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**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF COMPLAIANT HANDLING PRACTICE:
(IN THE CASE OF AWASH BANK S.C)**

BY

AMARE WORKU FEYE

ID-SGS/0003/2010B

JUNE, 2020

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO St. MARY'S UNIVERSITY SCHOOL
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DECLARATION

I, the undersigned, declare that the thesis entitled “ASSESSMENT OF COMPLAINT HANDLING PRACTICE: (IN THE CASE OF AWASH BANK S.C).” is my original work, prepared under the guidance of Dr. Mesfin Tesfaye. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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St. Mary’s University

June, 2020

ENDORSEMENT

This thesis has been submitted to St. Mary’s University, School of Graduate Studies for examination with my approval as a University advisor.

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June, 2020

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LIST OF ABBREVIATIONS/ACRONYMS

AB- Awash Bank S.C

ATM - Automated Teller Machine

CCB - Customer compliant behavior

CRM- Customer relation management

SPSS- Statistical Package for Social Science

WOM - Word of mouth

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ABSTRACT

The aim of this study was to assess complaint handling practice of Awash Bank S.C. The population of the study consisted of two branches customers of Awash Bank North Addis Ababa Region and employee of Awash Bank around Addis Ababa. The study uses convenient sampling technique to select the target population for questionnaire. The research questionnaire was developed by using Likert scale to rate their response, ranging from strongly disagree to strongly agree. Quantitative data were gathered through questionnaire. 197 questionnaires were distributed and 178 questionnaires have been confirmed, Statistical Package for Social Science (SPSS) software, were used to examine the data and achieve its objectives. The collected data were analyzed through descriptive statistics such as percentage, frequency, means and Standard Deviation were applied. Finally, the research finding identify the main source of complaints, assure the bank recruitment and training delivery for complaint officer are not good and enough. In addition, the bank record keeping also not good. Based on the findings, the study recommended that management of Awash Bank should identify the frequent sources of complaints, to give attention to hiring and assigning the necessary staff for complaint handling and to improve the recode keeping and develop a complaint recording system.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Banking is a sector that plays an important role in business development in the economic field; especially in the improvement of equitable development, economic growth of the community, as well as stability in increasing the living tariff of the community. Banking is a sector that becomes the main source of state finance because there are many economic activities, especially distribution, production, and other activities that have a relationship with the banking sector as financial institution and source of funding and functioning storage so that business activities run smoothly.

In the present scenario of competitive banking, excellence in customer service is the most important tool for sustained business growth. Customer service has been the challenging job in the banking industry, specifically, after the financial sector reforms and implementation of new age technology. Providing prompt and efficient service is on the top agenda of commercial banks to attract and retain the new customers (Malyadri & Sirisha, 2015).

In recent years, the importance of service management has grown significantly and has been recognized in numerous areas of customer relationship management (Pyon, Woo & Park, 2011). Nowadays, Creating and maintaining stable customer relationships is considered as an essential factor in most business environments (González, 2015) due to the assumption stating that satisfied customers are both loyal and profitable therefore service quality and customer satisfaction have become crucial goals for companies.

One of the effective ways of satisfying customers is through effective complaint and feedback management. Customer complaints and feedback management has become an integral part of the banking industry, both from the regulatory perspective and a customer service standpoint. The formal process of recording and resolving a customer complaint and responding to complements and suggestions. It means listening to un-satisfied customers and taking actions to remedy issues, where appropriate. Customer complaints and feedback management is just one initiative under a

large strategy called customer experience management. By listening to the customers, banks can develop service standards and delivery processes to meet the standards (Zairi, 2000).

Globalization has increased competitiveness in the marketing environment, giving rise to the need for companies to adopt diverse strategies to stay competitive. Tronvoll (2012) suggests that market competitiveness demands that company's employee measures to influence potential customers and retain existing customers, thereby increasing market share and profitability. To increase market share, Komunda & Oserankhoe (2012) assert that companies must ensure customer satisfaction through counter-measures before sales, during sales and after sales. According to Gruber (2011), one of the most significant counter-measures companies can adopt is customer service, for which customer complaints management is a critical component. Justice K. (2016).

Milembe J, 2015 state that, the current global business environment, it is widely recognized that how companies respond to customer or consumer complaints have become key aspect of providing customer service that ultimately affects consumers' choices of service (Okyere and Kumadey, 2015). The driving force has been to gain competitiveness and profitability through customer care and ensuring customer satisfaction in different economic and social enterprises (Keong, 2014).

Customer complaint is a customer's expression of dissatisfaction towards a product, service or purchasing situation (Nakibin et al., 2011). Tronvoll (2012) calls it a formal or informal customer report regarding a problem with a product or service. Research has shown that, the way a company handles company complaints can affect its business success in the long term (Robert-Lombard, 2011). Gelbrich & Roschk (2010) assert that poor complaint handling procedures could damage company-customer relationship and cause customer dissatisfaction. It could promote negative word of mouth advertising causing potential customers to refrain from doing business with the company. It could cause low customer loyalty and significantly chances of customer retention. (Justice Kingsley 2016)

1.2 Background of the organization

Awash Bank was established by 486 founding shareholders with a paid-up capital of Birr 24.2 million and started banking operations on Feb. 13, 1995. As of end of July 2019 the number of shareholders and its paid-up capital increased to over 4,369 and Birr 4.4 billion, respectively. Likewise, as of end June 2018/19, the total assets reached Birr 74.6 billion with

over 430 branches found across the country, Awash Bank continues to be leading private commercial Bank in Ethiopia. <https://www.awashbank.com/company-profile>

Awash Bank is a bank that has thrived over 25 years in a rapidly evolving market and economy. Having grown from humble beginnings with visionary intent, the first private bank in Ethiopia to exceed a billion profit mark in the history of Ethiopian Private Banks in the financial year 2019 since inception, the bank expanded through a combination of substantial organic growth and an enhanced customer service experience. <https://www.awashbank.com/company-profile>

1.3 Statement of the Problem

Effective handling of Customers' complaints has become a source competition for banks. Ineffective handling of customer complaints could result to switching customer from the bank and low customer retention. When a bank fails to effectively handle Customer complaints, that particular customer could be lost in the process, sparking a chain reaction involving the customer telling others, who might also continue to spread negative news about the bank involved. Consequently, the loss of one customer could cause a chain reaction where a lot more customers are lost: Reducing market share, reducing bank profitability and increasing negative perceptions about the bank (Morrisson & Huppertz, 2010).

A handling customer complaint can contribute to increased customer satisfaction and loyalty. Similarly, Supriaddin et al (2015) stated that there is a significant and positive effect of handling customer complaints on customer satisfaction. Customers who make complaints must be properly resolved so that customers who previously feel dissatisfied, with the services, are then satisfied again and then stimulate customer loyalty.

In the banking industry, 'complaints management' has become an integral part of business, both from a regulatory perspective and a customer service standpoint. Simply stated, complaints management is the formal process of recording and resolving a customer complaint. It means listening to dissatisfied customers and taking actions to remedy issues, where appropriate. (OranusiI, et al, 2018)

Mohammad & Shafiq, (2014), stated that due to personal mistakes of the employees, like, lack of adequate training to staff, lack of experience and inability to meet customers need the complaint

of the customer should arise on the service quality. The other study, Bashir, (2008), stated that problems such as service failures, poor quality in service and unfair treatment from the employees in the organization make the customer dissatisfied (Mahelet T, 2017).

Awash Bank is the first private bank in Ethiopia and highly profit-making organizations. The bank serves thousands of customers per day, with more than 430 branches. Since I am working at this large institution, I have a chance to see the overall customer service at different branches. What I observed is, some branches encounter customer complaints, but some of those branches failed to handle a customer complaint. Due to this fact, the study attempt to assess the complaint handling practice of the bank by evaluating the complaint handling practices by examining the questions. What is the cause of complaint? Which methods does the bank use to receive complaints? & How to solve the complaints within a reasonable time? To the best of my knowledge, there are no studies conducted on this matter at Awash Bank S.C.

1.4 Research Questions

To achieve the research objectives of the study the following research questions are developed a seeking answer in the research

1. Does the bank establish appropriate system to enhance complaint accessibility?
2. Does the bank devote to recruit and train the necessary staff for handling complaints?
3. Does the bank have effective complaint handling practice?
4. Does the bank respond customer complaint within a reasonable time?
5. Does the bank maintain a clear record on customer complaint?

1.5 Objectives of the Study

1.5.1 General Objective

The main objective of this study is to assess' complaint handling practices in Awash Bank S.C.

1.5.2 Specific Objective

The following are specific objectives to be discussed in this research:

- ❖ To examine the extent of complaint accessibility in the bank.

- ❖ To examine the bank responsibility to recruit and train the necessary staff for handling the complaint.
- ❖ To examine the effectiveness of customer's complaints handlings practices.
- ❖ To examine a time taken for a response for their complaint.
- ❖ To evaluate the bank customer complaint record keeping.

1.6 Significance of the Study

Customer complaint management is an important part of both customer service and customer relationship management especially in a highly competitive sector like the bank sector. This study therefore significant to bank employees, management, customers and also it will be contributing to the body of knowledge.

Employees: This research will contribute a better complaint handling processing knowledge to the bank that would also serve to improve their impact on customer service and consequently enhance their customer relationship management skills. A more valid complaint handling system would also serve to increase customer satisfaction.

Management/organization: The finding of the study will help bank management to understand the practice of complaint handling and feedback management on customer satisfaction. This will help them in their policy formulation especially as it relates to handling customer's complaints. This will help banks to avoid the harsh consequences of losing customers to competitors. To this end, the study would help banks not only avoid costs but increase market shares and profitability in the long term.

Customers: The research would help to ensure that their complaints give the needed attention and appreciation to improve their dealings with bank. The study would also enhance the provision of customer service in banking halls.

The research will contribute to the body of knowledge it explores. The extent of customer complaint handling practice, it will also serve as a springboard as well as an input for future researches undertaken by researchers concerning customer complaint handling practice in the banking industry in particular besides for all financial service providing institutions in general.

1.7 Scope of the Study

The study focuses on customer complaint handling practice in Awash Bank S.C. The research could be more fruitful if it would be conducted on a wider scale of the country. Due to time and financial constraints, undertaking exhaustive study involving all branches and units of the Awash bank becomes impossible. Thus, the study would be confined to assess customer complaint handling practice at Kotebe branch and Habte Giorgis branches under North Addis Ababa regional office found in Addis Ababa.

