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The Effect of Complaint-handling Practices on Customer Satisfaction: Evidence Some Selected Private Hospitals in Addis Ababa

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The Effect of Complaint Handling Practices on Customer Satisfaction: Evidence from Selected Private Hospitals in Addis Ababa

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Declaration

I, Rahel Gebretsadik, now declare that the thesis**, "** **The Effect of Compliant Handling Practices on Customer Satisfaction: Evidence from Selected Private Hospitals in Addis Ababa"** is an original work**.** I have carried out the present study independently with the guidance and support of the research advisor**, Mesfin Workineh (PhD).** Any other research or academic sources used here in this study have been duly acknowledged. Moreover**,** this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution**.**

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First and foremost, I would like to thank God for the strength and overall assistance, and the support, guidance and protection He for gave me throughout the research process. And I would also like to thank my family and friends for their support and encouragement.

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Abstract

This study examines the effect of various types of complaint-handling practices on the customer satisfaction of private hospitals in Addis Ababa, Ethiopia. The primary focus is on the four complaint practices: accessibility, Responsiveness, Timeliness and confidentiality. Utilizing a multiple regression analysis approach, the research investigates how these complaints handling practice influence customer satisfaction. The target population of the study consisted of customers receiving service from Paulos-Mekbib, Girum and Legehar Hospital; furthermore convenience sampling was applied to select respondents. The researcher calculated sample size of the study by item-to-respondent ratio "Rule of 5 or 10" and the sample size of the study were 200 participants. Data were collected through structured questionnaires distributed to private hospitals users, achieving a 95.5% (191 respondents) from 200 participants. The findings reveal that three of complaint-handling practice significantly and positively impact customer satisfaction, with confidentiality showing the highest influence, followed by responsiveness and accessibility; However Timeliness had the negative influence. The regression analysis indicates that 56% of the variance in customer satisfaction can be explained by these complaint-handling practices, confirming their substantial impact. Diagnostic tests, including linearity, independence, homoscedasticity, and normality tests, were conducted to ensure the robustness of the regression model. The results validate the model's assumptions, demonstrating that a linear regression appropriately models the relationships between the independent and dependent variables. The study concludes that a diversified complaint-handling practice is crucial for effectively influencing customer satisfaction. Private hospitals should prioritize confidentiality and responsiveness while maintaining investments in timeliness and accessibility to maximize their customer satisfaction. Recommendations for future research include exploring the impact of timeliness and the effects of other complaint-handling practices. This research provides valuable insights for private hospitals improved complaint-handling practices to sustaining and retaining their customers, contributing to the broader understanding of complaint-handling practices role in customer satisfaction.

Keywords: customer satisfaction, Accessibility, Responsiveness, Timeliness, and confidentiality

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ACRONYMS AND ABBREVIATIONS

HSDP: Health Sector Development Plan

ISO: The International Organization for Standardization

OPD: Outpatient Department

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CHAPTER ONE

Introduction

This chapter introduces the background of the study, statement of the problem, research questions, and objectives of the study, significance, scope, limitations, and organization of the study.

1.1. Background of the study

A complaint is an" expression of dissatisfaction made to an organisation, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected." good complaint-handling can help the organisation to resolve a problem quickly before it becomes worse. An effective complaints practice will enable the complaint to be considered by the organisation at first instance. This provides an immediate opportunity for the organisation to review the matter and provide a remedy where necessary. Complaints that are not addressed quickly can create significant additional workload for the company, both in terms of staff time and resources required. Resolving complaints internally, promptly and close to source can avoid this. (Ombudsman of Western Australia, 2010)

On the other hand, Service sector is labour intensive and therefore do not produce identical outcomes as in the case of manufacturing industries and hence service failures are indispensable for service providers. In other words, it is impossible to ensure a 100% error-free service (Berry, 1980; Fisk et al., 1993).

Quality health care delivery affects all sectors of the economy because every economy relies on a healthy working population to offer skill and unskilled labour for increased productivity and the growth of the national income. Hence, there should be a structural connectivity between quality health care services and other sectors of the economy. This had necessitated the need for a system of continuous quality improvement committed to providing better medical services as a surest way of ensuring quality health care delivery (Joseph, 2012)

The healthcare sector plays an important role in improving the wellbeing and productivity of society. Private hospitals are increasingly competing to provide quality healthcare services and improve patient satisfaction. Customers often prefer private hospitals because of shorter waiting times, better service quality, and improved healthcare facilities. (Andaleeb, 2001). However, service failures such as delays, poor communication, and unprofessional behaviour may lead to patient dissatisfaction and complaints. (Johnston, 2001).

The customer complaints help the organization to improve the level of technology, skilled man power and other service better than competitors, several studies; the effective complaint-handling has a positive effect on customer satisfaction, loyalty and customer retention and purchasing behaviour. The studies used questionnaires to collect data and analysed the data by using SPSS software. The findings revealed that there was a positive relation between complaint-handling and customer satisfaction, loyalty and customer retention and repurchasing behaviour. Mohammed et al, (2014) and Hummam and Olena, (2014).

Patient satisfaction is considered as one of the desired outcomes of health care service and it is directly related with utilization of health services quality. Asking the customers what they think about the care and treatment they received is an important step toward improving the quality health care and to ensuring that local health services are meeting customers' needs. (Andaleeb, 2001). Patient satisfaction is a fundamental importance as a measure of the quality of care because it gives information on the provider's success in meeting client values and expectations. (Parasuraman et al.,1988).

The purpose of this study is to assess the effect of complaint-handling practices on customer satisfaction in the case of selected private hospitals (Girum Hospital, Paulos Mekbib Hospital and Legehar Hospital). This study will serve as a useful source of information to the private hospitals to know the overall complaint-handling practices and the factors associated with complaint-handling. Additionally, the results of the study will provide input to improve customer complaint-management policies, guidelines, and practice to attain customer satisfaction.

1.2. Statement of the Problem

Customer retention has been found in the literature to be a competitive tool for many companies.(Kotler and Keller,2016). This is even more pronounced in today's highly globalized, industrialized, and competitive market environment. As has already been discussed in the background of the study, the growth and survival of companies depend on how effectively they handle customer complaints in order to rebuild long-term relationships with customers. (Tax, Brown, and Chsndrashekaran, 1988).

The healthcare sector plays an important role in improving the well-being and productivity of society. Private hospitals are increasingly competing to provide quality healthcare services and improve patient satisfaction. Customers often prefer private hospitals because of shorter waiting times, better service quality, and improved healthcare facilities. (Andaleeb, 2001) However, service failures such as delays, poor communication, and unprofessional behaviour may lead to patient dissatisfaction and complaints. (Johnston, 2001).

Patient satisfaction is considered as one of the desired outcomes of health care services and it is directly related with utilization quality of health services. Asking the customers what they think about the care and treatment they received is an important step toward improving the quality health care and to ensuring that local health services are meeting customers' needs. Customers' satisfaction is a fundamental importance as a measure of the quality of care because it gives information on the provider's success in meeting client values and expectations. (Parasuraman et al., 1988).

There is a strong connection between perception of health care service delivery and customer satisfaction. Only when the health service providers know and understand what exactly the customer (patient) expects will they be able to satisfy their customers and only then it will be a successful hospital. (Haile, 2011)

In today's competitive environment, customer satisfaction has become an important factor for organizational success. (Kotler and Keller, 2016) Healthcare institutions must effectively manage patient complaints to maintain trust, loyalty, and long-term relationships with customers. Despite the

increasing importance of complaint-handling practices, limited research has been conducted regarding their influence on customer satisfaction in private hospitals in Addis Ababa.

Therefore, this study investigates the relationship between complaint -handling practices and customer satisfaction in private hospitals, while Girum hospital, Paulos Mekbib hospital and Legaher hospital provide valuable insights for marketers and hospital Management. Furthermore, the study seeks to show their current complaint- handling practices to improving their policy and guideline gaps.

1.3. Research Question

The researcher investigates the determinants of complaint-handling practices and the effect on patient's satisfaction by focusing and questioning the determinants such as, accessibility, responsiveness, timeliness and confidentiality in selected private hospitals.

1.3.1. Sub-research Question

1.What is the effect of accessibility of the complaint-handling system on customer satisfaction in private hospitals?

2.What is the effect of the responsiveness of hospital staff during the complaint-handling practice on customer satisfaction in private hospitals?

3.What is the correlation between the timeliness of complaint-handling practice and overall customer satisfaction in private hospitals?

4.What is the relationship between the perceived levels of confidentiality in complaint-handling practice influence customer satisfaction in private hospitals?

1.4. Objective of the research

1.4.1. General Objective of the study

The general objective of this study is to examine the effect of complaint-handling practices on customer satisfaction in selected private hospitals in Addis Ababa. The specific objectives include assessing the effects of accessibility, responsiveness, timeliness, and confidentiality on customer satisfaction.

1.4.2. Specific Objective of the study

1) To assess the relationship between the accessibility of complaint-handling practices and customer satisfaction in private hospitals.

2) To analyse how the responsiveness of hospital staff during the complaint-handling practice influence customer satisfaction in private hospitals.

3) To examine the effect of timeliness in complaint-handling practice on the customer satisfaction in private hospitals.

4) To investigate the influence of perceived confidentiality in complaint-handling on customer satisfaction in private hospitals.

1.5. Significance of the Study

This study is important because it provides valuable information regarding complaint-handling practices in private hospitals. The findings may help healthcare managers improve patient satisfaction, strengthen service quality, and develop effective complaint management systems.

The suggestions and recommendations forwarded by the researcher will help the hospitals to improve their setup and complaint-handling practice and this paper is expected to give insight to improve the complaint-handling in service failure and forward better suggestions with regard to the

practice of the hospitals. Additionally, it can help the future explore this problem area in detailed manner.

1.6. Scope of the Study

The scope of the study is delimited in terms of concept or topic, geographical area and the methodology will be adopted, and Concept wise, the study is delimited to the effect of complaint-handling practice and patient's satisfaction in the case of private hospitals. Due to geographical, time and budget constraints, a convenience sample technique was used to select the hospitals was selected based on accessibility and feasibility. The study is restricted in three hospitals located in Addis Ababa (Girum, Paulos Mekbib, and Legehar Hospital), the study employs quantitative approach to examine the relationship between complaint-handling practice and customer satisfaction by analysing survey data from private hospitals customers.

