

Potential Antecedents and Outcomes of Frontline Employees' Service Recovery Performance

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ABSTRACT

Frontline employees frequently act as a bridge between a firm and its customers. Therefore, customers often form their opinions on service quality of the firm based on how well the frontline employees perform. This conceptual paper intends to explore some potential antecedents that might have an impact with particular regard to frontline employees' service recovery performance. In addition, it also looks at its potential impact on selected outcomes. Using the existing literature, hypotheses are formulated to provide understanding of the relationships between service recovery performance antecedents and its associated outcomes. This would assist managers in identifying and managing the factors, and thus will contribute towards creating a loyal base of satisfied customers. Implications for managerial actions and future research avenues are discussed. Empirical support is obviously needed for the proposed conceptual framework and therefore it has been planned for it to be tested in a hotel environment. An important reason for the hotel industry to be chosen is because of the booming of the tourism industry where the hotel sector is seen as the biggest contributor.

Keywords: Frontline employees, hotel, service failure, service recovery performance, service quality

INTRODUCTION

One of the key factors towards service success is the effectiveness in handling customer complaints, which is essential for two related reasons provided by Homburg and Fürst (2005). First, complaint satisfaction is shown to be the main driver of customer loyalty, and second is the identification of organizational-level work processes and individual employee practices improves future service quality

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and reduces the likelihood of further complaints. Complaints usually arise from service failures. A service failure would then require the need of a recovery to move the complaining customer from a state of dissatisfaction to a state of satisfaction (Hocutt, *et al.*, 2006). This is among the times when employees are seen as one of the most important assets in a service organization. Hart, *et al.* (1990) are adamant that the frontline employees are the closest to customers as they are the ones who interact directly with the customers. The quality of the service delivery relies on the interaction between the employee and the customer. The way the service provider or organization deals with service failures will determine whether the customer will remain loyal or switch to another provider.

Since the frontline employees are the ones who interact directly with customers, they would also be the first ones to get to know about a service failure. Moreover, knowing that frontline employees act as boundary spanners for the service organization, most complaints are put forward by customers to these employees and are known only to them. When this complaining encounter between the employee and the customer occurs, the organization loses control and it is up to the employee to interact with the customer. The employee will from that point hold the responsibility in handling the service failure. How well the employee will serve the customer will depend on how skillful or how motivated, he or she is. With this realization, it is therefore important to properly manage frontline employees. This is especially true for tourism and hospitality organizations like hotels that involve a big volume of service encounters in its day-to-day operations. Failures are indeed pervasive in service encounters (Maxham & Netemeyer, 2002) which forces the service organization to engage in "dissatisfaction management" and service recovery processes to attain successful service provision (Liao, 2007). Specifically, these circumstances often need to be initiated by frontline employees where various actions are to be taken to alleviate service failures and restore customer satisfaction.

Hospitality firms needs to instill the right working environment for employees since they are at the heart of effective service recovery efforts (Tax, *et al.*, 1998). In the long run, regular customers build relationships with frontline employees, and enhance the customers trust and loyalty to the firm (Zeithaml, *et al.*, 2006). Consequently, it is imperative to gain insights into improving employee performance to ensure a strong and long term customer-employee relationship. Furthermore, as service recovery is a vital aspect of employee performance (Farrell, *et al.*, 2001), it is timely and necessary to explore the possible antecedents revolving around their working environment that might affect employee's service recovery performance.

Against this background, the main objective of this study is to explore the potential impact of organizational variables on the frontline employees' service recovery performance. It would be beneficial to find out what factors would give the frontline employees to have an internal drive to engage in customer-satisfying behaviors, besides being helpful and cooperative especially while dealing with customer problems. There must be factors that could help the frontline employees

to have commendable behaviors like delivering prompt solutions to customers' problems, being well-prepared and organized during customer interactions, approaching customers with ease and confidence, and at the same time treating them in a kind and polite manner whenever a service failure happens that triggers a complaint. In addition, this study would also like to examine the impact that successful service recovery performance has on two outcome variables, namely employee's job satisfaction and their turnover intentions.

In line with the research objectives, this paper will specifically seek to answer the following research questions:

- Is there any relationship between factors under their perceived managerial attitudes and the service recovery performance of frontline staff?
- Is there any relationship between factors under their working environment perceptions of frontline staff and their service recovery performance?
- Will there be any impact of an effective service recovery performance by the frontline staff on their intentions to resign?
- Will there be any impact of an effective service recovery performance by the frontline staff on their job satisfaction?

It is necessary to answer the above questions because organizations should be aware that customers could at any time switch their loyalty to another competing firm if they are not happy with the current provider's service. Knowing that employees play an important part in forming customer perception towards the service they receive, organizations should consider managing their employees as a source of competitive advantage. The next section would discuss on the relevant literature review pertaining to the study.

