



Perceived Employee Emotional Intelligence as a Driver of Customer Satisfaction and Loyalty: An Integrated Perspective"

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Abstract

Perceived Employee Emotional Intelligence (EI) is becoming a key determinant of customer experiences in business, especially in service-based industries. The proposed study explores how perceived employee EI influences two customer outcomes, namely, customer satisfaction and customer loyalty. The results indicate that those customers who believe that frontline employees are emotionally intelligent report a higher level of satisfaction and have a greater tendency of staying loyal to the brand. Empathy trust and relationship building, and personalized service delivery are the important elements that help in customer satisfaction. In addition to this, the research demonstrates that conflict management abilities and effective communication play a vital role in loyalty in cases of service recovery. The gender-based analysis suggests that customers of the male gender find that employee EI is more connected to employee loyalty and female customers have similar perceptions on all dimensions. The research highlights the importance of organizations investing in emotional intelligence training of customer-facing employees to increase the quality of the services offered and long-term customer relationships. The study has been added to the existing literature on the subject of emotional intelligence in work place, where the researchers have identified its strategic importance in managing customer relationships. Future research may examine industry-related effects and the influence of organizational culture on the formation of worker EI.

Keywords: *Emotional Intelligence, Customer Satisfaction, Customer Loyalty, Service Recovery, Empathy, Communication and Trust*

Introduction

In the new business world, the quality of the customer service has emerged as a decisive factor of organisational performance and competitive edge. With more crowded markets and a highly discerning consumer base, organisations need to find an alternative to the traditional markers of quality such as efficiency, speed and cost-effectiveness when it comes to services. The emotional connection between frontline staff and consumers is a very important but often neglected aspect of service delivery. Service personnel often create the emotional tone that dictates the entire experience of a client, influencing his or her satisfaction and loyalty to the brand. However, its relevance in customer-facing roles, especially in the service industries, needs to be researched. Frontline staff is the face of the organization and their emotional behavior has great impact on consumer perception of the brand. Once consumers observe empathy, appreciation and emotional encouragement in service exchanges, not only will their happiness levels rise, but also the likelihood of returning to patronage will rise. Conversely, interactions that lack emotional intelligence, which are characterized by coldness, misunderstanding, or failure to respond to

complaints, may lead to unhappiness, negative word-of-mouth and loss of customers. Emotional intelligence and its role in service delivery has gained more and more importance in the times of personalised client experience. As consumers desire more than just products or services today, emotional skills such as empathy, active listening and emotional management are important. Such attributes give personnel the ability to tailor their style of communication, anticipate consumer needs, and skillfully manage disagreements or service failure. In addition, the demonstration of emotional intelligence fosters trust and rapport which are vital in long lasting consumer relationships. Through this emotional bond, they can act as a buffer in case they have negative service experiences hence they are able to remain loyal despite occasional service failures. Empirical data indicates a favourable association between perceived employee emotional intelligence and customer satisfaction. Customers are more like to report positive experiences when they perceive that service professionals really care about their wants and feelings. The notion of emotional intelligence among employees enhances the organisational image and brand reputation, which are

crucial for fostering consumer loyalty. Loyalty, in this sense, constitutes not just a behavioural result but an emotional allegiance that fosters recurrent patronage, consumer advocacy, and less sensitivity to pricing and competition. Moreover, gender-based disparities in consumer views of emotional intelligence offer a compelling aspect for examination. Research suggests that men and women may vary in their assessment of emotional interactions, affecting the perception and valuation of emotional intelligence. Comprehending these variances enables organisations to customise their service methods for distinct consumer segments more efficiently. A heightened focus on empathy and relationship communication may appeal more to female consumers, but efficiency and dispute resolution may exert greater influence on male customers.

Research Background

Although it is evidently important, emotional intelligence is still an aspect that many organisations still consider as inborn or a talent that can never be acquired. The paper uses quantitative data analysis in order to identify specific emotional intelligence behaviours that clients value in terms of empathy, trust-building, conflict resolution,

effective communication, and emotional expression. The findings can offer substantial information to the service organisations that strive to enhance customer experience, employee training programs, and the quality of services. This paper analyses the overall and gender-sensitive perceptions of staff emotional intelligence, hence complementing the current literature which points to the human dimension of customer service. Development of emotionally intelligent service cultures in a competitive environment may be a long term way of creating strong client relationships. Within this view, the emotional intelligence is not merely an individual trait but a tactical organisational resource that can influence consumer satisfaction, retention and loyalty in the long-term.

