



Employee Capital and Customer Satisfaction in Selected Nigerian Deposit Money Banks

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Abstract. The relevance of employee capital in promoting customer satisfaction has been highlighted in some extant studies. In this research we explored employee capital and its effects on customer satisfaction in the banking sector. Our objectives were to examine how components of employee capital such as employee knowledge, employee skills and employee capabilities influenced customer satisfaction. Corresponding research questions and hypotheses were developed and tested. The study employed a cross-sectional research design executed through a survey. A structured questionnaire was used to elicit responses from employees of five deposit money banks in Benin City, Southern Nigeria. The banks were chosen from the deposit money banks approved for operations by the Central Bank of Nigeria. Three predictor variables - employee knowledge, employee skills and employee capabilities combined with customer satisfaction as a predicted variable - were examined. The instrument was a modified 28 item structured questionnaire made up of Likert type scale statements. The validity of the instrument was assured using face and content validation techniques. The reliability was ascertained using Cronbach alpha test which yielded values well above the acceptable threshold for both the dependent and independent variables. The study population were employees across the different branches of the deposit money banks. A sample size of 600 was adopted for this study. Of the 600 copies of the instrument administered, a total of 444 were properly filled and usable, indicating a 72% response rate. The test of hypotheses was done using regression analysis. The findings show that all the components of employee capital influenced customer satisfaction. Specifically, the findings show that employee skills ($t = 6.432$, $p = .000$, $\beta = 0.430$); employee capabilities ($t = 5.224$,

$p = .001$, $\beta = 0.383$); and employee knowledge ($t = 3.344$, $p = .001$, $\beta = 0.321$) were all statistically significant predictors with employee skills demonstrating the largest effect on customer satisfaction. The paper recommends that bank management should increase their efforts in developing their employee capital to enhance customer satisfaction.

Keywords: employee capital, employee knowledge, employee skills, employee capabilities, customer satisfaction.

1. Introduction

In the global business environment, the quality and competence of employees - collectively referred to as employee capital - are increasingly recognized as critical drivers of customer satisfaction. Employee capital resources describe the economic value of the knowledge, training, intelligence, attitudes, health, experience and abilities of a worker. It involves all resources and traits that employers value in their staff such as punctuality, allegiance, dependability and knowhow (Kenton, 2019). These intangible factors when aggregated represent the firms' human capital which is a strategic component of the intangible resources or intellectual capital of organizations (Curado & Bontis, 2006; Cabrita & Bontis, 2008). Employee capital comprises the individual capabilities, knowledge, skills and experience of a company's employees and managers and is the collective experience and general know-how of an organization's workforce, useful in the quest to attain organizational goals (Lev, 2001). Effective utilization of employee capital can enhance customer experience, leading to higher satisfaction levels. Research suggests

that companies with well-trained and motivated employees tend to have more satisfied customers, which can result in increased loyalty, positive word-of-mouth, and improved financial performance (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Khalique et. al. 2018).

Globally, organizations like Starbucks and Southwest Airlines have demonstrated how focusing on employee capital can lead to exceptional customer service and consequently high customer satisfaction. These organizations emphasize continuous training, employee empowerment, and a positive organizational culture, which translate into better customer interactions and satisfaction. In Africa the role of employee capital in achieving customer satisfaction is becoming increasingly important as businesses strive to compete in a dynamic and growing market. The continent's diverse economic landscape presents unique challenges and opportunities for leveraging employee capital to enhance customer satisfaction. Companies that invest in their employees through training, development, and engagement are better positioned to deliver superior customer service and achieve competitive advantage. A report by the African Development Bank (AfDB) highlights that investment in human capital, including employee training and development, is essential for improving service quality and customer satisfaction in Africa (AfDB, 2020). However, many African businesses face challenges such as limited resources, inadequate training programs, and high employee turnover, all of which impede effective utilization of employee capital possibilities for customer satisfaction.

