
SERVICE RECOVERY AND POST-RECOVERY SATISFACTION: THE MEDIATING ROLE OF EMOTION

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ABSTRACT

This study is on service recovery and post recovery satisfaction: the mediating role of emotion. The study was anchored on justice theory. The unit of analysis comprise airline customers in South-West Nigeria. Structural Equation Modelling (SEM) with the aid of SPSS version 22.00 was used for data analysis. The findings show that positive emotion has significant influence on post recovery satisfaction while negative emotion did not. It was thus recommended that Airline managers and operators in the study area should always carry out proper planning in their operations. Sound planning is a necessary input to sound decision-making, which informs putting in place appropriate strategies and policies at the appropriate times in order to address service failure and improve service delivery. In the main, the study concludes that perceived justice of service recovery has significant influence on post recovery satisfaction in South-West Nigeria.

Keywords: Distributive, procedural, interactional, positive emotion, negative emotion

INTRODUCTION

The aviation industry across the globe is known to have great influence in terms of its contribution to the growth and development of nations. Ensuring the development of a vital sector such as this will fast-track economic growth and generate economic benefits. The Nigerian aviation industry has gainfully engaged 254,500 Nigerians and foreigners and contributed US\$940 million (₦184.7 billion) to Nigeria's GDP (Ladele, 2012). This is an indication that the sector is germane when it comes to revenue generation through personal income and business taxes.

The aviation industry thus play a vital role in the area of work and leisure to tourists all over the world. The sector also helps to promote and improve the living standard of peoples across nations. Its development is thus crucial to economies, as it paves way for globalization and facilitate trade and tourism development (Ladele, 2012). Ladele (2012) emphasize that as nations develop, the needs for air transportation also increase due to growth in citizens' disposable income. This shows that there is great potential for growth in the industry if properly managed.

More so, Stephens (2009) established that the Nigerian aviation industry would continue to grow at an average rate of 15% domestic traffic so that by 2019 it would have risen to 12,461,043 million passengers. With this growing rate, the industry should not be handled with levity. However, Amba and Danladi (2013) highlight some problems common to the industry, which often hinder smooth service delivery. These include high cost of operation and maintenance, inadequate funding, lack of transparency, poor managerial skills, lateness in responding to emergencies occasioned by sudden air mishaps, and poor service delivery caused by both mechanical and human errors. Owing to the numerous gains that accrue to developing nations, such as Nigeria from this sector, the industry is best appreciated if efforts are geared towards

improving the service it provides to its ever-discerning customers, with a view to minimizing any form of service failure that may negatively influence the growth of the sector.

As standards and performance expectations for airline operators globally are increasing, customers of service firms have developed a total dislike for service failures (Lateef, 2011; 2011). At the same time, service failure is almost impossible to totally eliminate because of the unique nature of service. Arising from these challenges, it becomes imperative for service providers to put in place, service recovery processes and procedures to tackle cases of service failures.

Chang et al. (2008) contends that airlines are confronted with both internal and external disruptions that trigger service failures. However, the ways airlines respond to a service failure (service recovery) has the potential to place them at an advantage. The way an organization responds to service failure could either restore customer satisfaction, increase loyalty, or trigger negative emotions that drive them to a competitor.

The prevalent customer dissatisfaction and escalating unresolved complaints prompted by service failure in the Nigerian aviation industry are the first concerns that prompt this study. As reported by Phillips Consulting (2015), the growth in Nigeria's aviation industry has resulted in an influx of passengers to both local and international destinations exceeding 15 million in 2014. The growth in the sector has continued to mount pressure on airport managers, airlines, employees, and airport facilities.

Besides rivalry among airlines, there are problems in satisfying the changing needs of customers. Many airport facilities are not enough, and many airline passengers complain about flight cancellations, missing luggage, poor ticket services, check-in rejection, inefficient staff, and other related problems that have combined to inhibit efficient service delivery and customer satisfaction in the aviation industry. Nonetheless, of more concern to this study is the mediating role of emotion in the link between service recovery and post-recovery satisfaction. Extant literature suggests that emotion mediates the relationship between service recovery and post-recovery satisfaction. Smith and Bolton (2002) and Schoefer and Ennew (2005) conclude that emotion play important mediating roles between perceived justice and recovery satisfaction. Thus, the study specify the following objectives:

- 1) To examine the extent to which positive emotion mediates between perceived justice of service recovery and post-recovery satisfaction.
- 2) To determine the extent to which negative emotion mediate between perceived justice of service recovery and post-recovery satisfaction.

