

Employee Satisfaction Effect on Intention Behavior to Repurchase With Service Quality and Customer Satisfaction as Mediation Variable (Studies of Matahari Department Store Outlets at Malang Town Square in East Java)

Abdul Rahman Jannang¹, Djumilah Hadiwidjojo², Mintarti Rahayu³, Sumiati⁴

¹ Economics Faculty, University of Khairun Ternate, Indonesia

^{2,3,4} Economics and Business Faculty, Brawijaya University, Indonesia

ABSTRACT: This study purpose is to identify and explaining effect of employee satisfaction on consumer intention behavior to repurchase. Service quality and customer satisfaction variables are positioned as mediation variable. Target population of this study are employees and consumers of fashion products at Matahari Department Store MATOS outlet, both owned by Matahari Department Store MATOS (14 outlets) and owned by tenant (116 outlets). From overall, 106 outlets selected that sell products and different sales promotion, while 24 stores were not elected due sell same products as other outlets. Sampling technique is non probability purposive sampling approach with 246 employees and 318 consumers in Matahari Department Store MATOS outlets, East Java, Indonesia. Data analysis method used is Generalized Structured Component Analysis (GSCA). This study shows two findings. First, service quality and customer satisfaction do not mediate the effect of employee satisfaction on customer behavior intentions to repurchase. Second, customer satisfaction becomes perfect mediation the effect of service quality on repurchase intentions behavior.

KEYWORDS: Intention Behavior to Repurchase, Customer Satisfaction, Service Quality, Employee Satisfaction, MATOS

I. INTRODUCTION

Malang as student city is second largest city in East Java after Surabaya. Modern retail development in Malang also continues. Modern retail has reached 91 units, whereas ideal limit are 18-20 unit (Trade and Industry Agency Malang). Competition between modern retail in Malang City is very strict to make customers repurchase. Malang Town Square (MATOS) is one of modern retail in Malang City and is one stop shopping center in Malang. Matahari Department Store outlets in MATOS compete with other Department Store outlets in Malang City. Company can still survive amongst tight competition by using service quality (Tjiptono, 2008). As retail services, company's main asset is employees. One characteristic of a service company is intensive interaction between employees and customers. Very intensive interaction between employees and customers makes customer satisfaction is also determined by level of employee's service. Satisfied employees are more productive to give more qualified service services to consumers (Robbins, 2007). High service quality causes consumers repurchase and satisfied (Gronross, 1982; Parasuraman et al., 1985). Satisfied consumers tend to repurchase (Oliver, 1980; Parasuraman et al., 1985). Barsade (2001) said that satisfied employees will express positive emotions to consumers in form of facial expression and behavior (body language) that funny and can ultimately make consumers feel satisfied. First focus of this study is to include service quality and customer satisfaction as a mediation variable the effect of employee satisfactions on consumer behavior intention to repurchase. This is done based on knowledge of researchers that no one has studied before, and previous researchers only examined effect of employee satisfaction on customer satisfaction that mediated by service quality. Other researchers only examined the effect of service quality on customer behavior intentions to repurchase that mediated by consumer satisfaction. Company's employees are an important asset. Employee satisfaction in work can provide a quality service according to theory of job satisfaction, while service quality can increase customer satisfaction according to theory of service quality. This is consistent with theory of emotional contagion that satisfied employees can satisfy consumers and then affects consumer behavior intention to repurchase. Second focus of this research is to measures employee satisfaction variables. Rachel et al. (2008) measure employee satisfaction related to satisfaction of salary, promotion, work type, relationship with fellow employees, and relationship with supervisor. This research was performed on a travel services company, salons and beauty shops, catering, fashion retailing, optical store, and cosmetic store. However, my study at Matahari Department Store MATOS was conducted at fashion products so that proper measurement of

employee satisfaction consists of: adequacy of salaries, welfare, job fit, fellow employee's harmony, harmony with supervisor, and work environment comfort. Prosperous employees can increase productivity (Hasibuan, 2003), as well as work environment comfort can increase employee job satisfaction (Luthans, 2011). Third focus of this study is to measure customer satisfaction. Rachel et al. (2008) measure customer satisfaction with satisfaction of products price, company service, handling of consumer dissatisfaction. However, in this study, consists of measuring customer satisfaction satisfied with service, employee's facial expressions, and employee's behavior. Satisfied employees express positive emotions in facial expressions and mannerisms that are pleasant and ultimately create consumers satisfaction (Barsade, 2001).

2. STUDY THEORIES AND HYPOTHESIS DEVELOPMENT

2.1. Study Theories

Schiffman and Kanuk (2007) define consumer behavior as behavior that displayed by consumers to find, buy, use, evaluate and determine the products and services that they expect to meet their needs. Solomon (1999) defines consumer behavior as a learning process for individuals or groups to select, purchase, use or specify products, services, ideas or experiences to satisfy needs and desires. While Mowen (1998) defines consumer behavior as study units and decision-making processes that involved in receiving, using and determining goods, services, and ideas. Decision-making units are used because decision can be made by individuals or groups.

Consumer behavior is process and activity when a person search, selects, purchase, use, and evaluate products and services to meet their needs and desires (Ducan, 2005). Low price product (low-involvement) involves easy decision-making process, whereas high price product (high-involvement) involves decision-making with careful consideration. Consumer behavior is things that underlie consumer purchase decision (Kincaid, 2003). Satisfaction can be interpreted as an effort to fulfill something or make something adequate (Hunt, 1977; Tjiptono, 2008). Parasuraman et al. (1988) suggest that customer satisfaction is consumers feeling against one type of service he got. Oliver (1997) stated that satisfaction is a customer response on fulfilled needs. Item or service assessment provides a level of comfort to fulfill needs.

Expectancy disconfirmation theory that developed by Oliver (1980) explain that customer satisfaction is evaluation result after consuming product to compare their expectations with product performance. Expectation disconfirmation theory has three assumptions of customer satisfaction, namely: a) Confirmation would occur when actual product performance is suitable with customer expectations. Confirmation will create neutral feeling. b) Positive disconfirmation will occur when product performance exceeds consumer expectations. Positive disconfirmation will create satisfied customers. c) Negative disconfirmation will occur when the product performance is lower than consumer expectations. Negative disconfirmation will create consumer dissatisfaction. Zeithaml (2009) found that satisfied customers will loyal to product, while loyal customer will repurchase, spreading positive information to others, and recommend to his family and friends.

