

Customer Orientation of Service Employees in Retaining Customers: The Mediating Role of Satisfaction and Commitment

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ABSTRACT

This study aims to analyze the influence of employee service orientation on customer retention, with satisfaction and commitment as mediating variables at Bank Syariah Indonesia. The approach used was Structural Equation Modeling (SEM) through analysis using JASP software. The results showed that the model had a good level of fit, and all constructs were proven valid and reliable. Employee service orientation positively influenced customer satisfaction and commitment, which ultimately increased customer retention. Both satisfaction and commitment were shown to act as mediators, strengthening the relationship between service orientation and retention. In the context of Bank Syariah Indonesia, customer commitment emerged as a more dominant factor than satisfaction in maintaining customer loyalty. These findings emphasize the importance of enhancing service orientation based on Sharia values such as honesty, trustworthiness, and empathy in interactions with customers. Implementing services consistent with these principles will strengthen trust, create emotional satisfaction, and foster long-term commitment to Bank Syariah Indonesia

Keywords: employee service orientation, satisfaction, commitment, customer retention, Bank Syariah Indonesia.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh orientasi pelayanan karyawan terhadap retensi nasabah, dengan kepuasan dan komitmen sebagai variabel mediasi pada Bank Syariah Indonesia. Pendekatan yang digunakan adalah Structural Equation Modeling (SEM) melalui analisis menggunakan perangkat lunak JASP. Hasil penelitian menunjukkan bahwa model memiliki tingkat goodness of fit yang baik, dan seluruh konstruk terbukti valid serta reliabel. Orientasi pelayanan karyawan berpengaruh positif terhadap kepuasan dan komitmen nasabah, yang pada akhirnya meningkatkan retensi nasabah. Baik kepuasan maupun komitmen terbukti berperan sebagai variabel mediasi yang memperkuat hubungan antara orientasi pelayanan dan retensi. Dalam konteks Bank Syariah Indonesia, komitmen nasabah muncul sebagai faktor yang lebih dominan dibandingkan kepuasan dalam mempertahankan loyalitas nasabah. Temuan ini menekankan pentingnya peningkatan orientasi pelayanan yang berlandaskan nilai-nilai syariah seperti kejujuran, amanah, dan empati dalam interaksi dengan nasabah. Implementasi layanan yang konsisten dengan prinsip-prinsip tersebut akan memperkuat kepercayaan, menciptakan kepuasan emosional, serta menumbuhkan komitmen jangka panjang terhadap Bank Syariah Indonesia.

Kata kunci: orientasi pelayanan karyawan, kepuasan, komitmen, retensi nasabah, Bank Syariah Indonesia

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INTRODUCTION

Generally, a bank's success as a service company is measured by its ability to provide services to customers (Ladhari, 2009). Employees, as service providers, are expected to be strongly motivated to meet customer needs. Employees are considered the spearhead of a bank's success. Various literature even considers employees as internal customers who also have the right to receive services from the company to meet their needs (Susanti et al., 2015; Stamenkov & Dika, 2016). The form of service provided to both customers and employees is nearly identical, but the objectives differ. Primarily, employees are provided with services to improve their technical, social, and decision-making skills. Therefore, the interpersonal interaction between employee service and the influence of service quality can provide optimal service to customers and can impact long-term relationships between the company and customers (Mahmoud et al., 2020).

The idea of orienting toward building customer-oriented employee perceptions is a top priority for banks, contributing to profitability, both directly and through its role as a dimension of service climate (Dean, 2007). Employee decision-making authority also emphasizes the level of authority given to employees in making decisions about problems and matters related to customers (Farooghi, 2016). This interaction has a greater influence on customer satisfaction than other factors (Alhelalat et al., 2017), so that if customer needs and desires exceed what is expected, it will result in high customer satisfaction (Parasuraman et.al., 1994; Ramadhanty & Faturhman, 2024).

Most banks offer similar products, forcing policy makers to develop strategies to survive and win the competition. The Indonesian government's recent strategy to increase the number of customers and market share of Islamic banking is to merge four government-owned State-Owned Islamic Banks (BUMN) into one Islamic Bank (BUS). Indonesia believes the significant potential of Islamic banking can be realized, given that Indonesia is the world's largest Muslim-majority country.

To retain customers in an era of highly diverse competition, customer service encounters can be achieved through a variety of products. Important considerations include the customer-employee experience, which depends on service customization, commitment, customer orientation, employee adaptability, and employee emotional well-being (Hennig-Thurau & Thurau, 2004). Therefore, a customer-oriented employee service approach is crucial for customer retention (Hanzaee & Mirvaisi, 2011). The focus of this study is to examine customer loyalty from the perspective of COSE, customer satisfaction, and customer commitment to BSI.

