

THE RELATIONSHIP BETWEEN MORAL INTELLIGENCE OF EMPLOYEES AND LOYALTY OF CUSTOMERS OF PRIVATIZED STATE BANKS OF ILAM (CASE STUDY OF TEJARAT, MELLAT AND SADERAT BANKS) LETTERS

Dr.Ghodratollah Talebnia, Dr. Rahmatollah Mohammadi Pour,
Meysam Azizi

Abstract: The objective of this study is to investigate the relationship between moral intelligence of employees and loyalty of customers of privatized state banks of Ilam. The method of current study is correlation-descriptive. The study population includes all employees of Mellat, Tejarat and Saderat banks of Ilam that is 426 people (n = 426). The statistical sample has been considered based on Morgan- Krejcie and equal to 200 people randomize. Research tool include two questionnaires related to moral intelligence and loyalty of customers which had good reliability and validity. In order to analyze the data, Kolmogorov-Smirnov test and Pearson correlation coefficient were used. Data analysis showed a significant and positive relationship between moral intelligence and customer loyalty in the cognitive - behavioral and attitudinal dimensions ($P < 0.05$). The results of this study show that employees who have high moral intelligence express honesty, loyalty, respect that has influence on their attitudes toward their jobs - customer and colleagues to above banks. It is suggested that mentioned banks have special courses to train the concept of moral intelligence to improve and using it.

Keywords: Moral intelligence, Customer loyalty, Honesty, Responsibility, compassion, forgiveness

INTRODUCTION

In the past, organizations just used to find new customers and improve the customers did not make a sense. The newcomer was considered a victory for the organization and there was not special interest to current clients. Now the situation has changed and the maintenance and promotion of profitable customers is the primary goal. In today's society, consumers are considered as a key and central factor of banks and orientation for all of the objectives, strategies and organizational resources, attracting and keeping customers is profitable (Kiland, 1997: 99). Marketing in its evolution, is at the stage that marketers are not only thinking to find new customers. Today, the purpose of marketing is managing demand by pushing up the customer to maturity of loyalty to organizations. They should ensure that content clients are loyal too.

STATEMENT OF THE PROBLEM

Today, understanding and anticipating customer needs is essential for banks to gain competitive advantage. The customer would consider as key and central factor in improving agility of organization and all of the objectives, strategies and resources are centered to attract and maintain

customers. Maintain and enhance customer loyalty is considered as a strategic challenge for organizations that concern to maintain and develop their competitive position in the market. In such circumstances, the manager must create morally healthy climate for all employees in the organization to help them to work more efficiently. But morality cannot be managed directly, but they should manage indirectly. Accordingly, this study sought to examine the rate moral intelligence of privatized state banks' employees of Ilam and its relationship with customer loyalty in three domains of knowledge, attitudes and behaviors.

THEORETICAL BASICS OF THE RESEARCH

It was mentioned that moral intelligence is the ability to understand right from wrong, having a strong ethical beliefs and practice them. Leaders with high moral intelligence just do the right thing right, their actions are always consistent with their values and ideas, and they have high performance and always try to do things with the ethics principles.

The customer loyalty program began in 1978 for the first time in the airline industry in the United States with the licensing of aviation organizations in which emphasis

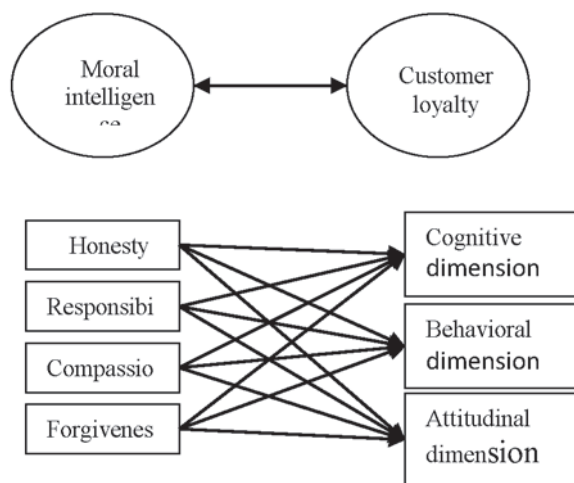
greatly on central control of air service. During this time, marketing and attracting loyal customers found a special position. In areas where markets were more concentrated and competition was more, marketing programs have been focused on maintain customers and they attract and maintain customers through increasing and creating peripheral services (Dennis, 1988, p 434).

Richard Oliver, defined loyalty as “loyalty is referred to a strong commitment to repurchase a better product or service in the future so that the same brand or product will be purchase despite all efforts to potential marketing of competitors or their effects.

It can be said that loyalty is associated with the following three elements:

- 1- Customer’s behavioral component that is repeated purchasing
- 2- Customer’s attitudinal component that is commitment and assurance of customer.
- 3- Customer’s availability component that is along with many options to choose and purchase process.

