Design and Validation of the Customer Forgiveness Formation Model in the Banking System

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Abstract: Customer forgiveness in the banking system refers to the ability of banks to attract and retain customers by providing services and products tailored to their needs. This concept helps improve customer-bank relationships and can lead to increased customer loyalty and satisfaction. The aim of this study was to design and validate a customer forgiveness formation model in the banking system. The present study employed an interpretivist philosophical approach using a sequential mixed-methods strategy (qualitative/qualitative and quantitative). The first part of the study was conducted using meta-synthesis, and the second part utilized thematic analysis. The research field in the qualitative section included marketing experts and specialists, as well as bank managers and executives, while the quantitative section involved 10 bank managers and 5 faculty members in the field of management. Purposeful sampling was used in the qualitative section for model validation. Data collection tools included semi-structured interviews, and data analysis was performed using thematic analysis, the fuzzy Delphi technique, and the fuzzy best-worst method. The findings indicated that the customer forgiveness formation model is a systemic process composed of systems at two levels: individual (including customers and employees) and organizational (banks). It consists of three main components: drivers and barriers, the forgiveness process, and forgiveness outcomes. The inputs of the model were categorized into three groups: context, structure, and behavior. The outputs included three elements: compulsory forgiveness, sustainable forgiveness, and mass customization of services, along with psychological outcomes, competitive operational management, sustainable loyalty, and competitive financial performance. Overall, this study demonstrates that enhancing customer forgiveness in banks requires a deeper understanding of influential factors and the design of appropriate strategies that can increase customer loyalty and satisfaction.

Keywords: Forgiveness, Banking Services, Consumer Behavior, Marketing.

1. Introduction

Customers are constantly evaluating products and their satisfaction with services, while organizations strive to achieve customer satisfaction and long-term profitability from that satisfaction [1]. After experiencing a product or service, consumers enter the final stage of post-purchase evaluation. In this stage, customers assess and compare the features of the service and product, such as price, performance, and quality, against their expectations [2, 3]. Consequently, customers' feelings of satisfaction or dissatisfaction with services and products are formed after the purchase and service experience. If customers are satisfied with how their complaints are handled, it can reduce dissatisfaction and increase the likelihood of repeat purchases [4]. Customers generally seek to restore their emotional balance after experiencing service failures, making them inherently inclined toward forgiveness [5-8]. In such circumstances, customer forgiveness emerges as a concept that has recently garnered attention in consumer marketing discussions.

Forgiveness can be defined as "no longer feeling angry or wishing to punish someone or something". The concept of customer forgiveness can also be explored within the marketing literature [9]. A review of previous research findings shows that emotional and psychological variables have the most significant impact on forgiveness. For example, Sheibani Moghadam et al. (2023) found that the intention to forgive mediates the moderating effect of brand image on the relationship between apology and consumer response [10]. Saifollahi and Dehghani Kahnouyi (2021) also state that justice and empathy have a positive and significant effect on consumer forgiveness, and consumer forgiveness has a positive and significant effect on forgiving behavior [11]. Similarly, Wei et al. (2022) indicated that empathy positively affects consumer forgiveness, and consumer forgiveness positively affects consumers' repurchase intentions [12]. Moreover, emotional recovery is more effective than economic recovery in evoking empathy and consumer forgiveness toward the company [13]. Soltani et al. (2023) also state that while poor service recovery leads to significant lost revenues, proper recovery strategies are those that lead to customer forgiveness [14]. The severity of brand transgressions has a negative effect on brand forgiveness and brand–customer relationships and a positive and significant effect on customers' willingness to punish the brand [15]. Brand authenticity also positively affects brand forgiveness, and this effect is mediated by perceived value [16]. Furthermore, forgiveness positively affects repurchase intentions and negatively affects negative word of mouth [17]. A favorable corporate social responsibility image and a positive image of personnel positively affect brand forgiveness and reduce negative word of mouth in cases of service failure [18]. According to Ali et al. (2023), perceived justice significantly affects customer forgiveness and brand credibility for customers [19], while customer forgiveness has a significant positive effect on return intentions and a significant negative effect on negative word of mouth [20].

Customer forgiveness refers to the willingness of customers to forgive the errors and deficiencies in services or products provided by an organization [21]. This concept implies that customers may give the bank or organization another chance instead of leaving, provided the organization responds effectively and appropriately to the issues and makes efforts to satisfy the customer. Forgiveness, as a coping strategy, helps reduce the perceived injustice gap [22]. Most marketing studies have examined the effect of customer forgiveness as a result of service recovery [12, 13, 21, 23]. Service recovery encompasses all actions taken by the service provider aimed at altering consumers' negative evaluations and attitudes [13]. Failure to apologize, provide compensation, or listen to the customer's voice can leave negative emotions lingering in the customer. Conversely, employing effective recovery strategies can eliminate negative emotions, which is a fundamental element of forgiveness [21].

