

## **Customer Perceptions of Service Recovery and Complaints Handling Efforts by Commercial Banks in Zimbabwe**

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**Abstract:** *The inevitability of service failure in banks and other service businesses is putting customer complaints and service recovery systems at the centre of survival core competencies. To ensure effective complaints handling and customer satisfaction, commercial banks need to understand the reactions and feelings of the concerned customers on their previous service failure and recovery encounters. A cross sectional questionnaire survey with 168 corporate customers indicated that customers were not satisfied with recovery efforts in the area of delayed recovery time, fear of employee fight back, failure to listen to customer experiences and inaccessible complaints handling systems. Perceptions of complaints handling and service recovery approaches were found to be partly influenced by gender and mainly associated with duration of holding the bank account. The study recommends all service businesses and commercial banks in particular, to periodically measure customer satisfaction with the complaints handling and service recovery efforts.*

**Keywords:** *Customer complaints, service failure, service recovery, corporate customers.*

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### **I. Background to The Study**

There are about 15 commercial banks in Zimbabwe and the examples include Agribank, BancABC, Barclays, CBZ, Ecobank, FBC, MBCA, Metbank, NMB, POSB, Stanbic, Standard Chartered, Steward Bank and ZB. These banks offer both corporate and household banking services.

The dawn of dollarization saw customers being very sceptical and could no longer afford to be multi-banked, hence their freedom of choice had been heavily compromised. Past experiences of poor service by banks and failure to solve customer complaints hindered a lot of corporate customers from resuming operation of bank accounts hence the need to value the few customers that each bank has. If the whole industry is not able to retain its customers, some customers will remain unbanked. Whether corporate or individual, every customer wants and deserves to be treated with care and as if they were the only customer of the bank. The study at hand focussed on corporate customers that included farmers, small to medium enterprises, schools/churches and large private firms.

Corporate customers, in this case, bring in big business in the form of cash deposits, cash withdrawals from which the bank benefits at least 1% of the amount, salary processing which also generates revenue for the bank and more importantly, salary accounts for the corporates' employees. Corporate customers make payments to their creditors, suppliers and other stakeholders such as government for taxes, through banks and these payments have to be processed on time. Failure to pay on time may result in disgruntled workers or payment of fines on taxes. Corporate accounts require at least two signatories and there is dual custodianship for almost everything. Due to this fact, the amount of time that corporate customers spend in the bank is quite long hence the commercial banks should employ effective systems for the convenience of customers. Corporate customers can operate more than two accounts with the same bank or different banks. They require a great deal of professionalism and ethical conduct especially confidentiality.

Due to the inevitability of service failures in most services businesses, commercial banks receive a number of complaints from their customers and this has prompted the researcher to carry out the study on the effectiveness of customer complaints handling systems (Piaralal, Mat, Piaralal and Bhatti, 2014). The major complaints made in commercial banks include too long service turnaround time, irregularities in statement dispatch for corporate customers, unreliable electronic systems and high bank charges (Stammers, 2007). Service failures have been categorised as failure of the core service (service provider error), failure to get one's money from the ATM, or product or policy failures as attributable to the organisation and or its customers (Komunda and Osarenkhoe, 2012). Survival of many institutions, even industries, is now dependent on how customer complaints are handled and reduced. Organizations need information on how to handle customer complaints. A complaint provides an opportunity for service recovery followed by a chance to educate the customer and strengthen loyalty (Komunda and Oserankhoe, 2012; Tammo, Bijmolt and Huizng, 2014). The way we handle customer complaints become an area for gaining competitive advantage (Forbes, 2008; Ashill, Carruthers and Krisjanous, 2005).

Sometimes these customers hardly complain, but when they do, the bank should take them very seriously and attend to their complaints. Some of these banks are encouraging and inviting customers to complain as part of their relationship marketing strategy but later on fail to address those complaints. If commercial banks ignore customer complaints, they risk losing business. Another problem is that poorly addressing customer complaints make commercial banks run a risk of negative bank information being spread by dissatisfied customers (Allred and Money, 2010; Yanamandram and White, 2006).

