# Customer complaints in the After-Sales process of a Life Insurance company in South Africa

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# Declaration of Authenticity

I declare that the research project, *Customer complaints in the After-Sales process of a Life Insurance company in South Africa*, is my own work and that each source of information used has been acknowledged by means of a complete Harvard Referencing System. This dissertation has not been submitted before for any other research project, degree or examination at any university.

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# Acknowledgements

# Abstract

Insurance companies are facing challenges in a market characterised by product saturation, soft pricing and competitive premiums. The rise of connected technologies and online comparison tools are also making it difficult for insurers to differentiate themselves. As a result, insurance providers must fundamentally change the way they do business and identify ways of differentiating themselves from competitors. The future capability of the insurance companies to retain and grow their customer base rests on their ability to provide a rich and consistent customer experience across all touchpoints, from the inception of the policy until termination of the policy. In this very competitive environment, customers are increasingly becoming particular about service delivery quality. Every organisation is therefore keen on demonstrating that the services they are offering are customer-focused and that service delivery quality is being conveyed. How companies serve their customer has become the ultimate differentiator to remain competitive.

The purpose of the study was to determine and understand the reasons for the customer complaints in the After-Sales process of a Life Insurance company in South Africa and to make recommendations to reduce customer complaints and to improve customer service. A qualitative exploratory study involving a Life Insurance company was conducted to achieve this purpose. Three structured questionnaires were completed by fifteen customers (brokers), ten leaders and nineteen employees. The study found that a lack of communication, ineffective monitoring of service processes, delays in customer feedback, ineffective and inefficient systems, lack of training, and lack of good leadership are the key root causes for the rise in customer complaints. The results and findings provide additional information concerning the reasons for the increase in customer complaints.

**KEYWORDS**: Customer Complaints, Employee Training, Leadership, Systems, Life Insurance

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# List of Acronyms and Abbreviations

| | |
|---|---|
| QDA | Qualitative Data Analysis |
| WOM | Word-of-mouth |
| AI | Artificial Intelligence |
| PWC | PriceWaterhouseCoopers |
| NWOM | Negative Word-of-mouth |
| FAIS | Financial Advisory and Intermediary Services Act |
| FICA | Financial Intelligence Centre Act |
| TCF | Treating Customers Fairly |
| PPR | The Policyholder Protection Rules |
| FSP | Financial Services Providers |
| EU | European Union |
| FIDReC | The Financial Industry Disputes Resolution Centre |
| CMU | Customer Mediation Unit |
| IDRO | Insurance Disputes Resolution Organisation |
| LBS | Life Broker Services |
| PS | Provident Society Insurance company |

# Chapter 1

# Introduction

## 1.1 Background

Insurance companies are facing challenges in a market characterised by product saturation, soft pricing and competitive premiums (Barret, 2017). The rise of connected technologies and online comparison tools are also making it difficult for insurers to differentiate themselves (ibid.). As a result, insurance providers must fundamentally change the way they do business and identify ways of differentiating themselves from competitors.

How companies serve their customers has become the ultimate differentiator to remain competitive. Products and price have become similar amongst insurance companies, while customers are demanding improved and better service. The future capability of insurance companies to retain and grow their customer base rests on their ability to provide a rich and consistent customer experience across all touchpoints, from the inception of the policy until termination of the policy (ibid.).

In this very competitive environment, customers are increasingly becoming particular about service delivery quality (Gachau, 2016). Every organisation is therefore keen on demonstrating that the services they are offering are customer-focused and that service delivery quality is being conveyed (Shahin and Samea, 2010). In the insurance sector, most of the companies have equivalent offerings (ibid.). Equivalent offerings mean similarities in the products, pricing, marketing, etc. Customers have choices when buying insurance cover, and they will compare the insurance options available to them before settling for what they perceive to be the best option. Therefore, the type of service rendered to the customers is what will differentiate the insurance companies. Those companies that offer excellent service will have a competitive advantage over those offering average or poor service even though their products might be the best in the market or their prices the lowest.

Service quality is imperative to achieve a competitive advantage as poor-quality places a firm at a competitive disadvantage. Service quality offers a way of drawing customers and successfully retaining existing customers, particularly in the case of firms that offer nearly identical services, such as life insurance, where establishing service quality may be the only way of differentiating oneself (ibid.).

Market competitiveness demands that companies employ measures to influence customers and retain existing customers. To increase market share, Komunda and Oserankhoe (2012) assert that companies must ensure customer satisfaction through countermeasures before sales, during sales and after sales. Companies need to understand that: customers now interact through many touchpoints in multiple channels and across different media; the customer and company's perspective of the purchase journey; identify the critical aspects in each stage and identify the specific touchpoints that occur throughout the journey; and, identify trigger points that lead customers to stay with the company and continue on the journey, or to part ways and switch to another company (Lemon and Verhoef, 2016).

Gelbrich and Roschk (2010) conducted a meta-analysis of company complaint handling procedures and how they affect future customer response. The study showed that listening to customer complaints, being understanding and making notes of relevant points to gather relevant facts, discussing the complaint and following up with practical solutions was a very effective complaint handling process. Tronvoll (2012), however, rejects a stationary procedure, insisting that complaint handling procedures are different in various companies, reaping varying levels of success.

Delivering the required service to the customer is challenging. Either interacting personally or through information processes, customer's perception concerning a market offering is built upon the ability of the service provider to attractively convince their various target markets (Idris, Olumoko and Ajemunigbohun, 2013). Consistent and clear communication is one of the most critical elements of customer experience (Maechler, Neher, and Park, 2016). Companies can improve the customer experience by offering insurance policies that are easy to read and understand (ibid.).

Customer satisfaction is a key metric for insurance companies to monitor in order to gauge which areas of their customer service are strong and which areas need improvement in order to maintain or increase their membership base (Coviello and Di Trapani, 2012). The issue of client satisfaction in service industries is difficult to define because the process of service delivery is aimed at satisfying the need and not the production of a physical good. It is, therefore, necessary to improve the training and recruitment of customer service contact people. In so doing, the customer participation and the process of service delivery in insurance can become much more productive (ibid.).

Poor service delivery threatens the long-term survival of a firm (Michel and Meuter, 2008; Seawright, Bell DeTienne, Bernhisel, and Larson, 2008.; Thwaites and Williams, 2006; Magnini and Ford, 2004). This simply means that service firms that do not manage service delivery recovery properly can harm their long-term success prospects of retaining existing customers and growing the customer base. Successful service delivery recovery can enhance customer's' perceptions of the quality of service and the organization. In turn, this leads to positive word-of-mouth communication, enhances customer satisfaction, and builds customer relationships and customer loyalty (Michel, Bowen and Johnston, 2009). In contrast, the consequences of services failures will lead to dissatisfaction, a decline in customer confidence, negative word-of-mouth (WOM) behaviour, customer defection (Miller, Craighead, and Karwan, 2000; Tronvoll, 2010), loss of revenue and increased costs, or a decrease in employee morale and performance.

Dealing with service failures means a lot more than just fixing the immediate problem. Learning from failures is more important than simply fixing the problems for the individual customer because process improvements increase overall customer satisfaction and thus have a direct impact on the bottom line (Michel, *et al.*, 2009). According to Morrisson and Huppertz (2010), when firms carry out effective complaint handling, this can have a significant impact on customer retention rates, deflect the spread of damaging word-of-mouth, and improve bottom-line performance.

## 1.2 Ontology

Ontology from a philosophical point of view is an endeavour to understand all "things" and information in a comprehensive enough way in order to classify the "things" and information in the

world around us (Busse, Humm, Lübbert, Moelter, Reibold, Rewald Schlüter, Seiler, Tegtmeier and Zeh, 2015). Ritchie, Lewis, Nicolls, and Ormston (2013) state that ontology is concerned with the nature of reality and what there is to know about the world. The researcher uses this understanding for the purpose of the study.

The researcher works in a company which has numbers of 'layers' of people and groups. They each have their own 'truth' about customer relations and customer care. These different 'truths' are subjectively constructed depending on the specific context or reality of the group. Multiple realities exist, but none of these seem to be able to address the researcher's specific research problem; and so by using a relativist ontology, the researcher is not discounting the fact that there are multiple subjective 'truths' out there but she wants to establish which of the many approaches/realities actually consistently emerge, in best practice environments, to be those elements in a system which will address service delivery challenges.

The researcher is part of the Life Broker Services (LBS) Sales Support team at Provident Society Insurance company (PS). She provides support and services to external and internal customers. External customers include the independent intermediaries, tied agents and members/clients and internal customers include the Sales Offices (there are 15 LBS Sales offices at the organisation) and all the Head Office departments. Streamlining of processes, managing systems and procedures, collaboration and relationship building are just some of her responsibilities in her capacity as Manager: Business Support. As mentioned above, the researcher works in a complex and multi-layered environment with numerous people and groups which have a direct role to play in service delivery and customer service. These groups include the Intermediaries, the Underwriting department, Operations department, Premium billing and collections department. Each of these groups has its own views/truths/realities about what is good customer service and care. But this has, in the researcher's opinion, exacerbated that challenge of increasing customer complaints because there is no clear systems approach with commonly held understanding of the problem and possible solutions.

When a complaint is received from a customer, the responsible department is supposed to provide prompt, reliable and comprehensive feedback to the customer within eight hours of receipt of a complaint. However, there is no consistency of response, the feedback is not always correct, and the customer will not receive any feedback unless the customer sends a follow-up complaint. The departments are not taking accountability and appear to be in a defensive mode. There are no empathy messages sent to customer, and the customer must always follow up.

The researcher assumed that customer service quality was not high and that this was not just a problem particular to her organisation. According to the South African Customer satisfaction index (SA-csi) survey, done by Consulta in 2018, the researcher's organisation, was included in a group of other Life Insurance companies, which scored the lowest amongst most of the Life Insurance companies. The survey indicates that customers complain most often about the detail and performance of their cover, the fees and costs related to their products, and the lack of communication and feedback. The different realities/truths and their subjectivity go beyond just the researcher's company; these extend to other companies as well. In the researcher's approach, which is relativist, she understands these realities, but want to identify a system approach which can be

implemented in her company, and maybe even across the industry, to address poor service and the rise in customer complaints. The researcher does not want to develop a new theory, she wants to find those common elements which can impact a system at the people, innovation, technology levels of the system to improve customer service.

## 1.3 Problem Statement

The problem that this study aims to address is the grossly inadequate management of customer complaints in the After-Sales process of a Life Insurance company in South Africa that has led to dissatisfaction in the customer base.

As insurance products and services do not require customers to engage with the insurance organisation continually, insurers have to deliver service excellence at key moments of truth throughout the insurance value chain – from customer acquisition, customer retention and claim registration, to policy lapse or cancellation (KPMG, 2017). Reporting a new claim is one of the critical customer touchpoints, and it forms a crucial moment of truth that can profoundly influence customer loyalty and can drive superior customer satisfaction (Boosam, 2019).



Figure 1: The insurance value chain (Adapted from KPMG)

### 1.3.1 A mutual Insurance company

A mutual company is not listed on the stock exchange and has no external shareholders. Instead, it operates under the ethos of mutuality, and all profits are allocated to their members with qualifying products on an annual basis by way of allocations to their Profit-Share Accounts (PS, 2018). This means that all the profits and investment returns generated by the organisation are allocated to its qualifying members (ibid.). Because a mutual company operates in a niche market, one of its differentiators is to provide exceptional services to its customer.

As briefly mentioned by the researcher to support her ontology, which is relativist, as Business Support Manager, the researcher has identified an increase in the number and diversity of complaints and has identified that customers are not satisfied. There appears to be a lack of a system which takes the diversity of situations and complaints into account and, which can support the provision of flexible, differentiated, but on point, and on-time responses. The manner in which the complaints are handled is unprofessional and eventually leads to customer dissatisfaction. When a customer complaint is received, the complaint will be routed or directed to the responsible department. That department will then investigate the complaint, and is supposed to provide prompt, reliable and comprehensive feedback to the customer. In dealing with this issue in her role in the company, the researcher has found that there is no consistency of response, the feedback is not always correct, and/or the

customer will not receive any feedback unless a follow-up complaint is sent to the company from the customer.

The other problem is that the departments are not taking accountability and responsibility for their mistakes and have become defensive. Empathy messages are seldom sent to the customer, and the customer must follow up instead of the department providing immediate and sufficient feedback to the customer while they are busy investigating the complaint. Too often, the departments sort out the immediate problem, offer an apology or sometimes compensation, and then assume all is well without investigating the root cause of the service failures and complaints. Customers want to know within a reasonable time that the problem has been resolved, how the failure occurred and what the company is doing to make sure it does not happen again (FA News, 2018). According to the FA News (2018), customers expect service almost immediately and not after three to four days.

If insurance companies want to satisfy their customers, they should examine the factors which cause satisfaction or dissatisfaction. Offering better services to customers results in customers to continue shopping from the company, extending word-of-mouth advertisements and the organisation's profitability (Vazifehdust and Farokhian, 2013). One of the important points in customer satisfaction is how servicing companies can satisfy or dissatisfy their customer from the services they offer (ibid.).

## 1.4 Research Aim and Objectives

This study aims to determine and understand the reasons for the customer complaints in the After-Sales process of a Life Insurance company in South Africa and to make recommendations to reduce customer complaints and to improve customer service.

In support of the aim, as stated above, the following objectives have been identified:
   i.    To identify and understand the reasons for the customer complaints in the After-Sales process.
   ii.   To determine the expectations of customers when lodging a complaint.
   iii.  To determine the roles of employees and leadership when dealing with customer complaints.
   iv.   To make recommendations to reduce customer complaints and to improve customer service.

It is important to note that the scope of the study is limited to identifying and addressing customer complaints in the After-Sales process and not the whole value chain of the selling/buying of the product. The researcher wants to understand the reasons for the complaints and to analyse these in order to reduce complaints and improve customer service, as customers may be leaving the company or engage in negative word-of-mouth.

## 1.5 Research Question

The research process usually begins due to an interest in a specific topic. Familiarity with the subject helps the researcher define an appropriate research question for a study (Farrugia, Petrisor, Farrokhyar and Bhandari, 2010).

**Research Problem:**
The problem that this study aims to address is the rise in the number of customer complaints and the concomitant poor service in the After-Sales process of a Life Insurance company in South Africa. In other words, what are the gaps in the After-Sales process which have led to the situation described here?

**Primary Research Question:**
What are the root causes of the increase in customer complaints in the After-Sales process?

**Secondary Research Questions:**
- What are the service expectations of customers when lodging a complaint?
- What are the roles of the employees and leadership when dealing with customer' complaints?
- How can the customer complaints be reduced, and customer service be improved?

## 1.6 Epistemology

Epistemology is concerned with ways of knowing and learning about the world and focuses on issues such as how we can learn about reality and what forms the basis of our knowledge (Ritchie, Lewis, Nicolls and Ormston, 2013). The researcher does not intend to discover utter truths but rather to gain in-depth insight into the approaches of respondents to gain an empathetic understanding of why they act in the way that they do (John, 2012). The Epistemology of the researcher is that of an Interpretivist because Interpretivists recognise that individuals with their own varied backgrounds, assumptions and experiences contribute to the ongoing construction of reality existing in their broader social context through social interaction (Wahyuni, 2012). Because these human perspectives and experiences are subjective, social reality may change and can have multiple perspectives (Hennink, Hutter and Bailey, 2011). Interpretivists prefer to work with qualitative data which provides rich descriptions of social constructs (Neuman, 2011). As an Interpretivist, the researcher believes that reality is constructed by social actors and people's perceptions of reality (Wahyuni, 2012).

The research problem and ontology of the researcher suggest that a subjective enquiry is appropriate to understand the problem she is facing. The researcher is mindful of the fact that there is a possibility of bias when doing the research and that it can influence the way the information is interpreted. Furthermore, the researcher realises that the consequences of poor customer services will have a more significant impact and that customer complaints and the handling thereof will differ between Insurance companies in South Africa. Based on this, an Interpretivist position is implicit for this research. The researcher will view the world through a subjective lens, and the qualitative research paradigm will be used in this study.

## 1.7 Theory Development

Theory development is stimulated and facilitated through a selective interest in what does not work in an existing theory, in the sense of encouraging interpretations that will allow a productive and non-common-sensical understanding of an uncertain social reality (Alvesson and Karreman, 2011). Alvesson *et al.* (2011) state that theory guides hypothesising and is corrected by the outcome of the tested hypothesis. According to Rudestam and Newton (2014), qualitative research designs are not

intended to prove or test a theory; the theory will emerge once the data are collected. The qualitative researcher presents the selected portions of the research in order to prove the case (Alvesson and Karreman, 2011).

A deductive approach means that you use a theory to develop a proposition and then design a research framework to test the proposition. In contrast, an inductive approach means that you will collect data and develop a theory as a result of the data analysis (Collins, 2010). Research within the inductive strategy involves collecting data by operationalising concepts and then searching for patterns in data. Patterns become generalisations, and networks of generalisations are considered to be a theory (Blaikie, 2009).

Since the purpose of induction is to understand the nature of the problem and to make sense of data the researcher obtains from focus groups and interviews (Collins, 2010), the induction approach will be used in this study from an Interpretivist perspective through a qualitative study.

**1.8 Theoretical Frameworks**

System thinking can be defined as 'the ability to identify parts, causalities, flows and feedback loops' (Claesson and Svanstrom, 2015). Furst-Bowe (2011) is of the view that systems thinking is based on the concept that all key processes in an organisation are interrelated and the understanding of these relationships is critical for the organisational effectiveness and achievement. Lauffenburger and Choudhry (2018) define systems thinking as an approach to a problem that considers how components within a more extensive system operate and interact. It provides guidance on how to enhance the system with a lens on future actions.

The problem that this study aims to address is the increasing customer complaints in the After-Sales process of a Life Insurance company and how these are dealt with. Based on the above definitions and understandings of systems thinking, the researcher used systems thinking approach as a theoretical framework to improve service or production, reduce failure and mistakes, and eliminate waste at every level of the organisation (Himsworth, 2011). It will also allow the researcher to view the organisation in its entirety and to get an understanding of the processes that are interrelated and how it affects customer satisfaction.

To determine the reasons for the customer complaints in the After-Sales process of a Life Insurance company, the researcher needs to understand how the systems and processes of the organisation are interlinked and if there is a break in the value chain or gap in the process that leads to customer complaints. The role of the employees and leadership in the organisation must then be analysed to determine the influence on customer satisfaction when dealing with customer complaints. After that, it must be understood what role the Ombud and Legislation play in the economy and the Insurance industry, understanding the role of the customer within the organisation when lodging complaints will then be researched. Lastly, a review must be done globally to determine if there are any similarities and/or differences in the insurance organisations.

**1.9 Significance of the Research for the Self, Others and Social Context**

The scope of the study is limited to identifying and addressing the increase of customer complaints and the poor service provided to the customer in the After-Sales process of a Life Insurance company in South Africa. The researcher wants to understand the reasons for the complaints and to analyse these, in order to reduce complaints and improve customer service, as customers may be leaving the company or engage in negative word-of-mouth.

This study aims to provide insight into the level of customer satisfaction and quality of service delivery. Analysing and identifying the gaps will enable the insurance company to identify areas of weakness in their After-Sales process and to put measures in place to close the gaps. This study will also serve as a worthy source of information that will help insurance companies and service industries understand the expectations of the customer and what the customer views as critical factors in service delivery.

**1.10 Research Design**

Gatrell, Bierly, and Jensen (2011) view research design as a critical process that transforms an idea, interest or question from just a thought into a meaningful and purposeful investigation of social processes. The distinction between qualitative research and quantitative research can be framed in terms of using words (qualitative) rather than numbers (quantitative) or using close-ended questions (quantitative hypothesis) rather than open-ended questions (qualitative questions) (Creswell, 2013).

Creswell (2013) highlights that qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. Conducting a qualitative study means that researchers try to get as close as possible to the participants being studied. Therefore, subjective evidence is assembled based on individual views (Creswell and Poth, 2017).

The design of this study takes into account that qualitative research seeks to obtain in-depth, subjective data from a small group, focusing on words, categorisation and qualities (Dwyer and Seetaram, 2012). The relativist ontological and subjective epistemological positions inform an Interpretivist paradigm which motivates the use of qualitative research (Yilmaz, 2013). The purpose of the study is not to generate a theory from the outcomes, but rather an attempt to understand the research problem and address the findings through recommendations (Baxter and Jack, 2008). This study is, therefore, qualitative and exploratory and will be inductive.

**1.11 Research Credibility**

Qualitative research will be conducted for this study through a subjective lens. Ingham-Broomfield (2015) posited that researchers use qualitative research to explore subjective human experience without using statistical methods. Trustworthiness or rigour of a study refers to the degree of confidence in data, interpretation, and methods used to ensure the quality of a study (Pilot and Beck, 2014).

The researcher aims to incorporate the strategies below to ensure the trustworthiness of the findings of her study (Noble and Smith, 2015):
  a)  Account for personal biases which may influence findings;

b) Acknowledge biases in sampling and ongoing critical reflection of methods to ensure enough depth and relevance of data collection and analysis;

c) Thorough record-keeping, demonstrating a clear decision trail and ensure interpretations of data are consistent and transparent;

d) Establish a comparison study by seeking out similarities and differences to ensure different perspectives are represented in the study;

e) Include rich, verbatim descriptions of participants' accounts to support findings;

f) Demonstrate clarity in terms of thought processes during data analysis and subsequent interpretations;

g) Engage with other researchers to reduce research bias; and,

h) Respondent validation: include participants to comment on the interview transcript.

**1.12 Limitations and Scope of the Research**

The scope of the study is limited to identifying and addressing the increase of customer complaints and the poor service provided to the customer in the After-Sales process of a Life Insurance company in South Africa. The researcher wants to understand the root causes of the complaints and to analyse these in order to reduce complaints and improve customer service. To determine the reasons for the customer complaints, the researcher needs to understand how the systems and processes of the organisation are interlinked and if there is a break in the value chain or gap in the process that leads to customer complaints. The role of the employees and leadership in the organisation must then be analysed to determine the influence on customer satisfaction when dealing with customer complaints. After that, it must be understood what role the Insurance Ombud and Legislation play in the economy and the Insurance industry. Lastly, the researcher will address the findings from the research through recommendations.

The following limitations will apply to the research study:

a) The study is limited to one insurance company only, even though different entities will form part of the population.

b) Data accessibility – some of the data from the study might be confidential which means the researcher will not have access to the data.

c) Reluctant respondents – some respondents might not provide feedback on the questionnaires, which might lead to insufficient data for reporting and conclusions. The questionnaires will be sent to more participants, then the population of 26 proposed, to ensure that the number of respondents is big enough.

d) Time constraint – time available for this study is very limited due to the available time of the interviewees.

**1.13 Ethical Considerations**

Ethical issues, according to Farrimond (2013), are important in primary research as well as using secondary data sets because there are ethical issues relating to the fair and unbiased selection of sources and analysis. The fact that the researcher is employed at a mutually owned Insurance company and most of the participants work at the same company means that there is a high possibility

of subjectivity and bias. Throughout the data collection and data analysis process, the researcher will keep these biases in mind for the findings not be impacted.

Eriksson and Kovalainen (2015) suggest that researchers follow the consent protocol and ensure the components of informed consent are adhered to when conducting survey research. The researcher will follow the guidelines as set out above by providing the participants enough time to complete the interview questions and questionnaires. Confidentiality and anonymity will be guaranteed throughout the process and the participants will be informed of the purpose of the research and the rationale behind the population sample. The participants will also be made aware that participation is voluntary and that the findings will be available if they are interested in the findings.

**1.14 Organisation of the Study**

Chapter 1 – Introduction to the research
This chapter provides the introduction and background to the study. The formulation of the research problem, the objectives and hypotheses of the study are outlined. Similarly, the purpose and significance of the study, reviewing the literature and the limitation of the study are presented in this chapter.

Chapter 2 – Literature Review
Chapter two will cover the review of the literature relevant to the study. It will delve into the existing literature on the Life Insurance industry, customer complaints, the role of employees and leadership in the organisation, the role of the Insurance Ombud and legislation in the insurance industry in South Africa and a review of some international reports will also be examined.