In today's competitive world, maintaining and achieving customer satisfaction has become one of the main challenges for organizations, particularly in the banking industry. Customer dissatisfaction can quickly lead to reduced loyalty and market loss. Therefore, understanding the factors influencing customer forgiveness is of particular importance. Recent research in this area has shown that compensation strategies and service recovery can positively affect customers' forgiveness intentions. For instance, Casidy and Shin (2015) demonstrated that compensation and combined recovery strategies (compensation and apology) have a more positive impact on customers' forgiveness intentions compared to no service recovery [24]. Muhammad (2020), in a study on the banking industry in Pakistan, showed that customer forgiveness mediates the relationship between justice and satisfaction. Furthermore, structural, relational, and cognitive social capital significantly and positively influence customer forgiveness [25]. Septianto et al. (2020) also showed that compassion, mediated by forgiveness, increases the likelihood of repurchase [9]. Tsarenko and Tojib (2012) revealed that consumer religiosity has a strong positive impact on both emotional and decisional forgiveness [6]. Wei et al. (2020) found that emotional recovery is more effective than economic recovery in eliciting consumer empathy and forgiveness toward the company [13].

Given the increasing number of dissatisfied customers and the gap between the ideal and current state in Agricultural Bank, it is evident that some customers, due to service deficiencies, complaints about received services, and dissatisfaction with service delivery processes, have low financial turnover despite using the bank's financial facilities and continuing economic activities. Additionally, customers who previously deposited in this bank but have transferred their accounts to competitor banks and are now customers of other banks. In these circumstances, the element of forgiveness can encourage these customers to resume their activities with Agricultural Bank. Therefore, the research problem is to determine what model can be presented for customer forgiveness in the Iranian banking sector.

2. Methodology

Based on the research onion framework [26], this study adopts an interpretivist philosophical perspective, utilizing a deductive-inductive approach with a qualitative strategy. Methodologically, it employed Sandelowski and Barroso's (2007) seven-step meta-synthesis and Braun and Clarke's (2006) six-phase thematic analysis. The research was cross-sectional in terms of time horizon, and data collection methods included document analysis and interviews.

The statistical population for the meta-synthesis section consisted of 90 articles published in reputable international scientific databases such as ScienceDirect, Springer, John Wiley, IEEE, and Taylor & Francis, using keywords like customer behavior, customer forgiveness, and service recovery from 2010 to 2023. After applying the Critical Appraisal Skills Programme (CASP) for article evaluation, 41 articles were selected as the final sample. The meta-synthesis method has been used in various studies, including Naghizadeh et al. (2015). The statistical population for thematic analysis included experts and specialists with extensive experience in marketing, particularly service marketing, as well as bank managers across the country directly involved with the research topic. Interviews were conducted with 10 bank managers and 5 academic experts for model validation. Data collection tools in the qualitative section included semi-structured interviews. Thematic analysis was used to analyze the data and propose a customer forgiveness formation model, while validation methods were employed to assess the proposed model's reliability. Identified drivers of customer forgiveness in the service sector were screened using the fuzzy Delphi technique.

3. Findings

Table 1 presents all basic and organizing themes extracted from the interview transcripts.

Table 1. Basic and Organizing Themes

Basic Themes	Organizing Themes
Offering substitute products or services by competitors; encouraging customers to deposit in other banks; cooperative and win-win strategies with customers; differentiation strategy; cost leadership strategy; diversification strategy; intensity of competition; focus on sustainable competition; irreplaceability of banking services (differentiation strategy)	Sustainable competition strategies

