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## IMPROVEMENT OF CUSTOMER COMPLAINT EVALUATION PROCESS IN SAYA STEEL INDUSTRIES

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### ABSTRACT

*This research aims to analyze the current state of customer complaint management at SAYA Steel Industries to identify the system's weaknesses and strengths and upgrade and enhance it. Due to the small size of the statistical population, all 26 complaints received in the last five years (2010-2014) were analyzed as a statistical sample for this study. The researcher's method of data collection is field observation. These data were organized into frequency distribution tables, and as they lack a quantitative or statistical component, a qualitative analytic method was utilized to examine the information gathered for this study. According to the analysis of the collected information, the customer complaint management system is not in perfect condition. In addition to having difficulty receiving and accepting consumer complaints, this system does not affect the complaint-handling process in its present state.*

**Keywords:** Customer, Customer complaint management, Customer satisfaction, Complaint

### INTRODUCTION

All successful companies in today's competitive marketplaces pay close attention to the customer and concentrate their efforts on customer focus. Small or large, for-profit or non-profit, national or international, no business will succeed without a proper customer orientation procedure, and one of its answers is to pay attention to customer complaints. On the other hand, the existence of any organization is due to the products and services that satisfy customers' needs. Therefore, it is vital to answer these questions, such as "Who are our customers?" What are their needs, expectations, and priorities? How effectively have we been able to address these needs? In general, "what is the degree of customer happiness, and how does it fluctuate?" The key to every contemporary business's success is understanding the customer's wants and what the manufacturer can provide. Complaints received from consumers are an excellent chance to regain customers' confidence and enhance the situations in question. A company must have the communication tools necessary to receive and manage complaints. Customer relationship management (CRM) will substantially impact the organization's customer management. Ignoring customer complaints results in losing devoted customers who take the time to file them. By registering all customer complaints and relaying them accurately and promptly to the organization's leadership, the customer relations unit may become a rich source of important information. This article investigates the SAYA Steel Industries customer complaint problem in

light of these explanations. Finding the system's weaknesses and strengths is the first step of this review's objective: to enhance the system by addressing its weaknesses and strengths.

### **Customer Complaint Management**

Employees of a company must be aware of customer requirements and have a broad understanding of how the customer complaint management procedure may help customer satisfaction. Typically, two reactive and active sources are used to collect customer information. Reactive sources consist of customer complaints, warranties, and information supplied by the customer. Action sources include interviews, surveys, and information gathered at the customer's location by the organization. The earlier the customer is involved in product/service planning, the more probable the final product will meet the customer's requirements. Unfortunately, organizations employ customer complaints to update databases (if any) and not in marketing and sales activities, which means that most customer complaints are not represented correctly. Many companies do not even realize how many complaints have been received by them, as their PR and customer relationships do not prioritize complaints. The vast majority of businesses only get ten percent of customer complaints, while the remaining ninety percent are lost and negatively impacted numerous ways, resulting in a loss of potential consumers. Therefore, the most effective response approach entails promptly addressing customer complaints. Establishing a system that can send a letter of thanks to the customer within 24 hours and notify them of receiving their complaint constitutes rapid processing. Information about the complaint handling process may lead to product enhancements, and a company's reputation will be enhanced regardless of its size, location, or status if it handles complaints well.