Commercial banks should strongly consider and solve customer complaints effectively as failure to do so will result in loss of business to rivals who will do their best to perfect the highlighted area of weakness (Komunda and Osarenkhoe, 2012). Customers want to be heard and respected when their complaints are being addressed. Though customer complaints help commercial banks with the identification of what customers want and in new product development and performance measurement of existing products, the way these complaints are handled is highly important. When customers complain, they can make comparisons with other service providers and this will help the bank to benchmark against any better contenders in order to enhance their performance and keep their customers.

Though Tax and Brown (1998) said only 10% of the dissatisfied customers lodge a formal complaint, the majority of that 10% are dissatisfied in the way the service providers resolve those complaints. This made it important to analyse the perceptions of customers with service recovery activities of a bank. With more studies on service recovery done on the individual bank customer in developed countries, this research focussed on analysing business customers' reactions to customer complaints handling efforts by commercial banks in Zimbabwe, a developing country.

While Ashill et al (2005) used the staff in measuring the effectiveness of their service recovery efforts, this study analyses the customers' side of perceptions of whether recovery programmes of commercial banks were fruitful or not. The study of service recovery performance on service providers is now becoming the ultimate test of service quality rather than the basic first-time delivery processes (Komunda and Osarenkhoe, 2012).

## **II. Statement of The Problem**

Since the results of not solving customer complaints effectively are lethal, it means that individual banks and the Zimbabwean banking industry as a whole need to focus on how they can effectively approach and solve corporate customer complaints in order to enhance customer satisfaction. Given that Komunda and Osarenkhoe (2012) noted some limited understanding of service recovery issues in commercial banks, the study for understanding and profiling customer responses to service recovery strategies of Zimbabwean commercial banks remained a critical issue for research. This study sought to establish customer reactions to complaint handling and service recovery systems of commercial banks and to analyse the relationship between complaints handling perceptions and customer profile.

## **III. Research Hypotheses**

H<sub>1</sub>: Customers responses to service recovery efforts of commercial banks are positive

H<sub>2</sub>: Gender has influence on customers' perceptions of service recovery patterns

H<sub>3</sub>: The duration of holding an account with a bank has an influence on the reaction patterns to service recovery efforts.

## **IV. Literature Review**

The review concepts and theories covered the area of importance of the study, common approaches to service recovery and common reactions to service recovery. Some key concepts include the service recovery paradox and service recovery strategies.

### **4.1 Importance of Service Recovery**

Defects, failures, reworking are a major strain on service performance. There is also a scrap pile in the services sector that is similar to manufacturing organisations (Dobni, 2004).

While service failures and failed service recoveries are a leading cause of customer switching behaviour in service organisations, an excellent recovery can turn disappointed customers into more loyal clients than if a good service was offered in the first place (Yanamandram and White, 2006; Huppertz, 2007). In a related comment of service recovery paradox, Oliver (2010) asserted that though customer complaints and disappointment are inevitable, a powerful complaints handling and recovery provide an opportunity for service productivity.

Olorunniwo, Hsu and Udo (2006) in their study on service quality, customer satisfaction and behavioural intentions in the service factory, established 'service recovery' as a key independent variable that influence customer satisfaction and service quality evaluations. They rated service recovery at number 3, ahead of tangibles in a hotel environment.