Providing timely and necessary information to customers; creating more value for customers; transparency; honesty with customers; confidentiality; customer orientation; re-establishing relationships with lost customers; customer retention and maintenance	Effective customer relationship management
Trained employees proficient in their tasks, calm, and aware of customer conditions; employee training; human resource empowerment; role-playing-based training programs; problem-solving skills of bank employees; anger management training for bank employees	Effective employee empowerment
Predominant ethical system in society; local cultures with forgiveness potential; social capital depletion; social responsibility; prevailing societal atmosphere; apology perceived as weakness	General culture (system of beliefs and values)
Position of forgiveness in organizational structure; assigning a facilitator role to an employee during complaints and dissatisfaction; intra-organizational communication; conflict management strategies and organizational structure; managerial support	Interactive approach to organizing structure and communications
Religiosity; spiritual intelligence; workplace integrity to prevent corruption and misconduct; perceived financial corruption	Workplace spirituality
Physical work environment; workplace organization systems (5S)	Workplace efficiency
Customers' mental image of the bank; brand identity; brand reputation; organizational identity based on customers' mental image	Branding (brand value)
Bank's capability in providing loans; type and amount of loans; loan payment process and timeline; reduction of loan processing time; technological capabilities of the bank	Operational capabilities of the bank
Trust; confidence; customers' positive attitudes; family upbringing	Mental well-being
Perception of bank employees' behavior; personality traits of customers and employees; bureaucratic structure; social status of employees; simplification of laws and regulations in execution; timing management of law and directive implementation	Perceived behavioral control
Previous financial failure experiences (e.g., stock market investments); customer experiences; social learning; technological infrastructure; substituting the bank with other financial markets; accessibility	Perceived self-efficacy
Organizational indifference; demotivation syndrome; identification of organizational weaknesses	Motivation deficit syndrome
Establishing customer complaint management systems (ISO 10002 and 10004); customer complaint response systems and obtaining relevant ISO standards; existence of customer complaint management systems; customer orientation	Implementation of international standards in the banking system
Providing ancillary services; offering innovative and diversified services; quality of in-person and electronic banking services; optimizing and updating banking services; service delivery speed; reducing customer wait time	Excellence in banking service quality
Apology; consolation; empathy; de-centering self and putting oneself in others' shoes	Empathy
Self-sacrifice; institutionalization of forgiveness culture; mutual forgiveness among bank employees; coping with mistakes	Self-forgiveness
Forgiveness-based performance; long-term forgiveness planning; budget allocation for forgiveness initiatives	Sustainable forgiveness
Customizing employee behavior based on customer type; body language; employees' organizational citizenship behavior; allocating sufficient time to explain services to customers; educating customers on service details; prioritizing bank customers; customers' awareness of the bank's efforts to value them; customers' financial capability	Mass customization of services
Customers' positive past memories; customer history; customers' perception of forgiveness; cost-benefit analysis of changing service providers	Associative reasoning
Mandatory forgiveness	Mandatory forgiveness
Customers' psychological resilience; customers' mental well-being; employees' psychological skills; psychological effects; employees' positive emotions	Psychological capital
Negative word-of-mouth; scope of consequences from incorrect communications	Dissatisfaction scope creep
Informal communication channels with the community	Shadow organization
Process improvement; creating sustainable value-creating competitive advantages; employee time-saving; freeing up employee time	Competitive operational management
Customer retention and maintenance; fostering loyalty; reducing costs and time for acquiring new customers; enhancing loyalty	Sustainable loyalty
Increasing bank profitability; market share growth; attracting more resources; deposit growth; branch and bank ranking and growth; reducing advertising costs	Competitive financial performance
Positive customer interaction experiences; customer satisfaction; organizational positivity; enhanced brand image; customer sense of value	Psychological outcomes

For validating the final identified factors extracted from the meta-synthesis and content analysis of expert interviews as the constructs of the customer forgiveness formation model in the service sector, the fuzzy Delphi technique was employed. After ensuring the validity of the constructs, the fuzzy best-worst method was used for weighting and ranking them. Table 2 presents the Likert mean, fuzzy mean values of responses, acceptance threshold mean, ranking, and the percentage of respondent agreement for each construct of the customer forgiveness formation model. As shown, all components of the forgiveness formation model have an agreement percentage above 75%. Therefore, it can be concluded that all constructs of customer forgiveness in the service sector are accepted, confirming the validity of all constructs.

Table 2. Validation of Constructs in the Customer Forgiveness Formation Model in the Banking Services Sector

Row	Position in Forgiveness Model	Final Constructs of the Extracted Customer Forgiveness Formation Model (Organizing Themes)	Abbreviation	Likert Score	I5	I9	I4	Threshold Mean (d) ≤ 0.2	Fuzzy Mean Values	Respondent Agreement Percentage
1	Barriers/Drivers of Forgiveness (Context)	Effective Employee Empowerment	O3	4.8	1	0.9	0.8	0.05	0.9	100%
2		Shadow Organization	I6	4.8	1	0.9	0.8	0.05	0.9	100%
3		Operational Capabilities of the Bank	B3	3.9	0.9	0.8	0.4	0.07	0.7	96%
4		Branding (Brand Value, etc.)	B4	4.6	1	0.9	0.6	0.08	0.86	96%
5		Workplace Efficiency	B5	4.0	0.9	0.8	0.5	0.08	0.73	96%
6		Workplace Spirituality	B6	4.0	0.9	0.8	0.5	0.08	0.73	96%
7		General Culture (Belief and Value System, etc.)	B7	4.6	0.9	0.8	0.7	0.08	0.8	98%
8		Social Capital	B8	4.1	0.9	0.8	0.5	0.06	0.75	100%
9	Barriers/Drivers of Forgiveness (Structure)	Sustainable Competition Strategies	S1	4.0	0.9	0.8	0.5	0.08	0.73	96%
10		Interactive Approach to Organizing Structure and Communications	S2	3.9	0.9	0.8	0.4	0.07	0.7	96%
11		Implementation of International Standards in the Banking System	S3	4.8	1	0.9	0.7	0.06	0.87	100%
12	Barriers/Drivers of Forgiveness (Content)	Recovery Strategies	B6	4.1	0.9	0.8	0.5	0.06	0.75	100%
13		Effective Customer Relationship Management	M2	4.2	0.9	0.8	0.6	0.09	0.76	93%
14		Motivation Deficit Syndrome	M5	4.8	1	0.9	0.7	0.06	0.87	100%
15		Excellence in Banking Service Quality	M4	4.8	1	0.9	0.7	0.06	0.87	100%
16		Psychological Capital	M5	3.9	0.9	0.8	0.4	0.07	0.7	96%
17	Forgiveness Inputs	Mental Well-being	I1	4.6	0.9	0.8	0.7	0.08	0.8	98%
18		Dissatisfaction Scope Creep	I13	4.6	0.9	0.8	0.7	0.08	0.8	98%
19		Associative Reasoning	I6	4.6	0.9	0.8	0.7	0.08	0.8	98%
20		Self-Forgiveness	I4	3.9	0.9	0.8	0.4	0.07	0.7	96%

