Customer-Employee Interaction and Organizational Competitiveness of Telecommunication Industry in Nigeria

1Eucharia Chinasa Atuo, 2Prof. Sylva E. Kalu

1, 2 Department of Marketing, Faculty of Management Sciences, University of Port Harcourt

Abstract: This study aims to reveal the relationship between customer-employee interaction with the relational predictor variables such as enjoyable interaction and service quality and organizational competitiveness of telecommunication industry in Nigeria. A conceptual framework has been developed to empirically prove the relationship that exist between the two variables, using the application of the spearman rank order correlation for the analyses. A total of 400 copies of questionnaire were distributed to mobile phone users and 255 were retrieved, but only 246 were useful. From the results revealed, (1) Enjoyable interaction has a significant relationship with reduced cost. (2) Enjoyable interaction has a significant relationship with quick customer response. (3) Service quality has a strong relationship with reduced cost (4) Service quality has a significant relationship with quick customer response. Telecommunication firms also hope to receive a clear evidence of what motivates and satisfies their customers while transacting with them.

Keywords: Customer–employee interaction, Enjoyable interaction, service quality reduced cost, quick response, Organizational competitiveness.

1. INTRODUCTION

In today’s increasingly competitive marketplace, organizations must find an effective means of having a good relationship with their customers so as to help them still remain in the market. The firms should also employ a competitive strategy that will help them compete favourably in the marketplace. Gaining a competitive advantage in the industry, means creating customer value and creating quality products to meet and exceed customers’ needs and expectations.

With the rising customers’ awareness about customer satisfaction and the nature or quality of service offered both the organization and the service employees of the telecomm industry will have to develop a good interaction relationship with their customers to enable them to still be in the market and make profits.

Customer-employee interaction is obviously required in delivering a service; this is because it gives the customer the ability to know that the organization cares for him/her. The telecommunication in Nigeria practices and uses mostly SMS, phone calls, email delivering to send out most informations about their services, they also gets customers to use their designated numbers and codes in the case of service failure, customer complaints and customer service issues, which most often these codes and numbers are not effective, information are not given out properly and thereby causing the customer to be frustrated. This situation is also what happens amongst all the telecommunication firms. However, customer-employee relationship/interaction could be used as a competitive edge over other firms and thereby making them distinct from others.

Telecommunication firms’ needs to operate with high quality service methods with creativity and innovation in business which will help them re-strategize on their nature of services offered to create opportunities and competitive edge in their industry.
Customer-employee interactions according to Razzaque and Fatima (2009) is a strong and crucial weapon for organizations because it has a strong impact on customer perceptions of service quality. They proposed a model of customer-employee interactions to overall customer satisfaction in the banking sector. Gremler and Gwinner (2000), also conducted a study on customer-employee rapport in service relationships.

It is also said that in services, a high amount of customer-employee interaction is needed in delivering of the services. (e.g. Crosby, Evans and Cowles 1990; File and Prince 1993; Jain; Pinson and Malhotra 1987).

Bernieri (1998), conducted a study on high school teachers and students. Lafrance and Broadbent (1976), also conducted a study on the college instructor and students (sharing a common viewpoint). From the above studies, they further opined that the quality of interaction between customers and employees tends to give organizations a competitive advantage.

Organizational competitiveness could be seen as a means whereby organizations go the extra-mile in providing services better than other firms.

Business that go the extra-mile to earn their customers’ trust will be rewarded by the customers’ high level of loyalty to them (Garbarino and Johnson, 1999; Singh and Sirdeshmukh, 2000). Of all these studies, none has been able to investigate the influence of customer-employee interaction on organizational competitiveness of telecommunication firms in Nigeria. Thereby our point of departure and this creates a gap which tends to carry out an empirical study.

Recently, customer relationships have become a major area of focus and managers are creating strategies and priorities on how to compete favorably in the marketplace. They do these by developing new sales mediums, online knowledge sharing mediums, market competitiveness, customer volatility and so on. Satisfied or loyal employees will make a difference and will reinforce customer satisfaction. Customers also feel comfortable when employees interact with them in the language they understand, and when both the customers and employees are speaking one language in handling a complaint, it brings about customer loyalty and satisfaction.

We are inclined to believe that poor ability for the telecommunication firms to successfully differentiate their service offerings between customers and employees. However, this study tends to examine the impact of customer-employee as an avenue of solving the problem of lack of competitiveness by most telecommunication firms in Nigeria.