Basically, customer satisfaction describes a measure of how the quality of a company's products or services meet or exceed client expectations and is a key determinant of continued customer patronage and loyalty to an organization's products (Igbinedion & Adedoyin, 2024). Organizations and marketing researchers aim to achieve customer satisfaction by investigating customer needs and wants, and the factors that affect their attitudes, choices, evaluations, purchase behaviors and eventual loyalty. Kotler and Armstrong (2010) assert that by understanding and meeting customer desires through adding new product features, offering more value and better service leads to customers' satisfaction, loyalty and eventual competitive advantage. Organizations can offer greater customer satisfaction when they are more responsive to customers, flexible, aggressive, speedy and innovative and are strategically positioned to adapt and thrive in a dynamic, threatening and complex business environment (Adedoyin & Cherechi, 2019).

Nigeria as one of Africa's largest economies is characterized by intense competition across sectors. The relationship between employee capital and customer satisfaction is particularly pertinent as the quality of customer service influences customer satisfaction which is also a critical differentiator for businesses (Adedoyin & Igbinedion, 2024). Despite the recognized importance of employee capital some Nigerian organizations struggle with issues relating to employee capital development by way of training, motivation, and retention. The Nigerian Institute of Management (NIM) notes that inadequate investment in employee development and poor working conditions are common challenges that negatively impact employee performance and customer satisfaction (NIM, 2020). On the other hand, companies that prioritize employee well-being, provide opportunities for career development and foster a positive work environment are more likely to see improvements in customer satisfaction. For instance, in the Nigerian banking sector, banks that invest heavily in building employee capital and customer service initiatives report higher customer satisfaction levels (NIM, 2020). This investment in employee capital not only enhances service quality but also builds customer trust and loyalty, which are essential for long-term business success.

Lev, (2001) posits that the factors such as employee capabilities, qualifications, staff skills, brand name, and level of quality of services rendered, quality of relationships, and work culture are components of employee capital that offer a possibility for promoting customer satisfaction. The interactions between the employees and the customers require the involvement of employees' personal intangible traits such as their capabilities, skills, knowledge, attitude, training, intelligence, health and experience. The thrust of this study is to examine the effects of these employee traits /resources on customer satisfaction. The motivation of this research arises from the fact that since the bank's workforce are the service providers with whom customers interface continually, it would be instructive to empirically ascertain if employee factors influence the quality and process of service delivery and consequently afford customers the satisfaction they desire in the long run.

Customer satisfaction studies generally involve the employee's characteristics and all preceding circumstances. While it is evident from conscious observations that bank executives regularly act within a system of professional conduct while discharging their duties, it has been observed however that there are differences in the approach and interactions of

different bank employees to their customers. These differences are evident especially when there are complaints arising from poor service or poor treatment of customers by some of the bank's personnel. The customer complaints and feedback mechanisms reveal a lack of satisfaction based on the customers' perspective. It is therefore imperative to ascertain whether the individual employee factors would influence customer satisfaction. This research is further prompted by the realization that the bank's employees do not all possess the same capabilities, knowledge, qualifications, skills and attitudes. It is important therefore to investigate if the employees' capital factors would influence the satisfaction of the bank's customers using employee capital components such as employee knowledge, capabilities, skills and attitudes.

2. Literature Review

2.1 What is Employee Capital?

Employee capital resources, also known as human capital, refers to the individual's inventory of knowledge, skills, attitude, competence, capabilities and intellectual agility emanating from the endowment of nature and subsequent investment in education, values, experience, learning and development etc. (Becker, 1964). Chao (2011) posits that it represents the aggregation of individual competencies, knowledge, experiences and technology of the organization's workforce alongside its creative and innovative capabilities. Sveiby (2001) opines that the performance of an organization is dependent on if its employees are competent at any tasks it aims to execute. Consequently, organizations with superior learning, information and problem-solving skills, know-how and decision-making abilities that effectively harness them will attain superior performance compared with other industry rivals (Chen & Chang, 2013). The individual capabilities, knowledge, know-how, talent, education, skills and experiences of employees in the workplace are the important elements that enhance overall performance and organizations with higher level of know-how, problem solving skills, learning and decision-making abilities that fully employ them will achieve better performance compared to their rivals (Khalique, et. al 2018). It is thus a source of innovation and renewal, and for useful ideas that may be assessed at the individual or group levels. It offers innovative solutions to problems in organizations, is indispensable for new product development, promotes competitive advantage and ultimately will support customer satisfaction.