1.8 Limitations of the Study

One of the limitations of this study was collecting data from respondents and conducting interviews. Due to COVID-19, most of the respondents are not willing to fill the questionnaire, and also top management of the banks is not ready to give an interview.

1.9 Organization of the study

The paper has five chapters, chapter one includes background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study and organization of the study. Chapter two covers literatures which are relevant on the subject matter under study. Under chapter three, the methodology part of the study is described in detail. The findings of the study were presented, analyzed and discussed in chapter four. Finally, in chapter five summary, conclusions, and recommendations were forwarded based on the study findings.

CHAPTER TWO

LITERATURE REVIEW

This chapter explores the related and the relevant previous studies conducted in this area. It focuses on what previous studies have said about the organizational responses to consumer complaints and their impacts on complainant's satisfaction and customer retention. Literature was sourced from journals, web articles, books, news reports and other sources considered to be credible.

2.1 Definition of Complaint handling

Complaints handling is defined as the process through which a recorded expression of dissatisfaction with company, or one of its employees or agents alleging misconduct is dealt with in order to restore the standard of services provided (Lewis and Steven, 2013).

2.2 Nature and Scope of Customer Complaint

Customer complaints behavior (CCB) has often in marketing been seen as either a static and post-purchase activity or as a dynamic adjustment process. This issue is still debated. A complaint provides an opportunity for service recovery followed by a chance to educate the customer, strengthen loyalty and evoke positive Word of Mouth (WOM) comments. Successful organizations encourage customers to complain (Tronvoll, 2012).

It is because of the dynamic competition in the service sector that there is a growing interest in understanding how customers evaluate the service experience (Stauss & Seidel, 2004). So since all organizations experience some degree of customer dissatisfaction (Ndibusi & Ling, 2006), it makes it crucial to study post dissatisfaction behavior of customers. Research by Casado et al., (2011) suggests that consumer complaint behavior (CCB) is a complex phenomenon.

The complexity in customer complaints behavior is reflected in the number of alternative taxonomies, schema and definitions proposed to explain this kind of behavior. Tronvoll (2007) adds that higher information control and weaker ties between the consumer and the service provider enhance customer complaints. Therefore, management needs to establish the processes and service providers' responses in terms of service-recovery activities, organizational responses and implications for customer experience outcome like problems of lost customer lifetime value and behavioral intentions (Tronvoll, 2007).

Complaint behavior is not being well handled in terms of customer service (Kim et al.2003; Ndibusi & Ling, 2006). There is need of feedback and action to reduce their negative effect. Basing on the above, marketers are today seeking information on consumer behavior and how to handle customer complaints. Information and feedback from customers are generally acknowledged as important factors in achieving a positive marketing outcome (Maxham & Netemeyer, 2003). Unfortunately, most of the customers do not complain after service failure dissatisfaction, but exit (Tax et al., 1998). Therefore, organizations need to understand how customers react to service failure and the providers' efforts towards recovery. Customer complaint behavior (CCB) refers to the responses triggered by perceived dissatisfaction that is neither psychologically accepted nor quickly forgotten in consumption of a product or service (Homburg & Fürst, 2005). A commonly used definition of customer complaining behavior was suggested by Singh (1988), who conceptualized it as a set of multiple (behavioral and non-behavioral) responses, some or all of which are triggered by perceived dissatisfaction with a purchase episode.

Complaining by satisfied consumers is considered outside the realm of Customer complaints behavior (Singh 1988). Traditionally, the common determinant of complaining behavior was described as dissatisfaction. Consumer dissatisfaction is a result of the discrepancy between expected and realized performance (Ndibusi & Ling, 2006). Dissatisfaction is based on disconfirmation of expectation (Oliver, 1987) and it is defined as a customer experience that is less than the perceived expectation. Negative disconfirmation occurs when the service performance does not live up to prior expectations.

During service encounters, consumers expect zero-defects in service delivery. Despite the service provider's attempts to offer consistent, high-quality service to consumers, service failures may still occur because of the critical service characteristics of inseparability and variability. Service delivery is heterogeneous across service encounters due to the variability in situational factors and individual differences between consumers and service employees (Singh, 1990).

However, many consumers who are dissatisfied may not take any complaint actions, and those who take actions expect to get justice (Gruber et al., 2009). For customers who feel that justice was not served, they are likely to feel angry, and may engage in negative WOM or may exit (Brodgett & Anderson, 2008). It has been argued that organizations may recover customers after

one failure; however, it may be difficult to recover from multiple failures. This requires well planned communication effectiveness with appropriate dialogue and interactions.

2.3 Theoretical Review

The following theories relate to the research topic and the objectives set forth within the study.

2.3.1 Equity Theory

Consumers are prone to spread a negative WOM when they perceive an unfair response to a service failure. When customers perceive that they have not been sufficiently compensated for the damage, they may feel even more annoyed than they were subsequent to the failure. This is because a report of a service failure may imply unfair treatment of the customer; service recovery must therefore re-establish justice – from the customer's perspective. With effective handling of complaints, consumers will perceive fair treatment. In the case of a service failure, individuals will perceive inequity and they will try to restore equity by complaining.

According to Gruber (2011), complaining customers develop their equity or fairness perceptions by evaluating three facts of the complaint handling encounter: the fairness of the decision making criteria, procedures and policies used to accomplish the final outcome (procedural justice), the fairness of the obtained tangible outcomes (distributive justice) and the interactional justice or manner in which the service complaint handling process is carried out (Tax et al., 1998). Equity theory is relevant where exchange takes place because it is a notion of fairness; and it is conceivable that one or both parties perceive inequity in an exchange (Maxham and Netemeyer, 2003). Equity theory seems quite tenable in a service failure context because consumers usually perceive an inequity following a service failure. When inequities arise, equity theory provides a meaningful framework for shaping consumer perceptions of satisfaction, purchase intent and WOM. The relationship between equity sensitivity and recovery expectations has not been empirically established. Benevolent customers may hold less stringent expectations than entitled customers, but the existence of these groups has not been empirically established (Ruyter & Wetzels, 2000).

Several researchers have used equity theory in the explanation of service failure and consumer responses to the failure (Maxham & Netemeyer, 2003). The argument is that consumer ratings of

failing organizations will increase when they offer fair recovery efforts. Researchers have suggested that consumers are prone to spread a negative WOM when they perceive an unfair response to a service failure. Therefore, when customers perceive that they have not been sufficiently compensated for the damage, they may feel even more annoyed than they were subsequent to the failure (Maxham & Netemeyer, 2003). This is because a report of a service failure may imply unfair treatment of the customer; service recovery must therefore re-establish justice – from the customer's perspective (Michel et al., 2009).

2.3.2 Perceived Justice Theory

Service researchers have turned to theories of organizational justice to explain customers' reactions to service recovery (Tissot, 2003). Justice perceptions are the individual subjective assessments of organizational responses. The subjective evaluation of the response of the complainant is crucial because perceptions are the subjective, often biased, interpretation of reality that account for individual behavior (Gelbrich & Roschk, 2010). Blodgett and Anderson, (1994) contend that prior research demonstrates that the behavior of complainants depends largely on their perceptions of justice. Higher levels of distributive, interactional and procedural justice lead to more favorable patronage intentions and a decreased likelihood of negative WOM (Blodgett & Anderson, 2000). Complainants who perceive that justice is not served likely become even angrier, engage in negative WOM and exit (Tax et al., 1998).

Distributive justice is outcome justice. It focuses on equity issues in the mind of the customer – an appraisal of the benefits received relative to the costs (money and time) associated with them. When the organization does not deliver on expected benefits, leading to a sense of being unfairly treated, this necessitates recovery. In recovery, customers may expect a refund, an apology, or/and compensation (Michel et al., 2009).

Distributive justice involves dealing with decision outcomes; namely, the principles of equity and equality. Every customer who initiates a complaint expects some outcome to result from it and it is the expectation of positive outcomes that drives consumer complaint decisions (Oliver, 1997). Most often, however, dissatisfied consumers want a refund, replacement, or compensation when they complain, and most studies of post complaint satisfaction show that distributive justice in the form of compensation has the greatest impact on customer satisfaction with recovery, repurchase intentions and loyalty (Smith et al., 1999; Tax et al., 1998).

Interactional justice refers to how customers perceive the way they are treated; treatment is perceived as fair when complainants assume that information is exchanged and outcomes are communicated in a polite and respectful manner. A complainant procedure is considered fair when it is allegedly easy to access, provides the complainant with some control over the disposition, is flexible and is concluded in a convenient and timely manner, (Gelbrich & Roschk, 2010).

Customers should be treated as individuals whose specific requests are acknowledged. Procedural justice refers to process fairness and the evaluation of the procedures and systems used to determine customer outcomes, such as the speed of recovery (Tax et al., 1998) or the information communicated (or not communicated) about the recovery process (Michel, 2002). Procedural justice involves dealing with decision-making procedures, or having a complaint procedure the customers perceive as fair. Consumer evaluation of the interaction dimension suggests that the quality of the interpersonal treatment and communication during the encounter are likely to be heavily weighted by consumers when evaluating service encounters (Smith et al., 1999).

However, procedural fairness could be mitigated by a rude, impersonal interactional style through which information is obtained and outcomes are communicated. Therefore, employees have the task of handling customer complaints equitably. In case of unfair treatment of the customer, service recovery must re-establish justice (from the customer's perspective). This is because justice during service recovery is determined by the customer.

2.3.3 Interaction of distributive, interactional and procedural justice

Complainants consider all three justice needs to evaluate the effectiveness of the organizations complaint handling effort, but interactional justice takes the center stage. Blodgett & Anderson, (2000) and Karatepe & Ekiz, (2004) came to a conclusion that interactional justice has a stronger impact on satisfaction than the other two justice dimensions. Interactional justice may be a more important moderator of reactions to unfairness than procedural or distributive justice. Both the immediacy and transparency of social interactions make it relatively easier for customer to assign moral accountability when contact employees violate interactional justice principles.

This proposition is corroborated by Collie et al. (2000), who found that customers reported significantly higher levels of satisfaction in conditions where the service provider was courteous and vice versa. Gelbrich & Roschk (2010) indicated that customers would be satisfied with a partial

refund if they were treated kindly and respectfully. Customers who were treated unpleasantly would not continue the relationship with the retailer and would engage in negative WOM even in the case of a total refund (Gelbrich & Roschk, 2010). This stresses the importance of understanding how dissatisfied customers want to be treated by contact employees during complaint handling encounters.