Chapter 3 – Research design and methodology
In this chapter, the emphasis is on the research method, research technique, population and sampling methodology, which will include sample size, sampling type, sampling technique and data analysis.

Chapter 4 – Data Analysis and Research findings
This chapter is dedicated to data analysis and research findings.

Chapter 5 – Conclusions and Recommendations
The final chapter will cover the conclusions derived from the findings and recommendations will be made based on the body of the study itself and the findings.

**1.15 Conclusion**

Chapter one provides an introduction to the study, and the background has been explained. The research aims and objectives were discussed, and the research design was outlined. A brief introduction of the theoretical framework, limitations and scope of the research and ethical considerations was also provided.

The next chapter will examine the existing literature on the Life Insurance industry, customer complaints, the role of employees and leadership in the organisation, the role of the Ombud and legislation in the insurance industry in South Africa and some international contexts.

# Chapter 2

## Literature Review

### 2.1 Introduction

The **purpose of a literature review** is to gain an understanding of the existing **research** and debates relevant to a particular topic or area of **study**, and to present that knowledge in the form of a written report such as a dissertation or thesis. The literature review in this instance also helped the researcher to build her own knowledge in her field. In the previous chapter, a brief background to the study, problem statement, as well as aim and objectives, were discussed. In this chapter the researcher reviewed literature dealing with the purpose of insurance; the performance of insurance industries in the economy; the risk facing insurance industries; the insurance industry regulatory environment; the Ombud; and the insurance customer.

The researcher also expanded on the theoretical framework which underpins her study to ground and strengthen her study within the selected framework. The theoretical framework aids in defining the specific viewpoint (or framework) that the researcher took in analysing and interpreting the data she gathered.

### 2.2 The Theoretical Framework

The researcher assumes that all insurance companies are facing the same challenges hence she included selected literature from a global perspective to gain a shared understanding for this study.

Service experiences are the results of interactions between organisations, systems and processes, employees and customer. The way insurance companies handle customer complaints is as important as trying to provide exceptional service. The definition of a complaint in the insurance industry refers to any kind of dissatisfaction raised by customers, internal or external, to the insurance company (Agarwal, 2016). How insurance companies deal with these complaints has become one of the differentiators to remain competitive in the market (Barret, 2017).

The problem that this study aims to address is the increase in customer complaints which appear to stem from significantly inadequate management of customer complaints in the After-Sales process of a Life Insurance company in South Africa that has led to dissatisfaction in the customer base.

Systems thinking approach was used as a theoretical framework to improve service, reduce failure and mistakes and to eliminate waste at every level of the organisation (Himsworth, 2011). Systems thinking has many definitions and a plethora of studies have been conducted on systems thinking. Senge, Kleiner, Roberts, Ross, and Smith (1994) defined systems thinking as a way of thinking about, and a language for describing and understanding, the forces and interrelationships that shape the behaviour of systems. According to Emes and Griffiths (2018), systems thinking recognises that the world is made up of interconnected, hierarchically organised technical and social entities which often produce behaviour that cannot be predicted by analysing the behaviour of the system's parts in isolation and that systems thinking acknowledges the relationship between interacting components.

Systems thinking ensures that the whole system performance is designed for, taking into account all relevant factors when implementing change. Lauffenburger and Choudhry (2018) define systems thinking as an approach to a problem that considers how components within a more extensive system operate and interact. Systems thinking will allow the researcher to view the organisation in its entirety and to get an understanding of the processes that are interrelated and how it affects customer satisfaction.

## 2.3 Purpose of Insurance

Insurance exists not to prevent losses or to enrich policyholders but only to repay them for incurred losses covered by insurance. The insured is not to make any profit from the insurer but should only be compensated for the incurred loss (Stempel, Swisher, and Knutsen, 2012; Outreville, 1998). Insurance is a contract between the policyholder and the insurer such that the insurance company guarantees any event in the insurance range. In return, the policyholder should pay a premium for the insurance taken out (Darooneh, 2007). According to Sedighivan (2000), insurance companies' promises to the customer, and contracts held by an intermediary, creates trust between the intermediary and the customer from the initial point of the contract.

The researcher proposes that while insurance is not on people's priority list, at some point in their lives people, they will deal with an insurer. According to the Business link (2019), there are many insurance companies in South Africa offering different types of insurance, including Property or Home insurance, Portable Possessions insurance, Lifestyle insurance, Household insurance, Car insurance, Travel insurance, Business insurance, Income protection insurance, Legal insurance, Health insurance, Disability insurance, Funeral insurance, and Life Insurance.

The insurance sector in South Africa, which falls under the country's Financial Sector Conduct of Authority (FSCA), is reputedly sound (Business link, 2019). According to the annual Global Competitiveness Survey 2018 (ibid.), South Africa ranked eighteenth (18th) out of the 140 countries surveyed, for its financial system. There are two kinds of insurance in South Africa; Long-term and Short-term insurance. Short-term insurance covers a client against loss of personal belongings, whereas Long-term insurance covers a client's life or wellbeing (ibid.). The top five biggest Long-Term Insurers in South Africa include: Discovery Holdings limited; Liberty Holdings limited; MMI Holdings Limited; and, Old Mutual plc and Sanlam Limited (PWC, 2018). The context of this study is long-term insurance and will be conducted at PS insurance.

## 2.4 History and Background of Insurance

In December 1835, the first South African insurance company was founded in the Cape Colony (as it was called then) and was called the Zuid-Afrikaansche Brand en Levensversekering Maatschappij (Verhoef, 2012). Many UK companies extended their business to Johannesburg after the mineral discoveries in the late 1860s (ibid.). More than fifty foreign insurance companies were doing business in the Cape alone by the turn of the century (ibid.). In 1945, the South African Mutual Life Assurance Society followed suit and was later called Old Mutual (ibid.).

**2.5 The Provident Society Insurance Company (PS)**

PS insurance operates in a niche market, which is one where marketing efforts are directed towards one well-defined segment of the population. PS insurance was founded on 8 July 1941 by a group of eight dentists. The company offers exclusive access to a range of products and services that are specifically designed for graduate professionals. Members of the PS insurance circle includes accountants, actuaries, advocates, attorneys, architects, dentists, doctors, engineers, pharmacists, physiotherapists, scientists, surgeons and other professionals. PS insurance operates in South Africa, Australia and Namibia. Less than 1% of South Africa's population are graduate professionals, so by becoming a member of the PS insurance company, you become part of an exclusive community.

The company is a mutual company and has no shareholders. The defining feature of a mutual company is that its customers are entitled to share in the profits of the company. The PS insurance group consists of risk insurance, investments, short term insurance, healthcare and fiduciary services. As mentioned previously, this study will be conducted at the PS insurance company, but the collection of data will include some of the other groups in the company.

In chapter one, the researcher identifies her ontology as a relativist. That is, she subscribes to the view that there are "multiple realities because reality is constructed subjectively in the mind of each person depending on context" (Khalil, 2014:42), and that multiple truths exist (Refai, Klapper and Thompson, 2015). The research problem which the researcher is exploring is grounded in an identified increase in the number and diversity of complaints, leading the researcher to conclude that customers are not satisfied. The scope of the study is to identify and propose solutions to address customer complaints in the After-Sales process at PS insurance and not the whole value chain of selling/buying of the product. The researcher wants to understand the reasons for the complaints and to analyse these, to find solutions to reduce complaints and improve customer service, as customer may be leaving the company or engage in negative word-of-mouth (NWOM) based on their experience.

The next section will discuss the performance of the insurance industry in the economy and the risk facing insurance industries in the broader global context.

**2.6 Performance of Insurance Industry in the economy**

According to the Insurance Information Institute (2019), insurance is the lifeblood of any developed economy, and that an economy cannot develop sustainably without insurance. Pettinger (2019) describes the three main sectors of the economy as follows:
1) Primary sector – is concerned with the extraction of raw materials (examples are mining, fishing and agriculture);
2) Secondary or Manufacturing sector – is concerned with producing finished goods (examples are factories, making toys, cars, food, and clothes); and,
3) Service or Tertiary sector – is concerned with offering intangible goods and services to consumers (examples are tourism, retail, banking, and IT services).

Gross domestic product (GDP) is the total value of all final goods and services produced in the economy, and the growth rate is the primary indicator of the state of the economy (ibid.). PWC (2018)

reported that low GDP growth and low levels of formal employment are still slowing down the pace of growth of the insurance industry across Africa. Yet, the economic conditions, globally, have improved over the last two years from 3.8% in 2017 to 3.9% in 2018 (ibid.). Real premium growth is predicted to remain the same as 2017 at 3%. Premium is an amount paid to the insurer by the insured to cover the risk of the policy.

According to Swiss Re Sigma Report (2019), total premiums written in the global primary insurance markets in 2018 surpassed the USD 5 trillion mark to reach USD 5.19 trillion, equivalent to 6% of global GDP. Global Life Insurance premiums grew by just 0.2% in real terms to USD 2.8 billion, while non-life premiums written were up 3% in real terms from the previous year to USD 2.3 billion (ibid.). Table 1 shows the increases and decreases of Life premiums written in 2018 per region. China, Latin America and the Caribbean are the only regions that had a decline in life premiums written in 2018. All the other regions had an increase in life premiums written, with Asia growing by 7%. By global standards, Africa's insurance industry remains relatively underdeveloped, accounting for just under 1.2 % (US$0.6 trillion) of insurance premiums written globally (PWC, 2018).

Table 1: Life Premium volume by region

| Region | Increase in Life premium | Decline in Life premium |
|---|---|---|
| Asia (Excluding China) | 7% | |
| Emerging Europe and Central Asia | 3.40% | |
| US and Canada | 2.30% | |
| Middle East and Africa (MEA) | 1.50% | |
| Asia-Pacific | 1.40% | |
| Europe, Middle East and Africa (EMEA) | 0.60% | |
| China | | 5.40% |
| Latin America and Caribbean | | 4.20% |

**Source: Swiss Re Sigma Report (2019)**

In 2017, the services sector was the largest sector in India, which accounts for 53.66% of total India's GVA of Rs. 137.51 lakh crore, with the industrial sector second and contributing 31% of the Indian GDP (Singh, 2020). Lakh crore is the Indian number system to express large numbers. The agriculture sector only contributed 16% of the Indian GDP (ibid.). In the United Kingdom, the 2017 GDP statistics show that the services sector was also the largest sector with 70.93% contribution towards GDP, 17.56% of the GDP contribution was from the industry sector and only 0.65% was contributed towards GDP by the agriculture sector (Plecher, 2020).

Quantec (2019) reported that in South Africa the tertiary sector, in terms of its contribution to GDP, which was 68.9%, was the largest sector in the economy in 2017. Financial, insurance, real estate and business services industry forms part of the tertiary sector and contributed 22% of national GDP, 16.6% of general government and 14.8% of the wholesale and retail services industry respectively (ibid.). The GDP contribution of the tertiary sector increased from 59.5% in 1994 to 68.9% in 2017, while the secondary sector decreased from 21.8% in 1994 to 20.4% in 2017, and the primary sector,

from 18.7% to 10.8% during the same period (ibid.). The declining share of the mining industry largely impacted the primary sector; it declined from 15.4% in 1994 to 8% in 2017(ibid.).

The recent changes in the regulations have a direct impact on how products can be marketed and have a ripple effect on the growth of the industry as well. It has become imperative for insurers to be more aggressive with their marketing to ensure the customer are aware of the importance of insurance and why it is pertinent for them to buy insurance cover. Insurers must take cognizance of the fact that poor customer service can lead to poor growth in their organization and the industry. According to a survey done by Hyken (2018), businesses lose $75 billion due to poor customer service. Richardson (2019) agrees with Hyken and states that if companies provide poor customer service, they will lose market share, profits will decrease, they will incur expenses to train employees on new techniques and procedures and have high employee turnover.

Every customer is a valuable asset to the insurance companies, and therefore it becomes vital to ensure the best insurance experience. Bad customer experience is driving customer away. PWC surveyed a representative sample of 15,000 people from 12 countries. The survey noted that one in three customers (32%) say they will walk away from a brand they love after just one bad experience (PWC, 2018). Customer generate revenue and employees drive the experience (ibid.). Empowered, motivated employees bring higher customer satisfaction and reduced friction for customers (ibid.).

Creating and understanding strong customer experience is now a principal management objective in most insurance companies (Lemon and Verhoef, 2016). Schmitt, Brakus, and Zarantonello (2015) state that every service exchange ultimately leads to a customer experience. The business environment of today is characterized by very knowledgeable customers that expect quality service delivery (Chege, Wanjau, and Nkirina, 2019). Due to the numerous players in the insurance industry, insurance companies are under immense pressure to improve the quality of service to achieve a competitive advantage in the market (ibid.). Osman, Mohamad and Khuzaimah (2015) believe insurance companies must have effective systems if they want to provide quality service effectively. Moreover, increasing levels of service quality leads to customer satisfaction and, demonstrates the connection between service quality and higher profits. Sivesan (2019) agrees with Osman *et al*. (2015) that the quality of services and the achievement of customer satisfaction is vital for the survival of insurance companies.

**2.7 Risks Facing Insurance Industries**

Every two years, PWC, in conjunction with the Centre for the Study of Financial Innovation (CSFI), conduct a global research, known as 'Insurance Banana Skins', to establish insurers' views on current risk and future trends. The most current survey identifies the risks facing the global insurance industry in the first half of 2019. A breakdown of the 2019 results by respondent type show similarities as well as differences between the risk rankings of technology, investment performance, regulation, cyber risk, interest rates, macro-economy, competition, human talent and business practices, political risk, cost reduction and climate change (PWC, 2019). The challenges of technology are at the top of the list for Life and non- Life Insurance. The respondents were of the view that many insurers are burdened with legacy systems and poorly equipped IT infrastructure that could not handle the changing demands of the industry.

Moreover, there was the recognition that modernisation requires capital and skills (ibid.). Many insurers have yet to dispose of their legacy systems and 'move on with the times'; a significant impediment to remaining competitive in the market (ibid.). According to the respondents, cyber risk is aggravated by the increased need for the internet and connectivity.

Europe was the largest group in the PWC survey by region with technology on top of their list, followed by the threat of cybercrime (ibid.). When compared with the 2015 and the 2017 surveys, it is interesting to note that the highest risk identified in the region of Europe, was interest rate risk. In the 2019 survey, interest rate risk receded to No.6 but was still considered more urgent than in any other region (ibid.). The Asia Pacific response shared the same top five risks, in the same order, as both the European and global rankings (ibid.). The top ten risks for Asia Pacific are: technology, cyber risk, change management, regulation, investment performance, reputation, quality of management, competition, business practices, and human talent (ibid.). Reputation risk was at No.6 in the 2017 survey and was linked to the threat of poor business practices at No.9 in the 2019 survey (ibid.). Asia Pacific respondents rated macroeconomics, and interest rate risk significantly lower than average (ibid.).

Table 2: Top ten risks by respondents

| Top ten Risks | Life Insurance | Non-life | Reinsurance | Composite | Brokers/intermediaries |
|---|---|---|---|---|---|
| 1 | Technology | Technology | Cyber risk | Cyber risk | Cyber risk |
| 2 | Investment performance | Cyber risk | Climate change | Technology | Change management |
| 3 | Regulation | Climate change | Technology | Change management | Human talent |
| 4 | Cyber risk | Change management | Investment performance | Regulation | Technology |
| 5 | Change management | Regulation | Regulation | Investment performance | Climate change |
| 6 | Interest rates | Competition | Change management | Climate change | Regulation |
| 7 | Macro-economy | Human talent | Macro-economy | Interest rates | Cost reduction |
| 8 | Competition | Investment performance | Political risk | Competition | Business practices |
| 9 | Human talent | Cost reduction | Quality of management | Human talent | Investment performance |
| 10 | Business practices | Political risk | Interest rates | Cost reduction | Guaranteed products |

**Source:** PWC (2019)

Over and above the risks related to technology and cyber-crime, in the PWC survey (2018), insurers identified increasingly rigorous risk-based regulations as the second most disruptive issue that faces the industry. In the 2019 survey, regulations remained in the top five risks across the industry. The intervention of regulation is not to restrict or replace competition in the market (Llewellyn, 1999). But it is required to offset the effects of imbalances and imperfections between multiple stakeholders in a market (Heydenrych and Luiz, 2018) which may compromise consumer welfare. Staschen (2010) and Pistor (2012) describe the rationale for regulation as the need to prevent markets from failing because of irregularity between the provider and the customer. The researcher explores the Insurance industry regulatory environment in more depth in the next section, as this is of particular relevance to her study.

**2.8 Insurance Industry Regulatory Environment**

The effects of the financial crisis of 2007–2009 have drawn increased attention to the regulation of financial institutions, including insurance companies (Klein, 2012). Even though insurance companies were not significant contributors to the financial crisis, the role of insurance companies in the financial

economy and the potential risk to the system has become a matter of interest to policymakers and regulators (Wang, Klein, Ma, Wei and Zanjani, 2009). Van Der Westhuizen (2011) states that one of the causes of the global financial crisis (2007-2009) often cited by researchers is inadequate regulation and supervision of the financial sector. The financial crisis has created a sense of urgency for regulators and policymakers to reform and review the current regulations (Wang *et al*, 2009).

The Financial Services Authority (FSA) in the UK has developed a set of banking regulations, while the USA endorsed the Dodd-Frank Act to revamp the regulation of financial services (Van Der Westhuizen, 2011). Van Der Westhuizen (ibid.) agrees with Wang *et al*., (2009), in that the financial services sector was mostly unscathed by the global financial crisis. South Africa has also moved to reform its regulatory system to embrace the "twin peaks" model in line with other countries. The Twin Peaks model, was first adopted in Australia two decades ago, was so named because of the two peak regulatory authorities it creates (Schmulow, 2018). One peak, the "system stability" regulator is responsible for creating and enforcing prudential regulations, designed to prevent a financial crisis (ibid.). The second peak is responsible for deterring misconduct and for protecting consumers who use financial products and services (ibid.).

Dragos (2013) states that insurance firms have an essential role in the economic growth of a nation and that insurance replaces insecurity with security and stability. The role of public authorities is to provide an adequate regulatory framework that allows consumers to be protected and to benefit from product innovation (ibid.). The European regulatory authorities have developed and implemented systems for evaluating solvability (ibid.). Solvency is the ability of an insurance company to meet its long-term debts and financial obligations and is crucial for any business as it demonstrates the company's ability to continue its operations into the foreseeable future (Hayes, 2019).

Solvency I was adopted in 2002 by the European Union in an attempt to implement a more flexible legislation to incorporate developments from the financial services more rapidly (Swiss Re, 2006). Although the strengths of the Solvency I framework were its simplicity and robustness, a significant weakness was that it failed to motivate companies to use modern risk management practices (ibid.). Solvency I did not establish an appropriate definition of financial requirements, capitals and provisions, and has proved to be insufficiently risk- sensitive. The lack of risk-sensitivity has resulted in national regulators in many countries setting additional rules beyond the Solvency I minimal requirements for considering the advances in risk management (ibid.). Solvency II is the new solvency regime which covers the insurance operation of bancassurers, insurers and reinsurers (Deloitte, 2019). Karnups (2019) described bancassurance as sales of insurance products and services by a banking institution. Furthermore, Alavudeen and Rosa (2015) characterised bancassurance as a new way for banks and insurance companies to collaborate and generate sales of their products and services.

The Solvency II model aims to develop a coherent framework with consistent solvency measures across all types of business and seeks to change the way firms look at their governance, risk and capital management process (Dragos, 2013). Solvency II was implemented because Solvency I was not risk-sensitive and several risks (e.g., market, credit and operational risks) were either not captured or were not adequately considered in the one-model-fits-all approach (European Commission, 2015). The consequences of the lack of risk-sensitivity is that Solvency I lead to inaccurate risk assessments,

inaccurate and ill-timed interventions by supervisors, and it does not allocate sufficient capital in terms of risk and return for shareholders (ibid.).

The European Supervisory Authorities (ESAs) used to have separate financial sectors: the European Banking Authority for banking; the European Insurance and Occupational Pensions Authority for insurance and pension funds; and, the European Securities and Markets Authority (ESMA) for the securities markets (Schoenmaker and Véron, 2017). However, the sectors are now converging (ibid.). Banking and insurance products are both serving the market for long-term savings, and due to the indirect lines between financial sectors, cross-sector models of supervision have emerged (ibid.). Countries such as the Netherlands, France and the United Kingdom have moved to a supervisor model known as "twin peaks" (Taylor, 1995 and 2009) while other countries, such as Germany, Sweden and Poland, adopted the single supervisory model. According to Huang and Schoenmaker (2015), countries such as the Netherlands, Australia, the United Kingdom and South Africa all have positive experiences towards the twin peaks model.

In South Africa, banks sell insurance and insurance companies have ventured into banking; medical aids such as Discovery Health have ventured into insurance and banking. This blurring of traditional lines means that customer can now have a 'one-stop-shop' to have all their portfolios under one basket. This approach will only be beneficial to customers if the service they receive is of high quality which means they do not have to switch to different providers. The 'one-stop-shop' for the companies can become a challenge because the call centre employees will have to receive extensive and ongoing training to ensure they meet the customers' expectations. It will be of no benefit to the customer if they have all the products under one umbrella, but they are not satisfied with the service provided.

The primary objectives of financial regulation in South Africa are to ensure stability and confidence in the financial system (Heydenrych and Luiz, 2018). Four central bodies affect the financial regulation in South Africa, namely: The South African Reserve Bank (SARB); the Financial Sector Conduct Authority (FSCA); (formerly the Financial Services Board (FSB)), the National Credit Regulator (NCR); and, the National Consumer Commission (NCC). South Africa's financial regulatory framework differentiates between the banking and non-banking sectors. The SARB regulates the banking sector in terms of the Bank Act No. 31 of 1920 and SARB Act No. 90 of 1989. The FSCA regulates the non-banking sector, which includes Long- and Short-term insurance, collective investment schemes, retirement funds, securities services, and friendly societies (South African Ombudsman, 2018).

Solvency II regulations in Europe became effective in 2016, and South Africa is also introducing Solvency II equivalent risk-based prudential and market conduct regulations across its financial services industry (ibid.). The Twin Peak approach to regulation applies to banks and insurers and was first adopted in Australia in 1998 (ibid.). This approach establishes two regulatory Peaks in South Africa, the prudential regulatory peak and the market conduct and consumer protection peak (ibid.). Twin Peaks will benefit all South Africans by reducing potential threats to financial stability and by ensuring that financial institutions treat their customer fairly (South African Ombudsman, 2018). One peak is designed to prevent a financial crisis; the second peak is responsible for preventing misconduct and protecting customer who use financial products and services (Schmulow, 2018).

Separate authorities will regulate the Twin Peaks. The Prudential Peak will be regulated by the Prudential Authority, a subsidiary of the SARB, the FSCA (formerly the FSB and NCR) will regulate the Market Conduct and Consumer Protection Peak (South African Ombudsman, 2018). A new Insurance Act, No. 18 of 2017 became effective after July 2018; this new Act was introduced based on the new insurance prudential requirements.

The prudential rules in insurance are based on three main elements (SARB, 2019):
1) The requirement of holding adequate provisions for insurance risks;
2) The solvency margin defined as the minimal amount of regulatory capital an insurance company is obliged to hold against unexpected events for being able to pay its policyholders; and,
3) The quantitative rules over the limitation of eligible assets for covering the technical provisions.

In South Africa, all businesses are regulated by legislation and regulatory bodies. In this study, the researcher's focus is on certain regulations specific to financial services and Life Insurance. The regulations below have a significant impact on the Life Insurance industry and are deemed relevant for the purpose of this study since it aims to determine and understand the reasons for the increase in customer complaints in the After-Sales process of a Life Insurance company in South Africa, and to provide solutions to address the identified gaps in the system.

