

The Moderating Role of Locus of Control in Complaint Handling: A Model of Complaint Handling using Emotion and Satisfaction in Rural Banks (BPR) After Merging in Indonesia

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The merge of several rural banks (BPR) in Indonesia has caused several problems; one of which is the handling of complaints from customers. When dealing with complaints, rural banks (BPR) must be able to create satisfaction with compliance management. This study aims to analyse the relationship between emotions, which consists of positive and negative emotions, toward the satisfaction with complaint handling and how locus of control can moderate this relationship. This study uses a quantitative method by distributing questionnaires to 238 customers who make complaints and analysing the influence of positive and negative emotions and the locus of control. The results of data collection are then analysed using Structural Equation Modelling (SEM) using AMOS software. This study found that positive emotion has a positive and significant influence toward satisfaction with complaint handling, while negative emotion has a negative and significant influence toward satisfaction with complaint handling. Moreover, this study also found that the locus of control can moderate the relationship between both positive and negative emotion toward satisfaction with complaint handling.

Key words: *Positive Emotion, Negative Emotion, Locus of Control, Satisfaction with Handling Complaint, BPR.*

Introduction

Rural Banks (BPRs) are one of the financial institutions which have an important role in the Indonesian economy. Rural banks have a role in increasing economic equality, economic growth, and national stability. The Financial Services Authority (OJK) in Indonesia imposed rules related to mergers, consolidations, and takeovers of rural banks. This rule is intended to encourage rural banks to merge in order to meet the minimum core capital obligations (Financial Service Authority of Indonesia, 2019).

The merger conducted by rural banks in Indonesia and the revocation of the licenses of several rural banks by the OJK also had a negative impact. During the past 8 years, the number of rural banks in Indonesia experienced a quite drastic decline. Based on the data from OJK, as many as 76 rural banks have had their operating licenses revoked over the last 8 years. In February 2019, there were only 1.593 rural banks, down from 1.669 in 2011 (Financial Service Authority of Indonesia, 2019). The decrease is believed to be caused by the Revocation of Business License (CIU) and the merger/consolidation.

The level of competition, capital fulfillment, service quality, and HR quality are the main issues for the merger which was conducted by several rural banks in Indonesia. Therefore, rural banks are required to be able to improve their service quality, especially in terms of handling the delivery of service failure. Service failure or complaints are a matter that must be considered in order to maintain the company's market share. In this case, rural banks are demanded to be able to provide satisfaction in customer complaint services after the merger.

The psychological factors of customers become a concern and focus for practitioners and academics in the field of marketing, where emotions play an important role in the success of service performance and are considered as integrated factors for consumer behaviour responses. Emotional processes have the ability to arouse, sustain, and direct evaluation situations, psychological changes, motor expressions, and motivation to act through subjective feelings (Bagozzi et al., 1999; Choraria, 2015). For this reason, rural banks need to understand the emotional position of customers in order to not damage customer relationships in terms of providing services. Rural banks historically had close but complex relationships between companies and customers and also had a very important role in building transactional relationships. Several studies stated that trust and satisfaction are the main components in maintaining company relationships with customers, therefore, service providers pay more attention to providing quality services to customers (Mysen et al., 2011). Lack of understanding between customers and companies can disrupt this relationship. This situation can cause complaining behavior between customers and the company, thus, careful handling is required. If this is done well, it will have a positive impact on customer relations (Davidow, 2003).

From a study of the previous literature, it was found that there are variables that can influence satisfaction of service failure, namely, emotions (Badawi, 2012; Pelaez et al., 2014; Choraria, 2013; Jerger and Wirtz, 2017; Bagozzi, 1999; Chebat and Slusarczyk, 2005). An emotion is a feeling that reflects the meaning of self-esteem in meeting with others (Chebata and Slusarczykb, 2005). Emotions are divided into two types, namely, positive and negative emotions (Pelaez et al., 2014; Choraria, 2013; Jerger and Wirtz, 2017; Bagozzi, 1999; Chebat and Slusarczyk, 2005).