LITERATURE REVIEW

The Importance of People in the Service Context

It is important to first acknowledge the commonly cited characteristics of a service that makes it distinctive from goods or physical products; intangibility, perishability, inseparability, and variability. The importance of people could be clearly seen from each of the characteristics. Firstly, intangibility refers to the lack of tangible assets which can be seen, touched, smelled, heard, or tasted prior to purchase. Although services often include tangible elements like a hotel bed or a drink ordered at a café, the output of a service is intangible. The actual service outcome cannot be seen until the service is performed or the event has taken place. In other words, as stated by Berry, *et al.* (2006), service firms produce performances rather than physical objects. Thus, the benefits for services are created by actions or performances of people. Secondly, since services are often performed in real time, it cannot

be stored or inventoried, which refers to the perishability of a service (Zeithaml, *et al.*, 1985). Period of peak demand cannot be prepared for in advance by producing and storing services. A service opportunity occurs at a point in time and when it is gone, it cannot be retrieved back.

Thirdly, inseparability refers to the simultaneous production and consumption of services. Meaning that, a service possesses simultaneity where both the employee and the customer are at the same location and time in order to experience the service. Due to this characteristic, the quality of people who serve the customers often make the difference between one service and another. Inseparability makes the quality of service highly dependent on the ability of the service provider and the quality of interaction between the service provider and the customer (Kurtz & Clow, 1998). This is especially so in a high contact services like hotels for example. Although rooms could be booked earlier without the presence of any individual, but when the date of booking arrives, the hotel guest would still have to be present and interact with the front-desk employee to confirm the bookings. The customer-employee contact goes on with the bellman who would carry the luggage to the room, and with the waiter who serves breakfast, as with the housekeeping staff who tidies the room, or the room service staff who attends to the customer's needs and wants.

Finally, because of the performance of people, services can vary greatly. As noted, services are performances which often involve the cooperation and skill of several individuals, and are therefore unlikely to be the same every time. This variability of service again occurs especially in services with high labor content. Different service employees have different abilities and might perform the same service differently. Even the same employee might provide varying levels of service from one time to another. It is difficult to ensure the consistency of behavior from service employees (Booms & Bitner, 1981) because the service that the customer receives might totally differ from what the service firm or employee intended to deliver in the first place. In a hotel environment, the services provided are more customised rather than standardised. Customised service are required based on different customer questions, requests and demands. Consequently, much of the characteristics of a service discussed above highlights the importance of the employee's role in delivering the service to the customers. Thus, managing the human element is critical for success in the service industry.

Service Failure and Recovery in the Services Industry

Customers nowadays have higher expectations and more knowledgeable regarding their rights. If a failure occurs, it is the organization's responsibility to attain the customer's satisfaction by recovering the failure. Otherwise when the organization chose to ignore the failure, then it can be said as a sure sign of pushing the customer to a competing firm. The term *defection* is used to describe customers who transfer their loyalty to another firm (Lovelock, *et al.*, 2005).

The risk of defection is high, especially when there are various competing alternatives available like in the hotel industry. Keaveney's (1995) study of customer switching behavior in service industries found that the largest category of service switching was because of a core service failure (44%), followed by service encounter failures (34%) as mentioned by the study's respondents. Core service failures included all critical incidents that were due to mistakes or other technical problems with the service itself. Meanwhile, service encounter failures that represent the personal interactions between customers and employees were the failures which are attributed to the employees' behaviors or attitudes. Due to the high percentage of service encounter failure (34%), this actually highlights the importance of managing the people (frontline employees) closest to the customers so as to remain competitive.

Service failures can be described as any services-related mishaps or problems, whether it is real or perceived by customers, that happens during a customer's experience with a firm (Maxham, 2001). Tourism or hospitality services, as compared to tangible products have a higher chance to fail due to its experiential nature. No matter how excellent the service a hotel delivers, or how high the rate of standard it is classified in, every hotel still could not avoid from making mistakes in meeting the expectations of today's hotel guests. Some examples of service failures can be slow service, unavailable service or other core service failures. For example, the booked hotel room is not available upon arrival, the baggage is sent late to the room or hotel staff is impolite or inattentive. The high human component in the hotel environment is the main reason for many occurrences of service-related problems. One of the distinctive characteristics is the way in which both the employee and customer is involved in the service creation and delivery. Indeed, a service encounter can only happen after the guest arrives at the premise. Therefore, it is impossible for services firms such as hotels and resorts to interact and always guarantee error-free services in advance. Since it is quite impossible to prevent the failures from happening at all, therefore hotel firms need to take proactive actions as to prepare in advance when they actually happen.

Mistakes and failures require the need for service recovery (Hart, *et al.*, 1990). A service recovery occurs as a means to patch things up after a service failure. However, patching things up is just an attempt of a normal recovery action to rectify the situation. An *effective* recovery is needed where customers' expectations are met or exceeded (Black & Kelley, 2009). Ignoring and failing to recover can lead to negative outcomes such as losing customers, negative word of mouth, and decreased profits (Tax, *et al.*, 1998). Previous research suggests that highly effective service recovery steps can even produce a "service recovery paradox" whereby customers experiencing a service failure perceive a higher level of post-recovery satisfaction than those who did not experience a service failure encounter at all (McCullough,

et al., 2000; Smith & Bolton, 1998). In other words, a customer may give more attention toward an organization that has succeeded in recovering when something goes wrong, compared to when nothing goes wrong at all in the first place. Here, a service failure provides an opportunity for firms to provide a recovery which could not only earn back customers satisfaction, but probably even to delight them.