Gronroos (1982) says that "service" word has many meanings and scope. Simplest form of service is from one person to another. It could also be interpreted as start of service given by men, both explicit and implicit service to support facilities that should be available in sales and services of other objects. Berry (2002) states that service are deeds (actions, procedures, and activities), processes, and intangible work. Lovelock (2002) defines service as an economic activity that creates and delivers benefits to customers at a particular time and place. Result and actions bring about desired changes in themselves or on behalf of service recipient. Kotler (2007) defines a service as any act or performance that can be offered by one party to another and essentially intangible and does not result ownership, the production process may or may not be associated with a physical product. Kreitner and Kinicki (2005) define job satisfaction as the effectiveness or emotional responses to various aspects of work. According to Knouse (2009), organization will run smoothly if all services provided by the employee to organization's attention and reward are balance so employees feel satisfied. Low job satisfaction is believed to become one of damage symptoms to an organization's conditions (Zhang and Chen, 2010). Job satisfaction concept refers to an attitude or an individual's emotional reaction to his work (Luthan, 2009). Job satisfaction is emotional state of employees who happen or not happen to meet point between value benefits for employees and organization remuneration levels that are desired by the employee (Martoyo, 2000). According Anoraga (1992), job satisfaction is a general attitude that is result of some special properties of factors of job, social adjustment and individual relationships outside of work. Someone work because of motivation (Manullang, 1984). Work that suitable with individual's desire can increase satisfaction (Handoko, 1996). Jewell and Siegall (1998) attitude arise based on assessment of work. Satisfaction is a state that supports or does not support the work experience of employees (Davis, 1994; Mangkunagara, 2002). Satisfaction is a positive attitude towards one's work (Baron and Greenberg, 2003).

Employee satisfaction is influenced by intrinsic (Cushway and Lodge, 2002). Employee benefits include saving money, help employees, the division in form of stock, health insurance, retirement benefits, holiday allowances, incentives, overtime and holiday fees (Hasibuan, 2003). Employee satisfaction factors include salary, type of employment, promotion, supervisor, co-worker, a sense of security and rest time (Anoraga, 1992; Umar, 2005). Satisfaction and dissatisfaction have an effect on employee performance (Ostroff, 1992; Kreitner, 2003). Emotional contagion is social effect (Schacter, 1959). Emotional contagion can occur consciously and subconsciously (Druckman and Bjork, 1994; Hatfield et al., 1994; Gladwell, 2000; Totterdell, 2000; Kelly and Barsade, 2001). Emotional contagion is a person's tendency to imitate automatically and make expressions adjustments and body movements vocalizations (Friedman, 1980; Schoenewolf, 1990; Hatfield et al., 1992). Work requires employee's emotional (Hochschild, 1983; Rafaeli and Sutton, 1988). Howard and Gengler (2001) said emotional contagion occurs in presence of recipient and sender. Emotional contagion can happen between employees and customers (Pugh 2001; Verbeke 1997). Facial expressions include anger, fear, sadness, disgust, shock, humiliation, and a sense of happiness (Dorothy, 2004). Transmission of negative emotions outweighs the positive emotions (Nyklicek et al., 1997; Cacioppo et al., 1997; Kanouse and Hanson, 1972; Hamilton and Zanna, 1972; Crandall, 1975; Hollmann, 1972; Robbins and DeNisi, 1994; Bartel and Saavedra, 2000). Emotional energy refers to intensity of emotions expressed during the speech (Scherer, 1981). Emotional energy contained in nonverbal behavior (Wallbott and Scherer, 1986). Someone who express emotions in a more robust (Robinson and McArthur (1982), or those who express their emotions clearly by Friedman et al. (1980) is that they assume will have faster response and good opportunity to transfer their emotions to others (Sullins, 1989, 1991).

Depression is shown on an electronic screen with low energy expression, and then people who look at electronic screen can not know that subject has been under depression pressure (Prkachin et al., 1977; Gerson and Perlman, 1979). Adversely, if subject display high energy on an electronic screen, then the people at electronic display can be clearly determines that subjects had depression (Buck, 1984). Emotional contagion with higher energy is more accurate than the low energy (Mehrabian, 1972). Transmission of an individual's mood can be a direct source of information about themselves (Frijda, 1988). Affective information among individuals will affect the assessment group (Hess and Kirouac, 2000). Affective information is shown in form of a smile, facial expressions, and vocalizations (Levenson, 1996). Emotional contagion can affect individuals and groups (Forgas, 1992). Information received will include social and behavior assessment, as well as inter-group effect (Clark and Isen, 1982; Dovidio et al., 2000). Behavior is very important in group (Marcus, 1987; Chertock, 1974). Negative mood is related to group rejection, while positive mood is related to group acceptance (Carver et al., 1994). Negative mood can lead to conflict (Evans, 1965; Gero, 1985; Jehn, 1995). Transmission of positive emotions can reduce negative emotions (Baron, 1984). Being glad is better than being happy (Staw and Barsade, 1993). Sullivan and Conway (1989) stated cognitive had a major role in complex logical reasoning and problem solving. Forgas (1998) said that a person with positive mood will more effective as a negotiator than in a negative mood. George (1991) says that positive mood will improve employee's performance to serve customers. Nonverbal communication is communication between individuals that involves non-verbal language in form of facial expression, eye contact, body movement and posture (Baron and Byrne, 2004; Bovee and Thill, 2007)

2.2. Hypothesis Development

2.2.1. Employee Satisfaction, Service Quality and Customer Behavior Intentions to Repurchase

Relationship between employee satisfaction and service quality is described by theory of job satisfaction, positive feelings toward one's work is an evaluation result of their characteristics (Robbins, 2007). A person with a high level of satisfaction will show a positive attitude towards work, while someone who is not satisfied with his work will show a negative attitude. Empirical studies of Hartline and Ferrell (1996) found job satisfaction has a positive effect on service quality. Pugh (2001) found that emotional employees shown a positive effect of service quality. Brown and Lam (2008) and Rachel et al. (2008) found that employee satisfaction has a positive effect on service quality.

