RELATIONSHIP BETWEEN EQ AND CUSTOMER RELATIONSHIP MANAGEMENT (CASE STUDY: BRANCHES OF AGRICULTURAL BANK OF MAZANDARAN PROVINCE)

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ABSTRACT
This study determines the relationship between EQ and customer relationship management (CRM). The study is applied in terms of purpose and descriptive-correlation study in terms of method. The study population is all the employees of Agricultural Bank of Mazandaran province. To determine study sample, simple random sampling and Krejcie & Morgan Table are used. The data are collected by two standard questionnaires of EQ and CRM among 260 employees of Agricultural Bank of Mazandaran province. The reliability coefficient (Cronbach's alpha) of EQ questionnaire is 0.898 and 0.764 for CRM questionnaire. The conceptual model test is done by single t-test, Pearson correlation coefficient and one-way variance analysis. The data analysis showed that there was a significant relation between EQ and CRM. Also, there was a significant relationship between EQ in various levels of education and experience of work.

KEYWORDS: Customer relationship management, Emotional intelligence, Relation management, Self-motivation.

INTRODUCTION
One of the important sources in any firm as one of the basic sources of development is its human resources including a set of people with considerable needs. These people in case of meeting their demands and adequate motivation can use their talent, power and skill to be at service to the relevant organization (Safarzade *et al.*, 2011). Today, employees of bank are in relation with many customers during their work time and this issue requires the necessity of having suitable behavior to attract the satisfaction of customers and suitable behavior can reduce heavy pressures. Here, suitable relation of employees with each other and with customers can play important role in profit of organization. It can be said merely consideration to planning and processes is not adequate as people can formulate the plans and control the processes. Considering knowledge, skill and experience of people in organization are effective factors in organization. It is expected that future managers mostly consider the development of people in organizations mostly (Druker, 1999). In such conditions, new concepts of management as EQ are raised rooted in social intelligence and it was introduced for the first time by (Thorndike 1920). Thorndike defines EQ as the ability of perceiving others and wise action in human relations. There are many definitions of EQ to define this concept. (Daniel Goleman 1995) describes EQ as: Another type of intelligence including the recognition of self-feeling and u sing it to take suitable decisions in life and good management of mood and our mental state. Social skill means behaving well with people and controlling emotions regarding others and encouraging and guiding them". Goleman in the paper "working with EQ" applied the concept of EQ for work place condition. He stated in the analysis that an employee with EQ has skills in two important dimensions. These two dimensions include personal competence (how do people management themselves) and social competence (how do people manage the relations between self and others). Goleman have divided these elements into the following sections: Individual elements including self-awareness (emotional awareness, ability for actual self-evaluation), self-control (ability of controlling emotions and motivations, ability for innovation)- Motivation (need to achievement, need to innovation) and social elements include empathy (perception and development of others, inclination to understand other's needs), social skills (being convinced, conflict management and leadership skills). According to (Goleman 1995), EQ considerably improves the performance of managers and employees of sale sector as these employees have mutual interaction with the organization customers and they establish direct relation with them. According to the study of Seligman in this regard, sale employees as optimistic have 37% more sale compared to those being pessimistic (Cherniss, 2000). Establishing a good relation with customer is the success key of business.

In other words, Customer relation management (CRM) is a method to identify the customers and satisfaction of them and turning those to permanent customers (Leo, 2005). Thompson (2002) defines CRM as a customer-oriented work culture and philosophy supporting service providing, sale and marketing processes effectively (Vikstrom, 2003). CRM

is all the components in relation with the customer by intelligent method inside an organization (Hanafizade *et al*., 2012). Today, first and organizations are active in customer-oriented economy and now customer is the real ruler of market and this approach is the result of extra production. Thus, the firms should learn how to move from focusing on product production to focusing on customers' ownership. They should consider customers as financial asset as needing management and achieving highest return as any other asset (Payne, 2004). CRM is one of the techniques being defined and evolved in 90s with ICT development as an important approach in business with the aim of returning to personal marketing. Generally, the behavior change of customers in financial and service institutions namely in banks is more sensitive due to the monetary nature of their activities and need exact and timely planning by managers of bank and service network. A customer in bank is equal to at least an asset. Today, banking is obliged to see itself in the mirror of customer and attempts to perceive the desires of customer in a highly competitive environment and tries the customer is satisfied of the bank. Today, customer orientation is one of the important items in full development of organizations. Banks as organizations presenting financial services not only are exceptions but also as the major part of banks capital are provided from the customers' deposits, customer-orientation should be the main principle of their activities. Today, customer-orientation in banks is one of the most important policies of banks and the managers of banks should consider this item more in policy making of bank system (Shahraki *et al*., 2010).