21		Empathy	I5	4.8	1	0.9	0.8	0.05	0.9	100%
22		Perceived Self-Efficacy	I6	4.0	0.9	0.8	0.5	0.08	0.73	96%
23		Perceived Behavioral Control	I7	4.8	1	0.9	0.7	0.06	0.87	100%
24		Dimensions of Misconduct	I8	4.8	1	0.9	0.8	0.05	0.9	100%
25		Restorative Justice	I9	4.8	1	0.9	0.8	0.05	0.9	100%
26		Absence of Fundamental Attribution Error	I10	3.9	0.9	0.8	0.4	0.07	0.7	96%
27		Customer Relationship Management During Misconduct	I11	4.6	1	0.9	0.6	0.08	0.86	96%
28		Cognitive Characteristics of Customers	I12	4.0	0.9	0.8	0.5	0.08	0.73	96%
29		Demographic Characteristics of Customers	I13	4.0	0.9	0.8	0.5	0.08	0.73	96%
30		Emotional Factors of Customers	I14	4.6	0.9	0.8	0.7	0.08	0.8	98%
31	Forgiveness Process	Forgiveness Behavior	R	4.1	0.9	0.8	0.5	0.06	0.75	100%
32	Forgiveness Outputs	Mandatory Forgiveness	O1	4.0	0.9	0.8	0.5	0.08	0.73	96%
33		Mass Customization of Services	O2	3.9	0.9	0.8	0.4	0.07	0.7	96%
34		Sustainable Forgiveness	O3	4.8	1	0.9	0.7	0.06	0.87	100%
35		Customer Relationship Management After Misconduct	O4	4.1	0.9	0.8	0.5	0.06	0.75	100%
36	Forgiveness Outcomes	Psychological Outcomes	M5	4.2	0.9	0.8	0.6	0.09	0.76	93%
37		Sustainable Loyalty	M4	4.8	1	0.9	0.7	0.06	0.87	100%
38		Competitive Financial Performance	I4	4.8	1	0.9	0.7	0.06	0.87	100%
39		Competitive Operational Management	I9	4.2	0.9	0.8	0.6	0.09	0.76	93%

The results of the fuzzy Delphi technique indicate that all constructs forming the customer forgiveness model in the banking services sector are confirmed.

Forgiveness behavior is not merely an action but requires undergoing a process to enable the formation of such behavior. The primary objective of the present study was to extract the customer forgiveness formation model in the banking system, which, after completing the stages of scientific research, was presented as the final output. Managers and supervisors of service delivery systems (particularly banking service systems) expect forgiveness from customers when service failures occur. In other words, the desired outcome for the banking system is the formation of this behavior by customers. Considering these points, the proposed model indicates that the formation of forgiveness behavior depends on the establishment of an individual-level system within an organizational-level system. Essentially, the process component of the organizational system corresponds to the components of individual systems.

Given these explanations, in the organizational-level system (bank), according to the logical and general sequence of the three system components (input, process, and output), after the occurrence of inputs and the process, the turn comes to the organizational output component, which the researcher has referred to as the outcomes of forgiveness in the proposed model. In addition to the individual-level outcomes of forgiveness behavior for the banking system's human resources and customers, there are also organizational-level outcomes of forgiveness. These outcomes include psychological outcomes, competitive operational management, organizational loyalty, and competitive financial performance. The schematic of the final customer forgiveness formation model in the banking services sector is presented in Figure 1.

