Impact of Perceived Severity and Controllability of Service Failures on Expectations of Justice in Complaint Redressal

Ms. Maria Fatima De Souza, Dr. Purva Hegde Desai

Abstract: The present study uses the ‘Justice Theory’ framework and links the combined effect of severity and controllability of service failure situations to the justice-based recovery expectations of airline passengers. The consumer expectations are comprised of Distributive justice, Procedural justice, and Interactional justice needs as stated in the Justice Theory. The integrating effects of severity and controllability on the justice-based recovery expectations are the key issues that this research paper unfolds.

Objectives of the study:
- To make an inventory of common complaints in the airline industry.
- To find the severity and controllability of the complaint situations as perceived by airline passengers.
- To identify the differences, if any, in expectation of justice across different situations according to their perceived severity and controllability.

Methodology: The design of this research includes two stages, namely, qualitative and quantitative methodology to achieve the objectives of the research. In the first stage of this research, in-depth exploratory interviews with the officials of all the airlines operating in the state of Goa, India, were conducted to get acquainted with the industry-specific issues. An enriched inventory of complaints and the complaints were classified under thirteen major heads. In the second stage of the research, the hypotheses based on conceptual model were empirically tested.

Results: This study proposed and tested a conceptual model based on literature review and exploratory study. The conceptual model hypothesized that the justice-based recovery expectations depend on the combined characteristics of severity and controllability of the failure situation. The results of this study suggest that expectation of justice is significantly different across different types of failure situations. This study concludes that justice-based recovery expectations in complaint redressal depend on the combined effect of severity and controllability of the failure situations as perceived by the airline passengers.

The study has theoretical contributions and managerial implications.

Key words: Complaints in Airlines, Severity and Controllability of Failure Situations, Expectations of Justice in Airline Industry

I. Introduction

The idea of zero defect tactics is fairly challenging to implement in the service industry (de Ruyter & Wetzel, 2000). Therefore, the satisfaction of consumers and the complaint solution are among the most important aspects that the service providers need to focus on. Earlier study by Pearson (1976), who studied both sides of a complaint, indicates that in 70% of the instances, the manufacturers responded to the complaint letters. Out of those consumers who received responses from the company only 52.7% were satisfied.

Hart et al., (1990), found that over half of the attempted recoveries leave customers feeling negative about the provider and half of the time customers perceive that the “interactions, procedures and/or outcomes” of a provider’s attempted recovery of a service failure were unfair.

Research has shown that most of the customer complaints are those who are displeased with the manner in which the company processes their complaints. It appears that the companies are not well equipped in matters of effective complaint handling. Thus the complaints are not sufficiently addressed by businesses (Lewis & McCann, 2004). This provides an understanding, that if the customers are not taken seriously in the increasingly service-dominated world economy the customer may indulge in negative word of mouth (Blodgett et al., 1995), switching to competitors’ firm (Homburg & Furst, 2005) and have disloyal feelings towards the company (Colgate & Norris, 2001).

Moreover, good service recovery can help achieve customer loyalty (Andreasen, 1999), customer retention (Strauss, 2002), prevent customer defection to other service providers (Reichheld & Sasser, 1990), increase profitability if the customers stay with the company (Lewis & McCann, 2004).

According to Maxham & Netemeyer, (2002), there is a lack of empirical research with respect to the effects of complaintant’s perception of justice. Moreover, the sector-wise research seems to be further limited. Verma & Kaur, (2001) made an attempt to make a two-dimensional study in passenger car sector. The precise
Objective of this study was to match the consumer’s expectation of the response to the complaints and the actual response of the company and then find the subsequent post complaint satisfaction-dissatisfaction focusing on, MarutiUdyog Ltd. and Hindustan Motors Ltd.

According to Collie et al., (2000), there is rarity of the application of service recovery and justice theory in tourism and hospitality sector. Generally, research in the area of hospitality services is in its infancy stage and there is paucity of research on service recovery in the airline industry.

This research attempted to study the customers’ expectations of justice sought in complaint redressal in airline industry. This can lead to a better understanding of customer expectations of complaint redressal in airline industry. This, would in turn, lead to sustainable relationship management as it is found that complaint handling satisfaction is significantly and strongly associated with both, trust and commitment, which provides empirical support for the proposition that complaint handling is tied closely with the relationship marketing (Tax et al., 1998).

The study will contribute to the theoretical knowledge and will also have practical implication to the aviation industry. The result of this study may reveal the extent and the type of justice in complaint redressal the best suited for airline passengers, in different service failure situations. The findings of the study may also benefit and enrich the knowledge of expectations of different classes of passengers for common airline complaints.