LITERATURE REVIEW

Customer Orientation of Service Employees (COSE)

The Customer Orientation of Service Employees (COSE) concept is a marketing approach that emphasizes efforts to fulfill customer needs and desires (Wang, & Zhao, 2024). This fulfillment is reflected in the behavior and quality of service provided by company employees. Employees capable of providing quality service are individuals who possess the competencies and expertise relevant to their field of work (Helmina, G. P., et.al., 2024). One form of this competency is technical skills, namely the abilities and knowledge that enable employees to serve, understand, and resolve customer problems

during the interaction process. In addition to technical skills, social skills also play a crucial role, namely the ability of employees to understand customer perceptions and emotionally capture what they think and feel (Marlina, 2023; Farooghi, 2016). In addition to technical and social skills, motivation is also a crucial factor for employees in meeting customer needs. Motivation serves as a driving force that directs employees' social and technical skills to translate into customer-oriented actions (Bangun, 2024, Hennig-Thurau, 2004). Furthermore, decision-making authority also plays a crucial role. This authority relates to the extent to which employees are given the authority to make decisions regarding customer issues or needs (Farooghi, 2016; Prebeg, 2024).

According to Hennig-Thurau (2004), the COSE dimension encompasses four main aspects: technical skills, social skills, motivation, and decision-making authority. Meanwhile, Donovan (2004) and Srivastava, Kashmiri & Mahajan (2023) explains that COSE reflects a company's efforts to understand customer needs, build effective commitments between employees and customers, and encourage customer loyalty and repurchase intentions. Based on this description, it can be concluded that COSE describes employee behavior focused on customer satisfaction, where customers feel their needs are met, resulting in a sense of satisfaction and commitment that encourages them to remain loyal to the company.

Customer Satisfaction

Satisfaction is a key element in the success of any business. Optimal service provided by employees is expected to generate a sense of satisfaction in customers (Kesogihin, et.al., 2025.; Pranaditya et.al, 2024). Satisfied customers are those who derive value from the products or services offered by the company, particularly in the banking context. This value can be created through marketing attributes that act as stimuli to influence customer perceptions. If the service provided meets customer needs and desires, satisfaction will be created, which will encourage repeat purchases in the future (Hu et.al., 2024). When customer needs and expectations are met, this will have a positive impact on the company (Subianto, 2007). Thus, customers who are satisfied with a particular product or service are likely to continue using that product or service (Skordoulis et.al., 2024).

Customer satisfaction is the behavioral response demonstrated by customers comparing perceived performance or results with expectations. If the perceived performance falls short of expectations, customers will be disappointed, dissatisfied, or even dissatisfied. Conversely, if it meets expectations, customers will be satisfied, and if performance exceeds expectations, customers will be highly satisfied (Orellana et.al., 2024). Customer satisfaction reflects a comprehensive assessment of the product or service provided by a company. In marketing literature, satisfaction is considered a key factor influencing customer retention and a crucial component of the concept of relationship quality (Mirthipati, 2024; Hennig-Thurau, 2004). When customers receive good service from employees, their satisfaction levels increase, positively impacting the company's performance and image. Based on this understanding, customer satisfaction can be defined as the emotional response that arises after customers compare their expectations with their actual experience. A customer will be satisfied if a product or service meets their needs and desires. Conversely, if these expectations are not met, customers tend to seek alternatives, which can even damage the company's reputation in the public eye.

Customer commitment is formed when a customer consciously decides to maintain a relationship with a company because they perceive it as valuable and beneficial (Lombard et.al., 2024). Commitment will not arise if one party perceives the relationship as unprofitable. In other words, commitment reflects the

The Effect of Audit Committee Tenure, Audit Committee Meeting, Institutional Ownership and Company Age on Earnings Management willingness of both parties to maintain a relationship that is deemed valuable and mutually beneficial (Edvardsson & Tronvoll, 2025). In the context of service marketing, commitment is understood as a form of agreement, either express or implied, to maintain the continuity of the relationship between the parties involved (implicit and/or explicit pledge of relational continuity between exchange partners) (Japutra & Molinillo 2021; .Dwyer et al., 1987). In long-term relationships, commitment is a fundamental element because the continuity of a stable business relationship depends heavily on the commitment of both interacting parties.

Furthermore, a value relationship embodies the belief that commitment will not form if one party perceives the relationship as not providing mutual value or benefit (Karami, M.,2023). Thus, commitment is a shared willingness to maintain a valuable relationship and continue working together to ensure its sustainability (Gummerus & von Koskull., 2023). This concept is reinforced by Morgan & Hunt (1994) and Alvionita et.al., (2024)., who state that: "Relationship commitment exists only when the relationship is considered important and a committed partner wants the relationship to endure indefinitely and is willing to work at maintaining it." According to Parasuraman et al. (1994), extensive research on service quality and its relationship to commitment states that: "Relationships are built on the foundation of mutual commitment." They emphasize the importance of commitment in building a relationship between a company and its service users. Customer satisfaction and fulfillment depend not only on superior employee performance but also on the level of loyalty and commitment held by the customer. This commitment is often reflected in the emotional bond and friendship that exists between the company and the customer. When employee service and interactions are delivered well, it strengthens the customer's commitment to the company. At the same time, customer satisfaction with service quality also positively contributes to increased commitment (Uthman & Marie, 2023; Farooghi, 2016). Based on this understanding, it can be concluded that commitment is an attitude that arises from a desire to maintain a long-term relationship that is perceived as valuable and beneficial. Customer commitment is a crucial factor in building strong marketing relationships, as it can reflect the level of customer loyalty and predict future purchasing frequency.