When these two types of emotions are associated with satisfaction. Positive emotions will have a positive influence on satisfaction, while negative emotions will have a negative relationship to satisfaction. This statement is also supported by several previous studies, including Rioet al. (2009), Pelaez et al., (2014), Choraria, (2013), Jerger and Wirtz (2017), Bagozzi (1999), Chebat and Slusarczyk (2005), Alina Maria Andrieş(2011), Badawi et al. (2019), Watson et al., (1988), Leonidou et al. (2019), Smith & Bolton (2002) and Rasae et al. (2018).

In addition to emotions, it was also found in some of the literature that there are variables that can moderate the relationship between emotions, both positive and negative, to ensure satisfaction in complaint handling. This variable is the locus of control. The locus of control is a term in psychology that refers to a person's beliefs about what causes good or bad results in his life, both in general or in certain fields such as health or academia (Vijayashree and Jagdishchandra, 2011).

The relationship between the locus of control, emotions, and customer satisfaction is also proved by several previous studies including Karaman and Watson (2016), Basak and Ghosh (2011), Vijayashree and Jagdishchandra (2011), Gangai et al. (2016), Hans et al. (2014), Chen and Silverthorne (2008), Chiang et al. (2019), and Badawi et al. (2017). When managing and handling customer complaints, employees must also be able to control themselves and able to make the best decisions for customers and the company. If they are able to combine positive emotions and the locus of control, customers' satisfaction will be achieved.

Thus, this study will analyse the relationship between positive and negative emotions that influence customer satisfaction in rural banks in West Java and Yogyakarta, Indonesia, after the merger. Additionally, this study will analyse the moderating role of the locus of control toward the relationship between positive and negative emotions which in turn affects the satisfaction with complaint handling of rural banks customers in West Java and Yogyakarta after merger.

Literature Review

Emotion

Building a good relationship with customers is the most important for a company to keep maintaining and increasing its market share, especially for service providers such as rural banks that have to pay close attention to their relationships with customers. Rural banks are currently undergoing a change in conditions due to the rules from the OJK regarding the determination of minimum capital, which required several rural banks to merge.

The condition of rural banks after the merger caused several problems including customer complaints. The most important task that must be performed by rural bank employees is satisfying customers who make complaints. The existing literature related to customer satisfaction, especially in handling complaints, found that one of the factors that can influence customer satisfaction is emotion.

Emotion is defined as a feeling that reflects the meaning of self-esteem in relation to others (Chebata and Slusarczykb, 2005). The emotional process is responsible for generating, maintaining, and directing activities among customers, and is built based on situations of evaluation, psychological changes, motor expressions, motivation to act, and subjective feelings (Choraria, 2013).

Emotions can also be interpreted as a condition of mental readiness (Bagozzi et al., 1999) which is related to the difference between emotions, mood, and attitude. The readiness marked by emotions tends to be stronger than those that are marked by mood or attitude. This is more intense in terms of the strength of perceived subjective experience, added by the magnitude of the psychological response (e.g., activity of the autonomic nervous system) and the level of body expression (facial appearance) when these last reactions accompany emotions (Bagozzi et al., 1999).

The influence of emotion toward satisfaction is proven in previous studies, including Rio et al. (2009) Badawi, 2012; Pelaez et al., 2014; Choraria, 2013; Jerger and Wirtz, 2017; Bagozzi, 1999; Chebat and Slusarzyk, 2005; Alina Maria Andrieş, 2011; Badawiet al., 2019; Watson et al., 1988; Leonidou et al., 2019; Smith & Bolton, 2002). Emotion can give an influence in several aspects of satisfaction, such as satisfaction with service recovery (Rio et al., 2009; Pelaez et al., 2014), satisfaction in complaint handling (Choraria, 201; Jorger and Wirtz, 2017), and marketing (Bagozzi, 1999).

