EVALUATING SERVICE QUALITY AT GEORGE MUNICIPALITY: A COMPLAINTS MANAGEMENT SYSTEMS APPROACH

BY

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A treatise submitted in partial fulfillment of the requirements for the Masters in Business Administration at the NMMU Business School

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Date Submitted: 30 November 2008
DECLARATION

I, Sandra Alcock, student number 20615462, hereby declare that:

Evaluating Service Quality at George Municipality: a complaints management systems approach is the result of my own original work. All sources used or referred to have been documented and recognized.

This treatise is being submitted in partial fulfillment of the requirements for the degree of Magister in Business Administration.

In accordance with Rule G4.6.3, the above-mentioned treatise is my own work and has not previously been submitted for assessment to another University or for another qualification.

Signature: 

Date: 30 November 2008
ACKNOWLEDGEMENTS

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ABSTRACT

The search for service and product quality has come to the forefront of business studies as the most important consumer trend of the past two decades. Studies conducted indicate that the 1990s saw a dramatic change in customer expectations concerning service quality and standards with a corresponding increase in the number of complaints from disgruntled customers. In response to this, many organisations have established customer care and complaints management services to respond to the need of customers.

A substantial amount of literature exists on the subject of complaints management and its role in service quality, however, the focus has been on organisations in the private sector. The research undertaken in this paper aimed to investigate the role of complaints management systems (CMS) to evaluate service quality. The focus of this research was on local government with special attention on George Municipality.

A literature review was done to establish the importance of service quality for local government as well as to investigate the link between an effective complaints management system and improvement in service quality. Furthermore, it was necessary to investigate the characteristics, design and implementation of an effective complaints management system.

A questionnaire was developed in order to obtain primary data from a selected sample group. The data obtained from the questionnaire was statistically analysed and interpreted.

The core findings from the analysed questionnaire indicated the following:

- service quality is relevant in local government;
- there is no clear method to measure service quality;
- no formal and structured complaints management system exist, and
- the implementation of an effective complaints management system will both improve service delivery and provide benefits to all involved.
This study recommends that:

- service quality standards and measurement be of strategic importance to local government;
- customers should be consulted and involved when determining the service quality standards and measurement, and
- an organised and structured complaints management system that seeks to address all complaints in order to improve the level of service quality to customers be developed.

Finally, the success of the CMS will depend on management's commitment to change on a continuous basis as well as the degree to which management proactively resolves customer complaint through the involvement of the customer.
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CHAPTER ONE

1. BACKGROUND AND INTRODUCTION TO RESEARCH STUDY

1.1 INTRODUCTION

Businesses in the private sector have been setting higher standards of customer services in recent years, which have led to higher expectations of service quality by customers. These heightened expectations are crossing into the public sector (Beasty, 2005:25). A complaint is an expression of dissatisfaction about the standard of service, action or lack of action affecting an individual customer or group of customers, whereas quality can be defined as doing the right things right every time (Brennan & Douglas, 2002: 219).

Consumers expect quality services and complaints generally arise from dissatisfaction with products or services. Complaints occur when organisations fail to meet customers’ expectations. Every organisation, whether in the private or the public sector, which offers goods or services, is likely to receive complaints at some time. In the public sector in particular, research reveals that satisfying resolution of complaints is low (Davison & Grieves, 1996: 32). The manner in which an organisation manages complaints can have a significant impact on its effectiveness and consumers’ perceptions. Stauss and Schoeler (2004:148) suggest that complaints are vital to a customer-focused organisation as they provide an opportunity to discover weaknesses in the provision of services.

Effective customer complaints procedures can help organisations improve both product and service quality by offering dissatisfied customers a method to provide feedback to organisations (Brennan & Douglas, 2002: 220). A good complaints procedure can assist in resolving any problems that arise in service delivery, provide information to service managers and instill confidence in services by their users (Stauss & Schoeler, 2004:2). Furthermore, it is argued that the existence of an accessible complaints procedure, along with active
encouragement to use it, will give consumers a sense of participating in the improvement of services.

In local government, there is the added dimension of the political environment particular to councils. The elected members, namely councillors, have a role in dealing with complaints from those governed by the municipalities as such are accountable to the public. As councillors unanimously elected, it is in their interest to ensure that complaints are handled effectively.

There is no doubt that quality of customer services were critical strategic issues in the 1990s for both the public and the private sector organisations (Donnelly, Wisniewski, Dalrymple & Curry, 1995:15). In the private sector, customer satisfaction and loyalty are secured through high-quality products and services and are essential for long term survival. Public sector organisations, especially those operating at local governmental level, are not immune from these pressures to improve customer service on a continuous basis. Some pressures, in the public sector arise internally from a genuine desire by managers to improve quality of services while others are imposed through initiatives like the White Paper on Transforming Public Service Delivery (Russell & Bvuma, 2001:241).

The White Paper on Transforming Public Service Delivery, the so-called “Batho Pele” White Paper, was published in 1997 (Russell & Bvuma, 2001:242). It required departments within government to improve their service delivery in terms of the eight “Batho Pele” service delivery principles. The term Batho Pele is a Sesotho expression translated as “people first”.

In the private sector it is easy to define the customer. Customers are people who are prepared to pay the prevailing market price for the product or service (Donnelly et al, 1995:15). In the public sector it is more difficult to define the customer. Some customers fall within the ambit of the definition of the private sector customer who pays directly for services provided and received. Others are recipients of services, sometimes unwillingly, and make no or little financial contribution toward provision of services. The obvious approach to determine the levels of service quality is to ask the customer directly. A major concern with customer satisfaction surveys in the public sector is the focus on customer
perception of service delivery. The surveys rarely provide the customer with any opportunity of expressing their expectations of service quality. Customers typically assess service quality by comparing the service they have actually experienced with the service they expect.

A substantial amount of literature exists on complaints management and its role in service quality. However, the literature focuses on organisations in the private sector. The research undertaken in this paper investigates the design of an effective complaints management system with a focus on local government with special attention given to George Municipality.

1.2 MAIN PROBLEM

Excellent service is a genuine key to improved relationships between customers and suppliers (Bosch & Enriquez, 2005:37). This can only be achieved with detailed knowledge of the customers’ needs. A functional customer complaint management system will generate this knowledge (Faulkner, 2003:91). This system should be implemented in every organisation regardless of its size, structure or products. If the public sector wants to enhance quality in service it has to focus on the needs of its customers. A complaints management system is also relevant to the public sector as it will be a means to determine the customers’ needs and expectations. In light of addressing the abovementioned transformation of public service deliveries, the main problem identified for the purposes of this research paper is:

To identify the components of an effective complaints management system for George Municipality.

1.3 SUB-PROBLEMS

In order to develop a research strategy to deal with and solve the main problem, the following sub-problems have been identified:

- What is service quality?
- Why is service quality needed in local government?
- What role does complaints management play to improve service quality?
• What are the components of an effective complaints management system?

1.4 DEMARCATION OF THE RESEARCH

Demarcating the research aimed to identify the parameters within which this study was conducted. The purpose of the demarcation was to ensure that the research topic was manageable from a research perspective. The omission of certain topics does not imply that there does not exist a need to research them.

1.4.1 Service quality
Service quality is defined as the customer’s perception of the service rather than the service provider’s view of how the service should be delivered (Davis & Heineke, 2005:278). Another definition of service quality is meeting the requirements of the customer (Whatis.Com, 2006:1).

1.4.2 Complaint
Brennan and Douglas (2002:219) define a complaint as an expression of dissatisfaction about the standard of service, action or lack of action, affecting an individual customer or group of customers.

1.4.3 Complaint management system (CMS)
The term complaint management is used to include service recovery and involves the receipt, investigation, settlement and prevention of customer complaints and the recovery of the customer (Johnston, 2001:61).

1.4.4 Local government
• provide democratic and accountable government for local communities,
• ensure the provision of services to communities in a sustainable manner,
• promote social and economic development,
• promote a safe and healthy environment, and
• encourage the involvement of communities and community organisations in the matters of local government.
1.4.5 Municipality
A municipality is defined by The Local Government: Municipal Systems Act, no 32 of 2000 as:

- an organ of state within local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998;
- consisting of the political structures and administration of the municipality and the community of the municipality;
- functions in its area in accordance with the political structures, political office bearers, administration and its community; and
- is a separate legal entity, which excludes liability on the part of its community for the actions of the municipality.

1.5 GEOGRAPHICAL DEMARCATION

The study was confined to local government with analysis done specifically on George Municipality.

1.6 ASSUMPTIONS

Stauss and Seidel (2004:25) state that a complaints management system can be used as a management tool to improve performance or attempt to gain feedback and comments about a service.

It was assumed that sufficient theoretical information on complaints management system existed. This would enable the researcher to complete the study and recommend that a complaints management system should result in improved customer satisfaction and can be applied to local government as a management tool to enhance and improve quality in services.

1.7 SIGNIFICANCE OF THE RESEARCH
Limited research has been conducted on complaints management in the public sector of South Africa (SA). Existing studies on complaints management and its influence on quality management focus primarily on private sector organisations.

The results of the research provide insight into the management of complaints and highlight the value of customer feedback. It will also illustrate that management of complaints contributes to effective service delivery. In SA, it has been established that it is insufficient to reform public service structures as action is also required to radically improve quality of service delivery (Russell & Bvuma, 2001:262). In order to establish the action required, the customers receiving the service should be consulted.

This research study will benefit local government, in George and across South Africa as it will assist in solving and giving an improved understanding of the problems relating to service delivery. The research will further provide a procedure for solving managerial problems and address business issues relating to service delivery. The intended research aims is to understand and explain the impact of a customer complaints management system on the quality of service delivery.

1.8 OBJECTIVES FOR THIS RESEARCH STUDY

This paper has looked briefly at service quality and the need for a complaints management system. The components of a complaints management system was analysed to establish its effectiveness and the role it plays in improving quality in services. A literature review was done to establish the components of an effective complaints management system and the role it plays in service quality.

The objective of the research is to design an effective complaints management system for George Municipality. The complaints management system should provide a focus for continual quality improvement initiatives and a gauge to measure organisations efforts to meet customers’ needs and expectations.
1.9 RESEARCH DESIGN AND METHODOLOGY

This study has aimed to provide an acceptable answer to the research problem in a quantitative nature. Most research centering on complaints management is quantitative in nature as it is essential to establish the complaint volume and frequency (Stauss & Schoeler, 2004:118). A quantitative approach will provide clear indications of the perceptions as well as the expectations of employees with regards to a complaints management system.

The phases followed in the research process will be discussed below.

1.9.1 Literature study
Current literature on the subject of service quality and complaints management were studied. Secondary data in the form of books, the Internet, academic journals and published reports were used. The literature study has focussed on complaints management processes and how it can be used as a management tool to enhance service quality. The local government sector of South Africa was also studied to gain insight to the general dynamics involved in this sector.

1.9.2 Sampling
The sample consisted of frontline employees in the various directorates within George Municipality. The frontline employees were selected as they deal directly with customers or citizens on a daily basis. The minimum requirement for an individual’s inclusion was the fact that the individual is an employee, whether full-time or contractual, of George Municipality.

The type of sampling used in this research was purposive sampling. Purposive or judgmental sampling is when the researcher uses his or her own judgment to select cases that will best provide an answer for the research question (Collis & Hussey, 2003:158). This type of sampling is applicable for this research study as frontline employees are the first point of contact with customers or citizens lodging complaints.
1.9.3 Data collections and measurement
The data collection techniques used in this study were in the form of a questionnaire, literature review and document analysis. In principle, all participants in the research were offered the opportunity to remain anonymous and, if requested by participants, a contract was drawn stating that their identity would not be made public. The purpose of the research was explained to the participants and only upon agreement to participate in the research was a questionnaire forwarded to participants. A structured questionnaire consisting of four main sections was used to collect primary data. The four differentiated between:
- biographical information;
- service quality;
- complaints management system; and
- components and characteristics of an effective complaints management system.

Time was spent at the customer complaints section of George Municipality to gain first hand experience of the current complaint management procedures.

Documentation in the form of newspaper, magazine articles and information available on the Internet was used to collect secondary data. This secondary data collected was integrated with the primary data obtained to ensure a broader view of perceptions regarding complaints management and service quality that exist in local government are accounted for.

1.9.4 Data analysis and interpretation
The collected data was documented by using coding and field notes. All data collected was analysed and captured on a computer. The analysis aims to see whether any patterns or trends can be identified. The results of the analysed data were compared to existing theoretical frameworks and were used to reach appropriate conclusions and to formulate recommendations.

1.9.5 Outline of chapters
The chapters of this research include the following:
Chapter 1: Introduction and objectives of the study
Chapter 2: Service quality and local government
Chapter 3: The role of complaints management in service quality
Chapter 4: Research methodology
Chapter 5: Analysis and discussion of research findings
Chapter 6: Summary, conclusion and recommendations

1.10 CONCLUDING REMARKS

This chapter has outlined the objective of the study, namely to determine an effective complaints management system for local government, and provide a background on service quality and complaint management. The significance as well as the approach to the research methodology has been discussed in the introduction.

The following chapter focuses on the literature that has been reviewed regarding service quality and local government.
CHAPTER TWO

2. SERVICE QUALITY AND LOCAL GOVERNMENT

2.1 INTRODUCTION

The search for quality has come to the forefront of business studies as the most important consumer trend of the past two decades. Leonard and Sasser (1982: 163) offer that consumers are demanding higher quality in products as a reason for this search for quality. The studies done by Zeithaml, Berry and Parasuraman (1988:35), state that the attainment of quality in products and services became a critical concern for companies of the 1980s. According to Badler (2004:6) service is a serious element of business that needs to be improved in order to survive today as well as in the future. Quality and service are standard pre-requisites, demanded by today’s consumer and in the future service quality will be the deciding factor for customers as to whom they give their business to.

The research of Bosch and Enriquez (2005:30) illustrate that prior to the internet boom, executives have ranked the improvement of service and tangible product quality as the single most critical challenge facing business in the United States of America (USA). According to the Central Intelligence Agency (CIA) World factbook (2007) services accounted for 78.5 per cent of the USA gross national product (GNP) for 2007. In South Africa during the same year, the service sector accounted for 65.5 per cent of the GNP. This transition towards a service economy represents a global trend and has become a major competitive force.

