/policies of the company, which impact the employee’s ability to do their job.

- “Having the adequate number of people to do the job right”
- “Establishment and documentation of policies and procedures for doing your job”
- “Your workspace and environmental working conditions”

Training and Development: Measures satisfaction with the training offerings and career development.

- “Career Opportunities at the company”
- “Receiving the professional training necessary for your growth at the company”
- “Receiving the technical training necessary for your growth at the company”

Your Work Group: Measures satisfaction of the interactions within the specific work group.

- “Morale of your work group”
- “Your work group meets the needs of their internal/external customers”
- “The coordination and cooperation between different work groups within your department”

Executive Staff: Measures satisfaction with the interaction and effectiveness of the company’s executive leadership team.

- “Executive staff’s receptivity to employee input”
- “The executive staff makes customer satisfaction a top priority”
- “The effectiveness and promptness with which the company’s executive staff responds to critical business issues”

Your Manager: Measures satisfaction with the management effectiveness of their direct manager.

- “Your ability to openly and frankly discuss problems with your manager”

- “Your manager treats people with dignity and respect”
- “Your manager promotes and participates in teamwork.”

Core Values: Measures satisfaction with the behaviors and standards by which all employees and managers should treat each other.

- “Your manager makes 100% customer satisfaction a top priority”
- “Your manager exhibits the highest levels of business ethics and professional courtesy”
- “Your manager has a bias for action”

Performance Appraisal: Measures satisfaction with the effectiveness of the performance management process and level of feedback and direction managers provide around employee performance.

- “Your work objectives are clearly aligned with the Corporate and Divisional objectives”
- “Your last performance appraisal gave you a clear understanding of your performance at the company”
- “Understanding how your performance will be measured for your evaluation”

Compensation & Benefits: Measures satisfaction with the compensation and benefits provided by the company.

- “My total compensation package (including salary, bonus, stock options, benefits and ESPP) is competitive”
- “The coverage and scope of health plan(s) available to you”
- “The service levels and administration of the stock options plans”

Your Overall Opinions: Measures overall satisfaction and loyalty to the company.

- “Would you recommend this as a place to work?”
- “Will you be looking for a job move outside the company within the next year?”
- “Overall, are you proud to say you work for the company?”

Table 2

Means, Standard Deviations and Reliability for Each of the Employee Satisfaction**Scales**

N = 40	M	SD	<i>Cronbach's alpha</i>
Your Overall Opinions	7.34	2.80	0.70
The Company	7.40	1.32	0.77
Your Job	7.58	1.10	0.75
Training and Development	6.99	1.58	0.80
Your Work Group	7.00	2.02	0.85
Executive Staff	7.66	1.45	0.76
Your Manager	7.63	1.89	0.90
Core Values	7.91	1.83	0.96
Performance Appraisal	7.09	2.08	0.87
Compensation and Benefits	7.10	1.44	0.76

Table 3

Customer Satisfaction Survey – Sales and Sales Consultants Section Items

Sales and Sales Consultants: Measures the customer's satisfaction with the sales consultants and the overall sales process.

1. "Sales representative's and sales consultant's overall effectiveness"
2. "Sales representative's and sales consultant's responsiveness to your needs"
3. "Sales representative's and sales consultant's ability to successfully integrate the software with your business requirements"
4. "Sales representative's product knowledge"
5. "Sales consultant's product and technical knowledge"
6. "Software licensing policy and practices"
7. "Ease of purchasing and contracting"
8. "Prior experience/references within your industry/markets"
9. "Clarity/accuracy of proposals and bids"

Table 4

Pearson's Correlation Matrix of Employee and Customer Satisfaction Measures

	1	2	3	4	5		6	7	8	9	10	11
1 Sales Performance Measure	1.00											
2 Overall Satisfaction	.14	1.00										
3 The Company	.26	.54***	1.00									
4 Your Job	.29	.55***	.80***	1.00								
5 Training and Development	.34*	.55***	.64***	.70***	1.00							
6 Your Work Group	.22	.62***	.79***	.86***	.75***							
7 Executive Staff	.26	.39*	.76***	.68***	.63***							
8 Your Manager	.33*	.65***	.68***	.75***	.75***							
9 Core Values	.22	.57***	.62***	.72***	.60***							
10 Performance Appraisal	.37*	.48**	.73***	.67***	.73***							
11 Compensation and Benefits	.38*	.39*	.66***	.81***	.60***							
1 Sales Performance Measure												
2 Overall Satisfaction												
3 The Company												
4 Your Job												
5 Training and Development												
6 Your Work Group		1.00										
7 Executive Staff		.61***	1.00									
8 Your Manager		.90***	.58***	1.00								
9 Core Values		.89***	.47***	.90***	1.00							
10 Performance Appraisal		.78***	.60***	.78***	.72***	1.00						
11 Compensation and Benefits		.75***	.65***	.63***	.60***	.53***	1.00					

*p<.05

**p<.005

***p<.001

Table 5

One-Way Analysis of Variance of High, Medium, and Low Employee Satisfaction
Against Customer Satisfaction

Predictor	Dependant Variable		Low (N = 13)	Medium (N = 13)	High (N = 14)	F- ratio
<i>Overall Satisfaction</i>	Sales Performance Measure	M sd	7.45 1.66	7.38 1.45	8.63 1.60	1.60
<i>The Company</i>	Sales Performance Measure	M sd	7.21 1.84	7.77 1.43	7.87 1.38	.69
<i>Your Job</i>	Sales Performance Measure	M sd	7.00 1.93	7.64 1.45	8.12 1.22	1.57
<i>Training and Development</i>	Sales Performance Measure	M sd	7.11 1.77	7.52 1.33	8.34 1.40	2.10
<i>Your Workgroup</i>	Sales Performance Measure	M sd	7.02 1.72	7.86 1.43	7.88 1.52	1.31
<i>Executive Staff</i>	Sales Performance Measure	M sd	7.53 1.56	7.09 1.75	8.21 1.20	2.03
<i>Your Manager</i>	Sales Performance Measure	M sd	7.28 1.71	7.43 1.49	8.15 1.47	1.12
<i>Core Values</i>	Sales Performance Measure	M sd	7.31 1.53	7.51 1.75	8.12 1.33	.80
<i>Performance Appraisal</i>	Sales Performance Measure	M sd	7.22 1.69	7.87 1.47	7.95 1.47	.94
<i>Compensation & Benefits</i>	Sales Performance Measure	M sd	7.08 1.65	7.75 1.71	8.24 .87	1.78

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