2. THE CONCEPTUAL MODEL, LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Customer-Employee Interaction:

Is a crucial and vital weapon for the success of any organization. Relationships brings about interaction between customers and employees, and these interactions are important areas of doing business, and without it, no business organization will survive in the business arena. Some customers could be complex to handle, but it is these interactions system that gets the organization to win that which brings about loyalty. According to Antoine Solom (2016), customer-employee relationship and interaction appears to become widespread through the mobile phones and the internet. He further stressed that customer-employee relationship is complex and diverse in nature, which brings about a growing number of computerized and automated system. It has become complex as employees deals with non-automated situations.

customer-employee interaction is said to be a feeling of care, friendliness and communication between the customer and the organizational service provider. According to Chuang et al (2012), customer-employee interaction is a communication link between two or more people who interact with one another in other to accomplish a common goal through their reactions (e.g., the language they speak and the emotions expressed). Schutz (1966), pointed out that customers from all works of life, has this need for interaction and relating with the service-provider (employees). He further claimed that, a relationship between an organization and its customers either at the initial stage, in establishing and maintenance phase depends largely on how the organization and its customers compliance with their interpersonal level of interaction.

Schutz (1966) posited that customer interaction demands acceptance, control and emotion by the customers. He further stressed that, the above three requirements are what customers look out for during interaction.

Gremler and Gwinner (2000) claimed that customer-employee interaction or rapport is seen in the two dimensions enjoyable interaction and personal connection.

Under this study, we choose enjoyable interaction and service quality as our dimensions for customer-employee interaction due to the industry under study.

**Enjoyable interaction:** Is seen as a memorable interactive experience between two or more people for the purpose of achieving a common goal. Tickle Degnen and Rosenthal (1990) described enjoyable interaction as an act of “positivity” which is a feeling of care and friendliness for somebody. Gupta (1983) noted that enjoyable interaction could be seen as liking, a favourable association with the people involved in the relationship. In this study, we consider the enjoyable interaction as an unforgettable experience of one’s exchange with a contact employee.

Interaction is a relationship-based construct, which helps in evaluating interpersonal interaction between customers and employees. Interacting with customers is seen in the functional quality (The way it is being delivered); customer-employee interaction has the element of functional quality and it also comprises the following interpersonal interaction attributes (such as non-verbal gestures, eye-contact, facial gestures, language, body language) (Gremler and Gwinner (2000).

Enjoyable interaction cannot be separated from the relational aspects of the service. And it will be difficult for customers to distinguish the evaluation of the provision of the service from their evaluations of the service outcome. This is because some services are interpersonal aspects of service delivery. Thus, we claimed that satisfaction with the interactions and interpersonal aspects will influence loyalty, thereby enabling the organization to compete favourably. However, it is also possible that customers can separate the technical quality and the satisfaction level. For instance, a customer may enjoy the current affairs information discussed, the gossips, the motivating gist from the employees and still be dissatisfied with the services offered.

**Service Quality:** Service quality is a vital weapon and tool that influences business in the marketplace (Brady, Gwin and Hult, 2000; Parasuraman, Zeithaml and Berry 1985, 1988, 1991). Service quality is also an important aspect in the service literatures which has a great impact on customer satisfaction. (Ennew and Binks 1999; Ting, 2004). Service quality can be seen as the difference between what is expected from the service offered and the actual perceived experience. When the service experience exceeds expectation, it is then said that service quality has taken place and that it is satisfactory.

Mackay and Crompton (1988) opined that service quality is the gap that exist between what is expected from each of the service dimensions and what the customer perceives from what was offered. Customers at every point in time expects quality service when transacting a business and after receiving the services offered, they tend to evaluate what is given and what was expected. If the experience exceeds expectation, then the customers’ overall judgment of quality is good and if otherwise, then the judgment or experience will be poor. At this point, the customer decides what to do, whether to come back or stop patronizing. (Bittner, 1990; Gronross, 1990).

Services are not like products. Products after purchasing can be consumed later, but not with services. Services and consumption occurs immediately and simultaneously. They cannot be separated. Therefore, to ascertain the source of services, various dimensions has to be considered. Numbers of previous studies measures service quality dimensions in the following areas. Brady and Cronin (2001), claimed that service quality exist in multiple dimensions which includes environmental quality, interaction quality and outcome quality. Gronroos 1984, proposed two-dimensional model which comprises technical quality and functional quality. According to Lehtinen and Lehtinen (1991), service quality is of three-dimensional model which includes physical quality, interactive quality and corporate quality. Furthermore, Rust and Oliver (1994) suggested that service quality model comprises of three dimensions such as service product, service delivery and service environment. Dabholkar, Thorpe and Rentz’s (1996) argued that service quality also has three dimensions such as physical aspects, reliability of the service and the personal interactivity. Parasuraman et al (1985), in their study proposed ten dimensions of service quality and in 1988, they carried out an empirical study of five of its dimensions through a thorough investigation and explorations. This also led scholars and researchers to issue the SERVQUAL scale as the service quality assessment scale which involves a high level of reliability in them.
2.2 Organizational Competitiveness:

An organization can be seen as a group of who work together in an organized manner for the purpose of achieving a common objectives. It could also be seen as a social unit of people which is structured and managed in other to meet one’s need and also pursuing a collective objectives and vision (www.businessdictionary.com). Furthermore, competitiveness is the ability and performance of a firm, business, country being able to compete favorably and successfully more than their counterparts. In other words, when a business gains more acceptance in the minds of the customers, it gives the business a competitive advantage and edge over their rivals.

According to Navdeep, (2010), competitiveness is defined as the ability to receive a good amount in return on investment repeatedly above the industrial average. While Djankov and Hoekman (1998), posited that competitiveness is the capacity of a country, a firm, a sector or an individual to compete favorably. We are inclined to say that competitiveness is an ability for a sector, country, a company or a person to compete successfully over its rivals and gaining a competitive edge in the marketplace. Scholars and researchers have come up with measures of organizational competitiveness. According to Michael Porter in his (1986) study noted three dimensions for competitiveness such as lower cost, differentiation and focus strategy. Motwani, Kurmar and Stecks (1999), discovered four measures of competitiveness which includes: price, quality, flexibility, Delivery and dependability.

Stalk (1988) suggested, quick response, as a measure which can help firms to compete favorably. Benthaus, et al, (2012) also suggested these measures such as launching new products and services, entering new market segment or forming strategic alliances. Under this study, we choose Quick response and reduced cost as our measures for organizational competitiveness due to the nature of our data base.

**Quick Response:** Quick customer response is actually used as a competitive advantage because no customer like being delayed while transacting a business. Any firm or business that provides customer with quick service without keeping them waiting for longer periods will do better than their competitors.

Customers are very sensitive about how their complaints are attended to. It will be of great value, if firms under promise and over deliver on the expectations they originally laid out. For example, if a firm states 48 hours to handle a complaint thereby responding with an hour, it will be a pleasant and a welcome surprise to them, which will in turn create or bring about customer retention and successful competition. Most firms today recognizes that quick response to customers plays a very vital role to the success of their business that is why Stalk (1988) emphasizes more on outcome quality (time) as the main factors used in gaining and maintaining a competitive advantage in the marketplace. George (1988), posited that competing with time in responding to a customer seeks to compress the time needed to propose, develop, invent, innovate and market the products or services offered.

Reduced cost has been used to measure competitiveness. Cost reduction can be defined as the process of lowering the price of a given product or service to enable customers to make a purchase. For this purpose, we can take a look at the definition of “price war” as a term used in the business arena to show a state of intense competitive rivalry included with a multi-lateral series of cost reductions. In other words, one competitor will lower its price, then others will lower their prices to match, if one of them reduces their prices again, others will also do the same. (www.boundless.com/marketing).

Furthermore, firms are constantly monitoring what they charge against what other firms are charging to enable them remain in business. According to Business Dictionary: cost reduction is a process of checking, finding and eliminating unwarranted costs from a business to increase profits and without having a negative image on product or service quality. Vinod (2013), asserted that organizations and business presently are striving to improve their operational efficiencies and reduce cost without having a bad image on customer service activities. Most firms and business managers are periodically changing and reducing their prices to ensure that their business operates and competes favorably and efficiently, thereby making profits and retaining customers.

**Customer-employee interaction and organizational competitiveness**

Interacting effectively with customers is a vital process of having or managing good relationship with customers. Customer-employee relationship with customers, customer-employee interaction which brings about relationship management is crucial for any telecommunication firm, because it has a strong impact on how customer perceive satisfaction and service quality and it is likely to help the firms compete successfully with their rivalry.
According to Dell (1991), customer-employee relationship is a state of the overall satisfaction and feelings buyers experience when they interact with sellers. In other words, due to how sellers responded quickly to them during business transaction and interaction, it encourages customer. Although the relationship between customer and employee which has created loyalty to the firm has being conceptualized in some previous studies (Liljander and Strandvik 1995). The extent of commitment from the service provider are also associated with customer loyalty which help the firm to have a competitive advantage over the other. (Christopher, Payne and Ballantyne 1991).