Growing competition in the 21st Century has seen quality of products and services become the single most important factor affecting a business’s performance relative to those of competitors (Christopher, Payne & Ballantyne, 2003:63). Service quality can only be achieved by having profound knowledge of evolving customer needs.
Local government is not immune to consumers demanding improved quality products and services. Consumers’ expectations are rising and local authorities will need to focus more on service quality by identifying local needs and delivering services that are perceived as quality.

Recently service delivery by municipalities, or the lack thereof, has received much media attention in South Africa (Van der Waldt, 2005:13). Citizens want proof that service delivery is taking place, services are improving and quality services are being rendered. In post-apartheid South Africa, emphasis should not only be placed on creating a representative public sector, but also on public institutions which deliver quality services to improve the living conditions of all citizens (Kroukamp, 2001:22).

Businesses and government departments across the world are learning how to provide higher quality products and services and are doing this by increasing productivity and reducing cost at the same time. The secret to the success of these businesses and government departments is quality management as proposed by the research findings of the abovementioned authors.

This chapter analyses service quality and their application in local government. It also discusses the importance of service quality and the relevance of service quality in local government. This chapter concludes by identifying methods for local government to improve service quality.

2.2 BACKGROUND ON SERVICE QUALITY

The focus on quality in the service sector owes much of its origins to the Total Quality Management (TQM) movement. Quality in services is largely undefined and un-researched as most research focusses on the defining and measuring quality from a goods sector perspective. As early as 1979 quality has been defined as zero defect or doing it right the first time (Crosby, 1980:12). Until recently, quality control and TQM were synonymous with the manufacturing industry (Davison & Grieves, 1996:32).
According to Badler (2004:8) quality gurus like Deming, Crosby and Juran focussed more on quality of products from a manufacturing point of view. Juran is of the opinion that quality is associated with product satisfaction and product dissatisfaction (Bicheno, 1991:8). Satisfaction occurs when a product has superior performance and dissatisfaction when there are defects inherent to the product or service.

The well known definition of quality as “fitness for purpose” was proposed by Juran (Trollip, 2008:2). Furthermore, according to Juran quality begins with a close understanding of who the users will be and how and where the product or service will be used (Bicheno, 1991:8). It is argued that without a customer orientation, excellent quality is not possible. The knowledge about goods quality is insufficient to understand service quality as services have certain characteristics that are different from products. Some of the more important characteristics of services according to Parasuraman, Zeithaml and Berry (1985:42) are:

- intangibility;
- inseparability; and
- heterogeneity.

Services are intangible because precise manufacturing specifications regarding uniform quality can rarely be set. Services happen on demand and cannot be counted, measured, inventoried, tested and verified in advance in order to assure quality. Production and consumption of services are inseparable. Heterogeneity refers to the fact that services differ from producer to producer because the consistency of behaviour from service personnel is difficult to assure.

Services quality is seen to be more complex than quality from a manufacturing perspective. It could thus be argued that while manufacturing quality is determined by the specification and control of a product during the manufacturing process, whereas service quality deals with the more intangible nature of consumer and provider behaviour.
The factors of the five dimensional quality framework as designed by Zeithaml et al (1990:27) are:

- reliability;
- responsibility;
- assurance;
- empathy; and
- tangibles.

The five dimensions of quality framework refer to the characteristics of products and services, staff or employees responsible to provide products and services as well as the facilities and equipment used in the production of the product and service provision. The focus was specifically on service quality when Zeithaml et al (1990:27) produced the analytical framework. The important influences of customers’ expectations and perceptions on delivered service were also incorporated in the five dimensional framework.

Zeithaml et al (1996:31) claim that research during the 1980s primarily focussed on managerial effort to determine what service quality meant to customers and developing strategies to meet customer expectations. However since then, the service quality agenda has shifted to include issues of highest priority to organisations. These issues involve the understanding of the impact of service quality on profit and other financial outcomes of organisations.

The profit impact of market strategy (PIMS) studies provides significant associations among service quality, marketing variables and profitability (Trollip, 2008:6). The findings from these studies show that companies offering superior service achieve higher than normal market share growth.

Balachandran’s (2004:142) concludes that the three keys to quality service are the following:

- customer;
- people management; and
- processes.

In order for a business to remain competitive it needs to become aware of the expectations and experiences of their customers. Furthermore, Balachandran
(2004:142) argues that the leadership of businesses must empower staff to be more customer focussed as well as ensuring the constant renewal of processes to be more effective in terms of speed, accuracy and cost.

2.3 SERVICE QUALITY DEFINED

Grönroos as quoted by Sukreshchandar, Rajendran and Kamalanabhan (2001:2) defines service quality as the comparison of the customers’ expectation of service with their perceptions of the actual service performance.

Product and service quality can be defined as the total composite product and service characteristics of marketing, engineering, manufacturing and maintenance through which the product and service in use will meet the expectations of the customer (Feigenbaum, 1983:7).

Lewis and Booms as quoted by Parasuraman et al (1985:42) define service quality as a measure of how well the service delivered matches customer expectations.

Zeithaml, Parasuraman and Berry, (1990:18) define quality service as meeting or exceeding what customers expect from the service. This definition of service quality was later formally defined by the authors as the extent of the difference between the customers’ expectations or desires and their perceptions.

All of the abovementioned definitions of service quality agree that delivering quality service means conforming to customer expectations on a continuous basis. It can therefore be agreed that service quality involves a comparison of expectation with performance. This view of service quality will be adopted for this study.

2.4 MEASUREMENT OF SERVICE QUALITY

Service quality in essence is what the customer says it is. If the customer does not find the services of a business to be of high quality it does not matter if the
business can prove that their services are of a high quality. In meeting the customer requirements the first step is to find out what these requirements are.

Quality service means exceeding customers’ expectations which make it more difficult to evaluate than product quality. The measurement of service quality involves the customer, who often uses both tangible and intangible cues in order to evaluate a service. The physical appearance of the service organisations’ facilities as well as the interactive relationship with the personnel is examples of the tangible and intangible cues respectively (Parasuraman et al, 1985:42). It is therefore suggested that an effective measurement of service quality should take into account both the tangible and intangible elements.

Another element in the measurement of service quality should be to conduct a pre- and post-service evaluation with the customer. This evaluation will reveal whether the customers’ expectations are exceeded, met or not met and the extent to which expectations are met will determine the level of customer perceived service quality. Feigenbaum, (1983:7) argues that it is important for businesses to remember that the quality of a product and service is a customer’s determination and not an engineer’s, nor marketing or a general management determination.

The information gathered when measuring service quality can help managers to understand what customers actually expect of a particular service (Wisniewski, 2001:996).

2.5 IMPORTANCE OF SERVICE QUALITY

In the early 1800s, quality services and products were limited to the rich (Badler, 2004:7). Quality was synonymous with high-priced products but as time changed, competition began to grow and the market was flooded with thousands of new products, allowing customers to buy the products they liked at lower prices.

The customer of today is prepared to spend more on a product and service as long as they get quality products and services. Price is no longer the only
concern but quality products and services have become the main role players in the decision making process when a customer makes a purchase.

According to Rust and Oliver (1994:2) management need to understand how customers view service quality. Gaps exist between the service provider and the client over expectations and perceptions of quality. It is important for service organisations to be aware of their customers’ expectations and to ensure that these expectations are met in service quality.

Quality services are an important prerequisite for the future stability and growth of any country. A survey by Price-Waterhouse indicated that the majority of firms in the United States of America (78%) regarded quality as one of their main priorities (Rust & Oliver, 1994:23). In South Africa, the South African Quality Institute was established in 1993 to create an awareness of quality and to ensure a focus on quality by firms (South African Quality Institute, 2004:1).

Service quality influences the organisations profitability, employee turnover and market share. The research findings of Zeithaml (1996:31) have shown that the profitability of a firm will increase as the service quality increases. Delivering services of high quality will therefore have a positive influence on the profitability of the total assets of the organisation.

Following from Deming’s (1982:235) view that inefficiency raises prices to the consumer, businesses agree on the importance of quality control in the manufacturing sector. Quality control in service organisations is needed more because, as in manufacturing, bad service raises prices for the consumer.

In the past few decades service quality has become a major area of attention for organisations, managers and researchers. Seth, Deshmukh and Vrat, (2005:913) implies that this is due to the strong impact of service quality on business performance, lower costs, customer satisfaction, customer loyalty and profitability. For the purpose of this study service organisations include hospitals, restaurants, banks, places of education, retail, laundry and dry cleaning and government departments. The service sector has grown
throughout the world and it’s predicted that the service quality revolution will be a vision for most organisations in the future (Sureshchandar et al, 2001:120).

A common denominator in quality of manufacturing and service organisation is the fact that mistakes and defects are costly. An example is a bank that embarrasses a customer by incorrectly reporting insufficient funds in the customers account and returning his cheques as unpaid. The cost for the bank to correct this mistake is substantial as the bank runs the risk of losing business.

Defects, defective products and bad service are not free. The total cost to produce, dispose of defective products and to rectify bad service exceeds the cost to produce the product or service.

Service quality is considered to be a critical determinant of competitiveness (Ghobadian, Speller & Jones, 1993: 44). Ghobadien et al (1993:44) also state that the adoption of service quality as a strategy can help organisations to differentiate itself from its competitors and in doing so gain a lasting competitive advantage.

2.6 SERVICE QUALITY MODELS

2.6.1 Introduction

According to Parasuraman et al (1985:41) limited academic research exists regarding quality service as it is difficult to delimit and construct a model for service quality. The result of this, is that despite the growth of the service sector, only a handful of researchers have focused on service quality. This is also the view of Seth et al (2005:932) who argues that the growth of literature in the field of service quality seems to have developed systematically and sequentially. This has led to the continuous updating and learning from findings and observations of predecessors.

In this section a brief review of four service quality models based on the study done by Seth et al (2005: 913) will be discussed. A discussion on the key findings or applications of the model with its weaknesses will be presented. The study done by the authors attempt to analyse the various service quality models
in order for management to understand and enhance the service quality of their organisation.

### 2.6.2 Technical and functional quality model

This model was developed by Grönroos in 1984 and claims that in order for a firm to compete successfully it must have an understanding of the consumers’ perception of quality and how this influences service. Managing perceived service quality means the firm has to match the expected service and perceived service to each other so that consumer satisfaction is achieved. Grönroos, as quoted by Tait (1996:83), identified technical quality, functional quality and image of the organisation to be the three components of service quality. Seth et al (2005:915) conclude that the weakness of this model is that no explanation is given as to how to measure functional and technical quality. Figure 2.1 below shows the technical and functional quality model.

#### Figure 2.1: Grönroos service quality model

![Grönroos service quality model](source: Grönroos (1984:40) in Tait (1996:83))
2.6.3 GAP quality model

The most important insight obtained from the research of service quality by Zeithaml et al (1988: 36) is that a set of gaps exists regarding management perception of service quality and the tasks associated with service delivery to consumers. These gaps are major hurdles when it comes to delivering a service which consumers would perceive as being of high quality. In figure 2.2 the conceptual model of service quality designed by Zeithaml et al (1988: 36) is presented.

The study of Zeithaml et al (1988: 35) implies that the gaps that hinder the delivery of services that consumers perceive to be of high quality are:

- Gap 1: difference between consumer expectations and management perceptions of consumer expectations;
- Gap 2: difference between management perception of consumer expectations and service quality expectations;
- Gap 3: difference between service quality specifications and the service actually delivered;
- Gap 4: difference between service delivery and what is communicated about the service to consumers;
- Gap 5: difference between customer’s expectations of the service and their perceptions of the delivered service.

According to this model, service quality is a function of the differences between perception and expectations. This model is customer focussed and assists management to identify the relevant service quality factors from the customers’ viewpoint. Although this model offers well supported arguments, it has a weakness of not explaining the clear measurement procedure for measuring of the gaps at different levels.
Figure 2.2: Conceptual Model of Service Quality

Source: Parasuraman et al. (1985)
2.6.4 Attribute service quality model
This model developed by Haywood-Farmer in 1988 views a service organisation as having high quality if it meets customer preferences and expectations consistently (Seth et al, 2005:916). According to this model services have three basic attributes: the physical facilities and processes, people’s behaviour and professional judgement. This model suggests that special care must be taken to make sure equipment is reliable and easy to use for customers. A lack of measurement of service quality and no practical procedure to help management to identify service quality problems is considered the primary weakness of this model.

2.6.5 Synthesised model of service quality
A service quality gap may exist even when a customer has not yet experienced the service. The preceding statement forms the essence of this model which was developed Brongowicz in 1990 (Seth et al, 2005:920). The customer may have learned about the service through word of mouth, advertising or through other media communication. This synthesised model of service quality considers three factors namely, company image, external influences and traditional marketing activities as factors influencing technical and functional quality expectations. This model’s weakness is that it needs to be reviewed for different types of service settings.

2.6.6 Observations from the service quality models
Each model has focussed on the requirements of service quality and how the customer’s view impacts on service quality. All four models highlight that service quality is based on the customers’ perception and agree that being customer-focused will lead to the improvement of service quality. The models also suggest that service quality is affected by a number of variables such as value, attitude and expectations.

The review of the above models claims the key ingredients to service quality improvements are:
- having a customer focus;
- possessing an understanding of the different concepts of service quality;
- understanding the factors that affect service quality;
implementing an effective measurement and feedback system; and
exhibiting an efficient customer care system.

2.7 RELEVANCE OF SERVICE QUALITY IN LOCAL GOVERNMENT

The recent lack of service delivery by municipalities received much media attention (Van der Waldt, 2005:13). The public protests against poor service delivery have lead to the acknowledgement by government that improvement in service delivery in the public sector is a national priority. The perception of service quality within local government is generally poor and it is recognized that local government faces more difficulties in their efforts to improve service quality (Donnelly et al, 1995:15). Balachandran (2004:268) confirms this and states that this perception results from the idea that all gaps relevant to satisfaction from services are wide because:

- customer segments are wide and vary in expectations;
- there are too many layers between customers and decision makers;
- laws and regulations define the parameters of services on offer;
- the inability to capture the intangible and heterogeneous nature of service;
- communication channels are not free and open;
- personal contacts are infrequent; and
- outside communication has to be approved by specific authorities not always close to points of service delivery.