In an international comparative study of service quality, Meyer, Chase, Roth, Sperl, Menor and Blackmon (1999) considered service recovery as one of the dimensions for comparing services in Germany, UK, and USA. Osbourne(1995) defined service recovery by emphasising its ability to resolve customer concerns quickly and fairly, and benefiting the organisation through customer satisfaction, customer retention, customer loyalty and zero defection. This seemed to support the paradox that customers dissatisfied by an initial encounter are likely to be satisfied more after good service recovery effort, more than if the service did not fail initially. Michel and Meuter (2008) in their research to test the existence of the service recovery paradox, however, established that it is a rare event which might reduce its managerial relevance to some extent. The study confirmed the paradox was evidenced by only 0.53% of customers who experienced an initial service failure and then evaluated the service recovery effort as 'much better than expected'. Tronvoll (2012) however, supported the paradox by viewing service recovery as an opportunity and chance to educate the customer, strengthen loyalty and evoke positive word of mouth support. The question is whether customers are going to be happy and satisfied by the recovery efforts and are commercial banks, in particular, pleasing customers at this stage of service delivery chain? If a 'detained' customer continue to receive poor initial service and poor recovery, he or she will burst out and spread negative word of mouth and even engage in communication sabotage(Yanamandram and White, 2006; Casado-Diaz, Mas- Ruiz and Sellers-Rubio, 2009). The problem is that those banks who might be highly failing on the initial service are also likely to fail on service recovery and complaints handling. It then stands out that communication and adaptation to customer needs is critical for retaining customers, reducing complaints and conflicts in commercial banks (Camarero, 2007) rather than waiting to satisfy customers at recovery stage. This anti-recovery paradox attitude was also shared by Forbes(2008), who believed that post recovery switching by customers can be high even after receiving a satisfying recovery experience. Komunda and Osarenkhoe(2012) said that a poor service recovery has a consequence of customers feeling 'let down' a second time(failure in recovery).

#### **4.2 Common Approaches to Service Recovery**

There are a variety of service recovery approaches depending on the industry and nature of service failure. Forbes (2008) in his study of self –service technology failure and recovery, reported that failure escalation (17.2%), intentional repeat purchase (14.1%) and doing nothing (47.6%) were mainly used by the concerned firms. Other approaches used were giving discounts, correction and restoration, manager intervention, apology, customer initiated correction and unsatisfactory correction. Those major approaches shows that customers might easily switch service providers if there is an opportunity. Though there are high switching costs in commercial banks, a new law or regulation that encourage holding more accounts might lead business customers to run away from careless service providers.

The common approaches used by banks include the use of customer complaints registers, suggestion boxes, inquiries office, and customer service department, complaint platforms on the internet, customer care hotline services and bank policies on disciplinary action to curb customer complaints. Other strategies include ghost shopping, ignoring customer complaints as they are unwarranted and having follow up services to ensure complaints are addressed. Regardless of the specific approaches used by a specific bank, success in service recovery is dependent on following some common principles that align a company to the expectations of customers. The customer point of view should be implemented in all service recovery processes. Olorunniwo et al (2006) on their analyses of service recovery approaches recommended the need for empowering service employees to be able to compensate hotel customers and apologise quickly in a service failure event. Sarel and Marmorstein (1998) encouraged firms to manage effectively the major cause of the service failure, since apology without addressing key causes is an irritation to customers. Dobni (2004) and Sultan and Simpson (2000) noted that employees are highly significant in service recovery by saying: 'technological advances cannot replace the service worker fully'. Employees who are in positive mood at work are more likely to be helpful in the main service and at service recovery. Customers usually bundle and label complaints about equipment and system failure on employees. This shows the human touch of empathy is highly critical in complaint handling and service recovery efforts. Customers expect employees to ask for forgiveness on the initial service failure and do not expect a secondary service failure after recovery (Allred and Money, 2010). BSI –ISO (2004) emphasised that system visibility, accessibility, responsiveness, objectivity, free of charge inquiries and observing confidentiality may lead to positive customer reactions to service recovery efforts. Visibility requires that complaints registers, customer inquiries offices and even suggestion boxes be clearly seen by the injured or aggrieved consumer (Shaw, 1996; Sarel and Marmorstein, 1998; Tammo, Bijmolt and Huizngh, 2014)). Information on bank complaints handling system should be accessible in formats and language understood by customers. The responsiveness factor emphasise that complaints and service failures need to be addressed promptly, courteously and with immediate feedback. Customers are likely to react negatively to subjective approaches to service recovery systems. Bank customers are likely to love free of charge complaints handling procedures (Dimitriadis and Stevens, 2008) which are also kept confidential to the public. In this case business

customers do not want the media to make news of their complaints. Proper integration of technological and human components of a service will produce an acceptable service recovery mix (Dimitriadis and Stevens, 2008; Wyld, Jones and Totten, 2005). Komunda and Osarenkhoe (2012) in their study on effects of service recovery on customer satisfaction and loyalty, established that employee responsiveness and courtesy had a positive impact on consumer evaluations.