Emotion has several functions in creating satisfaction. Rio et al. (2009) found that negative emotion can mediate the relationship between justice and satisfaction. Badawi (2012) stated

that emotion can mediate the influence of justice toward satisfaction with complaint handling. Palaez et al. (2014) found that positive emotion is the key factor in creating customer satisfaction. Additionally, it was also found that negative emotion in the form of anger, unhappiness, and sadness owned by employees will trigger the complaints made by customers against the company (Choraria, 2013).

Employees in a weak service climate expressed more anger and were less likely to offer compensation to low-status customers. On the contrary, in a strong service climate, employee responses are less dependent on customer status and converge at low anger levels, and have a higher probability for reimbursement (Jerger and Wirtz, 2017).

The measurement of both positive and negative emotions is explained by Pelaez et al. (2014) using 3 indicators of emotion. Positive emotion is measured by happiness, pleasure, and excitement. Whereas, negative emotion is explained by 3 measurement indicators, namely, anger, hatred, and disappointment.

Satisfaction with Complaint Handling

Companies engaged in service fields require a high level of satisfaction from their customers to continue to exist and improve their business. Customer satisfaction itself is defined as the result of an ex-post customer assessment based on their experience with the service as a user, which may be indifferent, positive, or negative (Pelaez et al., 2014). Satisfaction occurs when the global experience of using a product or service exceeds the expectations a consumer has prior to using it, which results in a positive confirmation of expectations (Pelaez et al., 2014).

There are two types of satisfaction described in scientific literature: satisfaction with a specific transaction and cumulative satisfaction. Satisfaction with a specific transaction refers to satisfaction with separate meetings, while cumulative satisfaction refers to customer satisfaction with various interactions with the company from time to time. In the case of the complaint handling process, satisfaction with specific transaction can be defined as “the affective feelings of customers about the company as a result of complaint handling in the company” (Pelaez et al., 2014).

In order to gain customer satisfaction, companies need to increase employee emotions (Rioet al., 2009; Pelaez et al., 2014; Choraria, 2013; Jerger and Wirtz, 2017; Bagozzi, 1999; Chebat and Slusarzyk, 2005; Alina Maria Andrieş, 2011; Badawi et al., 2019; Watson et al., 1988; Leonidou et al., 2019; Smith & Bolton, 2002). In addition to emotion, it was also identified in the literature that the locus of control can also influence customer satisfaction and emotion can also influence the locus of control (Karaman and Watson, 2016; Basak and Ghosh, 2011;

Vijayashree and Jagdishchandra, 2011; Gangai et al., 2016; Hans et al., 2014; Chen and Silverthorne, 2008; Chiang et al., 2019).

Based on some of the existing literature, it can be concluded that in order to achieve customer satisfaction, companies need to improve two aspects of human resources (HR), which is emotion and the locus of control. The satisfaction referred to in this study is customer satisfaction when filing complaints after several rural banks in Indonesia, especially in West Java and Yogyakarta, have merged.

Choraria (2013) researched the relationship between negative emotions and the complaints made by customers. Choraria (2013) found that negative emotion makes employees face customers with anger, unhappiness, and sadness, which will cause more complaints to the company. On the contrary, positive emotion will reduce complaints submitted by customers against the company.

The satisfaction measurement includes 4 measurements: (1) satisfaction with how the bank handles complaints, (2) has a positive experience when complaining to the bank, (3) very satisfied with the bank's complaint handling, and (4) argues that the bank has given a satisfactory answer to this problem, on this special occasion (Neira et al., 2009).

H1: Positive Emotion has a positive and significant influence toward satisfaction with complaint handling.

H2: Negative Emotion has a positive and significant influence toward satisfaction with complaint handling.

Locus of Control

The extent to which an individual believes that they can control events that affect them is called the locus of control (Basak and Ghosh, 2011). Individuals with a high internal locus of control believe that events are mainly resulted from their own behavior and actions.

Locus of control is a term in psychology that refers to a person's beliefs about what causes good or bad results in their life, both in general and in certain fields such as health or academia (Vijayashree and Jagdishchandra, 2011). Furthermore, the locus of control is also defined as a construct that measures the extent to which individuals believe that they are responsible for the consequences of their behavior (Vijayashree and Jagdishchandra, 2011).