Besides all the obstacles facing the individual service outlets in local government they can make a difference to customer experience and satisfaction. In order to do this the most senior public servant must take more responsibility and all employees should co-operate.

Service delivery must be continually modernized, improved and directed towards the interest of the citizens. The government of South Africa undertook to deliver quality services to the public and this undertaking is confirmed in numerous public policy documents such as the Constitution of the Republic of South Africa, the White Paper on Transforming Public Service and the White Paper on Transforming Public Service Delivery (Department of Public Service and Administration, 1997).
The service of local government is to be judged on equity as well as on efficiency. One way for local government to improve its efficiency is to improve relations with citizens and its supervision techniques. When looking at improving service quality in local government the question that comes to mind is “why local government should be interested in service quality?” An attempt will be made to answer the above-mentioned question in the remaining sections of this chapter.

2.8 THE CITIZEN AS CUSTOMER IN LOCAL GOVERNMENT

Governments exist to serve the citizens of their country and function as representatives of that country. The citizen has been transformed into the customer of governmental services. As the customer of the private sector has been recognized as having needs which the private organisations must actively identify and respect, so does the citizen as the governments’ customer (Tam, 1993:1). The customers of governmental services are no longer satisfied with governmental bodies which claim to serve them but have not discovered what their real needs are.

The objectives of local government according to Chapter 7, Section 151 (b) of the Constitution of South Africa (1996) are to ensure the provision of services to communities in a sustainable manner. Section 195 (d & e) of Chapter 10 of the Constitution of SA (1996) states that people’s needs must be responded to while encouraging the citizens to participate.

Tam (1993:1), argues that the agenda for public sector managers is to:

- put citizens’ needs first;
- identify and understand those needs; and
- steer all resources to meet those needs as effectively as possible.

As a result of persistent demands from the citizens of SA for accountability, transparency and quality in services of local government the Local Government: Municipal Systems Act, no 32 of 2000 (2000) was adopted by government. This act states that all local municipalities must have a customer care, credit control, debt collection and indigent policy, the objective of which is to promote
the culture of service excellence through a fair and equitable customer care policy. The customer care policy of local municipalities should consist of factors such as providing value to customers, specific service standards, response times to complaints, quality of service and the rights of customers.

The Batho Pele White Paper (Section 1.3.3), as quoted by Crous (2004:585) requires citizens to be treated as customers and thus implies that local government departments must:

- listen to customers and take their views into account when making decisions;
- treat them with respect and consideration;
- make sure that service is always of the highest quality; and
- respond swiftly and sympathetically when receiving complaints regarding poor service delivery.

Greater customer care is one of the recommendations proposed in terms of implementing the Batho Pele principles. In the case study conducted by Giannoccaro, Costantino, Ludovico and Pietroforte (2008:2) it was confirmed that citizens, as customers, take advantage of local government services and are an integral part of government given the fact that they vote and pay taxes. As a result of this consumers/citizens want to play an active part in the relationship with local government by demanding service quality. Local government therefore has a primary drive to nurture a culture of service excellence in meeting the needs of its citizens with high standards of quality and courtesy (Giannoccaro et al, 2008:3).

2.9 POLICY FRAMEWORK FOR SERVICE QUALITY IN LOCAL GOVERNMENT

The White Paper on Transforming Public Service Delivery, the so-called “Batho Pele White Paper” was published in 1997 (Russell and Bvuma, 2001:244). The words “Batho Pele” is from the Sesotho language which means “people first”. The Batho Pele project was a well marketed attempt to instill awareness of service quality across the many diverse public sector operating units.
The purpose of the Batho Pele White Paper is to provide a policy framework and practical implementation strategy for the transformation of public service delivery (Department of Public Service and Administration, 1997). The Paper concludes that the South African public service will be judged by its effectiveness to deliver services that meet the basic needs of all South African citizens (Crous, 2004:574).

The eight Batho Pele principles as quoted from the White Paper on transforming public service delivery (Department of Public Service and Administration, 1997) are:

- consultation with customers;
- to set service standards;
- to increase access to services;
- to ensure higher levels of courtesy;
- to provide more and better information about services;
- to increase openness and transparency about services;
- to provide redress for failures and mistakes; and
- to give the best possible value for money.

The Batho Pele principles focus on the citizens with the aim of providing a framework that will enable government departments to develop service delivery strategies. These strategies will need to promote continuous improvement in the quality and equity of service delivery.

The citizens should be informed of the level and quality of public services that they will receive. All citizens should have equal access to public services and the citizens should be consulted about the level and quality of the public services that they receive. Citizens should be treated with courtesy and consideration as well as receiving full and accurate information about the public services. Furthermore, citizens must be told how government departments are run. When complaints are lodged citizens must receive a sympathetic, positive response. Based on the rights of the citizen it is imperative that public services should be provided economically and efficiently (Tam, 1993:11).
The eight Batho Pele principles support the same views as that of service quality models, namely emphasizing the role the citizen as the customer plays in determining service quality. The principles are also closely linked to the key ingredients to service quality improvements as suggested by the above-mentioned four service quality models.

In June 2000 the first comprehensive survey of the Batho Pele initiative was undertaken for the Public Service Commission (Russell & Bvuma, 2001:243). The survey was limited to six national and five provincial departments, the results of which showed uneven compliance with the principles. Russell and Bvuma (2001:244) summarized the survey results as follows:

- Not enough is being done to consult with the public regarding their needs;
- Service standards are generally not displayed properly and users are not sure of what standards they should be demanding;
- No equal access to public service and variations in terms of quality of services from one department to another;
- Departments are not undertaking customer satisfaction surveys regularly;
- Basic efforts have been done to provide information, but more is needed to be done;
- Limited effort has been made to provide complaint handling facilities;
- Few departments within government undertook meaningful analysis of their performance;
- A need to examine possibilities of providing services in new ways exists.

The results of the survey is important for the purpose of this study as it draws attention to the lack of consultation with citizens as well as the limited efforts that have been made to provide complaint handling facilities for government. In the remaining paragraphs of this chapter the author will explore ways for local government to improve service quality by implementing a complaint management system.
2.10 METHODS FOR LOCAL GOVERNMENT TO IMPROVE SERVICE QUALITY

Davidson and Grieves (1996:36) suggest that municipalities can recapture the spirit of municipal pride by reconsidering their core values, mission and strategies for continuous improvement. Staff training and leadership skills might be introduced as this will assist in changing the attitudes and behaviours of particular frontline staff members.

The government must develop a culture that supports continual change and improvement. The South African public service must remain an institution of which South Africans can be proud of. In order to attain this, service delivery must be continually improved and directed towards the interest of the citizens. The public relations department must retain and recruit high-quality staff as well as simplify and modernise its management and administrative systems.

In an effort to improve and modernise service delivery, the focus should not only be on reducing cost to client. The focus should rather be on the citizens and ensure that the services which are delivered reflect their requirements. The design and delivery of services must be orientated towards the citizen and not towards the public service, management styles or production processes (McCarthy, Simpson, Hill, Walker & Corlyon, 1993:1).

It must be remembered that improving service delivery is a continuous, progressive process and not a once off exercise. As standards of service are raised, higher targets must be set. According to Ghobadian et al (1993:46) the attainment of service quality requires:

- Market and customer focus: a quality organisation should be focused on the customer;
- Empowering the frontline staff: by giving frontline staff latitude to make decisions service quality can be enhanced;
- Well trained and motivated staff: lack of training of frontline staff will impact negatively on their ability to perform their tasks efficiently;
- A clear service quality vision: in the absence of a clear vision and definition, staff will have their own interpretation.
The British Standards Institution (BSI) issued the Complaints Management Systems Guide to Design and Implementation as recognition of the importance of complaints management (Brennan & Douglas 2002:219). This standard intends to focus on those systems and procedures that organisations follow after a complaint has been received.

Since the government of the United Kingdom (UK) launched its Citizens’ Charter programme in 1991, public service has been required to publish their procedures for handling complaints from citizens (Brennan & Douglas, 2002:220). The UK government furthermore highlights the importance of redress in its White Paper “Modern Markets: Confident Consumers”. This paper acknowledges that when things go wrong people want redress quickly and easily. It also sets out the extent of the problem regarding complaints management in the UK and presents evidence that consumer complaints require effective complaints management systems.

The Scottish Consumer Council (SCC), as quoted by Brennan and Douglas (ibid) outlines the importance of a well designed and published complaints procedure and suggests an important link between complaints and best value. The council also commented that good complaints procedures help resolve problems that arise in service delivery. The SCC argued that the existence of an accessible complaints procedure along with the encouragement to use it will foster a sense of participation to improve services from both consumers and employees.

2.11 CONCLUDING REMARKS

This literature study has reviewed research done by various authors relating to service quality. The literature shows support for the fact that service quality is an important factor in determining the future success of organisations.

The research done on the different models of service quality will help management to better understand how customers assess quality of services. The study further indicated that service quality has also become an essential pre-requisite for delivering services in local government.
The next chapter will focus on the link between service quality and complaints management.
CHAPTER THREE

3. THE ROLE OF COMPLAINT MANAGEMENT IN SERVICE QUALITY

3.1 INTRODUCTION

Deming as quoted by Bicheno (1991:6) believed that complaints in services are inevitable due to the number of perceptions involved in measuring service quality. The Deming cycle indicates feedback and learning from mistakes as key factors in achieving true and total quality management (Bendell, Penson & Carr, 1995:44). Outcomes from the studies done by the Canadian Treasury Board Secretariat (1995:1) on service quality, suggests that an effective complaint management system must be an essential part of quality service.

Studies conducted by Carney (1996:20) indicate that the 1990s have seen a dramatic change in customer expectations concerning service quality and standards with a corresponding increase in the numbers of complaints from disgruntled customers. In response to this many organisations have established customer care and complaints management services to respond to the needs of customers.

The key considerations in effective complaint management are the need to establish clear priorities in complaints handling, improve service provision and to prevent customer losses. Complaints should lead to the identification of problems and a complaints management system must ensure that these problems do not happen again.

According to a study by Zaid (1995:25) complaints are neither good nor bad, nor right or wrong but are opportunities to serve customers in different ways. The key to the success of any complaints procedure is the ability of an organisation to move away from blaming departments and individuals when complaints are received. Instead the complaints should be viewed in a positive light and seen as an opportunity to improve. In order to promote a positive image of complaints, management needs to ensure that information regarding complaints is shared at every level of the organisation.
Fornell and Wernerfelt (1987:346) conclude that complaints management as part of a defensive marketing strategy can be used to increase an organisation's market share. The studies of Johnston (2001:60) confirm the fact that complaints management results in customer satisfaction but more importantly leads to improved financial performance.

An effective complaints management system, one that is easy to use and able to satisfy customers, should result in employees feeling more empowered. Empowered employees are less stressed and in turn experience greater job satisfaction, better job performance and health which have a direct impact on the financial performance of an organisation (Johnston, 2001:62).

An effective complaints management system is an integral part of the provision of quality customer service. It is one method of measuring customer satisfaction to provide a useful source of information and feedback for improving the organisation's service. Often customers are the first to identify when things are not working properly.

The study done by the Canadian Treasury Board Secretariat (CTBS) (1995:35) concludes that implementing an effective complaints management system benefits an organisation in the following four ways:

- Identifies areas of improvements and allows customers to provide input;
- Provides a second chance for organisations to satisfy dissatisfied customers;
- Provide an opportunity to strengthen the public support for organisations;
- Helps to reduce an organisation's workload.

In this chapter the link between an effective complaints management system and the improvement in service quality, the characteristics for an effective complaints management system as well as the design and implementation of a complaints management system will be discussed. The objective of this chapter is to gather sufficient information in order to design an effective complaints management system to improve service quality for George Municipality.
3.2 DEFINITION OF COMPLAINT

Complaints from consumers to an organisation arise from consumer dissatisfaction of products and services. It is therefore, generally accepted that good service can be measured by the complaints received. Complaints give an organisation the opportunity to learn and a chance to provide exceptional customer service.

Every organisation, whether in the public or the private sector, offering goods or services is likely to receive complaints when service levels fall below the accepted standard. To find the correct solution the organisation should understand the nature of the customers’ dissatisfaction. According to Faulkner (2003:91) an effective complaint management will be necessary to measure the service quality of an organisation and to handle the complaints received.

A complaint is an expression of dissatisfaction about the standard of service (Brennan & Douglas, 2002:219).

A complaint, according to Sydney Electric in Australia (CTBS, 1996:3), is an expression of dissatisfaction with the organisation’s procedure, charges, employees, agents or quality of service.

Many organisations, however, view a complaint as failure and result in blame. A complaint, as defined by De Meester and Mahieu (1997:4) is “an expression of discontent, reported as such to the accused (organisation)”. 

The above definitions of a complaint stress the aspect that customers complain because the product or service they have purchased does not meet their requirements. Organisations should realise that if complaints of customers are ignored it can threaten the existence of that organisation and if handled well it could lead to future sales (Blem, 1995:138).
3.3 THE IMPORTANCE OF COMPLAINTS

The twenty-first century requires most organisations to put the customers first in order to advance in business. Globalisation and value driven business imperatives mean that mistakes are not going to be tolerated. Organisations producing substandard products and services are not going to continue competing in such a competitive global market. True competitive advantage will only be established through excellence in customer value and the ensuing of quality products and services. The challenge for organisations is to move to an external customer-focused and market-oriented approach (Zairi, 2000:331).

Zairi (2000:35) states the importance of looking at complaints in a constructive, positive and professional perspective because:

- it is a way of receiving feedback from customers;
- it is a tool for preventing complacency;
- it is a useful way of measuring performance and allocating resources to deal with the deficient areas of the business;
- it is a useful mirror for gauging internal performance against competition; and
- it is a useful exercise for getting nearer the customer and understanding them better.

3.4 DEFINITION OF COMPLAINTS MANAGEMENT SYSTEM

Complaints management includes service recovery and involves the receipt, investigation, settlement and prevention of customer complaints in order to retain the customer (Johnston, 2001:61).

The Queensland Department of Local Government and Planning (2001:12) defines a complaints management system as an organised way of responding to, recoding, reporting and using complaints to improve service to customers.