2.2 Understanding Customer Satisfaction

Customer satisfaction is a measure that determines how well a company's products or services meet or surpass customer expectation (Pasuraman et al 1985; Igbinedion & Adedoyin, 2024). It is a key indicator of purchase intentions and customer loyalty and useful in predicting business growth and revenue. Essentially it describes the consumer's response to the evaluation of the perceived discrepancy between prior expectations (or some other norms of performance) and the actual performance of the product after its consumption" (Tse & Wilton, 1988; Adedoyin & Ikebudu, 2011). Attaining customer satisfaction is somewhat complex because it is heavily dependent on both marketing principles, activities of operations management and human resources (employee capital) with attendant variations arising from differences in person, perspective and organization involved in the delivery of the service. Its peculiar nature portends therefore strategic challenges for everyone involved both at the industry and national levels (Adedoyin & Ikebudu, 2011). Studies on customer satisfaction show that customers are dissatisfied with their experience about 25 percent of the time but that only about 5 percent complain (Tax & Brown, 1998; Kotler & Armstrong, 2010). The other 95 percent either feel complaining is not worth the effort, or they do not know how or whom to complain. Of the 5 percent who complain, only about 50 percent report a satisfactory problem resolution, yet the need to resolve a customer's problem in a satisfactory manner is critical. On average, a satisfied customer tells three people while the average dissatisfied customer will tell eleven people who will in turn tell others, causing the numbers exposed to bad word of mouth to grow exponentially (Kotler, 2005). This therefore underscores the need to always ensure customer satisfaction.

3. Hypothesis Development and Conceptual Framework

3.1 Employee Capital and Customer Satisfaction.

Employee capabilities, skill and knowledge contribute to the customer experience during the interface with the customers; and variations in employees' proficiency determine the level of customer satisfaction and consequent loyalty. With the shift into the knowledge economy, the employee intangible resources such as knowledge and intellectual agility occupy a prime place in satisfying customers, building strategic advantages and eventual organizational performance (khalique et. al 2018). Scholars like Barney (1991); Bontis et al. (2000) and Khalique et. al

(2018) affirm that employees contribute to the organization by their knowledge, competence, attitude and intellectual agility. Employee capabilities like intellectual agility enable them to attain flexibility and to have innovative solutions to problems and promote customer satisfaction. From observation there is evidence that employee personal factors contribute to the customer experience during the interface and variation in employees' proficiency portends variations in levels of customer satisfaction and loyalty. Prominent components of employee capital are employee knowledge, employee capabilities and employee skills. We here discuss these key components of employee capital and the links with customer satisfaction.

3.2 Employee Knowledge and Customer Satisfaction.

The employee knowledge is the summation of both information and individual experiences, exposures, values and perceptions (Smolnik, Kremer, & Kolbe, 2005). Evans, Venn and Feeney (2002) posit that knowledge may be classified as either implicit or explicit knowledge. The implicit knowledge is domiciled in people and is viewed as important because its' potentially significant impact on everyday decision-making through rational processes (Evans et al., 2002). This kind of knowledge is responsible for both everyday activities and achieving personal and organizational goals (Schnieders, Vergauwen & Bollen, 2005). In contrast, explicit knowledge depends on the individual's information processing capacity. Hence, whilst occasionally a slow process, it guides reasoning, and the decision-making process (Evans et al., 2002). Researchers have discussed these two types of knowledge; however, distinguishing between them is not an easy task (Smolnik et al., 2005). Regardless of type, an increase in knowledge is recognized as necessary for enhancing employee service delivery which will affect customer satisfaction. Scholars like Barney (1991) report from his study that employees contribute to the organization by their knowledge, competence, attitude and intellectual agility. Ohioorenoya, (2011) established from his study across Nigerian tertiary institutions that employee knowledge and knowledge management support performance. Also, Khalique et. al (2018) in his study in Malaysia affirm that employee knowledge supports competitive advantage in the manufacturing subsector in Malaysia.