The locus of control is proven to have an influence on emotions and customer satisfaction (Karaman and Watson, 2016; Basak and Ghosh, 2011; Vijayashree and Jagdishchandra,

2011; Gangai et al., 2016; Hans et al., 2014; Chen and Silverthorne, 2008; Chiang et al., 2019). Job satisfaction significantly correlates with various domains of the school environment and the locus of control. The stepwise regression analysis shows that job satisfaction can be predicted significantly by the locus of control and the maximum domain of school environment (Basak & Ghosh, 2011).

Vijayashree and Jagdishchandra (2011) stated that there is a positive correlation between the internal locus of control and job satisfaction and between the external (and others) locus of control and job satisfaction. In the external (opportunity) locus of control and job satisfaction, there is partial positive correlation. Gangai et al. (2016) added that a person with an internal locus of control tends to be more satisfied, motivated, and has a high participation level in their job. It was also found that there is a relationship between job satisfaction and the locus of control.

The measurement of the locus of control uses 10 indicators which include several statements including: (1) My life depends on me, (2) I have not achieved what I deserve, (3) Success is a matter of luck, (4) Social involvement can help influence social conditions, (5) Others decide about my life, (6) Success is a matter of hardwork, (7) In the case of adversity, I doubt about my own abilities, (8) The possibility in life depends on social conditions, (9) Abilities are more important than effort, and (10) I have little control over what happens over me (Pinger et al., 2018).

H3: The locus of control can moderate the relationship between positive emotion and satisfaction with complaint handling.

H4: The locus of control can moderate the relationship between negative emotion and satisfaction with complaint handling.

Research Method

The population of this study is rural bank customers who have made complaints after the merger. This study analyses rural bank customers in West Java and Yogyakarta as these two provinces have quite a number of rural banks compared to other provinces. The sampling technique is used with purposive sampling. This is achieved by taking a portion of customers or credit debtors and deposits in two provinces, namely West Java Province which includes Cirebon City, Cirebon Regency, Indramayu Regency, Bandung City, Tasikmalaya City, Majalengka City, and Yogyakarta Province. From these various regions, 238 customers were chosen as a sample in this study.

This study uses a quantitative methodology in which the data obtained will be analysed statistically using Structural Equation Modeling (SEM) using AMOS 24 software. This study uses primary data which is obtained through questionnaires distributed to 238 rural bank customer who submitted complaints on credit services and post-merger savings in West Java and Yogyakarta.

This study uses 4 variables, namely, **positive emotion, negative emotion, the locus of control, and satisfaction with handling complaints**. The definition and indicators of each variable are as follows:

Positive Emotion: Positive feelings that reflect the meaning of self-esteem in meeting with others (Chebata and Slusarczyk, 2005). The indicators of positive emotion are as follows (Pelaez et al., 2014): a) Happiness, b) Pleasure, c) Joy.

Negative Emotion: Negative feelings that reflect the meaning of self-esteem in meeting with others (Chebata and Slusarczyk, 2005). The indicators of negative emotion are as follows (Pelaez et al., 2014): a) Anger, b) Hatred, c) Disappointment.

Locus of Control: A term in psychology that refers to a person's beliefs about what causes good or bad results in their life, either in general or in certain fields such as health or academia (Vijayashree and Jagdishchandra, 2011). The indicators of the locus of control are adopted from Pringer et al., (2018). These indicators are: (1) My life depends on me, (2) I have not achieved what I deserve, (3) Success is a matter of luck, (4) Social involvement can help influence social conditions, (5) Others decide about my life, (6) Success is a matter of hardwork, (7) In the case of adversity, I doubt about my own abilities, (8) The possibility in life depends on social conditions, (9) Abilities are more important than effort, (10) I have little control over what happens over me.