#### **4.3 Customer Reactions to Service Recovery**

It is important to measure customer's reception of service recovery strategies so as to manage post service delivery satisfaction. Since all organisations experience some degree of customer dissatisfaction, it makes it crucial to study post dissatisfaction behaviour of customers (Ndibusi and Ling, 2006). An understanding of how customers behave after feeling dissatisfied about the product or service received is necessary. According to Michel (2001), ninety percent of the angry customers do not complain. This means organizations might fail to get important information for solving service failure problems before the failure gets to another level (Michel, 2001; Gronroos, 2004). This is because many organizations still regard customer complaints as not only an unpleasant fact of business life but also as a waste of time and money in investigating these concerns (Atalik, 2007; Smith and Bolton, 2002).

Customer reactions to service recovery and failures are influenced by their past satisfaction experiences, their personality traits and type of consumer segments (joy, emotional, etc), situational constraints, time pressure and reputational of the service provider (Chahal, Devi and Pinkey, 2015). Despite the importance of understanding customer responses to service recovery efforts, very few service producers have attempted to accurately determine the precise level of satisfaction of complaining customers after service recovery efforts (Petnji et al 2013). Tronvoll (2012) classified three reactions to initial poor service delivery which might also be used for analysing reactions to recovery strategies. These include voicing a complaint to the seller, exiting the relationship through switching and taking no action. In the no action complaining behaviour the customers might adjust their attitude to the firm or 'forgive and forget'. The customer may communicate to trade associations, Consumer Council of Zimbabwe and government departments seeking both legal action and general redress. Action related response to poor service recovery might take stealing, vandalism, protests, and personal verbal attacks. It should be noted that prior relationships of the bank and its clients will determine the level of co-operation during the service recovery process (Dobni, 2004).

Maxham III and Netemeyer (2003) assert that in the event that the service recovery attempt itself is also unsatisfactory, it would serve to make matters worse by exacerbating already low evaluation levels ("double deviation"), and intensify customer dissatisfaction levels. Schoefer and Ennew (2005) said customer reactions to service recovery need to take the concepts of fairness in the process (procedural justice), fairness in outcome (distributive justice) and the nature of interpersonal interactions (interactional justice).

### **V. Research Methodology**

The study took a quantitative approach that relied on using a descriptive questionnaire based cross sectional survey. The descriptive survey research design was used so as to provide answers to questions such as who, what, when, where and how of the customer reactions to service recovery gestures by the bankers (Malholtra and Birks, 2009). An exploratory research was used initially by the researcher for generating insights about what was causing customer complaints in the commercial banking sector (Cooper and Schindler, 2008).

The estimated population of corporate bank customers in Harare were 140 000. A minimum of 10 customers were taken from each of the 15 operational commercial banks in Harare. These were referred by the branch managers of each bank. A quota sample of 168 respondents was achieved. The sample structure was represented by 56 Small and Medium Enterprises (SMEs), 32 large private companies, 43 schools/churches and 37 farmers. There is generally a balanced representation of the key corporate customers. It was important for the researcher to differentiate between various business entities because of the different terms of conditions that pertain to each entity when operating bank accounts. Gender proportions were 48.8% males and 51.2 females. The age group of organisational employees were mainly 30-40 years (44%) and 40-50 years (39.9%) representation. The majority of respondents (51.8%) were married, while single parents were 17.9% and single unmarried were 30.4% of the total sample size.

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was calculated to be 0.661 and this allowed factor analysis to be carried out since it is above 0.50. The survey questionnaire was a structured 5-point Likert scale that ranged from 5-Strongly agree to 1-Strongly disagree. The variables used include the level of complaints systems accessibility, timeliness, fear of employee attitudes, customer inputs, fight back by employees, display of suggestion boxes, systems consistency and support of third parties in logging complaints. The pilot study allowed the researcher to establish a sequence of the questionnaire, the instructions and time taken to complete the questionnaire. This led to the improvement of both the validity and reliability of the questionnaire. Actual data collections were done through e-mails, face to face and, drop and pick methods.

The reliability of the questionnaire items were rated at 0.644 of Cronbach’s alpha.

The researcher made use of the SPSS Data Editor to convert the raw data into meaningful figures.

