A STUDY ON THE RELATIONSHIP BETWEEN QUALITY OF WORKING LIFE AND CUSTOMER RELATIONSHIP

*Hossein Zahedi mehr¹ and Parviz Saeidi²

¹Department of Public Administration, information systems, Hakim Jorjany University, Gorgan, Iran
²Department of Accounting and Management, Ali Abad Katoul Branch, Islamic Azad University, Ali Abad Katoul, Iran

*Author for Correspondence

ABSTRACT

The present study aiming at studying the relationship between quality of working life and customer relationship has been conducted in branches of Tejarat bank in Golestan province during 2012-2013. Correlation survey has been used as the research method in this study, where Pearson correlation coefficient and multiple linear regressions have been used to test hypotheses. The statistical population (N=382) consists of all official employees serving in branches of Tejarat bank in Golestan province, of which 192 individuals were selected as sample group based on Morgan table. To collect data, two standard questionnaires including quality of work life questionnaire based on Walton model and customer relationship questionnaire have been used. Findings of research indicated that the more employees’ quality of working life increases, employees’ motivation to their job tenure increases, resulting in increase of customer satisfaction.

Keywords: Quality of Working Life; Customer Relationship; Motivation; Walton Model

INTRODUCTION

Today, in contemporary management, concept of quality of working life has been transformed to a major social issue around the world (Luthans, 1998). Yet, in last decades, newer systems were sought to help the employees to make balance between their working life and personal life (Akdere, 2006). The term “quality of working life” has been largely developed in recent years. There is little agreement on meaning of this term, yet it can say that there are two common concepts as follows:

- firstly quality of working life refers to a series of outcomes for the employees such as job satisfaction, development opportunities, psychological problems, job security, employer/employee relations and so forth.

- secondly quality of working life refers to a series of organizational performances such as participatory management, job enrichment and safe working conditions.

On the other hand, acquiring a high-quality working life requires for regular efforts by the organization, which grants more opportunities to the employees to influence their job and share in effectiveness of the whole organization (Tamjidi, 2007).

Working life is founded on person’s feeling about desirability of workplace and what exists in workplace, which relates to the person’s experience in working areas (Knox et al., 1997). According to this point of view, examination of quality of working life is of a great importance in case it expresses the feeling of the organizational person, because it can affect working quality of all the employees at all levels.

- Quality of working life is a phenomenon which goes beyond the organization’s boundary and its effects can be observed in the person’s personal life (Sirgy et al., 2001).

Literature Review

Lau (2000) in a study entitled “Quality of work life and performance – An ad hoc invitation of two key elements in the service profit chain model”, concluded that performance of the companies with high quality of working life difference from performance of the rest 500 companies. The result of his investigations indicates that quality of working life is an important agent to determine performance of companies under study (quoted from Shir, 2007).
Adler (2002) in a study entitled “a survey on the relationship between job position and productivity”, perceived that good outcomes will be benefited in the systems in which individuals’ job is of importance, where the individuals’ job requires enjoying various skills, and the employees have more job satisfaction, motivation and productivity.

Yonggui et al., (2004) in a study entitled “An integrated framework for customer value and customer-relationship-management performance” said that representing superior values for the customer can be followed by tangible and intangible advantages which derive from customer’s behaviors.

Peterson and Var (2004) in a study on the relationship between organizational atmosphere and productivity concluded that productivity of organization severely associated to some aspects of organizational atmosphere that have a strong correlation with job satisfaction. Furthermore, managers’ understanding rather than employees’ understanding from the relationship between organizational atmosphere and productivity is deeper.

Peterson et al., (2005) conducted a study entitled the relationship between human resource management and productivity. The results of this research indicate that there is a positive relationship between human resource management and productivity for the organizations with positive organizational atmosphere or the organizations which use differentiation strategies.

Roh et al., (2005) conducted a study entitled “The priority factor model for customer relationship management system success”, stated that As the market competition becomes keen, constructing a customer relationship management system is coming to the front for winning over new customers, developing service and products for customer satisfaction and retaining existing customers. However, decisions for CRM implementation have been hampered by inconsistency between information technology and marketing strategies, and the lack of conceptual bases necessary to develop the success measures. Using a structural equation analysis, this study explores the CRM system success model that consists of CRM initiatives: process fit, customer information quality, and system support; intrinsic success: efficiency and customer satisfaction; and extrinsic success: profitability. These constructs underlie much of the existing literature on information system success and customer satisfaction perspectives. We found the empirical support for CRM implementation decision-making from 253 respondents of 14 companies which have implemented the CRM system. These findings should be of great interest to both researchers and practitioners.