It seems to be sufficient studies in the area of consumer satisfaction and dissatisfaction, as this field has received increasing attention from researchers, academicians and practitioners. In contrast, the number of studies which focus on the post-complaint process is almost negligible (Verma&Kaur, 2001).

The above findings seem to necessitate research in the area of expectations of customers from the process of complaint redressal. Thus this research is an attempt to correlate the expectations of justice sought by passengers after service failure according to the severity and controllability of the failure situation.

II. Literature Review

In terms of competitive elements in the new millennium, it has become distinct that most the service organisations are progressively interested in achieving high level of differentiation and competitive advantage, in their quest for growth and advancement. Globalisation and value driven business domineering therefore, mean that service faults will not be taken lightly and tolerated (Bamford&Xystouri, 2005).

Complaints:

In day to day service operations, all service firms experience, the customer is not satisfied with either the service outcome, the service process or both (Zhu et al., 2004). In general, dissatisfaction after the consumption of the product or service is the primary cause for complaints (De Meyer & Petzer, 2011).

A complaint from a consumer is an overt manifestation of dissatisfaction (Resnik&Hermon, 1983). A complaint has been defined as an action taken by an individual, which involves communicating something negative regarding a product or service to either the firm manufacturing or marketing the product or service or to some third party entity (Jacoby&Jaccard, 1981). Customer complaints are suggestive of a level of satisfaction with product/service quality (Metwally, 2013).

Consumer Complaining Behaviour (CCB):

According to Hess, (1999), response to failures can take forms of affective responses e.g., (anger, satisfaction), cognitive attribution of causality, disconfirmation and behavioural intensions (complain, exit, loyalty, word of mouth). Past literature on consumer complaining behaviour has provided sufficient proof indicating, complexity of consumer responses to service failures (DeMatos et al., 2007; Walker & Harrison 2001; Johnston &Mehra, 2002).

A commonly accepted view in consumer complaining behaviour is that a certain level of consumer dissatisfaction must exist for complaining to occur (Halstead & Page 1992). Several factors influence consumer’s propensity to complain about a less than satisfactory service experience. Complaints are used by the customers to express their dissatisfaction in anticipation of redressal.

Characteristics of Service Failure Situations:

The characteristics, of failure situations have been viewed as playing key role in consumers’ expectations of service recovery in extant literature.

Severity:

According to McCollough, (2009), an inadequate number of research studies have investigated what researcher normally; refer to as severity, magnitude or the harm of the service failure.
Impact of Perceived Severity and Controllability of Service Failures on Expectations of Justice

Service failure severity refers to a customers’ perceived intensity of a service failure (Lai, 2007). According to de Matos et al., (2007), ‘service failure severity refers to customer’s perceived intensity of a service failure. Customer’s perceived loss is directly related to the intensity of severity of failure. The more intense or severe the service failure, the greater the customer’s perceived loss.

Lai, (2007), opines that “service failure severity can enhance service recovery expectations in a customer’s mind and therefore the service provider should adopt different service recovery strategies depending on the severity of the problem”. He further states, this is in conformity with previous research in this area which suggests that, “the severity of the service failure will be influential in the evaluation of service provider after a service failure.

Controllability:

Researchers have brought out that customers’ attributions result in both behavioral and affective outcome. If customers feel that primary responsibility or control of the failure incident was with the service provider or believe that service provider should have anticipated the incident due to its consistency, the customer will blame the service provider for the failure (Anderson et al., 2005).

Folkes, (1984), define controllability, ‘as the degree to which customers perceive causes of failure as volitional or non-volitional.

Controllability also refers to whether the consumer perceives that the seller could have prevented the problem or whether it was accidental (Blodgett, 1994).

Service Failure:

Services fail, and fail often, due to the unique nature of services; failure in the delivery of services is both more common and inevitable than goods failure (Fisk et al., 1993). Service failures are inescapable and appear in both - the process and the consequences of service delivery. Service failure pertains to conditions when the service fails to live up to the customer’s expectation (Michel, 2001). Complaints from customers make the service provider aware of service failures (Zeithaml et al., 2003).

According to Bateson & Hoffman, (1999), “if the service provided does not correspond to the expectations of a customer; a service failure will occur”. Customers commonly have pre-purchase hope from the service provider (Hepworth, 1992), thus service failure will happen when a service is not delivered as anticipated by the consumer.