1.7. Limitations of the study

The study was limited in scope as it specifically examines complaint-handling practices and customer satisfaction within the case of three hospitals located in Addis Ababa. This narrow focus may restrict the generalizability of the findings to other healthcare settings or regions and its conclusion may not be applicable to broader range of hospitals.

Additionally, the researcher faced delays in obtaining hospitals confirmation, which affected study schedule. During data collection some customers were in a hurry to receive treatment; consequently, some questionnaires were lost, creating difficulties in data collection.

To mitigate these limitation the researcher employed mixed- design (descriptive and explanatory design), including diverse demographic representation of customers and compare the complaint-handling practice and customer satisfaction between private and public hospitals that may provide a richer context for finding and improve the generalizability of the findings.

1.8. Organization of the study

This study is organized into five chapters. The first chapter is all about the background of the study, statement of the problem, basic research questions, (general and specific) objectives, definition of terms, significance of the study and delimitation of the study. In addition, research structure (organization of the research report) is described in this chapter.

The second chapter includes different Literature's reviewed in relation to the study. In the third chapter Research design, variables of the study, population and sampling technique, sample size, types and instruments of data collection, procedures of data collection method of data analysis, validity and reliability and last but not least research ethics are included.

The fourth chapter includes the final results, analysis and discussion of the final results of the study.

Finally, chapter five offers conclusions and recommendations based on the results and discussions of the study; by summarizing theoretical and practical contributions alongside presenting the recommendations for the three hospitals management.

1.9. Definition of Terms

Complaint:-is an" expression of dissatisfaction made to an organization, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected." (Ombudsman of Western Australia, 2010).

Complaint-handling:-is feedback from customers shown to companies that tends to be negative. This feedback can be done in writing or orally. (Bell and Luddington 2006)

Complaint-handling Practice: - refers to the formal process a physical or digital organization uses to identify, track, and resolve customer dissatisfaction.

Customer satisfaction: - as "... an emotional response to the experiences provided by, associated with particular products and services purchased, retail outlets, or even molar patterns of behaviour such as shopping and buyer behaviour, as well as the overall market place" (Yi, 1990, p. 69)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This chapter presents theoretical and empirical literature relevant to complaint-handling practices and customer satisfaction in private hospitals. The review provides a conceptual foundation for the study by discussing major theories, concepts, empirical findings, and guiding principles associated with complaint-handling practices and customer satisfaction in private hospitals.

2.1. Theoretical Review

This section discusses the major theories that explain customer satisfaction and complaint-handling practices. These theories provide the theoretical foundation for understanding how complaint-handling practices influence customer satisfaction in private hospitals.

2.2. Expectation Confirmation Theory

Expectation Confirmation Theory explains that customer satisfaction is determined by the comparison between customers' expectations and the actual performance of a service or product. Richard L. Oliver (1980), customers develop expectations before receiving a service and satisfaction occurs when the service performance meets or exceeds those expectations.

Consumers have basic needs and certain expectations from product and services to fulfil their need. When the product or service fails to meet consumers' expectations, This results in consumers' unfavourable attitudes (disconfirmation) and beliefs about the product and service(Yang,Luand Chau,2013) in the case of negative disconfirmation consumers generating dissatisfaction may lead to complain.(Mc Alister and Pessemier,1982).

2.3. Attribution Theory

Attribution Theory explains how individuals interpret and identify the causes of events and behaviours. According to Bernard Weiner (2011), people naturally attempt to determine why certain events happen, especially after experiencing unexpected or negative situations.

There is a well-founded argument in using the attribution construct as a mediator between disconfirmation and service encounter satisfaction Bitner (2010). Kim et al., (2010) and Maxham and Netemeyer (2003) assert that attribution has a direct effect on cumulative satisfaction and repurchase intentions. Attribution search may follow a negative and unexpected event or failure (Weiner, 2000); and attribution theory is the systematic study of the perception of causality. In a complaint behaviour context, product and service failure is the kind of negative and unexpected event that has been shown to bring about causal search; attributed to internal or external locus.

2.3.1. Perceived Justice Theory

Service researchers have turned to theories of organizational justice to explain customers' reactions to service recovery (Tissot, 2003). Justice perceptions are the individual subjective assessments of organizational responses. The subjective evaluation of the response of the complainant is crucial because perceptions are the subjective, often biased, interpretation of reality that account for individuals behaviour (Gelbrich and Roschk, 2010).

Blodgett and Anderson, (1994) contend that prior research demonstrates that the behaviour of complainants depends largely on their perceptions of justice. Higher levels of distributive, interactional and procedural justice lead to more favourable patronage intentions and a decreased likelihood of negative WOM (Blodgett and Anderson, 2000). Complainants who perceive that justice is not served likely become even angrier, engage in negative WOM and exit (Tax et al., 1998).

In conclusion, organizations need to strive to achieve perceived justice while handling customer complaints. In case of service failure, individuals will perceive inequity and they will try to restore equity by complaining and to go through service recovery. Unfortunately, many service organizations have developed reactive service failure strategies that focus on complaint management

rather than service recovery issues. Just a few organizations seem to be gaining benefits of recovered customers (Johnston and Michel, 2008). The relationship between perceived justice, complaints handling and satisfaction with service recovery as they pertain to different post-complaint behavioural responses have not been investigated (Casado et al., 2011).

2.3.2. Concepts of system Health Care

Healthcare services play a critical role in improving the wellbeing and productivity of a nation's population. Patient satisfaction has become an important indicator of healthcare quality because it reflects customers' perceptions regarding the effectiveness, accessibility, and responsiveness of healthcare services. Any country that has unhealthy population is bound to suffer in the implementation of development programmers to improve the quality of life of the people. (Joseph, 2012).

"Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, medical care, and necessary social services." (UN Universal declaration of human rights, Article 25:8).

Despite major strides to improve the health of the population in the last one and half decades, Ethiopia's population still face a high rate of morbidity and mortality and the health status remains relatively poor. Vital health indicators from the DHS 2005 show a life expectancy of 54 years (53.4 years for male and 55.4 for female), and an IMR of 77/1000. Under-five mortality rate has been reduced to 101/1000 in 2010v. Although the rates have declined in the past 15 years, these are still very high levels. (HSDP IV, 2010).

All people are consumers of health services and it is important to know their expectations on health care services. Users of health services want safe, appropriate interventions, treatment, and care that consider their dignity and respect. They want information that is accurate, timely, and relevant. Consumers believe that if this is to happen, then consumers of health services must be involved and consulted. Patient satisfaction measures therefore provide healthcare managers with useful information about the structures, process, and outcomes of care. (Joseph, 2012)

2.3.3. Health care System in Ethiopia

The Ethiopia health sector is a mixed delivery health system composed of a diverse range of actors across the public and private sectors. A mixed health system is defined as a system in which publicly financed government health delivery co-exists with privately financed (mostly through out-of-pocket payments) market delivery (Nishtar, 2002).

2.3.4. Concepts of complaint-handling

Many companies are starting to realize the important of handling customer's complaints in the right way. There are many studies which focus and different strategies companies can use depending on the industry, the operation in the literature review will bring up several strategies and models of relevant for the service industry.

Complaints are an important way for the management of an organization to be accountable to the public as well as providing valuable prompts to review organizational performance and the conduct of people that work with in and for it.

A complaint is an" expression of dissatisfaction made to an organization, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected."

An effective complaint-handling system provides three key benefits to an organization; - It resolves issues raised by a person who is dissatisfied in a timely and cost-effective way, it provides information that can lead to improvements in service delivery; and, where complaints are handled properly, a good system can improve the reputation of an organization and strengthen public confidence in an organizations administrative process (Ombudsman of Western Australia, 2010)

2.3.5. Complaint-handling resolution and disinformation

The complaint resolution process has three different steps. The first steps are when the customer expresses them complaining the second step is when an employee acknowledges the complaints.

And the final step is when the employees start to take action to resolve the problem in order to satisfy the customer. Bhat.m (2004)

How the problem is handling affect customer satisfaction /dissatisfaction with this process and the repeat purchase behaviour as well as the word of mouth. Behaviour is also affecting by the customer satisfaction /dissatisfaction.

With complaints resolution process there are four critical dimensions of customer satisfaction/dissatisfaction.

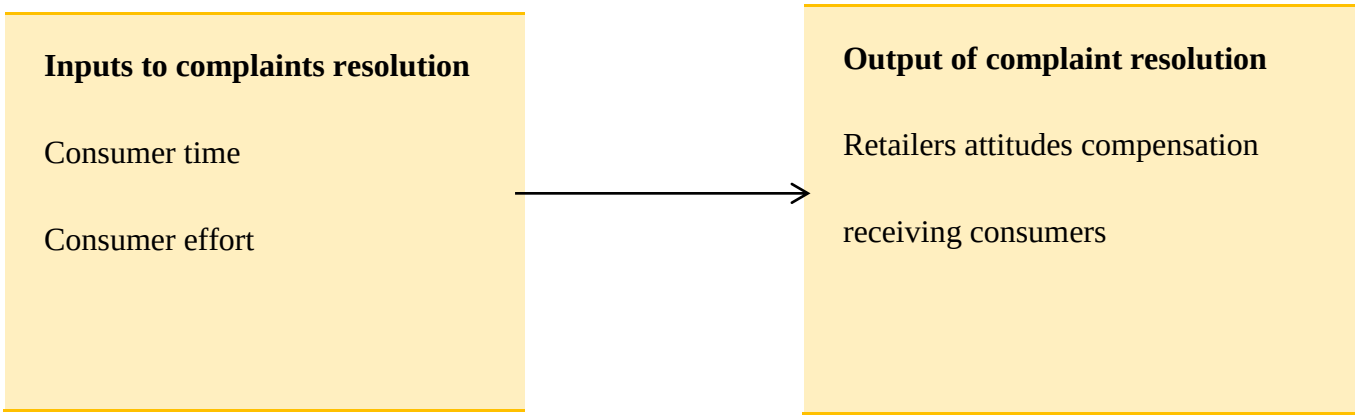


Figure1. The complaint resolution process

In figure there are the two dimensions of consumers inputs consumers time and consumers effect to solve problem. There are two dimension consumes output retailer attitudes and compensation recovering consumes.