This study therefore hypothesizes that:

H1: employee knowledge will have a positive effect on customer satisfaction in the sampled organizations.

3.3 Employee Capabilities and Customer Satisfaction

Employee capability refers to an employee's ability to perform their job effectively and includes both technical competencies (like using tools, software, or equipment) and soft skills (such as communication, problem-solving, and teamwork). It is about how well-equipped an employee is to meet the demands of their role, contribute to organizational goals, and adapt to changing environments. It denotes what people can be, do and what they can accomplish (Nussbaum & Glover, 1995). In organizations, capability must be dynamic, and all employees must be capable enough to prepare, extend and review quickly within shorter periods of time to achieve maximum performance. There is some scholarly evidence that employee capability influences customer satisfaction. The study by Kumar and Pansari, (2017) found that employee capabilities significantly influence customer satisfaction, which in turn affects customer retention with gender identified as a moderating factor in their study. Also, Dhaigude and Thite (2021) reported from their study in India, that technical competencies of employees are vital in ensuring customer satisfaction in the cooperative banking sector. In view of the above this study hypothesizes that:

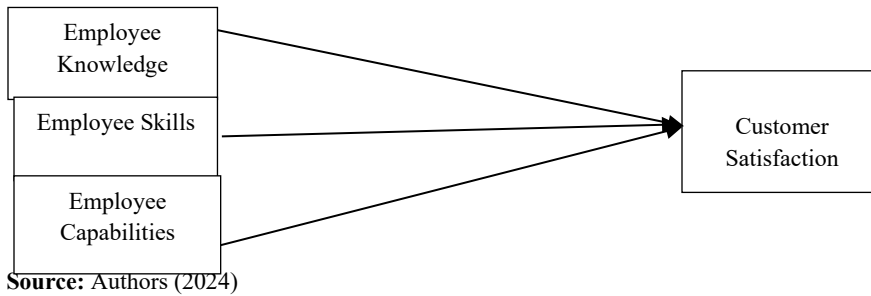
H2: the employee capabilities will have a positive effect on customer satisfaction

3.4 Employee Skills and Customer Satisfaction

The term skill has been used severally in definitions of employee capital and includes a range of descriptors such as - basic skills, employability skills, technical skills, management skills, key skills, soft skills, generic skills, transferable skills, social skills, (Lee & Huang, 2012) interactional skills such as communication, problem solving, team working and creativity (Payne, 2000), job complexity, decision making and competencies (Tovistiga & Tulugurova, 2009). Previous studies like Hanafi and Ibrahim (2018) have examined the impact of employee skills on service performance and establish that employee skills significantly affect service performance. Similar results were reported by Ramasubbu Mithas and Krishnan, (2008) that indicating that the technical and behavioral skills of customer support representatives play a major role in influencing overall customer satisfaction with ESS support services. In view of the above we hypothesize that:

H3: employee skills will have a positive effect on customer satisfaction

3.5 Conceptual Framework



4. Theoretical Review

4.1 Human Capital Theory

Human Capital Theory, originally developed by Becker (1964), posits that individuals' knowledge, skills, competencies, and experiences constitute a form of capital that can be invested in to yield future economic returns. In an organizational context, employee capital refers to the collective value of employees' capabilities, which influences productivity and innovation. The theory emphasizes the importance of investing in employee education, training, and development to enhance organizational performance. In contemporary workplaces, organizations that invest in employee development programs often see higher productivity, improved job satisfaction, and reduced turnover. Human capital theory helps justify budgeting for training and employee wellness as strategic investments rather than costs.