Satisfaction with Handling Complaint: Ex-post customer assessment results which are based on their experience with the service as a user. This may be indifferent, positive, or negative (Pelaez et al., 2014). The indicators of satisfaction with complaint handling are as follows (Neira et al., 2016): (1) I am with how the the bank handles complaints, (2) I have a positive experience when complaining to the bank, (3) I am very satisfied with the bank's complaint handling, and (4) I think the bank has given a satisfactory answer to this problem, on this special occasion.

Results

Respondents' Profile and Characteristic

For this study, the respondents' characteristic are evaluated by several criteria including: gender, age, education, and income. The explanation of the respondents' characteristics is as follows:

Table 1: Respondents' Characteristic

Gender	Frequency	Percentage
Male	113	47%
Female	125	53%
Age		
19-30 years old	75	31%
31-40 years old	119	50%
41-50 years old	44	19%
Education		
Elementary School	0	
Junior High School	35	14%
Senior High School	103	43%
Others	100	43%
Income (in IDR)		
< 1.000.000		
1.000.000– 5.000.000	123	51%
>5.000.000	115	49%
Total Respondent	238	100%

Normality Test and Outlier

From the data analysis result, it was established that the data is said to be normal if the CR value is still in the range of +/- 2,58. The results show that the CR value does not exceed +/- 2,58. Whereas, the outlier test which uses Mahalanobis Distance test benchmarks were calculated using chi-square value in the degree of freedom of 20 indicators at the level of $p < 0,001$ by using the formula $X^2(20;0,001) = 37,56$. The results of the outlier test are as follows:

Table 2: Outlier

Observation number	Mahalanobis d-squared	p1	p2
91	42.728	.002	.330
102	40.178	.005	.210
135	39.021	.007	.118
155	37.551	.010	.109
134	34.602	.022	.375
158	34.381	.024	.255

The analysis results show that there are 3 data that form an outlier, namely, the data in number 91, 102, and 135. These particular data must be eliminated so that all of the data is free from outliers.

Confirmatory Analysis

In confirmatory analysis, two aspects of the model testing are carried out, namely, the loading factor test and the goodness of fit test. The loading factor is said to be good if it has a value greater than 0.5, while goodness of fit model will be met if several criteria are met. This includes Chi-Square, probability, RMSEA, GFI, CFI, TLI, and CMIN/DF. The results of the loading factor test are shown in Table 3 as follows:

Table 3: Loading Factors

Variable		Loading Factors
PE3	<--- Positive_Emotion	.745
PE2	<--- Positive_Emotion	.804
PE1	<--- Positive_Emotion	.838
NE3	<--- Negative_Emotion	.775
NE2	<--- Negative_Emotion	.779
NE1	<--- Negative_Emotion	.855
LC1	<--- LOC	.810
LC2	<--- LOC	.692
LC3	<--- LOC	.838
LC4	<--- LOC	.805
LC5	<--- LOC	.815
LC6	<--- LOC	.736
LC7	<--- LOC	.865
LC8	<--- LOC	.840
LC9	<--- LOC	.835
LC10	<--- LOC	.733
S1	<--- Satisfaction	.742
S2	<--- Satisfaction	.961
S3	<--- Satisfaction	.972
S4	<--- Satisfaction	.590

In the loading factor analysis results, there are no indicators with loading factor values below 0.5. Therefore so it can be concluded that all indicators can explain the variables in this study.

Furthermore, a goodness of fit analysis is performed, which refers to several criteria, namely, Chi Square, RMSEA, significance probability, GFI, AGFI, CMN/DF, TLI, and CFI. From the results of goodness of fit test, it was found that the value of the goodness of fit is still not fulfilled. Therefore, the model had to be modified so that the goodness of fit criteria can be fulfilled. Moreover, to improve the goodness of fit, modifications are made with reference to the modification index. The results of goodness of fit test after the modification are displayed in Table 4.