De Jong and De Ruyter (2004) claimed that customers' reactions towards service recovery commonly involve frontline employees. Again, the importance of employee's role in handling problems or complaints from customers is emphasized. However, according to a study by Bitner *et al.* (1990), employees' unwillingness or inability to react to service failures causes the majority of dissatisfactory service actions. In fact, the study revealed that 42.9% of dissatisfactory encounters were related to employees' inability or unwillingness in responding to service failure situations. This high percentage indicates that it is not the initial failure of delivering the core service alone that causes dissatisfaction, but rather the employee's response to the failure. In other words, the customers are more dissatisfied by the employee's lack of service recovery performance than the service failure itself. This is supported in the work of Keaveney (1995) where service switching incidents of customers were caused in part by unsatisfactory employee responses to service failures. It was reported that customers switched not because of the initial service failure, but because service employees failed to handle the situation appropriately. In a work environment where frontline employees are expected to deal with a wide variety of customer requests and complaints (Boshoff & Allen, 2000), an empowered and motivated frontline employees (to name a few possible antecedents) are seen as more likely to resolve customer complaints effectively.

Indeed, there are many points in which service failures can occur. The frequency in which the failures occur also vary across organizations. Different customers also have different reaction toward a service failure. However, at any of the above points, the hotel industry must consider an important question: Who are the people most likely to redress the failure that occurs? Who are the people needed to effectively perform the service recovery action to meet customer expectation? Those people should be well-managed and well-prepared before they could provide an effective recovery. Obviously, frontline employees play a critical role in addressing customer dissatisfaction after a service failure occurs, and this accentuate the importance of examining employee's service recovery performance. Understanding factors which influence frontline employees efforts in response to service failures is important in order to minimize the negative effect on organizational effectiveness and quality of services given to customers. Guided by a framework developed by Boshoff and Allen (2000), the next section presents a modified conceptual framework which portrays the antecedents and outcomes pertaining to service recovery performance.

CONCEPTUAL MODEL AND HYPOTHESES

The proposed conceptual framework of the present paper shown in Figure 1 explains the process through which managerial attitudes in a hotel and frontline staffs' perceptions of their work environment influence their service recovery performance. The framework also explains how service recovery performance lead to different outcomes, which are lower intentions to resign and higher job satisfaction. It has to be recalled that the framework was first developed by Boshoff and Allen (2000) that are modified for the current study by adding two more constructs projected to have an impact on employees' service recovery performance. Therefore it is necessary to present the extended framework to be a guideline to this current research.

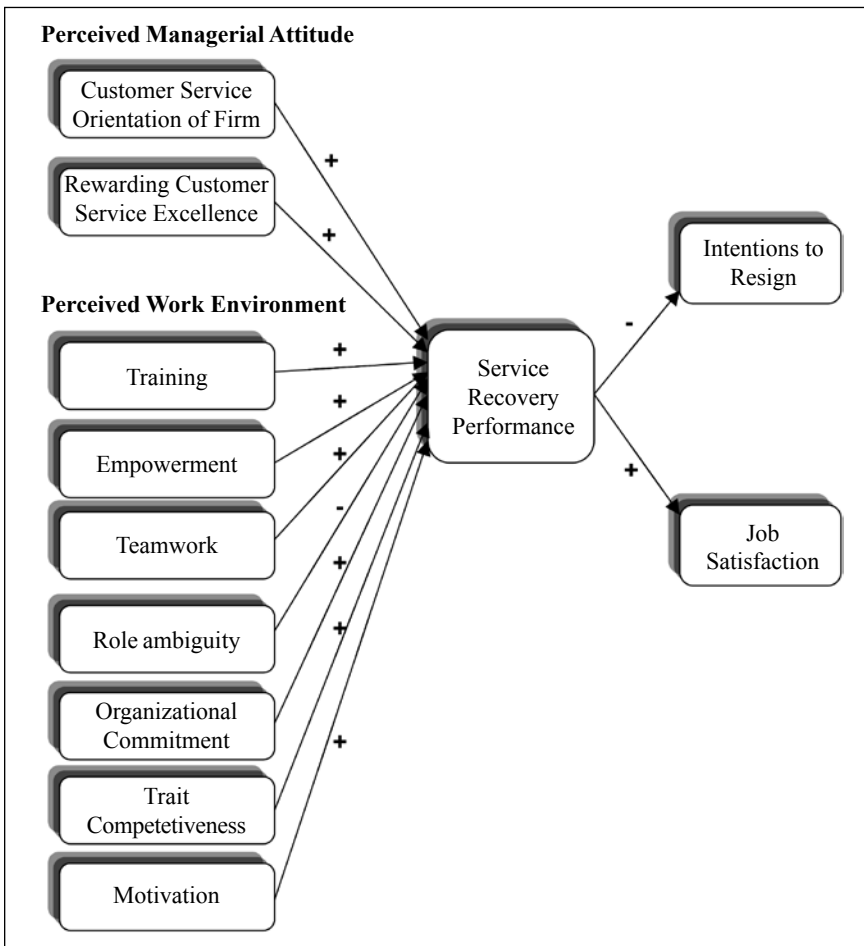


Figure 1 Conceptual framework

Figure 1 presents the proposed conceptual framework where it can be seen that the constructs are divided by two dimensions, one is the perceived managerial attitude dimension and the other is the perceived work environment dimension. Managerial attitude is represented by two different constructs which include the customer service orientation of the firm and its willingness to reward their employees for service excellence. Meanwhile, the working environment that may have an influence towards their performance include training, empowerment, teamwork, role ambiguity, organizational commitment, trait competitiveness and motivation. Hypotheses 1 and 2 propose the influence of selected perceived managerial attitudes on the service recovery performance. Hypotheses 3–9 reflect the influence of selected work environment perceptions on the service recovery performance. Finally, hypotheses 10 and 11 identify the effect of an effective service recovery performance on employees' turnover intentions and their job satisfaction. Guided by the proposed framework presented, the next section discusses in detail the variables underpinning this study.