4.2 Resource-Based View (RBV) of the Firm

Introduced by Edith Penrose (1951) and popularized by Barney (1991), the Resource-Based View suggests that firms gain competitive advantage through the acquisition and management of valuable, rare, inimitable, and non-substitutable (VRIN) resources. Employee capital fits this criterion when staff possess unique talents, organizational knowledge, and interpersonal skills. According to RBV, human resources, especially when aligned with strategic goals, can be a major source of sustained competitive advantage. Organizations with strong recruitment, retention, and talent development practices are often able to outperform competitors because their workforce becomes a core strategic asset.

4.3 Expectancy-Disconfirmation Theory

The Expectancy-Disconfirmation Theory, developed by Richard Oliver (1980), is one of the most widely used models to explain customer satisfaction. The

theory asserts that customer satisfaction is determined by the gap between customer expectations and perceived performance. If the performance exceeds expectations (positive disconfirmation), satisfaction increases; if it falls short (negative disconfirmation), dissatisfaction results. This theory is widely used in service industries and consumer behavior research. It underscores the importance of managing customer expectations and consistently delivering quality service to ensure customer satisfaction.

4.4 SERVQUAL Model

Developed by Parasuraman, Zeithaml, and Berry (1988), the SERVQUAL model outlines five key dimensions that influence customer perceptions of service quality: reliability, assurance, tangibles, empathy, and responsiveness. These dimensions are used to measure the gap between customer expectations and experiences. Satisfaction arises when service delivery aligns with or surpasses these dimensions. Businesses often use the SERVQUAL framework to audit their service quality and improve processes that directly affect customer experiences. It has been especially valuable in healthcare, education, hospitality, and banking sectors.

5. Empirical Review

Tseng and Goo (2005) reports that the employee capital influences key business stakeholders such as customers, networks and value chains; and that unless organizations effectively manage their employee capital, other determinants of enhanced organizational value are diminished thereby negatively affecting customer satisfaction. Dhaigude and Thite, (2021) studied how job competencies influence the satisfaction of customers in the cooperative banking sector. Their study established results showing that technical competencies of employees are vital in ensuring customer satisfaction in the cooperative banking sector.

Mubarik (2016) report that employee capital has effects on performance of small & medium manufacturing enterprises in Pakistan and found out while ranking the dimensions that education rank at the top, followed by experience, skills, personal abilities, training, employee stability, attitude, health and compliance. Staines and Martin (2016) observed the role of human competence in SME success and established that the distinguishing feature of high-performance growth and low performance growth SMEs is the knowledge, training and education of managers. Abhayawansa and Abeysekera (2008) assert that in knowledge-based organizations human capital is a major driving force for value creation which would lead to customer satisfaction. There is scholarly consensus that value creation is crucial for corporate success and that the employee capital contributes to the creation of organizational value through employee innovativeness (Tseng & Goo, 2005; Lepak, Smith, & Taylor, 2007; Pitelis, 2009).

The study by Kumar and Pansari, (2017) examined personnel capabilities and customer satisfaction as predictors of customer retention in the banking sector. Conducting a mediated-moderation study they found that employee capabilities significantly influence customer satisfaction, which in turn affects customer retention. Gender was also identified as a moderating factor based on the findings of their study. Mukherjee and Malhotra (2016) conducted a study on frontline employee empowerment and perceived customer satisfaction. From their study they established that empowerment of frontline employees leads to higher motivation and better customer satisfaction in contact center environments.

The study by Ngo, Mai, Siguaw, and Jory (2021) focused on the contribution of managerial ability to customer satisfaction. The study examined the effects of managerial ability on customer satisfaction and found that higher managerial competence positively affects customer satisfaction, which in turn influences firm value. Darzi and Bhat (2018) examined personnel capability and customer satisfaction as predictors of customer retention in the banking sector – a mediated-moderation study. This study reported that personnel capability and customer satisfaction have a significant positive impact on customer retention, highlighting the importance of employee competence in the banking sector.

Abu-ELSamen, Akroush, Al-Khawaldeh, and Al-Shibly (2011) in their study on an integrated model of customer service skills, customer satisfaction and customer loyalty: The study investigated the impact of customer service skills on customer loyalty, with

customer satisfaction as a mediator, in Jordan's mobile service sector. The findings indicated that skills such as reputation building, nonverbal communication, and customer service culture positively influenced customer satisfaction and loyalty.