Accordingly, the study formulated the following hypotheses:

H₁: Positive emotion mediate between perceived justice of service recovery and post-recovery satisfaction.

H₂: Negative emotion will mediate between perceived justice of service recovery and post-recovery satisfaction.

LITERATURE REVIEW

Concept of Service Recovery

Firms struggle to render hitch free service to customers, but service failures still do occur. Service failure should trigger complaint behaviors, and the expertise with which such complaints are handled determines the health of a firm's relationship with customers (Ateke et al. 2015). Customers that experience poor service delivery and lodge complaints to that effect, are deserving of adequate and befitting response from the service provider. The different ways a service provider respond to assuage customers' angst following poor service delivery is referred to as service recovery (Ateke & Harcourt, 2017).

Hence, Gronroos (2008) define service recovery as the steps taken by a service provider to tackle complaints by customers concerning service failure. Stephen (2009) sees service recovery as the efforts put in place to respond proactively to incidents of service failure. In the view of Ladele (2012), service recovery is the strategy of ensuring that the right things are done right after experiencing something abnormal in service delivery. Scoefer and Enner (2005) in lending their contributions refers to service recovery as the actions deliberately designed by service organizations to tackle problems, change negative attitudes of aggrieved customers, and retain them.

It is clear from the foregoing definitions service failure cannot be avoidable, and that service recovery involves steps put in place by firms to solve problems after service has been provided (Smith & Bolton, 2005). Organizations must put measures in place to tackle complaints, as they occur to ensure service adequate recovery. It is clear from the enormous definitions that a frantic step is required to take sufficient effort to proffer solutions to varieties of problems facing organizations after service failure. (Chang et al, 2008; Preacher & Hayes, 2004).

Organizations must set up programs that guarantee that clients' expectations are met and that such programs are surveyed consistently to stay away from reoccurrence of comparative issues. If service recuperation systems are carried out, firms will want to hold wronged clients who have encountered service failures in the time past and this will be less expensive and more beneficial to the organization than enrolling new customers (Chokera & Dube, 2011).

Research reveal that customer retention after experiencing service failure largely depends on the strength of the organization to adequately execute recovery strategies (Piyali, 2011; Lovelock et al., 2009). On the aggregate, the effect of service recovery strategies is dependent on a variety of issues part of which are the sector or the industry in which the failure occurs, the degree of the failure, the critical nature of the service, and the type of service failure that occurs.

It has been noted that responding fast to customers' complaints is not the responsibility of frontline employees alone as customers are also expected to play their role to enable the service provider to serve them promptly. This can also minimize the impact of service failure and help service firms to recover. There is a need for organizations to respond fast to cases of service failure to eliminate hardship on the customers (Hoffman & Bateson, 2010; Smith & Martinez, 2005).

Firms should avoid time wasting when solving problems as this may further complicate issues. Service firms possess the competence and facilities required for quick response, in order to avoid double failure (Stephen, 2009). This approach can be adopted in the airline industry to tackle cases of failure as it occurs. When customers lodge complaints, they expect quick actions to be taken to solve their problems. When customers notice unnecessary delay, it can further trigger negative emotions and deepen their state of dissatisfaction.

Service firms should be fully ready and prepared before failure occurs (Smith & Martinez, 2005). Stephen (2009) highlight that timely intervention and employee development are crucial to effective service recovery. Employee training and empowerment alleviate employees' anxiety in dealing with failure and develop strong confidence and assurance that customer problems will be adequately resolved.

Concept of Emotion

Emotion is an intuitive feeling derived from circumstances, moods or interactions with others, rather than logical reasoning (Igwe & Ateke, 2021). It represents individuals' phenomenological reaction to important events or conditions that trigger distinctive bodily and behavioural changes (Barret, 2017, as cited in Igwe & Ateke, 2021). Emotions are context-specific, are formed by interactions between individuals and their

environment and are traceable to conscious and unconscious levels of information processing of individuals' activities (Andries, 2009).

