

The Value of Ethics to reduce Customer Grievances in an Organization

Harini Navoda De Zoysa

Assistant Lecturer, Department of Philosophy

harini.navo33@gmail.com

Abstract

This paper reviews a major concept in the field of philosophy, namely “Ethics”. The term comes from the Greek word ethos, which means “character”. Ethics seeks to resolve questions dealing with human morality-concepts such as good and evil, right and wrong, virtue and vice, justice and crime. In philosophy, ethics studies the moral behavior in humans and how one should act. And also this paper reviews customer grievances as well. Customer grievances are one of the major issues in customer relationship of any customer service. It is said that customer grievances are the heart of the organization. Therefore, this should be handled very carefully, for the success of any organization. The intention of this paper is to examine the customer grievances and related ethics in Sri Lankan context. It hopes to study the nature, types, and prevention of customer grievances.

Introduction

The cost of gaining a new customer has been determined to be four times the cost of maintaining existing customers. (<http://linkedin.com>) Therefore, the customer base has to be managed as effectively as possible. The base of the customer relationship is identifying customer grievances in the commercial industry.

All organizations are using different strategies to keep customers with them. Therefore, today identifying and encouraging the resolution of customer grievances has become a very important and challengeable concept for all organizations. Hence, Ethics helps to improve relationship between customers and employees. So it is essential to understand the way customer grievances influences in Sri Lankan context.

What is a “Grievance?”

Gary Dessler has defined a grievance as:

“Any factor involving wages, hours, and conditions of employment that is used as a complaint. Similarly it could be expressed or not expressed.”

(Dessler Gary, Human Resources Management, P.27)

This definition has mainly been developed from the employees’ point of view. A similar type of definition has been given by the International Labour Organization. (ILO)

ILO has defined a grievance as:

“Any complaint or dissatisfaction on the part of a worker or a group of workers relating to their employment in the undertaking, with the general claims which normally fall within the scope of collective bargaining as a result of employment.”

(The International Labour Organization)

These ideas can be adapted address customer grievances. Hence, customer grievances can be defined as customers' complain dissatisfaction etc. Most of these grievances are imaginative and unfounded beliefs. Most of these situations never become serious because of various reasons. Grievances are rarely reported as most customers do not wish to antagonize their immediate superior by questioning their judgment. Also most customers do not initiate grievances because they believe that nothing will be done as a result of their attempt.

A grievance can be any discontent or dissatisfaction, whether expressed or not, whether valid or not, and arising out of anything connected with the company that the customer thinks, believes, or even feels as unfair, unjust, or inequitable. Thus, a grievance represents a situation in which the customer feels that something unfavorable to him has happened or is going to happen.

Features of a Grievance

The following features can be identifying in a grievance.

- Can be real or imaginative feelings of personal justice that a customer has about the company relationship.
- It needs not be expressed to become a grievance.
- It needs not be true or correct.
- A feeling arising from imaginative conditions or from incorrect reasoning is still a grievance if it causes a feeling of injustice.
- While the real grievance exists, the customer may state a different grievance either because he is unable to see the real situation or because of his unwillingness to define the actual cause of the grievance.

Ethics and Customer Grievances

In today's world, identifying customer grievance is an important component in every company which is conducted by Human Resources Management. Problems are often aggravated in most organizations as a result of ineffective grievance handling. The managers from the supervisory level to the senior management level should have a sound knowledge in customer grievance handling and other related areas such as counselling, interpersonal relations, negotiating skills, and effective communication skills if they are to become effective managers, who keep looking at achieving organizational objectives. Although it may not be possible to eliminate grievances altogether, they could be reduced

and a conducive environment for the improvement of a healthy customer-employer relationship could be developed. Emergence of grievances could be attributed to unhealthy customer - employer relations in a number of cases.

A customer expects certain benefits from the employer. They expect a reasonable premium, recognition, appreciation, and diligence service, satisfaction and fair dealing. In turn the employer expects loyalty and honesty. Any dissatisfaction arising out of any reason connected with company is a grievance. Hence, a company should care about these matters, when dealing with customers. Therefore, in today's world, where competition is high and no company wants to lose their priority customers. In this matter ethics will help to build a fair customer relationship and to prevent customer grievances.

It is customary for an organization to set up grievance procedures as its objective is to settle the disputes at the earliest possible stage without waiting till the customer leaves through frustration. Each and every customer must have the right to submit his grievance and have it examined in an appropriate manner. A fair and effective grievance procedure is essential to the maintenance of sound and efficient customer-employer relations. An effective grievance procedure will encourage a customer to bring their grievances to the company management and in doing so, they would enable the management to resolve their problems. It is essential that the complainant is not harassed for making the complaint.

Some grievances are genuine and some are imaginary, but all of them turn out to be seriously disturbing to customers. (David Evans, 2001) All of them require prompt attention. The best way to handle a grievance is to develop a work environment in which grievances do not occur in the first place and where one learns by past experience. Organizations should act proactively through dialogue processes so that possible grievances are minimized.

Grievance Handling Procedure

A grievance handling procedure can be categorized as follows:

- A process for making complaints such as a register or a box. The ability to state a grievance without a backlash suggests that access to the box or book should provide some security.
- The grievance process should be known to all customers.
- The process should designate who will handle the complaint and obviously no one should be both the accused and the judge. This should not prevent a manager who has a dissatisfied subordinate from sitting down with the customer and explaining anything which has been misunderstood. However, this requires a proper relationship between the manager and the customer.
- Collect all the facts that help to understand the complaint.
- Where possible have a face to face discussion with the complainant and show understanding of the issues raised.