Guchait, Namasivayam, and Lei, (2011) studied knowledge management in service encounters and customers' satisfaction evaluations. This research examined how knowledge management practices during service interactions affect customer satisfaction. The study found that tacit knowledge practices employed by service providers significantly enhance customer satisfaction and behavioral intentions. In their study, Yee, Yeung, and Cheng (2008) examined the impact of employee satisfaction on quality and profitability in high-contact service industries. Their study investigated the relationship between employee satisfaction, service quality, customer satisfaction, and firm profitability in high-contact service industries. The findings suggest that employee satisfaction is significantly related to service quality and customer satisfaction, which in turn influences firm profitability.

6. Research Gap

From our review of literature, the empirical studies reviewed provide evidence that employee capital supports customer satisfaction across sectors. The review shows that employee capabilities, employee skills and employee knowledge all support customer satisfaction. This review therefore highlights the importance of harnessing employee capital factors policy frameworks to enhance customer satisfaction. It is worthy of mention that majority of the studies reviewed are of foreign origins with very few studies from Nigeria. This research is therefore imperative as it aimed to explore the banking sector in Nigeria for which to the best of the researchers' knowledge there exist an apparent paucity of studies. Addressing this gap would contribute to the employee capital and customer satisfaction literature as it would both provide added credence to the existing theories with empirical evidence from Nigeria and stimulate intellectual engagements. Against this background, this research sought to examine how the identified components of employee capital would influence customer satisfaction in the selected deposit money banks. The paper sought to investigate and establish if results like those obtained in foreign countries would hold true in the Nigerian scenario. In view of the above the following earlier hypothesized relationships were tested:

H1. The employee knowledge will have a positive effect on customer satisfaction

H2. The employee skills will have a positive effect on customer satisfaction

H3. The employee capabilities will have a positive effect on customer satisfaction

7. Research Methodology

A cross-sectional research design was adopted for this study and executed by carrying out a survey. The survey was executed using five of the deposit money banks licensed by the Central Bank of Nigeria.

The five deposit money banks were purposively handpicked from among the twenty-two approved deposit money banks. These five banks were selected based on several factors, such as their large workforce, their huge customer traffic, their active involvement in the daily affairs of the citizenry, and their several years of operating experience as nationwide banking

institutions. These five banks are currently the largest in the Nigerian banking industry and have been tagged the Big Five.

The population of this study consisted of staff members of these banks across the study locations. Using a blend of purposive, stratified and convenience sampling approaches a total of 600 copies of the research instrument were distributed to the five banking institutions with 120 copies of the research instrument assigned to each of the banking institutions. The reason for this was the very close similarities in sizes of their workforce. The representativeness of the sample was assured by further engaging stratified sampling wherein we ensured that the respondents were from across the various strata of the banks. A response rate of 74% was obtained as only 444 copies of the instrument were duly returned and found usable.

Table 1: Distribution of Study Participants

	Institutions	Participants	Responses	Percentage
1.	Access Bank	120	94	78.3%
2.	First Bank	120	88	73.3%
3.	Guarantee Trust Bank	120	76	63.3%
4.	United Bank for Africa (UBA)	120	104	86.6%
5.	Zenith Bank	120	82	68.3%
	Total	600	444	74%

Authors Compilation, 2024.

The instrument for the study was a properly structured 28 item questionnaire comprising selected six items for each of the three predictor variables - employee knowledge, employee skills and employee capabilities combined and ten items of the one predicted variable customer satisfaction. The items were gleaned from the literature and had been previously validated and employed in the works of other scholars (Tovstiga, & Tulugurova, 2007; Cater & Cater, 2009; Okpara, 2015). The items were modified to align with the objectives of the study. The instrument was designed in a 5-point Likert-type scale, ranging from strongly disagree to strongly agree to afford the respondents the opportunity to express their opinions concerning the variables unhindered.