Customer Loyalty

Awareness of the importance of customer retention aligns with the relationship marketing paradigm (Rosário., 2024). In practice, many companies still focus more on attracting new customers than retaining existing ones. This approach reflects a transactional marketing mindset that focuses solely on short-term transactions, yet this strategy can actually create a "Death Wish Paradox" because it risks weakening business sustainability (Sheth & Parvatiyar, 2023). Conversely, building long-term relationships with customers is a more sustainable strategy and can increase retention (Kotler., Keller & Chernev., 2023). Customer retention provides economic, social, and psychological benefits for both the company and the customer. Retention occurs when customers continue to use a company's services and prioritize them as their primary choice for meeting their needs (Verhoef, & Lemon, 2023; Griffin, 2013). Customer consistency in using these services indicates a high level of loyalty. Thus, customer retention not only reflects loyalty but also directly contributes to increased profits and the sustainability of a company's bottom line. Based on the above understanding, researchers define customer retention as maintaining a sustainable, long-term business relationship between a customer and a company. Higher customer retention rates will lead to repeat transactions or a reduced likelihood of switching to competitors. Customer behavioral reactions can also be mediated by trust in a service provider, where employees are perceived as trustworthy, and this assessment can benefit the company.

Hypothesis Development

COSE plays a crucial role in determining a company's success (Afsar & Umrani, 2023). Companies that prioritize customers through the service provided by their employees are considered a key success factor, especially in industries focused on products and services. This customer-oriented service model directly impacts customer satisfaction levels (Mostafa & ElSahn, 2024). Customer satisfaction can be defined as a feeling of pleasure or disappointment that arises after comparing expectations with their perceptions of the performance or results of a product or service received (Hussain & Mehmood, 2023). Customers will feel satisfied if their needs and desires are met; however, if these expectations are not met, customers have the potential to seek other alternatives and can even damage the company's image (Kumar & Bhatnagar, 2025). Therefore, customer satisfaction is a crucial aspect for a company's sustainability. When employees are able to improve service quality, customer satisfaction levels will also increase. This can foster a sense of loyalty, which in turn influences customer retention, namely the tendency for customers to continue using a company's services and not switch to other providers. This finding aligns with research conducted by Bramulya, Primiana, Febrian, and Sari (2016), which showed a positive and significant relationship between COSE and customer satisfaction. Furthermore, research by Kumar & Bhatnagar (2025) and Diab (2009) also confirmed that COSE contributes to increased customer retention through improved customer satisfaction.

Therefore, the following hypotheses are proposed:

H1: COSE can improve Customer Satisfaction

H2: Customer Satisfaction can improve Customer Retention

H3: COSE can improve Customer Retention through Customer Satisfaction

COSE is customer-oriented employee behavior or service. Employees who are capable of providing service are those with expertise and skills in their field (Hennig-Thurau, 2004). If a customer is satisfied with a product or service, they will naturally continue to use it (Uthman & Marie (2023)). Customer commitment is the belief within a customer, where the customer promises and vows to maintain a good relationship with the company. In other words, commitment reflects a valuable and nurturing relationship, where both parties are willing to work together to maintain its continuity. Commitment grows when employees are able to provide quality service and maintain positive interactions with customers. If the service and commitment between employees and customers are effective, this can increase the level of customer commitment to the company. High commitment ultimately encourages retention, which is the tendency for customers to continue using the service and not switch to another company. Customers who are satisfied with the service provided tend to have a strong commitment to remain loyal and maintain a long-term relationship with the company. The better the quality of service provided by employees, the higher the level of customer satisfaction and commitment to the company (Susanti et al., 2015; Susanti, 2022). This finding aligns with research conducted by Mostafa & ElSahn (2024) and Hennig-Thurau (2004), which showed a positive and significant influence between Customer Orientation of Service Employees (COSE) and customer commitment and retention.