Bell &Zemke, (1987), state that, “service failures occur when the organisation cannot meet the customer’s expectation and that, service failures occur when service is unavailable, unreasonably delayed, or when service is delivered below an acceptable level”.

This is further affirmed by Hess et al., (2003), who state that “a service failure occurs when a service delivery or performance falls below the customers’ expectations or when a customer, expects a particular outcome, but gets something else in return, such as the unavailability of a required service, a sluggishly, delivered service or errors in the delivery of service.

Lai, (2007), defines a service failure, “as the shortfall of service performance that fails to meet the expectation of the customers’.

According to Abou&Abou, (2013), “from a customer’s perspective, a service failure refers to, a service fault or error that occurs during the service delivery, causing dissatisfaction”.

Hence when the service is not delivered appropriately or when a flawed service is delivered it will result into service failure.

Service Recovery:

It is observed that research into service recovery has been rapidly developing over the past 20 years with the emergence of service economies and customer focussed strategies employed by business organisations (Johnston & Michel, 2008).

Moreover, previous research studies reported that customers who experience a service failure told nine or ten individuals about the poor service experience whereas satisfied customers told only four or five individuals about their satisfaction experience ( Ennew&Schoefer, 2004).

According to Fornell, (1988), life insurance companies, airlines and health insurance companies are identified as the worst industries at handling complaints, whereas super-markets and automobile companies are considered to do much better.

Leal & Pereira, (2002), suggest that the “failure should lead to urgent and adequate service recovery which can restore business relationship with customers”.

Hence it is worth examining some of the definitions of service recovery, given these highly divergent perspectives in service sector.
According to Johnston, (1995), ‘recovery is an evolved term in the service literature which is concerned with handling an organisation’s response to service failures when they occur’ and he further defines recovery as to ‘seek out and deal with service failures’.

Levesque & McDougall, (2000), observe, “That service recovery comprises of actions taken by service providers to respond to service failures”.

Bell & Zemke, (1987), ‘describes service recovery from the perspective of the organisation, “and includes the action and activities that the service organisation and its employees perform to “rectify, amend and restore the loss experienced”

Krishna et al., (2011), observe, “Service recovery as a set of post-failure actions taken by the service provider to repair damage experienced by a customer after a service failure has occurred”.

The above literature on service recovery points out that, there seems to be an emerging realisation both by practitioners and in the academic literature that service recovery is not just about recovering dissatisfied customer’s and regain their satisfaction and loyalty toward the firm but to look for an opportunity for service improvement and better serve the customer.

Hence, service recovery involves those actions designed to resolve problems or negative experiences of dissatisfied customers caused to the consumer by service fault or shortfall of services, and to ultimately retain those customers.

III. Theoretical Background

In evaluating post complaint satisfaction, researchers very commonly focussed on complaint handling and service recovery performance, using different theoretical perspectives (Boshoff, 1999), some researchers used Disconfirmation Perspective while some others have used Perceived Justice. Attribution theory is also used as they influence recovery expectation and performance. Some researchers have used a combination of two theories e.g., justice theory and disconfirmation theory (Smith et al., 1999)

Furthermore, contemporary research studies on complaint handling and service recovery, have offered extensive indication of the suitability, of the concept of justice and justice theory as a foundation of understanding the process of service recovery and its outcomes (Smith et al., 1999; Tax et al., 1998; Blodgett et al., 1997; Dos Santos & Hyde Fernandez, 2011).

Perceived justice is an important concept in complaining behaviour research as it is a moderator. It represents a standard by which a voiced complaint is assessed by the dissatisfied consumer. (Bootee, 1998; Blodgett & Granbois, 1992).

Three types of expectations of justice have been identified in literature namely Distributive Justice, Procedural Justice, and Interactional Justice.

According to Adam, (1963), who founded the social exchange theory, distributive justice focuses on the role of equity, where people evaluate the fairness of an exchange by comparing their inputs to outcomes to form an equity score.

**Distributive Justice:**

According to DeWitt et al., (2008), distributive justice involves the tangible outcomes of a service recovery process. Lovelock & Wirtz, (2004), describes distributive outcome justice as compensation that a customer receives as a result of the services failure. This includes compensation for not only the failure but also the time, effort and energy spent during the process of screen enquiry. Distributive justice focuses on the perceived fairness of the outcome of the service encounter. In other words, what specifically did the offending firm offer the customer to recover from the service failure? In a customer complaint context, distributive justice refers to resource allocation and the outcome of exchange, e.g. refund, and rebate (Deutsch, 1975)

**Procedural Justice:**

According to DeWitt et al., (2008), procedural justice involves the procedures, by which a recovery attempt is conducted. The procedural justice concerns the procedures used to reach the outcomes of an exchange e.g. refund policies and rules that any customer will have to go through in order to seek fairness. Here, the customer expects the firm to facilitate a convenient and responsive recovery process that includes flexibility of the system and consideration of customer inputs onto the recovery process.