The Financial Services Board (FSB) was the government of South Africa's financial regulatory agency responsible for the non-banking financial services industry in South Africa from 1990 to 2018 (FSB, 2018). As of 1 April 2018, the FSB has been replaced by the Financial Sector Conduct Authority (FSCA). The FSCA was established by the Financial Sector Regulation Act, No. 9 of 2017 (the FSR Act). The relevant regulations related to market conduct and supervision, for which the FSCA is responsible, are listed below. All of these regulations have an impact on a financial system, financial markets and business operations (Falkena, Bamber, Llewellyn and Store, 2001). The objectives of the FSCA is to enhance the efficiency and integrity of financial markets, promote fair customer treatment by financial institutions, provide financial education and promote financial literacy, and to assist in maintaining financial stability (Sithole, 2018).

The regulations below have a direct link to the study as the problem that this study aims to address is the increase in customer complaints which appear to be due to significantly inadequate management of customer complaints in the After-Sales process of a Life Insurance company in South Africa that has led to dissatisfaction in the customer base.  The study aims to determine and understand the reasons for the customer complaints and to make recommendations to reduce customer complaints and to improve customer service. The Financial Advisory and Intermediary Services Act (FAIS), mentioned below, exists to ensure financial services providers offering intermediary services to customers meet the fit and proper requirements to do so. The insurance companies must also adhere to the Treating Customer Fairly (TCF) principles to ensure that all customers are treated fairly and that issues like poor customer services are investigated and resolved within the stipulated service level agreement between the customer and the insurance company. A proper appeals process must also be readily available for the customer should the company fail the customer.

1) **Financial Advisory and Intermediary Services Act, No. 37 of 2002 (FAIS)**
    a. The FAIS Act affects how financial services providers (FSPs) conduct business, interact with consumers and guide consumers when dealing with their product provider. Financial Service Providers (FSP) who give advice or provide intermediary services to consumers are regulated by the FAIS Act and must ensure that they meet the fit and proper requirements set out by the Act (The Banking Association South Africa, 2015).

2) **Financial Intelligence Centre Act, No. 38 of 2001 (FICA**)
    a. FICA was introduced in July 2003 to fight financial crime, such as money laundering, tax evasion, and terrorist financing activities (The Banking Association South Africa, 2015).

3) **Treating Customers Fairly (TCF)**
    a. TCF is an outcome-based regulatory approach to ensure customers are treated fairly by financial institutions (FSCA, 2019). The principle aim of TCF is to raise standards in the way firms conduct their business by introducing changes that will benefit consumers (FSCA, 2019). The clients will receive the best outcomes if the insurers and brokers adhere to the TCF outcomes (Faurie, 2018). TCF affects all insurers. Larger companies may have an advantage when it comes to the costs of TCF compliance as the costs can be spread across the company (ibid.).

4) **Long-Term Insurance Act, No. 52 of 1998**
    a. In South Africa, the long-term insurance industry is regulated by the FSCA. The long-term insurance Act covers the registration of long-term insurers, the control of certain activities of long-term intermediaries and insurers, auditing requirements and collection of premiums. It regulates the running of a long-term insurance company (Long Term Insurance Act, 1998).

5) **The Policyholder Protection Rules (PPR)**
    a. On 01 October 2018 the amended Policyholder Protection Rules (PPR) came into force. The FSCA published the amendments under section 62 of the Long-Term Insurance Act and section 55 of the Short-Term Insurance Act (Long Term Insurance Act, 2018). The rules provide that insurers must assess a claim within a reasonable timeframe and must give written notice of their decision to the claimant within ten days (Roux, 2019). With the new amendments to the rules, the insurers must ensure that claimants are made aware of the relevant information and implications of clauses and processes for the claimants to be equipped to deal with such clauses (ibid.). The PPR is there to protect the clients and the insurers.

Similar to the South African regulatory authority, the regulatory authority in the United Kingdom is called the Financial conduct authority (FCA). The FCA is the conduct regulator for financial services and financial markets; their objectives are to ensure that the relevant markets function well; consumers and financial markets are protected; and, to promote effective competition in the interest of consumers (FCA, 2018). The Insurance Regulatory and Development Authority (IRDA) is the

regulatory authority in India. Their objective is to enhance customer satisfaction through increased consumer choice and fair premiums while ensuring the financial security of the insurance market (IRDA).

A high-level overview of the insurance regulatory environment has been discussed. The researcher will next briefly highlight the role of the Ombud globally to provide insight into the rights of the insurers and customer based on the regulations.

## 2.9 Insurance Ombud

Ombud offices share a common purpose of investigating public complaints. Each country's institutions are different, and they need to select the features that will best serve their communities; there cannot be a blueprint that fits all (Tai, 2009).

### 2.9.1 Ombud for long-term insurance in South Africa

The office of the Ombud for Long-term insurance was established in 1985. The primary function of the office is to mediate in disputes between subscribing members of the long-term insurance and policyholders regarding insurance contracts (Ombudsman, 2019). For the year ending 2018, the office received 11 768 written requests, including 5 978 chargeable complaints. Three thousand three hundred and sixty-seven (3 367) cases were finalised, with 31.5% of the cases wholly or partially in favour of complainants (ibid.). According to the Ombud statistics for 2018, the Claims Declined category had the highest number of complaints followed by the Poor Service category. The pattern of complaints did not change over the years. Moreover, there has been an increase in complaints about Lapsing of policies, possibly explained by the difficult economic situation in which the country finds itself (ibid.).

The number of complaints received about any specific company is tied to its client base, meaning a company with many clients is likely to receive more complaints than a smaller company (ibid.). One of the ways the Ombud measures the worst offenders is to check how many complaints were resolved in favour of the complainants versus the insurer. An example, Old Mutual Life Assurance received the most complaints overall (847), but only 25.4% were resolved in favour of clients. Hollard Life Assurance, on the other hand, received fewer complaints (485), but 35.3% of those cases were resolved in favour of clients.

The company at which the researcher is employed, based on their customer base, is one of the smaller insurance companies. Because it operates in a niche market, and membership is only accessible to Graduate professionals, the company only has about 140,000 members with products. Due to the small client base at PS insurance, the number of recorded Ombud complaints over the past five years average on about 0.70% of the total complaints received by the Ombud. Although the overall number of Ombud complaints about PS insurance is far less than the other insurance companies, PS insurance is receiving many complaints that are resolved in-house meaning most of these complaints are not lodged with the Ombud. A total of 6 200 complaints were received at PS insurance from January 2013 to October 2018; 72 complaints in 2013 and a staggering 1 581 in 2018. It is for this reason that the researcher found it necessary to conduct the study to determine and understand the reasons for the increased number of customer complaints in the After-Sales process at PS insurance and to make

recommendations to reduce the customer complaints and to improve customer service. The problem that this study aims to address is the increase in customer complaints which appear to be due to significantly inadequate management of customer complaints in the After-Sales process of a Life Insurance company in South Africa that has led to dissatisfaction in the customer base.

Table 3 below will give a detailed breakdown of the Ombud complaints for PS insurance for the last five years.

Table 3: Summary of complaints received from PS insurance customers between 2014 and 2018

|  | 2018 | 2017 | 2016 | 2015 | 2014 | Average |
|---|---|---|---|---|---|---|
| Total Complaints received | 36 | 51 | 36 | 28 | 37 |  |
| Cases finalized | 29 | 46 | 24 | 31 | 32 |  |
| Resolved in favour of complainant | 20.7% | 34.8% | 33.3% | 38.7% | 34.4% | 32.4% |
| Resolved in favour of Insurer | 79.3% | 65.2% | 66.7% | 61.3% | 65.6% | 67.6% |

Source: Ombud 2018

On average, 32.4% of the Ombud complaints received were in favour of the customer and 67.6% in favour of PS insurance. It is interesting to see the increase of complaints numbering 28 in 2015 to 51 in 2017 as it resembles the same behaviour of the complaints received at PS insurance. There was a considerable increase in customer complaints at PS insurance between 2013 and 2018, as mentioned in the previous section. Table 4 below will give a detailed breakdown of the type of Ombud complaints received from PS insurance customer between 2014 and 2018.

Table 4: Detailed of complaints received from PS insurance customers between 2014 and 2018

| Description of Complaints | 2018 Complainant | 2018 The Provident Society Insurance company | 2017 Complainant | 2017 The Provident Society Insurance company | 2016 Complainant | 2016 The Provident Society Insurance company | 2015 Complainant | 2015 The Provident Society Insurance company | 2014 Complainant | 2014 The Provident Society Insurance company |
|---|---|---|---|---|---|---|---|---|---|---|
| Poor communications/ Documents or information not supplied/Poor Service | 1 | 5 | 4 | 6 | 2 | 1 | 5 | 5 | 2 | 3 |
| Claims declined (Policy terms & conditions not recognised or met) | 3 | 10 | 9 | 9 | 3 | 7 | 6 | 8 | 7 | 9 |
| Claims declined (Non-disclosure) | 0 | 5 | 3 | 7 | 0 | 1 | 0 | 3 | 0 | 4 |
| Dissatisfaction with policy information & maturity values | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 |
| Dissatisfaction with surrender or paid up values | 0 | 2 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 1 |
| Misselling | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lapsing | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 |
| Miscellaneous | 2 | 1 | 0 | 3 | 2 | 6 | 0 | 1 | 1 | 4 |
| Totals | 6 | 23 | 16 | 30 | 8 | 16 | 12 | 19 | 11 | 21 |

Source: Ombud 2018

One of the biggest concerns for the Ombud is the high rate of lapsed policies. From the statistics above, the Ombud only received four Lapsing complaints against PS insurance for the last five years. A policy will lapse when the policyholder stops paying premiums (ASISA, 2018). The lapsed rate at PS insurance is lower than 4% and has been static for the last five years. Although the overall Ombud complaints statistics for PS insurance is much lower than the number of complaints received at PS insurance, it

does not mean that there is not a problem about the service provided to the customer. One of the reasons why the Ombud statistics are much lower than the complaints statistics presented in the previous chapter can be that the service recovery process at PS insurance is at an acceptable level. This acceptable level is possibly preventing the customer from lodging complaints with the Ombud as their complaints are being dealt with in the service recovery process. However, this does not resolve the researcher's problem. The problem that this study aims to address is the increase in customer complaints which appear to be due to significantly inadequate management of customer complaints in the After-Sales process of a Life Insurance company in South Africa that has led to dissatisfaction in the customer base.

### 2.9.2 European Ombud

The European Ombud was established in 1992, and the European Parliament elected the first Ombud in 1995. The European Ombud is an independent and impartial body that holds the European Union (EU) institutions and bodies to account and promotes good administration (Ombudsman, Europa, 2018). People, businesses and organisations facing problems with the EU's administration can lodge maladministration complaints which will be investigated by the Ombud (ibid.). There was a slight decrease in compliance, in 2017, from the EU institutions to the Ombud's proposals, they complied in 81% of instances compared to 85% in 2016, and out of the 99 improvement proposals made by the Ombud, only 80 were received positively by the institutions (ibid.). The European Commission accounted for most of the cases and had a 76% compliance rate, while 8 out of the 14 institutions had a 100% compliance rate (ibid.).

### 2.9.3 Ombud in Asia

The first ombud office in Asia was established in 1972, and Pakistan was the first to adopt the ombud model (Tai, 2009). The Philippines established its Ombud office in 1988, followed by Hong Kong (1989), South Korea (1994), Thailand and Indonesia (2000) (ibid.). Specialised ombud only exist in a handful of countries in Asia, which includes Pakistan and Sri Lanka which has appointed ombud for insurance, taxation and banking (ibid.).

### 2.9.4 The financial Industry Disputes Resolution Centre Ltd - Singapore

The financial Industry Disputes Resolution Centre Ltd (FIDReC) was launched on the 31 August 2005 by the Managing Director of the Monetary Authority of Singapore. It was initiated by the financial sector of Singapore to improve its service offerings to customer by being more professional, transparent and customer focused (FIDReC,2018). FIDReC includes the work of the Customer Mediation Unit (CMU) of the Association of Banks in Singapore and the Insurance Disputes Resolution Organisation (IDRO) (ibid.). FIDReC received 1 266 complaints in 2018 compared to 953 cases received in the previous year. 61% of the complaints received were against insurers (47% life insurers and 14% the general insurers), the balance of the complaints received were against banks and finance companies (ibid.). This is a clear indication that insurers globally are facing similar challenges and that there is a need for an Ombud office to ensure fairness to the customer and the organisations.

The statistics from the FIDReC show that the researcher's concern, which led to her study, is not based on the experience of a single company in South Africa; there is a correlation with experiences in other countries. PS insurance has been receiving an influx of customer complaints from 2013 to 2018 hence the aim of the study is to determine and understand the reasons for the increase customer complaints and to make recommendations to reduce customer complaints and to improve customer service. The researcher proposes that it is important to contextualise the customers' needs and expectations within the brief discussion about the statistics and rationale for the existence of the Ombud.

## 2.10 Insurance customer

Insurance customers do not have complex needs. They want clear, transparent information, uncomplicated interactions, and simplified product and policy information (Naujoks, Darnell, Schwedel, Singh and Brettel, 2018). Customers buying insurance need to understand their needs, understand the product they purchase, the different options in the market, what information they need to disclose on the application form, and understand the different terms and conditions of the product plans (Agarwal, 2016). The sales representatives' responsibility is to explain all the terms and conditions, warranties and exclusions in a simplified language as insurance products are complex (ibid.). Due to ignorance of customers, lack of awareness and 'blind faith' in sales representatives' customers do not even read and complete the application form which may lead to complaints and repudiation of claims in future (ibid.).

Complaints in the insurance industry refer to any kind of dissatisfaction raised by the customer about the insurance company (ibid.). Any lack in fulfilment of desired services, at proposal processing stage and/ or after sales service, may lead to complaints from the customer (ibid.). It can happen that the customer does not complain but cancels his/her policies which is a much bigger problem for the insurance company, as the company will never know why the customer cancelled the policies (ibid.). It is always best for insurance companies if customers complain; it helps to rectify problems, satisfy customers, and improve the quality of service (Mukherjee, Pinto and Malhotra, 2009). If dissatisfied customers do not complain, they may change providers and/or engage in negative word-of-mouth (NWOM) (Suomi and Järvinen, 2019). Switching behaviour in the service industries results from issues relating to products and pricing, service failures, insufficient employee feedback to service failures, and ethical problems (Keaveney, 1995; and Suomi and Järvinen 2019).

Agarwal (2016) lists some of the problems customers encounter, which are suggested to be reasons for delaying the fast and timely resolution of complaints in the Life Insurance industry:
   a) Constraints in resolving the complaints within the agreed Service Level Agreement (SLA),
   b) Resource constraints and lack of employee training in the service departments of insurance companies,
   c) Inefficient and legacy systems and processes used in insurance companies for the processing of claims and applications which gives rise to complaints, and
   d) Unwarranted pressure on sales teams to meet their targets which gives rise to unfair business practices.

To address these issues, Agarwal (ibid.) suggests that the Insurance companies should come up with marketing initiatives to create awareness among customers and to be of aid to the sales

representatives who are selling the products on behalf of the companies. Accountability plays a crucial role in operations departments which focus on customer service (Antony, 2016). The financial services industries are facing similar complaint management challenges, and according to Bannister (2013), some of these include:

a) Silo orientation - which makes centralized monitoring and integration difficult and can lead to inconsistencies, such as providing different responses to a customer.

b) Inadequate policies or a tendency to focus on meeting policy standards and following the policy rules rather than creating a satisfactory outcome for the customer.

c) Lack of accountability – with no one taking ownership of the process or taking responsibility for escalation, referral or keeping the customer informed.

d) Inability to fix root causes – which will see the problems recurring in future, causing further frustration for the customer.

The challenges mentioned above relate to the researcher's ontology and epistemology, briefly discussed in Chapter 1. The researcher views her ontology as relativist, subscribing to the view that there are "multiple realities because reality is constructed subjectively in the mind of each person depending on context' (Khalil, 2014:42). The researcher's epistemology is that of an Interpretivist; she will view the world and this study through a subjective lens as she recognizes that individuals have their varied backgrounds, assumptions and experiences through social interaction (Wahyuni, 2012). There is no single 'truth' and it appears that there are multiple realities and experiences which occur in diverse contexts. The researcher is faced with similar challenges at the company for which she works. This has been the primary motivator for the study. As noted, the study sets to find out, through this research, what the root causes are for the customer complaints and from the findings, propose recommendations to address the issues, which could then be used within the broader insurance industry.

As discussed previously, how companies serve their customer has become the ultimate differentiator to remain competitive. The future capability of the insurance companies to retain and grow their customer base rests on their ability to provide a rich and consistent customer experience across all touchpoints, from the inception of the policy until termination of the policy (Barret, 2017). Touchpoints are the individual transactions through which customers interact with parts of the business and its offerings (Maechler, Neher, and Park, 2016). According to Maechler *et al*. (2016), companies that are emphasising touchpoints to maximise customer satisfaction can divert attention from the customer's end-to end journey. Research conducted by McKinsey and company in 2015, found that when consumers embarked on journeys that involved multiple channels, their experience was worse than during single-channel experiences. The customers' issues were resolved, but the underlying problems were avoidable, root causes were not investigated, and the combined effect on the customer experience was negative. There was a gap in the touchpoint-oriented way of thinking about customer experience (McKinsey and company, 2015).

Recommendations from the research by McKinsey (2015), suggest the following which can be adopted by insurance companies:

a) Step back and identify the journey from the customer's point of view;

b) Understand how the customer navigate across the touchpoints;

c) Anticipate the customers' needs, expectations and desires during each part of the journey;
d) Do an analysis and understand what is working and what is not;
e) Prioritize the most critical gaps and opportunities to improve the customer journey; and
f) Fix root cause issues and redesign the journeys for a better end-to-end experience.

Companies that perform best on journeys have a more distinct competitive advantage than those that excel at touchpoints (Maechler, Neher, and Park, 2016).

**2.11 Chapter Summary**

This chapter provided the history and background of insurance, an overview of the Provident Society Insurance company, the performance of insurance industry in the economy and the risks facing the insurance industries. The role that regulation plays in the insurance industries was then discussed, followed by the role of the Ombud and lastly, the context of insurance customer was presented. This review of the literature has provided the researcher with information, which confirms the researcher's problem statement, underscores the research question, and the aim of the research. The next chapter will discuss the research design and methodology of the study.

# Chapter 3

## Research Design and Research Methodology

### 3.1 Introduction

This chapter will discuss the research design, research methodology, research population and sampling, data collection and data analysis. Further, the measures for validity, reliability and ethical considerations will be discussed.

### 3.2 Research Design

Creswell (2009) stated that research designs are plans and procedures for research that extend from the decisions from broad assumptions to detailed methods of data collection. Welman *et al*. (2005) further state that research designs guide the researcher on how to obtain data about the research phenomenon from the respondents.

Rajasekar, Philominathan and Chinnathambi (2013) explain that quantitative research is based on the measurement of quantity, the outcome of which is a number or set of numbers. In contrast, qualitative research is concerned with the qualitative phenomenon. It is non-numerical, descriptive, applies reasoning and uses words. Similarly, Creswell (2009, 2013) confirms that quantitative research is a means for testing objective theories by examining the relationship among variables while qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem.

In this study, the researcher has adopted a qualitative research approach. The process is exploratory and defined by interaction with key individuals since the researcher wanted to understand the respondents' views. The researcher needed to determine:
   a. the expectations of customers when they lodge a complaint;
   b. the roles of the employees and leadership when dealing with complaints;
   c. the processes for dealing with complaints; and,
   d. ways to improve customer service and decrease the number of complaints.

Exploratory studies, according to Gray (2004), seek to explore what is happening and to ask questions about it. Approaching the research problem from the perspective of exploratory studies will involve understanding the complaints process by collecting and analysing data based on the experiences encountered through data collection techniques such as in-depth interviews and feedback on questionnaires.

An inductive approach is used for the study since the purpose is not to generate a theory from the outcomes, but rather attempt to understand the research problem and to propose solutions and recommendations. Deductive approaches are associated with quantitative research while inductive approaches are associated with qualitative research. An inductive approach allows the researcher to explore and identify the reasons for the customer complaints and find ways of reducing the number of complaints received. The data was collected via questionnaires which were interpreted and

analysed by the researcher before identifying commonalities that are in the feedback from respondents (Hesse-Biber and Leavy, 2006:8).

## 3.3 Research Methodology

There is a blurring between qualitative and quantitative research. In the case of data, as posited by Morgan (2016), qualitative research relies on words and quantitative research relies exclusively on numbers but because qualitative researchers use counting words, no study can be classified exclusively qualitative or quantitative on the basis of data. Given the above, the distinction between words and numbers as data cannot be used to create mutually exclusive categories of qualitative and quantitative research (ibid). The idea that closed-ended and highly structured questionnaires is used in quantitative research and open-ended minimally structured interviews in qualitative research eradicates the many variations in how questionnaires and interviews may be conceived, developed, or conducted, in the purposes they are intended to fulfil and in the way questionnaires are analysed, interpreted and represented (Sandelowski, 2014). An example would be survey research that incorporates both closed-ended and open-ended questions. Interviewing and other research methods include a diverse range of possible practices, with so much overlap that qualitative and quantitative methods cannot be distinguished (Morgan, 2016).

Qualitative methodology refers, in the broadest sense, to research that produces descriptive data – people's own written or spoken words and observable behaviour. Qualitative researchers empathise and identify with the people they study in order to understand how those people see things (Taylor, Bogdan and DeVault, 2013). Taylor *et al*. (2013) further state that qualitative research is inductive and that qualitative researchers develop concepts, insights, and understandings from patterns in the data rather than collecting data to assess preconceived models, hypothesis, or theories.

In qualitative methodology, the researcher looks at settings and people holistically. That is, people, settings, or groups are not reduced to variables but are viewed as a whole. The qualitative researcher studies people in the context of their past and the situations in which they find themselves (Marshall and Rossman, 2014; Tracy, 2012; Yin, 2011).  Qualitative research refers to a range of data collection and analysis techniques that use purposive sampling and semi-structured, open-ended interviews (Dudwick *et al*., 2006; Gopaldas, 2016).

The researcher used a qualitative research approach as it is a type of social science research that collects and works with non-numerical data that seeks to interpret meaning from these data that help us understand social life through the study of targeted populations (Punch, 2013). Since questionnaires are useful for gathering original data about people, their behaviour, experiences and social interactions, attitudes and opinions and awareness of events (McLafferty 2010; Parfitt 2005), the researcher made use of this tool to collect data.

## 3.4 Research Population and Sampling

The study will be conducted at PS insurance. The organisation has been in existence since 1941, and it has fifteen Life broker sales offices and thirteen Life advisory offices across South Africa. The organisation has several divisions, i.e., Life Insurance division, Short-term insurance division,

Investments division, and Healthcare division. The proposed study focuses on the Life Insurance division.

Burns and Grove (2003) describe 'population' as referring to all the elements that meet the criteria for inclusion in the study. Blaikie (2009) agrees and states that a population is an aggregate of all cases that conform to some designated set of criteria (examples: employees, management, etc.). There are over a thousand employees within the Life Insurance division at the mutually owned insurance company. The targeted population for this study included junior and senior employees in the Operations Departments at Head Office, the Sales Offices, Agency, Short-term insurance and independent intermediaries. No distinction has yet been made between the gender of the population group. The distinction between gender and age groups was made once feedback was received on the questionnaires. The researcher piloted the questionnaire with her mentor and colleagues at the organisation. The population for the study was selected based on their knowledge, relationships and expertise regarding the research subject (Langkos, 2014). The selected parties had sufficient and relevant work experience in the insurance industry and the specific organisation, they are actively involved in the operations of the business. They are directly impacted by the problem that this study investigated.

According to Blaikie (2009), a 'sample' is a selection of elements from a population which may be used to make statements about the whole population. In a probability sample, every element must have a known and non-zero chance of being selected. Convenience sampling and purposive sampling are nonprobability sampling techniques that a researcher uses to choose a sample of subjects/units from a population.