A complaints management system as defined above is an organised way of dealing with complaints and the aim of the system should ultimately be to improve the quality of service to customers.
3.5 CHARACTERISTICS OF AN EFFECTIVE COMPLAINTS MANAGEMENT SYSTEM

The principles of customer service and continuous improvement are central to an effective complaints management system. Along with these, complaints management systems should represent the principles of justice and equity for all, especially in local governments.

Complaints management systems should be accessible to all, without relying on the language and literacy skills of the complainant. The system should respond to grievances from people of all cultural and educational backgrounds with an emphasis on resolving the issue and providing greater customer satisfaction.

In their article, Brennan and Douglas (2002:220) state that a complaints management system is an organised way of responding to, recording, reporting and using complaints to improve service to customers. This is because it includes procedures for customers to make complaints and guidelines in order that the staff resolves complaints and provides information to managers and staff that can assist them to prevent customer dissatisfaction in the future.

According to Brennan and Douglas (2002:223) the basic principles of an effective CMS are that they are:
- easy to access and well publicised;
- speedy with fixed time limits for actions;
- confidential in order to protect staff and complainants;
- informative by providing information to management to improve services;
- simple to understand and use;
- fair, with a full procedure for investigations;
- effective in dealing with all complaints raised; and
- regularly monitored and audited.

Johnston (2001:62) discusses several factors to describe the characteristics of an effective complaints management system and these include:
- having clear procedures;
- providing a speedy response;
• reliability of response;
• single point of contact for complainants;
• ease of access to the complaints process;
• ease of use of the process;
• keeping the complainant informed;
• understanding by staff regarding the complaint processes;
• understanding the seriousness of complainants;
• empowering employees to deal with the situation;
• having a follow-up procedure to check with customers after resolution;
• using data to correct the problems; and
• using measures based on cause reduction.

As the winners of the Malcolm Baldrige National Quality Award, the Boeing Company Airlift and Tanker Program is an example of best practice in complaints management. Zairi (2000:333) mentions the following as key aspects of Boeing's complaints handling system success:
• Their service standards are set jointly with the customer and are linked to their processes;
• The management are proactive when it comes to customer contacts and complaint resolution through joint teams;
• The teams handling the complaints are facilitated by a systematic management meeting process that involves the customer as a partner;
• The team maintains a log of customer complaints, issues, concerns and warranty claims;
• Complaint management assessments are correlated with other customer satisfaction data to give teams feedback on the quality of complaint management.

When considering all the data presented above the analyses of complaints will help organisations to gauge performance standards, to improve in areas such as training, product knowledge, measuring and monitoring service quality. Based on the above it can be concluded that the effective handling of complaints by using a complaint management system will lead to better customer service.
3.6. IMPLEMENTATION AND DESIGNING OF A COMPLAINT MANAGEMENT SYSTEM

Any organisation that lacks a complaints strategy and wishing to implement a complaints management system must first recognise the challenges it faces. Such an organisation will have to change its approach to managerial incentives and performance management and will have to develop systems for receiving and monitoring customers input (Blem, 1995:143). In order for organisations to implement a complaints strategy successfully, commitment is needed on the part of management.

Customers must be well informed of the correct channels and procedures for submitting complaints as this will make them feel that the organisation expects and welcomes their complaints. Blem (1995:144) points out that in order to handle complaints effectively, organisations need:

- a complaints policy which is known to staff and customers alike;
- the structure to carry out the policy;
- procedures for handling complaints; and
- trained and effective staff.

If any of these elements are lacking, complaints cannot be dealt with effectively. Brennan and Douglas (2002:224) give the following 12 general criteria that have to be included when developing a complaints management system policy:

1. The CMS should be endorsed by senior management. This will show that the organisation takes complaints seriously;
2. It should be made clear to customers that the organisation welcomes complaints and comments about the service;
3. A working definition of a complaint should be included;
4. The impartial investigation of every complaint should be assured;
5. An explanation to customers as to how to lodge a complaint and how the complaint will be dealt with, must be given;
6. It must be ensured that customers can access the complaints system using a variety of methods, including complaints via telephone, fax, email and post;
7. A statement assuring some form of corrective action and the procedures for corrective action must be explicit;
8. The circumstances and methods to deal with the escalation of complaints should be described;
9. Response time targets for all stages of the complaints process should be stipulated;
10. Disadvantaged and minority customers should be catered for;
11. A list of remedies, refund or compensation that might be available to address consumer dissatisfaction should be stipulated;
12. An external review process that can be followed should complaints not be resolved internally or agreed to must be indicated.

When designing a complaints management system it should be understood that no single system would perform well in all organisations. The CMS should be designed to meet the specific needs of a particular organisation. The two parts of a CMS are the management system and the complaint handling system. The management system involves the policy for handling complaints, process for lodging complaints and the recording and reporting system. The complaints handling system includes the definition of complaints and the guidelines to staff to resolve complaints.

### 3.7 COMPLAINT MANAGEMENT SYSTEM MODELS

Service quality, as stated previously, is affected by many variables other than CMS, but CMS can provide a reference for the general improvements undertaken by the organisation. An effective CMS should be an integral part of the provision of quality customer service.

Figure 3.1 shows an example of a complaints management system model adopted by the Canadian Local Government (CTBS, 1995:25). The model consists of five sections which are:
1. The scope of the CMS
2. Setting up of the system
3. Setting up of the management reporting system
4. The controlling and monitoring of the CMS
5. Reporting.

Bosch and Enriquez (2005:33) have developed a seven step CMS model which is shown in figure 3.2. This model is based on the Deming cycle with steps that include:

- Documenting the voice of the customer (VOC);
- Translating VOC into customer needs and problems;
- Analysing and solving the problems;
- Exploiting customer needs;
- Updating failure mode effect analysis to avoid recurrence;
- Sharing solutions with affected customers; and
- Updating system performance measurements

Furthermore, Bosch and Enriquez (2005:33) state that three important indicators for measuring the CMS success are:

- the time spent responding to a customer complaint;
- the percentage of closed cases of all complaints received; and
- the evaluation of service quality.
Define the scope of the specific complaints management system

**Set up the system**
1. Develop a process for lodging complaints
2. Prioritize complaints
3. Define responsibilities
4. Provide remedies
5. Develop service standards
6. Develop reporting requirements

Appoint staff

Train staff

Inform staff

**Set up the management reporting system**
1. Improve service/procedures

**Control and monitor the complaints system**
1. Measure improvements
2. Record complaint-related actions
3. Develop a follow-up survey
4. Identify problem areas

**Report outcomes**
1. Internal report
2. External report
Figure 3.2: Seven step CMS model

1. **Plan/Improve Service**
2. **Provide Service**
3. **Measure Satisfaction**
4. **Satisfied customer?**
   - **YES**
   - **Feedback?**
     - **YES**
     - CCMS (7 Steps)
     - **Step 1: Document Voice of Customer (VOC)**
     - **Step 2: Translate VOC Into Customer Needs/Problems**
     - **Step 3: Analyze and Solve the Problem**
     - **Step 4: Exploit Customer Needs**
     - **Step 5: Update FMEA to avoid recurrence**
     - **Step 6: Share solution with affected Customer**
     - **Step 7: Update System Performance Measurements**
   - **NO**
   - End without Feedback
5. **NO**
   - **Customer Complaint?**
     - **YES**
     - Feedback?
     - **YES**
     - **Step 1: Document Voice of Customer (VOC)**
     - **Step 2: Translate VOC Into Customer Needs/Problems**
     - **Step 3: Analyze and Solve the Problem**
     - **Step 4: Exploit Customer Needs**
     - **Step 5: Update FMEA to avoid recurrence**
     - **Step 6: Share solution with affected Customer**
     - **Step 7: Update System Performance Measurements**
   - **NO**
   - End without Feedback
3.8 COMPONENTS OF A COMPLAINTS MANAGEMENT SYSTEM.

3.8.1 Introduction

Based on the two models presented above, it can be shown that a CMS should include the following essential components:

- policy for dealing with complaints
- a definition of a complaint
- the type of complaints
- procedures for customers to make complaints
- provide guidelines for staff to resolve complaints
- recording and reporting systems to managers and staff to prevent future dissatisfaction

In the following section the essential components of a CMS, according to the Canadian Treasury Board Secretariat (1995:36), will be described.

3.8.2 Policy for dealing with complaints

The policy should contain the scope of the specific complaints management system. The objective of the service or product and the detailed standards for quality that customers can expect should be drafted in the complaint policy. Furthermore the policy should also include the steps involved in lodging a complaint, the timelines for handling complaints and the remedies the customers can expect (Queensland Government Department of Local Government and Planning, 2001:18).

3.8.3 Define a complaint

As stated previously, it is important to clearly define the term “complaint” when establishing a CMS (CTBS, 1985:3). In developing a definition of a complaint the starting point should be to understand why customers are dissatisfied. The definition should reflect the diversity of complaints and requests that the organisation will need to address. The nature of complaints covered by the system should be understood by the employees, as this will prevent resources from being wasted as a result of misunderstandings or other frivolous matters.
3.8.4 The type of complaints
It is important for the organisation to distinguish between the types of complaints received from customers as this will speed up the complaint process (CTBS, 1985:3). In distinguishing between the types of complaints it will assist the organisation effectiveness to handle the different types of complaints.

3.8.5 Procedures for customers to make complaints
This process should address the basic questions of how, where, when and to whom complaints should be made (CTBS, 1985:19). The organisation should inform customers as to whom they should approach if they wish to complain and where they should go. The phone number, fax number, electronic mail address and physical address of where complaints can be lodge should be given to the customers.

3.8.6 Provide guideline for staff to resolve complaints
Staff should be informed as to how to register complaints received as well as the processes involved in resolving complaints (Queensland Department of Local Government and Planning, 2001:29). The organisations must ensure that the staff knows their responsibility as well as the timelines for the handling of complaints. The authority that staff have to take corrective action must be specified as must the importance of dealing effectively with complaints.

3.8.7 Recording and reporting systems
A record keeping system of complaints will assist the organisation to identify areas where service levels do not match customers’ expectations. A registration system for complaints may vary in their complexity and cost from one organisation to another. The type of registration system will depend on the manner in which management needs the information and the level of detail. The reporting of complaints should clearly identify the problem, the cause, the likelihood of recurrence, strategies to prevent recurrence, including a benefit-cost analysis if possible and recommendations for necessary system changes (CTBS, 1985:16).
3.9 BENEFITS OF AN EFFECTIVE COMPLAINTS MANAGEMENT SYSTEM

Studies conducted by Carney (1996:20) indicate that the 1990s have seen a dramatic change in customer expectations concerning service quality and standards with a corresponding increase in the numbers of complaints from disgruntled customers. In response to this many organisations have established customer care and complaints management services to respond to the needs of customers.

The key considerations in effective complaints management are the need to establish clear priorities in complaints handling, improve service provision and to prevent customer losses. Complaints should lead to the identification of problems and a complaints management system must ensure that these problems do not happen again.

An effective complaint management system is an essential part of quality public sector service. Under the international trade arrangements such as the World Trade Organisation Agreement, the government must set up a complaints management system to review complaints regarding mandatory services (CTBS, 1995:18).

The key to the success of any complaints procedure is the ability of an organisation to move away from blaming departments and individuals when complaints are received. Instead the complaints should be viewed in a positive light and seen as an opportunity to improve. In order to promote a positive image of complaints, management needs to ensure that information regarding complaints are shared at every level of the organisation.

Fornell and Wernerfelt (1987:346) conclude that complaints management as part of a defensive marketing strategy can be used to increase an organisation’s market share. Johnston (2001:60) confirms that complaints management results in customer satisfaction but more importantly leads to improved financial performance.
An effective complaints management system, one that is easy to use and able to satisfy customers, should result in employees feeling more empowered. Empowered employees are less stressed and in turn experience greater job satisfaction, better job performance and health which has an impact on the financial performance of an organisation (Johnston, 2001:62).

An effective complaints management system is an integral part of the provision of quality customer service. It is one method available to measure customer satisfaction and provide useful feedback for improving the Council’s service. Often customers are the first to identify when things are not working properly.

3.10 COMPLAINTS MANAGEMENT IN LOCAL GOVERNMENT

3.10.1 Introduction

Davidson and Grieves (1996:32) observe that it would be misleading to suggest that local government has not been concerned with quality throughout its existence. Local government exists as a representative of government and therefore has to concern themselves with serving the public.

The implementation of effective complaints management systems by local governments will both improve service delivery and assist them in providing administrative justice to all citizens. In the case of local government, where consumers’ choice in terms of suppliers is limited, it is vital to engage consumers in the process of providing valuable feedback.

The designing and implementation of an effective complaints management system should involve and have customer buy-in. This will result in a local government complaints management system that can identify root causes of complaints and areas in need of improvement. It will give local governments a way of continuously monitoring and modifying internal processes and service delivery.

An effective complaints management system is an essential part of quality public sector service. Under the international trade arrangements such as the World Trade Organisation Agreement, the government must set up a
complaints management system to review complaints regarding mandatory services (CTBS, 1995:39).

The need for an effective complaints management system has also spilled over to local government. In the past six years, Westminster Social Services Department in the United Kingdom (UK) has dealt with more than six thousand complaints and they have used the information from these complaints to plan future service provision and for policy making (Carney, 1996:20). The implementation of a complaints management system at the Westminster Social Service Department has contributed to the identifications of key areas of complaints and has enabled the management to consider various service improvement options.

Analysing the work done by the various authors as quoted in this literature review, it shows that an effective CMS has a number of benefits for the council, the community and the complainant. The discussion of the three categories of benefits below is based on the studies done by the Queensland Department of Local Government and Planning (2001:9).

3.10.2 Benefits to councils
According to the Queensland Department of Local Government and Planning (2001:9) the benefits to councils include:

- a user-friendly system for accepting complaints;
- ability to access information about the types and nature of complaints received;
- ability to identify and analyse problem areas and decrease the number and complexity of complaints;
- ability to take action to rectify complaints and the source of those complaints;
- opportunity for service recovery and greater customer satisfaction;
- opportunity to review and continuously improve procedures and processes within;
- ability to predict and put in place measures to minimize future complaints;
- a greater understanding by staff of their role in the complaints management system which results in better customer service;
• reducing staff stress when dealing with complaints;
• preventing complaints escalating and multiplying;
• reporting to the community the successes of the system;
• reducing the number of complaints submitted to external review, which can be costly and time consuming.

