“The Link between Customer Satisfaction and Employee Satisfaction in Restaurant Industry”

An analysis of full-service restaurants in Tampico, México.

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Bertha Rodríguez
Paulina Manautou
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CHAPTER 1: INTRODUCTION

This study refers about the relationship existing between customer satisfaction and employee satisfaction. Massad, Heckman, and Crowston (2004) also recognize that the service provided by employees, help to build a good relationship with customers and in some cases, increases their loyalty. Burke, Graham, and Smith (2005) stated that when individuals purchase a particular service, the employee directly influences the customer’s perception of the quality of the transaction. Moreover, depending on the personal experience, a non-satisfied customer would buy the service elsewhere, and share the negative experiences with others. In contrast, a satisfied customer may result in a positive word of mouth recommendation and loyalty (Torres & Kline, 2006).

Employee satisfaction is impacted by employees’ perceptions of their job and the organization for which they work (Eskildsen & Nussler, 2000). Furthermore, customer satisfaction is influenced by the interpersonal encounters between customers and employees in a service setting (Wansoo 2009). In addition, the big challenge for today’s service relays on the excellent service quality and a high customer satisfaction (Hung, Huang, & Chen, 2003).

The aim of this study is to find a relationship between the variables, customer satisfaction and employee satisfaction, in full-service restaurants in Tampico, Mexico by using a regression analysis. Tampico City has a population of 659,597 people, located in the northeast part of México. It is located in the Gulf of México and has manufacturing, petrochemical, oil, and agricultural industries.
Problem Statement

Leadership and organizational practices are related to employee satisfaction because of the influence of these practices on organizational performance (Enz, Camina, & Walsh, 2006; McManus, 2005; Vora, 2004; Kundu & Vora, 2004). Empirical research regarding employee and customer satisfaction has limitations. One of the primary limitations is the scarce number of studies addressing the interdependencies that both constructs have with each other (Homburg & Stock, 2004).

The goal of the study is to determine a relationship between employee satisfaction and customer satisfaction in ten full-service restaurants in Tampico, Mexico. A quantitative analysis of the specific trends or interactions among these constructs was suitable because it uses objective measurements. Two survey instruments were the means to provide quantitative data whose quality remained unaffected by any bias that the investigator might have had or developed during the research (Creswell, 2004).

The quantitative design relates one or more variables to the specific outcomes of a group of people (Creswell, 2004). The design uses an explanatory type of study where the researcher shows correlation between variables: Change in one variable can affect another within a specific population (Creswell, 2004). Also included, is the evaluation of the potential role of employee satisfaction as a predictor of customer satisfaction. In doing so, the study was the conduit for evaluating employee satisfaction, as well as guest satisfaction of ten restaurants located in the city of Tampico, México.
Purpose of the Study

The purpose of this quantitative design is to determine the degree to which employee satisfaction affects customer satisfaction among employees and guests of full-service restaurants in the city of Tampico, Mexico.

CHAPTER 2: REVIEW OF LITERATURE

Customer Satisfaction

Hung, Huang, and Chen (2003), stated that the big challenge for today’s service relays on the excellent service quality and high customer satisfaction. Customer satisfaction refers to the customer’s overall evaluation of the performance of a service (Gustafsson, Johnson, & Roos, 2005). However, Homburg and Stock (2004) stated that anecdotal and limited evidence directly impact on the relationship between customer and employee satisfaction. A satisfied customer might become a repeat buyer, and this overall satisfaction has a strong positive effect on customer loyalty intentions (Prayukvong, Sophon, Hongpukdee, & Charupas, 2007).

At the time the customer costumer reaches or exceeds the expectative and satisfaction, he or she can become a loyal costumer, but it always depends on the personal experience and perception of quality (Yu, Lei-Yu, & Yu-Ching, 2005). DiCostanzo (2008) explains that non-satisfied customer would prefer to buy the product or service anywhere else. On the other hand, a satisfied customer can be a positive word of mouth recommendation and improve loyalty (Torres & Kline, 2006). In contrast, a negative word-of-mouth leads to reduced
customer satisfaction, if follows that satisfied customers spreading positive word-of-mouth might create new customers to the business (Yu et. al 2005).