Relationship between service quality and intention behavior to repurchase is explained by theory of service quality. Gronross (1982) said that service quality is resulted from difference between what is perceived by customer and expected performance. Higher service quality makes consumers show behavior intention to repurchase (Borzooei and Asgari, 2013; Giantari et al. 2013), and lower service quality makes consumer will move to a competitor. Empirical studies of Udo et al. (2010) found that quality of Web services have significant positive effect on intention to visit again. Zeithaml et al. (1996) found that service quality have a significant positive effect on behavior intention to repurchase.

However, the research of Cronin and Taylor (1992) found service quality has no significant effect on intention to repurchase consumer. Customer not only looks at service quality but consumers also interested in value of service provided. Theories and empirical studies above indicate a relationship between employee satisfactions with intention behavior to repurchase that mediated by service quality. Therefore, research hypothesis is follows:

H1: Employee satisfaction affect on consumer behavior intention to repurchase with service quality as a mediation variable.

2.2.2. Employee Satisfaction, Customer Satisfaction and Behavior Intention to Repurchase

Relationship between employee satisfaction and customer satisfaction is explained by theory of Emotional Contagion (Barsade, 2001). Satisfied employees will show positive emotions to consumers in form of facial expressions and fun mannerisms that can make consumers feel satisfied. Empirical studies of Homburg and Stock (2004); Rachel et al. (2008); Christina and Dogan (2009); Ahmed et al. (2011); Hassan et al. (2013) found that employee satisfaction has a positive effect on customer satisfaction. While research Brown and Lam (2008) found employee satisfaction has no significant effect on customer satisfaction.

Relationship between customer satisfaction and behavior intention to repurchase is described by expectancy disconfirmation theory (Oliver, 1980). Customer satisfaction is result of product consumption evaluation to assess and comparing their expectations with performance of product. According to Zeithaml (2009), satisfied consumers will be loyal to product, while loyal consumers will repurchase, disseminate positive information to others, and recommending to his family and friends. Empirical studies of Zeithaml et al. (1996); Oliver et al. (1997); Ryu et al. (2008); Udo et al. (2010); Rong and Jun (2011); Paul et al. (2011) show that customer satisfaction have a significant positive effect on behavior intention to repurchase. Study result of Fornell et al. (1994); Ganesh et al. (2000); Sirdeshmukh et al. (2002); Kim et al. (2004) show that customer satisfaction has a significant positive effect on consumer loyalty.

Theory and empirical studies above indicate a relationship between employee satisfaction and intention behavior to repurchase that mediated by customer satisfaction. Therefore, research hypothesis is follows:

H2: Employee satisfaction affect on behavior intention to repurchase that mediated by customer satisfaction

2.2.3. Service Quality, Customer Satisfaction and Behavior Intention to Repurchase

Relationship between service qualities to customer satisfaction is explained by theory of service quality (Grönross, 1982). Service quality is resulted from difference between what is perceived by customer and expected performance. Empirical studies of Anderson and Lehmann (1992); Wen (2007); Rachel et al. (2008); Brown and Lam (2008); Udo Iet al. (2010); Paul et al. (2011) show that service quality has a significant positive effect on customer satisfaction (Setiawan, 2013). Research results of Babakus and Boller (1992); Cronin and Taylor (1992); Gonzales et al. (2007) show that service quality is an antecedent of customer satisfaction.

Theory and empirical studies above indicate a relationship of service quality and behavior intention to repurchase that mediated by customer satisfaction. Therefore, research hypothesis is follows:

H3: Service quality affect on consumer behavior intention to repurchase that mediated by customer satisfaction

III. METHODOLOGY

3.1. Sample

Target populations of this study were employees and consumers of fashion products at Matahari Department Store outlet in Malang Town Square (MATOS), East Java, Indonesia, both owned by Matahari Department Store MATOS of 14 outlets and tenant as much as 116 outlets. Total 106 outlets selected with different types of products. The study respondents consisted of employees and customers. All employees who have been working for at least 6 months in 106 outlets were selected as sample. Employees who meet these criteria are 246 people. Distribution at each outlet is presented in Table 1. Consumer who buys at Matahari Department Store MATOS for each one shifts between 3-6 customers. Two shifts per day have minimum 6 consumers. Therefore, 3 customers are selected for each outlet, with 2 outlets each day researching, and then number samples are $106 \times 3 = 318$ consumers. Total respondents = 246 employees + 318 customer = 564 respondents. The number of samples for each outlet is big. It is consistent with Sugiyono (2011) that closer number of samples to population, then chances of generalization error is smaller.

3.2. Data Collection Method

Respondent candidates who meet criteria were given a questionnaire. Distributed questionnaires are 579 copies, where 246 for employees and 333 for consumers. Returned questionnaire are 573 copies, 246 for employees and 327 for customers, with 98.96 % respon level. Sorting process result was 564 copies, consisting of 246 employees and 318 customers. Data is presented in Table 1. Data tabulation was analyzed with descriptive statistics and inferential statistics GSCA (Generalized Structured Component Analysis).

Table 1. The number of Outlets, Sample Employee and Consumer Samples

No.	Outlet type based on employee quantity	Outlet quantity	Employee samples	Consumers samples
1	One employee	5	5	15
2	Two employees	81	162	243
3	Three employees	1	3	3
4	Four employees	19	76	57
Total		106	246	318

Source: Primary Data Processed, Year 2013

3.3. Variables measurement

3.3.1. Employee satisfaction

Employee satisfaction is employee work assessment at Matahari Department Store MATOS outlets. Employee satisfaction is measured by six indicators of Rachel et al. (2008); Hartline and Ferrell (1996); Hasibuan (2003); Luthans (2011), namely: adequacy of salary received, employee benefits, job suitability, harmony among employees, harmony with supervisors and comfort work environment.

3.3.2. Service quality

Service quality is services value that provided by employees at Matahari Department Store MATOS outlet to consumers who buy fashion products. Service quality is measured by 5 indicators of Rachel et al. (2008); Udo et al. (2010); Hartline and Ferrell (1996); Ganesh et al. (2000); Parasuraman et al. (1985), namely: employee neatness, Service hospitality, service speed, employee's ability, and employee understanding.

3.3.3. Consumer satisfaction

Consumer satisfaction is consumer perceptions on employee service of Matahari Department Store MATOS outlets after buying fashion products. Customer satisfaction is measured by 3 indicators of Rachel et al. (2008); Paul et al. (2011); Barsade (2001), namely: satisfaction with service, satisfaction with employee facial expressions, and satisfaction with employee behavior.