The assertion is made by Davidow (2003) that the distinctiveness of the three justice dimensions has been called into question. They made a report on high correlations between justice dimensions. Liao et al., (2003) adds that perceived justice has a higher order latent variable in a confirmatory factor analysis using this construct as a single predictor of post complaint satisfaction. Duffy et al., (2006) include the justice dimension in one latent variable in their confirmatory factor analysis (CFA) arguing that customers use a compensatory model when forming an overall perception of justice.

A possible reason for the poor discriminate validity is that consumers are unable to clearly distinguish between a favorable outcome and respectful treatment. Whether the three justice dimensions have distinctive antecedents and consequences that aid in deriving implications for marketing practitioners is questionable. Complainants consider all three justice needs to evaluate the effectiveness of the organization's service recovery efforts, but interactional justice takes the Centre stage. Furthermore, Blodgett & Anderson (2000) discovered that high levels of interactional justice can offset lower levels of distributive justice.

2.3.4 Attribution theory

Attribution theory provides a basis for understanding how consumers respond to service failures (Folkes 1984); and predicts that the perceived reason for a service failure influences the level of consumer satisfaction. Attributions are the perceived causes of a failed service situation (Bitner 2010). Bitner (2010) argues that the perceived causes can be classified into three dimensions, including locus (who is held responsible), controllability and stability. Regarding controllability, it refers to causes one can control such as skills compared to causes one cannot control such as others' actions (Weiner, 2000).

Attribution theory is concerned with how individuals interpret events and how this relates to their thinking and behavior. Heider (1958) was the first to propose a psychological theory of attribution;

and Weiner (1986) developed a theoretical framework that has become a major research paradigm of social psychology.

Attribution theory assumes that people try to determine why they do what they do, like attribute causes to behavior. Weiner, (2000), asserts that attribution theory is the systematic study of the perception of causality. Maxham & Netemeyer (2003) stated that extant research has found attribution to help explain consumer perceptions and intentions in regard to their service recovery experiences; influence customer communication and recovery outcome effects on satisfaction and repurchase intentions.

There is a well-founded argument in using the attribution construct as a mediator between disconfirmation and service encounter satisfaction Bitner (2010). Kim et al., (2010) and Maxham and Netemeyer (2003) assert that attribution has a direct effect on cumulative satisfaction and repurchase intentions. Attribution search may follow a negative and unexpected event or failure (Weiner, 2000); and attribution theory is the systematic study of the perception of causality. In a complaint behavior context, product and service failure is the kind of negative and unexpected event that has been shown to bring about causal search; attributed to internal or external locus. When retailers are thought to have control over the cause of product failure and it is stable, consumers feel angry and desire revenge more than when the retailers are believed to lack control over the failure. The outcome of a purchase situation could be attributed to something temporary (unstable), or to something stable.

Disconfirmation of an expectation acts as an important causal agent for generating attribution processing. This means that events that do not conform to expectations may trigger the search for an explanation for the event (Laufer, 2002). Attribution may follow an expected event or failure (Weiner, 2000). Weiner (2000) further reasoned that the enduring interest in attribution theory is due to its focus upon the universal concern with the explanation why a particular event or outcome has come about and the consequences of phenomenal causality. Swanson and Kelley (2001) stated that extant research has found attribution to influence customer communication, recovery expectations and recovery outcome effects on satisfaction and repurchase intentions. Attribution could help explain consumer perceptions and intentions in regard to their service recovery experiences. Bitner (2010) presents a well-founded argument in using the attribution construct as a mediator between disconfirmation and service encounter satisfaction.

In conclusion, organizations need to strive to achieve perceived justice while handling customer complaints. In case of service failure, individuals will perceive inequity and they will try to restore equity by complaining and to go through service recovery. Unfortunately, many service organizations have developed reactive service failure strategies that focus on complaint management rather than service recovery issues. Just a few organizations seem to be gaining benefits of recovered customers (Johnston & Michel, 2008). The relationship between perceived justice, complaints handling and satisfaction with service recovery as they pertain to different post-complaint behavioral responses have not been investigated (Casado et al., 2011).

2.4 Handling Customer Complaints

Complaints and the processes for handling them are important issues for service providers because they have the potential to have an adverse effect on customer satisfaction and loyalty (Anderson, 1994). Two major areas of research are on the motivation or antecedents for complaining behavior (Bolfing, 1989); customer factors like demographic characteristics (Tronvoll, 2007); attitudes and experience with regard to complaining behavior (Singh, 1990). Research on CCB has focused mainly on the customer's attitude towards complaining (Richins, 1983), attribution of blame and the likelihood of a successful solution (Singh, 1990). Lovelock et al., (2001) recommends effective generic guidelines in the successful resolution of complaints. They include acting expediently to resolve the issue; acknowledging mistakes without being defensive; not arguing with customers; openness in solving the problem; considering the possibility of compensation trying to regain the goodwill of customers (McCole, 2004).

Despite the fact that organizations appreciate the importance of managing complaints, overall customer satisfaction after a failure has not improved (Michel et al., 2009). Organizations should encourage dissatisfied customers to complain so that they can solve the problem and retain the customer. Unfortunately, organizations that do not rise to the challenge of complaining customers are turning down the important opportunity of reclaiming and improving a relationship. Owing to the apparent importance of effective complaints handling, there is a research gap on how organization management should treat all complaining customers to create complaint satisfaction. Organizations keep trying to improve the service quality but basing on the nature of the service, overall customer satisfaction remains a problem in organizations.

A meta-analysis of satisfaction with complaint handling has identified antecedents such as expectation, performance and disconfirmation of expectations (Szymanski & Henard, 2001) while another study has looked at the affective responses to complaint handling experienced by the customer (Varela-Neira et al., 2010). From the Meta analyses perspective, complaint handling is judged by post-complaint customer behavior such as repurchase intentions and WOM activity (Gruber, 2011). Further research is needed in order to establish a clear line between an organization's response to a complaint and the impact that that response has on post-complaint customer behaviors.

There is also need to quantify the effects of each response dimension on PCB to plan an effective service recovery (Gee et al., 2008). To address this research gap, the researcher ought to develop and empirically test a model based on CCB; complaints handling mechanisms and customer behavioral responses. Service recovery has an outcome dimension (Duffy et al., 2006), which is “what?” the customer receives as part of the organization's efforts to recover, whereas the process dimension of service recovery is concerned with “how?” recovery is achieved. Duffy et al. (2006) suggest that the outcome dimension is more important when the original service is delivered, but the importance of the process dimension is accentuated in service recovery. However, this may depend on the service in question. Kau & Loh (2006) contends that service recovery involves interaction between a service provider and a customer; a shortfall in the provision of the original service, a response to the shortfall, and a desired result to turn a dissatisfied customer into a satisfied one.

2.4.1 Customer Complaint Procedures

It is essential for a firm to have an effectual response when a complaint takes place. This should be seen in the form of the quality of the reply, ability to address customers concern and perception and plan for future prevention. Behrens et al. (2007). Various authors have separately tried to conceptualized complaint management process. For example, Wysocki et al. (2010) identifies three important aspects of the complaint process which includes (i) activity seeking customer complaints; (ii) recognizing the type of customer that is complaining; and (iii) responding appropriately based on the type of complainants.

Complaint management should be evolved through a four-stage process starting with an in-depth analysis and strategic use of past complaints and results Adams (1993). Cook & Macaulay (1997)

deal with the rather normative concept of empowered complaint management. Important elements in this concept include a positive and proactive (non-defensive) attitude towards complaints, fast reply and simple solution, and that complaint handlers should be regarded as an important part of the company. Johnston (2001) however, supports the operational view on complaint management which advocates for the process by which complaints are handled and customers recovered.

The proponents of operational view on complaint management process argued for speedy response, reliability, and consistency of response, ease of access to the complaint process, keeping the complainant informed, and well-trained staff who understand the complaint process (Johnston, 2001) for successful implementation of complain management process. Hansen et al. (2009) categorized operational view on complaint management into three sub-dimensions: (i) complaining accessibility; (ii) retailer-customer interaction; and (iii) compensation policy.

It is important that the retailer convinces his/her customers that complaints are welcome and that they will be handled seriously Hansen et al. (2009). Since Johnston (2001) asserted mistakes are an unavoidable feature of all human endeavor and complaints are a natural consequence of any service. This may imply that if a retailer receives only few complaints, it could be dissatisfied consumers are just switching to a competitive retailer without voicing a complaint (Goodmann, 1999) or if the customer is unsure on where/or how to deliver the complaint or, even worse, if the customer doubts the retailers interest in receiving the complaint (Hansen et al., 2009).

Retailer-customer interaction stresses a complaint process where customers are more interested in obtaining a fair and serious procedural treatment rather than specific result of the complaint process (Kim et al., 2010). Saxby et al. (2000) supported this view and argue that consumers are always occupied with obtaining procedural justice, which according to Sheppard et al. (1992) can be termed perceived fairness of a process that culminates in an event, decision, or action. Hansen et al. (2009) suggested a situation where customers feels exposed to a poor retailer-customer interaction cannot necessarily be compensated by a favorable outcome of the process. Davidow (2007) asserted customer dissatisfaction can also take place during the complaint process.

It is therefore imperative retailers welcome complaints and treats them seriously with positive attitude during the process. Hansen et al. (2009) further suggested the principal motive for complaining is his/her perceived loss and consequently would be expectant of reimbursement or

compensation in any of the following forms offering price reductions, repair or exchange of poor products (Hui & Au, 2001). Blodgett et al. (1995) suggested interactive justice carries a heavier weight which implies fair settlements or distributive justice is not enough. It is therefore imperative for customers to be treated with such values including empathy, courtesy, honesty, and politeness (Tax et al., 1998). Chase & Dasu (2001) further argue that whether compensation and reaction is perceived as appropriate is dependent on the kind of failure that occurred.

For example, financial or tangible reactions are appropriate when there has been a loss of economic resources or there has been a problem meeting demands and an intangible reaction is seen as adequate in the case of a loss of social resources and in the case of failures in the process caused by employee's behavior (Chase & Dasu, 2001). Kim et al., (2010) also argue the scale of the failure also has an impact on the evaluation of the compensation. The social exchange theory suggests that the value of the exchanged goods, the loss perceived by the client and the recovery measure should be balanced (Kim et al., 2010).