3.10.3 Benefits to the community
Herewith follows the benefits to the community (Queensland Department of Local Government and Planning, 2001:10):
• confidence in the openness and accountability of the Council;
• knowledge that the Council values an expeditious and effective resolution to problems;
• access to decision makers with authority to review and determine initial decisions and actions;
• knowledge that Council is effectively allocating appropriate resources to a complaints management system based on community demands;
• provision of a system that effectively manages the resolution of issues which should be resolved internally and, when unresolved, through independent external review.

3.10.4 Benefits to complainants
Lastly according to the Queensland Department of Local Government and Planning, (2001: 10) the benefits to the complainant include:
• timely reviews of decisions and actions;
• knowledge that the complaint is being addressed;
• greater understanding of the complaint resolution processes;
• access to decision makers who are responsible for resolving the complaint;
• consistency of decision making and resolutions through a structured process.

3.11 A FRAMEWORK FOR A COMPLAINTS MANAGEMENT SYSTEM

From the above discussions in literature, the following generic framework for a complaints management system can be designed. Table 3.1 shows a
framework of a complaints management system. It is important to ensure that all five components are covered within the framework.

This framework encapsulates all the components that have been identified as the critical success factors which will ensure the effective management of complaints, within local government.

Table 3.1: Framework for a complaints management system

<table>
<thead>
<tr>
<th>Components</th>
<th>Elements</th>
<th>Objective</th>
</tr>
</thead>
</table>
| Customer   | • Inform customers of how, where and to whom complaints should be made.  
             • Informing customers regarding their rights to complaint. 
             • Develop user friendly complaint lodging processes. | Generate loyal customers that provide valuable input in order for organisations to improve the quality of services. |
| Staff      | • Define the responsibilities of staff. 
             • Develop service standards. 
             • Develop complaint reporting mechanism. 
             • Training of staff in complaint handling techniques. | Empowering staff to effectively deal with and resolve complaints. |
### Complaint handling
- Determine the eligibility of a complaint.
- Document the complaint.
- Investigate the complaint.
- Resolve the complaint.
- Provide feedback.

**Effective and efficient handling of complaints.**

### Complaint management
- Record the complaints and remedies.
- Develop a follow-up survey with complainants.
- Identify problem areas.
- Implement and measure improvements.

**To prevent future dissatisfaction among customers.**

### Review and audit
- Review the complaint handling process.
- Audit of the resolution and remedies taken.
- Deal with serious or continuous complaints.

**To ensure accountability and fairness of the complaint handling system.**

### 3.12 Link Between Service Quality and Complaints Management

At first, complaints management and quality assurance seem to be inversely proportional to each other (De Meester & Mahieu, 1997:1). Quality means to satisfy the requirements and expectations of the consumer and complaints are often viewed as the absence of quality. This means that the fewer complaints the higher the quality of the perceived or offered service. Dalrymple and Donnelly (1997:130) propose in a paper on managing and evaluating customer...
procedures in local government, that effective complaint handling has a significant contribution towards improving service quality.

Service quality is measured in terms of the extent to which performance, as perceived by the customer, meets or exceeds agreed levels of service. It is important to emphasize that the measure of performance is essentially a measure of perceived performance. Hence, the customers’ perceptions of performance count rather than the reality of performance (Christopher et al, 2003:89).

The purpose of most quality measurements is to determine and evaluate the degree or level to which the product or service meets or exceeds the customers’ expectations. No other measure exists when referring to service quality. Quality in service depends not only on the tangible but also on the intangible aspects of an organisation and therefore service quality is often referred to as an experience. Services being more intangible, measurement seems to be impossible. However, bad service and the dissatisfaction of customers will be expressed in the forms of complaints and termination of arrangements and this can be measured.

Consumers expect quality services and complaints generally arise from dissatisfaction with products or services. Any organisation whether in the public or the private sector that offers goods and services to consumers is likely to receive complaints at some time. Complaints should be seen as a positive form of feedback and a means to establish better customer relations. If the manner in which an organisation deals with complaints is seen as to show value for the complaint, it will have a positive impact on the organisation’s effectiveness and consumer perceptions. Dalrymple and Donnelly’s (1997:16) show a positive correlation between an effective complaints management system (CMS) and the improvement in service quality.

Customer complaints are a tool for quality assessment (Javetz & Stern, 1996:40). A complaints management system provides an opportunity to discover weaknesses in service provision and identify areas for improvement. Organisations striving for quality therefore do not try to avoid or prevent
complaints but try to avoid receiving the same complaint twice. Effective CMS will help organisations to improve both product and service quality by offering customers a method of feeding back information to the providers of those goods and services. A CMS should not only be seen as a method to redress mistakes but also as a tool towards quality improvement. Deming (1982:8) believed that failures in services, which lead to complaints are inevitable due to the number of variables and perceptions involved in providing a service. Feedback and learning from mistakes are both key requirements for achieving true service quality and sustained profitability.

Excellent service can only be achieved when an organisation has a profound knowledge of the evolving needs of customers. A functional CMS will provide the organisation with this knowledge. A successfully implemented CMS can change the perspective of complaints management and transform the process of answering complaints from a trivial activity to a more exciting learning experience (Bosch & Enriquez, 2005:30).

Complaints must not be seen as a reason to shift blame but as a unique learning opportunity. Although complaints are expensive to manage, in return for this investment organisations can extract priceless knowledge regarding their customers. To exploit this knowledge about customers, organisations must design, build, operate and continuously upgrade systems for the management of complaints (Bosch & Enriquez, 2005:31). These systems are referred to as complaints management systems.

3.13 CONCLUDING REMARKS

This literature study has reviewed research done by various authors relating to complaints management. Most organisations in the private sector use a complaints management system to improve service quality and at the same time gather information regarding the needs of their customers.

Although most research done by the various authors support the use of a complaints management system to improve service quality, this practice is still considered controversial for local government because complaints are viewed
in a negative light. The literature review also highlighted the changing perspective of complaints management in government and illustrates the benefits that government can derive from the implementation of a well managed complaints management system.

Finally, the framework developed can be used by local government to successfully develop and implement a complaints management system in order to improve the service delivery.

The research methodology adopted in this study will be outlined in the next chapter.
CHAPTER FOUR

4. RESEARCH METHODOLOGY

4.1 INTRODUCTION

A simple definition of research is the practice of finding out more about the world (Saunders, Lewis & Thornhill, 2003:2). Systematic research can lead to more reliable decision making and problem solving.

The purpose of this research is to understand and explain the impact of complaints management on the delivering of quality services within local government. The complaints management system is used as a management tool to measure service quality for this empirical study.

Chapter two and three reviewed literature that focused on service quality and the link between service quality and complaints management. This was done to give the proper perspective for this study as well as to gain understanding of the measurement of service quality using a complaints management system within local government.

The purpose of this chapter is to offer insight on the research methodology that was used in this study. The specific objectives included are to examine:

- the research paradigms;
- the research methodology used in this study;
- the data collection method;
- the method of data analysis; and
- identify ethical issues related to the research process.

4.2 RESEARCH PARADIGMS

Research is an active, diligent and systematic process of inquiry aimed at discovering, interpreting and revising facts (Collis and Hussey 2003: 14). The word research literally means “to investigate thoroughly”.

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Leedy and Ormrod (2001:4) define research as a systematic process of collecting, analysing and interpreting data in order to increase the understanding of the phenomenon about which the researcher is concerned.

According to Saunders et al (2003:3) research can be defined as something that people undertake in order to find out things in a systematic way and thereby increasing their knowledge. Furthermore Saunders et al (2003:3) states that research has the following characteristics:
- data are collected systematically;
- data are interpreted systematically; and
- has a clear purpose to find things out.

Business research is defined by Zikmund (1997:6) as the systematic and objective process of gathering, recording and analysing data for aid in making business decisions. Hence, business research can be used as a management tool for organisations to reduce uncertainty regarding their environment.

All research studies can be categorised as basic or applied according to the purpose and context of the research. According to Collis and Hussey (2003:15) the aim of basic research is to improve the understanding of general issues and to make contribution to knowledge for the general good. Applied research has the purpose to solve a specific and existing problem.

Research begins with a problem whether it be large or small. Identifying this problem is often the most difficult part of research (Hussey & Hussey, 1997:16). A good research project should address an important question and produce knowledge. Own experience and practice generally are the main source of research problems. Other sources include experiences of people, scientific literature and shortcomings in theories. Once the research problem has been identified it should be stated clearly and completely.

Zikmund (1997:42) states that the research process has the following phases:
- defining the problem;
- planning a research design;
- planning a sample;
• gathering the data;
• processing and analysing the data; and
• formulating conclusions and preparing the report.

The term paradigm refers to the progress of scientific practice based on people philosophies and assumptions about the world and the nature of knowledge (Collis & Hussey, 2003:46). A research paradigm relates to how the research will be done or the approach adopted by the researcher. There are two main research paradigms: quantitative and qualitative.

A quantitative approach involves collecting and analysing numerical data and applying statistical tests while qualitative approach is more subjective in nature and involves examining perceptions (Hussey & Hussey, 1997:12). Based on the above-mentioned a quantitative approach was appropriate for the purposes of this study. This approach was chosen as the questionnaire was used as the primary tool to obtain data from the sample.

4.3 RESEARCH METHODOLOGY

Methodology refers to the overall approach to the research process which includes the theoretical foundation to the collection and analysis of the data (Collis & Hussey, 2003:55). The two main approaches to collecting and analysing data are quantitative and qualitative. The quantitative approach is used to determine the relationships among measured variables to explain predict and control phenomena. The end result of a quantitative study is usually the confirmation or disconfirmation of the hypotheses which were tested. Qualitative research relies on interpretative and critical approaches to social sciences. The aim of qualitative research is to study individuals and phenomena in their natural settings in order to gain a better understanding of them. It is also evident that qualitative research does not follow a fixed set of procedures.

In order to promote the logical solution of the stated problem and sub-problems, the chosen research methodology is quantitative in nature.
4.4 SAMPLE AND DATA COLLECTION METHOD

According to Collis and Hussey (2003:55) a methodology refers only to the various means or techniques by which data can be collected and analysed. In the section below the various methods for collecting data and drawing samples for this research study are described.

4.4.1 Sampling

In order to answer the research questions data will need to be collected. It will be impossible to collect and analyse all the data available due to restrictions of time, money and access. Sampling will enable the researcher to reduce the amount of data needed by considering only data from a representative subgroup. Collis and Hussey (2003:56) define a sample as a subset of a population and should represent the main interest of the study.

According to Saunders et al (2003:152) the sampling techniques available can be divided into probability sampling and non-probability sampling.

Probability sampling is when the chance or probability of each case being selected from the population is known and is most commonly associated with survey-based research. The types of probability sampling are;

- simple random
- systematic
- stratified random
- cluster
- multi-stage

In non-probability sampling, the researcher has no way to guarantee that each element of the population will be represented in the sample (Leedy & Ormond, 2001:218). Types of non-probability sampling are:

- convenience sampling
- quota sampling
- purposive sampling
For the purposes of this research the sample selected was done by means of purposive sampling. Purposive or judgmental sampling is when the researcher uses his or her judgement to select cases that best enables him or her to answer the research question (Collis & Hussey, 2003:158). According to Saunders et al (2003:175) the logic for choosing this sampling is based on the research question. The research question for this research is:

*To identify the components of an effective complaints management system for George Municipality.*

The sample for this research study will consist of the frontline employees in the various directorates within George Municipality. As stated in chapter one the frontline employees were selected as they deal with customers on a daily basis.

### 4.4.2 Data collection

During this stage the researcher gathers data relating to the research problem. Researchers are interested in collecting data about variables. Variables can be classified as qualitative or quantitative (Collis & Hussey, 2003:152). Examples of qualitative variables are gender and race, while quantitative variables are things such as income and age.

The two main sources of data are primary data and secondary data. Primary data is collected at the source, while secondary data refers to data that already exists (Collis & Hussey, 2003:161). The following are methods of data collection:

- observations;
- literature review;
- interviews;
- questionnaires;
- diaries; and
- document review.

In order to resolve the main problem of this research study, data had to be collected. The methods of data collection used in this study are literature review and questionnaire.
4.4.2.1 Literature review

A literature review was used to collect secondary data. Leedy and Ormrod (2001:70) state that the literature review describes the theoretical perspectives and previous research findings related to the problem at hand. Secondary data in the form of books, the Internet, academic journals, government publications and published reports were used. The literature review was conducted to facilitate the understanding of service quality and the role of complaint management in service quality.

4.4.2.2 Questionnaire

Questionnaires can be used as a data collection method for both quantitative and qualitative methodologies. Collis and Hussey (2003:173) define a questionnaire as a list of carefully structured questions with the purpose of getting reliable responses from a sample. The aim of the questionnaire is to establish what the participants think or feel.

According to Saunders et al (2003:315) the five main types of administering questionnaires are via:

- post;
- the Internet;
- face to face;
- delivery and collection;
- telephone; and
- interview schedule.

The face to face method of administering the questionnaire was chosen. It is an expensive and time consuming method but it has the advantage of a high response rate (Collis & Hussey, 2003:176).

According to Saunders et al (2003:291) the validity and reliability of the data collected and the response rate depend largely on the design of the questions. In designing the questionnaire, new questions were developed as well as adapting questions that were used in other questionnaires. Collis and Hussey (2003:178) give the following general rules for designing questions:

- Explain the purpose of the questionnaire to all participants;
• Keep questions as simple as possible;
• Do not use jargon or specialist language;
• Avoid offensive or insensitive questions; and
• Only include relevant questions.

The questionnaire consisted of four sections:
• Section A - biographical information;
• Section B - perceptions of service quality;
• Section C - complaint management system as a method of measuring service quality; and
• Section D - the components and characteristics of a complaints management system.

The objective of the questionnaire was to identify the perceptions of the sample group with regards to service quality. Furthermore, the questionnaire aimed to gather information relating to the use of a complaints management system as a management tool. A cover letter was attached to the questionnaire to outline the purpose and the aim of the study. A copy of the cover letter and the questionnaire are included in Annexure B and C. A variety of question types were adopted in the questionnaire. Simple yes or no questions were used to obtain the answer to certain questions and some questions were asked in the format where the respondent had to rank their response in order of importance. Lastly, questions were also asked using a Likert scale and the respondents were asked to answer questions on an interval scale ranging from strongly disagree to strongly agree.