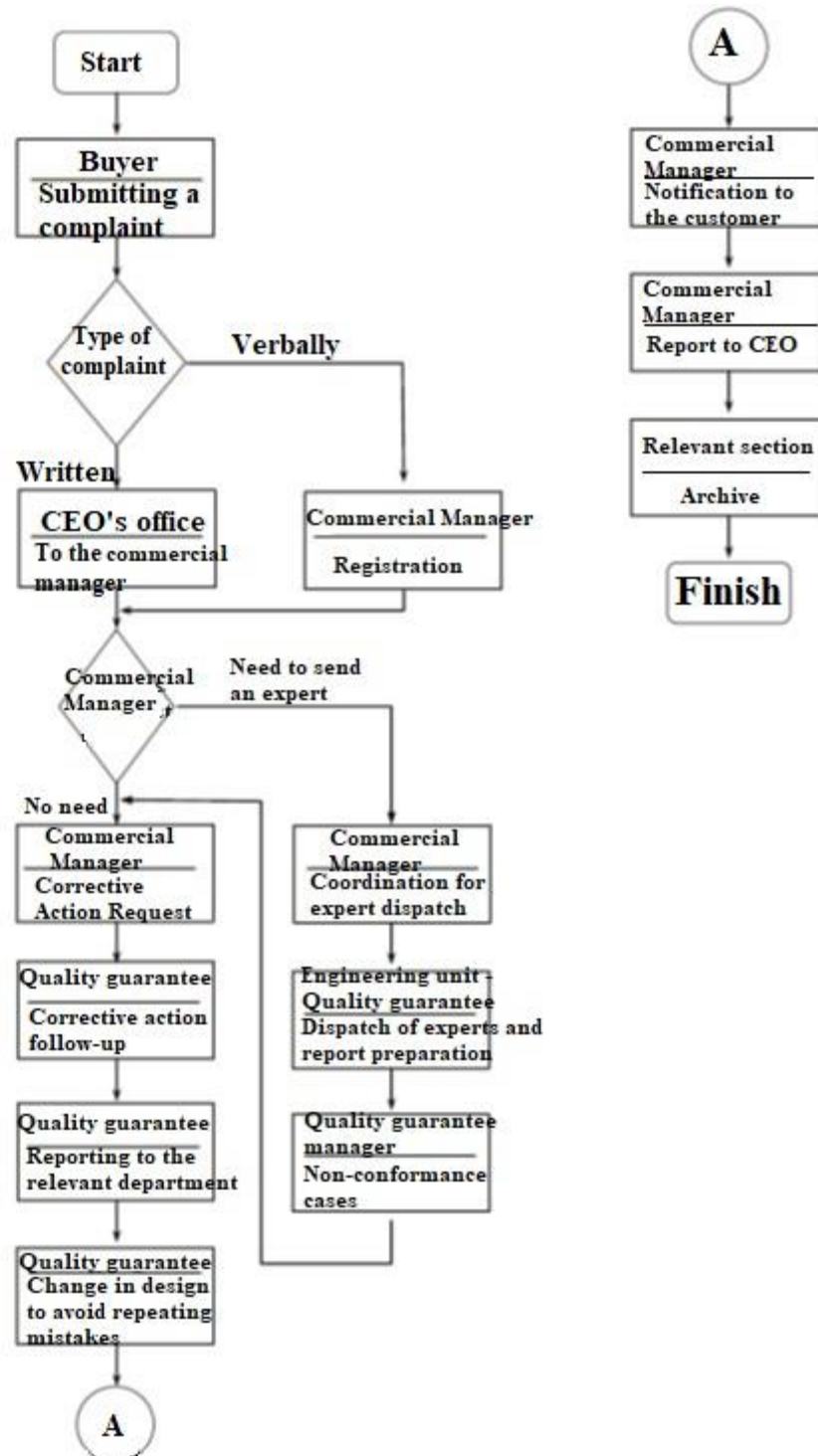
### **SAYA Steel Industries**

At SAYA Steel Industries, customer complaints are processed by an administrative procedure known as the customer satisfaction monitoring and measuring process based on the ISO 9001:2008 standard.

It is emphasized in this method that the commercial manager is in charge of this process, and a particular form has been created for recording customer complaints. After being reviewed, every complaint is forwarded to the commercial unit, and the managing director's opinion is announced and documented in these forms. Then, the commercial manager develops a corrective action request form and informs the quality assurance unit that a complaint has been received that is non-compliant. Depending on which organizational unit the complaint pertains to, the quality assurance unit notifies the relevant unit to offer the necessary explanations on the source of the complaint and an appropriate response within a specific time frame. The relevant unit will reply adequately to the quality assurance unit after investigating the complaint and its cause. The complaint file will be closed once the quality assurance unit reviews the adequacy or inadequacy of the answer in the quality assurance committee and determines whether corrective action is required.