- Show the facts in a non- judgmental manner to show the complainant that he/she may be wrong where it is so.
- Where an investigation is warranted, proceed to do so.
- Where a face to face discussion is possible, permit the persons against whom the complaint is made to explain their side of the story.
- Convince the complainant or attempt to show that he/she has had a fair hearing and that what was possible has been done in a fair and consistent manner.
- Where some follow up is needed ensure that it comes to pass.

Importance of Grievance Handling Procedure

There are several important ways of having a sound grievance handling procedure. Some of them can be classified as follows.

- To improve human/ industrial relations
- Improve morale / motivation
- Helps to enhance productivity
- Improve the image of the organization
- Identify hot spots.
- Establish recognizable grievance handling procedure
- Improve Communication
- Ensure speedy solutions for grievances.
- Improve customer – employer relationship

Types of Grievances

Identifying customer grievances is more important to any organization. In this case there are numerous reasons for customer grievances. These sources of grievances could be basically identified under the below factors.

- Compensation Benefits
- Disciplinary Procedures
- Personal Grievances
- Financial Grievances
- Unfair Customer Care
- Lack of Communication Skills

Any dispute not very academic which has not been settled by a negotiation between customer and the management, it becomes a conflict. The best way is to prevent such moments and identify the customer grievances properly and take the suitable actions as soon as possible. Organizational dispute is clearly shown by the below illustration.

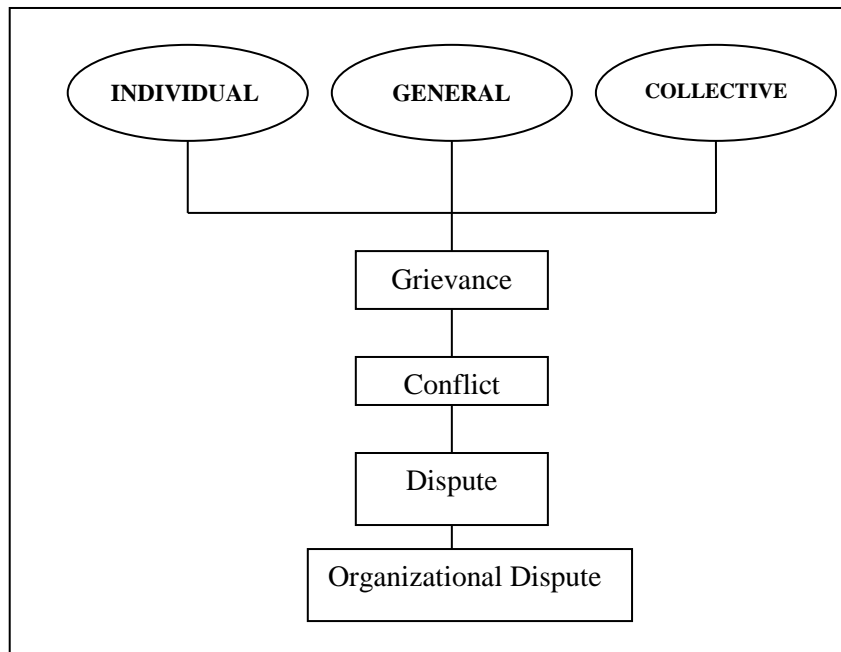


Figure 01: Organizational Dispute

Strengthening the Concept of Ethics

To overcome these issues, it is recommended to train the employees once in 3 months. More hours should be allocated to discuss about the issues with regard to ethics. It is very important to give a good knowledge on professional conduct to the employees.

In the same way, they should be educated on policies and procedure of the organization and a monitoring body should be appointed to supervise. Stern action should be taken against the defaulter. By adopting to these ethics it is possible to achieve a good customer relationship management as well.

Finding solutions to Grievances

In dealing with grievances and finding solutions to them, the aim has to be removing the dissatisfaction over problems, which has given rise to the complaint. Effective solutions to customer grievances will improve customer satisfaction, confidentiality, honesty, humanism, safety and effectiveness as well as efficiency of the organization. It will reduce the dissatisfaction of the customers and improve the trustful image about the company.

Management should therefore give careful attention to all such customer grievances. Without embarrassments, customers should feel free to reveal their grievances. Solutions to grievances have to be decided in accordance with the gravity and extent of each and every case. However, there are a few general factors that we have to implement in the organization to develop a grievance free environment.

Although we are not in a position to eliminate customer grievances, we can certainly reduce them and build up a pleasant environment. All managers and employees should be

trained and given sufficient authority to try and settle customer grievances. Every manager and employee should be trained to listen attentively. Sometimes it can be the only solution to a grievance. Every manager should be trained to look at grievances empathetically.

There are a few general steps the manager could implement to improve a conducive environment to improve healthy customer- employee relations. In addition, the top management should be able to change the existing culture of the organization for a supportive culture for grievance handling. (Stoner, 1996) The strategic level and other senior managers should necessarily acquire required conceptual knowledge in human behavior in an organization, interpersonal relations, effective communication and negotiating and other related areas if they wish to develop an effective customer grievance procedure. As human nature is very complex, an understanding of the complexity of human nature is also essential in reducing customer grievances. Managers with empathy, listening skills, assertiveness and tolerance will be assets to an organization in this connection.

Conclusion

Once we able to identify customer grievances, it is very important to develop appropriate techniques as early as possible to provide proper solutions for their matters on time. Otherwise, it will directly affect the company's prestige and future expected profit ratio. Therefore, the management should necessarily develop effective grievance handling procedures to outcome unnecessary problems and it will help to build a strong sense of ethics.

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