The company's consumer complains resolution process may have remarkable impact on profitability and market shares. The inputs are the customer's investment in the complaint's resolution process. The input consists of time and effort put into the process to resolve the problem. According to Michael and Mitchell (1995) consumes time and effort are considered to be more critical for consumer with a higher level of education. This implies that companies for handling highly educated customer shall focus on reducing time and effort put in these customers in order to increasing the level of satisfaction.(Michael and Mitchell 1995).

Personal attitudes of the employee may be another outcome of the process, as shown in figures to any of customers, the employee and employee attitude are important parts of the service. Michael and Mitchell (1995), further argue that the dissatisfaction paradigm, whether a customer is satisfied or dissatisfaction, depends on the dis confirmation that result of pacified difference between prior expectation and the actual performance of the products or service. If the performance of the product or service is equal to the expectation confirm at one occurs and the opposite (dis confirmation) occurs when the expectation does not match the performance of the product or service.

Dis confirmation can be both negative and positive, if the performance of the product or service exceeds expectation the dis confirmation is positive and customer experience is satisfaction. If the performance of product or service does not reach the customer expectation the result is negative dis confirmation.

Set standards and guidelines exist for complaint-handling in organizations, which can be taken as starting point for assessing good practice in complaint-handling schemes (AngandButtle, 2006). BSI (2004) suggest that these standards and guidelines for effective complaint-handling include visibility, accessibility, responsiveness, objectivity, no charges for complaint-handling, confidentiality, customer-focused approach, accountability (within the organization) and continual improvement. Ombudsman (n.d) on the other hand suggests that these standards and guidelines are commitment, communication, visibility and access, responsiveness and fairness, resources, personnel and training, assessment and investigation, remedies, business improvement, internal and external review systems; while George et al (2007) identify highly visible procedures, easy and free access, effective company protocols, fairness and organizational ownership and commitment as standards and guidelines for effective complaint-handling. Nevertheless, looking at it from an operational perspective, the complaint-handling process can be summarized in three sub-dimensions, via complaining accessibility, customer-firm interaction and compensation policy (Grougiouand Pettigrew, 2009; Mattila andWirtz, 2004; Maxham and Netemeyer, 2003; Stauss 2002; Johnston and Mehra, 2002; Johnston 2001).

Customer satisfaction is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer’s experience of both contact with the

organization (the “moment of truth” as it is called in business literature) and personal outcomes. Some researchers define a satisfied customer within the private sector as “one who receives significant added value” to his/her bottom line—a definition that may apply just as well to public services. (Center of the study of social policy, 2007)

Since health care organization in operating in extremely competitive environment, patient satisfaction becomes a key indicator in gaining and maintaining market share. Without acceptable level of patient satisfaction health care plans will lack the competitive edge. According to Jones (1978) as cited by (Asma, 2008) patient satisfaction survey is the main source of feedback from customers about the health care service.

Different studies have been conducted, both locally and abroad, in relation to claim settlement or claim handing and its effect on various organizational issues such as customer satisfaction, customer trust. For instance, Brown Ateke and Chinyere Stella Nwulu (2019) attempted to assess the relationship between complaint-handling and customer satisfaction and relationship between complaint-handling and customer trust. The finding of the study indicates that complaint-handling and relationship quality are positively correlated.

However, the current study dwells only on customer-firm interaction, and treats complaints handling and customer-firm interaction synonymously. Customer-firm interaction is a critical aspect of complaint management (Gruber et al, 2006) because studies suggest that customers make separate determinations between the fairness of the complaint-handling process and the actual outcome (Singh andWiding, 1990) and are more concerned with obtaining a fair and serious treatment than a specific result (Hansen et al, 2010; Davidow, 2003).

2.3.6. Measuring of patient Satisfaction

Measuring patient satisfaction are being used as surrogate expression of user’s preference about the range and type of health service they want, as a way of quantifying the quality of medical care as patient focused outcome measures. (Asma 2008) according to Lebow (1983) the patient satisfaction can be measured using Convenience–all inquiries into both the felt adequacy of treatment and of surrounding setting are specific aspect that may include reactions to the quality of care, its

helpfulness, cost, continuity, availability and accessibility of practitioner and reaction to supporting service. And concluded that patient satisfaction studies enable customers to select health care clinicians, facilities or insurance plans: less satisfied customers more likely to seek health care elsewhere. Quality of Care –Hospitals are emphasizing enhanced quality of care along with the improvement of technology. Qualities of health care service are explained in seven factors which are efficiency, effectiveness, efficacy, optimality, legitimacy and equity. Out of Pocket cost – most of customers skip medical care due to the cost they are expected to incur. Therefore, cost of medical service is also one of the measurements of patient satisfaction.

2.3.7. Critical factors in complaint-handling

Customer complaint-handling is considered as one of the most essential factors in the customer relationship management operations (Álvarez et al., 2010). From the perspective of business strategy, a good complaint-handling could help companies enhance not only their competitive advantages but also operational improvement and better financial performance by solving problems, delivering value and satisfying customers (Johnston, 2001). Various factors are described below for this research in order to learn and understand the efficiency of customer complaint-handling service from different perspectives

2.4. Empirical Review

Communication channel Studies from Goodman (1999) show that the majority of complaints are received at the place where the service is offered. It has been found that in B2B environment, 75 % of customers will directly complain to employees of a distributor or retailer with the most common communication channel, face-to-face or over the phone (ibid). And fewer people will choose to submit their complaints via emails, letters, customer feedback cards, or the firm's website (Lovelock and Wirtz, 2014). However, there is a high probability in practice that the problem will never be reported to the manufacturer or corporate officer due to the lack of formal customer complaint channel (Mostaghel et al., 2012; Goodman, 1999; Lovelock and Wirtz, 2014).

According to the Bank BRI study of the effect of complaint-handling on customer's satisfaction, customer trust, customer loyalty in South-east Sulawesi. Population of the study research was all

customers of Bank BRI customers in Southeast Sulawesi who ever delivered complaints with more than two years saving account, in addition the customers were adult in age category (more than 17 years old). The sample of this research were 168 respondents, those sample were taken by purposive sampling. Data analysis used path analysis. Findings of the study showed that better customers' complaint-handling would increase customers' satisfaction, trust and loyalty of Bank BRI in Southeast Sulawesi. Nofal, Palilati, Bua, Patwani and Yusuf (2015).

According to a study by Yi Zhang (2025) develop a hospital complaint-handling analysis model to enhance public satisfaction with greater precision. First, complaint data from hospitals spanning January to December 2022–2024 was pre-processed using data cleaning, mechanical compression, word segmentation, and stop-word filtering techniques. Second, the DISC behavioural language model was employed to analyse key indicators, including hospital compensation frequency, total compensation amounts, patient appeal rates, complainants' satisfaction with the resolution process, and their overall satisfaction with complaint outcomes. Finally, a sentiment analysis model and an improved KANN-DBSCAN clustering model were applied to complaint data to precisely identify sentiment-related keywords and assess the intensity of negative emotions, providing hospitals with targeted improvement recommendations.

This study demonstrates that integrating the DISC behavioural language model with advanced clustering methods (KANN-DBSCAN) can substantially improve patient complaint management by enabling tailored, empathetic communication and data-driven identification of underlying complaint categories. These combined approaches led to measurable gains in patient satisfaction and reduced conflict escalation, addressing gaps that traditional complaint management methods often overlook. Our findings highlight the value of operationalizing behavioural this model across diverse healthcare settings theory alongside intelligent analytics to foster more patient-centred, efficient, and trust-oriented hospital operations. Future research should explore the scalability of and its long-term impact on service quality improvement.

Handling complaint process involves appropriate actions taken to resolve customer dissatisfaction (Razali and Jaafar, 2012). This process usually goes through several stages from receipt, assessment, and investing to final decision (Sultan, Abidin and Abdullah, 8 2008). By conducting literature review, a proposed complaint-handling procedure has been developed below.

Acknowledgement Assessment Investigation Response Follow up Complaint received -- Complaint types Priority Expectation -- Cases Solution -- Visit in person Phone call Satisfaction survey. Proposed complaint-handling process According to this, a detailed introduction of each step is presented below:

Acknowledgement once complaints are received, the first step is to send an acknowledgement as soon as possible to let the clients know that their complaints have been paid attention (Ombudsman Western Australia, 2010). Conlon and Murray (1996) found that speedy response has a positive effect on satisfaction and intentions to repurchase. In order words, complainants are more likely to come back if answered quickly.

Assessment and assigning priority Complaints can be divided into different types: some of the complainants are just seeking for an explanation or apology; the others command replacement or financial compensation (Ombudsman Western Australia, 2010). It is claimed by Humborg et al., (2009)

Investigation The purpose of investing is to resolve complaints with a fair and adjective view and come up with appropriate remedies (Ombudsman Western Australia, 2010). More specifically, companies should treat each complaint objectively, and complainants should be informed about the procedure of complaints. Moreover, opportunities should be given to complainant to comment or supplement information (ibid).

When the investing is closed, companies should inform their clients about the investing, including the cause of problems, actions proposed to solve to problem, and measures to be taken to avoid similar problems in the future (Filip, 2013). Studies have shown that negative feelings such as anger and dissatisfaction can be reduced by appropriate explanations (Conlon and Murray, 1996 and Murray, 1996). Explanations should be given to clients no matter orally or in a written form (Ombudsman Western Australia, 2010). The explanation should be presented in an understandable way, and should cover every concern in the complaint. In the meantime, a vague explanation could be mistaken that not all aspects of their complaints have been paid attention.

Follow-up It is likely to form a secondary damage to the relationship if customers feel they have not been treated fairly or receive adequate responses or solutions from the company (Grégoire and Fisher, 2008; Schoefer and Diamantopoulos, 2008). It has been reported by Andreassen (2001) that only 30 per cent of complaining customers are happy with the company's complaint-handling efforts. Study of Lewis and Mc Cann (2004) on service failure and recovery in the UK reveals that only just over half of respondents classified themselves as satisfied or very satisfied with the service recovery process.

In the complaint-handling process, there are two aspects need to pay attention to, one is identifying customer complaint types during the assessment of complaint, another one is the timeliness of complaint-handling process.