A pilot study was conducted. See Annexure A for a copy of the questionnaire that was used in the pilot study. This questionnaire was given to three individuals to comment on the representativeness and suitability of the questions. The purpose of the pilot study is to refine the questionnaire so that the respondents will have no problem in answering the questions and to avoid problems when gaining data (Saunders et al, 2003:308).
4.5 DATA ANALYSIS

The data collected are analysed as a first step to determine their meaning. Analysis involves breaking up the data into manageable themes, patterns, trends and relationships (Mouton, 2006:108). According to Sekaran (2003:236) data analysis has three objectives:
1. getting a feel for the data;
2. testing the goodness of the data; and
3. testing the hypotheses.

Exploratory data analysis as well as descriptive statistics will be used to analyse the quantitative data obtained. Saunders et al (2003:351) define descriptive statistics as a process to describe and compare variables numerically. The exploratory approach emphasises the use of diagrams to explore and understand the data. It is important to keep the research questions and objectives in mind when analysing the data as this will ensure that the findings of the research are relevant and correct.

4.6 VALIDITY AND RELIABILITY OF METHOD

After selecting and applying the methods of data analysis, it is important to evaluate the credibility of the data collection and analysis methods. The two methods used to evaluate the credibility of the research methods are validity and reliability. According to Leedy and Ormrod (2001:31), the validity of a measurement instrument is the extent to which it measures what it is supposed to measure. Saunders et al (2003:101) describe the reliability as the consistency with which the measuring instrument yields a consistent result when the entity being measured has not changed.

Internal consistency will be used to test the reliability and this will be done by grouping questions in the questionnaire that measure the same concept. As stated previously pilot testing will be used to assess the validity of the questionnaire.
4.7 ETHICAL ISSUES IN RESEARCH

Ethics in research refers to the appropriateness of the researcher's behaviour in relation to the rights of the individuals who are the subject of the research (Saunder et al, 2003:129). According to Leedy and Ormrod (2001:107) most ethical issues in research fall into one of the following four categories:

1. protection from harm;
2. informed consent;
3. right to privacy; and
4. honesty.

The following ethical issues related to the research study have been identified:

- how permission will be obtained from organisation;
- informed consent; and
- a guarantee of confidentiality and anonymity;

In order to obtain permission for intended research a detailed outline of the research problem was given to the municipal manager and a letter was requested to indicate the support for the research. This letter assisted to obtain cooperation from workers when collecting data.

In principle all the participants in the research were offered the opportunity to remain anonymous. The participants were informed of the purpose of the research before participating. Confidentiality of the data collected was discussed and clarified with the organisation.

4.8 CONCLUDING REMARKS

In this chapter an overview was given on the concepts of research methodology. Insight into the research methodology adapted in this research study was offered as well as the reasons for using the said methodology. Furthermore, the researcher was able to discuss the ethical issues relating to the research study and provide input on how this will be addressed.
The following chapter will cover the data analysis and interpretation of the data collected by means of the questionnaire.
CHAPTER FIVE

5. ANALYSIS AND DISCUSSION OF RESULTS

5.1 INTRODUCTION

The methods used to source the primary data for this research were explained in chapter four. The purpose of this chapter is to give effect to the research objective, which is to design an effective complaints management system for George Municipality. In this chapter the result of the empirical study is presented. The data obtained from the questionnaire are analysed and interpreted to determine the intrinsic meaning and to answer the main and sub-problems.

The findings from the data will be discussed and interpreted in terms of the following measurement perspectives derived from the structure of the questionnaire:

Section A: Biographical information.
Section B: Service quality.
Section C: Complaints management system.
Section D: Components and characteristics of an effective CMS.

The responses of the respondents' to the various questions are presented descriptively, in tabular form, as well as graphically. Results of the questionnaire were captured and tabulated in a Microsoft Excel spread sheet in order to perform the required statistical analysis of data.

5.2 SAMPLE AND RESPONSE RATE

A total of fifty questionnaires were sent out to the employees of George Municipality. The questionnaires were hand delivered. Thirty nine questionnaires were received back which is a response rate of 78 per cent. According to Saunders et al (2003:156), a high response rate will ensure that the sample is representative of the population.
The sample consisted of employees in the various directorates within George Municipality. As stated in chapter one, these employees were selected as they interact directly with customers or citizens complaints on a daily basis.

5.3 DESCRIPTION AND INTERPRETATION OF THE BIOGRAPHICAL INFORMATION

Section A of the questionnaire dealt with the biographical data of the sample.

Figure 5.1: Current position of sample

Figure 5.1 indicates that 79 per cent of the sample group, of those who completed the questionnaire, did not hold managerial positions while 21 per cent were in management positions. This shows that the majority of employees dealing with customer complaints are in non-management positions.
As can be seen from figure 5.2, that 56 per cent of the respondents were female and 44 per cent were male. Figure 5.3 shows that the majority of the respondents have been employed between zero and five years. Furthermore, figure 5.3 indicates that three, four, five and six respondents have been employed for more than 21, 16 to 20, 6 to 10 and 11 to 15 years respectively.
The sample consists only of the employees of George Municipality, thus statistical tests would be meaningless as it will result in statistically insignificant findings. The findings of the questionnaire should be considered as suggestive of the experience of the employees of George Municipality only.

5.4 PERCEPTIONS AND ATTITUDE TOWARDS SERVICE QUALITY

As discussed in chapter two, quality of service is a standard pre-requisite, demanded by today's consumer where service quality is fast becoming the number one factor for customers when deciding which business to give their patronage to. The purpose of Section B of the questionnaire was to attain the perception and attitude of the sample group towards service quality.

Table 5.1 indicates that 62 per cent of the respondents stated that George Municipality has a service quality policy. It is interesting to note that 90 per cent of the respondents believe that service quality is relevant in local government. This finding is consistent with statements made in the literature review in chapter two. Furthermore, according to table 5.1, 67 per cent of the respondents believe that the customer is the one who determines the level of service quality.
<table>
<thead>
<tr>
<th>Closed Question</th>
<th>No of &quot;Yes&quot; Responses</th>
<th>% of &quot;Yes&quot; Responses</th>
<th>No. Of &quot;No&quot; Responses</th>
<th>% of No Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does George Municipality have a service quality policy?</td>
<td>24</td>
<td>62%</td>
<td>15</td>
<td>38%</td>
</tr>
<tr>
<td>Do you believe that the customer is the one who determines the level of service quality of George Municipality?</td>
<td>26</td>
<td>67%</td>
<td>13</td>
<td>33%</td>
</tr>
<tr>
<td>Do you believe service quality is relevant in local government?</td>
<td>35</td>
<td>90%</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>Are you familiar with the &quot;Batho Pele&quot; principles?</td>
<td>39</td>
<td>100%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>In your opinion did George Municipality adopt the &quot;Batho Pele&quot; principles?</td>
<td>28</td>
<td>72%</td>
<td>11</td>
<td>28%</td>
</tr>
</tbody>
</table>

Although all the respondents are familiar with the “Batho Pele” principles, only 72 per cent are of the opinion that George Municipality adopted the “Batho Pele” principles.
Figure 5.4 indicates the respondents’ view regarding the methods to measure service quality at George Municipality. Figure 5.4 indicates the following:

- 7 per cent of the respondents stated that the method of measurement is to ask the customers.
- 31 per cent stated that the method of measurement is management of complaints and compliments.
- 26 per cent stated that the method of measurement is the setting of standards and comparing actual service to this standard.
- 36 per cent stated no measurement of service quality.

These findings indicate that there is no clear written or communicated method to measure service quality within George Municipality. This is a concern when one considers that the information gathered when measuring service quality can help managers to understand what customers actually expect of a particular service. Furthermore, the literature review emphasised that the measurement of service quality involves the customer. These findings are contrary to the literature review. According to Feigenbaum (1983:7), it is important for
businesses to remember that the quality of a product or service is determined by the customer.

**Figure 5.5: Frequency of customer survey**

![Frequency of Customer Survey Chart]

Figure 5.5 indicates the frequency of customer surveys to determine the level of satisfaction with regards to service quality. Fifty-nine per cent of the respondents stated that the frequency of customer surveys is unknown to them, while 28 per cent responded that a customer survey is never done. Two per cent, 8 per cent and 3 per cent of the respondents indicated that a customer survey is done once a year, once a quarter and once a month, respectively.

The data analysed above signifies that customer surveys have a low level of importance in George Municipality. This finding confirms the results of the first comprehensive survey of the “Batho Pele” initiative which was undertaken in June 2000 for the Public Service Commission (Russell & Bvuma, 2001:243). According to Russell and Bvuma (2001:244) the survey results stated that not enough is being done to consult with the public regarding their needs.

Figure 5.6 below indicates the requirements that are important to achieve service quality. The findings are as follows:
• The majority (36) of the respondents strongly agree that having a customer-focused complaints management system is a requirement for improved service quality. Only three respondents were neutral to whether these constituted requirements.

• Twenty-seven and nine respondents strongly agree and agree (respectively) that empowering staff to make decisions is a requirement to achieve service quality. Two respondents were neutral while one respondent disagreed.

• All 39 respondents strongly agree that well trained and motivated staff is a requirement to achieve service quality.

• Having a clear vision of service quality was cited by all 39 respondents as a requirement to achieve improved service quality.

• Management commitment to service quality was also indicated by all respondents as a requirement to achieve service quality.

The findings as indicated by figure 5.6 substantiate the assertion made in the literature review that having all these requirements will lead to the achievement of service quality. It is however, important to note that the achievement of service quality according to Ghobadian et al (1993:46) is a continuous, progressive process and not a once off exercise.
Figure 5.6: Requirements to achieve service quality
5.5 FINDINGS WITH REGARDS TO THE CURRENT COMPLAINT MANAGEMENT SYSTEM

In chapter three it was stated that complaint management is a tool for quality assessment (Javetz & Stern, 1996:40). The purpose of Section C of the questionnaire is to ascertain if George Municipality currently has a complaints management system and how it compares to an effective CMS.

Table 5.2: Responses to Question 1, 2, 3 and 5

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does George Municipality welcome complaints?</td>
<td></td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>Does George Municipality have a complaints management policy?</td>
<td></td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Do you believe by measuring complaints George Municipality can improve their level of service quality?</td>
<td></td>
<td>97%</td>
<td>3%</td>
</tr>
<tr>
<td>Does George Municipality have a central department that deals with complaints?</td>
<td></td>
<td>62%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Table 5.2 tabulates the responses to question one, two, three and five respectively. The table indicates the following:

- 87 per cent of the respondents stated that George Municipality welcomes complaints.
- 59 per cent indicated that George Municipality doesn’t have a complaints management policy.
- The majority (97%) of the respondents believe that George Municipality can improve the level of service quality by measuring complaints.
- The table shows that 62 per cent of the respondents stated that George Municipality has a central department that deals with complaints, while 38 per cent said it does not.

The findings in table 5.2 confirm the statements made in the literature review that it is important for organisations to view complaints in a positive light. Zairi
(2000:35) states that by doing this organisations will have a way of receiving feedback from customers and it will be useful to measure performance and allocate resources to deal with the deficient areas of the business. The fact that 59 per cent of the respondents indicated that George Municipality does not have a complaints policy is a point of concern. According to the literature review, having a policy to deal with complaints is one of the essential components of an effective complaints management system.

**Figure 5.7: Number of complaints received**

Figure 5.7 shows the number of complaints received by George Municipality. Thirty-eight per cent of the respondents indicated that the number of complaints received per month is between 21 and 50 while 28 per cent say that the figure is over 100. Twenty-one per cent said that the number of complaints received per month is between 0 and 20 and 13 per cent said between 51 and 100. The
analysis of these data reveals that no formal communication exists to inform the employees regarding the number of complaints received per month. The literature review suggested that in order to promote a positive image of complaints, management needs to ensure that information regarding complaints is shared at every level of the organisation.

**Figure 5.8: The nature of the complaints management system**

Figure 5.8 indicates the nature of the complaints management system. From figure 5.8, it is evident that 28 per cent of the respondents believe that George Municipality has no complaints management system at all while 23 per cent state that George Municipality has a formal and structured CMS. The rest responded as follows:

- 15 per cent, formal and structured
- 13 per cent, informal but structured
- 11 per cent, informal and unstructured
- 10 per cent, other

The above findings indicate that there is no consensus among the respondents regarding the nature of the complaints management system.
Brennan and Douglas (2002:220) states that a complaints management system is an organised way of responding to, recording, reporting and using complaints to improve service to customers. The CMS should include procedures for customers to make complaints and guidelines for staff to resolve complaints. According to the analyses of the data this is clearly lacking at George Municipality.

Table 5.3 Responses to questions 7, 11, 12 and 13

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the George Municipality provide training for staff to handle customer complaints?</td>
<td>51%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>The employees dealing with complaints in your department have been given clear guidelines on how to handle customer complaints?</td>
<td>51%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>The complaints received by your department are reported to management on a regular basis?</td>
<td>62%</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>The complaints received by your department are used to improve the level of service quality?</td>
<td>64%</td>
<td>36%</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.3 indicates that 51 per cent of the respondents agree that George Municipality provides training for staff and gives clear guidelines to staff as to how to handle complaints, while 49 per cent disagree. Sixty-two per cent of the respondents stated that the complaints are reported to management and 64 per cent also state that the complaints received are used to improve the level of service quality.
When the respondents were questioned regarding the benefits of an effective CMS it emerged that the majority strongly agree and agree that a CMS would benefit the community, the council, the complainants as well as the employees. These findings are illustrated in figure 5.9.

An analysis of figure 5.9 indicates the following:

- 49 and 46 per cent of the respondents strongly agree and agree that an effective CMS will benefit the community, while only five per cent were neutral in this regard.
- The majority (44% & 46%) strongly agrees or agrees that the council will also benefit from an effective CMS. Only 10 per cent of the respondents were neutral.
- The benefits of an effective CMS for the complainants were rated as 90 per cent while only two per cent disagree and eight per cent were neutral.
- An overwhelming 95 per cent of the respondents agree that the employees will also benefit from an effective CMS.