Stephen (2009) indicates that emotion is an overwhelming response that identifies with the cerebrum and body. It includes emotional states like anger, nervousness, love, and the inclination to get away or assault. Bagozzi et al. (1999) additionally characterized emotion as a current mental condition of status that rises out of a cognitive appraisal of an event or thought. Emotion could be positive or negative. Positive emotions incorporate joy; happiness, pride, being esteemed, and so on, and it feature a great inclination. Then again, negative emotion incorporates anger, disappointment, or tension, and it shows a troublesome inclination.

Smith and Bolton (2002) attest that fulfillment, besides being a cognitive assessment, is also an affective (emotional) assessment from an encounter. The two are vital while assessing the buyer's conduct model in the service business. The possibility that cognitive and affective components may supplement each other in deciding fulfillment is currently being generally acknowledged (Smith & Bolton, 2002).

Theoretical Framework

Justice (Fairness) Theory

This study is anchored on justice theory because of its adequacy in measuring perceived justice of service recovery. The theory is on the three components of justice, which are distributional justice, procedural justice, and interactional justice (Smith et al., 1999). More so, the theory was considered appropriate because majority of studies on service recovery found justice very suitable (Collie et al., 2000; Goodwin & Ross, 1992). More importantly, justice theory aligns with the present study due to its perspective and reflection on perceived justice of service recovery.

Empirical Review

Okeke and Eze (2012) queried the mediating role of consumption emotions in service recovery strategies (compensation, speed of recovery, and apology) and recovery satisfaction among hotel guests. A total of 113 respondents participated in the study comprising hotel guests in Yogyakarta, Indonesia by way of answering a set of questionnaire. Results from the regression analysis showed that compensation, speed of recovery, and apology are all influence customer satisfaction; and that apology has the biggest impact on customer service satisfaction.

Ellyawati and Dharmmesta (2012) examined impact of service failure through the model of service recovery evaluation. The study adopted justice theory to determine the influence of emotions on three justice dimensions (distributive, procedural, and interactional) on consumer satisfaction. The study surveyed 102 retailers in the Yogyakarta region in Indonesia, whose customers had experienced service failure and received service recovery; and employed hierarchical regression model. The results show that perceived justice (distributive, procedural, and interactional) significantly affects customer satisfaction; and that that emotions moderate the effect of perceived justice on customer satisfaction.

Also, Ateke and Harcourt (2017) examined the association between complaint satisfaction and post-complaint behaviour of patrons of eateries in Port Harcourt. The study adopted a correlational research design; and utilized a structured questionnaire to collect primary data from 415. The study used Spearman's rank order correlation as the test statistic, and found that complaint satisfaction has statistically significant association with post-complaint behaviour (repeat purchase intention, word-of-mouth, commitment and trust).

Relatedly, Ateke et al. (2015) probed the connection between complaint management and relationship quality, using customer satisfaction, trust, commitment and conflict resolution as metrics of relationship quality. Adopting a descriptive research design, the study utilized questionnaire to collect primary data

1,020 customers drawn from 20 money deposit banks in Port Harcourt. The test statistic used in the study was the Spearman's Rank Order Correlation. The study found that complaint handling has positive and statistically significant correlation with conflict resolution, customer satisfaction and trust, while the relationship between complaint handling and commitment is positive but weak. The study thus concluded that complaint handling drives relationship quality through conflict resolution, customer satisfaction and trust.

METHODOLOGY

This current study was conducted using the survey method. A significant sensible number of service recovery contemplates utilized in the study include that of Ellywati and Dharmmesta (2012). Survey research design has been used in perceived justice and satisfaction studies by Wirtz and Mattila, (2004); and in post-recovery emotion explores, for example, Schoefer and Ennew, (2005).

The population of this study comprised domestic airline customers in South-West Nigeria. The focus was the 3 airports in the zone (Murtala Mohammed International Airport, Ikeja, Lagos state; Akure Airport, Ondo state and Ibadan Airport, Oyo state). The study employed quota and purposive sampling techniques. Quota sampling was to ensure that respondents from the various demographic attributes partake in the sample. Quota sampling aims to ensure that the selection of potential respondents is based on some pre-specified quotas for either demographic characteristics or certain behaviors disproportionately (Okeke & Eze, 2012). The purposive sampling technique was used because respondents for this study met certain conditions to be selected.

Cochran's formula for calculating a sample from an unknown population was used following the yardsticks (Tull & Hawkins, 1993): allowable error margin (e^2), level of confidence to be obtained (z^2), and an estimated variance for the population (α^2). As indicated by Field (2009), the coefficient Z, for a 95% degree of certainty is 1.96 and as per Tull and Hawkins (1993), the change α^2 for a 5-point Likert scale is 1.3. A five-point interval Likert scale was utilized to quantify the perceived justice of service recovery and post-recovery satisfaction.