The statistical models produced include basic percentages, the mean values, correlation analysis, one sample T test and Chi-square test. In this study, a mean value of below 3.00 showed areas of some strength in handling complaints, a mean of 3.00 is average performance and a mean above 3.00 shows some areas of weaknesses in handling complaints. Some hypotheses were tested basing on the demographic variables and complaints handling perceptions variables used in the study. The correlation analysis enables measuring consistency in application of complaints handling procedures and expected reactions of bank customers. A high correlation means the two reactions requires a similar level of attention so as to improve customer satisfaction with a service recovery. T test confirmed the overall rejection and acceptability of the responses given. Chi-square tests gave relationship of the customer perceptions to recovery efforts and some demographic variables.

## VI. Data Analysis, Presentation and Discussion

### 6.1 Descriptive Discussion of Findings

The following is a discussion of research results focussing on mean values and percentages on customer’s reaction patterns to the commercial bank’s complaints handling activities. The larger mean values indicate areas that have errors in complaints handling process, while lower mean values indicate a smaller error to service recovery process. Table I shows both the mean values and percentages of agreeing and disagreeing with the service recovery variables.

**Table I: Mean Values and Percentages**

		Mean	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
(a)	Complaint handling systems are not easily accessible to customers	<b>2.76</b>	15.5	20.2	6.0	41.7	16.7
(b)	Complaints are not handled in a timely fashion	<b>3.70</b>	24.4	45.8	5.4	24.4	0
(c)	Customers are afraid of victimisation by employees	<b>3.17</b>	16.7	36.3	17.9	6.0	23.2
(d)	Customer input from their experiences should be valued and inspire complaint handling systems	<b>4.31</b>	35.1	61.9	1.8	1.2	0
(e)	Appropriate action is not taken against the employees accused of misconduct	<b>3.28</b>	6.0	32.1	46.4	14.9	0.6
(f)	Some branches do not display suggestion boxes or registers thus discouraging complaints.	<b>2.67</b>	0	22.6	23.8	51.2	2.4
(g)	Systems are inconsistent as some complaints are followed up on while others are not	<b>3.71</b>	4.8	66.7	24.4	3.6	0.6
(h)	Lack of support and empowerment to engage third party assistance when logging complaints	<b>2.89</b>	1.8	28.0	32.7	32.7	4.8
	<b>Overall Mean and Percentages</b>	<b>3.31</b>	<b>13</b>	<b>39</b>	<b>20</b>	<b>22</b>	<b>6</b>

On the complaints systems accessibility, customers generally felt that complaint handling systems were availed to customers. This got a mean of 2.76 and a 58.4% overall disagreement rating. However, most customers said they did not use the systems and others never searched for those complaints handling procedures.

Customers showed that complaints were not handled in a timely fashion by scoring a mean value of 3.70 represented by a 70.2% overall agreement percentage.

This delay could be caused by taking time to open and review complaints registers and suggestion boxes. For example, if a complaint is logged at month end when the queues were too long, it would not serve its intended purpose if solution is made after two weeks.

The study also produced a mean value of 3.17 and an agreement percentage of 53% that confirmed that customers were afraid of victimisation by bank employees during and after complaining. This could be the case since most service failures are linked to employee behaviour (Komunda and Oserankhoe, 2012). The customers perceived that employees tend to connive to ensure that the complaining customers would have a tough time each time they come to the bank.

The study also established that customers want their service experiences to be considered and valued, and used for inspiring complaint handling systems. This was supported by a mean value of 4.31 and an overall agreement figure of 97%. A customer oriented service recovery is achieved by collecting more information on how the initial service encounter had went wrong.

On the ‘appropriate action is not taken against the employees accused of misconduct’, the study established a mean value of 3.28 that point to the overall agreement to this accusation. A bank employee who always abuse customers on the front desk might need to be put in the back office or transferred to other branches for customers to feel certain action was taken by bank management.

The variable ‘some branches do not display suggestion boxes or complaints registers’ got a mean value of 2.67 supported by an overall disagreement rate of 53.6%. This showed that most branches were making the suggestion boxes available and complaints registers available but could open these at their own time. In support of this, the study noted that most banks actually have service ambassadors who randomly interview clients over general or specific issues and they encourage the use of suggestion boxes to customers.