3.3.4. Behavior Intention to Repurchase

Behavior intention to repurchase is positive behaviors of consumers to be able to repurchase in Matahari Department stores Store MATOS. Intention behavior to repurchase is measured by four indicators of Paul et al. (2011); Gonzales et al. (2007); Udo et al. (2010); Sirdeshmukh et al. (2002); Zeithaml et al. (1996), namely: repurchase intention, recommendation intention, no sensitivity to price, willingness to talk about positive things.

IV. DATA ANALYSIS RESULTS

4.1. Research Variables Characteristic

Variables characteristic are obtained by analysis of SPSS version 20 and GSCA analysis and represented in Table 2 below:

Table 2. Recapitulation of Loading Estimate Value and Mean (Mean)

Research Variables	Indicators	Loading Estimate	Mean	
			Indicators	Variables
Kepuasan Karyawan (X)	AVE = 0,420. Alpha = 0,715			
	Adequacy of Salary received (X1)	0.693	3,68	3,78
	Employees welfare (X2)	0.488	2,99	
	Work Suitability (X3)	0.630	3,93	
	Harmony with fellow employee (X4)	0.739	4,30	
	Harmony with supervisor (X5)	0.766	4,03	
Comfort of work environment (X6)	0.521	3,72		

Service Quality (Y1)	AVE = 0,448. Alpha = 0,690			
	Employees Neatness (Y1.1)	0.387	4,01	3,61
	Service Hospitality (Y1.2)	0.704	3,70	
	Service Speed (Y1.3)	0.792	3,52	
	Employees Ability (Y1.4)	0.791	3,47	
	Employees Understanding (Y1.5)	0.585	3,34	
Consumer Satisfaction (Y2)	AVE = 0,743. Alpha = 0,828			
	Satisfaction with services (Y2.1)	0.861	3,67	3,51
	Employee satisfaction with facial expressions (Y2.2)	0.864	3,38	
	Satisfaction with employee behavior (Y2.3)	0.861	3,47	
Behavior Intention to Repurchase (Y3)	AVE = 0,530. Alpha = 0,693			
	Willingness to repurchase (Y3.1)	0.762	3,98	3,52
	Willingness recommend (Y3.2)	0.845	3,66	
	Not price sensitive (Y3.3)	0.544	2,92	
	Willingness to talk about the positive (Y3.4)	0.729	3,51	

Source: Results of analysis of GSCA, in 2013

Recapitulation the loading estimate and mean value in Table 2 above show that all indicators in study are valid to reflect measurement of latent variables. This statement is supported by loading estimate value of all indicators are greater than 0.3 and value of critical point (CR) is significant at 95% confidence level. Test results of AVE root values for all variables are greater than correlation with all other latent variables. This means that all latent variables in this study had good discriminant validity Data analysis results for all alpha value are greater than 0.6. This value can be interpreted that all study variables had good internal consistency reliability. Based on real respondent's perceptions for employee satisfaction variable, service quality, customer satisfaction and behavior intention to repurchase variables have average value (mean) fewer than 4. These results can be interpreted that all variables in this study have not been well perceived by respondents.

4.2. Measurement Model Results and Hypothesis testing

Research hypothesis testing is seen from GSCA output at path coefficient estimate value and critical point (CR *) that significant $\alpha = 0.05$ among latent variables, at shown in Table 3 below.

Table 3. Structural Model

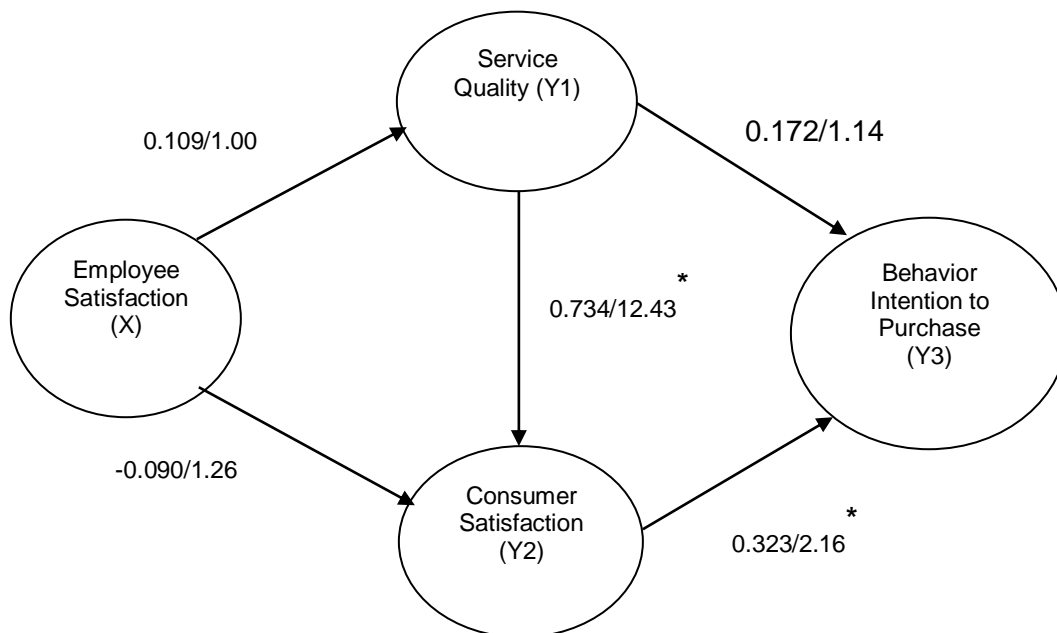
<i>Path Coefficients</i>				Description
Pengaruh Langsung	<i>Estimate</i>	<i>SE</i>	<i>CR</i>	
Employee Satisfaction → Service Quality	0.109	0.109	1.0	Insignificant
Employee Satisfaction → Consumer Satisfaction	-0.090	0.071	1.26	Insignificant
Service Quality → Consumer Satisfaction	0.734	0.059	12.43*	Significant
Service Quality → Behavior Intention to Repurchase	0.172	0.151	1.14	Insignificant
Consumer Satisfaction → Behavior Intention to Repurchase	0.323	0.150	2.16*	Significant

Source: GSCA Analysis Results, 2013

GSCA analysis results in Table 3 above can become research model and hypothesis testing results, as shown in Figure 1 below:

First hypothesis (H1) that employee satisfaction affect on behavior intention to repurchase with service quality as mediation is not proven. Effect of employee satisfaction on service quality and service quality to behavior intention to repurchase is not significant. When associated with a mean value of employee satisfaction and loading estimate in Table 2, it associate to employee satisfaction which tend to be dominated by satisfaction of good relationship with supervisors and fellow employees and not able to improve service quality that dominated by service speed and employees ability to serve customers.