A sample size of 1,998 domestic airline customers was purposively selected from the three locations in this order: Murtala Mohammed International Airport, Ikeja (1,400); Akure Airport (249), and Ibadan airport (349). The sample size was apportioned based on National Bureau of Statistics data on airport patronage by customers in Nigeria. According to NBS (2019), passenger movement (domestic flight) in the zone during the last quarter of 2019 was 2,486,704 out of which Murtala Mohammed International Airport, Ikeja, recorded 909,851 passengers; Ibadan airport recorded 16,744 passengers while Akure airport had 4,112 airline passengers. The local flight ratio of the three airports in the southwest geopolitical zone is 36.6, 0.7, and 0.4 respectively.

The instrument used for collecting primary data was the questionnaire. Descriptive statistics of tables and percentage counts were used to present the demographic variables of the respondents. Partial Least Square Structural Equation Modeling (PLS-SEM) with the aid of IBM®SPSS®AMOS™25 was used to test and confirm the interrelationship among the variables posited by the conceptual framework and to ensure goodness of fit to the conceptual model.

RESULTS AND DISCUSSION

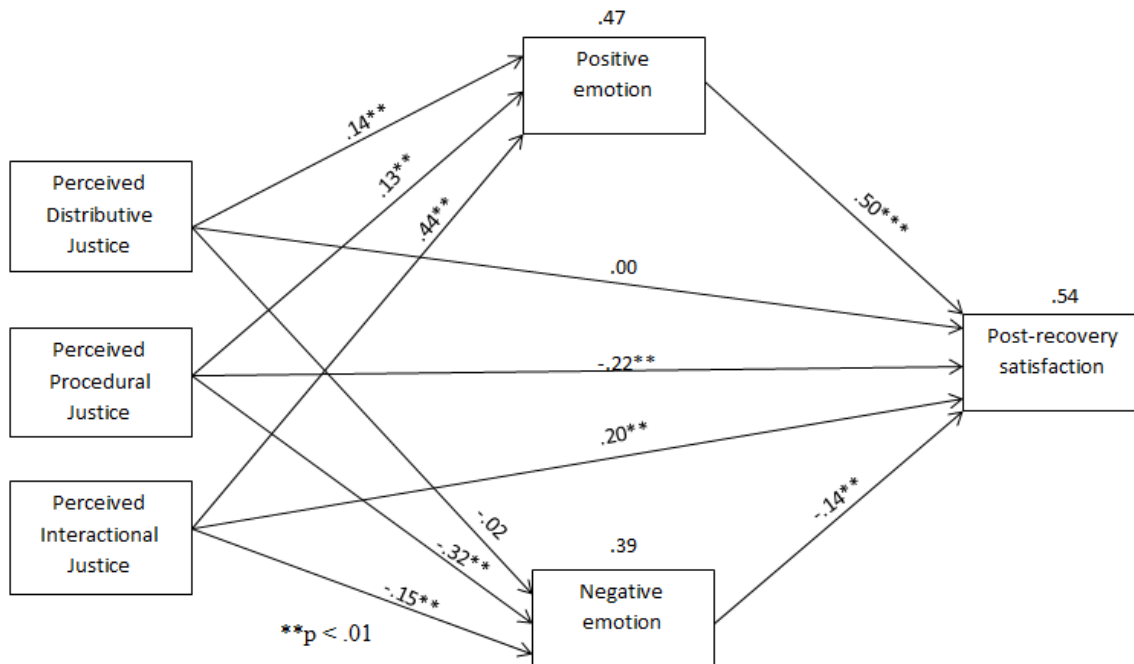


Fig. 1: Positive emotion and negative emotion mediating the influence of perceived justice dimensions and post-recovery satisfaction

The model fit was good, $\chi^2(3) = 3.32$, $p = .35$; CFI = 1.00; RMSEA = .04 [90% CI = (.01, .09)], SRMR = .02. The direct influence of procedural ($\beta = -.22$, $p < .001$) and interactional justice ($\beta = .20$, $p < .001$) were significant on post-recovery satisfaction while that of distributive justice was not ($\beta = .01$, $p = .81$). The direct influence of distributive ($\beta = .14$, $p < .001$), interactional ($\beta = .44$, $p < .001$) and procedural justice ($\beta = .13$, $p < .001$) were significant on positive emotion. Specifically, an increase in distributive, interactional, and procedural justice predicted an increase in positive emotion. Positive emotion was also significant in post-recovery satisfaction ($\beta = .50$, $p < .001$). An increase in positive emotion predicted an increase in post-recovery satisfaction.