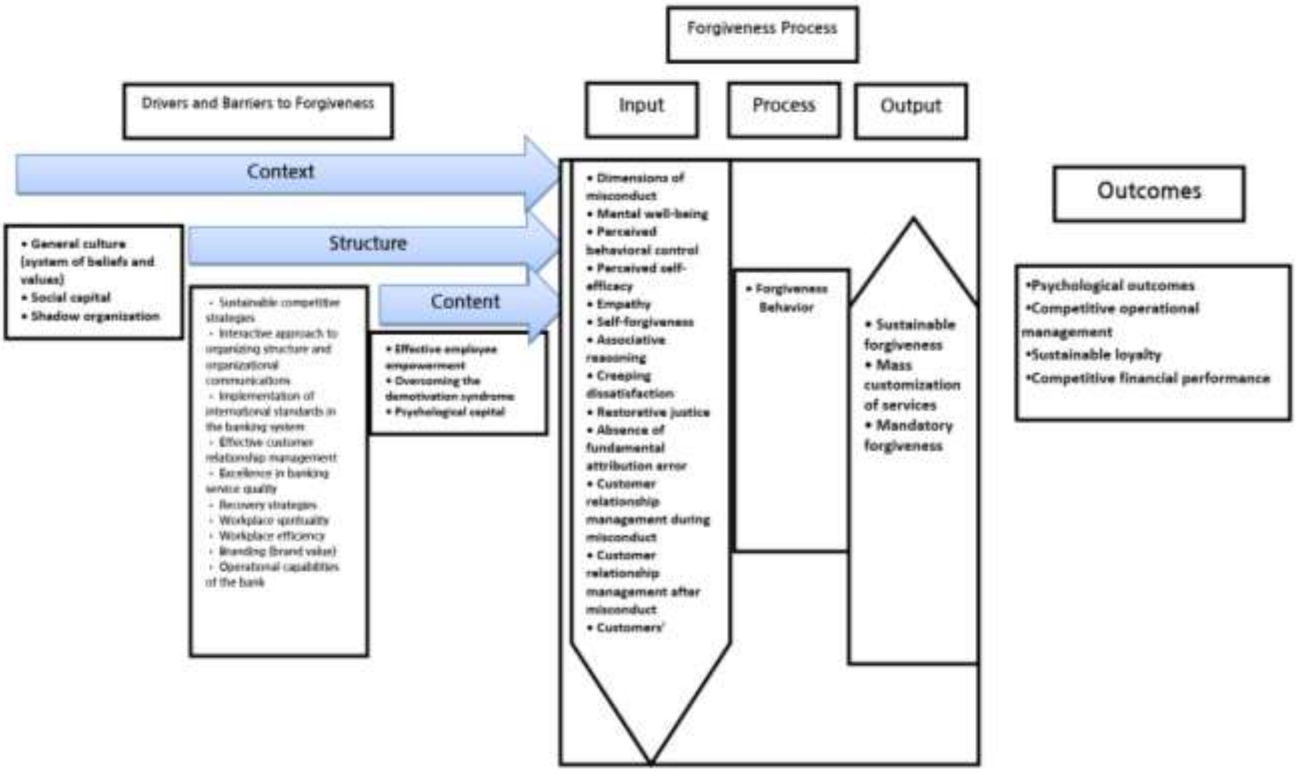

Figure 2 – Customer Forgiveness Formation Model in the Banking Services Sector

4. Discussion and Conclusion

Based on the explanations provided, the contribution of the research outcomes in the field of management is discussed below. The customer forgiveness formation model is a systemic process composed of systems at two levels—the individual level (including customers and employees) and the organizational level (bank). The interaction of these systems, according to the proposed model, indicates that the individual systems are part of the organizational system. In this way, initially the input component of the banking system is formed by a set of drivers and barriers to forgiveness in three forms: context, structure, and content (with appropriate precedence). If the drivers overcome the barriers, the banking system is expected to move into the second component (the process or forgiveness process). The individual-level system emerges within this component (that is, the individual system within the organizational system). In other words, the process component of the organizational-level system itself comprises all the components (input, process, and output) of the individual-level system. This system includes the general components of systems in the form of input, process, and output. Based on the sequence of the system's components—input, then process, and finally output—various factors serve as the input for forgiveness behavior, and attention to the nature of their positive or negative impact (as drivers or inhibitors) provides the conditions for the occurrence of forgiveness behavior among customers. Therefore, it is recommended that managers, supervisors, employees, banks, and bank customers consider and further research these identified factors so that by strengthening the drivers and weakening the barriers, the conditions for the occurrence of forgiveness behavior can be prepared, facilitated, and accelerated.