Timeliness In business service, speedy action plays a positive role in improving customer satisfaction when it comes to complaint-handling (Durvasula, 2010). For companies, it is important to resolve issues and complaints raised by an unsatisfied person in a timely and efficient manner (Mostaghel et al 2015; Davidow, 2003; Durvasula, 2010; Equiniti, 2016; Ombudsman Western Australia, 2010; Oghazi 2014). Therefore, firms should try to make waiting shorter and more palatable for customers. For example, it will be helpful to inform people that their complaints are received and guarantee that their problems will be solved as soon as possible preferably within a certain fixed time (ibid). Furthermore, it is claimed that decision makers generally agree that companies' competitiveness can be enhanced by shortening lead times (De Treville,Bicer, Chavez Demoulin, Hagspiel, Schürhoff, Tasserit and Wager, 2014).

Implementing complaint-handling system can make everything faster and user friendly for both staff and 12 customers, which will result in shorter waiting time (Lovelock and Wirtz, 2014; Hultman et al., 2008). In addition to that, setting guidelines for complaint management as well as Standardized complaint-handling process could help deal with the handling of complaints more accurate and efficient, thereby reducing overall lead time

2.4.1. Guiding principles

Capacity

Sufficient resources should be made available for and committed to complaints handling, and should be managed effectively and efficiently.

Transparency

The complaints-handling process should be communicated to customers, personnel and other relevant interested parties. Individual complainants should be provided with adequate information about the handling of their complaint.

Accessibility

A complaints-handling process should be easily accessible to all complainants. Information should be made available on the details of making and resolving complaints. The complaints-handling process and supporting information should be easy to understand and use. The information should be in clear language. Information and assistance in making a complaint should be made available, in whatever languages or formats that the products and services were offered or provided in, including alternative formats, such as large print, Braille, or audiotape, so that no complainants are disadvantaged.

Confidentiality

Personally identifiable information concerning the complainant should be available where needed, but only for the purposes of addressing the complaint within the organization and should be actively protected from disclosure, unless the customer or complainant expressly consents to its disclosure or disclosure is required by law.

Timeliness

Complaints should be handled as expeditiously as feasible given the nature of the complaint and of the process used.

Responsiveness Complaints should be acknowledged "immediately" by the organisation and complainants should be kept informed about the progress of their complaint.

Customer-focused approach the organization should adopt a customer-focused approach with respect to handling complaints and should be open to feedback.

Accountability

The organization should establish and maintain accountability for, and reporting on, the decisions and actions with respect to complaints handling.

Improvement

Increased effectiveness and efficiency of the complaints-handling process should be a permanent objective of the organization.

Competence

Organization personnel should have the personal attributes, skills, training, education and experience necessary to handle complaints. International standard for organizations (ISO 10002:2018(E))

2.5. Research Hypotheses

Hypothesis 1: There is a significant positive relationship between the accessibility of complaint-handling practices and customer satisfaction.

Hypothesis 2: Higher levels of responsiveness in complaint-handling practices lead to higher levels of customer satisfaction.

Hypothesis 3: Timeliness in resolving complaints significantly influences a customer's satisfaction.

Hypothesis 4: Assurance of confidentiality during the complaint-handling practices positively affects patient satisfaction.

2.6. Conceptual framework of the study

Based on the theoretical and empirical review presented above, this research has identified complaint-handling practices and their effect on customer satisfaction. It is presumed that complaint-handling practices influence the satisfaction level of private hospitals customers.

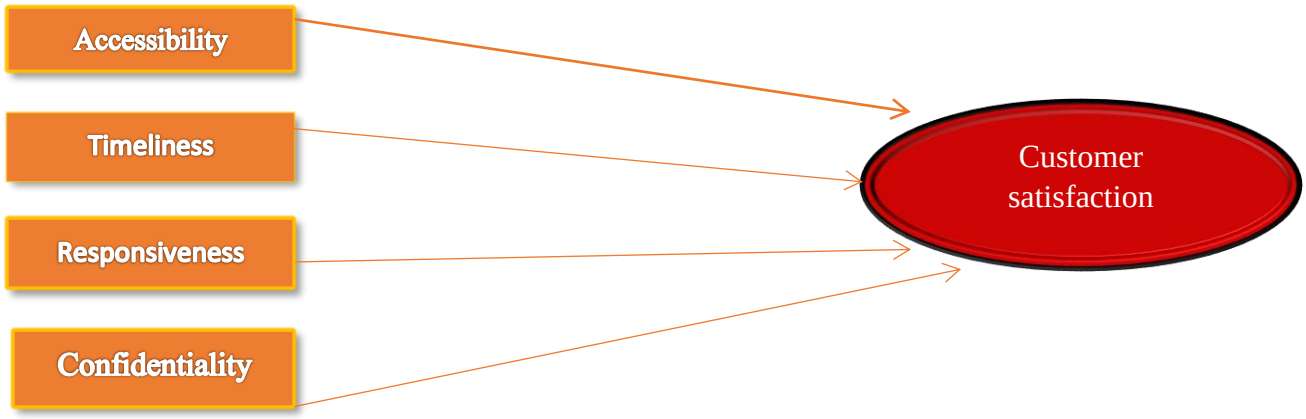


Figure 2: Conceptual framework of the study

[SOURCE: International standard for organizations (ISO 10001:2018, 3.2]

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter explains the research design, research approach, data sources, population, sampling techniques, data collection instruments, data analysis methods, reliability and validity procedures, and ethical considerations used in the study.

3.1. Research Design

This study employed a descriptive and explanatory research design. The descriptive design was used to describe complaint-handling practices and customer satisfaction, while the explanatory design helped examine the relationship between the complaint handling practices and customer satisfaction.

Explanatory design looks at how things come together and interact. Explanatory designs seek to uncover the causes and effects of interactions and to find true interpretations for phenomena. However descriptive research involves collecting data about occurrences and then organizing, tabulating, depicting, and describing the data (AECT, 2001). Kothari (2011).

Descriptive is the result of a creative investigation to arrange and confirm facts so that they may be explained. Many research projects are involved with characterizing natural or human phenomena, such as their shape, structure, activity, changes over time, interactions with other phenomena, and so on. The description frequently reveals information that would not have been recognized or discovered otherwise (Association for Educational Communications and Technology (AECT), 2001). The goal of descriptive research design is to identify a phenomenon and its features.

An Explanatory component is integrated to examine the causal relationships between of complaint-handling practices and customer satisfaction in the private hospitals. Questionnaires were used to collect primary data for the study. Amin (2005) posits that the combination of descriptive and

explanatory design in private hospitals helps achieve comprehensive data gathering and analysis processes.

3.2. Research Approach

A quantitative research approach was employed in this study, Quantitative analysis enables the study to collect, group and categorize data for statistical analysis, and quantitative research is concerned with the systematic and scientific study of quantitative qualities and occurrences, as well as their correlations. Furthermore, quantitative research is to create and apply mathematical models, theories, and hypotheses related to natural events. The measurement procedure is crucial to quantitative research because it connects empirical observation to the mathematical description of a characteristic (Abiy et al., 2009).

3.3. Data Types and Data Sources

Both primary and secondary data sources were used. Primary data were collected from customers using structured questionnaires, while secondary data were obtained from books, journal articles, and previous studies related to complaint-handling and customer satisfaction.

Health care organization in operate in an extremely competitive environment, patient satisfaction becomes a key indicator in gaining and maintaining market share. Without acceptable level of patient satisfaction health care plans will lack a competitive edge.

According to Jones (1978) as cited by (Asma, 2008) patient satisfaction survey is the main source of feedback from customers about the health care service. Customers or consumers of health care services therefore play a variety of roles in health care quality assessment and monitoring. By expressing their preference, they supply the valuations needed to choose among alternative strategies of care. They help define the meaning of quality in the technical sense. Moreover, their preferences are the paramount consideration in defining the quality of the interpersonal process and of the amenities of care. Consumers are also valuable sources of information in judging the quality of care and non-technical aspect of treatment. This is because consumers can and do, through expressing satisfaction or dissatisfaction, pass a judgment about many aspects of the process of care and its

outcomes. Consumers, if properly informed, could help to regulate the quality of care by means of their choices. No wonder that, health care is now entering an age of accountability where customers are demanding service excellence. (Joseph, 2012) according to Donabedian (1987).

3.4. Population of the study

The population of the study is all customers who are treated at (Legehar hospital, Girum hospital and Paulos Mekbib hospital) private hospitals. However, it is difficult to study all customers who visited the hospitals due to time and resource constraints. Therefore the total target population is the patient who visits the hospital for at least once. The population profiles are more likely wealthier, more urban, highly educated across all age groups, including both male and females.

3.5. Sample size

The researcher calculated sample size of the study by item-to-respondent ratio "Rule of 5or 10' because the total population size is unknown. The researcher uses 10; 1 ratio to ensure the results across the three hospitals are stable and reliable.

A Minimum of 10 respondents for every 1 items (10; 1 ratio) the basic personal information was excluded and the researcher focused only on the main variables. Since the questionnaire contains 20 items (questions) so the rule of 10 requires 200 respondents (20 ×10=200). The researcher uses the equal allocation method to select 67 respondents from two hospitals and 66 from the third hospital. (Gorsuch, 1983; Hstcher, 1994; Suhr, 2006)

3.6. Sampling Technique

The researcher used a non-probability sampling technique, convenience sampling to select the respondents, because the researcher may not get all the customers at the same time. Under these circumstances, employing non-probability sampling technique is appropriate for an unknown population size.

3.7. Data Gathering Instruments/variables and measures

The study used structured questionnaires based on a five-point Likert scales ranging from strongly disagree to strongly agree. The questionnaire was designed to measure accessibility, responsiveness, timeliness, confidentiality, and customer satisfaction.

Survey research is a research method the use of standardized questionnaires or interviews to collect data about people and their preferences, thoughts, and behaviours in a systematic manner. Some of the advantages of survey mentioned are; survey is an excellent vehicle for measuring a wide variety of not observable data, such as people's preferences, traits, attitudes, beliefs, behaviours, or factual information. Second survey research is economical in terms of researcher time, effort and cost than most other methods such as experimental research and case research. Third, due to their unobtrusive nature and the ability to respond at one's Convenience, questionnaire surveys are preferred by some respondents. Anol Bhattacherjee(2012)

At the same time, survey research also has some unique disadvantages. It is subject to a large number of biases such as non-response bias, social desirability bias, and recall bias. (Anol Bhattacherjee, 2012).

In Cross-sectional surveys independent and dependent variables are measured at the same point in time (e.g., using a single questionnaire).