Farr et al., (2009) using data analysis indicated that the components of quality of working life including learning, job satisfaction and empowerment have a positive effect on human performance.

Koonmee et al., (2010) in a study examined the relationship between institutionalization of ethics, quality of working life and outcomes of employees. The results from this research represented a positive significant relationship between these three components.

Roslan et al., (2010) examined the relationship between social capital and quality of working life, and concluded that two variables of quality of working life and social capital associated together, affecting each other.

Lees et al., (2005) in a study entitled “Improving Work Life Quality: A Diagnostic Approach Model” A high quality of work life is essential for organizations to continue to attract and retain employees. The continued restructuring, downsizing and reorganization of the healthcare system have negatively impacted staff morale and job satisfaction across Ontario. This paper outlines the systematic approach used at Bluewater Health in Sarnia, Ontario, to recognize the importance of quality of work life and progresses from diagnosis to implementation of improvements, with positive outcomes.

Nico (2013) in a study entitled the relationship between organizational trust and quality of working life concluded that there is a positive relationship between management practices and organizational trust and quality of working life.

Knox et al., (1997) in a study “Interactive Quality of Work Life Model Applied to Organizational Transition”, said that most healthcare organizations in the United States are in the process of some type of organizational change or transition. Professional nurses and other healthcare providers practicing in U.S. healthcare delivery organizations are very aware of the dramatic effects of restructuring processes. A
phenomenal amount of change and concern is occurring with organizational redesign, generating many questions and uncertainties. These transitions challenge the basic assumptions and principles guiding the practice of clinical and management roles in healthcare. Nicholas (2013) in a study entitled the relationship between transformational leadership and nurses’ quality of working life, perceived that transformational leadership causes increasing nurses’ quality of working life, so that more interaction in their work has been seen. Eric (2013) in a study entitled “a study on the relationship between quality of working life and employees’ flexibility in maintenance center for people with intellectual disabilities”, concluded that quality of working life increases among the employees which agreed on their job offerings.

MATERIALS AND METHODS

Research Method
This research in terms of aim is an applied research, and it can be categorized in descriptive research types on how to acquire considered data.

Statistical Population
Statistical population consists of all official employees serving in branches of Tejarat bank in Golestan province.

Sample size and how to calculate it
Selection of sample and sampling method are required for research so as to generalize the information obtained from analysis of data of sample group to the population. Cochran formula has been used to determine sample size as follows:

$$n = \frac{z^2 \times p \times q}{d^2 \left( \frac{1}{N} \left( z^2 \times p \times q \right) - 1 \right)}$$

According to values above concerning the formula above, there will be:

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05)^2 \left( \frac{1}{192} \left( (1.96)^2 \times 0.5 \times 0.5 \right) - 1 \right)}$$

$$n = \frac{191/8}{1}$$

$$(n = 192)$$

According to what aforementioned above, the sample obtained among employees consists of 192 individuals, that 210 questionnaires using random sampling method were distributed, because of being sure of return of some questionnaires.

RESULTS AND DISCUSSION

Findings of Research
Major Hypothesis: There is a significant relationship between quality of working life and customer relationship among employees serving in branches of Tejarat bank in Golestan province.

Null Hypothesis ($H_0$): There is not a significant relationship between quality of working life and customer relationship among employees serving in branches of Tejarat bank in Golestan province.

Research Hypothesis ($H_1$): There is a significant relationship between quality of working life and customer relationship among employees serving in branches of Tejarat bank in Golestan province.

Table 1: A summary on statistical analysis relating to major hypothesis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Multiple correlation coefficient(R)</th>
<th>Determination coefficient</th>
<th>Adjusted determination coefficient($R^2$)</th>
<th>Standard error</th>
</tr>
</thead>
<tbody>
<tr>
<td>quality of working life and customer relationship</td>
<td>.998*</td>
<td>.996</td>
<td>.996</td>
<td>.01957</td>
</tr>
</tbody>
</table>
According to table 1, value of multiple correlation coefficients (R) represented with R equals to 0.998. This coefficient represents the severity of the relationship between dependent variable of customer relationship and independent variable of quality of working life, ranging from 0 to 1. The more this coefficient is close to 1, it indicates stronger correlation. Further, Adjusted determination coefficient ($R^2$) represents the changes in dependent variable of customer relationship and independent variable of quality of working life.