Furthermore, when the inputs are received and processed by bank customers, the individual system of customer forgiveness leads to the emergence of forgiveness behavior. The occurrence of forgiveness behavior results in outputs at both the individual and organizational levels. The individual-level outputs affect both groups—the providers (bank employees and personnel) and the receivers (customers). Mandatory forgiveness, sustainable forgiveness, mass customization of services, and customer relationship management after misconduct are among the outcomes of forgiveness at the individual level. Banks that anticipate forgiveness behavior in response to service deficiencies should implement strategies such as mass customization of banking services. In doing so, they should provide customized services for different customer groups by taking into account individuals' demographic characteristics, psychological traits, and specific emotional factors, as well as by employing effective customer relationship management techniques during instances of misconduct. Furthermore, enhancing factors such as perceived self-efficacy and perceived behavioral control among bank personnel should be prioritized at both the macro and organizational levels. It is evident that the occurrence of forgiveness behavior is considered a short-term remedial action that does not yield continuous, sustained outcomes for the bank; therefore, efforts should be made to sustain customer forgiveness behavior so that all input items in the individual-level forgiveness model can provide the banking system with greater benefits in the outputs resulting from forgiveness behavior. Another noteworthy point is the incorporation of customer relationship management systems at three key stages—before misconduct, during misconduct, and after misconduct. At the output stage within the individual system, banks should plan to enhance the performance and functionality of their customer relationship management systems after misconduct and take the necessary actions to operationalize the designed programs.

The proposed model for the formation of customer forgiveness in the banking services sector comprises three main components: drivers and barriers to forgiveness, the forgiveness process (comprising the input or initiation of the process, the act of forgiveness, and the individual-level output), and the outcomes of forgiveness for banks. The research team's rationale for designing the model is that the formation of actions and behaviors follows a systemic pattern that includes the components of input, process, and output.

Based on systemic thinking, the inputs of the formation model are labeled as drivers and barriers to forgiveness. Thus, the causal factors that initiate the forgiveness process have been categorized into three groups—context, structure, and behavior—in accordance with Mirzaei-Aharanjani's three-branch model. The underlying logic of this categorization is that the drivers of forgiveness in each category must be present for forgiveness to commence. In other words, the context for forgiveness behavior must be established first, followed by the definition of a structure for forgiveness behavior, along with the provision of the soft contents related to the context that trigger forgiveness.

Accordingly, the following elements must be in an optimal state for it to be claimed that the context—one of the constitutive components of the drivers and barriers for the initiation of forgiveness—is in place: the general culture (i.e., the system of beliefs and values), social capital, and the shadow organization.

Thus, if the general culture of society—that is, the system of beliefs and values of all individuals—does not consider forgiveness to be unworthy and if people have a belief in forgiveness [8, 14, 18, 27-30] and if social capital is not depleted (meaning that trust—the basis of social capital—exists among people, and people have the necessary and sufficient trust in the bank and its employees, in line with prior research [31-33], and in addition, if the shadow organization is defined such that forgiveness and forgiving are valued and trust exists among its members, then in such a context banks can facilitate the occurrence of forgiveness behaviors through effective employee empowerment, the creation of workplace spirituality, enhanced workplace efficiency, branding aimed at increasing brand value, and improved operational capabilities.

However, merely establishing the context is not sufficient for the initiation of forgiveness in banks. Factors falling under the structural category—such as sustainable competitive strategies, an interactive approach to organizing structure and organizational communications, the implementation of international standards in the banking system, effective customer relationship management, excellence in banking service quality, recovery strategies, workplace spirituality, workplace efficiency, branding (i.e., brand value), and the bank's operational capabilities—must also be considered and maintained in an optimal state.

Banks should consider the likely scenario of service failures in the banking system, since all banks face service deficiencies and shortcomings at various times. In such cases, the manner in which customer complaints are addressed and managed should conform to international standards; therefore, obtaining the relevant ISO certifications in this area can be beneficial. Consequently, within the structure of the banking system, the implementation of international standard requirements can provide a supportive framework to facilitate the occurrence of forgiveness. Organizational strategies should be adopted in line with a vision for sustainable competition. Competitive strategies that are capable of guiding banks' actions in today's highly competitive environment, characterized by sustainability [34, 35], should also be considered. In addition, the alignment between the organization of the bank's structure and the existing communication channels in the banking system should be given interactive attention. Overall, it can be acknowledged that if sustainable competitive strategies, an interactive approach to organizing structure and organizational communications, and the implementation of international standard requirements in the banking system are adopted, the structural elements among the drivers of the forgiveness process can serve as catalysts for triggering forgiveness behavior among bank customers when they receive substandard services.

The remaining third category of drivers of the forgiveness process in the banking system consists of behavioral factors. In other words, the behavioral factors include elements such as effective employee empowerment, overcoming the demotivation syndrome, and psychological capital.