2.4.2 Customers satisfaction

Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. Customer satisfaction is happy or unhappy feeling of someone after comparing product performance that he/she feel or the perception with the expectation. If the product performance is considered below the expectation, it means customer is unsatisfied. On the contrary, if the performance is considered above the expectation means the customers are satisfied.

Based on some definitions of satisfaction above, can be concluded that satisfaction is comparison between consumer perception and service performance delivered. Consumer will satisfy if company is able to hold/solve customers' complaint fast and accurately as well as workers has ability to solve complaint from customers.

2.4.3 Customers loyalty

Customer loyalty is a customer's commitment to a brand, store, or supplier based on a strong favorable attitude and manifested in consistence patronage. Customer classified as loyal if they have positive attitude to certain brand and manifested in the form or consistent repurchase based on decision making unit (Griffin, 2005)

2.4.4 Responsiveness

Responsiveness refers to the ability and willingness of service providers to be always in customer service and their ability to perform service for them when they need it. This dimension is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with.

2.4.5 Turnaround Time

Turnaround time can be defined as the time that an institution takes to process a request from the time it is made to the time it is delivered. In the banking industry, if the approach for serving clients or employees is ineffective and the processing time for account opening and on-boarding of staff is slow, the bank risks losing its customers to the competitor banks. This is the time taken to complete a task. In complaint management in the banking sector, "it includes the time taken to resolve the customers' complaints. This can affect customer satisfaction because time is a resource. The faster the transactions, the more the customer was satisfied for saving time" (Nguli, 2016)

2.5 Empirical studies

Results of previous studies regarding the complaint handling and its influence, published in various journals.

2.5.1 Handling Customer Complaints

A complaint is an expression of dissatisfaction, about the standard of service, actions or lack of action by an organization to an individual. According to Tronvoll (2012) it is an action taken by an individual which involves communicating something negative regarding a product or service. Customers complain when they experience a service performance that falls below their expectation, and the consequent dissatisfaction they feel. Thus, dissatisfied customers are more likely to complain than satisfied ones (Keiningham et al, 2015). Complaint handling is therefore the procedures and actions of service providers aimed at addressing customer complaints and recovering dissatisfied customers (Taleghani et al, 2011).

The handling of complaints has become an important aspect of bank management and is one of the main factors behind customer decisions to reward a bank. Effective complaint handling gives chance to change unsatisfied customers become satisfied one. The other advantages from effective

complaint handling are: (1) service provider get opportunity to improve their relation with disappointed customers; (2) service provider can be avoided from negative publicity; (3) service provider can understand aspects of service which can be improved in order to satisfy the customers; (4) service provider will know source of their operation's problem; and (5) workers can be motivated to deliver better quality of service. (Mudie & Cottam, 1999)

A well and effective complaint handling surely give opportunity to change an unsatisfied customer become satisfied customer and even become loyal customer. Nofal S. (2015)

Understanding consumers' complaining behavior requires a continuous assessment of negative feedback and criticism from consumers. Firms must therefore not only carry out sophisticated computerized analysis, but should also contact dissatisfied customers directly to ascertain their grouse against of the company (Verma & Kaur, 2001). This is because firms are in a continual search for better ways of serving their customers so as not to lose them to competitors who are keen on attracting new customers. And also because a firm that does not look after its own customer will lose them to some others that can attract them with cheaper and better offerings (Ateke et al, 2015)

2.5.2 Customer satisfaction

Customer's satisfaction with complaint handling largely depends on sound and speedy actions. In other words, customers require efficient complaint handling. Moreover, a high-quality complaint handling design can help firms to allocate energy and resources better, so that the operational and financial performance of the firm can be improved (Homburg et al., 2010).

Customer satisfaction on complaint handling is determined by the extent to which customer expectations on their complaint are met. Customers will get satisfied if the company is able to capture and solve their complaint fast, accurately and when they are able to compensate fully what the customer considers as their loss (Nofal et al., 2015 & Dr. Hellen W. 2019)

Customer's Satisfaction: the client's perception of the performance of the service in relation to his or her expectations (Shammout and Haddad, 2014). Customer satisfaction viewed as a response based on assessments and expressed some time during the buy-consumption process (Sunayana,

2013). For the purpose of this study a definition provided by Shammout and Haddad (2014) is adopted.

Keeping the complainant updated with the outcomes of the investigation is highly influential in raising customers` satisfaction and building an effective system of handling complaints. The more complex is the complaint, the better it is to respond in writing. An oral explanation is usually used if this is the method of communication preferred by the complainant or adopted in previous dealings. The response should include a detailed explanation of all issues of the complaint. This aims to ensure the complainant that his/her complaint has been handled properly and to build trust between the customers and the company. Privacy should not be a barrier to transparency and accountability. Providing a remedy to the complaint should be taken into consideration. Potential remedies include a better or fuller explanation, an apology, changing decision, expediting action, and providing financial compensation Metwally (2013).

The focus of complaint handling system is to resolve the conflict which occurred during service access with the purpose of attracting and retaining customers through cooperation and the sharing of information. In the process of handling complaints with the customer, the organization is required to communicate with the customer, and the customer is expected to listen. Proper communication of the complaints requires that both parties (customer and service provider) communicate with each other (Hakkio & Laaksonen 1998). Rootman (2011) states that complaints communication is not only about conveying a message, but that there also needs to be an understanding between the parties involved in order for the communication to be effective. Strachan (2010) concur with this statement by arguing that customers need to trust that if they have a problem, they are able to communicate this with the organization without the possibility of negative reactions. The organization too needs to trust that they can be 12 honest and communicate any updates or news, be it positive or negative, with the customer. Should trust be present, the communication of any negative aspects or situations is more likely to result in positive and understanding reactions.

A major reason why customers switch service providers is unsatisfactory problem resolution. When customers face a problem, they may respond by existing (switching to a new supplier), voicing (attempting to remedy the problem by complaining) or loyalty (staying with the supplier anticipating that “things will get better”). Given that customers of banks have relatively high

switching costs, it is likely that dissatisfying experience will evoke a passive reaction (non-complaint) or a complaint. Given that the customer complaints, the banks response can lead to customer states ranging from dissatisfaction to satisfaction. In fact, anecdotal evidence suggests that when the service provider accepts responsibility and resolves the problem, the customer become “bonded” to the organization (Hart, 1990&Kebede T. 2017)

2.5.3 Complaint Responsiveness

When a customer gets a poor service or a defective product, the customer attempts to formulate all the right words and expressions for a specific complaint, as well as appropriate accusation to rebuttals from the customer service agent. This made them to invest much in providing a quality service to their customers by solving customer’s complaints as quickly as possible. In that regards such companies have shifted from product/service centric to a customer- centric position. Employers have started doing their best to ensure that customers are retained and there is a growth of customer base, they have been doing that by ensuring their employees have skills in handling customer’s complaints and a good interaction with customers.

2.5.4 Effective complaint handling

The company must improve the complaint handling procedure of the Company so as to make sure that the customers’ perceptions are transformed to strategies of improving the service offered by the organization eventually leads to the positive customer satisfaction. The quality of the service can be determined by good customer complaint handling process, “how well service complaints are handled is a key determination of quality in the public service at both systemic and service-recipient levels.

2.5.5 Complaint Accessibility

The understanding of quality of the interaction between customers and employees introduced the concept of rapport. Rapport, which is defined as “personal connection between the two intercalants,” directly affects important outcomes such as customer satisfaction and loyalty which are two variables ultimately related to company profitability. Well-handled complaints can create loyal customers and increase profits. The focus of any business is to create and keep customers; effectively addressing a complaint is really an opportunity to create a positive experience with customers, in addition to preventing them from going to the competitors. Resolving customer’s

complaints makes for a better bottom line as the cost to replace a current customer can be 10 times the cost of keeping them.

2.5.6 Keep clear records

Make a record of complaints as soon as they are received, including a description of the complaint, the product or services complained about, the remedy requested by the complainant, the due date for a response and any action taken with regard to recording & reporting complaints, the Scottish Public Services Ombudsman (SPSO), (2011) stated that there must be records of all complaints systematically so that the data can be used for analysis and management reporting. By doing so, it can be identified and tackle what causes complaints. And also for report purpose there must analyze of complaint details for trend information to ensure to identify service failures and take appropriate action. And hence, as per SPSO, by regularly reporting on the analysis, it is possible to inform management where services need to improve.

One important feature of complain handling is to identify opportunities to improve services. And hence there should be systematic way of recording so that a complaint data can be analyzed & reported to the management to take appropriate actions. Complaints provide valuable customer feedback (West Lothian Council, 2013). Furthermore, it is known that complaints can be received by an organization in a number of ways. Service providers should maintain complete and accurate records of all contact regarding complaints and ensure that this information is easily accessible, preferably in a single location (SPSO, 2011)

2.5.7 Recruit and train necessary staff

It is appointed a management representative to be responsible for complaints-handling process. The bank or the organizations provide adequate staff and resource to deal with complaints. And the bank or the organizations are ensuring that relevant staff are made aware of the complaints procedure and trained to deal with complaints appropriately and promptly.