The above-mentioned findings of the analysed data is consistent with the literature review that suggests that the implementation of an effective...
complaints management system by local governments will both improve service delivery and provide benefits to all role players involved.

In general it seems that George Municipality has some form of a complaints management system in place. The findings however indicate that the CMS is not formal and structured. This raises some concern when one takes into account that the literature states that complaints cannot be dealt with effectively without being organised.

5.6 VIEWS ON THE COMPONENTS AND CHARACTERISTICS OF AN EFFECTIVE CMS

As discussed in the literature review in chapter 3, when designing a complaints management system it should be understood that no single system would perform well in all organisations. Section D of the questionnaire asked the respondents to indicate the extent to which they agree to the components and characteristics of an effective complaints management.

The results to the questions of Section D are illustrated in table 5.4 and 5.5.
Table 5.4: Components of a CMS

<table>
<thead>
<tr>
<th>Components</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMS must have a policy</td>
<td>59%</td>
<td>41%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>CMS must provide a definition of a complaint</td>
<td>51%</td>
<td>41%</td>
<td>3%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>CMS must state the type of complaints it will handle</td>
<td>46%</td>
<td>49%</td>
<td>2%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>CMS must provide the procedures for customers to make complaints</td>
<td>54%</td>
<td>46%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>CMS must provide guidelines for staff on how to resolve complaints</td>
<td>62%</td>
<td>36%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>CMS must have a recording and reporting system for complaints</td>
<td>67%</td>
<td>33%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 5.4 indicates the responses to the components of a complaint management system. An analysis of table 5.4 indicates the following:

- 100 per cent of the respondents agree that a CMS must have a policy.
- 92 per cent of respondents agree that a CMS must provide a definition of a complaint, while three per cent were uncertain and five per cent disagreed.
- 95 per cent of the respondents believe that a CMS must state the type of complaints to be handled.
• All respondents (100%) were of the opinion that a CMS must provide procedures for customers to make complaints.
• 98 per cent agree that a CMS must provide guidelines for staff on how to resolve complaints.
• 100 per cent believe a CMS must have a recording and reporting system.

From the findings in Table 5.4 it is evident that the majority of respondents strongly agrees or agrees with the above components of a CMS. The study done by the CTBS (1995:15) agrees that the key components of an effective CMS are the need to establish clear procedures for complaint handling, and a recording and reporting system to improve service provision and prevent customer losses.
Table 5.5: Characteristics of a CMS

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should be easily accessible.</td>
<td>54%</td>
<td>46%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Have a single point of contact for complainants.</td>
<td>49%</td>
<td>33%</td>
<td>5%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>Have clear procedures.</td>
<td>56%</td>
<td>44%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Providing speedy response.</td>
<td>59%</td>
<td>41%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Keep the complainants informed.</td>
<td>62%</td>
<td>38%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Staff understanding the complaint process.</td>
<td>64%</td>
<td>36%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Staff empowered to deal with complaints.</td>
<td>59%</td>
<td>41%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Complainants are taken serious.</td>
<td>67%</td>
<td>33%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Have a follow-up procedure to check with complainants after resolution of complaints.</td>
<td>54%</td>
<td>43%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Using data from complaints to engineer-out the problems.</td>
<td>49%</td>
<td>51%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Table 5.5 indicates the opinions of the respondents regarding the characteristics of a CMS as derived from the literature review in chapter three. The analysis of each characteristic is the sum of respondents who indicated “Strongly agree” and “Agree”. Table 5.5 reveals the following:

- 100 per cent of respondents agree that a CMS should be easily accessible.
- 82 per cent believe that a CMS must have a single point of contact for complainants.
- All (100%) agree that a CMS must have clear procedures.
- 100 per cent of the respondents agree that providing a speedy response is an important characteristic.
- Keeping the complainants informed is an important characteristic for all (100%) respondents.
- 100 per cent of respondents agree that staff understanding the complaint process is a feature of an effective CMS.
- All respondents (100%) agree that a CMS must make sure that the staff are empowered to deal with complaints, that complainants are taken serious and that data from complaints are used to correct problems.
- 97 per cent of respondents agree that a CMS must have a follow-up procedure to check with complainants after resolution of complaints.

The findings of table 5.5 are consistent with the statements made in the literature review of chapter three. Johnston (2001: 62) agrees that when all the above-mentioned characteristics are integrated in a CMS, it will help organisations to gauge performance standards, to improve in areas such as training, product knowledge and measuring and monitoring of service quality.

5.7 CONCLUDING REMARKS

The purpose of this chapter was to present, analyse and interpret the results of the empirical study. The results were presented descriptively, graphically, as well as in tabular form. The overall results indicate that George Municipality adheres to some of the theoretical principles regarding an effective CMS while lacking in others, as stated in chapters two and three.
Chapter six elaborates on the summary of the findings, recommendations and conclusions based on the research results.
6. CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The previous chapter presented the results of the questionnaire conducted at the George Municipality in order to address the main and sub-problems identified in chapter one. The purpose of this chapter is to summarise the research findings and provide recommendations which emanate from the findings.

Furthermore, the problems encountered in the research as well as implications for future research are addressed in this chapter.

6.2 SUMMARY OF RESEARCH

The main objective of this research was to design an effective complaints management system for George Municipality. In chapter one the background and importance of the research was discussed.

This research, furthermore attempted to solve the main problem that has been identified in chapter one, which is:

To identify the components of an effective complaints management system for George Municipality.

The following sub-problems have been identified in order to answer the main problem:

- What is service quality?
- Why is service quality needed in local government?
- What role does complaints management play to improve service quality?
- What are the components of an effective complaints management system?
The first and second sub problem was addressed in chapter two. Chapter two of the research study summarised the findings of the literature reviewed, to define service quality and provide the reasons as to why service quality is needed in local government. The questionnaire also addressed the second sub-problem by finding out if the respondents believed that service quality is needed in local government. The results of the questionnaire were analysed and discussed in chapter five.

Chapter three consisted of a literature study which examined the role of complaints management in service quality as well as the components of an effective CMS. The third and fourth sub-problems were addressed in chapter three. The questionnaire also addressed the fourth sub-problem with these results being presented in chapter five.

The literature reviewed in chapter three also examined the characteristics and the benefits of an effective CMS. From the findings of the literature, a generic framework for a complaints management system could be designed. The said framework is illustrated in table 3.1. This framework includes all the components that have been identified as critical success factors for the design and implementation of an effective CMS. This framework is thus recommended for George Municipality to ensure the effective management of complaints.

Chapter four offered insight on the research methodology that was used in this study. A quantitative research approach was chosen in order to summarise a logical solution to the stated problem and sub-problems.

The questionnaire was developed from the findings of the literature review. The objective of the questionnaire was to identify the perceptions of the sample group with regards to service quality and to gather information relating to the use of a complaints management system as a management tool. In chapter five the findings from the data were discussed and analysed.

The next section deals with the main findings of the empirical study.
6.3 MAIN FINDINGS

The analysis of the data from the questionnaire has revealed that most of the respondents believe that service quality is relevant in local government. It also emerged that the respondents believe that the customer is the one who determines the level of service quality.

Although the findings indicate that the customer is the one who determines the level of service quality, the data analysed indicates that a customer survey has a low level of importance. The majority of the respondents state that the frequency of customer surveys is unknown to them. This can be attributed to the fact that not enough is being done by local government to consult with the public regarding their needs. This finding however is contradictory to what the literature states. As the literature suggests that service quality is based on the customer’s perception and having regular customer surveys will lead to the improvement of service quality.

The data also revealed that no clear method to measure service quality exists at George Municipality. A significant gap between the theory and practice was found as the literature highlights that the information gathered when measuring service quality is important to understand the needs of the customer.

The analysis of the data furthermore indicates that some form of a complaints management system exists at George Municipality, but it is not formal and structured. This is a major concern as a complaints management system is an organised way of responding to complaints.

From the findings it is clear that the respondents believe that complaints should be viewed in a positive light. This is because the information gathered from complaints will lead to the improvement of service delivery. However, 59 per cent of the respondents indicated that George Municipality does not have a complaint policy. A policy to deal with complaints has been identified in the literature review as an essential component of an effective CMS.
The findings revealed that the number of complaints received is not well documented and communicated. This was evident from the respondents’ answers (Figure 5.3) to the question regarding the average number of complaints received per month.

The findings also revealed that the community, council, complainants and the employees will benefit with the implementation of an effective complaints management system. Table 5.4 and Table 5.5 indicates that the majority of respondents agreed that an effective CMS should have the components and characteristics as stated in the literature review of chapter three.

The main findings can be summarized as follows:

- In table 5.1 the findings indicate that 90 per cent of the respondents believe that service quality is relevant in local government.

- Figure 5.4 indicates that there is no clear method used to measure service quality.

- Thirty-six of the 49 respondents agreed (Figure 5.6) that the having a customer focused approach is important to improve service quality.

- No formal and structured complaints management system exists, this can be seen from figure 5.8 which indicates that only 23 per cent of the respondents believe that George Municipality has a formal and structured CMS.

- It is clear from table 5.2 that the implementation of an effective complaints management system will improve service delivery as 97 per cent of the respondents agreed.

- Figure 5.9 illustrates that the majority of the respondents agree that an effective CMS will provide benefits to the community, the council, the complainants as well as the employees of George Municipality.
• The complaints management system should have certain components and characteristics as indicated by table 5.4 and table 5.5.

Based on the main findings of the research it is evident that there is an awareness of service quality as well as complaints management within George Municipality. Improving service quality is a challenge for George Municipality and should become a strategic concern for management. Actions must be planned and implemented to improve the quality of service delivery. These actions should include a measurement tool for service quality.

The overall findings offer empirical support for the concept that the implementation of an effective complaints management system can improve the level of service quality. The findings indicate the importance of having a customer focused approach to improve service quality. However it is important to note that a complaints management system cannot be seen simplistically as a tool to improve service quality since not all customers lodge complaints.

6.4 PROBLEMS ENCOUNTERED

The aim of this study was to understand and explain the impact of a customer complaints management system on the quality of service delivery within local government. For this purpose secondary data on the subject was collected from published books, academic journals and the Internet. As mentioned in chapter one, this study was limited by the scarcity of research studies on complaints management and its influence on service quality within the public sector of South Africa. For this reason mostly international literature was used. This study was also limited in that only the service quality and CMS of George Municipality was investigated.

6.5 IMPLICATIONS FOR FURTHER RESEARCH

A need and opportunity exists to develop a standard CMS to measure service quality within local government. Further research is needed to examine the role between the improvement of service quality and the implementation of an effective complaints management system. Future research regarding this topic
can be extended to include other local governmental authorities. Lastly, research focusing on the effectiveness of a complaints management system to measure service quality will have useful implications for local governmental management.

6.6 RECOMMENDATIONS

The following recommendations are made based on the findings of the literature study as well as the empirical study:

- Service quality standards must be set for George Municipality. A task team should be established to draft the policy and standards for service quality. Ideally employees involved in delivering the services should be consulted to determine the practicalities of the implementation. This will ensure that employees take ownership of the standards. The commitment of council, management and employees to the service quality standards is also essential. These standards should be linked to the vision and mission statements.

- It is imperative that regular customer surveys are done to determine the needs of customers. The information gathered from the surveys must reflect customers’ needs, preferences and satisfaction with the level of service quality. This data as well as the customer complaint data must be implemented by management when designing a measurement tool for service quality.

- The development and implementation of a method to measure service quality must be developed and implemented. This will ensure that the right systems and quality assurance procedures are put in place to ensure that the right things are done right the first time and every time.

- A formal and structured CMS should also be designed and implemented. The framework that was developed (Table 3.1) will assist management when designing the CMS for George Municipality. In order to attain service quality, customers should be pleased, therefore complaints have to be
looked at in a constructive, positive and professional perspective. An effective CMS will ensure this because it is a way of receiving feedback from customers. Complaints are generally seen as a useful tool to measure performance and will assist in allocating resources to deal with the deficient areas of the business.

### 6.7 CONCLUDING REMARKS

The objective of this research was to design an effective complaints management system for George Municipality. The finding of this research study has emphasised that customer feedback plays an unavoidable role as a contributing factor in the endeavour for continuous quality improvement. Furthermore, the achievement of improved service quality, the perspective of the customer, as well as that of the employees and management, should be incorporated into the methods and concepts used to improve the service quality. In both the literature study as well as the empirical findings it was confirmed that the adoption of a CMS, according to the theoretical guidelines, will lead to the improvement of service quality.
REFERENCE LIST


APPENDIX A: QUESTIONNAIRE FOR PILOT STUDY

Section A

Biographical Information

This section of the questionnaire is used for statistical purpose only.

Please complete your details below:

1. Current position: __________________________

2. Department: ______________________________

3. Number of years employed at George Municipality: __________________________

Please answer the following questions below by marking the appropriate block with an “X”.

4. Gender

Female    Male

5. Nature of the position

Management    Non management

SECTION B

SERVICE QUALITY

Service quality is defined as a measure of how well the service level delivered matches customer expectations.

Please answer the following questions relating to service quality at George Municipality.

1. Does George Municipality have a service quality policy?
   (Mark an X in the appropriate box)

   Yes    No

2. Do you believe that the customer is the one who determines the level of service quality of George Municipality?
   (Mark an X in the appropriate box)

   Yes    No

3. How does George Municipality measure the level of service quality?
   (Kindly choose one of the following options given by circling the appropriate letter)

   a) by asking the customers (customer survey)
   b) by managing complaints and compliments received
   c) by setting standards and comparing actual service to standard
   d) no measurement of service quality
4. For the statement below, please indicate the extent to which you agree or disagree.