H4: COSE can increase Commitment

H5: Commitment can increase Customer Retention

H6: COSE can increase customer retention through Commitment

Research Model

Based on the theoretical arguments and prior empirical findings, this study conceptualizes Customer Orientation of Service Employees (COSE) as a multidimensional construct encompassing technical, social, motivational, and decisional aspects. These employee behaviors influence two critical

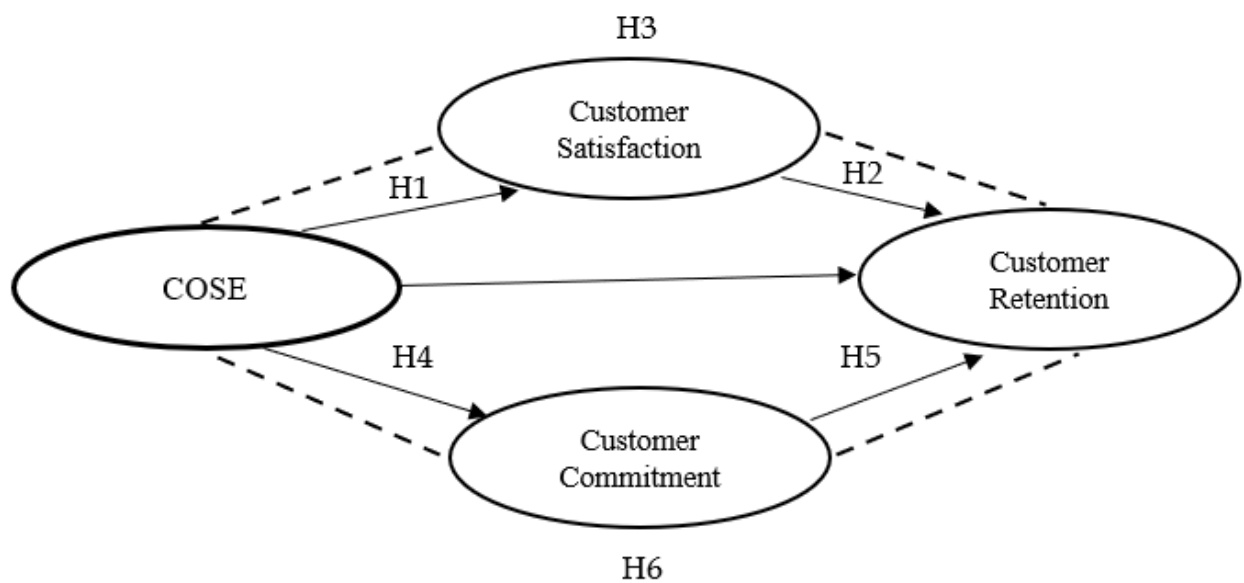


Figure 1: Research Model

The model posits dual mediation mechanisms. The first pathway (COSE to satisfaction and then toward Retention) represents the transactional mechanism, where satisfaction arises from perceived service quality. The second pathway (COSE to Commitment and then toward Retention) represents the relational mechanism, where trust and emotional attachment sustain loyalty over time. By testing both pathways within the context of Bank Syariah Indonesia, this research aims to reveal whether relational factors (commitment) exert a stronger mediating effect than transactional factors (satisfaction)—a question of both theoretical and managerial significance. Based on the theoretical and empirical foundations, this study proposes a model integrating Agency Theory and Positive Accounting Theory to explain variations in earnings management. The model positions audit committee tenure, audit committee meetings, institutional ownership, and company age as independent variables influencing earnings management, measured through the Modified Jones Model.

METHODS

The respondents in this study were 120 customers of Bank Syariah Indonesia, drawn from a random sampling technique. The instruments used in t Figure 1: Research Model his study were from (Hennig-Thurau, 2004; Hanzaee & Mirvaisi, 2011). The COSE (X) model used 12 instruments: Customer Satisfaction (Y1), Commitment (Y2), and Customer Retention (Y3), each with four instruments. Respondent selection was selective. The Sharia Bank in question was the Indonesian government-owned Bank Syariah Indonesia, a merger of four other government-owned Sharia banks. The customers in question were those who had been customers for at least 6 (six) months, as during this time, they had already experienced and experienced the bank's services. Questionnaires were distributed online and offline through customer service, ensuring that respondents' responses were accurate. This study used a Likert scale, where each statement was assessed using a score range from 1 to 5. A score of 1 indicates a response of strongly disagree, while a score of 5 indicates a response of strongly agree. Data analysis in this study used SEM analysis with JASP 15 software. The following table shows the statements needed to understand the relationship between variables:

Table 1: Operational Definition

Operational Definition
Customer Orientation of Service Employee (COSE) - X
Technical Skill
(1) Employees have a high level of knowledge in carrying out customer service duties.
(2) Employees have a high level of expertise in carrying out their duties and responsibilities.
(3) Employees have adequate professional competence to support organizational performance.
Social Skill
(4) Employees have a good understanding of customer needs and expectations.
(5) Employees are able to see and understand situations from the customer's perspective.
(6) Employees understand how to treat customers politely and professionally.
Motivation
(7) Employees are highly dedicated to their work.
(8) Bank Syariah Indonesia employees always strive to provide the best service to meet customer needs.
(9) Employees have high work motivation.
Decision Making Authority
(10) Employees have the freedom to resolve customer issues without having to wait for instructions from their superiors.
(11) Employees are given the space to take the initiative in handling customer issues.
(12) Employees have the authority to respond to customer requests independently.
Customer Satisfaction – Y₁
(1) I feel that the services provided by this Islamic Bank meet my expectations.
(2) This Islamic Bank consistently provides services that meet my expectations.
(3) My experience with this Islamic Bank has always been positive and free from disappointment.
(4) During my time as a customer, my experience with this Islamic Bank has always been good.
Commitment – Y₂
(1) I feel emotionally attached to this Islamic Bank.
(2) The relationship I have with this Islamic Bank has high value to me.
(3) If this Islamic Bank ceased to exist, I would experience significant losses.
(4) I can tolerate minor errors that occur at this Islamic Bank.
Customer Retention – Y₃
(1) In the future, I will always use Sharia Bank services.
(2) I am a loyal customer of Sharia Bank.
(3) I always use banking services at Sharia Bank.
(4) Sharia Bank is my first choice.

After collecting the data, the returned questionnaires were coded for the calculation process. The fit index was used and was considered acceptable if it was above the recommended value of 0.90. In addition, the comparative fit index (CFI) was also used and an acceptable model fit was indicated by a CFI above 0.90 as well. Furthermore, the adjusted fit index (AGFI), and the residual root mean square (RMSEA) were also provided. The standard limits for the above indices, as proposed by experts (Bentler, 1990; Hu & Bentler, 1995; Joreskog & Sorbom, 1982), are provided in Table 2. The results

The Effect of Audit Committee Tenure, Audit Committee Meeting, Institutional Ownership and Company Age on Earnings Management indicate that the scale is unidimensional. Finally, considering that the purpose of this study was to test the hypothesis of causal relationships among the model constructs Bagozzi, R. P., & Yi, Y. (1988), we used the SEM package JASP 15. We used factor scores as single-item indicators and conducted path analysis, applying the maximum likelihood estimation (MLE) method, following the guidelines suggested by: Joreskog and Sorbom (1982). The application of the MLE method to estimate the model requires that the constructs must meet the multivariate normality criteria.

RESULT AND DISCUSSION

The results of the Confirmatory Factor Analysis (CFA) analysis indicate that the measurement model has a good fit to the empirical data. The Chi-square value of 116.569 with a significance level of 0.110 ($p > 0.05$) indicates that there is no significant difference between the model and the data. The RMSEA value of 0.05 (< 0.08), GFI of 0.99 (> 0.85), TLI of 0.97 (> 0.90), and CFI of 0.97 (> 0.95) indicate that the model has a very good level of goodness of fit. Thus, the constructs in this model can be considered confirmatory valid and suitable for further analysis.

Table 2: Results of Confirmatory Factor Analysis

Goodness of Fit Indices	Cut-off Value	Report	Remarks
X ² Chi Square	Score low expected	116.569	Good Fit
X ² significance	≥ 0.05	0.110	Good Fit
RMSEA	≤ 0.08	0.05	Good Fit
GFI	≥ 0.85	0.99	Good Fit
TLI	≥ 0.90	0.97	Good Fit
CFI	≥ 0.95	0.97	Good Fit

Source: Processed Data, 2025

Descriptive statistics and Cronbach's alpha reliability of the scales used in the study. All reliability values were above 0.70 (Nunally, 1978), indicating that the instrument is reliable for use. Confirmatory Factor Analysis (CFA) results showed that all indicators in the Communication (COMM) construct had significant factor loadings above the threshold value of 0.7, for KM1 (0.741), KM2 (0.729), KM3 (0.866), and KM4 (0.835), respectively. This indicates that all indicators are valid in reflecting the Communication construct.

Table 3: Factor Loading

Table 5: Factor Loadings										
Factor Loadings					95% Confidence Interval Standardized					
Latent	Indicator	Estimate	Std. Error	z-value	p	Lower	Upper	All	LV	Endo
COMM	KM1	1.000	0.000			1.000	1.000	0.741	0.614	0.741
	KM2	0.987	0.127	7.768	< .001	0.738	1.236	0.729	0.606	0.729
	KM3	1.116	0.121	9.197	< .001	0.878	1.353	0.866	0.684	0.866
	KM4	0.967	0.108	8.916	< .001	0.755	1.180	0.835	0.593	0.835
COSE	COSE1	1.000	0.000			1.000	1.000	0.945	0.794	0.945
	COSE2	0.970	0.046	21.219	< .001	0.881	1.060	0.942	0.771	0.942
	COSE3	0.837	0.052	16.174	< .001	0.735	0.938	0.872	0.664	0.872
	COSE4	1.014	0.048	21.310	< .001	0.921	1.108	0.943	0.806	0.943
RET	RN1	1.000	0.000			1.000	1.000	0.851	0.695	0.851
	RN2	0.866	0.100	8.669	< .001	0.670	1.062	0.720	0.602	0.720
	RN3	0.867	0.082	10.610	< .001	0.707	1.028	0.841	0.603	0.841
	RN4	0.864	0.096	9.026	< .001	0.676	1.052	0.742	0.600	0.742