Theoretical Framework

Emotional intelligence service is better positioned to make customers loyal and advocacy. In addition, Trust, which is one of the components of loyalty, is often built through ongoing emotionally expressive communication. Emotional intelligence can add value to this process as it enables employees to build relationships, expectations, and deal with concerns

encouragingly. Gender differences in emotional intelligence perception could be explained by the gender socialisation theory according to which men and women are socialised to priorities and to interpret emotional cues in different ways. Women can focus on emotional sensitivity and relationship cohesion whereas males can focus on problem-solving and proficiency. These differences influence the perception of emotional intelligence behaviours in different segments of clients and the need to ensure service tactics are sensitive based on the situations encountered. The theoretical framework focuses on emotional intelligence as multi-dimensional construct linking personal competency with interpersonal efficacy. Some of the theories that support its importance in service interactions include emotional labor, service-profit chain, social exchange theory and gender socialization. The paper discusses the role of perceived staff emotional intelligence on customer happiness and loyalty, giving empirical evidence and conceptual articulation to the existing state of knowledge on increasing service excellence in emotionally charged customer settings.

Research Gap

Even though the emotional intelligence (EI) has been fully explored in the organisational behaviour and human resource setting, it has not been well explored in the customer service setting, particularly as perceived by the customer. Most of the existing research focuses on self reported emotional intelligence by the employees or its impact on organisational internal results such as job performance, team work and leadership. However, the number of studies that investigate the perception of the consumers regarding the staff emotional intelligence and the effects of such perception on critical external results like customer happiness and customer loyalty are few. Empirical applicability of emotional competences, such as empathy, emotional control and communication skills to frontline service delivery, lacks proper characterisation. In addition, gender-based differences in consumer perceptions and reactions to emotional intelligence when interacting with service providers are rarely explored in the past. This represents a considerable gap, since it is imperative to understand the evaluative outlook of the customer to design emotionally intelligent experiences in service. There is also a lack of sufficient models that quantitatively integrate the features of emotional

intelligence with the results of consumer behaviour. This research aims at clarifying the direct and indirect impact of perceived employee emotional intelligence on customer related outcomes and the differences in the impact of such influence between demographic variables, including gender.

Literature review

Malarvelze et al. (2025) argue that emotionally intelligent employees are better at recognizing and managing both their own emotions and those of their customers, which directly affects the quality of customer service. Using a holistic framework, the research explores dimensions such as emotional awareness, empathy, and emotional regulation, analyzing how these factors contribute to improved customer experiences. The findings reveal a strong positive correlation between high EI levels in employees and customer satisfaction, which, in turn, leads to enhanced customer loyalty. The study suggests that customers who perceive service staff as emotionally intelligent are more likely to feel valued, understood, and respected—key drivers of trust and repeat patronage. It also stresses the importance of

integrating emotional intelligence training into employee development programs. By doing so, organizations can boost customer relationships and gain competitive advantage in the market. **Novianti et al. (2024)** utilize a quantitative approach to examine the interplay between these three factors and how they shape employees' commitment to their organization. The study highlights that transformational leadership styles, supportive organizational cultures, and high levels of emotional intelligence among employees and leaders all significantly contribute to stronger employee loyalty. Emotional intelligence, in particular, enhances interpersonal relationships, fosters a positive work environment, and reduces workplace conflicts. Employees who feel emotionally supported and aligned with organizational values are more likely to remain engaged and loyal. The research also points out that emotionally intelligent leaders tend to be more empathetic and responsive, creating a psychologically safe atmosphere that further promotes retention. Furthermore, the presence of a healthy organizational culture reinforces trust and shared purpose, both of which are essential for sustaining employee commitment. The findings suggest that organizations aiming to reduce turnover and enhance productivity

should invest in leadership development, nurture a constructive culture, and offer EI training. Ultimately, the study underscores emotional intelligence as a crucial psychological mechanism that bridges leadership and culture with employee loyalty.

Chokpiriyawat & Siriyota (2024) explore the moderating role of these factors in enhancing or diminishing the outcomes of various recovery tactics, such as apology, compensation, and problem-solving. Drawing on empirical data from the hospitality and retail sectors, the research reveals that employees with high EI are significantly more effective in implementing service recovery strategies that restore customer satisfaction and loyalty. The study also highlights that demographic factors moderate this relationship: for example, older or more experienced employees with high EI tend to perform better in emotionally charged recovery situations. The research emphasizes that a one-size-fits-all approach to service recovery is inadequate. Instead, service organizations should consider both the emotional competencies and demographic profiles of employees when designing recovery protocols. The authors recommend targeted

training programs in emotional intelligence tailored to specific demographic groups to maximize customer satisfaction during service failures. Ultimately, the study underscores that emotionally intelligent service recovery—especially when aligned with demographic insights—can be a powerful tool in sustaining customer trust and organizational reputation.