Antecedents of Service Recovery Performance

As defined by Lytle *et al.* (1998), customer service orientation is an organization-wide embracement of a basic set of relatively enduring organizational policies, practices and procedures intended to support and reward service giving behaviors that create and deliver “service excellence”. In the context of this study, it is expected that the more focused an organization is with respect in handling its customers, the better the service recovery of its frontline staff in handling customer complaints.

It is crucial for an organization to have a culture which focuses on strong service orientation to maintain a healthy long-term relationship with customers. This is because a strong service orientation is vital for the creation and enhancement of good interactive marketing performance (Gronroos, 1990; Yasin & Yavas, 1999). Additionally, it is also essential in maintaining a long-term working relationship (Boshoff & Allen, 2000; Yavas, *et al.*, 2003). Furthermore, a service-oriented organizational culture is needed not only to enhance service quality but also to respond to new, unexpected and even awkward situations (Gronroos, 1990). In other words, a strong service-oriented organizational culture is critical not only in the delivery of high quality services but also in providing speedy, appropriate and acceptable recovery responses whenever the unforeseen service failure occurs. Likewise, Boshoff and Allen (2000) also share the same belief that a strong customer-oriented organizational culture does have an influence towards employees' behaviour in a service recovery situation. A service-oriented organizational culture will make the entire organization revolve around customer service. Employees are therefore likely to be aware of the importance of responding to customer complaints as to improve service processes on an organizational scale.

Lewis and Gabrielson (1998) point out that employees in service organizations with a strong customer-oriented culture feels a personal responsibility for delivering excellent service quality. Therefore, the management of an organization must internally install “a service mentality” and effectively manage its practices so that their employees will in time show attitudes and behaviors that provide quality service (Gonzalez & Garazo, 2006). A recent study on employees’ willingness to report complaints indicated that their decisions are influenced by the messages conveyed by the organization (Luria, *et al.*, 2009). This gives an impression that employees’ service recovery performance may as well be influenced by the service orientation of the organization. Thus, the following hypothesis is proposed:

Hypothesis 1: There will be a positive relationship between customer service orientation of the hotel and the service recovery performance of frontline hotel staff.

The next managerial attitude identified as potentially having an influence towards service recovery performance is its willingness to reward staff for service excellence. Effective service recovery performance is often overlooked when employee rewards are considered. It is important to reward the employees for handling customer complaints (Bowen & Johnston, 1999; Yavas, *et al.*, 2003) to motivate them and as a show of recognition. That is, by having an appropriate reward policy, it could be ensured that employees would be motivated to deal with complaining customers as well as delivering high quality services. Moreover, to instill service excellence, employees must get the message that providing quality service holds the key for them to be rewarded (Lovelock, *et al.*, 2005).

Empirical results from Boshoff and Allen (2000) showed that rewarding frontline staff for service excellence exerts a positive influence on their service recovery performance. Forrester’s (2000, p.69) argument that “money counts a lot, especially for those who have little of it” is highly relevant to frontline employees jobs, which are generally known to be underpaid. Therefore if the hotel management does not reward service recovery efforts, frontline hotel staff will not spend much effort in dealing with the guests’ complaints or any service failures that occurs. In view of this, the second hypothesis is considered.

Hypothesis 2: There will be a positive relationship between rewarding service excellence and the service recovery performance of frontline hotel staff.

Training is identified as the first work environment factor in the proposed conceptual model (Figure 1). In order to cope with the increasing number of customer requests, needs, and wants, service training is one of the crucial strategies in general management (Harel & Tzafrir, 1999). It is through service training that one learns and being made aware of new organizational strategies, changing

values, current technology, as well as new ways of performing work (Kassiech & Yourstone, 1998). Schlesinger and Heskett (1991) stresses that service firms should not only concentrate on making investments in machines or technology alone, but should also focus on training for the people (employees) to prepare them for the service skills needed in meeting complex and varying requests from customers. Indeed, Bartel (1994) found that an investment in employee training programs increased productivity.

Findings from a stream of research on service recovery indicate that customers evaluate service recovery in terms of the outcomes they receive and the nature of the interpersonal treatment they receive during the recovery process (Blodgett, *et al.*, 1997; McCollough, *et al.*, 2000; Smith, *et al.*, 1999; Tax, *et al.*, 1998). With this information, it is logical to expect frontline employees to have the sufficient interpersonal skills to perform the service recovery well, as expected by the inconvenienced customers. Research suggests that training of frontline employees both in job-related and behavioral skills is critical for delivering superior service quality (Bettencourt & Brown, 2003; Hart, *et al.*, 1990). In other studies, it is uniformly reported that employees who lack the necessary job and interpersonal skills fail to provide a high level of service while dealing with customer complaints (Lewis and Gabrielson, 1998; Yavas, 1998; Boshoff and Allen, 2000; Yavas *et al.*, 2003; Ashill *et al.*, 2005).