Factor Loadings					95% Confidence Interval Standardized					
Latent	Indicator	Estimate	Std. Error	z-value	p	Lower	Upper	All	LV	Endo
SAT	KN1	1.000	0.000			1.000	1.000	0.900	0.741	0.900
	KN2	1.202	0.093	12.953	< .001	1.020	1.384	0.861	0.891	0.861
	KN3	0.977	0.078	12.541	< .001	0.824	1.129	0.846	0.724	0.846
	KN4	0.963	0.088	10.957	< .001	0.791	1.135	0.785	0.714	0.785

Source: Processed Data, 2025

Similarly, the Customer Service (COSE) construct showed very high factor loadings for each indicator, namely COSE1 (0.945) and COSE2 (0.942), indicating that both indicators consistently and robustly measure the Customer Service construct. Therefore, the CFA results confirmed the convergent validity of the measurement model and indicated that the model is suitable for further analysis. The results of the Confirmatory Factor Analysis (CFA) analysis show that all indicators have loading factor values above 0.70 and are significant at the $p < 0.001$ level, thus fulfilling the indicator validity requirements. The Average Variance Extracted (AVE) values for the four constructs are between 0.625–0.857 (> 0.50), indicating that convergent validity is met. In addition, the Composite Reliability (CR) values between 0.869–0.960 (> 0.70) indicate excellent internal consistency. Thus, the measurement model has strong validity and reliability, and can be used for further structural analysis in the SEM model.

Table 4: Frequentist Scale Reliability Statistics

Estimate	McDonald's ω	Cronbach's α
Point estimate	0.853	0.913
95% CI lower bound	0.815	0.886
95% CI upper bound	0.891	0.934

Source: Processed Data, 2025

The results of the reliability test using the frequentist approach showed a Cronbach's Alpha value of 0.913 and a McDonald's Omega value of 0.853, both above the threshold of 0.70. This indicates that the research instrument has an excellent level of internal consistency. Therefore, all items in the construct are deemed reliable and suitable for further analysis.

Table 5: Frequentist Individual Item Reliability Statistics

Item	If item dropped		
	McDonald's ω	Cronbach's α	Item-rest correlation
COSE1	0.907	0.907	0.619
COSE2	0.909	0.909	0.557
COSE3	0.907	0.908	0.601
COSE4	0.907	0.907	0.601
KN1	0.848	0.907	0.627
KN2	0.851	0.907	0.634
KN3	0.852	0.908	0.598
KN4	0.858	0.912	0.477
KM1	0.845	0.908	0.593
KM2	0.844	0.908	0.592
KM3	0.845	0.906	0.654
KM4	0.841	0.906	0.668
RN1	0.843	0.905	0.668
RN2	0.852	0.910	0.517

Table 5: Frequentist Individual Item Reliability Statistics

Item	If item dropped		
	McDonald's ω	Cronbach's α	Item-rest correlation
RN3	0.843	0.907	0.639
RN4	0.846	0.907	0.603

Source: Processed Data, 2025

The results of the reliability test using the frequentist approach showed a Cronbach's Alpha value of 0.913 and a McDonald's Omega value of 0.853, both above the threshold of 0.70. This indicates that the research instrument has an excellent level of internal consistency. Therefore, all items in the construct are deemed reliable and suitable for further analysis.

Table 6: Regression Coefficient Analysis

Relationship	Estimation	p-value	Statistical Interpretation	Substantive Meaning
COSE to COMM	0.352	< .001	Positive and Significant	Employee service orientation significantly influences customer commitment. Employees who are customer-focused tend to demonstrate better, clearer, and more empathetic commitment.
COSE to SAT	0.269	0.002	Positive and Significant	Employee service orientation increases customer satisfaction. Fast, courteous, and Sharia-compliant service fosters a sense of satisfaction and comfort among customers.
COMM to RET	0.650	< .001	Positive and Significant	Commitment has a strong influence on customer retention. Open, transparent, and trust-based commitment helps maintain long-term relationships with customers.
SAT to RET	0.219	0.006	Positive and Significant	Customer satisfaction significantly impacts retention. Customers who are satisfied with BSI's services are more likely to remain loyal.
COSE to SAT to RET	0.030	p = 0.015	Influence through satisfaction (smaller, but significant)	
COSE to COMM to RET	0.068	p < .001	Influence through commitment (stronger and very significant)	