The procedure is illustrated in the following diagram.





The article's author is a business manager at SAYA Steel Industries with twenty years of experience and is also responsible for the marketing unit, customer relations, and customer complaint management. All customer complaints received in the last five years have been collected and examined for this research. Since SAYA Steel Industries produces heavy and super heavy steel casting components, the company has a limited amount of products and clients;

therefore, the number of complaints received is also relatively low, with 26 complaints received over the last five years. With the frequency mentioned above accumulation, it is possible to categorize complaints into three groups:

1. Complaints related to product quality, 14 cases
2. Complaints related to time and delay in delivery, 9 cases
3. Complaints related to price comparison with competitors' prices, 3 cases

Subject of complaint	Number	Percentage
Product Quality	14	54
Delay in delivery	9	34
Compare prices with competitors	3	12

The complaints above were logged in the company's quality management system and have been closed after following the processes for processing complaints. A deeper analysis of the papers relating to each of the complaints during the last five years reveals that none of them led to a change or improvement in the administrative processes, and it appears that the case was closed under the excuse that only responsibility was removed. One argument is that the tiny number of complaints over a lengthy period will not have the required impact to affect the enforcement procedure. The small number of complaints is related to nature and the small number of SAYA Steel Industries products and customers. A previous study reveals that the degree of customer discontent in Iran owing to the poor performance of enterprises compared to advanced nations and the low expectations of customers is 25% unhappy, 2% complaining, and 98% keeping quiet. This company's goal should be determined so that it forces customers to complain and try to present their suggestions. Low or non-reporting customer complaints should not be seen as a sign of high quality. In this case, silence is not a sign of satisfaction.





In this company, the customer satisfaction evaluation method is employed to decrease the vacuum caused by the low number of complaints. A 12-item questionnaire was devised to assess customer satisfaction in four primary categories (quality, price, delivery time, and service). Strongly satisfied, Satisfied, Relatively satisfied, and Dissatisfied are the correct responses for the four alternatives. Any item for which a client has expressed dissatisfaction is regarded as a complaint and will undergo the same stages outlined in the customer complaint procedure. For the same reasons for the low number of complaints, using this item does not significantly increase the number of complaints. Typically, such surveys are connected with deviation and distancing from the complete truth owing to bias, and complainants refuse to fill them out for moral grounds; thus, the outcomes of these situations are not remarkably realistic.

#### **Customer Orientation**

The complaint management processes of SAYA Steel Industries should be optimized. A customer orientation strategy should be implemented more strongly in the organization. Customer orientation implies that management and staff are aware of the customer's wants and how to express them in everyday operations; they also drive the organization's procedures to ensure customer satisfaction.

The organization's success relies on the customer's buying decision; satisfying their wants and expectations should be its top priority.

High customer satisfaction and long-term client loyalty are the goals of the customer orientation strategy. Although managing customers for loyalty does not necessarily equate to managing customers for profitability, a loyal client is valued as an outstanding marketer and sales source.

Deep communication should constantly be developed to comprehend the customer's requirements and expectations, and the customer should be permitted and even encouraged to complain.

The customer's complaint must be attentively heard, and the problem must be recognized. Never argue with consumers; listen to their complaints respectfully, apologize, and tell them their concerns will be examined.

In the face-to-face meetings held during the marketing phase at SAYA Steel Industries, in addition to the traditional lines of communication with clients, such as telephone, fax, and email, the customer is also presented to individuals with whom he or she may communicate directly and readily. After the contract is signed and throughout the order's execution, the firm appoints a project manager who oversees all order-related operations and serves as the primary point of contact with the customer.

There should be sufficient dedication and incentive to receive customer complaints via various channels and actively listen to the customer's voice. If the customer's words are appropriately understood based on the tone of their voice, it will be possible to have a deeper grasp of their desires. Experience has shown that customers who complain about product or service characteristics are more likely to purchase from a company again than those who never complain. Therefore, if they are given a correct response courteously, they will remain loyal up to 50% of the time; otherwise, they will go to a competitor.

Customers who complain are friends, not enemies.