Henseler, Ringle & Sinkovics (2009) explained that PLS-PM is particularly useful when dealing with exploratory models, small to medium sample sizes, and constructs that are measured with multiple indicators. The chapter presents a clear step-by-step guide on applying PLS-PM, including model specification, assessment of measurement models (validity and reliability), and evaluation of structural relationships between constructs. The authors also provide practical examples, demonstrating how PLS can be applied to real-world marketing problems involving international consumer behavior, branding, and market entry strategies. A key contribution of this work is its advocacy for PLS as a viable alternative to traditional SEM, especially in the early stages of theory development. The chapter has had a lasting impact on marketing and management

research by making advanced statistical modeling more accessible and applicable to diverse research contexts. It encourages researchers to embrace PLS-PM when data conditions are less than ideal or when the goal is theory building rather than strict hypothesis testing.

Significance of the Research

The research holds great significance to scholarly research and to the applications in the commercial world. A competitive and service-oriented global market requires organisations to find new ways of delivering a better customer experience, building loyalty and forging partnerships with their customers. An important, yet underestimated, trigger of such outcomes is recognized employee emotional intelligence. This research presents viable information through analysing consumer interpretations and responses to emotionally intelligent behaviour in service contexts, other than the standard service quality operations. The findings can inform human resource efforts, particularly in recruitment, emotional intelligence education, and performance evaluation to serve customer-facing roles. In addition, understanding gender-specific differences in perception can provide

customized service delivery practices that respond to different consumer expectations. This research improves the theoretical paradigm of emotional intelligence through its application to a customer-focused scenario, and therefore, it adds new empirical information to the body of literature among the academic community. The experiences gained can be used in planning actions to improve brand image, consumer enjoyment, and long-term loyalty towards business actors. This study highlights the strategic importance of emotional intelligence as a personal skill and a resource worth having because it helps build long term customer relationships and organisational performance.

Research Problem

Happiness and loyalty of the client are essential in the contemporary dynamic service environment as determinants of organisational success. With the adoption of technology, operational efficiency and product quality, some organisations are still finding it hard to retain clients and develop sustainable relationships. One crucial, but not always considered factor is the emotional intelligence (EI) of frontline staff in terms of influencing such outcomes. Despite the fact that the ability of workers to detect, manage and express emotions largely

determines customer experiences, there is limited research on perceptions of consumers toward these emotional skills and their impact on customer satisfaction and loyalty. The focus of most past studies has been on the internal results like work performance or employee welfare leaving out the customer angle. In addition, there is a lack of understanding on which specific emotional intelligence behaviors, e.g. empathy, communication or dispute resolution, consumers most regard. Moreover, potential variation in consumer perceptions due to demographics, including gender, are hardly studied. This negative difference limits the ability of organisations to develop emotional service plans, which align with client expectations. Addressing this problem is essential to improving the quality of service and retaining competitive edge.

Research Objectives:

1. To examine the influence of perceived employee emotional intelligence on customer satisfaction.
2. To assess the relationship between perceived employee EI and customer loyalty.
3. To identify key emotional intelligence factors that drive customer perceptions.

4. To analyze gender-based differences in perceptions of employee EI impact.

Findings and Results

High emotional intelligence competence exhibited by the employees due to their capacity to empathize and the competence demonstrated by them in communication and conflict management skills enables the staff to be able to comprehend and react to the emotions of the customers appropriately. As a result of the emotional attachments that customers feel in the EI interactions, the customers will have more personal and satisfying interactions with the service encounters. The service provider gains trust when the customers have the experience of understanding and value that makes the customers more satisfied and become long-term loyal. Employees that have an emotional intelligence show the capacity to manage stressful or negative events in such a way that they would convert unhappy customers to grateful customers in the process of recovering the service. These interactions draw the customers to repeat business due to better brand image. The studies reveal that there are three main factors between the customer and the provider that matter greatly in terms of customer evaluation: the

establishment of trust and professionalism and the creation of positive emotional setting. High employee EI perceptions are beneficial to organizations since they experience superior instantaneous customer

services that ultimately translate to robust emotional attachments that result in the eventual production of loyal customers that propagate positive word-of-mouth advertising of a firm.