Figure 1. Path Coefficient Diagram and Hypothesis Testing



Description: CR* = Significant at $\alpha = 0.05$
 Source: GSCA Analysis Result, year 2013

Second hypothesis (H2) that employee satisfaction affect on behavior intentions to repurchase with customer satisfaction as a mediation variable is not proven. Despite consumer satisfaction significantly affect on behavior intention to repurchase, but effect of employee satisfaction on customer satisfaction is not significant. This means that employees who are satisfied do not significantly affect to increase customer satisfaction in Matahari Department Store MATOS outlets. This associate with employee satisfaction at Matahari Department Store MATOS outlets who was not expressed in facial expression and behavior (body language) to please consumer and unable to automatically transmit positive emotions to consumers. Third hypothesis (H3) that service quality affects on behavior intention to repurchase with customer satisfaction as a mediation variable is proved. Effect of service quality on customer satisfaction and customer satisfaction on behavior intention to repurchase are significant. This means that service quality significantly affect customer satisfaction. Good service quality can increase consumer's satisfaction who buys fashion products at Matahari Department Store MATOS outlet.

V. DISCUSSION AND CONCLUSION

Previous studies result only examined effect of employee satisfaction on customer satisfaction that mediated by service quality. Other studies also only examined effect of service quality on customer behavior intentions to repurchase that mediated by customer satisfaction. However, this study combines simultaneous effect of employee satisfaction on behavior intention to repurchase with service quality and customer satisfaction become mediation variable. In addition, measurements of this study differ with previous research on variable employee satisfaction and customer satisfaction. This research results show employee satisfaction does not affect on service quality. This study findings indicate that employee satisfaction in Matahari Department Store MATOS outlets still not improve service quality. It is related to salary received by employee is not suitable with employee's work load, as well as employee benefits as holiday allowances, incentives, overtime salaries, holidays and health insurance. There is no clarity on part of supplier and Matahari Department Store MATOS. In addition, employee satisfaction tend be dominated by satisfaction of good relationship with supervisors and fellow employees. It is not able to improve service quality that dominated by service speed and employee's ability to serve customers. These results were confirmed by consumer interviews in Matahari Department Store MATOS outlets which showed that consumers typically want to inquire about the model, type size, price discount, fitting rooms and easy cashier position. However, consumers are often faced with employees that less attention to consumer, usually do not greet customers, and also sometimes away from outlets so consumers can not ask about fashion products wanted. This study finding reinforce job satisfaction theory of Robbins (2007) that satisfied employees are more productive than unsatisfied employees. Therefore, a disgruntled employee can not provide the appropriate service to consumers.

Furthermore, employee satisfaction has no effect on customer satisfaction. This study findings indicate that employee satisfaction in Matahari Department Store MATOS outlets is not expressed in facial expression and behavior (body language) to please consumer and unable to transmit positive emotions to consumers. Interviews with consumers shows that employees in Matahari Department Store MATOS outlets sometimes show surly or sullen expression. Similarly, consumer consider employees behavior is less fun because sometimes act reluctantly, arrogant and sometimes clustered in groups or with their friends. In addition, employees sometimes away from outlets so that consumers have difficulties to ask fashion products, such as model, type size, and price discount. This study finding reinforce theory Emotional Contagion of Barsade (2001) that a disgruntled employee can express negative emotions to consumers in form of facial expression and surly behavior. Customer satisfaction mediates the effect of service qualities on customer behavior intentions to repurchase. This means that service quality at Matahari Department Store MATOS outlets can make consumers feel satisfied, while satisfied consumers can increase behavior intention to repurchase fashion product. These study findings reinforce service quality theory of Gronross (1982) and Parasuraman et al. (1985) that service quality can improve customer satisfaction, while satisfied customers can have behavior intention to repurchase. Although employee satisfaction has no significant effect on service quality and customer satisfaction, but employee satisfaction, it is important to note because satisfied employees can provide a quality service, and be able to express positive emotions to consumers.

This study conclusion is employee satisfaction has not been able to increase behavior intention to repurchase with service quality as mediation variable. Employees service quality in Matahari Department Store MATOS outlets do not directly have significant effect on consumer behavior intention to repurchase. Service speed, employee's ability and employee understanding still perceived low by consumers and still not able directly increase consumer behavior intention to repurchase. This relate to third hypothesis test that customer satisfaction become perfect mediator the effect of service quality on consumer behavior intentions to repurchase. Employee satisfaction has not been able to increase behavior intention to repurchase with customer satisfaction as a mediation variable.

VI. THEORETICAL AND PRACTICAL IMPLICATIONS

This study results support consumer behavior theory of Schiffman and Kanuk (2007), consumer satisfaction theory of Parasuraman et al. (1988), and service quality theory of Gronross (1982) that service quality can improve customer satisfaction while satisfied customers can show behavior intention to repurchase. It strengthen job satisfaction theory of Robbins (2007) that disgruntled employees are less productive. Therefore, a disgruntled employee can not provide a good quality service. It strengthen emotional contagion theory of Barsade (2001) that a disgruntled employee can express negative emotions in form of facial expressions and less fungsional behavior. Practical implications of this study are to provide a marketing strategy concept to management at Matahari Department Store MATOS to attract and retain consumers. Marketing strategy is intended to improve service quality. It proved that service quality can create customer satisfaction; satisfied consumers can increase consumer behavior intentions to repurchase.

VII. LIMITATION AND FUTURE RESEARCH

Researcher does this study maximally, but there is a limitation related to wide scope of discussion. Therefore it recommended for future research to reduce this study limitation. Future research recommendation is to include atmosphere of modern retail in research model. It is based on interviews with consumers. It shown that customer satisfaction is also strongly influenced by retail atmosphere.