Researchers use purposive sampling when they want to access a particular subset of people, as all participants of a study are selected because they fit a particular profile (Laerd Dissertation, 2012). The aim of purposive sampling is not to generate results that will be used to create generalisations about the entire population (Etikan, Musa and Alkassim, 2016). More than one type of purposive sampling technique may be used during the course of a qualitative research design, in this study a homogeneous sampling technique was used. Homogeneous sample is a sample whose units (e.g. people, cases, etc.) share the same or similar characteristics or traits (e.g. a group of people that are similar in terms of age, gender, background, occupation, etc.) (Laerd Dissertation, 2012). The sample of this study was selected because they all had sufficient work experience in the insurance industry and the specific organisation, they are actively involved in the operations of the business and are directly impacted by the problem that this study investigated.

### 3.5 Data Collection

Three main types of data are used in social research; namely, primary data, secondary data and tertiary data (Blaikie, 2009). Primary data are generated by a researcher who is responsible for the design of the study, the collection, analysis and reporting of the data. Secondary data, on the other hand, are raw data that has already been collected by someone else and tertiary data have been analysed either by the researcher who generated them or by a user of secondary data (Blaikie, 2009).

In qualitative research in which the researcher is the primary instrument of data collection, subjectivity and interaction are assumed (Merriam and Tisdell, 2015). According to Brinkmann (2014), most

qualitative interviews are semi-structured. In a semi-structured interview, the researcher, based on her research interest, provides structure and an interview guide but works flexibly with the guide, allowing room for more spontaneous description and narrative by the respondents.

The difference between an interview and a normal conversation is that the direction of dialogue is mindfully guided by the investigator in accordance with specific research objectives, either with explicit, ordered questions, as in a structured interview; or with assurances and prompts, as in an unstructured interview (Byrne, 2015). According to Cassel and Syman (2004), the process of constructing and using qualitative research interviews can be split into four steps: defining the research question, creating the interview guide, recruiting participants and carrying out the interviews.

Qualitative methods are used to answer questions about experience, meaning and perspective from the standpoint of the participant (Hammarberg, Kirkman and De Lacey, 2016). The researcher, in her data collection, used primary data employing questionnaires in which she sought views on the topic of the study, for background information and to understand the experience from a personal perspective from the participants (ibid.).

**3.6 Data Analysis**

Data analysis represents an initial step in qualitative research and has a significant impact on the outcome of any research conducted (Flick, 2014).

Qualitative Data Analysis (QDA) is the range of processes and procedures whereby one moves from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations under investigation (Taylor and Gibbs, 2010). QDA is usually based on an interpretative philosophy (ibid.). The idea is to examine the meaningful and symbolic content of qualitative data (ibid.). The principles of QDA, according to Taylor and Gibbs (2010), include: people differ in their experience and understanding of reality; social phenomenon cannot be understood outside its context; qualitative research can be used to describe a phenomenon or generate theory grounded on data; understanding human behaviour emerges slowly and non-linearly and in exceptional cases may yield insights into a problem or new idea for further inquiry.

In the data analysis process, the researcher adopted a grounded theory data analysis approach, which enabled the researcher to analyse the data to find repeating themes by thoroughly reviewing the **data. The researcher then coded** the emergent themes with keywords and phrases; grouped the codes into concepts hierarchically; and then categorised the concepts through relationship. The researcher did not want to develop a theory, so she did not use the grounded theory in its entirety; but used the grounded theory approach to data analysis coding and developing themes on which her findings and recommendations are based.

**3.7 Ethical Considerations**

Ethics is the division of philosophy which addresses questions about morality (Wiles, 2012). As required by Muller (2007), the researcher must ensure the highest ethical standards when conducting research by:

a. Communicating the aims of the research to the participants;
b. Being honest with the participants and not coerce or trick the participant into participation in the research;
c. Communicating the anticipated consequences of the research to participants;
d. Obtaining written consent from the participant;
e. Explaining the possible risk to the participant;
f. Reassuring participants that they will be protected from physical and psychological harm;
g. Explaining to the participant that they can opt-out at any time; and,
h. Assuring the participants of their confidentiality.

Confidentiality is the management of data to prevent participants' identities from being linked to their responses and privacy is violated if data is collected or disseminated without the participants' knowledge (Burton and Steane, 2004). The researcher must ensure anonymity. Fritz (2008) suggested that the researcher ensure the highest confidentiality standards when conducting research by:

a. Establishing clear procedures that reduces risk and maximise confidentiality;
b. Ensuring that the field notes and transcripts do not contain personal identities;
c. Keeping raw and processed data locked and password protected; and,
d. Only sharing data with those who are part of the study.

Ethical issues, according to Farrimond (2013), are important for both primary research and using secondary data sets because, in the case of the latter, there are ethical issues relating to fair and unbiased selection and analysis of sources. The fact that the researcher is employed at a mutually owned Insurance company, and most of the participants work at the same company, there is a high possibility of subjectivity and bias. Throughout the data collection and data analysis process, the researcher had to keep these biases in mind for the findings not be impacted.

Eriksson and Kovalainen (2015) suggest that researchers follow the consent protocol and ensure the components of informed consent are adhered to when conducting survey research. As discussed in Chapter 1, the researcher followed the guidelines as set out above by providing the participants enough time to complete the questionnaires. Confidentiality and anonymity were guaranteed throughout the process. The participants were informed of both the purpose of the research and the rationale behind the population sample. The participants were also made aware that participation is voluntary and that the findings will be available if they are interested in the findings.

**3.8 Chapter Summary**

In this chapter, the researcher discussed the research design and research methodology that was used in the study. The population and sampling design were identified, and data collection and data analysis method were explained. Lastly, confidentiality and ethical considerations were highlighted to ensure

the credibility of the study. The three questionnaires are placed as Annexures at the end of the dissertation. The research findings and analysis of the research obtained are documented in Chapter four.

# Chapter 4

# Data Analysis and Research findings

## 4.1 Introduction

The presentation and discussion of findings from the questionnaires were considered an essential means by which to explain customer complaints and the concomitant poor service in the After-Sales process of a Life Insurance company. This chapter contains findings from three different questionnaires completed by respondents. The three questionnaires are placed as Annexures at the end of the dissertation. The rationale behind the different questionnaires was to enable the researcher to get more insight into the customers' complaints in the After-Sales process. The first questionnaire was directed at the customers of LBS who are also known as the independent intermediaries. The independent intermediaries are the main customer of LBS. The second questionnaire was directed at the leadership of the Regional Sales Offices, Head Office and Short-term Insurance department, and the third questionnaire was directed at the employees of the Regional Sales Offices, Head Office and Short-Term Insurance department.

The rationale behind the second and third questionnaires was to enable the researcher to get insight from the leadership and employees into their experiences in the After-Sales process since they are directly involved in the process. The first three questions on all the questionnaires are the same and deal with the characteristics of the respondents. The remainder of the questions are different but have a direct link to the research questions mentioned in Chapter One and Chapter Three.

The results of the closed questions on the three different questionnaires were presented first. After that, themes were identified from the open-ended questions. The themes identified were summarised and compared to identify any similarities or differences between the three questionnaires.

The next section explains the characteristics of the respondents on all three questionnaires.

## 4.2 Characteristics of respondents

The general descriptions of the respondents, i.e., Independent intermediary (customer), leadership, and employees, gave the researcher an overview of the people participating in the After-Sales process in insurance companies. Under this section, the study looked at the level of education, age and gender of respondents.
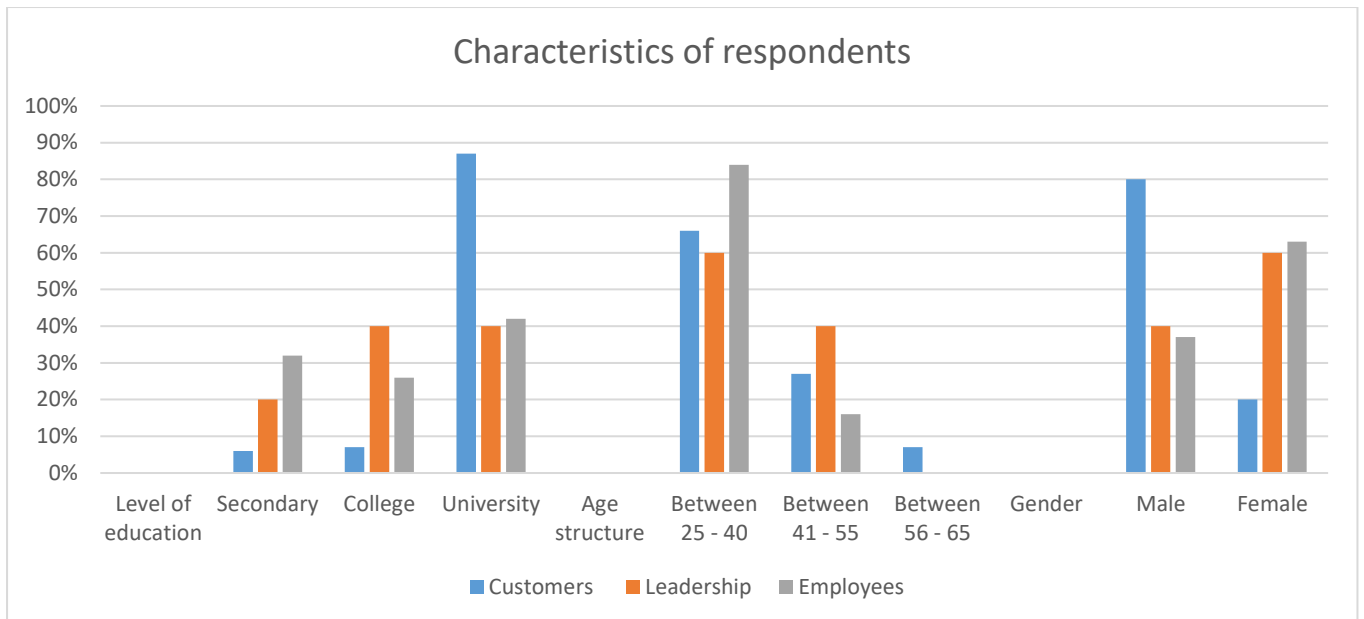
Figure 2: Characteristics of the respondents (Data from field study 2019)

### 4.2.1 Level of Education of Respondents

Data from figure 2 indicates that out of 15 Customer respondents, 13 (87%) were university educated, 1 (7%) was college-educated, and 1 (7%) had secondary education. Out of the ten leadership respondents, 4 (40%) were university educated, 4 (40%) were college-educated, and 2 (20%) had secondary education. Of the 19 employee respondents, 8 (42%) were university educated, 5 (26%) were college-educated, and 6 (32%) had secondary education. The results show that all the respondents were at least literate and numerate, to the minimum level of at least a secondary education qualification; and most had a post-school qualification.

### 4.2.2 Age of Respondents

Of 15 Customer respondents, 10 (67%) were between 25 and 40 years old, 4 (27%) were between 41 and 55 years old, while 1 (7%) was between 56 and 65 years old. Of 10 Leadership respondents, 6 (60%) were between 25 and 40 years old, 4 (40%) were between 41 and 55 years old. Of the 19 Employee respondents, 16 (84%) were between 25 and 40 years old, 3 (16%) were between 41 and 55 years old. With most of the respondents between 24 and 40 years old, the sample group is still relatively young.

### 4.2.3 Gender of Respondents

Out of 15 Customer respondents, 12 (80%) were male, and 3 (20%) were female. Of the 10 Leadership respondents, 4 (40%) were male, and 6 (60%) were female. Of the 19 Employee respondents, 7 (37%) were male, and 12 (63%) were female.

The next section presents the analysis and findings of the closed questions on the Customer questionnaire.

**4.3 Written Customer Questionnaire analysis and findings**

The Customer questionnaire consisted of closed and open-ended questions. The closed questions were analysed first; after that, the researcher presents the findings on the open-ended questions.

**4.3.1 Do you welcome the treatment you get from PS insurance with full satisfaction?**

The results in figure 3 show that fifty-three percent (53%) of the customers welcome the treatment from PS insurance with full satisfaction. In comparison, forty-seven percent (47%) are not fully satisfied with the treatment they receive from the company. The 53% of customers that welcome the treatment from PS Insurance prefers direct communication with the Regional Sales Office than with Head Office (refer 4.3.5).
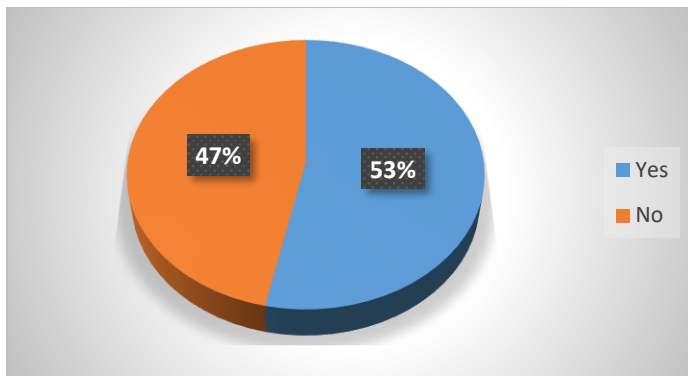


Figure 3: Treatment from the company (Data from field study 2019)

**4.3.2 How do you rate the overall satisfaction you receive as a customer?**

The results indicate that twenty percent (20%) of the customers rated their overall satisfaction as very good, and 20% as good. Furthermore, twenty-seven percent (27%) of the customers rated their overall satisfaction as average. 20% of the customers rated their overall satisfaction as poor, and thirteen percent (13%) as very poor (see figure 4). The majority of the respondents appear to be satisfied, while 33% are not satisfied. There could be several reasons for this which are discussed later in the chapter.
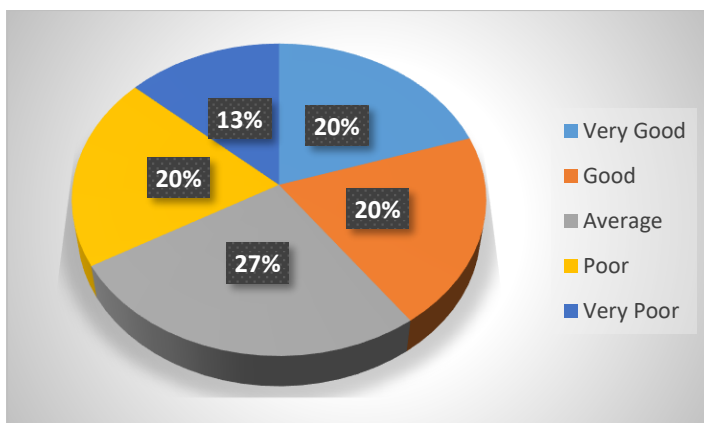


Figure 4: Satisfaction of the customer (Data from field study 2019)

### 4.3.3 The influence of internal customer satisfaction on external customer satisfaction

Eighty-seven percent (87%) of the external customers believe that internal customer satisfaction has a direct connection to the satisfaction of external customers, broken down as follows: Forty-seven percent (47%) believe to a very great extent that their satisfaction is dependent on the satisfaction of the internal customer, and forty percent (40%) believe to a great extent that internal customer satisfaction contributes to their satisfaction. Only thirteen percent (13%) believe that their satisfaction depends to a moderate extent on the satisfaction of the internal customer (see figure 5). Conversely stated, this could imply that there is a strong belief among the external customers that dissatisfied internal customers would have a direct impact on their satisfaction.
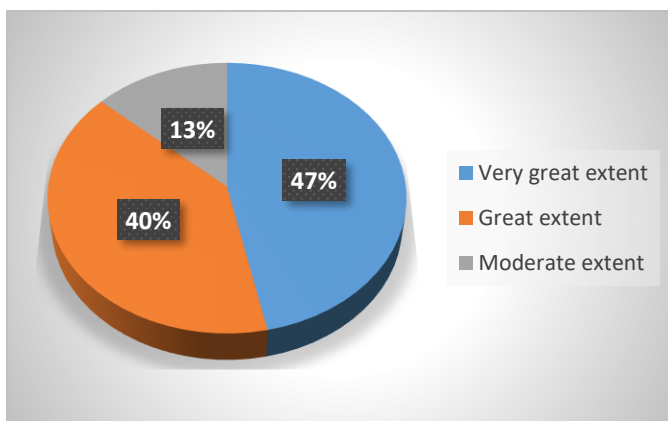


Figure 5: The influence of customer satisfaction (Data from field study 2019)

### 4.3.4 What mode of communication do you use to communicate with PS Insurance?

According to the data in figure 6, 53% of the customers prefer communicating with PS Insurance via Telephone, Email and Face-to-face, and 20% prefer communicating only via Telephone and Email. On the other hand, 27% prefer communicating with the company via Email only. This indicates that the majority of the customers use all modes of communications to make contact with the company.
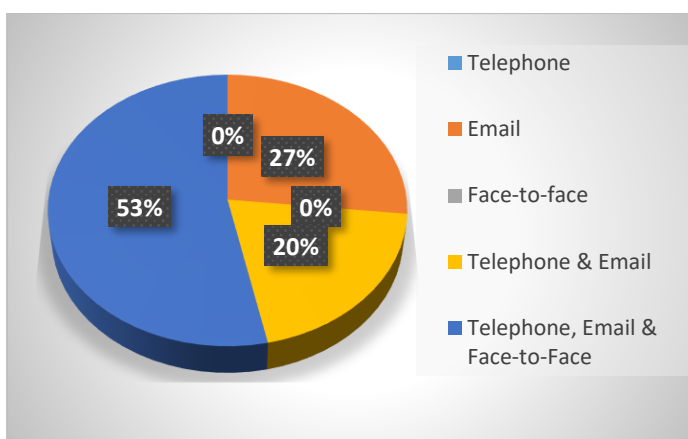


Figure 6: Mode of communication (Data from field study 2019)

**4.3.5 Do you communicate with the Regional Sales Office or with PS Head Office?**

Figure 7 shows that 73% of the customers submit their complaints directly to the Regional Sales Offices, and 27% submit their complaints to the Regional Sales Offices and Head Office. Furthermore, none of the customers submits their complaints to the Head Office only. The majority of the customers prefer dealing directly with the Regional Sales Offices. This supports the finding in 4.3.1, that the customers that are satisfied with the treatment they receive from the company deal directly with the Regional Sales Offices.
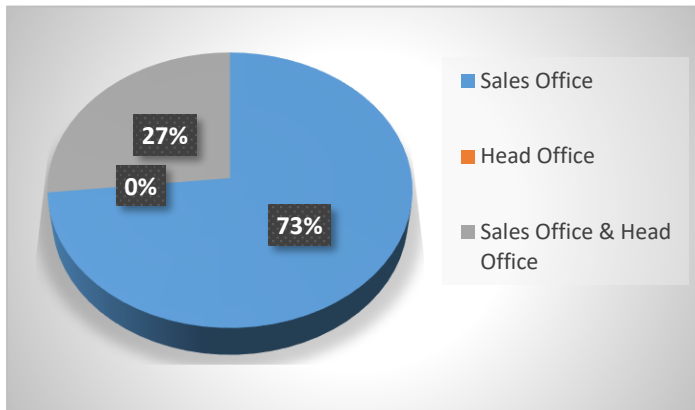


Figure 7: Communications with the Sales Office and Head Office (Data from field study (2019))

**4.3.6 How long does it take PS insurance to resolve the complaint?**

On examination of this issue sixty-six percent (66%) of the customers say that it takes the company longer than four days to resolve their complaints, while 13% say it takes the company three to four days to resolve their complaints. On the other hand, 7% of the customers say it takes the company one day to resolve their complaints, and 7% say it takes the company two days to resolve their complaints. The remaining 7% of the customers say the company is inconsistent with the time it takes them to resolve their complaints (see figure 8). Most of the customers feel that it takes the company too long to resolve their complaints and this could point to be a root cause of the increase in complaints.
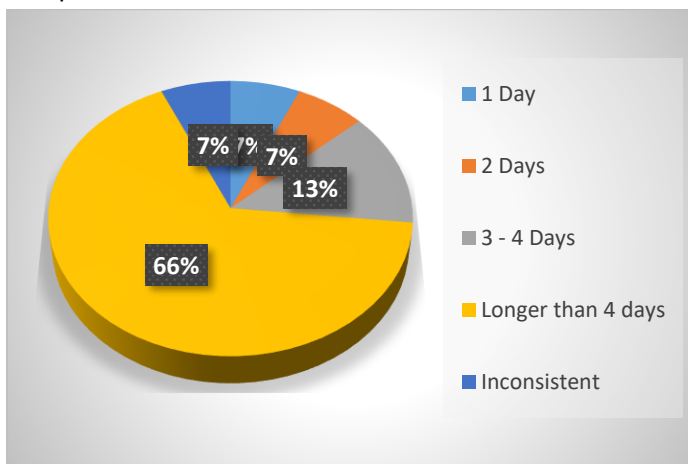


Figure 8: Duration to resolve complaints (Data from field study (2019))

### 4.3.7 Do you receive any correspondence from PS Insurance when submitting a complaint?

Figure 9 below shows that 60% of the customers receive correspondence from PS Insurance after submitting a complaint, and 40% of the customers receive no correspondence from the company. The researcher deduces that there is no consistency from the company when communicating with the customers and this could point to be a root cause of an increase in customer complaints.
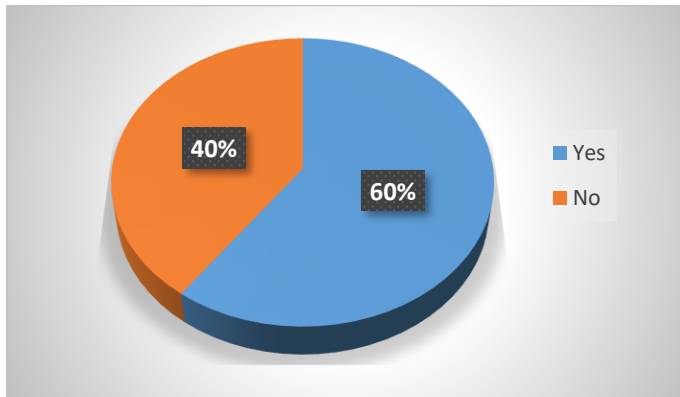


Figure 9: Correspondence when submitting complaints (Data from field study (2019))

The next section will present the differences and/or similarities of the closed questions on the Leadership and Employee questionnaire.

### 4.4 Findings on the Leadership and Employee questionnaires

The Leadership and Employee questionnaires have similar closed questions. The researcher analysed the results of the two questionnaires for any differences and/or similarities.

### 4.4.1 How long have you been employed at PS Insurance?

The results of Table 5 indicate that 50% of the respondents in the Leadership questionnaire have been employed at the company for less than six years, and 50% of the respondents have been employed at the company for more than six years. On the other hand, 53% of the respondents in the Employee questionnaire have been employed at the company for less than six years, while 48% of the respondents have been employed at the company for more than six years. This indicates that the people who work in the company are not brand-new entrants into the company, with a reasonable number being employed for more than five years. There would be an expectation that people who work in the company have a satisfactory level of knowledge and information about the content of the products, and the processes followed in the company.

Table 5: Employment period of Leadership and Employees

| How long have you been employed at PS Insurance? | 1-5 years | 6-10 years | More than 10 years |
|---|---|---|---|
| Leaders | 50% | 20% | 30% |
| Employees | 53% | 31% | 16% |

**4.4.2 Level of authority to service customers without interferences**

Table 6 indicates that 60% of the respondents on the leadership questionnaire have been given a high level of authority to service customers without interferences, while only 32% of the respondents on the employee's questionnaires have been given a high level of authority to service customers without interferences. Fifty-eight percent of the employee respondents have been given a moderate level of authority, and 40% of the respondents on the leadership questionnaire have been given a moderate level of authority to service customers without interferences. On the other hand, 11% of the respondents on the employee's questionnaire have been given a low level of authority to service customers without interferences. The majority of the respondents on the leadership questionnaire have been given a high level of authority to service customers without interferences, while only a third of the respondents on the employee's questionnaire has been given a high level of authority to service customers without interferences.

The researcher deduces that there are gaps in the employee service to customers due to management not managing the employees well. Suppose the employees are trained adequately and received a higher level of authority to service customers without interferences, then it could mean that the customer service provided will be of a higher quality than is currently the case. Additionally, the responses to the customers' queries will be much faster. This gap could also mean that the employees are waiting for feedback from the managers before they provide feedback to the customer, which will have an impact on the swiftness of feedback.