Considering the advantages and disadvantages of survey research and the research design of the study; survey research method was used and cross-sectional survey was conducted in this research paper.

A questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner. Structured questions ask respondents to select an answer from a given set of choices. (Anol Bhattacherjee, 2012).

The major data collection method of the study will be structured to type of questionnaire. Questionnaire and distributing to the sample of the study which are the customers of selected private hospitals.

Likert scale Designed by Rensis Likert, is a very popular rating scale for measuring ordinal data in social science research. This scale includes Likert items that are simply-worded statements to which respondents can indicate their extent of agreement or disagreement on a five or seven-point scale ranging from “strongly disagree” to “strongly agree”. (Anol Bhattacherjee, 2012).

The constructs of the study are measured mainly by using five-point Likert scale. Questionnaires using 5-point Likert scale with anchor of (1) ‘strongly disagree’ to (5) ‘strongly agree’ can reduce variability in the results that may be differences and enhances reliability of the responses. Besides, it also simplifies coding, analysis and interpretation of data. (Choy Johnn Yee, 2Ng Cheng San, 2010).

3.8. Data Analysis Technique

Information obtained from quantities data through questionnaires. The data was summarised using descriptive statistics such as frequency distribution and inferential statistics, including Pearson correlation and the also multiple linear regression using SPSS. To test the hypothesis for visual representation of findings and results, tables will be used.

3.9. Reliability and Validity

The quality of a given measure is expressed in terms of its reliability and validity (William d.crano and Marilynn b. brewer, 2002).

According to William d.crano and Marilynn b. brewer (2002) reliability is the consistency with which a measure assesses a given concept. Reliability is the degree to which the measure of a construct is consistent or dependable (Anol Bhattacherjee, 2012).

Cronbach’s alpha was used to measure the reliability of the study. Reliability (over 0.80) Good; reliability in the range of 0.70 is acceptable; and reliability less than 0.60 is considered poor (Sekaran, 2003). The reliability result of the study meets the minimum requirement of good (over 0.80).

Therefore, in this study, the researcher would use mechanisms like minimizing participants’ errors when filing questionnaires, minimizing participants’ bias, and avoiding researcher’s errors. The

reliability of the questionnaire items would be reviewed by the Cronbach Alpha test. If the Cronbach alpha coefficient is greater than or equal to 0.70 the study is reliable.

The questionnaire was administered to a sample of participants within the target population of three Hospitals Customers. Participants were asked to rate their agreement with each item using a Likert-type scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The response was collected anonymously to ensure confidentiality and encourage honest feedback.

To assess the reliability of the data collected, Cronbach's Alpha was calculated for each set of items related to the complaint-handling practice and customer satisfaction. The results are as follows:

Table 1 - Cronbach's alpha test for independent variables

Dimension	Cronbach's Alpha	No. of Items
Accessibility	0.913	5
Responsiveness	0.886	5
Timeliness	0.887	4
Confidentiality	0.821	3
Overall Satisfaction	0.746	3
Overall scale reliability	0.950	20

The overall reliability score is 0.950 "Excellent". Therefore we can say that there is a greater internal consistency between the items and it consistently measures the intended dimension of the variables.

Validity refers to the degree of relationship, or the overlap, between an instrument and the construct it is intended to measure (William d.crano and Marilynn b. brewer, 2002). Content validity refers to

the adequacy with which a measure or scale has sampled from the intended universe or domain of content (Julie pallant 4th edition). Many experts believe that the basic goal of research is to provide valid conclusions. Validity refers to the degree to which a test measures what it promises to measure. Research validity refers to the accuracy (Jonson and Christensen2014)

Internal validity ensures that findings of the research accurately reflect the reality and as the researcher measures what it intends to measure, in quantitative research maintaining validity involves calculate how people perceive the complaint-handling practice. So, internal validity measures whether the finding is non- spurious or not. Therefore the findings in this study are strongly supported by contextual evidence and the general framework. (Arlin Cuncic, 2025).

External validity refers to whether the observed association can generalized from the sample to the population. To enhance the language, wording, and phrasing of the questionnaire items were carefully crafted to ensure that they were clear, unambiguous, and appropriate for the target audience. Based on this, the instrument was evaluated by marketing management and English instructor.

3.10. Ethical Consideration

Before conducting the research, the researcher informs the participants of the study about the objectives of the study, and consciously addressed ethical issues by obtaining informed consent, avoiding deception, maintaining confidentiality, respecting the privacy, and protecting the anonymity of all respondents. The informed consent form was translated into and administered in Amharic, and consequently, individual who were too ill, unconscious or unwilling to provide consent were excluded from the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

This chapter begins by presenting the response rate, background information of the respondent statistics under demographic variables and followed by a descriptive statistics, correlation and regression analysis. The results of the research are presented under various headings using various tabular and graphical presentations.

4.1. Response Rate

The questionnaires were distributed to a total of 200 Customers, of whom 67 were Paulos mekbib customers and 66 were from Legehar and 67 were from Girum Hospital customers; by using the approach described in the previous chapter. Out of the total 200 questionnaire 191 questionnaires (95.5) were filled completely and returned back to the researcher. The remaining 9 questionnaires (4.5%) were unreturned by customers and five were returned but incompletely filled properly. The response rate of 95.5% is excellent according to Babbie 1973; Mugenda,A,G(2003) where a rate of 70% or more is deemed very good for data analysis.

4.2. Descriptive Analysis

Descriptive analysis was used to describe and demonstrate the data that have been collected from the questionnaire in terms of frequency, and percentage results generated by SPSS by using quantitative analysis techniques.

4.3. Description of Respondents Profile

The demographic analysis indicates that respondents differed in terms of age, gender, educational background, and monthly income. The majority of respondents were within the productive age group and possessed sufficient educational backgrounds to understand and respond to the questionnaire effectively.

The detail of demographic characteristics of respondent is as follows:-

Table 2 Gender Composition of the Respondent

Gender					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Male	113	59.2	59.2	59.2
	Female	78	40.8	40.8	100.0
	Total	191	100.0	100.0	

Source: questionnaire result (2026)

Out of the sample of 191 respondents, 113 representing 59.2% were males and 78 respondents representing 40.8% were females as presented in Table 2. As shown although there are more male respondents, the inclusion of significant female proportion (40.8%) ensure that the sample is realistic reflection of the target population.

Table 3 – Age group of Respondent

Age					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Below 30	51	26.7	26.7	26.7
	30-60	109	57.1	57.1	83.8
	Above60	31	16.2	16.2	100.0
	Total	191	100.0	100.0	

Source: questionnaire result (2026)

The ages groups of the respondents are as shown above in Table 3 are; 51%of respondents is in the age group of between 30 – 60 years, and 26.7% of below 30 years old and 16.2 % above 60 years. Greater percentages of the respondents were within the ages of 30-60 years which mostly are the working group of the society. Moreover the findings of this study largely reflect the perspective of mature and experienced individuals who may have higher expectation for quality service, so that the respondents provide more balanced and reliable feedback.

Table 4 – Monthly income of Respondent

Income					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Below 5,000	32	16.8	16.8	16.8
	5,000-20,000	87	45.5	45.5	62.3
	Above 20,000	72	37.7	37.7	100.0
	Total	191	100.0	100.0	

Source: questionnaire result (2026)

The monthly income of the respondent as shown in Table4, out of the 191 respondents 168% have below 5000 birr monthly income, 45.5% have 5,000-20,000birr monthly income and 37.7 have more than 20,000 birr monthly income. The higher percentage is lies average income and above 20,0000 due to the respondent salary more likely willing to pay out of pocket for convenience or better service.

Table 5 – Educational Status of the Respondents

Educational Background					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	None	9	4.7	4.7	4.7
	Elementary School	30	15.7	15.7	20.4
	High school	12	6.3	6.3	26.7
	preparatory school	44	23.0	23.0	49.7
	Degree	62	32.5	32.5	82.2
	Above	34	17.8	17.8	100.0
	Total	191	100.0	100.0	

Source: questionnaire result (2026)

As the Table5 shows 4.7% of the respondents had obtained educational level of illiterate.15.7 % of respondents are on the elementary level. And 6.3% of the respondent finishes high school, 23% are preparatory level and 32.5% are Degree level and 17.8% are above Degree level. The majority of the respondent Educational status has degree. This implies that the respondent had a high level of literacy help to understand the survey questions, which enhance the reliability and accuracy of the data collected.

Table 6 – Number of hospital visits of respondents

Number of visit					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	First Time	69	36.1	36.1	36.1
	Second Time	57	29.8	29.8	66.0
	More than Three times	65	34.0	34.0	100.0
	Total	191	100.0	100.0	

Source: questionnaire result (2026)

The above Table6 shows 36.1% of the respondents used the 3 private Hospitals for the first time 29.8% of the respondent used the service for the second time and 34% of the respondent uses the service more than three times. In general, the analysis shows the majority of the respondents were using the service more than two times. This implies that the customers are loyal and experienced and the findings are based on individual who have deep relation with the hospitals rather than just one time impression.

Table7 – Type of Medical Treatment

Category of Treatment you came for					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Optical	24	12.6	12.6	12.6
	Surgical	26	13.6	13.6	26.2
	OPD	67	35.1	35.1	61.3
	Inpatient	16	8.4	8.4	69.6
	Other	58	30.4	30.4	100.0
	Total	191	100.0	100.0	

Source: questionnaire result (2026)

As shown in the Table7 as per the Hospitals providing medical service 12.6% of respondent came for Optical medical service, 13.6% of the respondent came for surgical related medical service, 35.1% of the respondent came for without admission (OPD), 8.4% of the respondents are admitted to the hospitals to stay for treatment (inpatient), and 30% of the respondent came for other medical service (check-ups, lap tests, referral). This suggests that the outpatient care quality and the efficiency of the consultation process.

4.4. Descriptive statistics for all variables

The analysis of this study was done using descriptive statistic; from these the researcher used the mean scores of each variable. The main reason for using this measurement was to demonstrate the average responses of respondents for each question that was included under each dimensions of the predictor variable. The interpretation is made based on the following measurement scale intervals or

range. Mean scores 4.51-5.00 excellent or very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (Poonlar Btawee:1987)as cited by Hailu (2013).

The following table shows the overall descriptive statistics of the variables Accessibility, responsiveness, Timeliness, confidentiality and customer satisfaction. Descriptive statistics uses scores that tend to describe the basic features of data in a study to provide summaries about the sample and the measures.