REFERENCES

- [1] Ahmed, Raima and Ramzan (2011). Examining the Links Between Employee and Customer Variables of Service Profit Chain: A Case of Pakistani Banks. *Australian Journal of Basic and Applied Sciences*, 5(11): 1634-1645.
- [2] Anderson, Eugene W., Fornell, Claes, & Lehmann, Donald R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden. *Journal of Marketing*, 58, 53-66 (July).
- [3] Anoraga, P. 1992. *Psikologi Dalam Perusahaan*. Jakarta. PT. Rineka Cipta.
- [4] Babakus, Emin, & Boller, Gregory W. (1992). An empirical assessment of the SERVQUAL scale. *Journal of Business Research*, 24(3), 253-268. Anoraga, P. 1992. *Psikologi Dalam Perusahaan*. Jakarta. PT. Rineka Cipta.
- [5] Baron, R. 1984. "Reducing organizational conflict: An incompatible response approach." *Journal of Applied Psychology*, 69: 272-279.
- [6] Baron, R. A. dan J. Greenberg, 2003. *Behavior in Organizations*. International Edition. PrenHall. USA.
- [7] Baron dan Byren, 2004. *Psikologi Sosial*. Edisi ketujuh. Erlangga, Jakarta.
- [8] Barsade, 2001. *The Ripple Effect: Emotional Contagion and its Influence on Group Behavior*. Working paper series OB. School of Management Yale University.
- [9] Bartel, C.A., and R. Saavedra, 2000. "The collective construction of workgroup moods." *Administrative Science Quarterly*, 45:197-231.
- [10] Berry, Parasuraman, and Valarie A. Z. 2002. *Delivering Service Quality*. Mc Milan, New York, p.21

- [11] Bovee, Courtland L. dan Thill, John V. (2007), *Komunikasi Bisnis*, Edisi Kedelapan, Indeks. Jakarta.
- [12] Brown and Lam, 2008. A Meta-Analysis of Relationships Linking Employee Satisfaction to Customer Responses. *Journal of Retailing*, 84 (3) 243–255.
- [13] Buck, R. Park, 1984. *The Communication of Emotion*. New York: Guilford Press.
- [14] Cacioppo, J.T., W.L.Gardner, and G.G. Berntson, 1997. "Beyond bipolar conceptualizations and measures: The case of attitudes and evaluative space." *Personality and Social Psychology Review*. 1(1): 3-25.
- [15] Carver, C.S., A. Kus, and M.F. Scheier, 1994. "Effects of good versus bad mood and optimistic versus pessimistic outlook on social acceptance versus rejection." *Journal of Social and Clinical Psychology*, 13(2): 138-151.
- [16] Chertock, S.L. 1974. "Effect of music on cooperative problem solving by children." *Perceptual and Motor Skills*, 39(2): 986.
- [17] Christina G. Chi and Dogan Gursay, 2009. Employee Satisfaction, Customer Satisfaction, and Financial Performance: An Empirical Examination. *International Journal of Hospitality Management* 28, 245–253.
- [18] Clark, M.S., and A. M. Isen, 1982. "Towards understanding the relationship between feeling states and social behavior." In A.H. Hastorf and A.M. Isen (eds.), *Cognitive Social Psychology*: 73-108. New York: Elsevier-North Holland.
- [19] Crandall, J. E. 1975. "Negativity Bias' in evaluative ratings." *Journal of Social Psychology*, 95: 109-116.
- [20] Cronin, Joseph, Jr., & Taylor, Steven A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55–68.
- [21] Cushway, B. dan D. Lodge, 2002. *Perilaku dan Desain Organisasi*. Terjemahan PT. Elex Media Komputindo. Jakarta.
- [22] Davis, K. J. W. dan Newstrom, 1994. *Perilaku dalam Organisasi*. Jilid I. Penerbit Erlangga. Jakarta.
- [23] Dinas Perindustrian dan Perdagangan Kota Malang, www.bisnis-jatim.com.
- [24] Dorothy. Foltz-Gray, 2004. *The opra magazine*. Hearst Magazines, a Division of Hearst Communications, Inc. New York.
- [25] Dovidio, J.F, S.L. Gaertner, and S. Loux, 2000. "Subjective experiences and intergroup relations: The role of positive affect." In H. Bless and J.P. Forgas (eds.), *The Message Within: The Role of Subjective Experience in Social Cognition and Behavior*: 340-371. Philadelphia, PA: Psychology Press/Taylor & Francis.
- [26] Druckman, D., and R. A. Bjork, 1994. *Learning, Remembering, Believing: Enhancing Human Performance*. Washington, D.C: National Academy Press.
- [27] Duncan, Tom. 2005. *Principles of Advertising & IMC, Second Edition*. McGraw-Hill, Inc.
- [28] Evans, W. 1965. "Conflict and Performance in R and D Organizations." *Industrial Management Review*, 7: 37-46.
- [29] Forgas, J. P. 1992. "Affect in social judgments and decisions: A multiprocess model." *Advances in Experimental Social Psychology*, 25: 227-275.
- [30] 1998. "On feeling good and getting your way: Mood effects on negotiator cognition and, bargaining strategies." *Journal of Personality and Social Psychology*, 74(3): 565-577.
- [31] Fornell, Claes, Johnston, M. D., Anderson, E., Cha, J., & Bryant, B. E. (1996). The American Customer Satisfaction Index: Nature, purpose, and findings. *Journal of Marketing*, 60, 7–18.
- [32] Friedman, H. S., L. M. Prince, R. E. Riggio, and M.R. DiMatteo. 1980. "Understanding and assessing non-verbal expressiveness: The affective communication test." *Journal of Personality and Social Psychology*, 39:333-351.
- [33] Frijda, N.H. 1988. "The laws of emotion." *American Psychologist*, 43: 349-358.
- [34] Ganesh, Jaishankar, Arnold, Mark J., & Reynolds, Kristy E. (2000). Understanding the customer base of service providers: An examination of the differences between switchers and stayers. *Journal of Marketing*, 64, 65–87 (July).
- [35] George, J. M. 1991. "State or trait: Effects of positive mood on prosocial behaviors at work." *Journal of Applied Psychology*, 76 (2): 299-307.
- [36] Gero, A. 1985. "Conflict avoidance in consensual decision processes". *Small Group Behavior*, 16(4): 487-499.
- [37] Gerson, A. C. and D. Perlman, 1979. "Loneliness and expressive communication." *Journal of Abnormal Psychology*, 88: 258-261.
- [38] Gladwell, M. 2000. *The Tipping Point: How Little Things Can Make a Big Difference*. Boston: Little, Brown and Company.
- [39] Gonzalez Alén, María Elisa; Comesaña, Lorenzo Rodríguez; Fraiz Brea, José Antonio., 2007. Assessing tourist behavioral intentions through perceived service quality and customer satisfaction. *Journal of Business Research* 60, 153–160.
- [40] Gronroos, C.1982. *Service Management and Marketing*. Lexington Books. Massachusetts,Toronto.
- [41] Hamilton, D. L., and M. P. Zanna, 1972. "Differential weighting of favorable and unfavorable attributes in impressions of personality." *Journal of Experimental Research in Personality*, 6: 204-212.
- [42] Handoko, T. Hani. 1996. *Manajemen Personalia dan Sumber Daya Manusia*. Yogyakarta: BPFE.
- [43] Hartline, M.D., Ferrell, O.C., 1996. The management of customercontact service employees: an empirical investigation. *Journal of Marketing*, 60 (4), 52–70.
- [44] Hasibuan, M. S. P. 2003. *Manajemen Sumber Daya Manusia*. Edisi Revisi. Bumi Aksara. Jakarta.
- [45] Hassan, Tabasum and Luqman, 2013. Impact of Employee Satisfaction on Financial Performance Through Mediating Effect of Customersatisfaction: A Case Study of Life Insurance Corporation of Pakistan. *Journal Sci.Int (Lahore)*, 25(4), 957-963.
- [46] Hatfield, J.T. Cacioppo, R.L. Rapson, 1992. *Emotional contagion*. In: *Review of Personality and Social Psychology*. CA, Newbury Park, pp. 151–177.
- [47] 1994 *Emotional Contagion*. New York: Cambridge University Press.
- [48] Hess, U., and G. Kirouac, 2000. "Emotion in groups." In M. Lewis and J.M. Haviland-Jones (eds.), *Handbook of Emotions*, 2nd edition, pp.368-381. New York: Guilford Press.
- [49] Hochschild, A.R., 1983. *The Managed Heart*. University of California Press, Los Angeles.
- [50] Hollmann, T. D. 1972. "Employment interviewers' errors in processing positive and negative information." *Journal of Applied Psychology*, 56: 130-134.
- [51] Homburg, C., Stock, R.M., 2004. The link between salespeople's job satisfaction and customer satisfaction in a business-to-business context: a dyadic analysis. *Journal of the Academy of Marketing Science*, 32 (2), 144–158.
- [52] Howard, D.J., Gengler, C., 2001. Emotional contagion effects on product attitudes. *Journal of Consumer Research*, 28 (2), 189–201.
- [53] Hunt, H. K. 1977. *Conceptualization and Measurement of Consumer Satisfaction and Dissatisfaction*. Cambridge, Mas: Marketing Science Institute.
- [54] Jehn, K.A. 1995. "A multimethod examination of the benefits and detriments of intragroup conflict." *Administrative Science Quarterly*, 40: 256-282.
- [55] Jewell dan Siegall. 1998. *Psikologi Industry/Organisasi Modern*. Edisi 2. (Alih bahasa: Pudjaatmaka). Jakarta: Arcan.
- [56] Kanouse, D.E., and L.R. Hanson, Jr. 1972. *Negativity in evaluations*. General Learning Press, Morristown: New Jersey.