According to the theoretical literature, conceptual model of current study can be outlined



RESEARCH HYPOTHESES

The main hypothesis: There is a significant relationship between moral intelligence of employees and customer loyalty (in three dimensions: cognitive, behavioral, and attitudinal).

SUB-HYPOTHESES

- 1- There is a significant relationship between honesty of employees and customer loyalty (in three dimensions: cognitive, behavioral, and attitudinal).

2- There is a significant relationship between responsibility of employees and customer loyalty (in three dimensions: cognitive, behavioral, and attitudinal).

3- There is a significant relationship between compassion of employees and customer loyalty (in three dimensions: cognitive, behavioral, and attitudinal).

4- There is a significant relationship between forgiveness of employees and customer loyalty (in three dimensions: cognitive, behavioral, and attitudinal).

RESEARCH METHODS

The methods that were used in this research are as following:

A) Document and library method: using of documents and preparing receipts.

B) Survey method: the reason of using survey method is that the objective of current study is to investigate the relationship between moral intelligence of employees and customer loyalty of privatized state banks of Ilam and in order to achieve objectives and test hypothesis, the researcher has to use this method. Therefore, using field study is one of the main methods of the current study.

THE RESEARCH STATISTICAL POPULATION

The statistical population of current study is Mellat bank in one hand and depositors who have not closed their bank accounts in the last five years in the other hand. The study population consisted of 426 employees.

Sampling method and studied sample: Sampling method in this study is classified according to size. Thus, in each branch the sample will be selected proportional to population size. Using Krjesi and Morgan tables, the number of samples is 200 people.

RESEARCH TOOLS

In this study, two questionnaires will be used to collect data.

Moral Intelligence Questionnaire: This tool consists of 40 statements that by Lennick, Kiel and Jordan (2011) have been developed in the framework of 10 competencies. In Iran, standardization was done by Arasteh in 1390.

Customer Loyalty Questionnaire: This tool was developed by Taylor, Celuch and Goodwin (2004). The questionnaire consisted of six questions that measures three cognitive, behavioral and attitudinal dimensions. It also has been designed on Likert’s

five-item scale is from strongly disagree to strongly agree in which 5 shows strongly agree, 4 shows agree, 3 shows indifferent, 2 shows disagree and 1 shows strongly disagree. The reliability of this has been reported in studies of Seyed Javadin and Amini (1389) using Cronbach’s alpha that is 0.89. Also, this tool has been obtained a good reliability (0.79) in Makhdoomi and Kafashi (1390) study.

RESEARCH FINDINGS

First hypothesis

There is a significant relationship between moral intelligence of employees and customer loyalty.

Pierson correlation coefficient	Significance level	t Test	Standard deviation	Mean	Research hypothesis
Sig 0.0870	0.001	-1.1887	1.1055	4.233	First Hypothesis

In this hypothesis, according to the fact that the rate of Sig level or significance level is less than 0.01 or in the other word is less than alpha rate ($\alpha=0.01$) and is determined by High reliability and errorrate of less than one percent that there is relationship between moral intelligence of employees and customer loyalty, so there is significance level of 0.001 in Pierson test and this hypothesis is confirmed.

SECOND HYPOTHESIS

There is a significant relationship between honesty of employees and customer loyalty.

The results of Pierson test

Pierson correlation coefficient	Significance level	t Test	Standard deviation	Mean	Research hypothesis
Sig 0.3317	0.000	-1.157	1.2440	4.7852	Second Hypothesis

In this hypothesis, according to the fact that the rate of Sig level or significance level is less than 0.05 or in the other word is less than alpha rate ($\alpha=0.05$) and is determined that there is relationship between honesty of employees and customer loyalty, so there is significance level of 0.000 in Pierson test and this hypothesis is confirmed.

Third hypothesis

There is a significant relationship between responsibility of employees and customer loyalty.

The results of Pierson test

Pierson correlation coefficient	Significance level	t Test	Standard deviation	Mean	Research hypothesis
Sig 0.3941	0.000	-1.1801	1.322	3.9550	Third Hypothesis

In this hypothesis, according to the fact that the rate of Sig level or significance level is less than 0.05 or in the other word is less than alpha rate ($\alpha=0.05$) and is determined that there is relationship between responsibility of employees and customer loyalty, so there is significance level of 0.000 in Pierson test and this hypothesis is confirmed.

Fourth hypothesis

There is a significant relationship between compassion of employees and customer loyalty.

The results of Pierson test

Pierson correlation coefficient	Significance level	t Test	Standard deviation	Mean	Research hypothesis
Sig 0.322	0.000	0.211	1.922	4.705	Fourth Hypothesis

In this hypothesis, according to the fact

In this hypothesis, according to the fact that the rate of Sig level or significance level is less than 0.05 or in the other word is less than alpha rate ($\alpha=0.05$), so the components between compassion of employees and customer loyalty justify high percentage of variance of organizational commitment and there is significance level of 0.000 in Pierson test and this hypothesis is confirmed.