Services are the main principles of economy in modern society and banks as one of the most important service organizations can support most of economic activities of society. One of the goals of management is absorbing financial resources for bank and this goal are one of the responsibilities of marketing management. The first and the most important marketing principle are considering the customer desire. Banks can't survive without considering the customers desire. Considering the customer preferences and presenting required high quality services of customer lead to his satisfaction (and loyalty and it also leads to the increase of fame and credit of bank and increasing the financial resources of bank (Rauyruen *et al.*, 2007). As customer-orientation and relationship with customers in banks is of great importance as other business organizations, the present study attempted to apply EQ model of Goleman and investigate the behavior dimensions of employees with bank customers to make customers loyal and happy. As customers loyalty plays important role in equipment of resources and bank profitability, awareness of which factor or factors can help in this regard is of great importance. The present study attempted to investigate the relationship between EQ and CRM among the employees of bank and investigated the impact of five factors of EQ on CRM in various dimensions. In other words, the main purpose of research is the investigation of the relationship between EQ and CRM in various dimensions by (Goleman EQ model 1995) with CRM. This combinational conceptual model is used in the study of (Delshad *et al*., 2012).
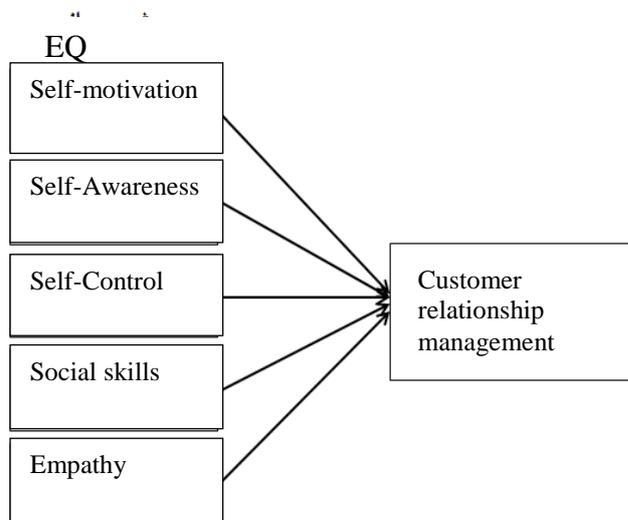

Figure 1- Conceptual model of study

EQ

EQ is the ability of perceiving, describing, receiving and controlling emotions. Any person with EQ can take position to positive or negative events of life and can adapt with them. Any person can give order to his life by EQ as high EQ can lead to experiencing low negative events in life (Nazem and Qaed Mohammadi, 2007). Considering emotions and appropriate application of them in human relations, perceiving self and others emotions and their management, empathy with others and positive use of emotions is introduced as emotional or affective intelligence in the past decade and it can be also referred in Wexler ideas to determine non-cognitive aspects of general intelligence. He believed that besides intelligence factor, there are specific non-intelligence factors defining intelligent behavior (Jalali, 2002). The term EQ is rooted in intelligence theories in 20th century. Thorndike for the first time considered social ability as an important part of intelligence. Gardner in the theory considered interpersonal intelligence as the ability of perceiving other one (Nazem and Qaed mohammadi, 2007). The concept of EQ was raised for the first time by Peter (Salovey& John Meyer 1990) and stated that EQ is a type of emotional information processing including correct evaluation of emotions in self and others, good tools of emotions, suitable tool of emotions and consistent regulation of emotions (Jahanian, 2011). According to Bar-on (1999), EQ is a set of abilities and capabilities and skills equipping one for consistency with environment and achieving success in life. Emotion is the main center of life. Feelings affect emotions and emotions affect feelings. This is an important reason as why we should do something about the judgment and control of emotions of people (Janaabadi, 2009).

