THE RELATIONSHIP BETWEEN CUSTOMER SERVICE AND THE ORGANIZATIONAL PERFORMANCE

MOHD HAFIZUL AFIQ BIN SU'AIF

Thesis submitted in fulfilment of the requirement for the award of the degree in Bachelor of Project Management with Honors

Faculty of Industrial Management
UNIVERSITI MALAYSIA PAHANG

DECEMBER 2015

SUPERVISOR'S DECLARATION

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of the Degree of Project Management with Honors.

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POSITION   : LECTURER
DATE   :

STUDENT'S DECLARATION

I hereby declare that the work in this thesis is my own expect for quotation and summaries which have been duly acknowledged. The thesis has not been accepted for any degree and is not concurrently submitted for award of other degree.

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ABSTRACT

Customer Service is not something new for us. Many industries now are practically in using customer service as to make sure their company can get a good connection between them with the customers. Customer service also helps to manage good organizational performance. For this thesis, it will find the requirement of research objective, which is to identify the component In customer service and also to identify the relationship between customer service and organizational performance. Customer service will be the dependent variable that include another two factors which is in term of quality and also time. Meanwhile, the organizational performance will be the independent variable for this thesis. With this variable, it will help to shows whether quality and time under customer service has relationship or not with the organizational performance in term of process management. In thesis, it will use survey techniques as the method of data collection. Proton service Centre in Kuala Lumpur has been chosen with total population of 21 service centre. All the data that has been collected will then be analyse using SPSS Software before result can be obtained. With all the data and information that has been collected, the relationship between both variable can be come out. For the first objective, all the information can be obtained by viewing and studies based on the literature review and relate it with triple constraint of project management. Meanwhile for the second objective, hypothesis testing has been done and the result shows that in term of quality variable, there is no significant relationship towards the organizational performance. For the term of time, there is significant relationship towards organizational performance.

ABSTRAK

Khidmat Pelanggan bukan sesuatu yang baru bagi kita. Banyak industri sekarang boleh dikatakan menggunakan perkhidmatan pelanggan untuk memastikan syarikat mereka boleh mendapatkan jalinan yang baik antara mereka dengan pelanggan. Perkhidmatan pelanggan juga membantu untuk menguruskan prestasi organisasi yang baik. Untuk tesis ini, ia akan mencari kehendak objektif kajian, iaitu untuk mengenal pasti komponen dalam perkhidmatan pelanggan dan juga untuk mengenal pasti hubungan antara perkhidmatan pelanggan dan prestasi organisasi. Perkhidmatan pelanggan akan menjadi pembolehubah bersandar yang termasuk dua lagi faktor dari segi kualiti dan juga masa. Sementara itu, prestasi organisasi akan menjadi pembolehubah bebas untuk tesis ini. Dengan pembolehubah ini, ia akan membantu untuk menunjukkan sama ada kualiti dan masa di bawah perkhidmatan pelanggan mempunyai hubungan atau tidak dengan prestasi organisasi dari segi pengurusan proses. Dalam tesis, ia akan menggunakan teknik kaji selidik sebagai kaedah pengumpulan data. Pusat servis Proton di Kuala Lumpur telah dipilih dengan jumlah penduduk 21 pusat khidmat. Semua data yang telah dikumpulkan kemudian akan dianalisis menggunakan perisian SPSS sebelum keputusan boleh diperolehi. Dengan semua data dan maklumat yang telah dikumpul, hubungan antara kedua-dua pembolehubah boleh dikenalpasti. Bagi objektif pertama, semua maklumat boleh diperolehi dengan tontonan dan kajian berdasarkan kajian literatur dan mengaitkannya dengan kekangan tiga kali ganda daripada pengurusan projek. Sementara itu, bagi objektif kedua, pengujian hipotesis yang telah dilakukan dan hasilnya menunjukkan bahawa dari segi kualiti, pembolehubah tidak mempunyai hubungan yang ketara terhadap prestasi organisasi. Manakala dari segi masa, pembolehubah mempunyai hubungan yang ketara terhadap prestasi organisasi.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The general summary for this whole research would be delivering in this chapter. The outline includes background of study, problem statement of the research, research objectives, research questions, scope of study, significant of study, and also the operational definition. This chapter is important as it will be opening synopsis or guide for any reader to understand the flow of research proposal.

1.2 BACKGROUND OF STUDY

Customer service is not something new to the organizations. Almost all the companies' today have their own customer service. To make it clear, customer service can be understood as the medium between companies and customer to communicate as to make sure they meet the customer satisfaction. This process includes the service

before, during and after the product or service purchase. Excellent customer service in the organization can lead to better performance and create advantages not only for the company itself, but also include the customers and this create win-win situation for both parties.

Problem that happens nowadays, we are lack of skills in managing customer service. We can see in many firms or companies, there is no action taken regarding to this problem. Customer service nowadays not concern about what customers complain and request. They just serve without take serious what customers want. When this situation occurs, it will tarnish the reputation of the companies. With that also, customers also will stop making business with us. They thought we are not taking serious with all the complaints. As the impact of this, the companies will not be suggested by the customers. That is why customer service management is important.

According to Harris Interactive, in Customer Experience Impact Report, 86% of consumers quit doing business with a company because of a bad customers experience, up from 59% four years ago. What can be seen in here, the percentage increase dramatically and it shows that most organizational look this thing like trivial things. Stop thinking like that and the best action should be taken so that customer service can become one of the important things that should need to be focused on to increase the organizational performance.

1.3   PROBLEM STATEMENT

Customers nowadays, they are not only wanted to have good products, but they also want to be served the best way possible. As what has been mentioned by Ijah Amran (2008) in her webpage stated that customer service in Malaysia has declined to the worst scenario. She is complaining the management of customer service in Malaysia that include Nokia, Courts Mammoth and also EON Bank. With lack of information, the workers are not friendly; raise their voice and many more, all these things cannot be happening especially in customer service function. We can take another example that

occurs, in which customer service doing their job inefficiently. The way they handle and solve problems are too slow and at unsatisfactory to the customers.

Commonly, the customer service outside of Malaysia has been well conducted. We take an example from Trader Joe's Store, which is located in Pennsylvanian United States. They helped the customers which is an old guy that stuck inside his home because of the snow. They delivered all the stuffs without any fees. Beside, during a call, they also provide tips on food that can fit perfectly with his special low-sodium diet. This is one of good example that leads to excellent customer service. The reason this situation has been picked, not for Malaysian's customer service to follow exactly what they have done, but to show how they treat their customers and hence to make them satisfied with the service.

The above two example showed the gap between the current situation in Malaysia and the ideal situation in US. This study intends to find and filled the gap of the problems. There are many questions that can be viewed on this, is that customer service can affect the organizational performance? Is there any negative impact to the organizational when the customer services are not being well conducted? What benefit can the organizational get if implementing good customer service? So, all of these questions need me to find the result and analyse of it as to make sure all the results can be identified that related to the topic, customer service towards organizational performance. As conclusion of this, research should be done effectively to solve all the questions and this also need me to study more regarding to this topic.

1.4   RESEARCH OBJECTIVES

The objectives of this research:

1. To identify the component in customer service.
2. To identify the relationship between customer service and organizational performance.