Table 6:  Level of authority to service customers without interferences

| Level of authority to service customers without interferences | High | Moderate | Low |
|---|---|---|---|
| Leaders | 60% | 40% | |
| Employees | 32% | 58% | 10% |

Table 7: Satisfaction of service provided to the customers

| # | Statements | Not at all | Not much | Much | Very Much | Blank |
|---|---|---|---|---|---|---|
| 4.4.3 | How satisfied are you with the service you provide to the customers? | | | | | |
| | Leaders | | 10% | 50% | 40% | |
| | Employees | | 16% | 42% | 37% | 5% |
| 4.4.4 | How satisfied are you with the swiftness in which the service is delivered? | | | | | |
| | Leaders | | 60% | 20% | 20% | |
| | Employees | 5% | 42% | 53% | | |
| 4.4.5 | How satisfied are you with the quality of information provided by the employees? | | | | | |
| | Leaders | | 60% | 20% | 20% | |
| | Employees | | 21% | 74% | 5% | |
| 4.4.6 | How satisfied are you with the time taken to respond to the customer enquiries? | | | | | |
| | Leaders | 20% | 50% | 20% | 10% | |
| | Employees | 16% | 37% | 42% | 5% | |
| 4.4.7 | How would you rate the professionalism of the employees who service customers? | | | | | |
| | Leaders | | 30% | 50% | 20% | |
| | Employees | | 21% | 68% | 11% | |
| 4.4.8 | Do the employees always treat customers as valued customers? | | | | | |
| | Leaders | | 20% | 50% | 30% | |
| | Employees | 5% | 10% | 74% | 11% | |

**4.4.3 How satisfied are you with the service you provide to the customers?**

The results in table 7 indicate that 90% of the respondents on the leadership questionnaire are satisfied with the service they provide to the customer, while 79% of the respondents on the employee's questionnaire are satisfied with the service they provide to customer. The majority of both sets of respondents are satisfied with the service they provide to customer.

**4.4.4 How satisfied are you with the swiftness in which the service is delivered?**

Table 7 results reveal that 60% of the respondents on the leadership questionnaire are not satisfied with the swiftness in which the service is delivered, while 40% of the respondents on the same questionnaire are satisfied. Forty-seven percent of the respondents on the employee's questionnaire are not satisfied with the swiftness with which the service is delivered, and 53% of the respondents on the employees' questionnaire are satisfied. The researcher deduces that the employees might need more training and support from managers to increase their (employees) productivity and better the service to the customer. This could indicate low employee morale and demotivated employees, which will have an impact on the quality of service provided to the customer.

**4.4.5 How satisfied are you with the quality of information provided by the employees?**

Seventy-nine percent of the respondents on the employee's questionnaire are satisfied with the quality of information provided by the employees. In comparison, 60% of the respondents on the leadership questionnaire are not satisfied with the quality of the information provided by the employees. This is contradictory to the previous employee responses on the swiftness of service provided to the customer. The quality of information and swiftness of customer services should complement each other as it forms part of professional service. The employees might feel that the quality of service provided to customers are above standard based on the level of training they have received on the products and services. Based on the low percentage of satisfied leaders to this specific question, the researcher suggests that the employees need more support from the managers and the managers need to ensure the employees are adequately trained.

**4.4.6 How satisfied are you with the time taken to respond to the customer enquiries?**

Two-thirds of the respondents on the leadership questionnaire are not satisfied with the time taken to respond to customer enquiries, while only 53% of the respondents on the employee's questionnaires are not satisfied. This finding suggests that the employees believe they are doing well, but the leaders do not believe so. It also raised questions about the level and type of training provided to employees and the level of support the employees receive from the leaders. Lack of good leadership and management could be one of the most significant root causes of the rise in customer complaints.

**4.4.7 How would you rate the professionalism of the employees who service customers?**

Seventy percent of the respondents on the leadership questionnaire and 79% of the respondents on the employee's questionnaire are satisfied with the level of professionalism of the employees who service customers. This is an interesting finding because, on the one hand, the leadership do not believe the employees provide good information, swiftly enough. On the other hand, both sets of respondents are satisfied with the level of professionalism. This apparent contradiction leads the researcher to suggest that the employees and leaders were referring to how the employees respond to customer complaints, as professional behaviour can be linked to respectful and courteous conduct.

**4.4.8 Do the employees always treat customers as valued customers?**

The results in table 7 show that 85% of the respondents on the employees' questionnaire and 80% of the respondents on the leadership questionnaire agreed that employees always treat customers as valued customers.

Table 8: Understanding of people and processes

| # | Statements | Strongly Disagree | Disagree | Moderately disagree | Agree | Moderately agree | Strongly agree | Blank |
|---|---|---|---|---|---|---|---|---|
| **4.4.9** | **PS insurance offers the best insurance services to all customers** | | | | | | | |
| | Leaders | 0% | 10% | | 60% | | 30% | 0% |
| | Employees | 0% | 11% | | 47% | | 42% | 0% |
| **4.4.10** | **PS insurance has knowledgeable employees** | | | | | | | |
| | Leaders | 0% | 20% | | 40% | | 30% | 10% |
| | Employees | 11% | 5% | | 84% | | 0% | 0% |
| **4.4.11** | **The Operations Managers support the employees** | | | | | | | |
| | Leaders | 10% | 0% | | 80% | | 10% | 0% |
| | Employees | 10% | 21% | | 58% | | 11% | 0% |
| **4.4.12** | **PS Insurance has an effective employee relationship management** | | | | | | | |
| | Leaders | 0% | 30% | | 60% | | 10% | 0% |
| | Employees | 32% | 32% | | 63% | | 0% | 0% |
| **4.4.13** | **Monitoring the performance of service processes** | | | | | | | |
| | Leaders | 0% | 20% | | 70% | | 10% | 0% |
| | Employees | 26% | 32% | | 42% | | 0% | 0% |
| **4.4.14** | **PS Insurance has been able to attract and retain employees** | | | | | | | |
| | Leaders | | | 20% | | 70% | 10% | |
| | Employees | 21% | | 11% | | 58% | 10% | |
| **4.4.15** | **Management pays great attention to employees needs** | | | | | | | |
| | Leaders | 10% | 30% | | 50% | | 10% | |
| | Employees | 16% | 31% | | 53% | | | |
| **4.4.16** | **The employees are given authority to manage and meet the customers need** | | | | | | | |
| | Leaders | | 10% | | 80% | | 10% | |
| | Employees | 16% | 5% | | 79% | | | |
| **4.4.17** | **The employees are adequately trained on** | | | | | | | |

| # | Item | C1 | C2 | C3 | C4 | C5 | C6 |
|---|------|----|----|----|----|----|----|
| | the products and services | | | | | | |
| | Leaders | | 40% | | 60% | | |
| | Employees | 5% | 26% | | 69% | | |
| 4.4.18 | Employee queries in the company are handled from end-to-end | | | | | | |
| | Leaders | | 50% | | 40% | | 10% |
| | Employees | 16% | 42% | | 42% | | |
| 4.4.19 | The leaders motivate employees on better performance | | | | | | |
| | Leaders | | 30% | | 50% | | 20% |
| | Employees | 16% | 37% | | 42% | | 5% |
| 4.4.20 | The employees possess the knowledge and skills needed to service customer | | | | | | |
| | Leaders | | 30% | | 70% | | |
| | Employees | 5% | 16% | | 79% | | |
| 4.4.21 | The employees respond fast to customer complaints | | | | | | |
| | Leaders | | 30% | | 70% | | |
| | Employees | 5% | 27% | | 42% | | 26% |
| 4.4.22 | Customers are treated with respect and dignity | | | | | | |
| | Leaders | | 20% | | 70% | | 10% |
| | Employees | | 11% | | 47% | | 42% |
| 4.4.23 | The employees communicate effectively to customers | | | | | | |
| | Leaders | | 60% | | 40% | | |
| | Employees | | 11% | | 68% | | 21% |
| 4.4.24 | Errors are corrected promptly | | | | | | |
| | Leaders | | 50% | | 50% | | |
| | Employees | 5% | 37% | | 47% | | 11% |
| 4.4.25 | The services provided by employees are beyond customer expectations | | | | | | |
| | Leaders | | 50% | | 50% | | |
| | Employees | | 53% | | 37% | | 10% |
| 4.4.26 | Service is easily accessible | | | | | | |
| | Leaders | | 50% | | 40% | | 10% |
| | Employees | 10% | 11% | | 74% | | 5% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **4.4.27** | **Service is provided within the expected time** | | | | | | | |
| | Leaders | | 56% | | 44% | | | |
| | Employees | 5% | 32% | | 53% | | 10% | |
| **4.4.28** | **Error-free documentation is provided to customers** | | | | | | | |
| | Leaders | 10% | 50% | | 40% | | | |
| | Employees | 5% | 37% | | 53% | | 5% | |
| **4.4.29** | **The employees listen to the customers and keep them informed** | | | | | | | |
| | Leaders | | 40% | | 60% | | | |
| | Employees | | 16% | | 68% | | 11% | 5% |

**4.4.9 PS offers the best insurance services to all customers**

Ninety percent and 89% of the respondents on both questionnaires agreed that the company offers the best insurance services to all customers. In contrast, the remainder of the respondents disagreed that the company offers the best insurance services to all customers. The researcher assumes that the respondents might be confusing services with products. Because in the previous responses, the majority of the respondents agreed that queries are not being responded to swiftly.

**4.4.10 PS has knowledgeable employees**

The majority of the respondents on both questionnaires agreed that the company has knowledgeable employees, while 16% and 20% of the respondents disagreed that the company has knowledgeable employees. Less than a third of the respondents disagreed that the company has knowledgeable employees.

**4.4.11 The Operations Managers support the employees**

Although 90% of the respondents on the Leadership questionnaires in table 8 agreed that the Operations Managers support the employees, only 69% of the respondents on the employee's questionnaire agreed. On the other hand, 10% of the respondents on the leadership questionnaire strongly disagreed that the Operations Managers support the employees. In comparison, 11% of the respondents on the employee questionnaire strongly disagreed, and 21% of the respondents on the employee questionnaire disagreed. The responses from the employee's questionnaire indicate that there is low employee morale, and employees could be demotivated due to low support from the managers. This could lead to customers not receiving feedback on time.

**4.4.12 PS has effective employee relationship management**

Results in table 8 show that more than a third of the respondents on both the leadership and employee's questionnaire disagreed that the company has an effective employee relationship

management. Sixty percent of the respondents on the leadership questionnaire agreed that the company has an effective employee relationship management, while, 10% of the respondents on the leadership questionnaire strongly agreed. Furthermore, 63% of the respondents on the employee's questionnaire agreed that the company has effective employee relationship management. The majority of the respondents agreed that the company has effective employee relationship management. This correlates with the other findings mentioned previously; the employees do not feel valued and need more recognition and support from the managers.

### 4.4.13 PS has an effective way of monitoring the performance of service processes

Eighty percent of the respondents on the leadership questionnaire agreed that the company has an effective way of planning and monitoring the performance of service processes. In contrast, only 42% of the respondents on the employee's questionnaire agreed that the company has an effective way of planning and monitoring the performance of service processes. On the other hand, only 20% of the respondents on the leadership questionnaire disagreed that the company has an effective way of planning and monitoring the performance of services processes. Furthermore, 26% of the respondents on the employee's questionnaire strongly disagreed, and 32% of the respondents on the employee's questionnaire disagreed. More than half of the respondents on the employee's questionnaire are not in agreement that the company has an effective way of planning and monitoring the performance of services processes and the majority of the respondents on the leadership questionnaire agree.

The researcher derives from this that the managers believe that the way they are monitoring and managing the performance of service processes is sufficient and that there is no need to review the processes continually. In contrast, the employees feel that the processes must be reviewed and monitored continuously to streamline the processes and to make it easier for the employees to provide quality customer service. The managers must also request feedback from the employees on how to improve the service processes as they (employees) are the ones facing the customer and would know if there are any gaps in the processes.

### 4.4.14 PS has been able to attract and retain employees

The results in table 8 show that 80% of the respondents on the leadership questionnaire agreed that the company has been able to attract and retain employees, while only 20% of the respondents on the leadership questionnaire moderately disagree with this. 69% of the respondents on the employee's questionnaire agreed, while more than a third of the respondents on the employee questionnaire disagreed or strongly disagreed that the company has been able to attract and retain employees which has an impact on employee morale and would affect the employee's professionalism and behaviour. The researcher suggests that this will have a negative impact on the employees as they might feel undervalued and not supported by the managers. The employees need to know that their input and presence matter and that they are recognised for excellent service.

### 4.4.15 Management pays great attention to employees needs

The results in table 8, indicate that 60% of the respondents on the leadership questionnaire agreed that management pays great attention to employee's needs. Thirty percent of the respondents on the leadership questionnaire disagreed and 10% of the respondents on the leadership questionnaire

strongly disagreed. In comparison, 53% of the respondents on the employee's questionnaire agreed, 31% of the respondents on the employee's questionnaire disagreed and 16% of the respondents on the employee's questionnaire strongly disagreed. This finding is important in that it points to the fact that the managers should pay more attention to the employees so that the employees feel confident, more appreciated and valued. Lack of good leadership and management could lead to low employee morale and demotivated employees, which could lead to poor customer service.

### 4.4.16 The employees are given authority to manage and meet the customers need

The results show that 90% of the respondents on the leadership questionnaire agreed that the employees are given authority to manage and meet the customers need, while 79% of the respondents on the employee's questionnaire agreed that the employees are given authority to manage and meet the customers need. While 10% of the respondents on the leadership questionnaire disagreed, 16% of the respondents on the employee's questionnaire strongly disagreed that the employees are given authority to manage and meet the customers need. Although the findings show that 90% of leadership respondents, and 79% of employee respondents agreed that employees are given authority to manage and meet the customers need, the level of authority given to employees differs. If the employees are adequately trained, and all the employees receive the same level of authority to service customers without interference, it could lead to an increase in productivity, quality service to the customer, and increased employee morale.

### 4.4.17 The employees are adequately trained on the products and services

Sixty nine percent of the respondents on the employees' questionnaire and 60% of the respondents on the leadership questionnaire agreed that the employees are adequately trained on the products and services. Employees that are adequately trained would not be lacking in areas which are essential to good customer service. The researcher suggests that if the employees feel that they are adequately trained, then the reasons for the increase in customer complaints could be due to inadequate support from managers, poor communication, demotivated employees and low employee morale.

### 4.4.18 Employee queries in the company are handled from end-to-end

The results indicate that 50% of the respondents on the leadership questionnaire agreed that employee queries are handled from end to end, and 50% disagreed; while only 42% of the respondents on the employee's questionnaire agreed. The findings indicate that employees are not getting enough support from management which could lead to demotivated employees, employees with low morale, and increased customer complaints as the employees will not be as productive as what they should be. If employee queries or concerns are not addressed by management, it could have a negative impact on the quality of service provided to the customer, lead to poor employee morale, and ultimately affect the team behaviour and the team morale.

### 4.4.19 The leaders motivate employees on better performance

The respondents on the leadership questionnaire agreed that the leaders motivate employees on better performance, while 47% of the respondents on the employee's questionnaire agreed. The findings suggest that employees need more from management and they are not getting it. The

employees want to be motivated more, receive focused attention, and shown more appreciation. They (employees) need managers to provide support and to give them recognition where it is due. Lack of motivation could result in delayed feedback to customer, unprofessional service to customer and increase in customer complaints.

**4.4.20 The employees possess the knowledge and skills needed to service customers**

The results in table 8 indicate that 79% of the respondents on the employee's questionnaire agreed that the employees possess the knowledge and skills needed to service customers, while 70% of the respondents on the leadership questionnaire agreed.

**4.4.21 The employees respond fast to customer complaints**

Seventy percent of the respondents on the leadership questionnaire agreed that the employees respond fast to customer complaints, while 69% of the respondents on the employee's questionnaire also agreed that the employees respond fast to customer complaints. This finding is contradictory to the previous responses on the swiftness of feedback to the customer and the level of satisfaction on the time taken to respond to customer queries.

**4.4.22 Customers are treated with respect and dignity**

A positive finding is that 89% of the respondents on the employee's questionnaire agreed that customers are treated with respect and dignity, while 80% of the respondents on the leadership questionnaire also agreed that customer are treated with respect and dignity. This would suggest this is not a root cause of increased customer complaints.

**4.4.23 The employees communicate effectively to customers**

The results show that 89% of the respondents on the employee's questionnaire agreed that the employees communicate effectively to customers, while only 40% of the respondents on the leadership questionnaire agreed. The researcher derives from this that the employees believe they are communicating effectively to customers based on the type of training on the products and services they received. It could be that the managers never discuss their performance objectives in detail with the employees to make them understand where they need to improve and what they are doing well. The fact that only 40% of the managers feel the employees are communicating effectively to customers is a clear indication that there is inadequate communication between the managers and the employees. It suggests that the managers are not using the monthly performance discussions with the employees to support them to meet their objectives which include providing professional service to customers. There is a clear training gap and no support from the managers.

**4.4.24 Errors are corrected promptly**

Fifty-eight percent of the respondents on the employee's questionnaire agreed that errors are corrected promptly, while 50% of the respondents on the leadership questionnaire agreed. The cause could be that the employees and managers do not pay attention to detail, and that could be one of the root causes for the increase in customer complaints. The findings also indicate that there is a need

for training and a need for managers to support the employees. Poor employee morale and demotivated employees could also lead to errors and delays in correcting the errors.

### 4.4.25 The services provided by employees are beyond customer expectations

Fifty-three percent of the respondents on the employee's questionnaires disagreed that the services provided by employees are beyond customer expectations and 50% of the respondents on the leadership questionnaire disagreed. This is contradictory to the previous responses regarding the swiftness of customer services. The finding suggests that adequate training is needed for the employees and the managers on the products and services. The fact that both sets of respondents believe that the service is not up to standard is a concern, especially if the managers believe there is a gap in the process. Managers should do all they can to close the gap, such as training the employees, providing support and guidance to the employees, and ensuring the employees are motivated.

### 4.4.26 Service is easily accessible

There is quite a large gap between the 79% of the respondents on the employee's questionnaire that agreed that service is easily accessible, while 50% of the respondents on the leadership questionnaire agreed. The findings suggest that the employees are under the impression that customers can access service at the company at any time, and it will be available. In contrast, the leaders believe that service is not easily accessible. This could be due to a lack of communication between the managers and the employees. The accessibility of managers has been of concern at the company for some time now. It could also be the reason why the managers believe that service is not easily accessible and may also explain the increase in customer complaints.

### 4.4.27 Service is provided within the expected time

50% of the respondents on the leadership questionnaire disagreed that service is provided within the expected time, while only 37% of the respondents on the employee's questionnaire disagreed. This correlates to the previous responses on the swiftness of responses to customer queries. The previous finding on the level of authority given to employees to provide service to customers without interference could also be one of the reasons why service is not provided within the expected time. It could be that the employees are escalating complaints to management to provide a solution, and management is not providing feedback swiftly enough, which will have an impact on the turnaround time.

### 4.4.28 Error-free documentation is provided to customer

Sixty percent of the respondents on the leadership questionnaire disagreed that error-free documentation is provided to customers, while 42% of the respondents on the employee's questionnaire disagreed. Conversely, 58% of the respondents on the employee's questionnaire agreed that error-free documentation is provided to customers, while 40% of the respondents on the leadership questionnaire agreed. The finding suggests that training and skills development is not up to standard and should employees be adequately trained they would not be lacking in areas which are essential to good customer service. The provision of erroneous documentation to customers has serious implications for an increase in customer complaints.

**4.4.29 The employees listen to the customer and keep them informed**

Seventy-nine percent of the respondents on the employee's questionnaire agreed that the employees listen to the customers and keep them informed, while 60% of the respondents on the leadership questionnaire agreed.

The next section will present the results on the open-ended questions on all three questionnaires. The themes will then be derived and discussed further.

Table 9: Customer Questionnaire Theme Descriptions

| Theme Abbreviation | Description |
|---|---|
| SYS | Systems (Information Technology) |
| TNG | Training |
| COMS | Communication |
| UW | Underwriting |
| CMS | Claims |
| OPS | Operational Accounts |
| SLA | Service Level Agreement |
| COMM | Commission |
| PROC | Process |
| PRICE | Pricing |

Table 10: Customer Questionnaire Theme Allocations

| Respondent IDS | Question | Response | Theme |
|---|---|---|---|
| R1 | Q6: What kind of dissatisfaction are you experiencing? | I do my own quotes, but 70% of the time, the system does not want to work, or it takes too long to generate my quotes | SYS |
| R2 | Q6: What kind of dissatisfaction are you experiencing? | Commission has not always been paid on time, as the tape runs information that the PS commission department did not match the bank's information. Even though the funds were paid, the information provided to the bank resulted in incorrect information and I was not paid.<br>The quoting system is slow and sometimes does not work.<br>I had to wait for manual quotes on numerous occasions as the quote system did not want to generate the quote I requested. | COMM SYS |

| R3 | Q6: What kind of dissatisfaction are you experiencing? | No feedback provided | |
|---|---|---|---|
| R4 | Q6: What kind of dissatisfaction are you experiencing? | No feedback provided | |
| R5 | Q6: What kind of dissatisfaction are you experiencing? | Technology innovation: PS needs to develop robust IT systems and APS to keep up with current market trends. Underwriting is too strict: PS needs to increase its tolerance levels. Pricing needs to be reviewed on both life and short-term rates. | SYS UW PRICE |
| R6 | Q6: What kind of dissatisfaction are you experiencing? | PS Call centre consultants are inadequately trained based the on client's direct interaction with them. Junior Underwriters do not use lateral thinking and are quick to throw the proverbial book at clients for decisions. Service centres continually hide behind turn around/SLA Times instead of expediting a process if it can be done faster. | TNG UW SLA |
| R7 | Q6: What kind of dissatisfaction are you experiencing? | Communication breakdown Processing systems Misalignment of skills | COMS SYS TNG |
| R8 | Q6: What kind of dissatisfaction are you experiencing? | Communication of feedback for claims and service requests, it is always a hassle with the department to get information | COMS |
| R9 | Q6: What kind of dissatisfaction are you experiencing? | Poor communication No access to underwriting A communist approach to business Communication around (skipping advisors) advisors to clients No flexibility on underwriting terms Incompetent management PS's inability and unwillingness to fix amend structures Old school thinking | COMS UW COMS UW SYS |
| R10 | Q6: What kind of dissatisfaction are you experiencing? | Feedback from Members perspective: Premiums not collected Online/Intouch not available or slow to do quotations | OPS SYS CMS |

| | | Members doesn't read annual auto increase communication that takes place in January every year; members can be over-insured.<br><br>Information is withheld during the claim stage or [customer] does not understand the questions on the application forms. Claims will then be declined, or more information will be requested. | |
|---|---|---|---|
| R11 | Q6: What kind of dissatisfaction are you experiencing? | Please note: At writing this feedback, the issue/complaint has been rectified and things have moved on.<br><br>However, the turnaround times for PS claims, in conjunction with the lack of satisfactory and timeously provided feedback is of dire concern.<br><br>This has a material impact on whether I can confidently and continuously recommend PS as a service provider of choice for my business. | SLA<br>CMS<br>COMS |
| R12 | Q6: What kind of dissatisfaction are you experiencing? | Claims and Underwriting service is extremely poor - it is almost as if these departments have been outsourced to a different company.<br><br>Underwriters feel they are mightier than though and access to them are limited and communication from them is pathetic. | CMS<br>UW<br>COMS |
| R13 | Q6: What kind of dissatisfaction are you experiencing? | Too many system issues, regarding various simple functions (ex. Takes a week to change 30 to 7 day waiting period, smoker to non-smoker) keeping everything up.<br><br>Handling of the medicals, and underwriting system, can be more effective and transparent. | SYS<br>UW |
| R14 | Q6: What kind of dissatisfaction are you experiencing? | The call centre needs to be more precise when updating client's details on record as they don't do the update correctly on the initial instruction. | TNG |
| R15 | Q6: What kind of dissatisfaction are you experiencing? | Quality assurance is a challenge | PROC |