Bar-on in his EQ model didn't consider only internal relations of a person with self and others and some elements including adaptation, tolerating pressure and general mood are consistent factors of EQ. Bar-on considers EQ as a form of intelligence combined of emotions and thought and it means dealing with the general structure of emotional personal and social capabilities affecting the talent of coping up with the requests and environmental pressures. He also stated that EQ and emotional skills develop over time and change in life and can be improved by corrective plans training as therapy clinics (Nazem and Qaed Mohammadi, 2007). According to Bar-On EQ is one of the important factors to determine one's success in life and it affects the mental health of people directly. He believes that EQ and social skills develop over time and change in life and can be improved by corrective plans training as therapy clinics (Janaabadi, 2009). In addition, (Bar-on 2000) formulated a multi-factor model for intelligence. He believes that EQ is a set of abilities and capabilities and skills equipping a person for effective consistency with environment and achieving success in life. The term emotion in this type of intelligence is a main principle distinguishing it from cognitive EQ. According to Bar-on, EQ has 15 dimensions. He believes that EQ and emotional and social skills develop over time and change and can be improved by training and corrective plans as therapy techniques (Nazem and Qaed Mohammadi, 2007).

Customer relationship management

In the current varied environment, the firms are obliged to change their reaction method to the market as they can focus less on products and mostly on customers and relationship with them and take a long-term view instead of short-term view. One of the important issues in absorbing the customers and important factor in success of firms is customer value. In customer-oriented era, customer value is a strategic tool to keep the customers. CRM tries to present more values to customer and achieving tangible and non-tangible benefits of this relation (Bina and Yusefzade, 2012). Customer relationship management (CRM) is a multi-dimensional process as by a set of IT focusing on mutual relation with client or customers by whom the organization can achieve basic knowledge regarding the needs, desires and model of receiving services and products of customers. This process helps the organizations to have suitable perception of current needs of customers and predict their potential needs. Indeed, customers need the goods and services with high quality, suitable price and innovative nature to achieve them at shortest time (Moghimi, 2006). Relationship with customer and client are important issues of organization that are forgotten due to various reasons in some organizations. This issue emphasizes on the necessity of creating clear policy to establish effective relation with client and its performance. Thus,

- All the managers and employees should accept that customers and client are on priority.
- The organizations structure is designed as all functional activities are used to provide opportunities for employees in effective relationship with client.
- Products and services can be presented along with the customers desires.
- The employees can respect each client and don't consider him as the organization extra force.

Traditional strategies of marketing regarding 4p, price, product, place and promotion were used to increase market share and their initial consideration is increasing transaction volume between seller and buyer. In this regard, sale volume is the criterion of the performance of strategies and tactics of marketing but it is a type of business strategy beyond the increase of transaction volume and its goal is increasing profitability, income and customer satisfaction. To fulfill these goals, the organizations can use a wide set of tools, procedures, methods and relationship with customer. In marketing literature, various definitions of CRM are presented. Some of them consider it equal with marketing. For example, some definitions are referred (Taherpour and Tayebi, 2010), absorbing, keeping and improving relationship with customer. The General process of keeping profitable relationship with customer is by delivery or presenting better value to customer and achieving satisfaction. CRM is a set of methods providing a stable and integrated view of customers in total business field to be assured that each customer receives the highest services level. CRM is a complex and expert applied plan extracting customer data via customer contact. It also discovers the features of key customers and predicts their purchase models. Also, it creates a comprehensive view of customer. Today, marketing managers defined that CRM focuses on establishing long-term and stable relations with customer as creating value for both sides, customer and company. CRM is beyond merely technology and it is a strategic process (Taherpour and Tayebi, 2010).