Source: Processed Data, 2025

The coefficient value of 0.352 with a significance level of $p < .001$ indicates that employee service orientation (COSE) has a positive and highly significant effect on commitment (COMM). This means that every one-unit increase in employee service orientation will increase the quality of commitment by 0.352 units. In the context of BSI, this indicates that the better employees understand and meet customer needs in a professional and Islamic manner, the more effective the commitment between the bank and customers. The coefficient of 0.269 with $p = 0.002$ indicates a positive and significant effect between employee service orientation and customer satisfaction. This indicates that improvements in employee service behaviors—such as friendliness, punctuality, and empathy—will increase customer satisfaction. At BSI, these results reflect that services provided in accordance with the values of Ihsan and Amanah are able to foster a sense of satisfaction and comfort among customers. The estimated value of 0.650 with $p < .001$ indicates a very strong and significant positive

relationship between commitment and customer retention. This is the strongest influence among the pathways tested. This means that increasing effective commitment will significantly impact customer loyalty. In the context of BSI, transparent, informative commitment, and the value of tabligh (good communication) are important factors in maintaining customer trust and retention.

The coefficient of 0.219 with a p value of 0.006 indicates that customer satisfaction has a positive and significant effect on customer retention. This means that the higher the level of satisfaction experienced by customers, the greater their tendency to continue using BSI services. Practically, this means that positive experiences during interactions with employees—whether in terms of service, commitment, or transaction convenience—will foster long-term loyalty. This indicates that the indirect effect of employee service orientation (COSE) on customer retention (RET) through satisfaction (SAT) is positive and significant. Because the confidence interval (CI) does not contain zero (0.006–0.053), this mediation effect is statistically valid. This means that increasing employee service orientation will increase customer satisfaction, and this satisfaction, in turn, will strengthen customer retention.

In the context of BSI, this confirms that customer satisfaction is a crucial bridge between employee service quality and customer loyalty. For example, employees who provide friendly, prompt, and Sharia-compliant service increase customers' emotional and functional satisfaction, making them more likely to remain BSI customers. The estimated value of 0.068 with $p < .001$ indicates that the indirect effect of COSE on RET through COMM is also positive and highly significant. The confidence interval (0.034–0.102) does not include zero, indicating a valid mediation effect. This indicates that employee service orientation increases commitment, which in turn increases customer retention. In other words, commitment is a stronger mediator than customer satisfaction. In the context of BSI, the better employees interact, explain sharia products, and respond to complaints transparently, the higher customer trust and loyalty. A consistent commitment to the values of tabligh (delivering truthfully) and amanah (trustworthiness) is key to customer retention.

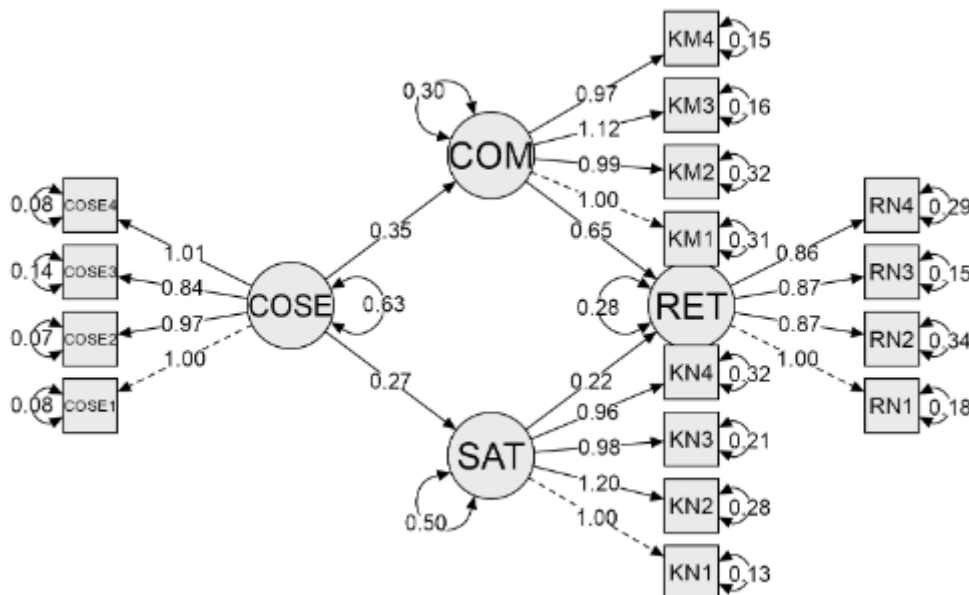


Figure 2: Path Analysis

The diagram shows the causal relationships between Employee Service Orientation (COSE), Customer Satisfaction (SAT), Customer Commitment (COM), and Customer Retention (RET). All paths are significantly positive, with the largest contributions coming from the COM to RET (0.65) and COSE to RET (0.63) paths, indicating that customer commitment is the dominant mediating factor that strengthens the influence of service orientation on customer retention.