In other words, because interaction and rapport strengthens the relationship between customers and employee, we are to expect a positive relationship between interaction and organizational competitiveness.

Barnes (1997) claimed that customer-employee interaction will lead to repeat purchase, which in turn influences organization’s competitiveness.

**Enjoyable interaction and organizational competitiveness:**

Enjoyable interaction cannot be eliminated in the relational aspects of service encounter. Customer feel comfortable when the service provider interact with them and give them listening ears to their complaints. Tickle-Degnen and Rosenthal (1990) asserted that enjoyable interaction is term as “positivity” which is seen as a feeling of care and friendliness towards another person. Gupta 1983 noted that it could be seen as the concept of liking and described as a favorable association with relationship which is considered as a basic foundation in the definition of relationship. Since interaction is an element of functional quality, and also involves interpersonal skills such as body language, eye-contact and non-verbal gestures and communication, it will be difficult to separate customers evaluations of the provision of service from their evaluation of the outcome. Gremler and Gwinner (2000) argued that satisfaction with an individual will influence the satisfaction level with the services that was offered.

It is necessary to note that enjoyable interaction with the customers will also lead the employee to an empathy stage which in turn influences quick response to customer complaint. When organizations respond quickly to customers, they feel comfortable and enjoy the transactions which creates trust and loyalty of the customer to the firm. Quick response is likely to be a competitive weapon which can be use to retain customers and win the customer automatically.

**Service quality and Organizational Competitiveness:**

**Service quality:** Is a basic element in the service literature which has great influence on customer satisfaction. (Ennew and Binks, 1999; Ting, 2004). Since service quality has been connected to results such as customer satisfaction and customer loyalty, it then becomes a strong weapon that business can use to compete with others. Zeithaml, Parasuraman, and Berry, 1990. David and Packianathan, 2008; Ko & Pastores, 2004; Kandampully, 1998, Oliver (1999) asserted that ability for a customer to recommend a business to others for re-purchase, enables customers to perceive that service quality affects the entire service encounter and satisfaction behavior. Quality customer service, price of products or services and their billing system are the dimensions of service quality which has a huge influence on customer satisfaction and in turn leads a strong competitive weapon that companies use to compete with their rivalries. When customer are satisfied with the service quality delivery system of the firm, they tend to repeat purchase, refer others about the services offered to them, thereby helping the organization to remain in business and compete successfully.

Therefore, this study proposes the following hypothesis:

There is no significant relationship with service quality and organizational competitiveness.

![Figure 2.1 Conceptual framework of the relationship between customer-employee interaction and organizational competitiveness](image-url)
Based on these, we propose the following set of hypotheses:

**H₀₁**: There is no significant relationship between enjoyable interaction and reduced cost.

**H₀₂**: There is no significant relationship between enjoyable interaction and quick customer response.

**H₀₃**: There is no significant relationship between service quality and reduced cost.

**H₀₄**: There is no significant relationship between service quality and quick customer response.

### 3 DATA ANALYSES AND FINDINGS

A total of 400 copies of questionnaire were distributed to mobile phone users and 255 were retrieved but only 246 were useful for analyses as displayed on the table below.

#### WHAT COMMUNICATION NETWORK DO YOU USE?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTN</td>
<td>55</td>
<td>22.4</td>
<td>22.4</td>
<td>22.4</td>
</tr>
<tr>
<td>GLO</td>
<td>70</td>
<td>28.5</td>
<td>28.5</td>
<td>50.8</td>
</tr>
<tr>
<td>AIRTEL</td>
<td>69</td>
<td>28.0</td>
<td>28.0</td>
<td>78.9</td>
</tr>
<tr>
<td>ETISALAT</td>
<td>52</td>
<td>21.1</td>
<td>21.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>246</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Fig. 3.1

#### Age

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-19 yrs</td>
<td>34</td>
<td>13.8</td>
<td>13.8</td>
<td>13.8</td>
</tr>
<tr>
<td>20-29 yrs</td>
<td>73</td>
<td>29.7</td>
<td>29.7</td>
<td>43.5</td>
</tr>
<tr>
<td>30-39 yrs</td>
<td>89</td>
<td>36.2</td>
<td>36.2</td>
<td>79.7</td>
</tr>
<tr>
<td>40-59 yrs</td>
<td>50</td>
<td>20.3</td>
<td>20.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>246</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Fig. 3.2

#### MARITAL STATUS

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SINGLE</td>
<td>66</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
</tr>
<tr>
<td>MARRIED</td>
<td>121</td>
<td>49.2</td>
<td>49.2</td>
<td>76.0</td>
</tr>
<tr>
<td>DIVOCE</td>
<td>45</td>
<td>18.3</td>
<td>18.3</td>
<td>94.3</td>
</tr>
<tr>
<td>WIDOWED</td>
<td>14</td>
<td>5.7</td>
<td>6.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>246</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Fig. 3.3

Novelty Journals
Spearman rank order correlation was used in analysing our hypotheses.