An office/department which is entitled to receive complaints from customers has a duty of investigating the truth as per the stated written documents what so ever it has and act as promised to perform accordingly. And also it is responsible to respond quickly as per the request, expressing clearly its findings of why the differences are happened. Different managements at different

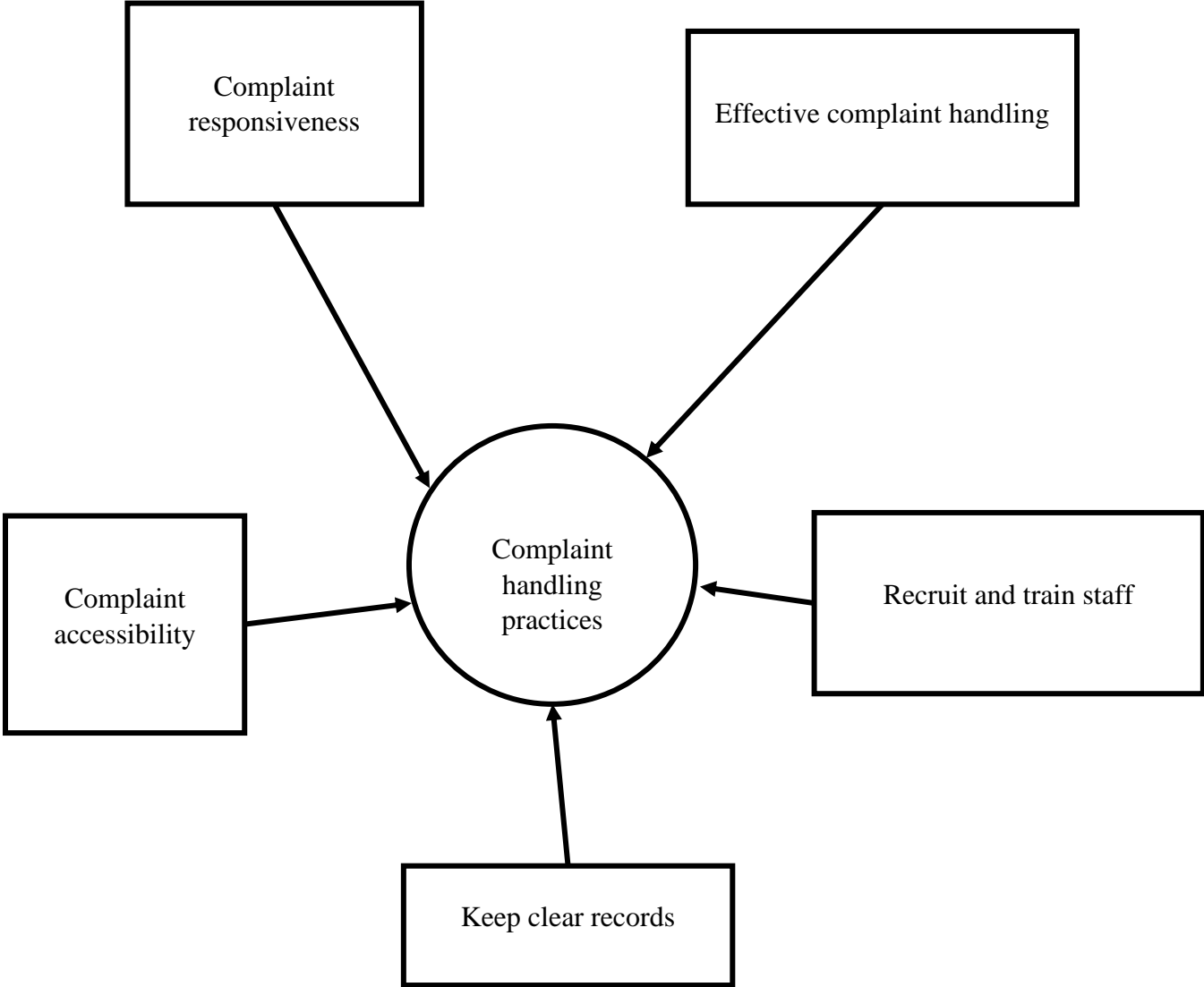
positions have responsibilities for various duties accordingly. Overall responsibility and accountability for the management of complaints lies with the Chief Executive and senior management (West Lothian Council, 2013). Same wise the council express that Deputes & Heads of services also have their own duties & responsibilities.

Ombudsman Western Australia, (2010) explain about the Complaint Handling Officers in that they are the most important factor in ensuring that an organization's complaint handling is responsive to complainants as complaint handling is an important role in an organization and should be recognized as such by management. It states again that Complaint Handling Officers should be empowered to make decisions, or have access to someone who can make decisions. An effective resolution at the earliest opportunity will enhance the complainant's view of the organization and allow prompt improvement to practices. Complaints should be handled by people who have the appropriate skills and authority to resolve or investigate complaints and, where appropriate, provide remedies and identify improved practices. Where possible again, complaints are best handled by people at the point of service delivery. These people should be able to resolve complaints at first contact and should log complaint details for further analysis.

According to Ombudsman, (2007), the complaint officer or anyone in the organization is look into complaints in a proportionate and impartial manner. The officer is must understand his/her role clearly and make clear communication with customers about its objective and service standards. A further purpose of the complaint handling process is to identify the reason why complaints arose and were not settled by the organization concerned.

2.6 Conceptual framework

Figure 2.1 Conceptual Framework



Source: Adapted from the research findings, 2017

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design and methodology. This includes the research design, sample size and sampling technique, data source and collection method and procedure of data collection. At the end the method of data analysis was presented.

3.2 Research Design

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004).

A research design is a guide the researchers in the process of collecting, analyzing and interpreting the data collected for the research. The researcher used the descriptive form of research design to in undertaking the research. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collected.

3.3 Research approach

This study used quantitative research approach for data collection, analyzing and interpreting the collected data. Quantitative method was used to apply frequency, percentage, mean and standard deviation of respondents' data collected through questionnaire. The research strategy is a plan of how to answer the research questions that have been set. The method helps to avoid bias and helps to measure variables in objective manner. To this end, the data collected was coded into SPSS software and the frequency, percentage and grand mean of the data were generated for analysis and interpretation.

3.4 Population and Sampling Techniques

The study population was divided into two groups that are under Awash Bank North Addis Ababa regional office branches (Kotebe and Habte Giorgis) customers who are using different awash bank services, and the selected Awash Bank clerical staff located in Addis Ababa.

For the study, non-probability sampling technique method is used for selecting two branches. These branches have different geographical, infrastructural, market and population (residence) differences. This attribute helps the researcher to select two branches from each sub group. The selected branches are, Habte Giorgis Branch and kotebe Branch. This is because the chosen branches are selected based on their customer base and their location, and probability sampling not carried on because there is no possibility to meet customers at a time. Therefore, a convenient sampling technique was adopted by the researchers.

The selected branches have more than 52,000 customers and Awash bank clerical employees located Addis Ababa areas are more than 3,740.

According to Taro Yamane (1967), hence, the total sample size is 197. Number of samples for each type of customers and employee's was calculated by the following formula

$$n = \frac{N}{1 + N(e^2)}$$

Where: n=sample size

N=Total Population

e = acceptable sample error

As per the formula that is

$$n = \frac{52,000}{1+52,000(0.10)^2} = \underline{100} \text{ customers}$$

$$n = \frac{3,740}{1+3,740(0.10)^2} = \underline{97} \text{ employees}$$

Sampling technique

3.5 Types of Data and Tools/Instruments of Data Collection

The objective of the study was met by the gathering of data which were from both sources of Primary and secondary. For primary sources, the researcher used adapted questionnaire from different studies by rearranging it and develop questionnaires in order to meet the objective of the study, the questions were close ended as it helps to get the response of many respondents and the easiness of drawing up of statistical data for the larger number of respondents and also just to lead the respondents keeping them on the track of the objectivity of the paper, the Instrument uses a 5 point Likert scale form.

3.6 Data collection procedures

The Questionnaires of 197 that combined five point Likert scales close ended types were distributed to the respondents in person, after they completed their questionnaires it was collected from the respondents at their respective city branch and head office of Awash Bank S.C.

3.7 Data Analysis

The data collected through questionnaire were carefully encoded, interpreted and the result generated was tabulated. Thus, frequencies, percentages, mean and standard deviation of the counted responses of the variables were used for descriptive analysis of the data. Data analysis methods play an important role for the accuracy of the finding. The quantitative data that were collected by closed ended questionnaires analyzed through SPSS.

Statistical Package for Social Science used for the descriptive statistical results. Although, the analysis presented by tables, frequency distribution and percentage. This include the means, standard deviations. Values are computed for each variable.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter dealt with the presentation of data as well as the analysis and discussion of it. The chapter is segmented into two sections: the first section discussed the analysis of respondent's demographic data whilst the second part analyzed responses to the research questions. Tables were used to present the data and frequency distribution, percentages and means used to analyze the data.

4.2 Demographic Analysis of Respondents

A total number of questionnaires distributed were 197 out of which 187 returned, 9 questionnaires inappropriately filled and excluded from the data analysis, and the rest 178 found to be qualified to be used in the study. The research questioner has developed suitably for both customers and employees of the bank. Accordingly, the demographic characteristics or distribution of the respondents described as follows:

Table 4.1 Demographic Characteristics of Respondents

| Gender | Frequency | Percent |
|--|------------------|----------------|
| Male | 98 | 55.1 |
| Female | 80 | 44.9 |
| Total | 178 | 100 |
| Age Distribution | | |
| 18-30 | 74 | 41.6 |
| 31-45 | 70 | 39.3 |
| 46-60 | 34 | 19.1 |
| Total | 178 | 100 |
| Academic qualification | | |
| Certificate / Diploma | 18 | 10.1 |
| Degree | 113 | 63.5 |
| Post-Graduate / Masters | 47 | 26.4 |
| Total | 178 | 100 |
| Occupation | | |
| Civil Servant | 34 | 19.1 |
| Businessman/ women | 38 | 21.3 |
| Banker | 93 | 52.2 |
| Unemployed | 9 | 5.1 |
| Others | 4 | 2.2 |
| Total | 178 | 100 |
| Years of relation with the bank | | |
| 1-5 Year | 59 | 33.1 |
| 6-10 year | 66 | 37.10 |
| 11-20 year | 47 | 26.4 |
| >20 year | 6 | 3.4 |
| Total | 100 | 100 |

Source: Researcher's Survey Result from Primary Data Sources

As the above Table 4.1 shows 55.1% of respondents are male and the remaining 44.9% respondents are female. Regarding age, 41.6% of respondents are age below 30 years, 39.3% respondents are between 31 and 45, and 19.1% respondents are between 46 and 60. Academically, certificate/Diploma holders are 10.1%, degree 63.5%, and masters 26.4%. It shows that the respondents' academic ground is very high. Occupation of the respondents shows 19.1% are civil servant, 21.3% Businessman/women (engaged in the business they ran), 52.2% Banker, and unemployment 5.1% and 2.2% other kind of category. Finally, based on years of relation with the bank 33.1% of the respondents are less than 5 years banking relation 37.1% between 6-10 years, 26.4% between 11-20 and 3.4% over 20 years, it shows that the respondents are with diverse lengths of experience with Awash Bank.

4.3 Close ended Analysis

4.3.1 Main source of complaints

To determine Awash Bank's customer complaints practice effectiveness in the study, let further to identify the main source of the complaint.