- [57] Kelly, J. R., and S.G. Barsade. 2001 "Mood and Emotions in Small Groups and Work Teams." Organizational Behavior and Human Decision Processes.
- [58] Kim, Moon-Koo; Myeong-Cheol Park; Dong-Heon Jeong, 2004. The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. *Journal of Telecommunications Policy* 28(2004), 145–159.
- [59] Kincaid, Judith. 2003. *Customer Relationship Management: Getting it Right*. Prentice-Hall, Inc.
- [60] Knouse, S. B. 2009, Targeted Recruiting for Diversity: Strategy, Impression Management, Realistic Expectations, and Diversity Climate. *International Journal of Management*. Vol. 26 No. 3 December.
- [61] Kotler Philip, 2007. *Manajmen Pemasaran*, Edisi kesebelas, jilid 1 dan 2, Intan Sejati Klaten, Jakarta.
- [62] Kreitner, Robert dan Kinicki., Anggelo. 2003. *Perilaku Organisasi*. Jakarta : Salemba Empat.
- [63] Robert dan Kinicki., Anggelo. 2005. *Perilaku Organisasi*. Jakarta : Salemba Empat.
- [64] Levenson, R.W. 1996. "Biological substrates of empathy and facial modulation of emotion: Two facets of the scientific legacy of John Lanzetta." *Motivation and Emotion*, 20(3): 185-204.
- [65] Lovelock, Christopher. 2002. *Service Marketing In Asia*. Prentice Hall Inc Singapore. Hal 5.
- [66] Luthans, F., 2009. *Organizational Behavior*, McGraw-Hill International Edition.
- [67] Manullang, 1984. *Manajemen Personalia*. Jakarta : Ghalia Indonesia.
- [68] Marcus, R.F. 1987. "The role of affect in children's cooperation." *Child Study Journal*, 17(2): 153-168.
- [69] Martoyo, Susilo, 2000. *Manajemen Sumber Daya Manusia*. Penerbit BPFE. Yogyakarta.
- [70] Mehrabian, A. 1972. *Nonverbal Communication*. Chicago, Illinois: Aldine-Atherton
- [71] Mowen, John C., 1998. *Consumer Behavior*. Prentice Hall, Inc. Englewood Cliffs. New Jersey. International Edition.
- [72] Nyklicek, I., Thayer, J.F., and L.J.P. van Doornen. 1997. "Cardiorespiratory differentiation of musically-induced emotions." *Journal of Psychophysiology*, 11(4): 304-321.
- [73] Oliver, Richard L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, XVII, 460–469 (November).
- [74] Ben Shaw-Ching Liu and D. Sudharsan, 1997. The Relationship Between Culture and Service Quality Perceptions. *Journal of Service Research*. Vol. 2 No. 4 May.
- [75] Ostroff, C. 1992. The Relationship Between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis. *Journal of Applied Psychology*, 77 (6): 963-974.
- [76] Parasuraman, Valarie A. Zeithaml, & Leonard L. Berry, 1985. A Conceptual Model of service Quality and its Implications of Future Research. *Journal of Marketing*, 49: 41-50.
- [77] Paul Williams; M. Sajid Khan; Nicholas J. Ashill; Earl Naumann, 2011. Customer attitudes of stayers and defectors in B2B services: Are they really different? *Journal Industrial Marketing Management*, 40, 805–815.
- [78] Prkachin, K.M., K.D. Craig, D. Papageorgis, and G. Reith, 1977. "Nonverbal communication deficits and response to performance feedback in depression." *Journal of Abnormal Psychology*, 86: 224-234.
- [79] Pugh, S. Douglas., 2001. Service with a smile: emotional contagion in the service encounter. *Academy of Management Journal*, 44 (5), 1018–1027.
- [80] Rachel W.Y. Yee; Andy C.L. Yeung; T.C. Edwin Cheng, 2008. The impact of employee satisfaction on quality and profitability in high-contact service industries. *Journal of Operations Management*, 26, 651–668.
- [81] Rafaeli, A., and Robert I. Sutton. 1988. "The expression of emotion in organizational life." In L.L. Cummings and B.M. Staw (eds.), *Research in organizational behavior*: 11:1-42. Greenwich, CT: JAI Press, Inc.
- [82] Robbins, S.P. 2007. *Organizational Behavior*, twelfth edition. Pearson Prentice Hall.
- [83] Robbins, T.L., and A.S. DeNisi, 1994. "A closer look at interpersonal affect as a distinct influence on cognitive processing in performance evaluations." *Journal of Applied Psychology*, 79: 341-353.
- [84] Robinson, J.E., and L.Z. McArthur, 1982. "Impact of salient vocal qualities on causal attribution for a speaker's behavior." *Journal of Personality and Social Psychology*, 43: 236-247.
- [85] Rong-Da Liang and Jun-Shu Zhang, 2011. The Effect Of Service Interaction Orientation On Customer Satisfaction And Behavioral Intention: The Moderating Effect Of Dining Frequency. *Journal of Procedia Social and Behavioral Sciences* 24, 1026–1035
- [86] Ryu, Kisang; Heesup Han; Tae-Hee Kim, 2008. The relationships among overall quick-casual restaurant image, perceived value, customer satisfaction, and behavioral intentions. *International Journal of Hospitality Management*, 27, 459–469.
- [87] Scherer, K.R. 1981. "Speech and emotional states." In J.K. Darby (ed.), *Speech Evaluation in Psychiatry*: 189-220. New York: Grune and Stratton.
- [88] Schiffman, Leon. G and Kanuk, Leslie Lazar, 2007. *Consumer Behavior 9th edition*. Pearson Prentice Hall. Hal 191.
- [89] Schoenewolf, G., 1990. *Emotional contagion: behavioral induction in individuals and groups*. *Modern Psychoanalysis* 15, 49–61.
- [90] Sirdeshmukh, Deepak, Singh, Jagdip, & Sabol, Barry (2002). Consumer trust, value, and loyalty in relational exchanges. *Journal of Marketing*, 66, 15–37 (January).
- [91] Solomon, Michael R. (1999). *Consumer Behavior*: 4th ed. New Jersey: Prentice-Hall.
- [92] Sullins, E.S. 1989. "Perceptual salience as a function of nonverbal expressiveness." *Personality and Social Psychology Bulletin*, 15 (4): 584-595.
- [93] 1991 "Emotional contagion revisited: Effects of social comparison and expressive style on mood convergence." *Personality and Social Psychology Bulletin*, 17:166-174.
- [94] Sullivan, M.J.L., and M. Conway, 1989. "Negative affect leads to low-effort cognition: attributional processing for observed social behavior." *Social Cognition*, 7(4): 315-337.
- [95] Staw, B. M., and S. G. Barsade, 1993. "Affect and managerial performance: a test of the sadder-but-wiser vs. happier-and-smarter hypotheses." *Administrative Science Quarterly*, 38: 304-331.
- [96] Tjiptono, Fandy, Chandra, dan Adriana, 2008. *Pemasaran Strategik*. Penerbit Andi Offset. Yogyakarta.
- [97] Totterdell, P. 2000. "Catching moods and hitting runs: Mood linkage and subjective performance in professional sport teams" *Journal of Applied Psychology*. Vol 85:848-859.
- [98] Udo, Godwin J; Kallol K. Bagchi; Peeter J. Kirs, 2010. An assessment of customers' e-service quality perception, satisfaction and intention. *International Journal of Information Management*, 30, 481–492.
- [99] Umar, H. 2005. *Riset Sumber Daya Manusia dalam Organisasi*. PT Gramedia Pustaka Utama. Jakarta.
- [100] Verbeke, W. 1997. "Individual differences in emotional contagion of salespersons: Its effect on performance and burnout." *Psychology and Marketing*, 14(6): 617-636.
- [101] Wallbott, H.G. and K.R. Scherer, 1986. "The antecedents of emotional experiences." In K.R. Scherer, H.G. Wallbott, and A.B. Summerfield (eds.), *Experiencing Emotion: A Cross-Cultural Study*: 69-97. Cambridge, UK: Cambridge University Press.