The validity of the instrument was assured using both the face and content validation method. We engaged academic experts in human resources, marketing and strategic management to evaluate the instrument and incorporate their contributions before its administration. This ensured the instrument captured all aspects of the study based on the study objectives.

Furthermore, a preliminary study was conducted to verify the instrument’s dependability and reliability. This was assessed through a reliability test using cronbach’s alpha reliability coefficient test. The alpha values for all the variables ranged between 0.76 and 0.92, exceeding the acceptable threshold of 0.70 for a reliable and standardized measure, as recommended by Nunnally (1978). The reliability results are presented below:

Table 2

	Variables	No of Items	Alpha value
1	Employee Knowledge	6	0.81
2	Employee Skills	6	0.76
3	Employee Capabilities	6	0.92
4	Customers Satisfaction	10	0.84

Source: Fieldwork, 2024.

The hypotheses were tested using regression analysis. The value (p) was used to take decision on the hypotheses. Where the p-value is less than or equal to 0.05 then the null hypothesis is not supported while if p-value is greater than 0.05, then the null hypothesis is supported.

Model specification

The functional regression model is given as:

$$CS = f(EC) \text{ ----- } 1$$

Whereas $EC = EMPsk, EMPcap, EMPknow, \text{-----} 2$

Then:

$$CS = f(EMPsk, EMPcap, EMPknow) \text{ ----- } 3$$

The econometric form of the research model is given as:

$$CS = \beta_0 + \beta_1 EMPsk + \beta_2 EMPcap + \beta_3 EMPknow + \epsilon_t \text{ ----- } 4$$

Where:

EC = employee capital

EMPsk = employee skills made up of the following items: $EMPsk_1 - EMPsk_6$

EMPcap = employee capabilities made up of the following items $EMPcap_1 - EMPcap_6$

EMPknow = employee knowledge made up of the following items $EMPknow_1 - EMPknow_6$

CS = customer satisfaction made up of the following items $CS_1 - CS_{10}$

ϵ_0 = error term; β_0 = intercept of model constant

$\beta_1 - \beta_4$ = are the regression coefficients,

8. Data Analysis and Results

For the inferential analysis, multiple regression was used to test the hypotheses at a 5% significance level. Regression analysis was chosen as it identifies associations and explains the effect of independent variables on the dependent variable. The SPSS software was used to examine the relationships between the variables.

8.1. Descriptive Statistics

A mean performance index was applied to summarize the data, as presented in Table 3.

Table 3: Mean index of change outcomes.

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Employee skills	444	1	5	4.14	.910
Employee capabilities	444	1	5	3.88	.998
Employee knowledge	444	1	5	4.08	.894
Customer satisfaction	444	1	5	4.02	1.06

Research Output (2024).

Hypothesis Testing and Regression results.

Table 4a: Summarized regression output

Model		Unstandardized Coefficients		Standardized Coefficients	t- value	p-value	Sig
		B	Std. Error	Beta			
1	(Constant)	2.100	0.250		8.470	0.000	***
	EMPSk	0.420	0.080	0.430	6.432	0.000	***
	EMPCap	0.350	0.067	0.383	5.224	0.001	**
	EMPKnow	0.300	0.089	0.321	3.344	0.001	**

a. Dependent variable: customer satisfaction

b. Predictors: (constant), employee skills, employee capabilities and employee knowledge

Research Output (2024).

Table 4b: Summarized statistics output

Statistic	Value
R	0.820
R ²	0.670
Adjusted R ²	0.650
F-statistic	34.21
p-value (Model)	0.000

Source: Research Output (2024).

Interpretation of Results

The results of Table 4 shows a coefficient R value of 0.820 (82%), which indicates that there exists a linear direct relationship between employee capital and customer satisfaction. Also, a coefficient of determination R square value of 0.67 (67%) reveals that employee capital accounts for 82% of customer satisfaction; an adjusted R square of 0.65 (65%) and with an F stat of 34.21, and the p-value of the model is 0.000 which is significant at 0.05. This suggests the model used in this study is suitable for the data.