Table.No.1

Key factors through which perceived employee EI influences customer satisfaction and loyalty:

Sl. No.	Factors	Mean	Std, Dev	Mean Rank
1.	Empathy and Customer Understanding	2.06	.761	3.13
2.	Effective Communication	1.97	.907	2.95
3.	Conflict Resolution Skills	1.58	.725	2.30
4.	Positive Emotional Contagion	3.67	.833	5.42
5.	Personalized Service Delivery	2.88	.626	4.59
6.	Trust and Relationship Building	1.72	.770	2.62
7.	Perception of Professionalism	2.86	.812	3.66

The analysis of the key factors through which perceived employee emotional intelligence (EI) influences customer satisfaction and loyalty reveals some interesting insights based on mean scores, standard deviations, and mean ranks. Among the factors examined, Conflict

Resolution Skills emerged as the most influential with the lowest mean (1.58) and lowest mean rank (2.30), indicating that customers place high value on how effectively employees handle disputes or service issues. Similarly, Effective Communication (mean = 1.97, rank = 2.95)

and Trust and Relationship Building (mean = 1.72, rank = 2.62) were also perceived as significant, highlighting the importance of clear interaction and emotional trust in customer service dynamics.

Conversely, Positive Emotional Contagion had the highest mean (3.67) and highest mean rank (5.42), suggesting that while a cheerful or positive demeanor is appreciated, it is not seen as critical as practical emotional skills like conflict resolution or communication. Personalized Service Delivery (mean = 2.88, rank = 4.59) and Perception of Professionalism (mean = 2.86, rank = 3.66) fall in the mid-range, indicating

moderate importance. Interestingly, Empathy and Customer Understanding, often considered a cornerstone of emotional intelligence, had a relatively low mean (2.06) but a higher rank (3.13), suggesting customers acknowledge its value but might prioritize actionable outcomes over emotional perception. Overall, the findings suggest that customers are more satisfied and loyal when employees can effectively manage emotions in practical service situations, especially through resolving issues, communicating well, and building trust—more than simply displaying positive emotions or empathy alone.

Table 2
Gender and the opinion on Impact of Perceived Employee Emotional Intelligence

Practices		N	Mean	Std. Deviation	Z	Sig.
Stronger Customer Loyalty	Male	127	2.18	.695	3.021	0.002
	Female	73	1.85	.828		
	Total	200	2.06	.761		
Improved Service Recovery	Male	127	1.96	.830	0.332	0.721
	Female	73	1.99	1.034		
	Total	200	1.97	.907		
Positive Brand Image	Male	127	1.62	.766	0.254	0.842

	Female	73	1.51	.648		
	Total	200	1.58	.725		
Customer Satisfaction	Male	127	3.69	.761	-0.117	0.672
	Female	73	3.63	.950		
	Total	200	3.67	.833		

The analysis reveals gender-based differences in perceptions regarding the impact of perceived employee emotional intelligence on various customer-related outcomes. Notably, a statistically significant difference was found in the perception of Stronger Customer Loyalty, where male respondents (Mean = 2.18) rated the impact of employee emotional intelligence higher than female respondents (Mean = 1.85), with a Z-value of 3.021 and a significance level of 0.002. This suggests that males are more likely to perceive a stronger link between emotionally intelligent employees and increased customer loyalty. In contrast, for Improved Service Recovery, Positive Brand Image, and Customer Satisfaction, the differences between male and female respondents were not statistically significant. Both genders reported similar perceptions in these areas, as indicated by high p-values ($p > 0.05$). This implies that while emotional intelligence is generally acknowledged as important by both groups, the belief in its specific impact on customer

loyalty is more pronounced among male respondents.

Conclusion

Research on the perceived employee emotional intelligence (EI) and its influence on customer satisfaction and customer loyalty reveals how EI is an important attribute to establishing and maintaining good customer relationships. High emotional intelligence among employees will help them in dealing with the emotions of their customers and allowing them to be empathetic and communicative which helps give the customer a more satisfying experience. This emotional interest tends to bring greater satisfaction to the customer because he or she feels that he/she is heard and respected. Moreover, customers will tend to stick to those businesses that they have experienced emotional intelligent interactions with workers as it makes them feel trusted and personally connected. Thus, companies must take a risk to cultivate the EI of employees in order to improve the

quality of services, foster customer satisfaction, and secure long-term customer loyalty. To conclude, emotional intelligence plays a major role in customer perception and behaviour determination, a fact that has a direct bearing on how effective customer relationship management strategies.

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