Magnini and Ford (2004) agreed that service recovery training has been shown to be effective towards employees' service performance and is one of the strategic necessities for guest retention and hotel profitability. In today's environment, many hoteliers now utilize service recovery training programs (Brown, 2000), since it is crucial for the frontline staff to be fully equipped with requisite skills and information to deal effectively with the hotel guests. From the discussion above, the following hypothesis is proposed to be tested:

Hypothesis 3: There will be a positive relationship between training frontline hotel staff and their service recovery performance.

Immediate decisions are needed in the case of employees facing service failure complaints from customers, and thus empowerment is seen to be important as it exercises flexibility in employees' decision-making process to completely satisfy the customers (Hartline and Ferrell, 1996). Empowerment, identified as the second work environment factor is defined by Hoffman and Bateson (2006) as giving discretion to contact personnel to "turn the front line loose," which is the reverse of "doing things by the book." They further acknowledge the benefits of empowerment whereby employees who are empowered are more customer focused and are much quicker to respond to customer needs. Their acknowledgement is in line with the empirical evidence by Chow *et al.* (2006) that empowerment significantly improves performance of frontline employees. Similarly, Lashley (1995) suggests that there

are a lot of benefits from empowerment such as inducing a more responsive service, speeding up the process of customer complaint handling, creating well-motivated staff, and enhancing higher service quality.

Empowerment has been found to be a key to managerial and organizational effectiveness (Conger & Kanungo, 1988). Therefore, managers should be willing to give away influence and have confidence that the frontline employees have a better understanding of how the work process can be improved. After all, when customers approach frontline employees to complaint or express dissatisfaction from a service failure, the employee would be responsible to figure out if the complaint is justified, what the customer wants from complaining, what action is appropriate to be taken, and how to respond to the customer. All these information has to be interpreted almost immediately before deciding how to handle the case at hand. Such a situation requires employees to be empowered because a speedy recovery is important when things go wrong.

Guests would also expect the frontline staff to rectify the problems for them. This is the critical part because the most positive means to recover from service failures is for frontline staff to identify and solve the problem (Hart *et al.*, 1990). However, in order to resolve a service failure situation often calls for deviation from routine tasks (Magnini & Ford, 2004). Most guests would not enjoy the time waiting for the frontline staff to refer to other representative or management staff before making a decision. Empirical studies reported a strong relationship between empowerment of frontline employees and service recovery performance (Babakus *et al.*, 2003; Yavas *et al.*, 2003; Ashill *et al.*, 2005). The discussion above implies that frontline employees must be empowered to do what they perceive as right or fair given the situation and customer in question (Andreassen, 2000). Thus, the following hypothesis is developed:

Hypothesis 4: There will be a positive relationship between empowerment of frontline hotel staff and their service recovery performance.

Teamwork is the third work environment factor identified in the conceptual model. Teamwork has been identified as an important variable in improving work performance in services (Zeithaml *et al.*, 1988). Dobni (2004) shares the same view that teamwork, and also cooperation and effective collaboration with co-workers are essential to service performance and productivity. Employees may feel stimulated by working together towards a common goal. Furthermore, teamwork may also lead employees to work more efficiently. One firm which has used teamworking effectively in solving problems and improving its quality is Wellman International, which was awarded a Perkins Quality Improvement Award in 1995 (Ingram, 1996). The company developed a process with a single aim that was to involve all employees of the company in meeting customers, resulting in improvements in performances across a range of its activities.

A positive and supportive team environment delivers better services (Lytle & Timmerman, 2006). Delarue, *et al.* (2008) recently carried out a study examining the links between teamworking and performance. They did a review of 31 studies where it appears that the evidence support the proposition that teamwork improves organizational performance. In fact, the review shows that teamworking has a positive impact on all four dimensions of performance which the study was based on.

In some service operations, the organization's output is specialized or complex, and its accomplishment depend on the effective interaction of a number of individuals and groups. This is especially true in the hotel industry. Each member of the hotel firm has its own customer to serve (Boshoff & Allen, 2000), whether it is the end customer of the hotel or an employee in the frontline. The frontline employees need full support from other support services to deliver quality services to the end customer, the hotel guest. Shemwell and Yavas (1998) state that teamwork is of great importance. Teamwork can help achieve substantially better results than a group of individuals limited by their working task and responsibility. They perform much better than individuals alone whenever there is the need for combining various expertise, skills and experiences (Katzenbach & Smith, 1998). Hence, the fifth hypothesis is proposed:

Hypothesis 5: There will be a positive relationship between teamwork and the service recovery performance of frontline hotel staff.

The individual efforts necessary to obtain high levels of performance are possible only if employees understand their role and job task, has the knowledge on how to carry out these roles, and is clear of what is expected of them. The fourth work environment factor is role ambiguity which refers to employee's uncertainty about key requirements of their jobs, and about how they are expected to behave in those jobs (Baron, 1986). This commonly occurs among employees with boundary-spanning roles (Brown & Peterson, 1994; Yavas *et al.*, 2003). It is suggested that role ambiguity reduces performance in dealing with dissatisfied customers because it creates delays and lessens employee's effort in taking action to resolve the problem at hand (Brown & Peterson, 1994). Similarly, Armstrong (2001) agreed that individuals tend to become insecure or lose confidence in themselves when they are unclear about what their role is and what is expected of them. When frontline employees are not sure what roles they should play or to what extent they could take action with respect to service recovery, then they would most probably fail to deliver satisfactorily to the customers. As a consequence, service recovery performance may be compromised.