Products and services of high quality leads to customer satisfaction and higher profits (Matzler, Hinterhuber, Daxer, & Huber, 2005).

Customer’s perceptions of satisfaction are almost always dependent on the factors of quality, facilities and service that the company offers, resulting in loyal customers and favorable word of mouth exchanges (Prayukvong, et al. 2007). With the purpose of improving their competitive position, many companies use some form of customer satisfaction programs for the evaluation and control their products and services. (Matzler, Bailom, Hinterhuber, Renzl., & Pichler, 2004). These authors also assume that increased employee satisfaction ultimately leads to increased customer satisfaction.

**Employee Satisfaction**

Employee Satisfaction is “An attitude that results from an evaluative process, where some comparison standard about the work environment is performed with the actually perceived work environment” (Homburg & Stock, 2004, p.146). It’s been postulated by the service profit chain that high levels of customer satisfaction can be lead by the satisfaction of employees. This becomes crucial because it can eventually affect in the loyalty of customers as well as the profits of the company (Estelami & Hurley, 2007). Van der Voordt (2004) explains that for employees it is very important to gain gratification from their job. Way more important, there is evidence that sustain that the higher the level of rotation between the employees, the lower the levels of satisfaction can come, referring to customers (Estelami & Hurley, 2007).
Michael (2008) stated that employee satisfaction increases significantly when people perceive balance between their work and personal lives experience. Besides that, exists several programs have been developed by organizations to improve the satisfaction of the employees (Huang, 2008). On the other hand, the life quality is very important for the employees, the manager’s emotional intelligence is the main determinant between the supportive leadership behaviors and employee satisfaction (John, 2009).

Ritchie and O’Malley (2009) indicate that supervisors play an important role on employee’s satisfaction. It is important to know how supervisors may influence on the perception between the organization and employees. Brandford, Crant, and Philips (2009) also perceived the importance of a customer interaction with a satisfied salesperson. The quality of that interaction could help the employee to gain the motivation to work better.

Silva (2006) explained that studying the attitude of the workers has become a major issue because, by knowing the reasons that make an employee unhappy, the company can make rearrangements to the basis of the problem. Moreover, diverse job tasks, kind co-workers and a nice working environment have been detected both as motivational and satisfaction factors (Bjerker, Ind, & Paolli, 2007). People agreed that a pleasant atmosphere contributes in the creation of optimistic feelings, (Bjerker, et al. 2007).

**Internal Marketing**

Internal marketing refers to the attraction, development, motivation and retention of skilled employees through job products that fulfill their needs. (Parasuraman, Zeithmal, & Berry, 1991). These authors stated that treating
employees and cheering them up is known as the philosophy behind internal marketing and is the strategy that shapes jobs to fit human needs. If the employees are the most important element of the firm, then the organization should give a satisfactory work environment, and keeps the best workers, (Ferreiram A. 2008). Knowing the focus of the organization, the same author mentioned that the organization have to concentrated on customer needs and aspects that gives them satisfaction on the job.

Dicostanzo (2008) stated that the development of the study involved internal marketing within the area of human resource in an organization, relates to the hospitality industry in Mexico. The author also comments that internal marketing suggests the idea of considering employees as internal customers of the organization. Ahmed, Rafiq and Saad (2002) mentioned that in internal marketing, one of the best strategies is to treat employees as customers to improve service quality.

Research Question & Hypotheses

Creswell (2004) stated that the use of a quantitative analysis instead of a qualitative or a mixed one provided objective results and ensured a lack of bias. Cooper and Schindler (2003) stated that the variables must measure what they are intended to analyze. Recognition of the dependent and independent variable is necessary (Neuman, 2003). The dependent variable is customer satisfaction, while the independent one is employee satisfaction.

The research question will be the following:

Is there a significant relationship between customer satisfaction and employee satisfaction of full-service restaurants located in Tampico, Mexico?
The research hypotheses will be the following:

H0: There is no relationship between customer satisfaction and employee satisfaction.