| R1 | Q7: As a customer, what is your expectations when lodging a complaint? | My Sales office replies in a speedy manner, yet they are always waiting on head office to complete the task before they can provide feedback.<br><br>I have never lodged a formal complaint, but the turnaround time for cases to issue after I have received the decision varies each month.<br><br>There should be a standard time frame to issue cases and receive the policy document. | SLA |
|---|---|---|---|
| R2 | Q7: As a customer, what is your expectations when lodging a complaint? | It should be efficient and professional, and I would like to be updated throughout the process. | PROC<br>COMS |
| R3 | Q7: As a customer, what is your expectations when lodging a complaint? | Acknowledgement of receipt of the complaint.<br>Expected turnaround time before a response.<br>Should the complaint not be resolved to my satisfaction what are the routes for an appeals process? | COMS<br>SLA<br>PROC |
| R4 | Q7: As a customer, what is your expectations when lodging a complaint? | Acknowledgement of my concerns<br>Taking responsibility<br>An apology<br>Written response regarding the resolution | COMS |
| R5 | Q7: As a customer, what is your expectations when lodging a complaint? | Acknowledge complaint.<br>Phone call to understand the nature of the complaint.<br>Speedy resolution. | COMS<br>SLA |
| R6 | Q7: As a customer, what is your expectations when lodging a complaint? | Timeous feedback<br>A factual and complete answer not a generic response. | SLA<br>COMS |
| R7 | Q7: As a customer, what is your expectations when lodging a complaint? | Suitable process in place to prevent causes leading to the complaint | PROC |
| R8 | Q7: As a customer, what is your expectations when lodging a complaint? | To receive feedback, and for the problem to be sorted out efficiently.<br>I can complement my regional office based on any issues they do provide feedback and try to solve problems, but | COMS<br>SLA |

| | | some issues have to be forwarded to head office and this takes forever to get a response. | |
|---|---|---|---|
| R9 | Q7: As a customer, what is your expectations when lodging a complaint? | Quick turnaround time. 1-2 days (unless complex) <br> Full transparency <br> Clear, accessible communication channels both ways <br> Emphasis on resolving matters satisfactorily and not from PS's point of view, from the clients and or advisors | SLA <br> COMS |
| R10 | Q7: As a customer, what is your expectations when lodging a complaint? | Acknowledgement of receipt of email <br> An updated email confirming if more information is needed <br> An email confirming expected turnaround time <br> Email confirming the appeals process if they are not happy with the feedback or resolution | COMS <br> SLA <br> PROC |
| R11 | Q7: As a customer, what is your expectations when lodging a complaint? | Acknowledgement that the complaint has been properly received and is being investigated. <br> Clear, concise feedback <br> Timeous feedback <br> A professional and courteous way of dealing with the client at this stage: <br> -This is where WE are PEOPLE shine, when there is a claim <br> -If I receive a lifeless and irrelevant auto-email response; what is this then saying to the client when they need us the most | COMS <br> SLA |
| R12 | Q7: As a customer, what is your expectations when lodging a complaint? | I expect my complaint to be dealt with in a fair and efficient manner- this does not happen at PS. | TNG |
| R13 | Q7: As a customer, what is your expectations when lodging a complaint? | Not to always wait for SLAs that takes forever, effective and timely feedback is very important | SLA |
| R14 | Q7: As a customer, what is your expectations when lodging a complaint? | We should be given a turnaround time between 24 to 48 hours, and we must be notified of this as well as should the | SLA <br> COMS |

| | | time to get back to us take longer we need to also be aware of this. | |
|---|---|---|---|
| R15 | Q7: As a customer, what is your expectations when lodging a complaint? | Regular feedback | COMS |
| R1 | Q8: As a customer, what is your definition of quality services? | Faster quote system and processing times.<br>Speaking to the correct person who is dealing with the claim or Underwriting and not the call centre. | SYS<br>COMS |
| R2 | Q8: As a customer, what is your definition of quality services? | Speed<br>Accuracy<br>Professionalism<br>Better communication (especially written)<br>Ownership/accountability.<br>It would be better to speak to the claim assessor directly, instead of first having to explain to a call centre consultant who is not processing the claim. | SYS<br>COMS |
| R3 | Q8: As a customer, what is your definition of quality services? | Communication<br>Clear explanation of terms and conditions<br>A reminder to read detail in any correspondence<br>Regular contact - electronic of telephonic<br>Competent call centre employees | COMS<br>TNG |
| R4 | Q8: As a customer, what is your definition of quality services? | Reliability - Ability to perform the promised service.<br>Willingness to help and provide prompt service.<br>Knowledge of employees and their ability to convey trust and confidence.<br>Caring, individualized attention. | TNG |
| R5 | Q8: As a customer, what is your definition of quality services? | Timely response<br>Ease of doing business<br>Value for money offering<br>Competitive product offering | SLA<br>PROC |
| R6 | Q8: As a customer, what is your definition of quality services? | Speedy<br>Transparency<br>Efficiency<br>Accurateness | SLA<br>COMS<br>TNG |

| | | | |
|---|---|---|---|
| R7 | Q8: As a customer, what is your definition of quality services? | Meeting customer requirements with expectations of the services been offered<br>Prevention of customers coming back to the provider with queries | TNG |
| R8 | Q8: As a customer, what is your definition of quality services? | Quality service means service given to both brokers and clients of a high quality.<br>Having an application information and tracking with ease.<br>Having client queries sorted out promptly with solutions that benefit both PS and the client, PS does fairly well in this regard. | TNG<br>PROC |
| R9 | Q8: As a customer, what is your definition of quality services? | Having management that understands what exceptional client service is.<br>Having management that are honest about their weaknesses and that are willing and able to make changes<br>It's not about the product<br>Quick service: Onboarding, Claims, Admin<br>Clear communication<br>Understanding the role of the advisors in your business<br>Understanding that customer loyalty is driven by advisors and not PS, your name or products<br>Having the ability to change<br>Having the will to use this questionnaire and feedback to make changes in PS<br>Keep the advisors happy and able to give great consistent customer service - through all workflows and you will have a good, healthy growing business | TNG<br>SLA<br>COMS |
| R10 | Q8: As a customer, what is your definition of quality services? | Accuracy answer my questions<br>Thoroughness, when resolving the query<br>Comprehensive vision when investigating the query | TNG<br>PROC |
| R11 | Q8: As a customer, what is your definition of quality services? | Being able to provide quality feedback at every point of the journey to the client that is what the client needs. | COMS<br>SLA |

| | | Not having to follow up on a claim or query outside of the normal SLA | |
| | | And most of the points above that have already been made. | |
| R12 | Q8: As a customer, what is your definition of quality services? | Efficient quality service and feedback | COMS |
| R13 | Q8: As a customer, what is your definition of quality services? | To feel that my business is valued, timely feedback, and to feel that I am in control of things that are happening | SLA COMS |
| R14 | Q8: As a customer, what is your definition of quality services? | Is a delivery of excellent services within the time stipulated, we as customers understand that you are human, and should any problems arise we need to be notified so that we can be aware that an instruction will take longer than it should. | SLA |
| R15 | Q8: As a customer, what is your definition of quality services? | As soon as I submit the application, I want to know what the progress on app/query is at all times. | COMS |

Table 11: Customer Questionnaire Theme Analysis

| Theme Abbreviation | Number of Times Theme Appears | % of Total Respondents |
|---|---|---|
| COMS | 24 | 87% |
| SLA | 18 | 67% |
| SYS | 11 | 53% |
| TNG | 11 | 60% |
| PROC | 8 | 47% |
| UW | 6 | 33% |
| CMS | 3 | 20% |
| OPS | 1 | 7% |
| COMM | 1 | 7% |
| PRICE | 1 | 7% |
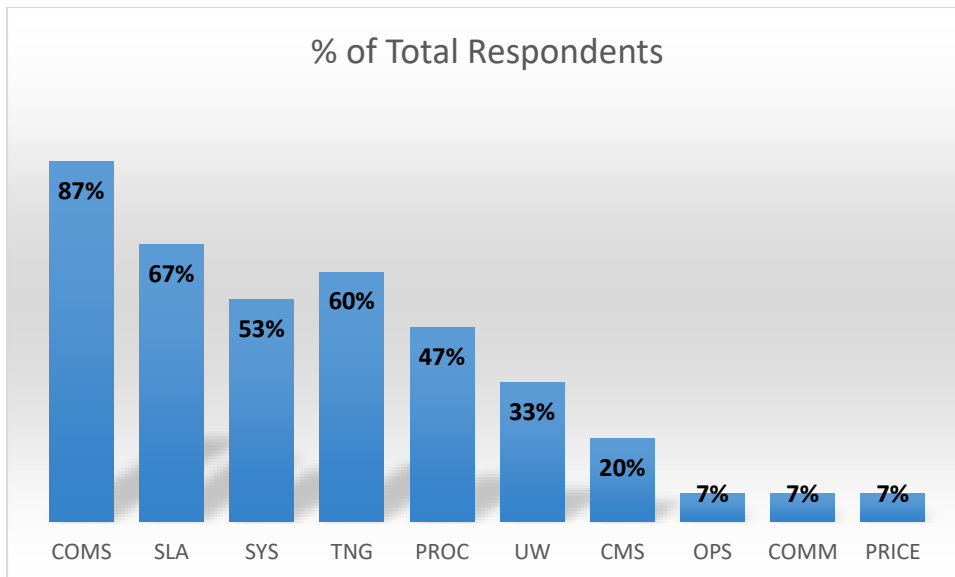
Figure 10: Customer Questionnaire Results (Data from field study (2019))

Table 12: Leadership Questionnaire Theme Descriptions

| Theme Abbreviation | Description |
|---|---|
| SYS | Systems (Information Technology) |
| TNG | Training |
| COMS | Communication |
| SLA | Service Level Agreement |
| PROC | Process |
| SD | Service Delivery |
| RS | Roles |
| WL | Workload |
| ACC | Accountability |
| SILO | Silo Operations |
| EXP | Expectations |
| COL | Collaboration |
| SUP | Support |
| REC | Recognition |
| BEH | Behaviour |
| LDS | Leadership Style |
| TRU | Trust |

Table 13: Leadership Questionnaire Theme Allocations

| Respondent IDS | Question | Response | Theme |
|---|---|---|---|
| R1 | Q8: What is your function in the organisation and how would you | I lead a sales team that drives third party sales with brokers. The key to successful selling in this avenue is service, ease of doing business and product. | LDS |

| | | My leadership style is that of Coaching. In a sales environment, motivation, teaching and adaptive thinking is always required. Overcoming obstacles to maintain service levels and taking accountability are some of my key traits as a leader | |
|---|---|---|---|
| R2 | Q8: What is your function in the organisation and how would you describe your leadership style? | I have been recently being promoted to be a team leader. I believe that my fundamental goal is to lead the team towards achieving maximum results while having fun and providing tools to develop everyone to excel individually and in a group. With the technology constantly improving so does our ways of thinking and implementing things. I am focus mainly on transformational leadership which allow innovative ideas and changes. However, this leads to including teams in decision-making and often asking the team about their input, thoughts or opinions. In so doing, one must always draw people back to reality and keep focused. | LDS |
| R3 | Q8: What is your function in the organisation and how would you describe your leadership style? | I am a Team Leader for a Regional sales office. I tend to adopt a more supportive and coaching leadership role. I do not believe in micro-management, unless it is as a form of remedial or disciplinary action. | LDS |
| R4 | Q8: What is your function in the organisation and how would you describe your leadership style? | My leadership style is to get things done; however, service leadership is all about relationships with people, and you can't relate without listening. One key leadership task is to create an environment in which your people can become passionate about your vision. Leaders and managers who are passionate about service excellence for their members and who are visionary, inspirational and charismatic will lead people to achieve great things for the organization. Highly visible leadership provides powerful reinforcement. It will inspire everyone in the organization to be part of the cycle of service excellence, adopting a " Can-do-attitude' and making a difference, which in return adds value to the organization. | LDS |
| R5 | Q8: What is your function in the organisation and how would you | I am a Sales Manager, I have more of a coaching leadership style, like developing people also enjoy assisting employees. | LDS |

| | | | |
|---|---|---|---|
| | describe your leadership style? | | |
| R6 | Q8: What is your function in the organisation and how would you describe your leadership style? | My function is to train, develop coach and mentor Graduate Advisors. My dominant management style is very participative (democratic). However, it sometimes adapts to the situation driven by the required outcome I need to achieve. | LDS |
| R7 | Q8: What is your function in the organisation and how would you describe your leadership style? | Team Leader Sales Office very involved in all aspects of the business. I feel that my hands-on approach adds to my success. I am very diplomatic when it comes to dealing with the employees; everyone has equal rights and opportunities. Lead by example and make sure I'm aware of all aspects of the business and in the different regions. | LDS |
| R8 | Q8: What is your function in the organisation and how would you describe your leadership style? | No feedback provided | |
| R9 | Q8: What is your function in the organisation and how would you describe your leadership style? | My function is that of a Team Leader; it is to ensure that team functions in accordance with PS quality and within SLA. Also, to ensure full compliance of all legislature. I work on a team-based approach, what it entails: we work on a trust basis where I trust that you will do what is required, support, when one member is not available we fall in and assist with his/her work to ensure no work falls behind and to provide the same customer service, open door/open learning, as team leader it does not mean that you will know everything and therefore a leader can learn from his/her team members so to the open door works both ways encourage employees to ask when they not sure and also for them to correct me if I am wrong. | LDS |
| R10 | Q8: What is your function in the organisation and how would you describe your leadership style? | Executive Underwriter and Underwriting Team Manager. My leadership style is collaborative as this is effective in team members buying into team objective and goals. | LDS |
| R1 | Q16: Which factors are | Manual Processes whereas automated processes/systems free up time, | PROC TRU |

| | | | |
|---|---|---|---|
| | affecting your performance? | Lack of trust (where people will not take accountability) and inconsistencies with processes and rules, having to go back on decisions which questions credibility, In some instances, my lack of knowledge where information is dependent on others and responses are delayed, delaying feedback to customer. | TNG SLA |
| R2 | Q16: Which factors are affecting your performance? | Negative Attitude, Recognition, Motivation, Groupthink | BEH REC |
| R3 | Q16: Which factors are affecting your performance? | Support, IT/Systems, Workload, Clear Role Description | SUP SYS WL RS |
| R4 | Q16: Which factors are affecting your performance? | Manual Processes easy for human error, lack of urgency, lack of service delivery To ensure employees are on the same page as myself, I have a passion for service delivery and to ensure that employees are keen to go the extra mile to make a difference within the organization and our members Employees not taking accountability for each process Queries not resolved end to end | PROC SD ACC |
| R5 | Q16: Which factors are affecting your performance? | Systems, After Service feedback, Internal lack of communication | SYS COMS |
| R6 | Q16: Which factors are affecting your performance? | Doing the job, I like doing, Knowing what is expected of me, Acknowledgement and incentives, Money | REC |
| R7 | Q16: Which factors are affecting your performance? | Limitations in terms of roles required, Reliance on 3rd parties for assistance | RS |
| R8 | Q16: Which factors are affecting your performance? | Training, Effective collaborations, Silo Operations, System operation/availability | TNG COL SILO |
| R9 | Q16: Which factors are affecting your performance? | Negativity, Lack of communication, Bad systems, no recognition | BEH COMS SYS REC |

| R10 | Q16: Which factors are affecting your performance? | Internal locus of control, Senior Management expectations, IT Constraints, Communication amongst teams | BEH EXP SYS COMS |
|---|---|---|---|
| R1 | Q17: What challenges are facing the organisation in providing quality service? | Front office being inadequately skilled - call centre agents are not always accurate with the information relayed, Poor communication, e.g. communicating with members and not including brokers. Lack in communication - employees sometimes only learn of things after brokers/members, Manual processes mean more room for human error, when communication/feedback has to be sent. Self-service systems will allow brokers to keep control of queries, Lack of training for employees and stakeholders. E.G. market PS Credit Cared but knowledge (both employees and broker) is limited on the process and product. | TNG COMS PROC SYS TNG |
| R2 | Q17: What challenges are facing the organisation in providing quality service? | Flexibility. Digitalization is the way to go. For PS to continuously provide good quality and stay at the top, flexibility, adaptability to change and innovation must be the driving force. Now, PS wants to start taking care and retaining student from the graduate stage till retirement. This will only be possible if onboarding processes are made simpler, faster and digitally. | SYS PROC |
| R3 | Q17: What challenges are facing the organisation in providing quality service? | In my opinion, it is the quality of customer service which, i.e. severely lacking. The knowledge level of support employees (meaning where I need to get support from) is shocking at times. | SD TNG |
| R4 | Q17: What challenges are facing the organisation in providing quality service? | There is no sense of urgency within the organization. Manual processes which impacts the service delivery. | SLA PROC |
| R5 | Q17: What challenges are facing the organisation in providing quality service? | Systems/Technology Empowering employees with skills and knowledge Improving quality and productivity - by smoother streamlined processes and procedures | SYS TNG PROC |

| R6 | Q17: What challenges are facing the organisation in providing quality service? | Information Technology | SYS |
|---|---|---|---|
| R7 | Q17: What challenges are facing the organisation in providing quality service? | Operating Systems, System Challenges | SYS |
| R8 | Q17: What challenges are facing the organisation in providing quality service? | Level of skill, Sense of urgency in providing service, System performance and availability Training and Development | TNG SLA SYS |
| R9 | Q17: What challenges are facing the organisation in providing quality service? | Negativity, Lack of communication, Bad systems, no recognition | BEH COMS SYS REC |
| R10 | Q17: What challenges are facing the organisation in providing quality service? | Communication, IT Platform, Engagement with employees | COMS SYS TNG |

Table 14: Leadership Questionnaire Theme Analysis

| Theme Abbreviation | Number of Times Theme Appears | % of Total Respondents |
|---|---|---|
| SYS | 12 | 90% |
| LDS | 9 | 90% |
| TNG | 8 | 50% |
| COMS | 6 | 40% |
| PROC | 6 | 40% |
| REC | 5 | 40% |
| SLA | 3 | 30% |
| BEH | 3 | 20% |
| SD | 2 | 20% |
| RS | 2 | 20% |

| | | |
|---|---|---|
| WL | 1 | 10% |
| ACC | 1 | 10% |
| SILO | 1 | 10% |
| EXP | 1 | 10% |
| COL | 1 | 10% |
| SUP | 1 | 10% |
| TRU | 1 | 10% |
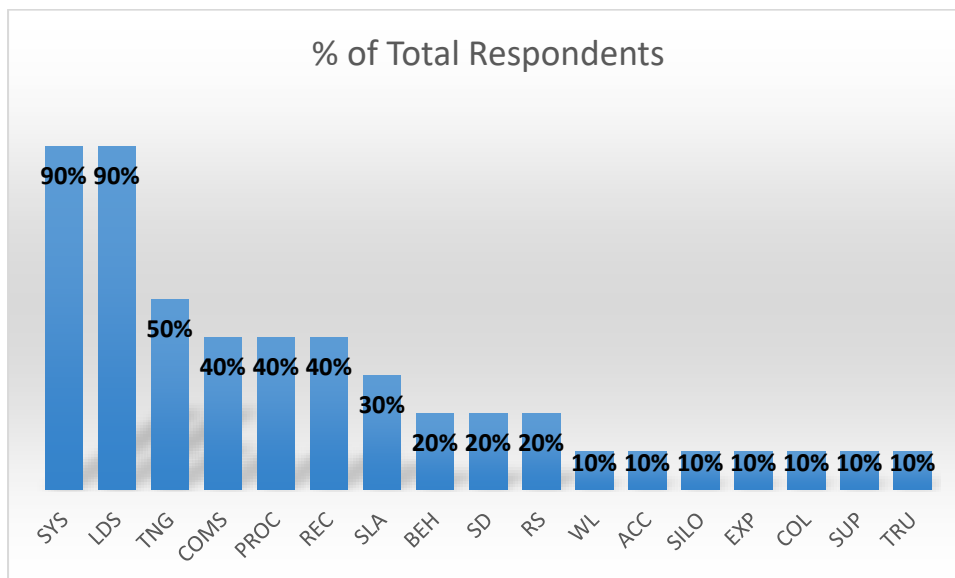


Figure 11: Leadership Questionnaire Results (Data from field study (2019))

Table 15: Employee Questionnaire Theme Descriptions

| Theme Abbreviation | Description |
|---|---|
| SYS | Systems (Information Technology) |
| TNG | Training |
| COMS | Communication |
| SLA | Service Level Agreement |
| PROC | Process |
| MNS | Poor Management/Management Style |
| MC | Morale/Culture |
| RES | Resources (employees, time, Wi-Fi) |
| EXP | Performance contracts/Goals and Expectations |
| FAV | Favouritism |
| COL | Collaboration |
| REC | Recognition |
| TRU | Trust |
| CD | Career Development |
| PROD | Products |
| BEH | Behaviour |