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.2 Main source for customer complaints

| S.N | Possible sources of complaints | Frequency (percentage) | | | | | Mean | Standard deviation |
|-----|--------------------------------------|------------------------|----------|----------|-----------|----------|------|--------------------|
| | | SD | D | U | A | SA | | |
| 1 | ATM withdrawal failures | 2(1.1) | 37(20.8) | 18(10.1) | 100(56.2) | 21(11.8) | 3.57 | 0.98 |
| 2 | ATM dispute handling | 14(7.9) | 26(14.6) | 14(7.9) | 92(51.7) | 32(18.0) | 3.57 | 1.17 |
| 3 | Defective ATM machines / cards | 10(5.6) | 12(6.7) | 27(15.2) | 103(57.9) | 26(14.6) | 3.69 | 0.99 |
| 4 | ATM card delay | 12(6.7) | 16(9.0) | 20(11.2) | 113(63.5) | 17(9.6) | 3.60 | 1.01 |
| 5 | Excessive delays at the banking hall | 11(6.2) | 43(24.2) | 42(23.6) | 56(31.5) | 26(14.6) | 3.24 | 1.15 |

| | | | | | | | | |
|-------------------|--|----------|----------|----------|-----------|----------|-------------|------|
| 6 | Poor customer service delivery | 38(21.3) | 54(30.3) | 4(2.2) | 64(36.0) | 18(10.1) | 2.83 | 1.38 |
| 7 | unfair deduction on accounts | 49(27.5) | 26(14.6) | 43(24.2) | 43(24.2) | 17(9.6) | 2.74 | 1.35 |
| 8 | loan deduction anomalies/ variances | 34(19.1) | 15(8.4) | 61(34.3) | 57(32.0) | 11(6.2) | 2.98 | 1.19 |
| 9 | Transaction without customer's knowledge | 61(34.3) | 19(10.7) | 33(18.5) | 57(32.) | 8(4.5) | 2.62 | 1.36 |
| 10 | Inter-post(Wrongly posted one account to the other) | 16(9.) | 27(15.2) | 18(10.1) | 100(56.2) | 17(9.6) | 3.42 | 1.13 |
| 11 | Account number wrongly linked with other person cell phone | 37(20.8) | 18(10.1) | 31(17.4) | 74(41.6) | 18(10.1) | 3.10 | 1.32 |
| 12 | Network interruption | 7(3.9) | 10(5.6) | 6(3.4) | 99(55.6) | 56(31.5) | 4.05 | 0.96 |
| Grand mean | | | | | | | 3.28 | |

Source: Researcher's Survey Result from Primary Data Sources

As the above Table 4.2, the possible source of complaint showed that the respondents agreed on the listed 9 items out of 12 are the main source of the complaint to the bank. The respondent agreed with ATM withdrawal failures with 100(56.2%), 92(51.7%) ATM dispute handling, 103(57.9%) defective ATM machines/cards, 113(63.5%) ATM card delay, 56(31.5) excessive delays at the banking hall, 64(36%) poor customer service delivery, 100(56.2%) inter-post (wrongly posted one account to the other), 74(41.6%) account number wrongly linked with other person cell phone, and 99(55.6%) network interruption. The respondent strongly disagrees on two-item out of the twelve listed sources of complaint these are unfair deduction on accounts are 49(27.5%) respondents and 61(34.3%) transactions without customer's knowledge. The rest one item which is loan deduction anomalies/ variances 61(34.3%) respondents unsure the complaint is at the bank.

The grand mean of the analysis shows ($M=3.28$), the mean value falls in the valid range 2.61-3.40=U which means the possible source of the complaints are unsure. This implies that the majorities of items listed in the source of the complaint are the main source of complaint the bank face. Thus, the bank needs to take serious measures to address the mentioned problems.

4.3.2 Customer Complaint Handling Mechanisms

Providing full access for customers to forward their complaints is an important aspect of complaint management as it allows the customer to voice their concerns. Having multiple mechanisms to receive complaints also perceived as encouraging customers to complain about service dissatisfaction, and this will help organizations to improve their service as well as to retain customers. Thus, creating accesses for customer complaints is an ingredient for effective complaints procedure. Accordingly, mechanisms in place to receive customer complaints at the Awash Bank are examined in this section.

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.3 Mechanisms for customer complaints

| S.N | Possible complaints receiving techniques. | Frequency (percentage) | | | | | Mean | Standard deviation |
|-------------------|---|------------------------|----------|----------|----------|----------|-------------|--------------------|
| | | SD | D | U | A | SA | | |
| 1 | Suggestion box | 8(4.5) | 6(3.4) | 32(18.0) | 96(53.9) | 36(20.2) | 3.82 | 0.95 |
| 2 | The banks free telephone(8980) | 1(.6) | 14(7.9) | 33(18.5) | 83(46.6) | 47(26.4) | 3.90 | 0.9 |
| 3 | Email/web site | 10(5.6) | 22(12.4) | 31(17.4) | 90(50.6) | 25(14.0) | 3.55 | 1.06 |
| 4 | Mini-customer satisfaction survey after service | 19(10.7) | 34(19.1) | 32(18.0) | 64(36.) | 29(16.3) | 3.28 | 1.25 |
| 5 | Electronic register /CRM next | 18(10.1) | 15(8.4) | 67(37.6) | 69(38.8) | 9(5.1) | 3.20 | 1.02 |
| 6 | Logbook/ register book | 12(6.7) | 12(6.7) | 51(28.7) | 84(47.2) | 19(10.7) | 3.48 | 1.0 |
| Grand mean | | | | | | | 3.54 | |

Source: Researcher’s Survey Result from Primary Data Sources

As the above Table 4.3, regarding the availability of complaining mechanisms, respondents ranked the bank’s suggestion box as widely used, which values 96(53.9%), Email/web site rated second 90(50.6%), the Logbook/ register book rated third 84(47.2%), the bank's free telephone 83(46.6%),

electronic register /CRM next 69(38.8%) and mini-customer satisfaction survey 64(36%) ranked from four to six sequentially. Whereas, reviewing the data the researcher came to understand that significant number of respondent unsure/ doesn't know how to apply their complaints.

The possible complaint receiving technique analysis on grand mean shows ($M=3.54$), the mean value falls in the valid range 3.41-4.20=A which is the bank complaint receiving technique is good and have option to complaints.

4.3.3 Complaint Responsiveness

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.4 Complaint Responsiveness survey analysis

| | | Frequency (percentage) | | | | | Mean | Standard deviation |
|-----|--|------------------------|----------|----------|----------|----------|------|--------------------|
| | | SD | D | U | A | SA | | |
| CR1 | Employees have courtesy, (polite and respectful) response to customer's requests and problems. | 6(3.4) | 27(15.2) | 34(19.1) | 70(39.3) | 41(23.) | 3.63 | 1.1 |
| CR2 | Employees have a high attentiveness to customer problems | 0(0) | 29(16.3) | 38(21.3) | 70(39.3) | 41(23.0) | 3.69 | 1.0 |
| CR3 | The bank took a reasonable time to respond customer's problems. | 0(0) | 40(22.5) | 27(15.2) | 96(53.9) | 15(8.4) | 3.48 | 0.93 |
| CR4 | Employees are willing to provide a helpful support to customer's problems. | 0(0) | 23(12.9) | 28(15.7) | 89(50.) | 38(21.3) | 3.80 | 0.92 |

| | | | | | | | | |
|-------------------|--|----------|-----------|-----------|-----------|---------|-------------|------|
| CR5 | The bank employees doesn't notice the complaint made | 29(16.3) | 49(27.50) | 28(15.7) | 60(33.7) | 12(6.7) | 2.87 | 1.24 |
| CR6 | The bank responds quickly to Customer complaints | 23(12.9) | 25(14.) | 106(59.6) | 23(12.9) | 1(.6) | 4.02 | 3.94 |
| CR7 | The employee's communicate details in timely manner | 3(1.7) | 13(7.3) | 24(13.5) | 128(71.9) | 10(5.6) | 3.72 | 0.75 |
| Grand mean | | | | | | | 3.60 | |

Source: Researcher's Survey Result from Primary Data Source

As Table 4.4, shows regarding complaint responsiveness, the researcher listed seven items. From the listed items the majority of the respondent witnessed the bank employee's communicating details on time which values 128(71.9%), following 96(53.9%) respondents agree the bank took a reasonable time to respond customer's problems, 89(50%) employees are willing to provide helpful support to customer's problems employees have a courtesy (polite and respectful) response to customer's requests & problems and employees have a high attentiveness to customer problems find equal points 70(39.3%). However, 60(33.7%) respondents agreed on the bank employees who don't notice the complaint made, and 106(59.6%) respondents unsure that the bank responds quickly to customer complaints.

The grand mean of the analysis of complaint responsiveness shows ($M=3.60$), the mean value falls in the valid range 3.41-4.20=A this implies the respondents agreed on the bank complaint responsiveness.

4.3.4 Effective Complaint Handling

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.5 Effective Complaint Handling survey analysis

| | | Frequency (percentage) | | | | | Mean | Standard deviation |
|-------------------|---|------------------------|----------|----------|-----------|---------|-------------|--------------------|
| | | SD | D | U | A | SA | | |
| ECH1 | The bank has an effective Complaint monitoring procedure | 6(3.4) | 13(7.3) | 23(12.9) | 127(71.3) | 9(5.1) | 3.67 | 0.82 |
| ECH2 | The bank has an effective Complaint capturing procedure | 4(2.2) | 14(7.9) | 29(16.3) | 122(68.5) | 9(5.1) | 3.66 | 0.78 |
| ECH3 | The customers are unhappy with how the organization handled the complaint | 16(9.) | 46(25.8) | 54(30.3) | 56(31.5) | 6(3.4) | 2.94 | 1.04 |
| ECH4 | The customers are satisfied with how the organization handled the complaint | 2(1.1) | 25(14.) | 34(19.1) | 105(59.) | 12(6.7) | 3.56 | 0.85 |
| ECH5 | The customers are delighted with the manner in which the organization handled the complaint | 2(1.1) | 44(24.7) | 48(27.) | 82(46.1) | 2(1.1) | 3.21 | 0.87 |
| ECH6 | Did the bank provide information about handling of complaints? | 2(1.1) | 6(3.4) | 44(24.7) | 113(63.5) | 13(7.3) | 3.72 | 0.69 |
| Grand mean | | | | | | | 3.46 | |

Source: Researcher’s Survey Result from Primary Data Sources

As Table 4.5, shows regarding Effective Complaint Handling 127(71.3%) respondents confirm that the bank has an Effective Complaint Monitoring Procedure, follow 122(68.5%) respondents witnessed the bank has an Effective Complaint Capturing Procedure, 113(63.5%) respondents ensure that the bank provides information about the handling of complaints, 105(59%) respondents agreed on the customers are satisfied with how the organization handled the complaint and 82(46.1%) respondents agree the customers are delighted with how the organization handled the complaint. However, 56(31.5%) respondents are still unhappy with how the organization handled the complaint.