4.4.1. Accessibility

Table 8- Descriptive statistics for accessibility

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Accessibility1	191	1	5	3.93	1.031
Accessibility2	191	1	5	3.62	1.131
Accessibility3	191	1	5	3.57	1.163
Accessibility4	191	1	5	3.64	1.174
Accessibility5	191	1	5	4.05	1.058
Valid N (list wise)	191				

Source: questionnaire result (2026)

As shown in table 8 the overall perception of accessibility is positive, with mean scores ranging from 3.57 to 4.05. The highest mean score was recorded for Acc5 (mean=4.05) suggesting that participant strongly agree and Acc3 (mean=3.57) received the lowest score, this indicating the instructions may require more improvement on how to fill a complaint clearly and easy to understand.

4.4.2. Responsiveness

Table 9- Descriptive statistics for Responsiveness

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Responsiveness1	191	1	5	3.79	1.105
Responsiveness2	191	1	5	3.81	.892
Responsiveness3	191	1	5	3.61	.988
Responsiveness4	191	1	5	3.77	1.036
Responsiveness5	191	1	5	3.80	.897
Valid N (list wise)	191				

Source: questionnaire result (2026)

As shown in table 9 the overall perception of responsiveness is positive, with mean scores ranging from 3.61 to 3.81. The highest mean score was recorded for Res2 (mean=3.81) suggesting that participant strongly agree and Res3 (mean=3.61) received the lowest score, this indicating the hospitals focus on staff and other employees to train more staff willing to take feedback from customers.

4.4.3. Timeliness

Table 10- Descriptive statistics for Timeliness

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Timeliness1	191	1	5	3.69	.898
Timeliness2	191	1	5	3.30	.951
Timeliness3	191	1	5	3.40	1.010
Timeliness4	191	1	5	3.61	1.020
Valid N (list wise)	191				

Source: questionnaire result (2026)

As shown in table 10 the overall perception of timeliness the mean scores ranging from 3.30 to 3.69. The highest mean score was recorded for Ti4 (mean=3.69) suggesting that participant strongly agree and Ti2 (mean=3.30) received the lowest score, this reflecting generally positive but hospitals improve on unnecessary delays in addressing the issue the customer raised.

4.4.4. Confidentiality

Table 11- Descriptive statistics for confidentiality

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Confidentiality1	191	1	5	3.54	1.019
Confidentiality2	191	1	5	3.74	1.135
Confidentiality3	191	1	5	3.70	1.139
Valid N (list wise)	191				

Source: questionnaire result (2026)

Table 11 illustrate the descriptive results for the confidentiality dimensions the data shows that Con2 has the highest mean score of 3.74, and Con 1 recorded the lowest mean of 3.54, this data shows the hospitals focus on explained the process of how they investigate the customer complaint.

4.4.5. Descriptive statistics for all variables

Table 12- Descriptive statistics for all variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Mean Accessibility	191	1.20	5.00	3.7613	.92291
mean responsiveness	191	1.80	5.00	3.7539	.79682
Mean Timeliness	191	1.50	5.00	3.4987	.81495
Mean confidentiality.	191	1.00	5.00	3.6597	.89571
Valid N (list wise)	191				

Source: questionnaire result (2026)

As we can see from table 12 all variables in this study have medium to high levels of agreement with the independent variables Accessibility, responsiveness, and Timeliness and confidentiality. Questions framed to capture the relationship between the dependent variable customer satisfactions with the Accessibility, responsiveness, confidentiality show a good agreement with mean score of 3.76, 3.75 and 3.65 respectively. And timeliness mean score average/moderate 3.49.

4.5. Testing Assumptions of Classical Linear Regression Model (CLRM)

4.5.1. Linearity test

A study was conducted to verify the linearity of the connection between the independent and dependent variables. Since linear regression simulates a linear connection between variables, this premise is critical. Scatter plots were produced between the independent and dependent variables to test this hypothesis. After a linear pattern was examined in the plots, a linear model was determined

to be suitable. It would be necessary to change the variables or adopt a non-linear model if the scatter plots reveal a random distribution, which would imply that the linearity assumption is broken.

The scatter plot as figure 3 illustrates there is connection between complaint-handling practices and customer satisfaction. The average accessibility rating rises in tandem with the average efficacy of responsiveness, according to the data points' positive linear trend. This provides evidence in favour of the linearity assumption, indicating that a linear regression model should be used to examine the connection between these variables. It follows that better complaint-handling practice will probably have a favourable impact on customer satisfaction, thus private hospitals should keep making investments in and improving their complaint-handling practices.

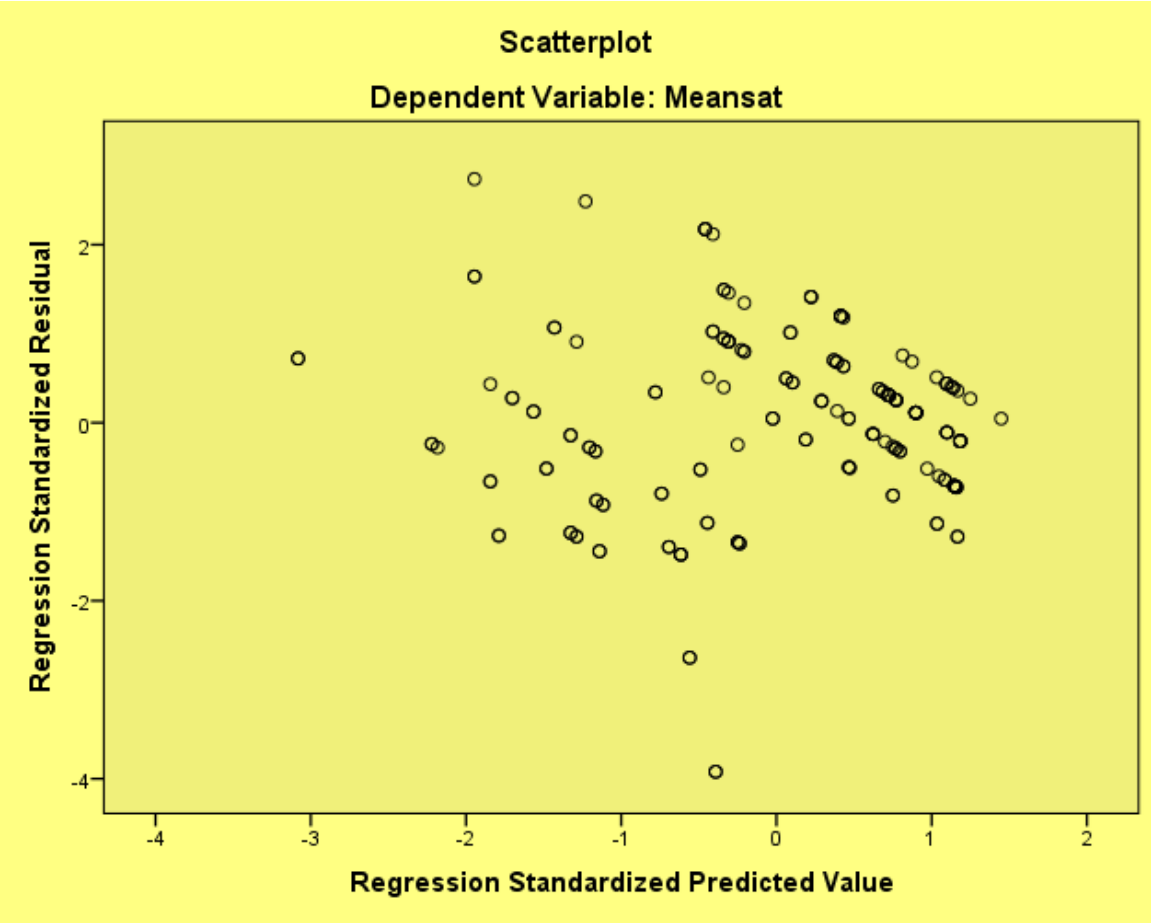


Figure 3.Linearity Test between complaint-handling practice and customer satisfaction

Source: questionnaire result (2026)

4.5.2. Normality

Normality is the shape of the data distribution and its correspondence to the normal distribution, which is the benchmark for statistical tools". Normality consist two types: which is univariate normality and multivariate normality. Hair et al., (1998)

According to Kline, skew above three indicate non-normality. Kurtosis values between 10 and 20 also indicate non-normality. The findings in the Table below indicate that all of the variables had skew indices almost below three and all kurtosis indices were below 10. In other words, the values indicated that all the variables were normally distributed.

Therefore based on this data the kurtosis and skewness for the five constructs were between -0.601 and -0.925with standard errors of 0.176 and 0.350 respectively. These show that the data is normally distributed. The skewness and kurtosis of the variable is shown below.