A substantial number of research has examined how role ambiguity may affect salesperson's (frontline employees) performance. For example, in their meta-analysis of the sales literature, Brown and Peterson (1993) found that role ambiguity was related negatively to performance. Other research has generally

supported a host of negative consequences of role ambiguity (Jackson & Schuler, 1985; Michaels & Dixon, 1994). In the financial services industry, Boshoff and Mels (1995), Boshoff and Allen (2000) and Yavas *et al.* (2003) report a significant negative relationship between role ambiguity and service recovery performance, suggesting that when frontline banking employees are more certain about what is expected of them, they perform better in dealing with dissatisfied customers. The general agreement in the above studies is that perceived role ambiguity has a negative effect on job performance. In light of the discussion above, the following hypothesis is developed:

Hypothesis 6: There will be a negative relationship between role ambiguity and the service recovery performance of frontline hotel staff.

Organizational commitment is defined as the relative strength of an individual's identification with and involvement in a particular organization (Mowday, *et al.*, 1979), and has been posed as the fifth work environment factor. The organizational commitment of frontline employees has an important role to play in determining the level of service quality delivered to customers (Malhotra & Mukherjee, 2004). The success of a firm will be jeopardized if its employees fail to accept the firm's missions, goals and objectives, and fail to believe in what the company stands for (Unzicker, *et al.*, 2000).

Looking back into the work of Mowday *et al.* (1979), researchers have recognized that employees who are committed to their organizations exhibit a willingness to exercise additional effort to achieve the goals of that organization (Iverson, *et al.*, 1996). In other words, employees who understand the goals, values, and attitudes of the organization will be happy to put more effort in doing their jobs well as the organization expects of them. When organizational commitment is high, employees will probably behave accordingly and do their best to provide good service. In the personal selling and sales management field, organizational commitment is one of the characteristic of sales employees that has been discernibly important. One important reason is the fact that committed salespeople are less likely to quit from the organization. Furthermore, committed employees usually perform on a higher level performance (Bashaw & Grant, 1994). It could be said then that employees who have a high organizational commitment would perform better when faced with a service failure.

According to Mathieu and Zajac (1990), earlier research has somewhat failed to establish a strong linkage between organizational commitment and performance. However, more recent studies showed that affective organizational commitment has a significant relationship with job performance (Iverson, *et al.*, 1996; Siders, *et al.*, 2001), and customer-perceived employee performance (Masterson, 2001). In particular, other empirical findings to support a significant positive relationship

between organizational commitment and service recovery performance are provided by Boshoff and Mels (1995), Boshoff and Tait (1996), Boshoff and Allen (2000) and Babakus *et al.* (2003) in the financial services industry. Meanwhile, Ashill *et al.* (2005) also found a significant relationship between organizational commitment and service recovery performance in a public health-care setting. In view of this, the following hypothesis is formulated:

Hypothesis 7: There will be a positive relationship between organizational commitment and the service recovery performance of frontline hotel staff.

Studies by Boshoff and Allen (2000) may have investigated the effects of selected antecedents on service recovery performance, however, trait competitiveness was not incorporated into their conceptual models. Posed as the sixth work environment factor, trait competitiveness is defined as “the enjoyment of interpersonal competition and the desire to win and be better than others” (Spence and Helmreich, 1983: 41; Brown and Peterson, 1994: 72). Many believe that competition in the workplace enhances organizational outcomes, particularly work performance (Sauers & Bass, 1990). Moreover, competition may focus attention on the task and thereby lead to increased performance. Individuals who are highly competitive are more likely to focus on doing their best in exceeding the performance of other colleagues that will lead them to winning performance.

Results from a large-scale survey by the Gallup Management Consulting Group indicate that trait competitiveness is one of the critical personality variables that the best and most successful salespeople (frontline employees) have (Brewer, 1994). Meanwhile, there are several empirical evidence which lends support the view that there is a positive relationship between trait competitiveness and employee performance. For example, Brown and Peterson (1994) found evidence that competitiveness positively influenced salesperson performance. Menguc (1996) also reported that trait competitiveness had a positive direct impact on salesperson performance. Wang and Netemeyer (2002) indicated that trait competitiveness had a significant positive influence on real estate sales agents' performance. Karatepe *et al.* (2006) in their recent study on frontline employees in Northern Cyprus hotels reveals that competitiveness exerted significant positive effects on performance. The same positive results were produced in their study on frontline bank employees. In light of the above findings, it is understood that trait competitiveness has a positive direct impact on performance. Therefore, the following hypothesis is proposed:

Hypothesis 8: There will be a positive relationship between trait competitiveness and the service recovery performance of frontline hotel staff.