Regarding the bank effective complaint handling the grand mean analysis shows ($M=3.46$), the mean value falls in the valid range 3.41-4.20=A this implies the bank have effective complaint handling practices.

4.3.5 Complaint Accessibility

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.6 Complaint accessibility survey analysis

| | | Frequency (percentage) | | | | | Mean | Standard deviation |
|-------------------|---|------------------------|----------|----------|-----------|----------|-------------|--------------------|
| | | SD | D | U | A | SA | | |
| CA1 | The bank maintains confidentiality in customer's discussions and thus the customers feel free to discuss your issues comfortable. | 9(5.1) | 26(14.6) | 44(24.7) | 77(43.3) | 22(12.4) | 3.43 | 1.05 |
| CA2 | There is safety on customers and their belongings when complaint | 7(3.9) | 29(16.3) | 8(4.5) | 111(62.4) | 23(12.9) | 3.64 | 1.03 |
| CA3 | The bank listens to the customer to Identify with their problems | 2(1.1) | 16(9.) | 44(24.7) | 68(38.2) | 48(27) | 3.81 | 0.97 |
| CA4 | The bank complaint system easily accessible to consumers? | 4(2.2) | 36(20.2) | 52(29.2) | 74(41.6) | 12(6.7) | 3.3 | 0.94 |
| CA5 | The complaint forms are available to the customers | 3(1.7) | 28(15.7) | 43(24.2) | 87(48.9) | 17(9.6) | 3.49 | 0.93 |
| Grand mean | | | | | | | 3.53 | |

Source: Researcher's Survey Result from Primary Data Sources

As shown above, in Table 4.6, the respondent evaluates the bank complaint accessibility. The analysis shows that the majority of the respondent agree on the item listed under the complaint accessibility table. The cumulatively of 134(75.3%) respondents agree and strongly agree with the safety on customers and their belongings when the complaint, cumulatively of 116(65.2%) of the respondent agree and strongly agree the bank listens to the customer to identify with their problems, 104(58.5%) of the respondent agree and strongly agree with the complaint forms are available to the customers, The cumulative of 99(55.7%) respondents agree and strongly agree on the bank maintains confidentiality in customer’s discussions and thus the customers feel free to discuss your issues comfortable, and 86(48.3%) of the respondents agree and strongly agree on the bank complaint system easily accessible to consumers.

The Complaint accessibility survey analysis at grand mean shows ($M=3.53$), the mean value falls in the valid range 3.41-4.20=A this implies the bank is accessible for complaint.

4.3.6 Recruit and train necessary staff

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.7 Recruitment and train necessary staff survey analysis

| | | Frequency (percentage) | | | | | Mean | Standard deviation |
|------|--|------------------------|----------|---------|-----------|----------|------|--------------------|
| | | SD | D | U | A | SA | | |
| RTN1 | The bank assigned skilled and trained employees those who have both technical skills and interpersonal skills. | 24(13.5) | 32(18.0) | 3(1.7) | 109(61.2) | 10(5.6) | 3.28 | 1.22 |
| RTN2 | The bank recruit professional staffs for complaint receiving and handling. | 18(10.1) | 34(19.1) | 13(7.3) | 89(50) | 24(13.5) | 3.38 | 1.23 |

| | | | | | | | | |
|-------------------|--|----------|----------|----------|----------|----------|-------------|------|
| RTN3 | The bank provide continuous training for the concerned staffs to up to date their complaint handling skill. | 19(10.7) | 27(15.2) | 19(10.7) | 95(53.4) | 18(10.1) | 3.37 | 1.18 |
| RTN4 | All staff throughout the company well aware of the procedures and the importance of your complaint-management system | 14(7.9) | 33(18.5) | 35(19.7) | 80(44.9) | 16(9.) | 3.29 | 1.11 |
| RTN5 | The bank provide adequate training for the complaint-management staff | 10(5.6) | 16(9.) | 53(29.8) | 81(45.5) | 18(10.1) | 3.46 | 0.98 |
| Grand mean | | | | | | | 3.36 | |

Source: Researcher’s Survey Result from Primary Data Sources

As Table 4.7, regarding on recruit and train the necessary staff. Majority of the respondent strongly agree and agree with cumulative of 119(66.8%), respondent respond that the bank assigned skilled and trained employees those who have both technical skills and interpersonal skills, the bank recruits professional staffs for complaint receiving and handling and the bank provides continuous training for the concerned staffs to up to date their complaint handling skill both score 113(63.5%), 99(55.6%) of the respondents strongly agree and agree on the bank provide adequate training for the complaint-management staff and 96(53.9%) of respondent cumulatively strongly agree and agreed at all staff throughout the company well aware of the procedures and the importance of your complaint-management system.

The grand mean analysis shows (M=3.36), the mean value falls in the valid range 2.61-3.40= U this implies that the bank recruit and trainee the necessary staff to facilitate the complaint handling process is doubtful/ unsure for the respondent. Hence, the bank needs to give high attention to the recruitment and training of employees.

4.3.7 Keep clear records.

The study conducted frequency as well as mean analysis to scale response patterns. Mean values were calculated to identify the central tendencies (averages) of data. With a Likert response scale of 1 – 5 (with the key: 1=strongly disagree, 2= disagree, 3=unsure, 4= agree and 5=strongly agree), the mean value range between 1-1.80= SD, 1.81-2.60=D, 2.61-3.40= U, 3.41-4.20=A, and 4.21-5 =SD.

Table 4.8 record keeping survey analysis

| | | Frequency (percentage) | | | | | Mean | Standard deviation |
|-------------------|--|------------------------|----------|----------|----------|----------|-------------|--------------------|
| | | SD | D | U | A | SA | | |
| KCR1 | Awash Bank keeps/maintain complaint records at head quarter and branches. | 6(3.4) | 26(14.6) | 50(28.1) | 76(42.7) | 20(11.2) | 3.44 | 0.98 |
| KCR2 | Customer complaints recorded in logbooks are sampled for analysis at the bank’s headquarters | 6(3.4) | 21(11.8) | 74(41.6) | 63(35.4) | 14(7.9) | 3.33 | 0.91 |
| KCR3 | Complaint logbooks are factored into policy formulation at the bank’s headquarters | 7(3.9) | 2(1.1) | 94(52.8) | 70(39.3) | 5(2.8) | 3.36 | 0.74 |
| KCR4 | Complaint logbooks has significant influence on policy formulation at the bank | 7(3.9) | 15(8.4) | 67(37.6) | 74(41.6) | 15(8.4) | 3.42 | 0.91 |
| KCR5 | Complaint logbooks are factored into policy formulation at the branch | 13(7.3) | 14(7.9) | 60(33.7) | 77(43.3) | 14(7.9) | 3.37 | 0.99 |
| Grand mean | | | | | | | 3.38 | |

Source: Researcher’s Survey Result from Primary Data Sources

On the above Table, the respondent value the bank recodes keeping. Accordingly, 96(53.9%) of respondent shows their strong agreement for the question Awash Bank keeps/maintain complaint

records at headquarter and branches, 91(51.2%) respondent strongly agree and agree with the bank complaint logbooks are factored into policy formulation at the branch, and 89(50%) of the respondents cumulatively strongly agree and agree on complaint logbooks has a significant influence on policy formulation at the bank. Nevertheless, 94(52.8%) and 74(41.6%) of the respondent unsure the complaint logbooks are factored into policy formulation at the bank's headquarters and customer complaints recorded in logbooks are sampled for analysis at the bank's headquarters respectively. Few respondents show their strong disagreement and disagreement at the listed items under the record-keeping of the bank.

The grand mean record keeping analysis shows ($M=3.38$), the mean value falls in the valid range 2.61-3.40= U which implies the bank record keeping is doubt full/ not good.

CHAPTER FIVE

CONCLUSIONS & RECOMMENDATIONS

In this chapter the conclusions and recommendations were discussed. For clarity purpose, the conclusions are based on the research objectives of the study. Based on the findings of the study recommendations are made to the Awash Bank S.C.

5.1 Summary of Findings

On the basis of the findings the summary of the research presented as follows.

Thus, the demographic characteristics of the respondents revealed out that about 55.1% are male, the remaining 44.9% are female. The majority of the respondents were in the age category of eighteen up to thirty years being followed by thirty-one and forty-five years' age group. Occupational status, 52.2% of the respondents were bankers, and 21.3% of them were businessmen/women. Moreover, based on Education, the majority of the respondents are BA degree holders and years of relation with the bank 37.1% of respondents had a six to a ten-year relationship with the bank.

The possible source of complaint analysis shows that the listed nine items out of 12 are the source of the complaint to the bank. Regarding the availability of complaining receiving mechanisms majority of respondents assure the availability of the receiving system.

The analysis of complaint responsiveness shows the majority of respondent agree on the bank responsiveness but, the employees don't notice the complaint, and the respondent doubt on the quick response of customer complaint shows the bank doesn't give sensitivity to the complaint handling process and the assignment of well-trained staff on the area.

The analysis of effective Complaint Handling shows the majority of respondents satisfied with the effectiveness of the bank complaint handling practice. The majority of respondents agree with the bank complaint accessibility but, a significant number of respondents unsure of the bank complaint accessibility.

The recruitment and train the necessary staff the respondents agree. On the contrary, a significant number of respondents show their disagreement on bank recruitment and training. Besides, the number of respondents not sure that the bank recruit and trains the necessary staff for the complaint handling process. Hence, the bank needs attention to the recruitment and training of employees.

Regarding the bank record-keeping, the respondent agrees on three items out of five. The remaining two 94(52.8%) and 74(41.6%) of the respondent unsure the complaint logbooks factored into policy formulation at the bank's headquarters, and customer complaints recorded in logbooks are sampled for analysis at the bank's head-quarters respectively.

5.2 Conclusion

Based on the findings presented in the previous section, the following conclusions are drawn.

Accordingly, the first research question dealt with the possible source of the complaint. The research under this section found that the majority of the respondents agree on the listed item/ questions are the main source of complaints. Besides, the grand mean analysis shows the listed items are the main source of complaint.