According to Preacher and Hayes (2004), there must be both indirect and total effects of the independent variable on the dependent variable for the confirmation of a mediation hypothesis. Results of mediation analysis showed that standardized total effects of distributive ($\beta = .07$, $p = .006$), procedural ($\beta = -.11$, $p = .002$) and interactional justice ($\beta = .43$, $p < .001$) on post-recovery satisfaction were significant. Bootstrapping was used in testing indirect effects. Result below at appendix displays the 90% and 95% bias-corrected confidence intervals with (10,000 bootstrapping) for indirect effects.

The indirect effects of distributive, interactional, and procedural justice on post-recovery satisfaction did not pass through zero indicating a significant indirect effect. Given that the total and indirect effects of all perceived justice dimensions were significant, it is confirmed that positive emotion significantly mediates the influence of distributive, interactional, and procedural justice on post-recovery satisfaction. This means that all justice dimensions predicted positive emotion, and positive emotion in turn predicted post-recovery satisfaction. While the mediating effects of positive emotion on the associations of procedural justice and interactional justice with post-recovery satisfaction were partial (since direct effects were significant), the

mediating effect of positive emotion on the association between distributive justice and post-recovery satisfaction was full (given that direct effects were not significant).

As shown in fig. 1, the direct influence of procedural ($\beta = -.32, p < .001$) and interactional justice ($\beta = -.15, p = .002$) were significant on negative emotion while that of distributive justice ($\beta = -.02, p = .30$) was not. Specifically, an increase in procedural and interactional justice predicted a decrease in negative emotion. Negative emotion was also significant in post-recovery satisfaction ($\beta = -.14, p < .001$). An increase in negative emotion predicted a decrease in post-recovery satisfaction.

Results of mediation analysis showed that standardized total effects of distributive ($\beta = .07, p = .006$), procedural ($\beta = -.11, p = .002$) and interactional justice ($\beta = .44, p < .001$) on post-recovery satisfaction were significant. Result below displays the 90% and 95% bias-corrected confidence intervals with (10,000 bootstrapping) for indirect effects. The indirect effects of procedural and interactional justice on post-recovery satisfaction through negative emotion did not pass through zero, indicating a significant indirect effect.

However, the indirect effect of distributive justice on post-recovery satisfaction through negative emotion passed through zero indicating a non-significant indirect effect. Given that the total and indirect effects of procedural and interactional justice were significant, it is confirmed that negative emotion significantly mediated the influence of procedural and interactional justice on post-recovery satisfaction. This means that procedural and interactional justice predicted a decrease in negative emotion, which in turn predicted an increase in post-recovery satisfaction. These mediating effects were partial given the significant direct effects of procedural and interactional justice on post-recovery satisfaction.

CONCLUSION AND RECOMMENDATIONS

This study investigated perceived justice of service recovery and post-recovery satisfaction, a study of domestic airline customers in the southwest geopolitical zone of Nigeria. To this end, three dimensions of perceived justice of service recovery were sampled based on the revealed literature and the researcher's interaction with domestic airline customers during the study. The study examined the influence of these three dimensions of perceived justice (independent variables) on post-recovery satisfaction (dependent variable); as well as the mediating effect of positive and negative emotions on perceived justice of service recovery and post-recovery satisfaction.

Sequel to the findings of this study, the following recommendations are made.

- 1) Necessary airline service regulators in the study area should always put in place policies and stable regulations that will help airline firms to operate easily and freely. They should also provide a good conducive environment and needed infrastructures for airline firms to perform better.
- 2) Airline managers and operators in the study area should always carry out proper planning in their operations. Sound planning which should be in line with training is a necessary input to sound decision-making, which informs putting in place appropriate strategies and policies at the appropriate times to address service failure and improve service delivery.
- 3) Since service failure could be caused by both service firms and customers, airline companies should establish special units within the airport to guide new customers who may not know what to do especially when they are patronizing the airline for the first time.

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