According to Piccolo and Colquitt (2006), the link between motivation and

work performance has received very little empirical testing. Motivation was also not incorporated into the conceptual models by Boshoff and Allen (2000) or Ashill *et al.* (2005). Therefore motivation has been identified as the seventh work environment factor in this study to be tested. While numerous definitions have been developed over the years (Wright, 2001), this particular study adopts the definition from Keaveney (1992: 151) whereby motivation refers to an individual's 'feeling of challenge or competence derived from performing a job'.

Similar to the case with trait competitiveness, motivation is also reported to be one of the key talents that the best salespeople (frontline employees) have (Brewer, 1994). Theoretical evidence indicates that intrinsically motivated employees are innovative and high performers in the workplace (Miller, 2002). As pointed out earlier, nearly half of unsatisfactory service encounters resulted from employees' unwillingness to handle or the inability to respond to service failures (Bitner *et al.*, 1990). While the inability to respond may be blamed on lack of training, unwillingness may be partly due to lack of motivation.

It is anticipated that motivated employees will be able to work better in boundary-spanning positions that require employees to cope with demanding requests from customers in their daily working hours. A number of empirical results lend support to the relationship between these two variables. Tyagi (1985) found that intrinsic motivation had a significant positive effect on salesperson work performance. Oliver and Anderson (1994) reported that intrinsic motivation was significantly correlated with salesperson relative performance. Babakus *et al.* (1996) found support in a sales force context where intrinsically motivated salespeople displayed high levels of performance. Karatepe (2006) reported the relationship between motivation and performance as both significant and positive. Two recent studies of performance appraisal among bank employees (ranging from tellers to managers) reported relatively strong relationships between intrinsic motivation and work performance (Kuvaas, 2006, 2007). Consistent with these findings regarding the relationship between the two constructs, the following hypothesis is proposed:

Hypothesis 9 : There will be a positive relationship between motivation and the service recovery performance of frontline hotel staff.

Service Recovery Performance Outcomes

Service recovery performance of the frontline employees is believed to have a connection with their turnover intentions and job satisfaction. Intentions to leave could prompt actual turnover to happen, where turnover is a significant problem in the tourism and hospitality industry (Lam *et al.*, 2003). This high turnover culture may be due to the fact that managers in the industry simply accept it as part of the working culture (Iverson and Deery, 1997). The cost associated with turnover can be direct, such as administrative expenses, socialization investment, separation pay

and training, or indirect costs such as productivity losses (Woods & Macaulay, 1989). From a theoretical standpoint, Dreher (1982) argued that performance and turnover intentions should have a negative relationship. This is because high performers are more likely to receive greater rewards and thus be less likely to have the desire to leave the organization. Furthermore, the high performance itself may be intrinsically satisfying to the employee, motivating them to maintain their performance as a means to aim a higher position in the organization.

In their meta-analytic study, McEvoy and Cascio (1987) showed that employees performing their jobs effectively were likely to continue their employment. Lance (1988) reported that job performance was negatively correlated with employees' turnover intentions. Findings from a more recent meta-analytic study by Zimmerman and Darnold (2009) supported that job performance has a negative relationship with intentions to resign. There is other evidence suggesting that employees who feel they are performing effectively are more likely to remain in their jobs (Benders & Looji, 1994; Rust, *et al.*, 1996). Conversely, employees who are not efficient enough in providing service quality and unable to deal effectively in service recovery encounters are more likely to resign from the organization. In the work of Boshoff and Allen (2000) and Karatepe (2006), it has been found that an increase in the frontline employees' service recovery performance led to a decrease in their turnover intentions. Based on these arguments, the following hypothesis is formulated:

Hypothesis 10: There will be a negative relationship between effective service recovery performance by the hotel frontline staff and their intentions to resign.

Hoffman and Ingram (1992) argued that in order for an organization to satisfy the needs of its customers, it needs to first satisfy the needs of its employees. In particular, organizations need to ensure the job satisfaction of its employees first. The job satisfaction construct has been studied extensively due to its proposed relationship with performance, be it in the disciplines of marketing, management or psychology. Job satisfaction is defined as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values" (Locke, 1969, p. 316).

There are empirical studies which show that high levels of job performance lead to increased satisfaction with the job. For example, Babin and Boles (1998) found that food servers performing effectively in the workplace reported increased satisfaction with their jobs. Other empirical studies also indicate specifically that effective service recovery performance has a significant positive association with job satisfaction. For example, Boshoff and Allen (2000) as well as Yavas *et al.* (2003) found that effective service recovery performance by frontline employees in the banking sector exerted a significant positive effect on their job satisfaction. The

salespeople's job satisfaction was also resulted from high levels of performance as was evident in the study of Netemeyer *et al.* (2004). The effect of job performance on job satisfaction was both significant and positive in the recent study of Karatepe *et al.* (2007). Karatepe and Sokmen (2006) similarly found positive correlations between the two constructs. These results prompts the hypothesis that:

Hypothesis 11: There will be a positive relationship between effective service recovery performance by the hotel frontline staff and their job satisfaction.

All the above formulated hypotheses had provided the expected relationships between the independent, dependant and outcome variables. The next section proposes the methodology to be taken for this study, followed by its managerial implications, and points out avenues for future research.