Table 2: Significance level of test

<table>
<thead>
<tr>
<th>Sum of squares</th>
<th>Freedom degree</th>
<th>F</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>16.825</td>
<td>1</td>
<td>43941.276</td>
</tr>
</tbody>
</table>

Table 2 represents significance of regression and linear relationship between variables, thus the obtained significance level (sig=0.000) confirms the significant relationship between two variables at confidence level (0.99) and this significance level is defined by the f-value which equals to 43941.276. Hence, Research hypothesis ($H_1$) concerning a significant relationship between quality of working life and customer relationship among employees serving in branches of Tejarat bank in Golestan province is confirmed, and null hypothesis ($H_0$) is rejected.

Table 3: Results of regression

<table>
<thead>
<tr>
<th>Quality of working life</th>
<th>Non-standardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Standard error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.019</td>
<td>.005</td>
<td>.998</td>
<td>209.622</td>
</tr>
</tbody>
</table>

According to table 3 concerning the results of regression, beta coefficient defines relative importance of variables, where great amount of beta specifies the importance and role of it in predicting dependent variable. Hence, as the significance level is less than 0.005, research hypothesis ($H_1$) concerning a significant relationship between quality of working life and customer relationship among employees serving in branches of Tejarat bank in Golestan province is confirmed.

Discussion and Conclusion

Findings of this research indicated that a significant relationship exists between fair pay and customer relationship among employees serving in branches of Tejarat bank in Golestan province. This result is relevant with the results of studies by Karimvand (2004) in a study entitled “a study on the relationship between working life and productivity in Tehran education center”, Pardakhtchi and his colleague (2007) in a study entitled “formulation of an evaluation model for quality of working life among employees”, Dargahi et al., (2008) in a study entitled “investigation of quality of working life among nurses in hospitals of Tehran university of medical science”.

There is a significant relationship between extent of legalism in the organization and customer relationship in branches of Tejarat bank in Golestan province. This result is relevant with the results of studies by Narenji and his colleague (2008) in a study entitled “a study on the relationship between quality of working life and job satisfaction among faculty members in Tehran universities”.

There is a significant relationship between the extent to which opportunities were provided for employees and customer relationship in branches of Tejarat bank in Golestan province. This result is relevant with the results of studies by Pardakhtchi and his colleague (2007)in a study entitled “formulation of an evaluation model for quality of working life among employees”, another study by Narenji and his colleague (2008) in a study entitled “a study on the relationship between quality of working life and job satisfaction among faculty members in Tehran universities”, a study by Murray et al., (2006) who concluded that people’s independence in job results in increasing opportunities for growth and progress and increasing their skill. There is a significant relationship between employees’ personal abilities and customer relationship in branches of Tejarat bank in Golestan province.
Research Article

There is a significant relationship between secure workplace and customer relationship in branches of Tejarat bank in Golestan province. There is a significant relationship between overall space of life and customer relationship in branches of Tejarat bank in Golestan province. There is a significant relationship between social cohesion and integration and customer relationship in branches of Tejarat bank in Golestan province. There is a significant relationship between social dependence of working life and customer relationship in branches of Tejarat bank in Golestan province.

According to the results of research concerning a significant relationship between quality of working life and customer relationship among employees serving in branches of Tejarat bank in Golestan province, it is suggested to the managers and planners to strengthen fundamentals of quality of working life, consider the priority provided concerning the effect of components of quality of working life on customer relationship, differences in employees in terms of gender and education level. As secure workplace is the most effective factor for enhancing relationship with customer, thus enhancing this factor via set of some approaches will be effective in increasing relationship with customer.

REFERENCES


Dargahi H et al., (2008). A study on Quality of working life of nurses in hospitals of Tehran University of Medical Sciences during 2005-2006, School of Nursing and Midwifery, Tehran University of Medical Sciences (Life) 13(2) 13-21.


Mehrabi H (2008). Presentation of a model to assess the impact of customer relationship management (CRM) on the performance of companies and organizations, *MS Thesis, Tehran University, Faculty of Management, Department of Management and Information Technology*.