Participation in and attendance at specialized exhibitions, congresses, seminars, and conferences provides an additional communication channel with customers.

In such settings, communication is direct and face-to-face, and the environment is friendly and casual. As a result, access to some information that is not available through official channels is provided, and customers will be able to express their criticism or complaints in a more comfortable environment.

This topic should be included explicitly in SAYA Steel Industries' customer-oriented strategy.

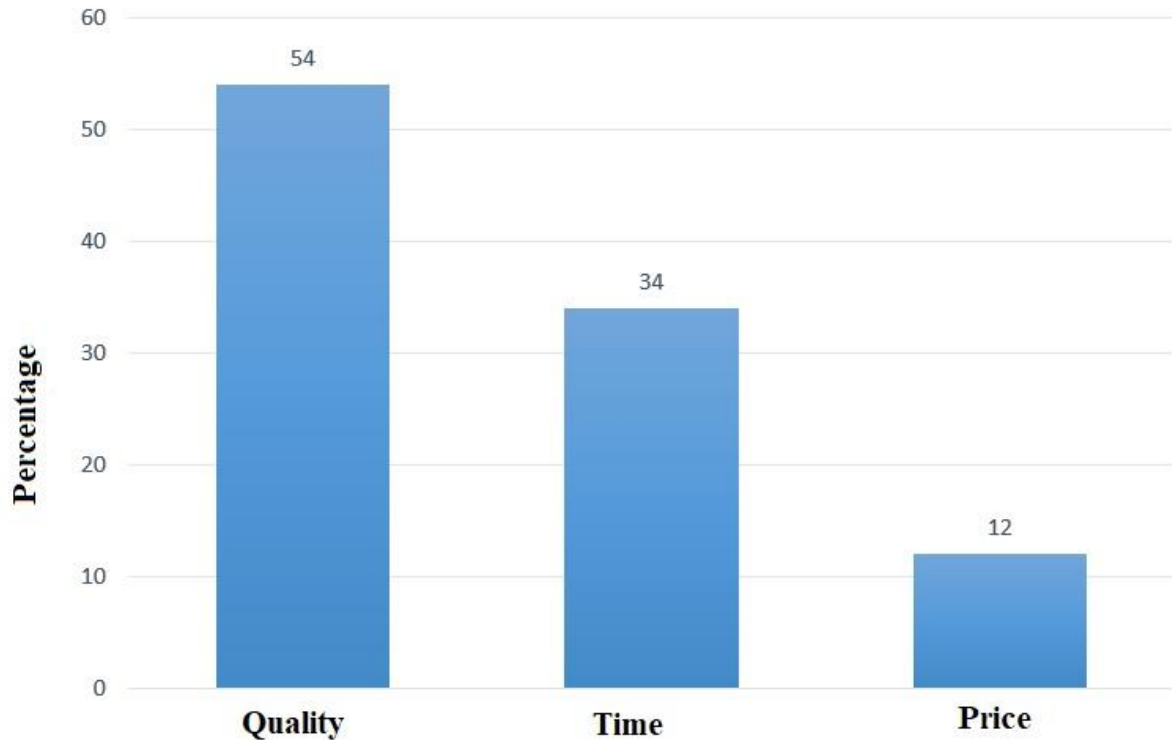
### **Complaint Handling Procedure**

In SAYA Steel Industries, complaints are submitted to the quality assurance unit via the commercial unit, reviewed and approved by the CEO, and then forwarded to one of the executive units for resolution. Every complaint should be examined honestly, objectively, and impartially through the complaint handling procedure, so the organization's best practices should be considered.