Table 4: Early Stage of Goodness of Fit

Goodness of Fit	Criteria	Cut-off value	Information
Chi-Square (X ²)	Expected to be small	317.804	Fit
Significance Probability	≥ 0.05	0.000	Not Fit
RMSEA	≤ 0.08	0.063	Fit
GFI	≥ 0.90	0.881	Marginal Fit
AGFI	≥ 0.90	0.849	Marginal Fit
CMN / DF	≤ 2.00	1.926	Marginal Fit
TLI	≥ 0.90	0.957	Fit
CFI	≥ 0.90	0.963	Fit

From the modification results, it was found that there are 3 criteria that are already fit, which are: Chi-square, TLI, and CFI. 2 criteria that are marginal fit, which are GFI and CMN/DF. It was also found that 3 criteria were not fit, which are significance probability, RMSEA, and AGFI. However, according to Hair (2010), if 2 criteria have been met, the model can be said to be fit.

Reliability Test

Construct reliability is considered good if the construct reliability value is >0.7 and the variance extracted value is >0.5. The results of the reliability test in this study are as follows:

Table 6: Reliability Test

Variable	Indicator	Standard Loading	Standard Loading ²	Measurement Error	CR	VE
Positive Emotion	PE3	0.745	0.555	0.445	0.8	0.6
	PE2	0.804	0.646	0.354		
	PE1	0.838	0.702	0.298		
		2.387	1.904	1.096		
		5.698				
Negative Emotion	NE3	0.775	0.601	0.399	0.8	0.6
	NE2	0.779	0.607	0.393		
	NE1	0.855	0.731	0.269		
		2.409	1.938	1.062		
		5.803				
Locus of Control	LC1	0.81	0.656	0.344	0.9	0.6
	LC2	0.692	0.479	0.521		
	LC3	0.838	0.702	0.298		
	LC4	0.805	0.648	0.352		
	LC5	0.815	0.664	0.336		
	LC6	0.736	0.542	0.458		
	LC7	0.865	0.748	0.252		
	LC8	0.84	0.706	0.294		
	LC9	0.835	0.697	0.303		
		7.236	5.842	3.158		
		52.360				
Satisfaction	S1	0.742	0.551	0.449	0.9	0.7
	S2	0.961	0.924	0.076		
	S3	0.972	0.945	0.055		
	S4	0.59	0.348	0.652		
		3.265	2.767	1.233		
		10.660				

It can be seen that the construct reliability on all variables already shows a value of ≥ 0.7 . Each variable has a value above 0.5. Therefore, it can be concluded that the questionnaire used for this study is reliable.

Hypothesis Test

The next analysis is Structural Equation Modeling (SEM) in full model to test the hypotheses developed in this study. The results of regression weight test in this study are as follows:

Figure 1. Full Model Path Chart

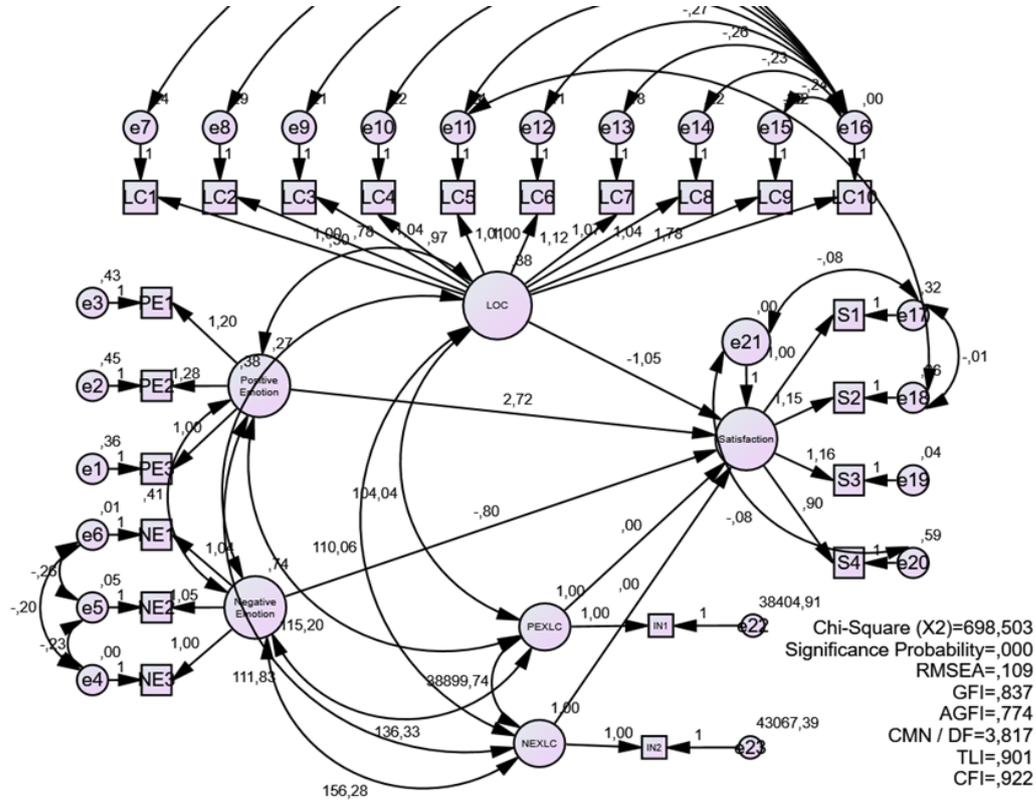


Table 7: Hypothesis Test

Relationship between Variable		Estimate	S.E.	C.R.	P	Label
Satisfaction with complaint handling	<---	Positive_Emotion	2.719	.364	7.463	***
Satisfaction with complaint handling	<---	Negative_Emotion	-.805	.150	-5.350	***

After the first and second hypotheses are tested, the moderation test is carried out to find out the moderation role of locus of control on the relationship between positive and negative emotions toward satisfaction with complaint handling. The moderation test is shown in the table below:

Table 8: Moderation Hypotheses Test

Relationship between Variable			Estimate	S.E.	C.R.	P
Satisfaction with complaint handling.	<--	Interaction1(Positive Emotion*LOC)	.002	.000	5.883	***
Satisfaction with complaint handling.	<--	Interaction2(Negative Emotion*LOC)	.001	.000	5.075	***

If the test results show a CR value above 1.96 and a probability (P) value below 0.05/5%, the research hypotheses that are proposed are accepted. From the table of the hypothesis test result, the results of this study are as follows: 1) Positive emotion has a positive and significant influence toward satisfaction with complaint handling. It is proven by the CR value of more than 1.96 which is 7.463 and the P value that is below 0.05 which is 0.000. (2) Negative emotion has a negative and significant value toward satisfaction with complaint handling. It is proven by the negative CR value of -5.350 and the P value that is below 0.05 which is 0.000. (3) The locus of control is able to moderate the positive relationship between positive emotion and satisfaction with complaint handling. It is proven by the CR value that is more than 1.96, which is 5.883, and the P value that is below 0.05, which is 0.00. (4) Locus of control is able to moderate the negative relationship between negative emotion and satisfaction with complaint handling. It is proven by the CR value that is more than 1.96 which is 5.075 and the P value that is below 0.05 which is 0.00.

Discussion

The condition of rural banks after the merger requires several parties in rural banks management, especially employees, to work harder because of the changes that occur. One of the problems that occurred in managing rural banks after the merger was complaints from customers against the company. In dealing with complaints, some literature found that emotion can influence satisfaction with complaint handling.

This study analyses two types of emotions: positive and negative emotions, and analyses the relationships of these emotions with the satisfaction with complaint handling for rural banks customer after the merger. In addition to emotion, this study also analyses the relationship of locus of control in moderating the relationship between positive and negative emotions toward satisfaction with complaint handling.

Positive emotion is interpreted as positive feelings that reflect how the meaning of self-esteem in meeting with others (Chebata and Slusarczykb, 2005). Whereas, negative emotion is negative feelings that reflect the meaning of self esteem in meeting with others (Chebata and Slusarczykb, 2005). As for the moderation variable in this study, namely the locus of

control, is defined as a person's beliefs about what causes good or bad results in his life, both in general or in certain fields such as health or academia (Vijayashree & Jagdishchandra, 2011). This study analyses the relationship of these variables toward satisfaction with handling complaints that are the result of ex-post customer evaluations based on their experience with services as users, which may be indifferent, positive, or negative (Pelaez et al., 2014).