Table -13 Descriptive Statistics (Skewness and Kurtosis)

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Meanacc	191	1.20	5.00	3.7613	.92291	-.610	.176	-.530	.350
meanRe	191	1.80	5.00	3.7539	.79682	-.601	.176	-.551	.350
MeanTi	191	1.50	5.00	3.4987	.81495	-.084	.176	-.788	.350
MeanCon	191	1.00	5.00	3.6597	.89571	-.676	.176	-.343	.350
Meansat	191	1.33	5.00	3.9878	.90829	-.925	.176	-.273	.350
Valid N (listwise)	191								

Source: questionnaire result (2026)

4.5.3. Homoscedasticity

To guarantee that the error terms' variance would remain constant, homoscedasticity was examined. The effectiveness of the regression estimates depends heavily on this supposition. The residuals were plotted against the fitted values to check for homoscedasticity. Homoscedasticity is shown if the plot displays a random dispersion with no discernible pattern. A visual examination of the residuals was done to confirm homoscedasticity, which indicates that the variance of the error terms is consistent across all levels of the independent variables

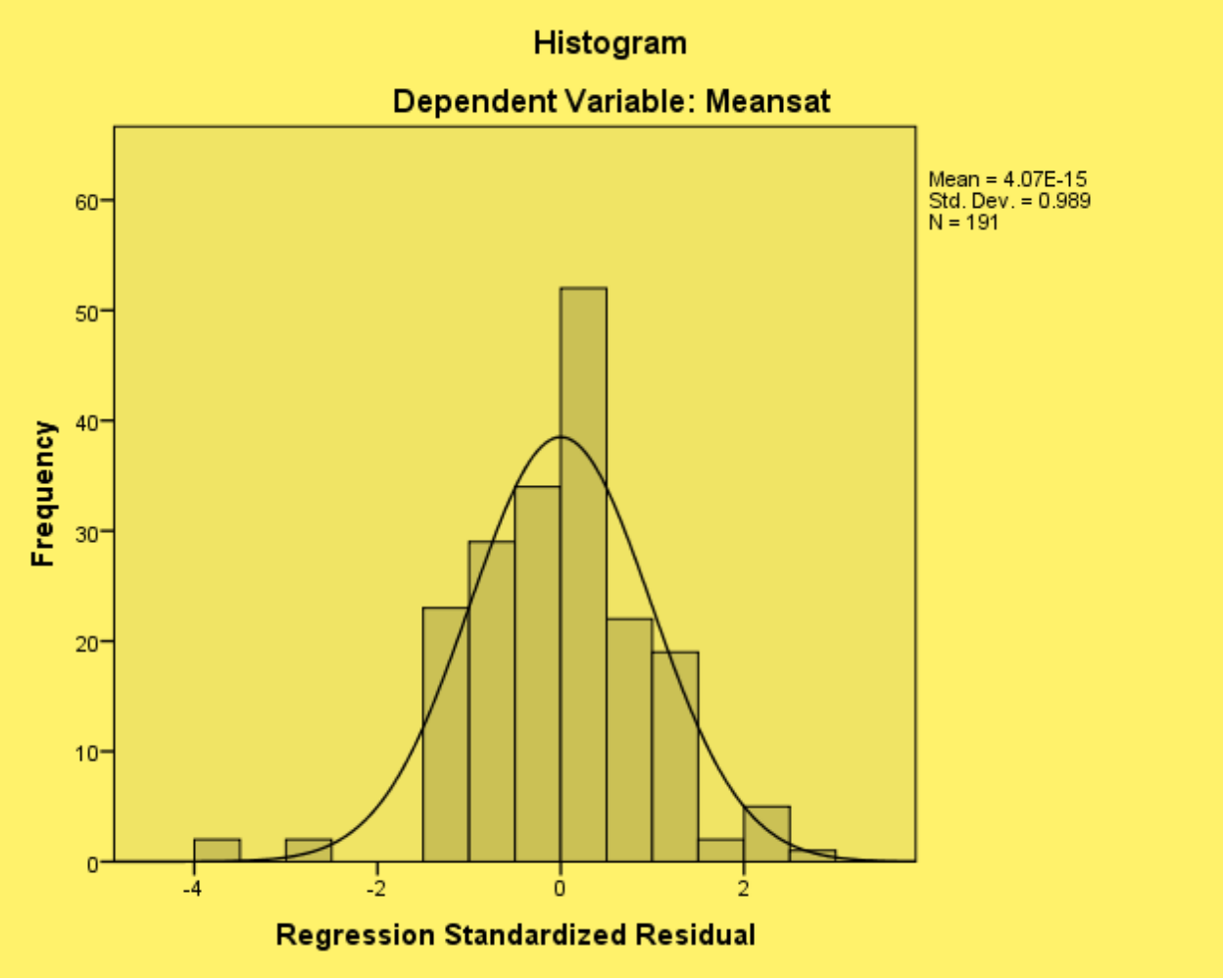


Figure 4 Histogram of Regression Standardized Residuals

Source: questionnaire result (2026)

The histogram demonstrates that the residuals are homoscedastic, meaning that the variance is constant at all projected value levels and there is no discernible pattern or funnel shape. This strengthens the dependability of the regression results by verifying that the homoscedasticity assumption is met. It follows that the regression model is sound and that there is no heteroscedasticity in the error terms, guaranteeing reliable and consistent predictions. Private Hospitals may rely on the results of the regression model to accurately assess how complaint-handling practices affect customer satisfaction now that this supposition has been verified.

4.6. Correlations result

The researcher conducted Pearson correlation coefficient in order to determining the relationships between the variables. When the data are measured at ordinal level Pearson correlation coefficient is appropriate method to measure the correlation Andy (2006). Correlations are the measure of the linear relationship between two variables. The value of correlation coefficient ranges from -1 to 1. A strong relationship between the variables are 48 indicated when the values of correlation is closer to 1. Values closer to 0 indicate that there is little or no linear relationship Robinson et al., (2009). According to Andy (2006), the correlation is a mostly expressed measure of the size of an effect: values of ± 0.5represent a large effect, ± 0.3 is a medium effect and ± 0.1 is a small effect.

Table 14- Dependent and independent variables correlations

Correlations						
		Meanacc	mean Re	Mean Ti	Mean Con	Meansat
Meanacc	Pearson Correlation	1				
	N	191				
mean Re	Pearson Correlation	.772	1			
	Sig. (2-tailed)	.000				
	N	191	191			
Mean Ti	Pearson Correlation	.653	.763	1		
	Sig. (2-tailed)	.000	.000			
	N	191	191	191		
Mean Con	Pearson Correlation	.754	.808	.699	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	191	191	191	191	
Meansat	Pearson Correlation	.608	.638	.524	.743	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	191	191	191	191	191

Source: questionnaire result (2026)

The independent variables have a high association with the dependent variable, as the correlation table above demonstrates. The strongest relationship is between confidentiality and responsiveness; with two variables are very closely tied together.

4.7. Multiple Regression Analysis

Multiple regressions are the most common and widely used to analyse the relationship between a single continues dependent variable and multiple continues on categorical independent variable (George et al., 2003). In this study multiple regression analysis was employed to examine the effect complaint-handling practices on customer satisfaction.

4.7.1. Model Summary

Table 15- Model Summary

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.748a	.560	.550	.60917	1.437
a. Predictors: (Constant), Mean Con, Mean Ti, Meanacc, mean Re					
b. Dependent Variable: Meansat					

Source: questionnaire result (2026)

We observed in the table 15 model summary from the analysis in the above table R (0.748a) indicates strong correlation of the Four independent variables with the dependent variable, (patient satisfaction) and the weighted combination of the predictor variables (Accessibility, responsiveness, Timeliness, Confidentiality) explained or affect approximately 56%(R square) of the variance of patient satisfaction and the remaining 44% is by extraneous variables.

4.7.2. ANOVA

Analysis of variance is a different result obtained from a regression analysis (ANOVA). In a linear regression study, analysis of variance evaluates the data's linearity to determine how well the model fits the data. One can as certain whether or not the differences between some of the means are statistically significant by utilizing the p-value of the ANOVA output. If the p-value is less than or equal to the significance level, the hypothesis is rejected.

Table 16- ANOVA

ANOVAa						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	87.726	4	21.932	59.100	.000b
	Residual	69.023	186	.371		
	Total	156.749	190			
a. Dependent Variable: Meansat						
b. Predictors: (Constant), Mean Con, Mean Ti, Meanacc, mean Re						

Source: questionnaire result (2026)

In the above tables, it is seen that the significance level is less than 0.05 with $p<0.05$ which shows that there is a significant linear regression that insinuates that strengthening complaint-handling practice have a great influence on customer satisfaction.

4.7.3. Multi -collinearity test

To check whether there is similarity among independent variables in a model, it is vital to conduct multi-collinearity test. If there is Similarities among independent variables a very strong correlation will be resulted. A furthermore, multi-collinearity test is conducted to omit practices in the decision-making process concerning the partial effect of independent variables on the dependent variable. A very good regression model should avoid correlation among the 50 independent variables or multi-collinearity. As described by Kline (2005), multi-collinearity can be identified with the help of tolerance and its reciprocal, called variance inflation factor (VIF). If the value of tolerance is less than 0.1 and, at the same time, the value of VIF is 10 and above, then the multi-collinearity faces a risk. In multi-collinearity test result, if the VIF value falls between 1 and 10 then there is no multi-collinearity problem, however, if the VIF value is lower than 1 or above than 10 then there is multi-collinearity problem Robson (2011).

Table 17- Multi -collinearity test

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.093	.219		4.983	.000		
	Meanacc	.598	.057	.608	10.518	.000	.352	2.842
	mean Re	.727	.064	.638	11.382	.000	.238	4.202
	Mean Ti	-.584	.069	-.524	8.466	.000	.395	2.530
	Mean Con	.754	.049	.743	15.268	.000	.296	3.379
a. Dependent Variable: Meansat								

Source: questionnaire result (2026)

Based to the above coefficients table, VIF values of 2.842, 4.202,2.530, and 3.379, were found for each independent variable, which means the highest VIF values found are 4,202 and between 1 and 10, it can be concluded that there are no multi-collinearity problems.in addition, the tolerance value of all independent variables is greater than0. 1, then there is no multi-collinearity problem.

4.8. Hypothesis testing

Hypothesis 1: There is a significant positive relationship between the accessibility of complaint-handling and customer satisfaction.

This is supported at ß = 0. 608 and p value of 0.000 at $p < 0.01$. It shows that accessibility of complaint-handling has a significant and positive effect on customer satisfaction. A one-unit increase in accessibility will bring a 608 unit increase in customer satisfaction. Therefore; it is proved that the hypothesis H1 is supported. Additionally, it is also considered as the strongest determinant of customer satisfaction intention for private hospitals.

Hypothesis 2: Higher levels of responsiveness in complaint-handling lead to higher levels of customer satisfaction.

Responsiveness with ß=0. 638 and p-value of 0.000which is the significance level. According to the analytic findings in the study, it is also the strongest determinant factor for customer satisfaction. Hence, the researcher supported this hypothesis. It means responsiveness has also significant effects on customer satisfaction. A unit increase in responsiveness will produce a 0.638 unit increase in customer satisfaction. So, Hypothesis 2 is supported.

Hypothesis 3: Timeliness in resolving complaints significantly influences a customer's satisfaction.

The correlation coefficient (ß) in timeliness has- 0. 524 (Sig.) of 0.000, which is statistically insignificant at the 0.01 level. Hence, the findings showed that the hypothesis (H3) is acceptable. The regression result showed negative effect on customer satisfaction in hospital setting. This indicates that more time to resolve customers complaints may lead to dissatisfaction. On the other hand the speedy resolution may lead to satisfaction. Besides the significance value showed the relationship is statistically significant. Thus hypothesis 3 is statistically supported but the correlation is negative.