The relationship between EQ and customer-orientation

Using EQ in business is a new idea that is not common for most of managers and owners of business. Indeed, most of the managers prefer as past to use their brain than their heart in doing the tasks. Their main concern is as empathy and kindness with co-workers and customers make them away from considering the organizational goals. All people should accept game rules are different in postmodern world and they should act according to the modern rules (Moradi and Moradi, 2009). Intelligent firms use a type of marketing system to supervise the changes of market and consistency with the changes and rules to coordinate the firm with the best opportunities of market. Also, in various layers of marketing process, customers and competitors can be considered as the partners of organization and those people with emotions. Today, the more the firms got to service activities, this sensitivity is increased. The managers and tradesmen with high emotional intelligence, those knowing their emotions well can perceive others feelings and have purposeful behavior with them and they are the best in market management. These people are even happy and efficient in their individual life and can be productive people (Shafaghizade, 2005). EQ can considerably improve managers and employees of sale sector performance. These employees have mutual interactions with customers of organization and can establish direct relation with them. In a study done by Seligman, optimistic sale employees had 37% more sales compared to pessimistic employees (Cherniss, 2000). Indeed, taking customer-orientation strategy is the pre-requirement of inclination to market as to achieve this issue, establishing suitable relation with customers and competitors is necessary. Also, in the organization, it should have required information and behavior consistency and it is only by resorting to suitable social relations and improvement of emotional and social intelligence of the employees involved directly with the foreign customers, competitors and internal customers (Moradi and Moradi, 2009).

STUDY HYPOTHESES
Main hypothesis
-There is a significant relationship between EQ and CRM.

Subhypotheses
1-The EQ condition of employees in Agricultural Bank of Mazandaran province is suitable.
2-There is a significant relation between self-control and CRM.
3-There is a significant relation between self-motivation and CRM.
4-There is a significant relation between empathy and CRM.
5-There is a significant relation between social skills and CRM.
6-There is a significant relation between self-awareness and CRM.
7-There is a significant relationship between education degree and EQ of employees of Agricultural Bank of Mazandaran province.
8-There is a significant relationship between experience and EQ of employees of Agricultural Bank of Mazandaran province.

MATERIALS AND METHODS

The present study is applied in terms of purpose and is descriptive-survey in terms of study method. Field study is used for data collection and standard questionnaires of (Goleman EQ 1995) and CRM are applied. The study population is all the employees of Agricultural Bank of Mazandaran province as 800. Based on the sample size of study, 260 questionnaires are distributed among the study samples and the data are analyzed by SPSS software, as simple random sampling method is used .TO evaluate the reliability of questionnaire, a pre-test is performed. At first, 30 questionnaires are distributed among the participants and after entering the data, reliability coefficient (Cronbach's alpha) is computed. The required coefficient of EQ questionnaire is 0.898 and for CRM questionnaire is 0.764. As computed alpha is bigger than 0.7, reliability of questionnaire is acceptable.

RESULTS AND DISCUSSION

Descriptive findings

In this section, the descriptive statistics is used to evaluate the study population:

Statistical description: 86.5% of the participants are men and 13.5% are women, 95% are married, 5% single. The age of respondents (51.5%) is ranging 31-40 years old. In terms of degree, mostly (56.2%) had BA.

Inference findings

The main hypothesis of study: There was a significant association between EQ and CRM.

H_0: There is no relationship between EQ and CRM .Sig$\geq$0.05
H_1: There is a relationship between EQ and CRM. Sig$<$0.05
Table 1 indicates the result of the above hypothesis test. To investigate the relationship between EQ and CRM, Pearson correlation test is used.

Table 1- The results of Pearson correlation test as main hypothesis of study

Support or reject of H0	Significance level	Degree of freedom	CRM	Variables
Reject	.000	258	0.361	EQ

The correlation statistics is r=0.361 as significant with degree of freedom 258 at level $p<0.05$. Thus, H0 is rejected. It means that based on above method and regarding the studied sample, there is a significant relationship between EQ and CRM.

First hypothesis of study: The condition of EQ of employees of Agricultural Bank of Mazandaran province is suitable.

H_0: The condition of EQ of employees of Agricultural Bank of Mazandaran province is not suitable .Sig.$\geq$0.05
H_1: The condition of EQ of employees of Agricultural Bank of Mazandaran province is suitable .Sig$<$0.05

Table 2 indicates the result of the above hypothesis test. To investigate EQ of Agricultural Bank staffs, single t- test is used.

Table 2- The results of t-test of the first hypothesis of study

Support or reject of H0	Significance level	Degree of freedom	t-statistics	Variables
Reject	0.000	258	11.944	EQ of employees

The t-statistics (t=11.944) as significant with degree of freedom 259 at level p<0.05. Thus, H0 is rejected. It means that based on the above method and regarding the population, EQ of employees of Agricultural Bank of Mazandaran province is suitable.

Table 3 shows the result of second to sixth hypotheses of study. To investigate the relationship between EQ and CRM components, Pearson correlation test is used.