On the consistency of the complaint handling systems, the corporate bank customers agreed to this problem with a mean value of 3.71 and a percentage overall agreement figure of 71.5%. The mean value of 3.71% was obtained from the responses and this shows that the majority of the respondents do believe that systems are in fact inconsistent. An overall agreement of 71.5% was obtained. Though some complaints may naturally take longer to process than others, customers generally felt there is discrimination and favouritism in the follow-ups and addressing of their complaints. It appears to them as if ‘some customers are taken more seriously than others’. Lack of Support and Empowerment to Engage Third Party Assistance When Logging Complaints was also analysed in the study. This variable got a mean value of 2.89 citing that respondents were opposed to the perception of lack of support and empowerment to engage third party assistance when logging complaints. Overall disagreement was 37.5% while agreement was 29.8%. Banks normally provide commissioners, sales consultants and ambassadors in their banking halls and these are responsible for directing and assisting customers to make use of the suggestion boxes and complaints registers. Some banks have, however, cut down on such employees, thus compromising a necessary platform for customers hence the opinion by 29.8% of the respondents who said that there is a lack of support and empowerment to engage third party assistance when logging complaints. Customers also need to use external consultants like lawyers when the complaint seems to be difficult to resolve, though they want their complaints to remain confidential to outside people.

6.2 Correlation Matrix for Customer Reactions Variables

Table II: Correlation Matrix for Customer Reactions Variables

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
(a) Complaint handling systems not easily accessible to customers	1.000							
(b) Complaints are not handled in a timely fashion	.676	1.000						
(c) Customers are afraid of victimisation by employees	.450	.557	1.000					
(d) Customer input from their experiences should be valued and inspire complaints handling systems	.011	.043	.209	1.000				
(e) Appropriate action is not taken against the employees accused of misconduct	.277	.210	.072	.084	1.000			
(f) Some branches do not display suggestion boxes or registers thus discouraging complaints	.313	.317	.048	-.379	.127	1.000		
(g) Systems are inconsistent as some complaints are followed up on while others are not	.018	.195	.141	-.101	.028	.341	1.000	
(h) Lack of support and empowerment to engage third party assistance when logging complaints	.084	.057	-.086	-.277	.159	.393	.402	1.000

a Determinant = .132

There was a weak correlation of -.086 between ‘customers being afraid of victimisation’ and ‘lack of support and empowerment to engage third party assistance in logging complaints’.

Some interesting correlations were found to be on ‘complaints not being handled in time’ and ‘inaccessible complaints handling systems’(r = 0.676). This showed that if customers are not able to initiate complaints, complaints will take time to be resolved. Another strong correlation on customer’s reactions to complaints systems are ‘complaints not handled in time’ and ‘customers are afraid of being victimised by

employees'(r= 0.557). Fear of being labelled by employees of the bank makes the complaints resolution take more time than optimal. Fear of being labelled 'a difficult, terrorist or rebel customer' makes some corporate customers remain quiet even on serious complaints.

'Lack of support and third party assistance' and 'inconsistent systems of complaints follow-up' got a significant correlation of r=0.402. Corporate customers who felt the banks' complaints handling is not fully supported were able to perceive some inconsistencies in treatment of complaining customers. This variability in treatment leads to customer alienation if not handled well.

Some weak correlations were noted between 'complaints handling systems not accessible' and 'customers' input from their experiences need to be valued'(r=0.011), and 'some branches do not display suggestion boxes or complaints registers' and 'customers are afraid of victimisation by employees'(r=0.048), and with 'customers are afraid of victimisation by employees accused of misconduct'(r=0.072). Lack of mental linkages on these dimensions will mean corporate customers can react differently to service recovery efforts by the commercial banks.

Negative correlation were noted between 'some branches do not display suggestion boxes or complaints registers' and 'customer inputs need to be valued and inspire complaints handling systems'(r = -0.379). This is possible since use of suggestion boxes and registers could be ways of discouraging input from customers. Customers who want their experiences to be known will want face to face registration of their complaints rather than suggestion boxes. This shows that some customers do not value suggestion boxes in lodging their complaints.