The results of this study stated that positive emotion can have a positive and significant influence toward satisfaction with complaint handling. This results are supported by previous studies which also found the positive and significant relationship of positive emotion toward satisfaction with complaint handling (Rioet al., 2009; Pelaez et al., 2014; Choraria, 2013; Jerger and Wirtz, 2017; Bagozzi, 1999; Chebat and Slusarzyk, 2005; Alina Maria Andrieş, 2011).

Based on the results of this study, rural banks must nurture their employees to be able to generate positive emotions when handling complaints from customers. Positive emotion consists of happiness when serving customer complaints, the ability to serve customers who complain with pleasure, and joy when serving or responding to complaints from customers. With the application of positive emotions for employees in handling customer complaints, the customers will be satisfied and provide a good assessment for the company's performance.

However, this study also found that negative emotion has negative and significant influence toward satisfaction with complaint handling. The results of this study are supported by some previous studies such as Choraria, (2013), Jerger and Wirtz (2017), Bagozzi, (1999), Chebat and Slusarzyk, (2005), Andrieş, (2011), Badawi et al., (2019), Watson et al., (1988), Leonidou et al. (2019), Badawi (2012), and Smith & Bolton (2002).

Eliminating negative emotion is a must for employees, especially in the companies engaging in service fields. Negative emotions include the elements of anger, hatred, and disappointment. In responding to customers' complaints, rural bank employees must be able to control their anger, hatred, and disappointment. Even though they feel these feelings, they must be able to hide it. This study proves that if negative emotion arises, it will hamper customer satisfaction over complaint handling. The finding of this study is in line with the research from Choraria (2013) that negative emotion will cause more complaints for the company.

This study also found that locus of control is able to moderate or strengthen the relationship between both positive and negative emotions toward satisfaction with complaint handling. This result is also supported by Karaman and Watson, (2016; Basak and Ghosh, 2011;

Vijayashree and Jagdishchandra, 2011; Gangai et al., 2016; Hans et al., 2014; Chen and Silverthorne, 2008; Chiang et al., 2019).

The implementation of locus of control in the company becomes very important since it can strengthen the relationship between emotion and satisfaction with complaint handling. In implementing the locus of control toward the employees, companies are required to foster a sense of independence, always feeling lack of achievement, a high desire for success, social involvement, involvement of others in hard working life, and always honing their abilities.

Conclusion

From the results of the data analysis in this study, it can be concluded that:

1. Positive emotion has a positive and significant influence on satisfaction with complaint handling.
2. Negative emotion has a negative and significant influence on satisfaction with complaint handling.
3. The locus of control can moderate the relationship between positive emotion and satisfaction with complaint handling.
4. The locus of control can moderate the relationship between negative emotion and satisfaction with complaint handling.

Managerial and Theoretical Implication

This study provides a contribution toward managerial practice in rural banks and theoretical studies related to emotions, the locus of control, and satisfaction with complaint handling. The results of this study show that emotion has a significant influence toward the satisfaction with complaint handling. Positive emotion gives positive influence, while negative emotion gives negative influence toward the satisfaction with complaint handling. From these results, it is expected that rural bank managers can increase emotional control for their employees in handling complains. Employees should be able to increase their positive emotions and reduce their negative emotions optimally. There are some efforts that can be implemented to achieve this including training, mentoring, motivating, and even job rotation if it is required.

This study also found that locus of control can moderate the relationship between emotion toward satisfaction with complaint handling. Thus, rural bank managers must pay attention and try to foster the locus of control to each of their employee, so that the satisfaction with complaint handling in every customers can be achieved maximally. This study also provide theoretical contribution toward the study of emotions and satisfaction in the banking service industry.



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