Hypothesis 4: Assurance of confidentiality during the compliant handling practices positively affects patient satisfaction.

The regression result shows that the coefficient of confidentiality is high positive and statistically significant, with a p-value of 0.000 and a coefficient of 0. 754. This means that, holding other independent variables constant when the effectiveness of confidentiality increases by one unit, customer satisfaction will increase by an average of 0. 754. This finding aligns with previous studies indicating that confidentiality effectively increase customer satisfaction.

Table 14- Hypothesis test Summary

Hypothesis Independent variables	**Beta value**	**Sig**	**Direction of relationship**	**Result**
Hypothesis 1: Accessibility	.608	.000	Positive	Supported
Hypothesis 2: Responsiveness	.638	.000	Positive	Supported
Hypothesis 3: Timeliness	-.524	.000	Negative	Supported
Hypothesis 4: Confidentiality	.743	.000	Positive	Supported

Source: questionnaire result (2026)

4.9. Discussion of the findings

This study aimed to examine the effect of complaint-handling practice on the customer satisfaction of private hospitals. Accessibility, Responsiveness, Timeliness, and confidentiality, were consider as complaint-handling practices aspects under the umbrella of guiding principles of complaint-handling practice, as described in the literature review part.

The findings indicate that patient satisfaction is highly influenced by complaint-handling practices, particularly responsiveness and confidentiality emerged as the strongest predictors. The Guiding Principle of Confidentiality is strongly validated by the finding that confidentiality carries the highest influence ($p < 0.05$). This finding is consistent with Perceived Justice Theory, which holds that treating people with dignity and privacy is a fundamental requirement for "interactional justice" (Tax et al., 1998). This implies that the main factor fostering trust in a healthcare setting is the safeguarding of private data. Furthermore Confidentiality is one of the major principles of effective complaint-handling practices. As cited by ISO 10002:2018.

Additionally, as staff members' willingness to resolve complaints immediately satisfies customers' expectations for service recovery, the substantial influence of responsiveness supports the Expectation-Confirmation Theory (Oliver, 1980). And the study found that responsiveness positively influence customer satisfaction. This result supports the study by Nofal et al., (2015), which found the effective complaint-handling responsiveness highly impact on customer satisfaction.

Further analysis shows timeliness had the negative effect on satisfaction, supports initial assumptions that fast resolution would greatly enhance satisfaction. Though prior research including a report from Ombudsman Western Australia (2010) confirms a positive connection between timely responses and satisfaction, data here implies customers at Girum, Paulos-Mekbib and Legehar Hospitals prioritize responsive, accessible and private processes with speed. So, customers may not accept delay of resolutions when treated respectfully and confidentially. They prioritize quality and empathy in responses over immediacy. Overall, these elements collectively explain 56% ($R^2 = 0.56$) of satisfaction variance, highlighting the importance of following to established best practices and theoretical frameworks for effective hospital complaint handling systems.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the conclusion and recommendations based on the major research findings. Besides, it provides an inference of the findings and proposes relevant conclusions which involve some recommendations.

5.1. Summary of the study findings

The study examined into how complaint-handling practices affected customer satisfaction in private hospitals. The Accessibility, responsiveness, timeliness and confidentiality were the independent factors taken into account in the analysis. Customer satisfaction was the dependent variable. The study was to investigate the impact of four complaint-handling practices on customer satisfaction through the application of multiple regression analysis and correlation analysis.

The finding proves that all complaint-handling practices significantly affect customer satisfaction. Confidentiality exhibited the highest influence, followed by Accessibility, Responsiveness and timeliness.

- Regarding demographic characteristics of the respondents and general information:-a total of 191 respondents who were customers at Girum, Paulos-Mekbib and Legehar were studied. Among them 59.2% of the respondents were male and 40.8% were female. Most of the respondents were between the ages of 30-60 with First degrees and their income status was 5000-20,000 Ethiopian birr. The majority of the respondents visit the hospitals more than two times.

- The relationship between the dependent variable (customer satisfaction) and the independent variable (Accessibility, responsiveness, confidentiality) show a good connection with mean score

of 3.76, 3.75 and 3.65 respectively as cited by Hailu (2013). While timeliness had a moderate mean score 3.49.

- The scatter plot test showed a significant relation between complaint-handling practices and customer satisfaction that means good complaint-handling practices will have impact on better customer satisfaction.

- The findings of the accessibility, responsiveness, confidentiality and timeliness skew are below three and all kurtosis also below 10 that show data is normally distributed.

- The homoscedasticity test showed that the variance of the error terms was consistent across all levels of the accessibility, responsiveness, confidentiality, and Timeliness, The homoscedasticity is verified and there is no heteroscedasticity.

- The high R Square value R (0.560) indicates strong correlation between accessibility, responsiveness, confidentiality, and Timeliness with customer satisfaction,

- The ANOVA results confirmed that the regression model was statistically significant, with an F-statistic of 59.10 and a p-value of <0.001. This indicated that the model reliably explains the variance in customer satisfaction. The coefficients table further shows that each complaint-handling practice positively contributes to customer satisfaction. Confidentiality had the highest coefficient. Meanwhile timeliness had low/week impact on customer satisfaction.

- The correlation result show that strongest relationship is between confidentiality and complaint satisfaction; along with accessibility and responsiveness are very closely tied together and the weakest link (r=.-524) is between timeliness and satisfaction. Additionally, the VIF value is falls between 1– 10 so, there is no multi-colinearity problem.

5.2. Conclusions

The factors influencing complaint-handling practice and their effect on patient satisfaction in private hospitals were examined in this study. The following conclusions are drawn:

- ✓ Accessibility and Responsiveness: According to the study's findings, two important factors influencing patient satisfaction are the hospital staff's responsiveness and the system's accessibility for processing complaints. In order to achieve patient expectations for service recovery, staff preparedness to address problems quickly is crucial.

- ✓ Timeliness: Compared to confidentiality, accessibility and responsiveness, timeliness had the negative influence or reverse relation, but it was found to have a positive relation with satisfaction. This implies that although time is crucial, more time to resolve/handling complaints the more likely the customers will be unsatisfied. However fast responses may satisfy the customers.

- ✓ Most significantly, the result shows that the best indicator of patient satisfaction is confidentiality. Customers in private hospitals place the highest value on the safe handling of their personal information and being treated with dignity during the complaint procedure, according to the strong link established.

Overall, the findings of the study revealed that improving patient trust and satisfaction in the private hospitals industry requires effective complaint-handling practices that are focused on responsiveness and strong confidentiality.

5.3. Recommendations

The following recommendations are forwarded by the researcher based on the results of the analysis and conclusion made above to help the private hospitals specifically, Legehar Hospital, Girum Hospital, and Paulos Mekibib Memorial hospital.

- Confidentiality had the highest coefficient and impact on patient's satisfaction, hospitals should make this prioritize part of their service strategy by using advanced data security protocols and privacy protection to customers to enhance their satisfaction.

- future researchers requires a deeper look by using qualitative method, such as in-depth interviews to examine another compliant handling practice such as competency, feedback

- The hospitals must improve complaint-handling practice training by focusing on empathy and active listening for staff to ensure the complaints are resolved professionally.

- The hospitals should use digital complaint channels (like QR codes or SMS host lines) to ensure user friendly feedback loop and improve practices customers can provide feedback in real time, allowing for immediate corrective.

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Appendixes

Appendixes I: English Version Questionnaire

Addis Ababa University School of commerce

Marketing Management Post Graduate study

Questioner to Customers/Customers

Dear respondent,

This questionnaire is developed by post graduate student of the Addis Ababa University School of Commerce in order to assess the complaint-handling practices of Health Institutions and its effect on customer satisfaction: Evidence from selected private hospitals in Addis Ababa. The data will be used only for academic purpose your response is not forwarded to other 3rd party and it is kept confidential, please answer each questionnaire with no fear of consequence. No need of writing your name.

Thank you in advance for your active participation and your cooperation.

Please make a tick mark '√' on the option that best describes you;

Part I – Questions Related to Personal Information

1. Gender

Male ☐ Female ☐

2. Age

Below 30 ☐ 30-60 ☐ Above 60 ☐

3. Income/month (in birr)

Below 5,000 ☐ 5000-20,000 ☐ Above 20,000 ☐

4. Educational Background

None ☐ Elementary ☐ High school ☐ preparatory school ☐ Degree ☐

Above ☐

5. Number of Visits

First time ☐ Second time ☐ more times ☐

6. Category of Treatment you came for

Optical ☐ surgical ☐ OPD ☐ inpatient ☐ other ☐

Part II –Questions related to the effect of complaint-handling practices on customer satisfaction: Evidence from selected private hospitals

Please make a tick mark '√' on the option that best describes you to answer based on the following scale;

No	Questionnaire for Customers	Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree(4)	Strongly Agree (5)
AC1.	The hospital provides multiple ways to lodge a complaint (e.g., box, phone, and in-person).					
AC2.	It was easy for the customer to find the complaint office or feedback desk in this hospital					

AC3.	The instructions on how to fill a complaint were clear and easy to understand.					
AC4.	The staffs are easily accessible when needed.					
AC5.	The customer complaints are handled at no charge to the complainant.					
RE1.	The hospital staff was willing to listen to the customer without being defensive.					
RE2.	The staff showed genuine concern and empathy regarding the customer problem.					
RE3.	The staff and other employees are willing to take feedback from customers.					
RE4.	The front line staff empowered to resolve certain complaints at the earliest point of contact with the complainant.					
RE5.	The customer felt respected by the staff throughout the complaint process.					
TI1.	The customer complaint was resolved within a reasonable timeframe.					
TI2.	There were no unnecessary delays in addressing the issue the customer raised.					

TI3.	The hospital kept the customer updated on the progress of their complaint.					
TI4.	The customer satisfied with the overall speed at which their complaint was addressed.					
Con1.	The hospital explained the process of how they would investigate the customer complaint.					
Con2.	The customer felt that their personal information and the details of their complaint were kept private.					
Con3.	The customer believes the investigation in to their complaint was fair and impartial.					
Sat1.	The customer satisfied with the way the hospital handled their complaint.					
Sat2.	Based on the complaint-handling practice, The customers would recommend this hospital to others.					
Sat3.	The handling of the complaint has increased the customers trust in this health institution.					

Additional Comment:-

Appendixes II-Amharic Version Questionnaire

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