H1: There is a relationship between customer satisfaction and employee satisfaction.

CHAPTER 3: METHODOLOGY

The research design is going to be quantitative, using regression analysis between variables. Quantitative analysis provides objective results and ensured a lack of bias (Creswell, 2004). This study will consider full-service restaurant customers, and full-service wait staff employees. Wait staff employees are the ones that directly interact with the customers (Pettijohn, Pettijohn and Taylor, 2004).

Pettijohn, Pettijohn and Taylor, (2004) describe a full-service restaurant as an establishment that offered a full-range of services and characterized with a fine dining atmosphere. Also, the authors indicated that this atmosphere is observed in restaurants with full-service bar, and those which the diners were provided with table service. The restaurant’s wait staff was specified as being employees in the establishment who have permanent relationship with the customer, and take order directly for the customers (Pettijohn, et. al, 2004). Additionally, Noone & Kimes (2005) describe fine dining restaurants are those which the average check per person is above $30 USD.

According to those specifications given by Pettijohn, Pettijohn, & Taylor (2004), these are the 10 full-service restaurants chosen:

Batutas                     Porta Romana                     El Budai
La Dolce Vita [2]     Oriental     Pan y Vino
Arenas del Mar     Basilico     Jardín Corona

Sample Criteria

Following Liao and Chuang (2004) methodology, the customer survey (Appendix B) will be applied to 150 customers per restaurant. The survey will be a compilation of 3 smaller surveys; service quality, customer satisfaction, and customer loyalty. Although the three of them will be applied, the customer loyalty survey will not be evaluated for this research. The survey scale is worthy for the three scales and the range goes from 1, “strongly disagree,” to 7, “strongly agree” Liao, H. & Chuang, A. (2004).

Likewise, following Pettijohn’s (2004) methodology, the employee survey (Appendix D) will be applied to the total of wait staff employees of the full service restaurants. In addition, considering the study of Liao and Chuang (2004), the surveys must be applied to wait staff employees with at least one month of job-age. Moreover, surveys have to be responded by at least 5 employees per restaurant (Liao and Chuang, 2004).

<table>
<thead>
<tr>
<th>Simple Regression Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variable</strong></td>
</tr>
<tr>
<td>Y</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
</tr>
</tbody>
</table>
Consumer survey

The best way of measuring the satisfaction of the client is by means of a criterion of general evaluation.

Overall, Am I satisfied by the decision to come to this restaurant?

Employee survey

14 questions

Average of results

Example on SPSS. Database.

<table>
<thead>
<tr>
<th>Id. Customer</th>
<th>Customer Satisfaction</th>
<th>Employee Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>R11</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>R12</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>R13</td>
<td>6</td>
<td>6</td>
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<tr>
<td>R14</td>
<td>7</td>
<td>6</td>
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<td>6</td>
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<td>.</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>R1150</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>R21</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>R22</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>R23</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>R24</td>
<td>7</td>
<td>7</td>
</tr>
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<td>.</td>
<td>6</td>
<td>7</td>
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<tr>
<td>.</td>
<td>7</td>
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<td>-----</td>
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<td>---</td>
</tr>
<tr>
<td>R2150</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
REFERENCES


APPENDIX

APPENDIX A: Request for Permission

Dear Professor Hui Liao,

I have read your research paper published in the Journal of Business Research of Management Journal, 14, 1986: Social responsibility and personal success: Are you incompatible?

The study and the reported results caught my attention due to my interest in finding a potential correlation between employee satisfaction and customer satisfaction in restaurants located in Tampico, Mexico.

The research instrument that you developed and implemented in the aforementioned study fits my research design. I would like to obtain a written permission from you to administer the survey in my study to collect and analyze data for my Research in the Marketing Field course.

Could you be so kind to let me know if it is possible? If so, Could you please send me a copy of the instrument? Is there any cost associated to the number of questionnaires to apply? I intend to sample around 1500 restaurant customers.