DISCUSSION

Research results found that Customer Orientation of Service Employees (COSE) has a positive and significant effect on customer satisfaction. This means that the higher the level of COSE provided by employees to customers, the higher the customer satisfaction. Customer Orientation of Service Employees (COSE) is the behaviour of employees in their individual interactions to meet customer needs or expectations during the interaction process (Hennig-Thurau, 2004). Customer orientation is not a new concept in the service marketing literature (Morales Mediano & Ruiz-Alba, 2019). Customer satisfaction is significantly influenced by the quality of service provided by employees, as the interaction between employees and customers in the process of conveying information about services can determine the level of customer satisfaction. Therefore, the higher the quality of service provided by employees, the greater the level of customer satisfaction and commitment to the company (Susanti et al., 2015; Susanti, 2022). The findings of this study align with those of a study conducted by Baihaqi and Wibawa (2016), which showed that Customer Orientation of Service Employees (COSE) has a significant influence on customer satisfaction.

The results of this study indicate that Customer Orientation of Service Employees (COSE) has a positive and significant influence on customer commitment. This means that the higher the level of customer orientation demonstrated by employees, the greater the customer's commitment to the company. COSE itself is the customer orientation of service personnel, which is considered a key determinant of success in the service industry. This concept is developed into four main dimensions: technical skills, social skills, motivation, and decision-making authority.

Customer commitment is formed when customers have confidence, determination, and commitment to maintain existing relationships because they perceive them as valuable and meaningful. Therefore, if the service and interactions provided by employees are good, this can increase customer commitment. At the same time, the level of satisfaction with services is also believed to play a role in strengthening customer commitment to the company (Farooghi, 2016). This finding is in line with the research results of Hennig-Thurau (2004), which shows that Customer Orientation of Service Employees (COSE) has a significant influence on the level of customer commitment.

Research results found that customer satisfaction has a positive and significant effect on commitment. This means that the higher the level of customer satisfaction, the greater the customer's commitment to the company. Customer satisfaction is the overall evaluation of the offering encountered in a service interaction and is an antecedent to customer loyalty or retention (Yi-Ching Hsieh, 2012). If the perceived performance falls short of expectations, customers will be disappointed, dissatisfied, or even dissatisfied. Conversely, if it meets expectations, customers will be satisfied, and if performance exceeds expectations, customers will be highly satisfied. However, if customer expectations are not met according to their needs and desires, it is possible that customers will switch to other products or services, which can even damage the company's image. Therefore, the better the quality of service provided by employees, the higher the level of customer satisfaction and commitment to the company. The results of this study support research conducted by Cater, B., & Cater, T. (2023)., which found that customer satisfaction significantly influences commitment.

The results show that customer satisfaction has a positive and significant influence on customer retention. This means that the higher the level of satisfaction experienced by customers, the more

likely they are to remain loyal and maintain their relationship with the company. Customer satisfaction relates to a person's feelings after comparing the performance or results received with their expectations. The study of customer satisfaction remains a primary focus in marketing research because it reflects the importance of basic marketing principles (Yasfi & Pardede, 2024; Oliver, 2009).

When employees are able to improve service quality, customer satisfaction also increases. This can foster a sense of loyalty, which ultimately impacts retention, namely the willingness of customers to continue using a company's products or services without switching to competitors. Customer retention provides economic, social, and psychological benefits to customers and contributes to increased company revenue and profits. Therefore, customer retention is a strategic asset crucial for business sustainability. This finding is consistent with Diab (2009) research, which states that customer satisfaction has a significant influence on customer retention.

This study also found that commitment has a positive and significant influence on customer retention. This indicates that the higher the level of commitment a customer possesses, the greater their tendency to remain loyal to a company's products or services. Commitment reflects a valuable relationship between a company and its customers that must be maintained on an ongoing basis. In this context, customer satisfaction and emotional attachment are influenced not only by the quality of service provided by employees, but also by the customer's personal loyalty and commitment to the company. The emotional elements and friendly relationships formed between the company and the customer contribute to strengthening this commitment, thereby increasing retention and encouraging the continuation of long-term, mutually beneficial relationships. Commitment is higher for individuals who believe they receive added value from the relationship (Amin & Isa, 2023). Customers with high levels of commitment will consistently enjoy the benefits of the relationship. At the same time, it is assumed that the level of customer satisfaction with the services provided also contributes to customer commitment to the company (Farooghi, 2016). The results of this study support research conducted by Albérico et al. 2023, Fullerton, G. (2005), which found that commitment significantly influences customer retention.

CONCLUSION

The results of this study indicate that employee service orientation (Customer Orientation of Service Employees/COSE) plays a significant role in increasing customer retention (RET) at Bank Syariah Indonesia. A strong service orientation not only directly impacts customer loyalty but also has an indirect impact through increased commitment. These findings confirm that employees with a strong service orientation are able to foster commitment among themselves, which in turn strengthens the relationship between the bank and its customers, thereby increasing customer satisfaction and commitment to continue using BSI services. Improving service orientation and commitment is a key strategy for Bank Syariah Indonesia in building customer loyalty and strengthening business sustainability amidst the competitive banking industry.

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