This is possible since corporate clients want close and interactive problem solving platforms. 'Lack of support to engage third party assistance' and 'customer input from their experience should be valued and inspire complaints handling systems'(r =-0.277) had a negative relationship. Those who wanted to complain directly by having their experience heard did not seem to support use of third parties like lawyers for ensuring service recovery is done. Bankers should value such customers by not overstressing their patience. Some corporate customers need privacy and confidentiality hence needs complaints handling to be kept between the two parties. The variations in overall correlations show that more effort is required in addressing customer complaints similar to that of ensuring error free service quality. This could be so since the services challenges of intangibility, inventorylessness, inseparability and inconsistency remain dominating in service delivery systems of the Zimbabwean commercial banks.

**6.3 Hypotheses Testing of The Research Results**

**6.3.1 Overall Rating of Customer Responses to Bank Service Recovery Efforts**

**H<sub>1</sub>: Customers responses to service recovery efforts of commercial banks are positive**

The hypothesis was tested to establish whether there is a significant level of appreciation of service recovery efforts of Zimbabwean commercial banks by customers.

The study took a one sample T test of the means presented in Table I and produced the test results in Table III below.

**Table III: One-Sample T-Test**

Test Value = 3.00						
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
CustPerc	1.563	7	.162	.31125	-.1597	.7822

Since the t- calculated value of 1.563 is greater than 0.7822 (Upper Limit), we reject the null hypothesis and conclude that customers had a negative overall reaction to service recovery efforts of commercial banks. The overall dissatisfaction with service recovery efforts could be caused by over concentrated attention given by disappointed customers when receiving a service repair and their heightened service quality expectations (Maxham and Meyer, 2003)

**6.3.2 Gender and Customer Perceptions to Service Recovery Efforts**

**H<sub>2</sub>: Gender has influence on customers' perceptions of service recovery patterns**

The study took a Chi- Square test at 0.05 level of significance for measuring whether there is any association between gender and nature of responses to the service recovery efforts of commercial banks in Zimbabwe. The acceptance criteria, p-values, decisions and comments are given in the Table IV below.

**Table IV: Chi-Square Test Results of Gender and Reaction Patterns**

	Variables of Customer Reactions	Accept H <sub>0</sub> if :	P Value (Cal.)	Decision
(a)	Complaint handling systems are not easily accessible to customers	p-< 0.05	0.652	Reject H <sub>0</sub> . Similar reactions
(b)	Complaints are not handled in a timely fashion	p-< 0.05	0.071	Reject H <sub>0</sub> . A little similar reactions
(c)	Customers are afraid of victimisation by employees	p-< 0.05	0.187	Reject H <sub>0</sub> . Similar reactions
(d)	Customer input from their experiences should be valued and inspire complaint handling systems	p-< 0.05	0.194	Reject H <sub>0</sub> . Similar reactions
(e)	Appropriate action is not taken against the employees accused of misconduct	p-< 0.05	0.169	Reject H <sub>0</sub> . Similar reactions
(f)	Some branches do not display suggestion boxes or registers thus discouraging complaints.	p-< 0.05	0.000	Accept H <sub>0</sub> . Male more negative.
(g)	Systems are inconsistent as some complaints are followed up on while others are not	p-< 0.05	0.021	Accept H <sub>0</sub> . Female more negative.
(h)	Lack of support and empowerment to engage third party assistance when logging complaints	p-< 0.05	0.031	Accept H <sub>0</sub> . Male more negative.

The results showed p-values greater than 0.05 in the first five variables of the table above. We rejected H<sub>0</sub> and concluded the both females and males responded similarly to how banks implemented these service recovery systems. Accessibility of complaints handling system, timeliness in service recovery, fear of employee victimisation, valuing customer inputs and experiences, and taking appropriate action on misconduct employees were found to equally felt between men and women who represented their organisations. Males were found to be more negative to the failure by banks to display suggestion boxes and complaints registers than females. Women were also found to be more negative on the inconsistency in complaints handling between customers than men. On the failure to support engagement of third parties in complaints handling and service recovery, male respondents were found to be more negative than their female counterparts. It means the last three variables need bankers to recover services in a gender sensitive way.