Table 16: Employee Questionnaire Theme Allocations

| Respondent IDS | Question | Response | Theme |
|---|---|---|---|
| R1 | Q18: Which factors are affecting your performance? | Technology/System performance<br>Employee morale/poor management<br>Employee value proposition<br>Career Development | SYS<br>MNS<br>MC<br>CD |
| R2 | Q18: Which factors are affecting your performance? | Other Departments influence my performance, work depends on the work done by others<br>Changes in processes<br>Resources such as time and employees<br>Policies such as discount mandates or retention strategies | PROC<br>RES |
| R3 | Q18: Which factors are affecting your performance? | Slow/no response from other departments<br>Systems not working | SLA<br>SYS |
| R4 | Q18: Which factors are affecting your performance? | Systems not working<br>Address the error first then provide feedback, should be the other way around<br>Where I have to rely on others to provide feedback<br>Lots of issues beyond my control | SYS<br>COMS |
| R5 | Q18: Which factors are affecting your performance? | Management Style<br>The system<br>The contracts are not realistic<br>HR is not supportive; they are just a figure | MNS<br>SYS<br>EXP |
| R6 | Q18: Which factors are affecting your performance? | System issues<br>Relationship at work and at home | SYS |
| R7 | Q18: Which factors are affecting your performance? | Better products<br>Better management of my team and our purpose<br>Better tools<br>The use of my feedback to implement solutions timeously | PROD<br>MNS |
| R8 | Q18: Which factors are affecting your performance? | PS Systems are very bad, always slow if not down for a longer time<br>Micromanaging. Most managers at PS are not qualified and experienced for their positions<br>Unfair remuneration due to favouritism, PS does not pay hardworking employees | SYS<br>MNS<br>FAV |
| R9 | Q18: Which factors are affecting your performance? | Technical training<br>Clear goals and expectations<br>Workplace stress<br>Financial wellbeing | TNG<br>EXP |

| R10 | Q18: Which factors are affecting your performance? | Safe and conducive working environment<br>Personal relationships with colleagues<br>Resources and necessary tools (WIFI etc.) | RES |
|---|---|---|---|
| R11 | Q18: Which factors are affecting your performance? | It's not so much affecting my performance, rather than creating disillusionment<br>Equality and trust | TRU |
| R12 | Q18: Which factors are affecting your performance? | Clear goals<br>Feedback<br>Motivation<br>Knowledge of structures | EXP<br>COMS<br>REC<br>TNG |
| R13 | Q18: Which factors are affecting your performance? | Outdated work<br>Lack of product and process knowledge by other departments | PROC<br>TNG |
| R14 | Q18: Which factors are affecting your performance? | Feedback and turnaround time. Queries only taking priority when escalated<br>Internal changes to sales environment<br>Lack of connection between sales and head office | SLA<br>COMS |
| R15 | Q18: Which factors are affecting your performance? | Systems which always have errors and very slow or not working | SYS |
| R16 | Q18: Which factors are affecting your performance? | Screaming and shouting<br>Scared to make mistakes, therefore, you become less productive<br>Favouritism | MNS<br>FAV |
| R17 | Q18: Which factors are affecting your performance? | Morale and company culture<br>To be more technically trained<br>Lack of motivation<br>Being able to cope with workload | MC<br>TNG<br>REC |
| R18 | Q18: Which factors are affecting your performance? | Team members who are negative and not contributing towards their part of the work<br>Negativity from team members<br>Regular system problems and delays in resolving problems | BEH<br>SYS |
| R19 | Q18: Which factors are affecting your performance? | No motivation from management<br>Unfair performance evaluations at the end of each month and year-end<br>Having the brokers' office employees not doing what is needed to be done which causes delays<br>Morale and company culture not added to the department, as if the department is not part of the company | REC<br>FAV<br>TNG<br>MC |

| R1 | Q19: What challenges are facing the organisation in providing quality services? | Technology<br>Easier processing steps to action requests<br>Connecting the member closer to the organization<br>Partnerships in terms of expanding our products and services in one<br>Keeping up with market trends but remaining true to our culture | SYS<br>PROC<br>COL |
|---|---|---|---|
| R2 | Q19: What challenges are facing the organisation in providing quality services? | IT seems to be the biggest challenge these days; some IT problems take months to be resolved, meaning in the meantime we have to follow manual processes, which delays services to the members | SYS<br>PROC |
| R3 | Q19: What challenges are facing the organisation in providing quality services? | Lack of employee stimulation and motivation<br>For some lack of knowledge<br>The inability of being able to understand what required/tasks is | REC<br>TNG<br>EXP |
| R4 | Q19: What challenges are facing the organisation in providing quality services? | Poor management skills | MNS |
| R5 | Q19: What challenges are facing the organisation in providing quality services? | Efficient working systems, faster turnaround time with feedback from underwriting and application decisions.<br>Keeping up with the fast processing and paperless processing of applications. | SYS<br>SLA |
| R6 | Q19: What challenges are facing the organisation in providing quality services? | Being in the sales environment, we need to be able to give feedback to brokers asap. This is appreciated by them and this can be seen translating into daily business. Often feedback is received, and it needs to be sent back to get a better response. It would be helpful if we have open communication with the people that we need to talk to. There is also the challenge of systems and processes which can become a lot more streamlined and seamless to work with. It would mean having efficiency in getting business done. | TNG<br>SYS<br>PROC |
| R7 | Q19: What challenges are facing the | Unreliable systems<br>Undocumented processes<br>Too many handovers to get things done | SYS<br>PROC |

| | | | |
|---|---|---|---|
| | organisation in providing quality services? | | |
| R8 | Q19: What challenges are facing the organisation in providing quality services? | The only issue currently which there has been an improvement lately is the system performance. | SYS |
| R9 | Q19: What challenges are facing the organisation in providing quality services? | No feedback given | |
| R10 | Q19: What challenges are facing the organisation in providing quality services? | Communication - sending the correct information, timeous feedback, willingness to assist. Lack of knowledge Attitudes - Not understanding the urgency of the assistance and information that the sales office requires, disconnect between sales and head office IT - incorrect information sent out, errors, not equipping sales offices with the resources for effective service | COMS TNG BEH COMS SYS |
| R11 | Q19: What challenges are facing the organisation in providing quality services? | Not having an answer to a query immediately, the waiting periods are quite long. Having to deal with angry members. Poor or no follow-through processes at times | SLA PROC |
| R12 | Q19: What challenges are facing the organisation in providing quality services? | Poor systems | SYS |
| R13 | Q19: What challenges are facing the organisation in providing quality services? | Inadequate systems Processes not working correctly Poor Management | SYS PROC MNS |
| R14 | Q19: What challenges are facing the | Communication barriers and technological problems | COMS SYS |

| | | | |
|---|---|---|---|
| | organisation in providing quality services? | | |
| R15 | Q19: What challenges are facing the organisation in providing quality services? | The system | SYS |
| R16 | Q19: What challenges are facing the organisation in providing quality services? | Individuals not taking responsibility<br>Processes too cumbersome<br>Management not prepared to make a call when a situation demands intervention<br>Passing the buck<br>Roles not clearly defined | PROC<br>MNS<br>EXP |
| R17 | Q19: What challenges are facing the organisation in providing quality services? | Inconsistency<br>Lack of product knowledge by employees and broker servicing members<br>Urgency<br>Prioritization | SLA<br>PROC<br>TNG |
| R18 | Q19: What challenges are facing the organisation in providing quality services? | Technology/system performances<br>Tedious/cumbersome processes<br>Manual intervention<br>Admin intensive work<br>Poor online self-service portal, etc. | SYS<br>PROC |
| R19 | Q19: What challenges are facing the organisation in providing quality services? | The service provided by PS is superior<br>The cost of these services influences the customer experience and our ability to attract and retain customer | SYS |

Table 17: Employee Questionnaire Theme Analysis

| Theme Abbreviation | Number of Times Theme Appears | % of Total Respondents |
|---|---|---|
| SYS | 21 | 84% |
| PROC | 11 | 47% |
| TNG | 9 | 42% |
| MNS | 8 | 37% |
| COMS | 7 | 26% |
| SLA | 5 | 26% |

| | | |
|---|---|---|
| EXP | 5 | 26% |
| MC | 4 | 21% |
| REC | 4 | 21% |
| FAV | 3 | 16% |
| RES | 2 | 11% |
| BEH | 2 | 11% |
| COL | 1 | 5% |
| TRU | 1 | 5% |
| CD | 1 | 5% |
| PROD | 1 | 5% |
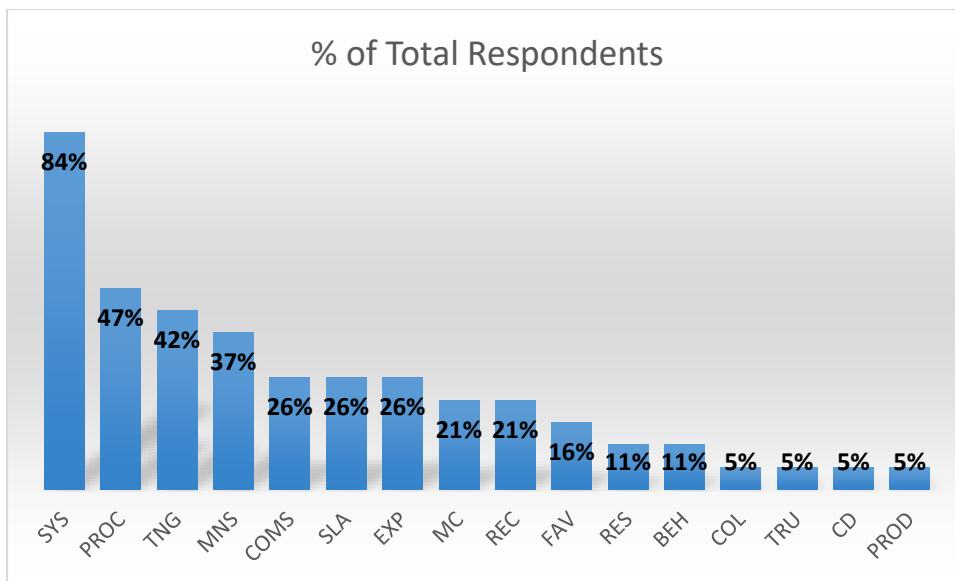


Figure 12: Employee Questionnaire Results (Data from field study (2019))
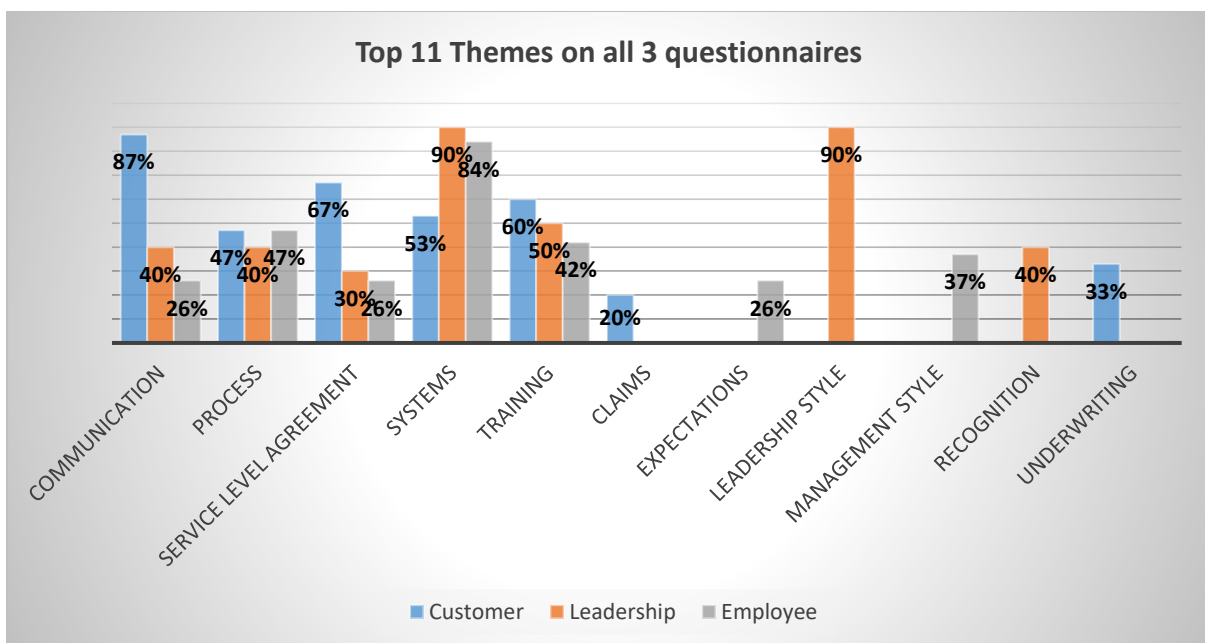
Figure 13: Top 11 themes on all three questionnaires (Data from field study (2019))

The researcher will discuss the Themes in detail in the next section.

**4.5 Discussion of the main themes**

The six main themes identified from the data collection are: communication, process, service level agreement, systems, training, and leadership. From the graph depicted above, communication for the customer is their biggest concern and process the least of their concern. Systems are on top of the list of concerns for leadership and the employees, and service level agreement is the least of their concerns. On the other hand, the customer rated SLA as their third-highest concern. The theme percentages for leadership and employees are on par compared to the theme percentages for the customer.

**4.5.1 Theme 1: Communication**

Effective communication is a crucial link for sustainable relationships between organisations and their customers (Effiong, 2019). Two basic types of communication in organisations are internal and external communication (Tankosic, Ivetic, and Mikelic, 2017). Internal communication is an exchange of information within the organisation, and external communication is an exchange of information to the customer and from the customer(ibid.). Consistent and clear communication is one of the most critical elements of customer experience (Maechler, Neher, and Park, 2016).

The researcher found through all the questionnaires the responses regarding communication are similar for the customer, leadership and the employees. Below are the responses to the questions on the questionnaires:
  a) There is a communication breakdown between the customer and PS;
  b) The customer feel that the Claims and Underwriting departments are withholding information from them;
  c) The customers' expectations when lodging a complaint includes consistent, clear and transparent communication throughout the escalation and investigation process;
  d) The customer needs an acknowledgement of receipt of the complaint;
  e) The customer needs detailed information on what the process entails when lodging a complaint, i.e., appeals process, service level agreement, etc.;
  f) Apology letters must be sincere and not only provided when requested by the customer;
  g) Phone calls must be made to the customer to get more clarity on the complaint if the complaint is unclear or not very specific;
  h) Customers are not in favour of generic responses to their complaints; they need communication to be personalized;
  i) Customers expect transparent, correct, clear and professional written communication from PS;
  j) The leadership and the employees agreed that there is a huge lack of communication, not just within PS but with the external customer as well;
  k) The communication is not always correct and is sometimes extremely poor;
  l) The communication sent to customers are sometimes after the fact; and,

m)  Timeous feedback must be sent to customers throughout the customer journey.

**4.5.2 Theme 2: Process**

As mentioned in Chapter 2 above, accountability plays a crucial role in an organisation that has moved its attention to customer service (Antony, 2016). Service delivery organisations are finding it difficult to create processes that allow customers' service complaints to be resolved quickly and efficiently (ibid.). The results discussed above, indicate that the leadership and employees are not in agreement when it comes to the planning and monitoring of the performance of service processes. Eighty percent of the leadership agreed that PS has an effective way of planning and monitoring the performance of service processes, and only 42% of the employees agreed.

The researcher deduces that the managers might believe the way they (managers) are monitoring and managing the performance of service processes is sufficient and that there is, therefore, no need to review the processes. In contrast, the employees believe the service processes must be reviewed and monitored very closely to identify gaps and to streamline the processes. The managers could include the employees when these service processes are being reviewed to get their (employees) input as they (employees) are the ones that are working daily on the service processes and will be able to identify any gaps. The involvement of the employees in the review process could lead to a boost in morale and it could lead to the employees being more productive and providing quality service to the customers. The employees might feel like they are valued and feel a sense of belonging which is currently not the case as per responses on the questionnaires.

Below are the responses to the questions relating to processes:
a)  Quality assurance is a challenge, and there is no process in place at PS to ensure that correct communication is provided;
b)  Administration processes are not streamlined, and communication must be sent at every touchpoint of the applications journey;
c)  There is no service recovery process in place as the error will present itself repeatedly;
d)  The appeals process is kept a secret, and it should be communicated;
e)  There is no ease of doing business with PS;
f)  Manual processes are the main reasons why incorrect communication are provided to customers;
g)  IT Systems are the cause of most of the manual processes;
h)  There is no follow-through on the complaints process;
i)  The processes are not documented making it extremely difficult for employees to deliver professional service;
j)  Processes are too cumbersome and tedious; and,
k)  Inconsistency happens due to undocumented processes and lack of training.

**4.5.3 Theme 3: Service Level Agreement (SLA)**

A service level agreement is an agreement between a customer and the organisation. The results on the questionnaires indicate that 67% of the customers have SLA as a priority, while only 30% of leadership and 26% of employees feel that SLA is important. With this imbalance in results, if

leadership and employees do not value SLA as highly as the customer, then the services provided to the customer will always be delayed and inconsistent.

Below is the feedback from the questionnaires regarding SLA:
 a) Service departments continually hide behind turnaround times;
 b) The SLA for Claims and new business are unacceptable;
 c) SLA for the Sales Offices are different from Head Office, which should not be the case;
 d) SLA on processes are kept a secret, and the expected turnaround times must be communicated and published;
 e) Delayed feedback to customer due to ongoing process failures;
 f) No sense of urgency between departments when dealing with a customer complaint;
 g) Slow or no response when dealing with customer complaints;
 h) Queries are only prioritized when it is lodged as an escalation; and,
 i) Inconsistent SLAs.

**4.5.4 Theme 4: Systems (Information Technology)**

The term: Systems used in the questionnaires refers to the Information Technology and infrastructure used at PS. In the literature review, chapter 2, the researcher referenced Agarwal (2016), who stated that inefficient and legacy systems used in insurance companies are one of the reasons that give rise to complaints. As further discussed in chapter 2, the challenges of technology are at the top of the list for Life and non-Life insurance companies (PWC, 2019). The authors of the PWC report (2019) agreed with Agarwal (2016), insurance companies are burdened with legacy systems and poorly equipped IT infrastructure that could not manage or deal with the changing demands of the industry (PWC,2019).

The results from the questionnaires indicate that 90% of the leadership and 84% of the employees have the system as the highest priority, whereas only 53% of customers mentioned systems as a barrier to do business with PS. The researcher assumes that the customer did not feel like the system is a barrier to do business with the company because most of the customers prefer the human interaction with the employees. It is also easier for the customer to explain to the employees what their needs are than for them (customer) to get frustrated if and when the system speed is slow, or the system is offline. Some customers prefer using the self-service portal instead of contacting the company for assistance, but this is the minority.

Feedback on systems from the questionnaires are listed below:
 a) System performance and speed are a barrier;
 b) Quote issues due to system errors;
 c) Inefficient processing systems;
 d) Systems need infrastructure changes and updates;
 e) Reliability of systems;
 f) Bad systems;
 g) IT Constraints;
 h) System flexibility;
 i) Regular systems problems and delays in resolving problems; and,

j)    System errors take months to be resolved.

## 4.5.5 Theme 5: Training

Training is an opportunity to expand the knowledge base of all employees. Every organisation needs to have an ongoing training and development programme for all its employees. The results from the questionnaires indicate that 60% of customers feel there is a need for employee training at PS; 50% of the leadership agrees with the customers. In comparison, 42% of the employees also agree that there is a training need at PS. The researcher assumes the reason for the disparity could be due to the employees believing that they are doing a good job and that training is not needed. Sixty-eight percent of the employees feel that they are productive at work. The disparity could also mean that the employees are too scared to admit that they need training as they might be victimised or might even lose their jobs.

Below are the responses on training from the questionnaires:
a)    Call centre consultants are inadequately trained;
b)    Misalignment of skills;
c)    Incorrect processing by employees;
d)    Ability to perform the promised service;
e)    Prevention of customer complaints about the same issue;
f)    Having management that understands what exceptional client service is;
g)    Inconsistencies with processes and rules;
h)    Having to revert on decisions which questions credibility;
i)    Training of employees
j)    Front office employees inadequately skilled;
k)    Knowledge level of employees not up to standard;
l)    Empowering employees with skills and knowledge;
m)   Employee engagement;
n)    Technical training needed;
o)    Knowledge of structures within PS;
p)    Training of brokers and Sales offices; and,
q)    Lack of knowledge by employees and brokers.

## 4.5.6 Theme 6: Leadership

The focus of well-known leadership concepts are on the impact of the leader's personality within the business and that an efficient leader should have Cognitive intelligence which measures the quality of understanding and acquiring specific knowledge; Emotional intelligence - that is the ability to understand and manage one's feelings as well as others'; and, Special intelligence which constitutes a set of practical skills for successful interaction with people in any environment (Temelkova, 2018). The employee responses, as discussed earlier in the chapter, highlighted poor management support, low employee morale, demotivated employees, and training needs as some of the reasons for the increase in customer complaints. Kumar and Sia (2012), posited that employee engagement impacts the employees' attitude towards the customer which will lead to an improvement in customer service

satisfaction levels, boosts employee morale, promotes a high energy working environment and leads to increase in production and business growth.

Findings on the open-ended leadership questions indicate that the leaders all have different leadership styles and that these leadership styles are all based on supporting the employees. However, the feedback from the employees' questionnaire indicate that the managers do not support the employees; the managers do not motivate the employees and do not give them (employees) recognition.

The leadership styles, as indicated on the leadership questionnaire, are as follows:
    a) Coaching leadership style;
    b) Transformational leadership style;
    c) Supportive leadership style;
    d) Service leadership style;
    e) Democratic leadership style;
    f) Diplomatic leadership style, and
    g) Collaborative leadership style.

Below are the responses from the employees' questionnaire when asked which factors are affecting their (employees) performance. The responses are contradictory to the leadership styles as indicated on the leadership questionnaire.
    a) Poor management skills
    b) HR is not supportive
    c) Micromanagement
    d) Managers are not qualified and are inexperienced
    e) Managers do not have people skills
    f) Managers do not support employees
    g) Managers do not motivate employees
    h) Unfair performance evaluations
    i) Management not prepared to make decisions when intervention is required

## 4.6 Conclusion

This chapter covered the analysis and interpretation of the data obtained from the three different questionnaires. The results were summarised in tables, graphs and figures to provide a clear picture and understanding of the results. Six major themes were identified and discussed in detail. The themes which emerge are communication, process, service level agreement, systems, training and leadership.

Chapter 5, the final chapter, will present the conclusion of the study, recommendations for the organisation and suggestions for further research will also be discussed.

# Chapter 5

## Conclusions and Recommendations

**5.1 Introduction**

The previous chapter presented the findings of the data collected from the questionnaires.  In this chapter, the researcher discusses the summary of the findings and offers recommendations and suggestions for future research. The problem that this study aimed to address was the rise in the number of customer complaints and the concomitant poor service in the After-Sales process of a Life Insurance company in South Africa.

In support of the aim, the following objectives were identified:

i. To identify and understand the reasons for the customer complaints in the After-Sales process.
ii. To determine the expectations of customers when lodging a complaint.
iii. To determine the roles of employees and leadership when dealing with customer complaints.
iv. To make recommendations to reduce customer complaints and to improve customer service.

With the theory from chapter two and the collected and analysed data from chapter four as the backdrop, the researcher discusses the findings to the research questions below.

**5.2 Discussion of research questions**

**5.2.1 What are the reasons for the customer complaints in the After-Sales process?**

As discussed in chapter 2, the data from the South African Ombud reveal that the type of complaints received from PS' customers are diverse. The South African Ombud data shows poor communication, poor service, information not supplied, repudiated claims, dissatisfaction with policy information, dissatisfaction with surrender values, mis-selling, and lapsing are the main reasons PS customers complain to the Ombud. As a relativist, the researcher acknowledges that multiple truths exist about customer care. These truths emerge in her responses from questionnaires. The researcher did not want to impose her own subjective views/truths on the views of the respondents', or on those of the many people she engages with on a daily basis. But, using an Interpretivist approach, the researcher was able to analyse the data, from which emerged findings about which themes are most common as reasons for poor customer care and from these themes the researcher is able to make findings, and recommendations. The findings on the data collected by the researcher mirror the assumption made by the researcher in chapter 1. The researcher identified six themes, namely, lack of communication, inefficient and ineffective admin processes and systems (IT), a lack of training, and poor leadership. These themes are discussed below.

**Communication**

Lack of communication is one of the pain points for the customer. When customers submit requests, the customer expect an acknowledgement of receipt, communication throughout the process, and final communication that the request has been processed. This is, unfortunately, not being experienced by the customer. If for some reason, the request cannot be processed within the stipulated time, the customer must be informed either telephonically or via written communication. From the answers provided to the open-ended questions, it became apparent that the customers want more face-to-face or direct person-to-person contact, and not so much contact via emails or other electronic mechanisms.

Incorrect information is the second pain point for customers. The operations departments at PS tend to disregard quality assurance checks when providing information to customers. An example is when a customer submits a change in beneficiary or bank details. The request is processed on the system, but no quality assurance checks are done before communicating to the customer. This results in incorrect information being sent to the customer and leads to the customer lodging a complaint.

**Process**

Administration processes can cause frustration for employees when it is not documented, streamlined and does not work. These have a ripple effect on service to customers, SLAs, communications, and employee performance. Manual processes are one of the main reasons for processing errors and inconsistency. Undocumented processes make it difficult for employees to provide professional, efficient service to members, which will lead to customers submitting complaints due to service failures. The data collected by the researcher proved that PS does not have an effective way of planning and monitoring the performance of service processes. This can cause process failures which will lead to more customer complaints.

**Service Level Agreement (SLA)**

According to the data collected from the customer questionnaire, the customers feel that service centre employees continually 'hide behind' turnaround times instead of expediting a process if it can be done faster. Queries submitted by customers are only seen as a priority when these have been escalated to senior management. There is no sense of urgency from the operations team, which causes delays in customer feedback. People are loath to be accountable and to be responsible for their actions. 'Passing the buck' has become the new norm, as no-one is prepared to take accountability and responsibility for a task assigned to them. It is easier to blame someone else instead of resolving the issue and providing feedback to the customer. One of the reasons for the increase in customer complaints is the time it takes for the customers claims and new business applications to be processed. The agreed SLA between the organisation and the customer is not being adhered to.

**System (IT)**

System performance and availability is another reason for customer complaints. Some of the customers equipped themselves to generate their own quotes on the system, but due to

system performance and availability, it is not always possible for them to do so. The customer must then contact PS to request quotes which will then only be provided within a stipulated time frame. System performance and availability have an impact on the employees, as well as customer. If the system is not available for the employees to do their jobs, it will have a ripple effect on the service provided to the customer, which leads to customer complaints.

**Training**

According to the feedback provided by the customers, the call centre consultants are inadequately trained. They (customers) feel that they must repeat themselves every time there is a handover in calls, especially with claims and underwriting queries. Employees are not knowledgeable and are inadequately skilled. There is inconsistency with processes and rules, and a lack of training causes this. If employees are adequately trained on the products and processes than there will be very minimal to no incorrect processing on customer requests. Minimal to no incorrect documents sent to customers, and minimal to no delay in feedback as the employees will be equipped to perform their tasks, and the customer will have minimal or no reason to complain. It is evident from the data collected from the employees' questionnaire that there is a need for leadership training, which includes people skills and leadership skills.