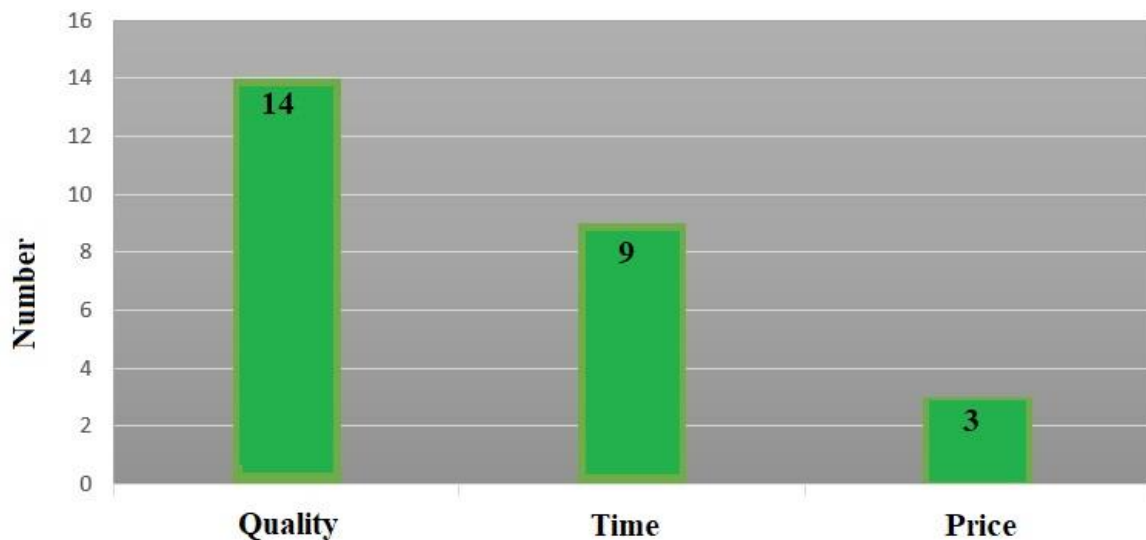
The organization's top management must offer the required resources, including human resources, specialist assistance, materials and equipment, materials and equipment, hardware, software, and financial resources, to ensure the efficacy of the complaint-handling process. In fully implementing the principle of customer orientation, the organization must accept any complaint without question to improve the company's reputation.

In SAYA Steel Industries, the complaints received during the last five years are placed in three groups (quality, price, and delay in delivery), which is done after checking whether the quality-related issues are repairable. In other instances, an expert team would only inspect the product that had been complained about and suggest ways to avoid such problems in the future.





Complaints regarding pricing and delivery delays were nearly the same, and it was subject to measures in the future during the last five years, which never materialized. Handling complaints should result in enhancements to goods and procedures, and a thorough review of complaints enhances the organization's image, regardless of its size, location, or position. However, SAYA Steel Industries has not benefitted significantly from this feature of customer complaints, which is one reason for the low number of complaints.



According to the above charts, 54% of all complaints are quality-related. Given that most quality complaints are about cracked parts, concentrating on quality and removing the variables

relating to this item alone can address more than half of the complaints and considerably raise customer satisfaction.

### **Conclusion and Suggestions**

According to the preceding explanations, it is advised that the following elements should be placed at the top of SAYA Steel Industries' customer orientation strategy in order to enhance the customer complaints management process.

1. For the success of the customer complaint management system, it is necessary to conduct a comprehensive evaluation of the appropriate implementation strategy. The corporation should view the complaint as an opportunity and a gift from the customer and encourage customers to file further complaints. The company should inform the customers that complaints are encouraged and instruct them on how to file them. It is advised to create a complaint form, provide it to the customers along with the contract, and ask them to email in any complaints they have throughout the term.

2. Complaint handling is not the only responsibility of a particular organization unit; all units should cooperate to handle complaints properly and continuously improve the quality of their services.

3. In the relevant committee, the reasons for the complaint should be resolved, and handling each complaint should finally result in a solution and a chance for improvement.

4. Restoring customer satisfaction, reducing the negative impacts of dissatisfaction, and identifying and looking into the process and organizational flaws of the company should be the overarching objectives of customer complaint management. If the customer complaint management system has not met these objectives within a particular period, its efficacy will be called into doubt.

5. Customers should be notified of the outcomes of the inquiry into their complaints and the company's decisions, and customer satisfaction with the method for resolving their complaints should be guaranteed. In the event of discontent, attempts should be made to satisfy the customer. Experience has proven that customers who were still dissatisfied with handling their complaints did not return to the company.

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