Based on the findings of the present study and in accordance with the findings of other studies [6-8, 21, 24, 34], the development and implementation of service recovery strategies in the banking system is considered one of the most important actions in facilitating the inputs for the forgiveness process. These actions include addressing service failures and remedying them, emotional recovery and consolation for consumers—which indicate that the company values its consumers' feelings by accepting responsibility for the failure [24]—sincere remorse on the part of the offender, which can enhance the opportunity for empathy and may evoke compassionate feelings as a form of wisdom and inner maturity [8], financial compensation for the damages incurred by consumers, and an apology by the offender.

In the soft dimension, banks can take steps toward achieving various levels of service quality excellence. This requires that the banking system, in its history, has prioritized the implementation of quality management systems—particularly total quality management systems—and the acquisition of various quality-related standards, thereby creating a foundation for entering the realm of organizational excellence. Excellence in banking service quality has also been recognized as a driver of the forgiveness process in other studies [36, 37].

Behavior is equivalent to the ability to perform a task plus motivation. Bank employees often possess the necessary ability to persuade and encourage customers to exhibit forgiveness behavior when they receive substandard services and observe deficiencies in service; however, due to a lack of motivation, they do not utilize their capabilities, which in turn will not lead to the emergence of forgiveness among customers. Therefore, overcoming the demotivation syndrome among bank employees can be a catalyst for the realization of customer forgiveness. The psychological aspect of behaviors such as forgiveness is more pronounced compared to many other organizational behaviors; hence, attention should not be neglected to the psychological dimensions of forgiveness behavior. If sufficient psychological capital is accumulated, bank employees will be able to steer customers toward forgiveness behaviors.

In addition to all the above, another fundamental element in the behavioral (content) dimension of the drivers and barriers for customer forgiveness is effective customer relationship management. In dealing with bank customers, customer relationship management systems—whether in terms of hardware, software, or human resources—should be developed in such a way that they demonstrate maximum efficiency and effectiveness at the time of service deficiencies. Careful and balanced attention to all these aspects can serve as a catalyst for the emergence of forgiveness behavior among bank customers. The topic of effective customer relationship management has also been discussed in several other studies [36-38].

It is important to note that in the systemic approach, which has served as the conceptual and intellectual basis for the formation model of forgiveness under investigation, the schematic of two systems with three components—input, process, and output—interacts to produce forgiveness. In other words, an organizational systemic model that comprises the three components of input, process, and output is considered, and within this organizational schematic the process component is viewed as an individual-level systemic model with the common three components applicable to all systems. Therefore, the process (at the organizational level) itself comprises the input, process, and output at the individual level.

At the individual level, the following elements can lead to the occurrence of forgiveness. In other words, the presence of factors such as the dimensions of misconduct (which act as barriers), mental well-being, perceived behavioral control, perceived self-efficacy, empathy, self-forgiveness, associative reasoning, the creeping of dissatisfaction (acting as a barrier), restorative justice, the absence of fundamental attribution error, customer relationship management during misconduct, emotional factors of customers, cognitive characteristics of customers, and demographic characteristics of customers can serve as drivers for both service providers and recipients to exhibit forgiveness behavior. Individuals will exhibit forgiveness behavior only if the necessary conditions—presented in this study as the inputs of the individual-level systemic model—are met. It is important to note that the order in which these factors are mentioned does not indicate their relative importance.

Perception of the severity of misconduct is one of the determining factors in this context. As the severity of misconduct increases, the likelihood of forgiveness decreases. The dimensions, severity, and type of misconduct have been major focal points in previous studies [6-8, 39, 40].

Mental well-being, also known as reported well-being, refers to how individuals experience and evaluate various aspects of their lives. Therefore, in the context of receiving banking services and the interactions between members of society and service-providing systems, the more positively bank customers experience even imperfect or flawless services—and the more favorable their evaluations of the banking system's performance (both in terms of individual interactions with bank employees and in the structural and organizational system)—the greater and more appropriate the expectation of forgiveness behavior.

Perceived behavioral control refers to an individual's belief in their ability to control themselves and the people, objects, emotions, and activities in their environment. Two important dimensions are whether the control target relates to the past or the future and whether it pertains to an outcome, behavior, or process. In situations involving substandard services that require the emergence of forgiveness behavior from customers, a stronger belief in the customers' control over themselves and their internal environment—including bank employees, objects, emotions, and surrounding activities—serves as a stimulus and driver for the occurrence of forgiveness behavior.

Perceived self-efficacy, as defined by Albert Bandura—the psychologist who originally introduced the concept—is an individual's judgment about how well they can perform tasks whose effects are linked to the future. Belief in one's innate abilities implies valuing a particular set of cognitive strengths, as well as including the determination and perseverance to overcome obstacles that impede the use of those abilities in achieving goals [41]. According to this definition, higher levels of perceived self-efficacy among bank employees can serve as a driver for the emergence of forgiveness behavior among customers.