The second research question deal with the possible complaint receiving technique. With this regard, the research shows the listed complaint receiving items are properly utilized by the customer, but a significant number of respondents are not sure that the listed complaint receiving items have existed. The grand mean analysis shows the complaint receiving techniques are available.

The third research question was the bank responsiveness of the complaint. The study found that the majority of respondents agreed with the bank responsiveness, on the other hand, from the listed items the employees don't notice the complaint and the bank quick response for customer complaint shows the negative implication of respondent and respondent doubt respectively which means the bank doesn't give sensitivity on complaint responsiveness. However, the grand mean analysis shows the bank responsiveness for complaints.

The fourth research question assesses the effectiveness of complaint handling practice of the bank. With this concern, the respondent agrees with the effectiveness of complaint handling. Yet, there

is an unhappy customer on how the bank handles complaints. The grand mean analysis shows the bank effective complaint handling.

The fifth research question deal with complaint accessibility. Under this section, the study found that the bank is accessible to complaints. However, a significant number of respondents unsure the bank complaint accessibility, and a few numbers of the respondent disagree with the bank complaint accessibility. The grand mean analysis shows the bank is accessible for complaint.

The six research question was bank recruitment and train the necessary staff for complaint handling. Under this question, the research found that the majority of respondents shows their agreement on the listed items. On the contrary, a significant number of respondents disagree with the recruitment and train the necessary staff. Besides, the number of respondents not sure that bank recruitment and train the necessary staff. The grand mean analysis shows the bank recruitment and train the necessary staff for complaint handling fall under unsure category.

The seventh research question aimed to evaluate the record-keeping of the bank. Accordingly, the majority of respondents show their agreement on the listed points. Nevertheless, a significant number of respondents unsure that the complaint logbooks are factored into policy formulation at the bank's headquarters, and customer complaints recorded in logbooks are sampled for analysis at the bank's headquarters respectively. Few respondents show their disagreement at the listed items under the record-keeping of the bank. In general, the grand mean shows the bank recode keeping is not good.

5.3 Recommendation

On the basis of the results and conclusions of the study, the following recommendations were suggested so as to be considered future intervention strategies which are aimed at improving the complaint handling practice of the bank.

- ❖ The bank should identify the frequent sources of complaints, identify customer service areas in which the complaints are frequently received, identify systemic insufficiencies on complaint handling, and identify the geographical spread of complaints. Which is used to make the necessary improvement

- ❖ The bank should facilitate the customers to lodge complaints, the complaint by any available means, and the customer should be fully informed to escalate their complaints/grievances within the organization.
- ❖ The Bank should resolve the complaints within the specified time. There must be a time limit for every task to complete based on the gravity and sensitivity of the matter. If the complaint cannot resolve within the specified time due to the investigation required a long process and additional time required the concerned personnel/ supervisor explain the fact to the customer, and fix up the time limit again.
- ❖ The Bank should provide efficient complaints handling practices that are transparent, accessible information on the processes or systems included in complaints handling to enable ease of access for customers when they are unhappy or have not received satisfactory service or treatment.
- ❖ The Bank should be ensuring that people with complaints can get easy access to the system, and the complaint format of the bank should be enriching with familiar words. It makes it easy for the customer when filling.
- ❖ The bank needs to give attention to hiring and assigning the necessary staff for complaint handling in each branch and at the center/ head office. All the assigned personnel need to be trained in handling customer complaints effectively and being empowered to respond positively.
- ❖ The bank should be improved the recode keeping and develop a complaint recording system. The recording complaints should be kept and regularly analyzed, which is used to minimize the complaint frequency.

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ANNEX: QUESTIONNAIRE

**ST. MARRY UNIVERSITY COLLEGE DEPARTMENT OF
MANAGEMENT EXECUTIVE MASTER OF BUSINESS
ADMINISTRATION (MBA) PROGRAM**

Dear Respondent,

I am a postgraduate student in St. Marry University College Department of Management. Currently, I am conducting a research titled “**Assessment of complaint handling practice: In the Case of Awash Bank S.C**” as part of the requirement for the award of the degree in Masters of Business Administration (MBA). To facilitate the completion of this study, I humbly request your assistance to answer all questions completely as possible to the best of your knowledge. The research is purely for academic purpose and will be treated with utmost confidentiality. Your honest and genuine response to the survey questionnaire is highly important to the quality of the research outcome. Hence, spare a few minutes from your valuable schedule and share your true feelings. Thank you in advance for your kind cooperation!

You are not required to write your name on the survey questionnaire.

Sincerely Yours,

Amare Worku

Telephone: +251913158878

Email: amarew80@gmail.com

Section A: Respondents' Demographic Data

Please tick [√] in the appropriate box provided to indicate your answers.

1. What's your gender?

Male Female

2. Which age category do you belong?

18-30years 31-45years 46 – 60years

3. What is your highest academic qualification?

Basic Level Education Certificate / Diploma Degree

Post-Graduate / Masters Other, Please specify.....

4. What is your area of employment?

Civil Servant Military / Police, etc. Businessman Banker

Farmer Student Unemployed Other, Please specify.....

5. How long have you been with Awash Bank S.C?

1-5 years 5–10 years 11-20 years over 20years

Section B: Responses to Research Questions

Please indicate your level of agreement or disagreement on the following statements.

(Key: SD= Strongly Disagree, D=Disagree, U=Unsure, A=Agree, SA= Strongly Agree)

| S.N | The followings are the possible sources of complaints. Please, rate the level your agreements from Awash Bank (AB) perspective. | SD | D | U | A | SA |
|-----|---|----|---|---|---|----|
| 1 | ATM withdrawal failures | | | | | |
| 2 | ATM dispute handling | | | | | |
| 3 | Defective ATM machines / cards | | | | | |
| 4 | ATM card delay | | | | | |
| 5 | Excessive delays at the banking hall | | | | | |
| 6 | Poor customer service delivery | | | | | |
| 7 | unfair deduction on accounts | | | | | |
| 8 | loan deduction anomalies/ variances | | | | | |
| 9 | Transaction without customer's knowledge | | | | | |
| 10 | Inter-post(Wrongly posted one account to the other) | | | | | |
| 11 | Account number wrongly linked with other person cell phone | | | | | |
| 12 | Network interruption | | | | | |

Mechanism for applying/receiving complaint

| S.N | The followings are the possible complaints receiving techniques. Please, rate the level your agreements about the sources from Awash Bank (AB) perspective | SD | D | U | A | SA |
|-----|--|----|---|---|---|----|
| 1 | Suggestion box | | | | | |
| 2 | The banks free telephone(8980) | | | | | |
| 3 | Email/web site | | | | | |
| 4 | Mini-customer satisfaction survey after service | | | | | |
| 5 | Electronic register /CRM next | | | | | |
| 6 | Logbook/ register book | | | | | |

I. Complaint Responsiveness

| S.N | The followings are shows the responsiveness of the complaints. Please, rate the level your agreements from Awash Bank (AB) perspective. | SD | D | U | A | SA |
|-----|---|----|---|---|---|----|
| 1 | Employees have courtesy, (polite and respectful) response to customer's requests and problems. | | | | | |
| 2 | Employees have a high attentiveness to customer problems | | | | | |
| 3 | The bank took a reasonable time to respond customer's problems. | | | | | |
| 4 | Employees are willing to provide a helpful support to customer's problems. | | | | | |
| 5 | The bank employees doesn't notice the complaint made | | | | | |
| 6 | The bank responds quickly to Customer complaints | | | | | |
| 7 | The employee's communicate details in timely manner | | | | | |

II. Effective Complaint Handling

| S.N | The followings are shows the effectiveness of complaints handling. Please, rate the level your agreements from Awash Bank (AB) perspective. | SD | D | U | A | SA |
|-----|---|----|---|---|---|----|
| 1 | The bank has an effective Complaint monitoring procedure | | | | | |
| 2 | The bank has an effective Complaint capturing procedure | | | | | |
| 3 | The customers are unhappy with how the organization handled the complaint | | | | | |
| 4 | The customers are satisfied with how the organization handled the complaint | | | | | |

| | | | | | | |
|---|---|--|--|--|--|--|
| 5 | The customers are delighted with the manner in which the organization handled the complaint | | | | | |
| 6 | Did the bank provide information about handling of complaints? | | | | | |

III. Complaint Accessibility

| S.N | The followings are shows the bank accessibility for complaints. Please, rate the level your agreements from Awash Bank (AB) perspective. | SD | D | U | A | SA |
|-----|--|----|---|---|---|----|
| 1 | The bank maintains confidentiality in customer's discussions and thus the customers feel free to discuss your issues comfortable. | | | | | |
| 2 | There is safety on customers and their belongings when complaint | | | | | |
| 3 | The bank listens to the customer to Identify with their problems | | | | | |
| 4 | The bank complaint system easily accessible to consumers? | | | | | |
| 5 | The complaint forms are available to the customers | | | | | |

IV. Recruit and train necessary staff

| S.N | The followings are shows the recruitment and training of staff. Please, rate the level your agreements from Awash Bank (AB) perspective. | SD | D | U | A | SA |
|-----|--|----|---|---|---|----|
| 1 | The bank assigned skilled and trained employees those who have both technical skills and interpersonal skills. | | | | | |
| 2 | The bank recruit professional staffs for complaint receiving and handling. | | | | | |
| 3 | The bank provide continuous training for the concerned staffs to up to date their complaint handling skill. | | | | | |
| 4 | All staff throughout the company well aware of the procedures and the importance of your complaint-management system | | | | | |
| 5 | The bank provide adequate training for the complaint-management staff | | | | | |

V. Keep clear records.

| S.N | The followings are shows the record keeping of the bank. Please, rate the level your agreements from Awash Bank (AB) perspective. | SD | D | U | A | SA |
|------------|--|-----------|----------|----------|----------|-----------|
| 1 | Awash Bank keeps/maintain complaint records at head quarter and branches. | | | | | |
| 2 | Customer complaints recorded in logbooks are sampled for analysis at the bank's headquarters | | | | | |
| 3 | Complaint logbooks are factored into policy formulation at the bank's headquarters | | | | | |
| 4 | Complaint logbooks has significant influence on policy formulation at the bank | | | | | |
| 5 | Complaint logbooks are factored into policy formulation at the branch | | | | | |

Thank You for Your Time!!

Note: The researcher used adapted questionnaire from the listed researchers, rearranged and develop in order to meet the objective of the study.

- ❖ Yonathan Abraham
- ❖ Justice Kingsley Boakye Mensah