PROPOSED METHODOLOGY

This paper is conceptual in nature. However, it would obviously be subjected to an empirical research test in the near future. Therefore, it is proposed to be conducted quantitatively where a Likert-scale questionnaire would serve as the survey instrument. Questionnaires using the Likert scale would be suitable in gauging responses from frontline employees. The questionnaire will be divided into several sections to operationalise each of the construct. Where possible, previous established questionnaire items that have been verified its reliability and validity will be used. It is important to note that all constructs and measures developed later for the questionnaire instrument are as perceived by employees. By using a self-evaluation method, it is justified that the frontline employees are in the best position to evaluate performance outcomes as they are the closest to the customers in terms of their frequent service encounters, and their perceptions typically match those of the customers (Ashill, *et al.*, 2005).

Before running the main analyses, the questionnaire items shall be tested for its reliability and validity. Cronbach's Alpha value shall be calculated to determine the reliability value to ensure all constructs falls within the acceptable range. Face validity shall be achieved by showing the questionnaire to researchers and academicians knowledgeable in the services marketing field as well as in the tourism and hospitality area, prior to data collection. Regarding the statistical analyses, it is thought that factor analysis shall be done in order to report on the factor loadings of each item to determine its content validity. Besides that, it would be beneficial to determine the dimensionality of the study constructs. Spearman product-moment correlation could be the main analyses to be considered to test and answer the eleven hypotheses, and to establish relationship between frontline employees' service recovery performance and its identified antecedents. Data from the survey shall

then be subjected to multiple regression analysis for prediction purposes. Initially, to give a general description of the data collected, of course descriptive statistics such as frequency distributions, measures of central tendency and variability may be used, all of which are obtained from the use of the SPSS software.

MANAGERIAL IMPLICATIONS

To date, most of the focus in the service failure and service recovery literature is concentrated on the customers, be it customers' expectation following a service failure (eg. Boshoff & Leong, 1998), effects of perceived justice on customer satisfaction (eg. Smith, *et al.*, 1999), or customer's evaluations of service complaints experience (eg. Tax, *et al.*, 1998). The present paper thus, attempts to fill in the gap of research in favor of the employees in general, and frontline hotel employees in particular. It intends to investigate a model of service recovery performance. It also suggests investigating the potential impact of organizational variables on the service recovery performance of frontline employees, besides examining its impact on selected outcomes. The hotel industry is chosen as it employs a substantial number of frontline employees, plus it is labeled as one of the most labor intensive industry among others. Moreover, the provision of services provided by the hotel frontline employees to customers involves extensive contact. Having noticed that, it would have a high potential of service failure occurrence. Therefore service recovery is an important effort by the hotel sector to maintain customer goodwill whereby, the quality in service recovery itself is frequently determined by the actions of the frontline staff.

The managerial implications of such a study would extend in enhancing a more efficient marketing strategy in the hotel industry, improving the recruitment of frontline employees, evaluating the effectiveness of customer complaint handling, training programmes, reward system, and the customer service orientation of the hotel through the understanding and managing of factors contributing to service recovery performance. Practicing hotel managers, marketing managers and human resource managers could take the appropriate measures and actions as a means to enhance their quality of service performance. For instance, hotel managers can enhance frontline employees' service recovery performance by investing in service training programs such as social-skills training, problem solving training, teamwork building training, and others related to improving their working performance, growth and development. Human resource managers can implement a personality test which includes the motivation and competitive trait for candidates interested for frontline positions. The results from the outcome variables would also give important insights to the hotel management, whether the service recovery performance of frontline hotel staff has any significant impact on their job satisfaction and turnover intentions. This is because value in a service

encounter is created by satisfied, loyal and productive employees and this directly influences customer satisfaction, where satisfied customers leads to profitability for a service provider (Heskett, *et al.*, 1994).

Although much of the above issues has always been only under the focus of the human resource, but according to Wasmer and Bruner (1991), marketing too has been urged to play an active role with these issues. Schultz (2002) further view employees as internal customers, a group who can be analyzed, motivated and educated to deliver higher levels of performance. Therefore, cooperation between marketing and human resource department is needed to find ways to improve in these areas.

RESEARCH DIRECTIONS FOR THE FUTURE

This paper wishes to extend a conceptual framework of service recovery performance and investigate within the hotel service environment, seeing that the hotel sector is fast becoming one of the most competitive industries among the service industries. Obviously, empirical research is needed to support the conceptual framework presented. A comparison of the perceived results from the hotel samples could then be done with samples from other service industries, for example restaurants, airlines, hospitals, travel agencies, and so on. Based on this study, future research may also seek to employ longitudinal research which would be immensely valuable to the understanding of antecedents and outcomes of service recovery performance.

Other possible antecedents of frontline employee's service recovery performance could be considered, such as leadership style, emotional burnout, emotional dissonance, role conflict, and etc. Furthermore, the impact of effective service recovery performance of frontline employees on other possible outcomes such as perceived customer satisfaction, perceived recovery value, service quality, or profitability may be of interest as well.

CONCLUSION

This paper has argued that employees' service recovery performance are associated with several variables under the headings of perceived managerial attitudes and perceived work factors as illustrated in the proposed model. In addition, it is believed that service recovery performances are also associated with two outcome variables. In examining the antecedents and outcomes, this paper hopes to lay the groundwork for future research on service recovery performance in particular, as well as overall service performance in general, while also offering practical recommendations to managers on how to manage their customer-contact employees as a source of competitive advantage.

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