Empathy means looking at the world as if through someone else's eyes. It is the ability to emotionally understand others' feelings, to see things from their perspective, and to imagine oneself in their position. If mutual empathy exists between bank employees and customers, as implied by this definition, customers will be inclined to exhibit forgiveness behavior when they observe deficiencies in banking services.

Psychological outcomes involve an enhancement of the bank's psychological capital, which includes subordinate concepts such as organizational resilience—a concept developed to help organizations cope with environmental risks and challenging situations. The provision of substandard services is one such challenge that banks face and is a central focus of this research. When forgiveness behavior occurs among customers, the bank's psychological capital is enhanced because the organization's ability to adopt effective counteractive strategies in challenging situations improves. Increased customer support, heightened customer optimism, greater diligence among bank employees, improved mental health among both employees and customers, enhanced employee attachment to the bank, and the maintenance or enhancement of the bank's human capital expertise are among the psychological outcomes of customer forgiveness behavior.

Competitive operational management is another outcome of forgiveness behavior among customers. It guides banks toward managing their operations in a way that creates competitive advantage. The research team refers to this concept as competitive operational management. In this regard, the goal is for banks to manage their processes, services, and supply chains—thereby accessing, developing, and leveraging all resources (particularly their intellectual capital)—in line with the principles of creating competitive advantage relative to other banking service providers, so as to deliver superior services to customers, especially those who have experienced service failures and have exhibited forgiveness behavior. Banks may choose one or a combination of competitive advantages. Although operations management has been discussed in studies [9, 39, 42], the current research interprets it specifically as competitive operational management.

Sustainable loyalty is of great importance for banks, as retaining existing customers is less costly than acquiring new ones. Various strategies have been proposed for fostering customer loyalty. When forgiveness behavior occurs, it indicates that the necessary inputs for such behavior are present, which in turn suggests that high levels of perceived self-efficacy and perceived behavioral control exist among bank employees. Additionally, when customers perceive restorative justice and hold positive associations from their previous experiences regarding how the bank treats them and manages customer relationships, they are more likely to remain loyal. These factors are recognized in management literature as key strategies for fostering customer loyalty, a concept that aligns with the findings of other studies [39, 40].

Competitive financial performance is another outcome of the forgiveness process. The occurrence of forgiveness not only affects the financial performance outcomes of the organization but also creates a competitive advantage for the bank—a concept referred to here as competitive financial performance. Enhancing financial performance while simultaneously creating competitive advantage can improve the inputs for the forgiveness process by strengthening its drivers. This positive feedback can operate as a reinforcing loop, such that improved drivers lead to increased forgiveness behavior, which in turn generates even greater outcomes and outputs. Thus, positive feedback loops function as reinforcing mechanisms.

Based on the findings of the study and in accordance with the proposed validated model for the formation of customer forgiveness among bank customers from a systemic perspective at both the organizational and individual levels, several recommendations are offered. At the organizational level, banks are advised to provide the drivers and stimulators while preventing the increase of barriers. They should work to diminish or eliminate obstacles to effective employee empowerment by enhancing the general culture (i.e., the system of beliefs and values), improving workplace spirituality, increasing workplace efficiency, pursuing effective branding, enhancing the bank's operational capabilities, analyzing the effects of the shadow organization, boosting social capital, adopting sustainable competitive strategies, establishing and developing an interactive approach to organizing structure and organizational communications, implementing the requirements of international standards for complaint management, developing effective customer relationship management, overcoming the demotivation syndrome among employees, striving for excellence in banking service quality, enhancing psychological capital, and adopting and implementing service recovery strategies.

To enhance the inputs for the forgiveness process at the individual level, it is recommended that banks analyze the dimensions of misconduct and develop various response scenarios appropriate to its severity; enhance the mental well-being of their personnel; create conditions for greater perceived behavioral control; empower employees to improve their perceived self-efficacy; and work to improve psychological factors such as empathy, the internalization of self-forgiveness, mitigation of the creeping of dissatisfaction, implementation of restorative justice, prevention of fundamental attribution error, effective customer relationship management during misconduct, and attention to customers' emotional, cognitive, and demographic characteristics when designing and delivering specialized services.

To improve the outputs of the forgiveness process at the individual level, efforts should be made to enhance the sustainability of forgiveness, steer the bank toward a strategic orientation based on mass customization of services, and improve customer relationship management after misconduct and in the recovery of substandard services.

Forgiveness is a concept rooted in psychology and has predominantly been studied within that discipline. Consequently, most of the research on this concept comes from the field of psychology. Introducing forgiveness into the domain of management marks the beginning of a new research trajectory, and the researcher's attempt to develop interdisciplinary concepts present in management literature is a notable contribution. However, borrowing the main variable of this study from another field is the most significant limitation of the research. Moreover, the quantitative phase of the study was limited to the Agricultural Bank, which may affect the generalizability of the results to other banks. Therefore, the generalization of the findings should be approached with caution.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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