**6.3.3 Account Duration and Customer Reaction Patterns to Service Recovery Efforts**

**H<sub>3</sub>: The duration of holding an account with a bank has an influence on the reaction patterns to service recovery efforts.**

The study took a Chi- Square test at 0.05 level of significance for measuring whether there is any association between duration of account holding and nature of responses to the service recovery efforts of commercial banks in Zimbabwe. The acceptance criteria, p-values, decision and commend are given in the table below.

**Table V: Chi-Square Test Results of Account Duration and Reaction Patterns**

		Accept H <sub>0</sub> if :	P-Value (Cal.)	Decision
(a)	Complaint handling systems are not easily accessible to customers	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period more positive
(b)	Complaints are not handled in a timely fashion	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period more negative
(c)	Customers are afraid of victimisation by employees	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period more positive
(d)	Customer input from their experiences should be valued and inspire complaint handling systems	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period less negative
(e)	Appropriate action is not taken against the employees accused of misconduct	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period more positive
(f)	Some branches do not display suggestion boxes or registers thus discouraging complaints.	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period more negative
(g)	Systems are inconsistent as some complaints are followed up on while others are not	p-< 0.05	0.000	Accept H <sub>0</sub> . Longer period more negative
(h)	Lack of support and empowerment to engage third party assistance when logging complaints	p-< 0.05	0.002	Accept H <sub>0</sub> . Longer period more negative

The study established that the eight customer reaction variables were having an association with the duration of holding the account with a bank. Long period account holders were more positive on the accessibility of complaint handling systems of a bank. This is possible due to prior knowledge of the service supplier’s operations. Long period were more negative on the timeliness of handling complaints than short duration account holders. This is possible since old customers could be having some good experiences of service recovery than currently offered. Long period account holders were less afraid of employee victimisation at service recovery stage than newer customers. Long period account holders were less negative on customer input

and experiences during service recovery. Long serving customers were more positive on that banks take action on misconduct of employees. On displaying suggestion boxes and complaint registers, long period accounts were more negative than new accounts. The long period account holders were more negative on the complaints handling system inconsistency and on lack of support to use third party assistance when logging complaints than more recent account holders. The analyses indicate that the nature of relationships between customers and commercial banks influence their satisfaction and perception of the bank's service recovery activities (Chahal, Devi and Pinkey, 2015).

## VII. Conclusions

The study concludes that customers have varied perceptions of complaints handling systems used in banks. Some believe that complaint handling systems are not readily accessible, complaints are not handled on time, their input were not valued, employees charged with misconduct in the initial service encounter were not properly dealt with, and that complaints handling system was also said to be marred with inconsistencies in follow-up in terms of order of resolution and customer discrimination. The perceptions that some branches did not display suggestion boxes and complaints register, and lack of support and empowerment to engage third party assistance when logging complaints were rated positively.

The study also concludes that inconsistencies in customer responses to service recovery were established as given by variations in correlation values. While both males and females reacted similarly to commercial banks' service recovery approaches, males seemed to harbour more negative feeling than women. The study also concludes that responses to complaints handling and service recovery activities of banks was influenced by duration of account holding. Long time account holders were having less negative responses than short duration account holders. The study concludes that the commercial banks' corporate customers had a negative perception of their complaints handling and service recovery efforts.

## VIII. Recommendations

It is also important that banks provide customers with adequate platforms to air their views so that they feel that they are in touch with their bankers. Bank managers should uphold anonymity of customers who complain to avoid victimisation by staff. All branch managers should encourage customers to use face to face complaints registration systems that allow clarity and feedback. Bankers are encouraged to treat complaints handling as a critical opportunity to satisfy and retain customers. They are also recommended to approach service recovery with a customer orientated attitude. It is important to acknowledge receipt of customer complaints by having their contact details so that they know that they are taken seriously. Banks should employ sales consultants who will proactively assist customers by providing any third party assistance that they may need as well as more information about the bank products. The study recommends future researchers to develop a service quality model for managing 'post service failure' customer satisfaction.

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