**Leadership**

Findings on the data collected by the researcher indicate that poor leadership is one of the causes of the increase in customer complaints. The employees believe they receive no support from the leadership. Moreover, leaders are not motivating the employees, and the employees are not rewarded or recognized for better job performance. There is no effective employee relationship management and no effective way of planning and monitoring the performance of service processes. The data further indicated that there is a lack of communication between the employees and leadership, and the employees' queries are not handled from end-to-end. The data indicated that some of the leaders are unqualified and inexperienced.

**5.2.2 What are the expectations of customers when lodging a complaint?**

As discussed in chapter 1, customers are crucial stakeholders of any organisation and managing their expectations is vital to the survival of the company (FA News, 2018). It is essential to be able to identify areas, specifically related to customer experience, that needs improvement in an organisation in order to maintain relationships (ibid.). With the increasing use of social media, customers are now expecting a timeous, personalised response from companies. The standard scripted response is no longer palatable, and there is an expectation that a query logged will be responded to on the same day or within the same hour it was logged (FA News, 2018).

The customer wants to be treated with respect and dignity and wants to feel valued. Professionalism must be portrayed throughout the process. Clear, transparent and correct communication must be provided throughout the complaints process and not just when a

follow-up email is sent. Acknowledgement of receipt of a complaint, an apology letter and a resolution letter must be provided to the customer. The appeals process must be stipulated in the communication and where needed a telephone call to the customer to ensure there is no misunderstanding on the query received. Personalised communication must be provided and not lifeless, generic responses. All of this points to a need for, more in-depth training; better leadership of the teams; and, better systems and IT, which is stable and enables timeous responses.

**5.2.3 What are the roles of the employees and leaders when dealing with customer complaints?**

The researcher recommends that those in leadership positions should keep a record of all the complaints received within the department. These statistics should then be analysed to identify the gaps in the process and to streamline the processes if needed. The statistical analysis should be utilised to arrange training for employees if a training need is identified as one of the reasons for poor customer care. In so doing, not only will it improve customer service, but it will also assist the employee to perform better.  It is vital for people who lead teams or who are in leadership positions to understand the employees' concerns, frustrations and challenges, and to provide constant support, coaching and training.

The roles of the employees are to be good listeners and to ensure they understand the complaint in order to resolve it. They must have empathy in order to relate to the way the customer feels. One of the most critical roles of the employees is to have adequate knowledge of the products and processes since their work is directly linked to providing good, accurate and informed service. The researcher proposes that the employees receive adequate, ongoing training as this will empower them and improve their performance and the service they provide to the customer. Excellent communication skills and the ability to make decisions will also contribute to a satisfied customer.

**5.2.4 How can the customer complaints be reduced, and customer service be improved?**

Findings from the data collected by the researcher revealed that there are significant changes needed at PS if the company wants to stay competitive in the market and retain customers and employees. Customer service is one of the areas that need urgent improvement. Poor or inferior service, despite an excellent product offering, will result in loss of market share, reputational damage through negative word-of-mouth, loss of customers who will cancel their policies and move to other insurers.

Stable, efficient and effective technology, innovative approaches to dealing with customers, a focus on people and coordinated, collaborative and communicative systems must be developed to address the issue of customer complaints and to improve customer service. The respondents have made a significant number of recommendations to the open-ended questions, which confirm the findings from the responses to the closed questionnaires. Briefly, these recommendations are:

Training of leaders and employees in several areas is essential. These areas include:

a) Leadership upskilling with people management, coaching, mentoring, and performance management skills;

b) Leadership and employees must have sound knowledge of the system and processes, and data management skills, in order for them to be able to provide quality service to the customers;

c) Leaders must address perceptions of favouritism as this could lead to low employee morale which could impact the performance of the employee;

d) Leadership must communicate clear goals and objectives to employees and ensure the employees understand what their objectives are and how to meet and exceed it;

e) Leadership must be more supportive with employees, and build relationships with customers and employees;

f) Leadership and employees must become more innovative by creating and implementing a sustainable rewards and recognition programme, streamlining processes to work smarter and not harder, implementing a fun, learning culture and by creating an environment where employees can have fun and enjoy what they do;

g) Leadership and employees must make the customer their priority, treating customers with dignity, respect and professionalism; and,

h) Call centre agents must be multi-skilled to avoid the customers being sent from pillar to post, which could lead to an increase in customer complaints.

Technology, systems and processes need continuous remodeling, improvement and maintenance to ensure efficiency and effectiveness in service delivery. Enhancements of technology, systems and processes are critical in-service delivery. Below are suggestions on how technology, systems and processes can be improved:

a) Create a live self-service portal where customers can track the activity of applications and claims and have Realtime interaction on webchat;

b) Automation of the processes to eliminate manual interventions and incorrect transactions;

c) Have integrated systems to assist call centre agents, claims assessors and underwriters, which will improve the SLA and service delivery to the customer;

d) Use Artificial Intelligence (AI) to do risk underwriting and assessing of claims;

e) Have a 24hr Nursing service and a doctor on call for all new business applications, which will benefit the customers as PS only deals with professional customers and the customers are not always available during the day;

f) Have a documented service recovery process which includes root cause investigations on complaints lodged;

g) Have customer walk-in centres at all the Sales Offices; and,

h) Improve internal and external communication.

## 5.3 Suggestions for further research

This study only focused on the After-Sales process of the insurance value chain. The researcher suggests that further studies could be conducted on the full insurance value chain as that will give a more comprehensive overview of the full life cycle of the insurance customer. The second suggestion will be to do a study on the insurance customer, meaning the person buying insurance from PS. This study was conducted using the independent intermediary as the customer, as the independent intermediary is the researcher's primary customer and not the member. The third suggestion will be

to conduct a study on the experience of the independent intermediary throughout the insurance value chain since this will give us an understanding of the journey through the eyes of an independent intermediary.

## 5.4 Conclusions

The research has revealed that the researcher's initial problem statement, which led her to undertake this research, has been supported through the evidence gained in the analysis of the data from open-ended questions on the questionnaires. The research journey has also provided the researcher with information which addresses the challenges stated in the problem statement. It addresses the aim of the research, namely, to address the issues which would emerge from empirical data. The researcher knows that the customer, leadership and employees are not satisfied with the services provided at PS. There are many improvements needed to become a leading service provider.

The problem that this study aimed to address was the rise in the number of customer complaints and the concomitant poor service in the After-Sales process of a Life Insurance company in South Africa. The study aimed to determine and understand the reasons for the customer complaints, and to make recommendations to reduce customer complaints and to improve customer service. The primary question of the study was to determine the root causes of the increase in customer complaints. The researcher believes that the primary objective has been achieved and that from the research journey, the researcher believes that she has a robust set of recommendations underpinned by the empirical evidence with which she can work with. Working with the evidence-based recommendations can contribute to the (expected) improvement in service delivery and growth of the company's market share.

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# Appendices

**Annexure 1 Questionnaire for customer**

**Introduction:**
The aim of this study is to determine and understand the reasons for the customer complaints in the After-sales process at Professional Provident Society Insurance Company (PPS Insurance). The success of the study greatly depends on your assistance by completing the following questions. All information collected will be strictly confidential, anonymous and exclusively for academic purposes only.

1. What is your level of Education?
   i.   Secondary Education       [  ]
   ii.  College                   [  ]
   iii. University                [  ]

2. What is your age?
   i.   Below 25                  [  ]
   ii.  Between 25 - 40           [  ]
   iii. Between 41 - 55           [  ]
   iv.  Between 56 - 65           [  ]
   v.   Above 66                  [  ]

3. What is your Gender?
   i.   Male                      [  ]
   ii.  Female                    [  ]

4. Do you welcome the treatment you get from this company with full satisfaction?
   i.   Yes                       [  ]
   ii.  No                        [  ]

5. How do you rate the overall satisfaction you receive as a customer?
   i.   Very good                 [  ]
   ii.  Good                      [  ]
   iii. Average                   [  ]
   iv.  Poor                      [  ]
   v.   Very poor                 [  ]

6. What kind of dissatisfaction are you experiencing (if any).

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7. As a customer, what is your expectations when lodging a complaint?

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8.  As a customer, what is your definition of quality services?

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9.  How much do you, as an external customer, believe that internal customer satisfaction at PPS Insurance can contribute to your satisfaction?
    i.    Very great extent          [ ]
    ii.   Great extent               [ ]
    iii.  Moderate extent            [ ]
    iv.   Little extent              [ ]
    v.    No extent                  [ ]

10. What mode of communication do you use to communicate with PPS Insurance company?
    i.    Telephone                  [ ]
    ii.   Email                      [ ]
    iii.  Face-to-face               [ ]

11. If you have complaints, do you communicate with the Sales Office or directly with PPS Head Office?
    i.    Sales Office               [ ]
    ii.   Head Office                [ ]

12. How long does it take PPS Insurance to resolve the complaint?
    i.    1 days                     [ ]
    ii.   2 days                     [ ]
    iii.  3 – 4 days                 [ ]
    iv.   Longer than 4 days         [ ]

13. During the time of submitting the Complaint, do you receive any correspondence from PPS Insurance?

    i.    Yes                        [ ]
    ii.   No                         [ ]

14. Which of the following will improve the customer service offering to you?

| Service Offering | Tick |
|---|---|
| Extended Call centre hours | |
| Customer walk-in centre in all the Regional Offices | |
| Face-to-face or skype customer service | |
| Telephonic access to Claims, Underwriting, Administration, etc. | |
| Real-time communication: Instant messaging, Whatsapp, Facebook messenger, etc. | |
| Real-time status updates on New Business Application submitted, Claims submitted, Debit order changes submitted, Beneficiary changes submitted, etc. | |
| Chatbots/Live chats | |

15. The fourth industrial revolution may affect society and economy in a variety of ways.
    What innovative technology solutions would you recommend for PPS to improve their customer service?
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    **THANK YOU FOR YOUR PARTICIPATION.**

**Annexure 2 Questionnaire for leadership**

**Introduction:**
The aim of this study is to determine and understand the reasons for the customer complaints in the After-sales process at Professional Provident Society Insurance Company (PPS Insurance). The success of the study greatly depends on your assistance by completing the following questions. All information collected will be strictly confidential, anonymous and exclusively for academic purposes only.

16. What is your level of Education?
    i.      Secondary Education      [ ]
    ii.     College                  [ ]
    iii.    University               [ ]

17. What is your age?
    i.      Below 25                 [ ]
    ii.     Between 25 - 40          [ ]
    iii.    Between 41 - 55          [ ]
    iv.     Between 56 - 65          [ ]
    v.      Above 66                 [ ]

18. What is your Gender?
    i.      Male                     [ ]
    ii.     Female                   [ ]

19. How long have you been employed by PPS Insurance?
    i.      1 – 5 years              [ ]
    ii.     6 – 10 years             [ ]
    iii.    More than 10 years       [ ]

20. Do you have a team that reports to you?
    i.   Yes                         [ ]
    ii.  No                          [ ]

21. If yes to the above, how many people in your team?
    i.   1 - 5                       [ ]
    ii.  6 - 15                      [ ]
    iii. 16 or more                  [ ]

22. What Position do you hold at PPS Insurance?
    i.   Junior Management           [ ]
    ii.  Middle Management           [ ]
    iii. Senior Management           [ ]
    iv.  Top Management              [ ]

23. Leadership is simply "the art of influencing people so that they will strive willingly towards the achievement of goals" (Igbaekemen, 2014). Leadership plays a crucial role in creating an enthusiastic atmosphere and culture in an organization (Alghazo and Al-Anazi, 2016).

    What is your function in the organization and how would you describe your leadership style?

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24. To what extent do you agree with each of the following statements about PPS Insurance? Using a scale of 1 – 4, where 1 – strongly disagree, 2 – disagree, 3 – agree, 4 – strongly agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| The company offers the best insurance services to all customers | | | | |
| The company has knowledgeable staff | | | | |
| The Operations Managers support the employees | | | | |
| The company has an effective employee relationship management | | | | |
| The company has an effective way of planning and monitoring the performance of service processes | | | | |

25. Rank the level at which you have been given authority to serve customers without interferences.
    i.   High                          [ ]
    ii.  Moderate                      [ ]
    iii. Low                           [ ]

26. Indicate the extent to which you agree with the statement, "PPS has been able to attract and retain employees".
    i.   Strongly agree               [ ]
    ii.  Moderately agree             [ ]
    iii. Moderately disagree          [ ]
    iv.  Strongly disagree            [ ]

27. Indicate how much you agree with the following Questions. Please score on a scale of 1-4, where 1 – Not at all, 2 – Not much, 3 – Much, 4 – Very Much.

| Questions | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| How satisfied are you overall with the service you provide to the customer? | | | | |
| How satisfied are you with the swiftness in which the service is delivered? | | | | |
| How satisfied are you with the quality of information provided by the staff? | | | | |
| How satisfied are you with the time taken to respond to customer enquiries? | | | | |
| How would you rate the professionalism of the staff who serve customers in the company? | | | | |
| Do the staff always treat customers as valued customers? | | | | |

28. To what extend do you agree with each of the following statements on service quality. Using a scale of 1 – 5, where 1-strongly disagree, 2 – Disagree, 3 – Agree, 4 – Strongly Agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Management pay great attention to employees needs | | | | |
| The employees are given authority to manage and meet customer need | | | | |
| The Employees are adequately trained on the products and services | | | | |
| Staff queries in the company are handled from end to end | | | | |
| The leaders motivate employees on better performance | | | | |
| The leaders establish collaborative relationships with employees | | | | |
| The employees possess the knowledge and skills needed to service customers | | | | |

29. To what extend do you agree with the following statement? Using a scale of 1 – 4, where 1-strongly disagree, 2 – Disagree, 3 – Agree, 4 – Strongly Agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| The staff responds fast to customer complaints | | | | |
| Customers are treated with respect and dignity | | | | |
| The staff communicate effectively to customers | | | | |
| Errors are corrected promptly | | | | |
| The services provided by staff are beyond customer expectations | | | | |
| Service are easily accessible | | | | |
| Service is provided within the expected time | | | | |
| Error free documentation is provided to customers | | | | |
| The staff listens to the customers and keep them informed | | | | |

30. How does employees` performance and motivation affect the level of service provided to customers?

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31. Which factors are affecting your performance?

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32. What challenges are facing the organization in providing quality service?

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33. The Fourth Industrial Revolution may affect society and economy in a variety of ways (Prisecaru 2016). What impact will the Fourth Industrial Revolution have on PPS and its employees?

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34. What impact will the Fourth Industrial Revolution have on the customer experience?

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35. What kind of leadership is needed to transform the organization into a "digital enterprise"?

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36. What innovative technology solutions would you recommend for PPS to improve their customer service offering?

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**Thank you for participating.**

**Annexure 3 Questionnaire for employees**

**Introduction:**
The aim of this study is to determine and understand the reasons for the customer complaints in the After-sales process at Professional Provident Society Insurance Company (PPS Insurance). The success of the study greatly depends on your assistance by completing the following questions. All information collected will be strictly confidential, anonymous and exclusively for academic purposes only.

37. What is your level of Education?
     vi.     Secondary Education     [ ]
     vii.    College     [ ]
     viii.    University     [ ]

38. What is your age?
     iv.     Below 25     [ ]
     v.     Between 26 - 40     [ ]
     vi.     Between 41 - 55     [ ]
     ix.     Between 56 – 65     [ ]

39. What is your Gender?
     iii.     Male     [ ]
     iv.     Female     [ ]

40. What is your position in the company?
     i.     Sales     [ ]
     ii.     Admin     [ ]
     iii.     Management     [ ]
     iv.     Finance     [ ]

41. How long have you been employed by PPS Insurance?
     iv.     1 – 5 years     [ ]
     v.     6 – 10 years     [ ]
     vi.     More than 10 years     [ ]

42. How satisfied are you working at PPS Insurance?
     i.    Very satisfied     [ ]
     ii.    Satisfied     [ ]
     iii.    Dissatisfied     [ ]
     iv.    Very Dissatisfied     [ ]

43. Are you rewarded for delivering excellent service besides your monthly salary?
     i.    Yes     [ ]
     ii.    No     [ ]
     iii.    Sometimes     [ ]

44. How accessible is the Senior Management for you as an employee?
     i.    Very accessible     [ ]
     ii.    At a general meeting     [ ]
     iii.    Not accessible     [ ]
45. Indicate from the list below who you consider as your customer.
     i.    Members     [ ]

    ii.   Brokers                               [ ]
    iii.  Agents                                 [ ]
    iv.  Sales Offices                 [ ]
    v.   Internal Departments     [ ]

46. To what extent do you agree with each of the following statements about PPS Insurance? Using a scale of 1 – 4, where 1 – strongly disagree, 2 – disagree, 3 - agree and 4 - strongly agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| The company offers the best insurance services to all customers | | | | |
| The company has knowledgeable staff | | | | |
| The Operations Managers support the employees | | | | |
| The company has an effective employee relationship management | | | | |
| The company has an effective way of planning and monitoring the performance of service processes | | | | |

47. Rank the level at which you have been given authority to serve customers without interferences.
    iv.  High                               [ ]
    v.   Moderate                         [ ]
    vi.  Low                                 [ ]

48. Indicate the extent to which you agree with the statement, "PPS has been able to attract and retain employees".
    i.     Strongly agree           [ ]
    ii.    Moderately agree     [ ]
    iii.   Moderately disagree  [ ]
    iv.   Strongly disagree    [ ]

49. Indicate how much you agree with the following Questions. Please score on a scale of 1-4, where 1 – Not at all, 2 – Not much, 3 – Much, 4 – Very much

| Questions | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| How satisfied are you overall with the service you provide to the customers? | | | | |
| How satisfied are you with the swiftness in which the service is delivered? | | | | |
| How satisfied are you with the quality of information provided by the staff? | | | | |
| How satisfied are you with the time taken to respond to customer enquiries? | | | | |
| How would you rate the professionalism of the staff who serve customers in the company? | | | | |
| Do the staff always treat customers as valued customers? | | | | |

50. To what extend do you agree with each of the following statements on service quality. Using a scale of 1 – 4, where 1-strongly disagree, 2 – Disagree, 3– Agree, 4 – Strongly agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Management pay great attention to employees needs | | | | |
| The employees are given authority to manage and meet customer need | | | | |
| The Employees are adequately trained on the products and services | | | | |
| Staff queries in the company are handled from end to end | | | | |
| The motivates employees on better performance | | | | |
| The company establishes collaborative relationships with employees | | | | |
| The employees possess the knowledge and skills needed to service customers | | | | |

51. To what extend do you agree with the following statement? Using a scale of 1 – 4, where 1- strongly disagree, 2 – Disagree, 3– Agree, 4 – Strongly agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| I am productive in my place of work | | | | |
| I provide excellent customer service | | | | |
| I am loyal to the company | | | | |
| I am committed to offer better service to customer | | | | |
| I am empowered to offer better service in the company | | | | |
| I interact effectively with the customers | | | | |

52. To what extend do you agree with the following statement? Using a scale of 1 – 4, where 1- strongly disagree, 2 – Disagree, 3– Agree, 4 – Strongly agree.

| Statements | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| The staff responds fast to customer complaints | | | | |
| Customers are treated with respect and dignity | | | | |
| The staff communicate effectively to customers | | | | |
| Errors are corrected promptly | | | | |
| The services provided by staff are beyond customer expectations | | | | |
| Service are easily accessible | | | | |
| Service is provided within the expected time | | | | |
| Error free documentation is provided to customers | | | | |
| The staff listens to the customers and keep them informed | | | | |

53. How does employees` performance and motivation affect the level of service provided to customers?

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54. Which factors are affecting your performance?

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55. What challenges are facing the organization in providing quality service?

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56. Are you familiar with the Fourth Industrial Revolution?
    i.   Yes                         [ ]
    ii.  No                          [ ]

57. If your answer to the above is yes, what impact will the Fourth Industrial Revolution have on PPS and its employees?

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58. What innovative technology solutions would you recommend for PPS to improve their customer service offering?

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**Thank you for participating.**

**Annexure 4 Gate Keepers Letter**

Request for permission to conduct research at PPS Insurance Company Limited

Title of the title of your research:
Customer complaints in the After Sales Process at PPS Insurance company limited

Date: 21 October 2019
Mr Izak Smit
Chief Executive – PPS Group
Email: ▮▮▮▮▮▮▮▮

Dear Mr Smit

I, Theola Stoltenkamp, Senior Manager: Life Broker Support Services, have been employed at PPS since 2010. I have been given the opportunity through PPS Insurance to complete my Master of Science in Management of Technology & Innovation via the Da Vinci Institute, under supervision of Dr Shirley Lloyd and field supervisor, Mr. Nereshen Pillay.

The aim of the study is to determine and understand the reasons for the customer complaints in the After Sales process at PPS Insurance and to make recommendations to reduce customer complaints and improve customer service, which will have a positive impact in the way we at PPS insurance conduct our new business and after sales service to our members.

Much of the study is theoretical, however, a more practical research methodology is also required for a holistic view. The research methodology will entail questionnaires and semi structured interviews, to be given to various streams within the business. A sample of 25 employees will receive the questionnaires. These questionnaires have been reviewed and approved by the LBS Executive and has been attached for your perusal.

My research and interviews/questionnaires can be reviewed at any stage by PPS and my full dissertation will be provided to the LBS Executive before it is submitted to the Da Vinci Institute. I am happy to make any further submissions that you may recommend so that PPS Insurance is mitigated from any risk.

Yours sincerely

Theola Stoltenkamp

Approved by:

IZAK SMIT

CHIEF EXECUTIVE – PPS GROUP

**Annexure 5 Letter of informed consent**

<u>Title of the research:</u>
Customer complaints in the After Sales Process at PPS Insurance company limited

Dear Participant

This questionnaire forms part of my Master`s degree research at the Da Vinci Institute. You have been selected by a purposive strategy from the population of twenty-six. Hence, I invite you to take part in this survey.

You are kindly requested to complete this survey questionnaire, as honestly and frankly as possible and according to your personal views and experience. No foreseeable risks are associated with the completion of the questionnaire which is for research purposes only. The questionnaire will take approximately ten minutes to complete.

You are not required to indicate your name or organisation and your anonymity will be ensured; however, indication of your age, gender, occupation position etcetera will contribute to a more comprehensive analysis. All information obtained from this questionnaire will be used for research purposes only and will remain confidential. Your participation in this survey is voluntary and you have the right to omit any question if so desire, or to withdraw from answering this survey without penalty at any stage. After the completion of the study, an electronic summary of the findings of the research will be made available to you on request.

Permission to undertake this survey has been granted by the PPS CEO, PPS Life Broker Services Executive and the Ethics Committee of the Da Vinci Institute. If you have any research-related enquiries, they can be addressed directly to me or my supervisor, Dr Shirley Lloyd. My contact details are ▇▇▇▇▇▇ e-mail: ▇▇▇▇▇▇▇▇▇ and my supervisor can be reached at ▇▇▇▇▇▇ e-mail: ▇▇▇▇▇▇▇▇

By completing the questionnaire, you imply that you have agreed to participate in this research. Please return the completed questionnaire to tstoltenkamp@pps.co.za before Friday 22nd November 2019.

Regards,
Theola

**Annexure 6 Ethical clearance certificate**

**daVinci institute**

### Ethical Declaration

I, the undersigned, hereby declare that the Masters Research of the student named below has received ethical clearance from The Da Vinci Institute Ethics Committee. The student and supervisor will be expected to continue to uphold the Da Vinci Institute's Research Ethics Policy as indicated during the application.

**Proposed Title:** Customer Complaints in the After Sales Process of a Life Insurance Company in South Africa

**Student Name:** Theola Stoltenkamp
**Student number:** ⬛
**Supervisor:** Dr Shirley Llyod
**Co-Supervisor:** N/A

**Period:** Ethics approval is granted from 2019/11/01 to 2021/05/09

Chairperson: Ethics Committee

**Krishna Govender**
**Dean: Research**

Signature: ⬛_____

Date:      01/11/2019_____