From the results, with an R square value of 0.67 (67%) it implies that (1- 0.67) i.e. about 33% of customer satisfaction in the sampled deposit money banks are explainable by other factors. The relationship between employee capital and customer satisfaction is significant at 0.000. This supports the hypothesized relationship that the employee capital in aggregation is significantly related to customer satisfaction. The multiple regression results show that all dimensions of employee capital explored had significant effects on customer satisfaction. Specifically, the findings show that employee skills (t = 6.432, p = .000, beta = 0.430); employee capabilities (t = 5.224, p = .001, beta = 0.383); and employee knowledge (t = 3.344, p = .001, beta = 0.321) were all statistically significant predictors of customer satisfaction with employee skills demonstrating the largest effect on customer satisfaction. These findings support earlier researchers that affirm employee capital through the studied dimensions have effects on customer satisfaction.

9. Discussion of Findings

From the literature there is some evidence showing that employee capital influences customer satisfaction. Specifically for hypothesis one - that employee skills will have a positive effect on customer satisfaction; the results confirm the hypothesis (t = 6.432, p = .000, beta = 0.430). This finding is in line with the works of other researchers like Ramasubbu, et al., (2008) whose study affirmed the effect of employee skills and customer heterogeneity on customer satisfaction with enterprise system support services. Similar results were reported by Abu- Elsamem et. al., (2011)

affirming the effects of employee skills on customer satisfaction.

Concerning hypothesis two that the employee capabilities will have a positive effect on customer satisfaction; the findings (t = 5.224, p = .001, beta = 0.383) confirm the hypothesis. This position is in alignment with the works of other researchers like Kumar and Pansari, (2017) who examined personnel capabilities, customer satisfaction and customer retention in the banking sector in Jordan and affirmed personnel capabilities influenced customer satisfaction which then influences customer retention. Similar results have been reported by other scholars like Darzi and Bhat (2018); and Ngo, Mai, Siguaw, and Jory (2021) confirming employee capabilities influence customer satisfaction. Similarly, Wimalarathna, Deshika, and Perera (2022) from their study on the effect of employee skills on customer satisfaction using automobile sector employees in Kurunegala District, Sri Lanka also agree with the finding of our study. Furthermore, in the study by Ali, Iraqi, Rawat, and Mohammad (2018) on the role of customer service skills on customer satisfaction and its effects on customer loyalty in Pakistan banking industry, results similar with this finding were established. Also, Aslam, Farhat, Arif, and Goi (2022) from their study on what matters most in achieving customer satisfaction in banking report from their study findings that employee’s customer-oriented behavior, etiquettes, and technical selling skills were significantly related with customer satisfaction.

For hypothesis three that the employee knowledge will have a positive effect on customer satisfaction and employee knowledge the results (t = 3.344, p = .001, beta = 0.321) support the hypothesized relations. This result agrees with studies like Guchait, et al., (2011) who examined knowledge management in service encounters. Their findings affirm that tacit knowledge management positively influenced customer satisfaction and behavioral intentions. Similar findings were reported by scholars like Yoopetch, Nimsai and Kongarchapatara (2021) who studied on the effects of employee learning, knowledge, benefits, and satisfaction on employee performance and career growth in the hospitality industry in Thailand. The

results indicated that employee learning, employee knowledge, and employee satisfaction were influential factors for employee performance and eventual customer satisfaction.

10. Conclusion

This paper concludes that employee capital through all the studied dimensions had significant effects on customer satisfaction in the sampled banking organizations.

11. Recommendations

- The bank management should engage in efforts to improve employee knowledge by way of continual employee learning and development to improve employee knowledge and upskilling as this has capacity for influencing customer satisfaction.
- Efforts should be made to identify aspects of employee deficiencies and focused initiatives aimed at developing employee capabilities and competencies should be undertaken.
- Bank management should endeavor to develop their employee skills to enhance customer satisfaction in their organizations as this will further promote their competitiveness in the industry.
- Management, policy makers and the leadership of the banking institutions should continue to engage in employee capital development to improve customer satisfaction levels.

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