Table 3- The results of Pearson correlation test, second to sixth hypotheses

Support or reject of H0	Significance level	Degree of freedom	CRM	Variables
Reject	0.000	258	0.262	Self-control
Reject	0.000	258	.379	Self-motivation
Reject	0.000	258	0.371	Empathy
Reject	0.000	258	0.341	Social skills
Reject	0.000	258	.280	Self-awareness

The obtained correlation statistics for the studied hypotheses with degree of freedom 258 is significant at the level p<0.05 and H0 is rejected for the mentioned hypotheses. It means that based on the above method in the studied population; there is a significant relationship between EQ and CRM.

Seventh hypothesis: There is a significant difference between EQ and various levels of education.

H_0: There is no relationship between EQ and different levels of education Sig.$\geq$0.05
H_1: There is a relationship between EQ and different levels of education. Sig.<0.05

Table 4 indicates the result of the above hypothesis test. To investigate the relationship between EQ and education, one-way variance analysis test is used.

Table 4- The results of variance test of seventh hypothesis of study

Support or reject of H0	Significance level	F statistics	Mean	Education	Variables
Support	0.983	0.055	3.3395	Diploma	EQ
			3.3512	Associate	
			3.3394	BA	
			3.3133	MA and above	

The f statistics (F=0.055) with degree of freedom (3, 256) not significant at the level (p=0.983>0.05). Thus, H0 is not rejected. It means that based on the above method and regarding the studied population, there is no significant difference between EQ at various levels of education.

Eighth hypothesis: There is a significant difference between EQ and various levels of experience.

H_0: There is no relationship between EQ and different levels of experience Sig.$\geq$0.05
H_1: There is a relationship between EQ and different levels of experience. Sig<0.05

Table 5 indicates the result of the above hypothesis test. To investigate the relationship between EQ and various levels of experience, one-way variance analysis test is used.

Table 5- The results of variance test of eights hypothesis of study

Support or reject of H0	Significance level	F statistics	Mean	Experience	Variables
Support	0.583	0.651	3.4242	Below 5 years	EQ
			3.3075	6-10 years	
			3.3887	11-15 years	
			3.3100	Above 15 years old	

The f statistics (F=0.651) with degree of freedom (3, 256) not significant at the level (p=0.583>0.05). Thus, H0 is not rejected. It means that based on the above method and regarding the studied population, there is no significant difference between EQ at various levels of experience.

DISCUSSION AND CONCLUSION

EQ is a key factor in effective performance and progress with organizational change. Considering EQ in organizations in educational plans helps the employees to act well and have much motivation and productivity and profit can be increased and the perception of emotions of self and others play important role in organizational life. As despite IQ, EQ capabilities are trained and the employees behavior is based on EQ of people, it can be said EQ is considered as the most important factor for firms to achieve more profit and growth via implementation of transparent and innovative strategies and accurate recognition of market needs and desires and achieving a good competitive situation in market and achieving an operational efficiency can create marketing efficiency in firm. This study is based on "the investigation of the relationship between EQ and CRM" with the aim of investigation of the impact of five factors of EQ on CRM in Agricultural Bank branches of Mazandaran province. Thus, some hypotheses are formulated tested by single t-test, Pearson correlation coefficient and one-way variance analysis test. The present study showed that there is a significant relationship between EQ and CRM as in line with the studies of (Delshad *et al*., 2012).

The results of the study of (Moradi and Moradi 2009) are consistent with the findings of the present study. The results of the study of (Kamalian and Fazel 2011) supported the findings of the present study. Alvani and Beigi 2007 in the study found similar results as in line with the results of the present study.The findings of the study of (Sheikhian *et al*., 2007) are consistent with the results of the present study. PedanKrushil2006 in the study found similar results. Based on the results of study, the present study presented the following recommendations:

1- Based on the findings of study and results of similar studies regarding the relationship between EQ and CRM and as EQ is an acquired feature, it is recommended to perform specific educational plans to increase EQ of managers and even other employees in organizations namely banks that by timely recognition and correct dealing with customer related issues, correct management and control of CRM is possible.

2- Based on the importance of EQ in success of employees in their duties, we can consider EQ as one of the important factors to present services to customer from the employees and using it in bank marketing process.

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