If it were possible to obtain permission from you, I will be asking you to sign a format labeled Instituto Tecnológico y de Estudios Superiores de Monterrey, Permission to use an existing survey.

Thank you in advance for your time and consideration.

Sincerely,

Paulina Manautou

Bachelor in Marketing Learner

Instituto Tecnológico y de Estudios Superiores de Monterrey
Dear Professor Wood and Hunt,

I have read your research paper published in the *Academy of Management Journal, 47*(1) 2004: A multilevel investigation of factor influencing employee service performance and customer outcomes.

The study and the reported results caught my attention due to my interest in finding a potential correlation between employee satisfaction and customer satisfaction in restaurants located in Tampico, Mexico.

The research instrument that you developed and implemented in the aforementioned study fits my research design. I would like to obtain a written permission from you to administer the survey in my study to collect and analyze data for my Research in the Marketing Field course.

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Thank you in advance for your time and consideration.

Sincerely,

Paulina Manautou

Bachelor in Marketing Learner

Instituto Tecnológico y de Estudios Superiores de Monterrey

Customer Evaluation of Service Quality

1. Has visually attractive parking areas and building exteriors.
2. Has a visually attractive dining area.
3. Has staff members who are clean, neat, and appropriately dressed.
4. Has a décor in keeping with its image and price range.
5. Has a menu that is easily readable.
6. Has a visually attractive menu that reflects the restaurant’s image.
7. Has a dining area that is comfortable and easy to move around in.
8. Has rest rooms that are thoroughly clean.
9. Has dining areas that are thoroughly clean.
10. Has comfortable seats in the dining room.
11. Serves me in a reasonable amount of time.
12. Quickly corrects anything that is wrong.
13. Is dependable and consistent.
14. Provides an accurate guest check.
15. Serves my food exactly as I ordered it.
16. Seems to handle busy times smoothly.
17. Provides prompt and quick service.
18. Gives extra effort to handle my special requests.
19. Has employees who can answer my questions completely.
20. Makes me feel comfortable and confident in my dealings with them.
21. Has personnel who are both able and willing to give me information about menu items, their ingredients, and methods of preparation.
22. Makes me feel personally safe.
23. Has personnel who seem well-trained, competent, and experienced.
24. Seems to give employees support so that they can do their jobs well.
25. Has employees who are sensitive to my individual needs and wants, rather than always relying on policies and procedures.
26. Makes me feel special.
27. Anticipates my individual needs and wants.
28. Has employees who are sympathetic and reassuring if something is wrong.
29. Seems to have the customers’ best interests at heart.

Customer Satisfaction
1. I am happy about my decision to come to this restaurant.
2. I believe I did the right thing when I came to this restaurant.
3. Overall, I am satisfied with the decision to come to this restaurant.

Customer Loyalty
1. I will recommend this restaurant to others.
2. I am sure that I will not visit this restaurant again.
3. I will dine at another similar restaurant instead of this particular one.
4. I consider this restaurant to be reputable.
5. I definitely will not come to this restaurant again.


Este restaurante:

1. Tiene un exterior y estacionamiento atractivo.
2. Tiene un área de comedor visualmente atractiva.
3. Tiene empleados limpios, aseados y vestidos de manera apropiada.
4. Tiene la convicción de respetar su imagen y el rango de precios.
5. Tiene un menú fácilmente legible.
6. Tiene un menú visualmente atractivo que refleja la imagen del restaurante.
7. Tiene un área de comedor que es cómoda y amplia para su traslado.
8. Tiene servicio de baños limpio.
9. Tiene las áreas de comedor limpias.
10. Tiene asientos cómodos en el comedor.
11. Sirve en una cantidad de tiempo razonable.
12. Rápidamente corrige en caso de equivocarse.
13. Es de confianza y consistente.
14. Proporciona cuentas de consumo sin errores.
15. Sirve la comida exactamente como la ordene.
16. Aparenta manejar de manera tranquila situaciones con alto volumen de clientela.
17. Proporciona el servicio correctamente y rápido.
18. Ofrece un esfuerzo extra para manejar mis peticiones específicas.
19. Tiene empleados capacitados para contestar las preguntas del cliente.
20. Me hace sentir cómodo.
21. Tiene el personal con la capacidad y disposición de darme información sobre el menú, los ingredientes y los métodos de preparación.
22. Me hace sentir seguro.
23. Tiene personal quien parece bien entrenado, competente y experimentado.
24. Parece apoyar a sus empleados para que realicen correctamente su trabajo.
25. Tiene empleados sensibles a mis necesidades, en lugar de siempre apegarse a las políticas y procedimientos establecidos.
26. Me hace sentir especial.
27. Anticipa mis necesidades.
28. Cuenta con empleados simpáticos y tranquilos si algo está mal.
29. El empleado muestra un honesto interés por satisfacer las necesidades del cliente.
30. Recomendaré este restaurante a otras personas.
31. Estoy seguro de que no regresaré a este restaurante.
32. Asistiré a otro restaurante similar en lugar de este en particular.
33. Considero que este restaurant tiene Buena reputación.
34. Definitivamente, no regresaré a este restaurant.
35. Estoy contento con la decisión de venir a este restaurante.
36. Considero que fue una decisión acertada al venir a este restaurante.
37. En general, estoy satisfecho con la decisión de venir a este restaurante.

APPENDIX D: Example of Survey with Seven point Likert-Scale

Encuesta Consumidores

1. Estoy contento con la decisión de venir a este restaurante.

<table>
<thead>
<tr>
<th>Totalmente de acuerdo</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Totalmente desacuerdo</th>
</tr>
</thead>
</table>

2. Considero que fue una decisión acertada al venir a este restaurante.

<table>
<thead>
<tr>
<th>Totalmente de acuerdo</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Totalmente desacuerdo</th>
</tr>
</thead>
</table>

3. En general, estoy satisfecho con la decisión de venir a este restaurante.

<table>
<thead>
<tr>
<th>Totalmente de acuerdo</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Totalmente desacuerdo</th>
</tr>
</thead>
</table>
APPENDIX E: Employee Satisfaction Survey

1. I am satisfied with the information I receive from my supervisor about my performance
2. I receive enough information from my supervisor about my performance
3. I receive enough feedback from my supervisor on how well I’m doing
4. There is enough opportunity in my job to find out how I’m doing
5. I am satisfied with the variety of activities my job offers
6. I am satisfied with the freedom I have to do what I want on my job
7. I am satisfied with the opportunities my job provides me to interact with others
8. There is enough variety on my job
9. I have enough freedom to do what I want in my job
10. My job has enough opportunity for independent thought and action
11. I am satisfied with the opportunities my job gives me to complete tasks from beginning to end
12. My job has enough opportunity to complete the work I start
13. I am satisfied with the pay I receive for my job
14. I am satisfied with the security my job provides me


1. Estoy satisfecho con la información que recibo por parte de mi supervisor con respecto a desempeño laboral
2. Recibo suficiente información por parte de mi supervisor con respecto a mi desempeño laboral
3. Recibo suficiente retroalimentación por parte de mi supervisor con respecto a mi desempeño
4. Hay oportunidades para darme cuenta que tan bueno es mi desempeño
5. Estoy satisfecho con la variedad de actividades que ofrece mi trabajo
6. Estoy satisfecho con la libertad de hacer lo que quiera en mi trabajo
7. Estoy satisfecho con las oportunidades que me ofrece mi trabajo para interactuar con los demás
8. Hay suficiente variedad en mi trabajo
9. Tengo la suficiente libertad para hacer lo que quiera en mi trabajo
10. En mi trabajo hay suficiente oportunidad para mostrar acciones y pensamiento independiente
11. Estoy satisfecho con las oportunidades que tengo en mi trabajo para completar mis tareas de principio a fin
12. En mi trabajo hay suficiente oportunidad de terminar cada tarea que empiezo
13. Estoy satisfecho con el sueldo que recibo
14. Estoy satisfecho con la seguridad que tengo en mi trabajo.