Fifth hypothesis

There is a significant relationship between forgiveness of employees and customer loyalty.

The results of Pierson test

Pierson correlation coefficient	Significance level	t Test	Standard deviation	Mean	Research hypothesis
Sig 0.4225	0.000	0.488	1.266	4.667	Fifth Hypothesis

In this hypothesis, according to the fact that the rate of Sig level or significance level is less than 0.05 or in the other word is less than alpha rate ($\alpha=0.05$), so the components between forgiveness of employees and customer loyalty justify high percentage of variance of organizational commitment and there is significance level of 0.000 in Pierson test and this hypothesis is confirmed.

REFERENCES

1. Aaker, D. And Jacobson, R. (1994). The financial information content of perceived quality. *Journal of Marketing Research*, Vol.31pp:35-49.
2. Aali, Samad, 2002, "customer content", *Tadbir Magazine*, No. 130, p 67, Tehran
3. Abdolvand, Mohammad Ali, 2003, "service marketing", *Journal of Marketing Research*, No. 21, Tehran, p21.
4. Borba, M. (2005), the step- by – step plan to building moral intelligence.
5. Carolyn, F. C., and Karen, N. K. (2002), "From Prisoners to Apostles: A Typology of Repeat Buyers & Loyal Customers in Business", *Journal of Services Marketing*, 16(4), 322-341.
6. Collind, R. (1997). *Theoretical Sociology*, New Dehli: Rawat Publications.
7. Davronus; Safaeiyan, Mitra, "Marketing of banking services", *Negah Publication*, Tehran.
8. Denise L. Duffy (1998); "Customer loyalty strategies", *Journal of Consumer Marketing*, Vol. 15, No 4, PP. 434-448
9. Dick, Alan S. and Kunal Basu(1994), Customer loyalty: Toward an integrated conceptual framework, *Journal of the academy of marketing science*, 22(Spring), 99-113.
10. Hamidi Zadeh, Mohammad Reza; Ghamkhari, Masoume, 2009, "identify the factors effective on customer loyalty based on model of rapid responsive organizations", *Quarterly Journal of Commerce*, No. 52, 210 187, Fall 2009
11. Hamidi Zadeh, Mohammad Reza; Haji Karimi, Abbas Ali; Babaei Zegilaki, Mohammad Ali, (2009), "The design and explanation of process model of customer loyalty, case study: private banks", *Journal of Administrative Management excavations*, First year, second edition, Fall and Winter 1
12. Lennick, D & Kiel, F (2005), *Moral intelligence: The key to enhancing business performance and leadership success*, Wharton School Publishing, An imprint of Pearson Education
13. Lennick, D & Kiel, F (2005), *Moral intelligence: The key to enhancing business performance and leadership success*, Wharton School Publishing, An imprint of Pearson Education.
14. Makhdoomi Javan, Reza; Kafashi, Majid, (2011), "the effect of Organizational and social factors on loyalty of Tejarat Bank customers to maintain banking relationship in Tehran in 2011", *Journal of Social researches*, Year 4, No. 14, Spring 2011.
15. Mokhtari Pour, Marziye; Siyadat, Seyed Ali, (2009), "Comparative Study of Moral Intelligence of Quran scientists and the infallible Imams point of view", *Journal of Islamic Studies and Psychology*, No. 4, p 3, Spring-Summer 2009.
16. Salari, Gholam Reza, (2003), "Factors affecting on customer loyalty, and realize rate of the factors From customers of Tose Saderate Iran bank point

- of view” , Management and Planning Research Institute, Tehran
17. Seyed Javadin, Seyed Reza, (2006), “determination of factors affecting on customer loyalty of Tose Saderat Bank of Iran using the concepts of managing relationship with customer”, business studies, No. 18, p 91-82
18. Seyed Javadin, Seyed Reza; Amini, Alireza; Amini, Zahra, (2010), “Assessment of the effect of brand on loyalty of industrial customers”, Business management perspective, No.3, p 36, fall 2010.
19. Taylor, S. A., Celuch, K., and Goodwin, S. (2004), “The Importance of BrandEquity to Customer Loyalty”, Journal of Product & Brand Management, 13(4), 217-227.
20. Turner, N & Barling, J. (2002), “Transformational leadership and moral reasoning”, Journal of Applied Psychology, 87(2), p.31-304.

Assistant Professor,
Islamic Azad University,
Science and ResearchBranch,
Tehran, Iran

Assistant Professor,
Islamic Azad University,
Ilam,Iran

Master student of Executive Management,
Islamic Azad University,
Science & ResearchBranch, Ilam, Iran