- [102] Wen-Bao Lin, 2007. *The exploration of customer satisfaction model from a comprehensive perspective*. Expert Systems with Applications 33, 110–121.
- [103] Zeithaml, Valerie A., Berry, Leonard L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60, 31–46 (April).
- [104] Zeithaml, Valerie A. and Bitner, M.J. 2009. *Service Marketing*. Tata McGraw-Hill. Hal 85
- [105] Zhang, H. Zhaou H. F. dan Chen. H. 2010. Exploring the Interactive Effect of Time Control and Justice Perception on Job Attitudes. *The journal of Social Psychology*, 150 (2), 181-197.
- [106] Borzooei, Mahdi, Maryam Asgari. 2013. Halal Branding and Purchase Intention: A Brand Personality Appeal Perspective. *International Journal of Business and Management Invention, Volume 2 Issue 8*.
- [107] Giantari, I Gusti Ayu Ketut, Djumilah Zain, Mintarti Rahayu and Solimun. 2013. The role of perceived behavioral control and trust as mediator of experience on online purchasing intentions relationship a study on youths in Denpasar city (Indonesia). *International Journal of Business and Management Invention, Volume 2 Issue 1*.
- [108] Setiawan, Putu Yudi. 2013. The Effect of e-WOM on Destination Image, Satisfaction and Loyalty. *International Journal of Business and Management Invention, Volume 3 Issue 1*.