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>ENJOYABLE_INTERACTION</th>
<th>SERVICE_QUALITY</th>
<th>REDUCED_COST</th>
<th>QUICK_CUSTOMER_RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rho</td>
<td>Correlation Coefficient</td>
<td>Sig (2-tailed)</td>
<td>N</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td>.629</td>
<td>.408</td>
<td>.000</td>
<td>246</td>
<td>.310</td>
</tr>
<tr>
<td>.310</td>
<td>.535</td>
<td>.000</td>
<td>246</td>
<td>.310</td>
</tr>
<tr>
<td>.323</td>
<td>.408</td>
<td>.000</td>
<td>246</td>
<td>.310</td>
</tr>
</tbody>
</table>

Correlation Matrix showing our hypotheses one to four.

Source: SPSS 20.
HO: There is no significant relationship between enjoyable interaction and reduced cost.

From our correlation matrix, we can see that enjoyable interaction has a significant relationship with reduced cost at a correlation coefficient of 0.408 and a p-value of 0.000 which is less than alpha level of 0.05. Therefore we reject the null hypothesis.

HO: There is no significant relationship between enjoyable interaction and quick customer response

Our correlation matrix also shows a significant correlation coefficient of 0.310 and a p-value of 0.000 which is also less than alpha of 0.05. This indicates that there is a relationship existing between enjoyable interaction and quick customer response. We would also reject the null hypothesis.

HO: There is no significant relationship between service quality and reduced cost

There is a strong correlation coefficient of 0.629 and a p-value of 0.000 when service quality is being correlated with reduced cost. This shows a strong relationship existing amongst them and this would lead us to rejecting the null hypothesis.

HO: There is no significant relationship between service quality and quick customer response

From the correlation matrix above, there is a correlation coefficient of 0.323 and a p-value of 0.000 which is less than alpha. This signifies a relationship existing amongst service quality and quick customer response. We therefore reject the null hypothesis.

4. DISCUSSION OF THE RESEARCH FINDINGS

The study revealed that enjoyable interaction has a significant relationship with reduced cost at a correlation coefficient of 0.408 and a p-value of 0.000 which is less than alpha level of 0.005.

This is also in accordance with Tickle-Degnen and Rosenthal (1990) and Gremler and Gwinner (2000).

The implication of this is that enjoyable interaction between customers and employees has great influence on the organization to compete favorably.

Furthermore, it was also revealed that enjoyable interaction has a significant relationship with quick customer response at a correlation coefficient of 0.310 and p-value of 0.000 which is also less than 0.005.
This study also shows that service quality has a significant relationship with reduced cost at a correlation coefficient of 0.629 and a p-value of 0.000. This shows that there is a strong relationship existing between service quality and a reduced cost. This also in line with the work Oliver (1990) that the ability for a customer to recommend a business to others for a repurchase enables customers to perceive that service quality affects the entire service quality and satisfaction behavior. Lastly, service quality also has a significant relationship with quick response at a correlation coefficient of 0.323 and a p-value of 0.000 which is less than alpha.

This is also in accordance with stalk (1988) that outcome quality (time) which is quick service delivery is an important tool used in gaining and maintaining a competitive advantage in the marketplace.

5. CONCLUSION AND RECOMMENDATION

From our data analyses results and findings, the study concluded that customer-employee interaction enhances organizational competitiveness of telecommunication firms in Nigeria.

The above findings from the results of the hypotheses tested are seen to be based on the fact that customer-interaction brings about relationship management which is an important tool for any telecommunication firm, this is because it has a strong impact on how customers perceive satisfaction and service quality. It is therefore likely to help firms compete favorably in the marketplace. This also in line with Lafrance and Broadbent (1979), they opined that the quality of interaction between customers and employees tends to give organization a competitive edge over their competitors.

This study therefore recommends that telecommunication firms should engage in enjoyable rapport and interaction with their customers because it gives the customer the assurance and satisfaction that the organization cares about them. Lastly, telecommunication firm should also deliver quality services that are quite satisfactory and better than what competitors are offering to them.

REFERENCES