Service quality is very important to George Municipality.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

5. Do you believe service quality is relevant in local government?
(Mark an X in the appropriate box)

Yes [ ] No [ ]

6. Are you familiar with the “Batho Pele” principles?
(Mark an X in the appropriate box)

Yes [ ] No [ ]

7. Did George Municipality adopt the “Batho Pele” principles?
(Mark an X in the appropriate box)

Yes [ ] No [ ]

8. Who determines the level of service quality in George Municipality?
(Kindly choose one of the following options given by circling the appropriate letter)

a) Government  
b) Council  
c) Management  
d) Employees  
e) Customers/citizens  
f) Don’t know

9. How often does George Municipality conduct surveys to assess customer satisfaction?
(Mark an X in the appropriate box)

Always [ ] Often [ ] Sometimes [ ] Seldom [ ] Never [ ]

10. For the following statements please tick the box that matches your view most closely.

The key ingredients for service quality improvements are:

<table>
<thead>
<tr>
<th>Ingredient</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having a customer focus</td>
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<tr>
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<tr>
<td>Having an efficient customer complaint system</td>
<td></td>
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</tr>
</tbody>
</table>

11. For each statement below, please indicate the extent to which you agree or disagree.

In order to achieve service quality George Municipality organisation requires the following:
<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market and Customer focus.</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Empowering of staff to make decisions to improve service quality.</td>
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<td>Well trained and motivated staff.</td>
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</tr>
<tr>
<td>A clear service quality vision.</td>
<td></td>
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</tr>
<tr>
<td>Management’s commitment to service quality</td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

12. How satisfied are your department with the level of service quality provided to citizen/customers? 
(Kindly choose one of the following options given by circling the appropriate letter) 

<table>
<thead>
<tr>
<th></th>
<th>Completely satisfied</th>
<th>Satisfied</th>
<th>Slightly concerned</th>
<th>Working at improving the level of service quality</th>
<th>Not satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a)</td>
<td>b)</td>
<td>c)</td>
<td>d)</td>
<td>e)</td>
</tr>
</tbody>
</table>

13. Do you believe that customers/citizens are taken for granted by George Municipality? 
(Mark an X in the appropriate box) 

<table>
<thead>
<tr>
<th></th>
<th>Yes –always</th>
<th>Sometimes</th>
<th>Don’t know</th>
<th>Not-always</th>
<th>Never</th>
</tr>
</thead>
</table>

14. Do you believe there are aspects that George Municipality can improve in order to improve the level of service quality? 
(Kindly choose one of the following options given by circling the appropriate letter) 

<table>
<thead>
<tr>
<th></th>
<th>a)</th>
<th>b)</th>
<th>c)</th>
<th>d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes, in all aspects</td>
<td>Yes, a few aspects</td>
<td>Don’t know</td>
<td>No</td>
</tr>
</tbody>
</table>

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**SECTION C**

**COMPLAINTS MANAGEMENT SYSTEM**

A complaint is an expression of dissatisfaction with the organisation's procedure, charges, employees, agents or quality of service. 
A complaint management system is an organised way of dealing with complaints.

Please answer the following questions relating to the complaint management system of George Municipality.

1. Does George Municipality welcome complaints? 
(Mark an X in the appropriate box) 

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

2. Does George Municipality have a complaints management policy? 
(Mark an X in the appropriate box) 

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
3. Does George Municipality have a central department that deals with complaints? 
(Mark an X in the appropriate box)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

4. How many complaints does your department receive on average per month? 
(Kindly choose one of the options given by circling the appropriate letter)

| a) 0 to 20 |
| b) 21 to 50 |
| c) 51 to 100 |
| d) More than 100 |

5. Do you believe by measuring complaints George Municipality can improve their level of service quality?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

6. Please rate the performance of your department in handling complaints received from customers. 
(Kindly choose a number from 1 to 5 that best describe your view)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Courtesy of staff</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Fairness</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Confidentiality</td>
<td></td>
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<tr>
<td>Responsiveness</td>
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<td></td>
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<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

7. Does George Municipality provide training for staff to handle customer complaints? 
(Mark an X in the appropriate box)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

8. How does George Municipality make provision for customers to lodge complaints? 
(Kindly choose an option by circling the appropriate letter – more than one option may be chosen).

| a) in person |
| b) telephonically |
| c) written |
| d) email |
| e) by fax |

9. For the following statement below, please indicate the extent to which you agree or disagree.

The management of George Municipality view complaints as an opportunity to improve service quality.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

10. For each statement below, please indicate the extent to which you agree or disagree.

An effective complaint management system benefits:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>
11. The employees dealing with complaints in your department have been given clear guidelines on how to handle customer complaints? (Mark an X in the appropriate box)

| Yes | No |

12. The complaints received by your department are reported to management on a regular basis? (Mark an X in the appropriate box)

| Yes | No |

13. The complaints received by your department are used to improve the level of service quality? (Mark an X in the appropriate box)

| Yes | No |

14. Which of the following best describes the complaints management system of your department? (Mark an X in the appropriate Box)

| Formal and structured | Formal but unstructured | Informal but structured | Informal and unstructured | No system at all | Other |

15. For the following statements, please tick the box that matches your view most closely.

George Municipality has informed customers/citizens of the following with regards to lodging complaints:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>How lodge a complaint</td>
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<tr>
<td>Where to lodge a complaint</td>
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<tr>
<td>The response time target for the complaint process</td>
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<tr>
<td>Provide a list of remedies available to address complaints</td>
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</table>

SECTION D

COMPONENTS AND CHARACTERISTICS OF AN EFFECTIVE COMPLAINT MANAGEMENT SYSTEM

1. Please indicate the extent to which you agree that the following are components of a complaint management system (CMS). (Mark an X in the appropriate box)
2. Please indicate the extent to which you agree that the following are characteristics of an effective complaint management system (CMS).
(Mark an X in the appropriate box)

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A CMS should be easily accessible.</td>
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<tr>
<td>A CMS must be fair and consider all complaints on their merits.</td>
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<tr>
<td>A CMS must be open and accountable so customers can judge if system is working effectively.</td>
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<tr>
<td>A CMS must be backed by the commitment of all levels of employees.</td>
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<tr>
<td>A CMS must be integrated in all service quality improvement processes.</td>
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<tr>
<td>A CMS must be effective to address all customer complaints.</td>
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</tbody>
</table>
APPENDIX B: COVER LETTER FOR QUESTIONNAIRE

22 September 2008

SURVEY ON COMPLAINTS MANAGEMENT SYSTEM AS A TOOL TO MEASURE SERVICE QUALITY AT GEORGE MUNICIPALITY

Dear Colleague,

I am a post-graduate student at the Nelson Mandela Metropolitan University and the topic of my master’s dissertation is “To identify the components of an effective complaints management system for George Municipality?”

The survey is aimed at collecting data on service quality, complaints management and its application for local government. You have been selected to participate in the survey as a result of your involvement and experience on a daily basis dealing with customer complaints. Your views and opinions regarding service quality and complaint management will be used to develop a framework for an effective complaints management system for George Municipality.

All data obtained from the questionnaire will be treated as strictly confidential and it will be impossible to identify participants on the strength of the results included in the final report. Enclosed find the questionnaire, kindly complete and return to me not later than 23 September 2008.

Should you require any additional information, please do not hesitate to contact Sandra Alcock at:

Telephone: 011 656 5913
            072 551 9377

Thank you for your cooperation.

Yours faithfully

Sandra Alcock
Researcher
APPENDIX C: QUESTIONNAIRE

Section A

Biographical Information

This section of the questionnaire is used for statistical purpose only.

Please complete your details below:

1. Current position: _______________________

2. Department: _______________________

3. Number of years employed at George Municipality: _____________

Please answer the following questions below by marking the appropriate block with an “X”.

4. Gender

Female [ ] Male [ ]

5. Nature of the position

Management [ ] Non management [ ]
SECTION B

SERVICE QUALITY

Service quality is defined as a measure of how well the service level delivered matches customer expectations.

Please answer the following questions relating to service quality at George Municipality.

1. Does George Municipality have a service quality policy?

   (Mark an X in the appropriate box)

   Yes [ ] No [ ]

2. Do you believe that the customer is the one who determines the level of service quality of George Municipality?

   (Mark an X in the appropriate box)

   Yes [ ] No [ ]

3. How does George Municipality measure the level of service quality?

   (Kindly choose one of the following options given by circling the appropriate letter)

   a) by asking the customers (customer survey)
   b) By managing complaints and compliments received
   c) By setting standards and comparing actual service to standard
   d) No measurement of service quality
4. For the statement below, please indicate the extent to which you agree or disagree.

Service quality is very important to George Municipality.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

5. Do you believe service quality is relevant in local government?
   (Mark an X in the appropriate box)

   Yes   No

6. Are you familiar with the “Batho Pele” principles?
   (Mark an X in the appropriate box)

   Yes   No

7. In your opinion did the George Municipality adopt the “Batho Pele” principles?
   Mark an X in the appropriate box)

   Yes   No

8. In your opinion who determines the level of service quality in George Municipality?
   (Kindly choose one of the following options given by circling the appropriate letter)
   a) Government
   b) Council
   c) Management
   d) Employees
   e) Customers/citizens
   f) Don’t know
9. In your opinion, how often does the George Municipality conduct a survey to assess customer satisfaction?  
(Mark an X in the appropriate box)

<table>
<thead>
<tr>
<th>Once a month</th>
<th>Once a quarter</th>
<th>Once a year</th>
<th>Unknown</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

10. For the following statements please tick the box that matches your view most closely.

The key ingredients for service quality improvements are:

<table>
<thead>
<tr>
<th>Ingredient</th>
<th>Strongly Agree</th>
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<th>Neutral</th>
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</table>

11. For each statement below, please indicate the extent to which you agree or disagree.
In order to achieve service quality George Municipality organisation requires the following:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
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<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
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<td>Market and Customer focus.</td>
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<td>A clear service quality vision.</td>
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<td>Management’s commitment to service quality</td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

12. How satisfied are your department with the level of service quality provided to citizen/customers?
   (Kindly choose one of the following options given by circling the appropriate letter)
   a) Completely satisfied
   b) Satisfied
   c) Slightly concerned
   d) Working at improving the level of service quality
   e) Not satisfied

13. Do you believe that customers/citizens are taken for granted by George Municipality?
   (Mark an X in the appropriate box)
14. Do you believe there are aspects that George Municipality can improve in order to improve the level of service quality?
(Kindly choose one of the following options given by circling the appropriate letter)

a) Yes, in all aspects
b) Yes, a few aspects
c) Don’t know
d) No

SECTION C

COMPLAINTS MANAGEMENT SYSTEM

A complaint is an expression of dissatisfaction with the organisation's procedure, charges, employees, agents or quality of service. A complaint management system is an organised way of dealing with complaints.

Please answer the following questions relating to the complaint management system of George Municipality.

1. Does George Municipality welcome complaints?
   (Mark an X in the appropriate box)
   
   Yes   No

2. Does George Municipality have a complaints management policy?
   (Mark an X in the appropriate box)
3. Does George Municipality have a central department that deals with complaints?
(Mark an X in the appropriate box)

Yes [ ] No [ ]

4. How many complaints does your department receive on average per month?
(Kindly choose one of the options given by circling the appropriate letter)

a) 0 to 20
b) 21 to 50
c) 51 to 100
d) More than 100

5. Do you believe by measuring complaints George Municipality can improve their level of service quality?

Yes [ ] No [ ]

6. Please rate the performance of your department in handling complaints received from customers.

(Please choose a number from 1 to 5 that best describe your view)

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<tr>
<td>Fairness</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
7. Does George Municipality provide training for staff to handle customer complaints?
   (Mark an X in the appropriate box)
   
   Yes ☒ No ☐

8. For the options given, please tick the box that matches your view most closely.

   The George Municipality makes provision for customers to lodge complaints as follows:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>In person</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Written</td>
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<tr>
<td>Email</td>
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<tr>
<td>By Fax</td>
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</tr>
</tbody>
</table>

9. For the following statement below, please indicate the extent to which you agree or disagree.

   The management of George Municipality view complaints as an opportunity to improve service quality.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. For each statement below, please indicate the extent to which you agree or disagree.
An effective complaint management system benefits:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td></td>
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</tr>
<tr>
<td>Council</td>
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<tr>
<td>Complainants</td>
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<tr>
<td>Employees</td>
<td></td>
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</tbody>
</table>

11. The employees dealing with complaints in your department have been given clear guidelines on how to handle customer complaints?

   (Mark an X in the appropriate box)

   Yes   No

12. The complaints received by your department are reported to management on a regular basis?

   (Mark an X in the appropriate box)

   Yes   No

13. The complaints received by your department are used to improve the level of service quality?

   (Mark an X in the appropriate box)

   Yes   No

14. Which of the following best describes the complaints management system of your department?

   (Mark an X in the appropriate Box)
<table>
<thead>
<tr>
<th>Formal and structured</th>
<th>Formal but unstructured</th>
<th>Informal but structured</th>
<th>Informal and unstructured</th>
<th>No system at all</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

15. For the following statements, please tick the box that matches your view most closely.

George Municipality has informed customers/citizens of the following with regards to lodging complaints:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>How lodge a complaint</td>
<td></td>
<td></td>
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<tr>
<td>Where to lodge a complaint</td>
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<tr>
<td>The response time target for the complaint process</td>
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<tr>
<td>Provide a list of remedies available to address complaints</td>
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</tbody>
</table>

SECTION D

COMPONENTS AND CHARACTERISTICS OF AN EFFECTIVE COMPLAINT MANAGEMENT SYSTEM
1. Please indicate the extent to which you agree that the following are components of a complaint management system (CMS).
(Mark an X in the appropriate box)

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A CMS must have a policy for dealing with complaints.</td>
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<tr>
<td>A CMS must provide a definition of a complaint.</td>
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<td>A CMS must state the type of complaints it will handle.</td>
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<td>A CMS must provide the procedures for customers to make complaints</td>
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<tr>
<td>A CMS must provide guidelines for staff on how to resolve complaints</td>
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<tr>
<td>A CMS must have a recording and reporting system for complaints.</td>
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</tbody>
</table>

2. Please indicate the extent to which you agree that the following are characteristics of an effective complaint management system (CMS).
(Mark an X in the appropriate box)
<table>
<thead>
<tr>
<th>Should be easily accessible.</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a single point of contact for complainants.</td>
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<tr>
<td>Have clear procedures</td>
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<tr>
<td>Providing speedy response</td>
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<tr>
<td>Keep the complainants informed.</td>
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<tr>
<td>Staff understanding the complaint process.</td>
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<td>Staff empowered to deal with complaints.</td>
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<tr>
<td>Complainants are taken serious.</td>
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<tr>
<td>Have a follow-up procedure to check with complainants after resolution of complaints.</td>
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<tr>
<td>Using data from complaints to engineer-out the problems.</td>
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</tbody>
</table>

THANK YOU FOR YOUR COOPERATION AND SUPPORT.