**Interactional Justice:**

According to DeWitt et al., (2008), interactional justice involves the manner in which a customer is treated during a service recovery process.
Cengiz et al., (2007), define interactional justice as the extent to which customers feel they have been treated fairly regarding their personal interaction with assumed responsibilities, which is the key to the start of a fair procedure, followed by service agents throughout the recovery process.

According to Lovelock & Wirtz, (2004), interactional justice involves the firm’s employees who provide the service recovery and their behaviour towards the customer. Giving an explanation for the failures and making an effort to resolve the problem are very important. However the recovery effort must be perceived as genuine, honest and polite.

IV. Justice Theory and Complaint Redressal:

In marketing research, the justice framework has served to explain customer’s perception of fairness of the service encounter. Justice encompasses the propriety of decisions. A three dimensional view of the concept has developed over time which includes distributive justice (Dealing with decisions outcomes), procedural justice (dealing with decision making procedures) and interactional justice (dealing with interpersonal behaviour in the enactment of procedures and delivery of outcomes (Schofer & Ennew, 2005). This is affirmed by Austin, (1979), who observes that, “Justice relates not merely to outcome distributions but also the procedure involved as to how the distribution is arrived at and the mode by which it is employed.

The theoretical viewpoint suggests that the evaluation of fairness of the complaint resolution process, the interpersonal communication and behaviour and the outcome are the primary antecedents of customer appraisal of service recovery (McCollough, 2009).

Past research has used justice theory as background theory to explain customer complaint handling and service recovery have strong positive impact on customer loyalty, behavioral intentions and trust and commitment. Past research also used justice theory to explain the impact of appropriate and timely recovery to build strong relationship with customer and customer retention.

The above literature review showed the following observations:

- Controllability as a characteristic of complaint situation is less researched.
- Severity of complaint situation has been researched by many researchers but it is not researched together with controllability of failure situation.
- The previous studies have examined separately the influence of severity and controllability of failure situations on expectation of service recovery. However a simultaneous impact of severity and controllability of failure situations has not been attempted.
- Research has not been conducted to classify complaints based on severity and controllability, which would bring out the complete characteristics of the complaint situation/failure situation. This could be described in more complete manner with reference to both characteristics of severity and controllability.
- The research in the area of justice sought in redressal is generic in nature rather than sectorial except for the study conducted in India (Verma & Kaur, 2001) in passenger car industry,
- The research considered all customers to behave in similar fashion irrespective of any classifications,
- Although the impact of justice in redressal on customers’ satisfaction with redressal, trust and commitment has been studied, understanding of the customers’, perceptions of justice sought was not studied. This could limit the knowledge necessary for redressing the complaints according to the justice sought.
- While service failure and recovery have received considerable research attention, no studies could be found, in extant literature that studied the simultaneous impact of the severity and controllability of failure situations on the expectation of justice sought by customers.
- Most of the research with respect to customer complaining behaviour has been conducted in the European countries and the United States.

The present research attempts to address the gaps. As there are many complaints coupled with little loyalty in the airline sector, it seems that the customers’ expectations of complaint redressal are not met with (Hegde Desai & Sousa, 2013). It also accentuates from previous research that though, service failure and recovery have received considerable research attention, no studies could be found, in extant literature, that studied simultaneously, the impact of the severity and controllability of failure situations, on the expectation of justice sought by customers. Moreover, the conditions prevailing in developed countries may be different from the prevailing conditions in Asian countries, more particularly in India.

In literature, there are studies that support the influence of service failure severity and controllability on recovery expectations but how they impact recovery expectations simultaneously has not been discussed. The present study will contribute to service recovery theory by illustrating how these two variables will influence the service recovery expectations.

Researchers also gave strong signals, for improvement in strategic recovery because currently used recovery strategies are largely ineffective across different service settings. Understanding the differences in
service recovery from the customer’s perspective is the key issue, as understanding customer experience increases the likelihood of service recovery (Davidow, 2003).

Hence, the researcher used the justice theory framework to study the combine effect of severity and controllability of service failure to elicit justice based recovery expectations.

V. Objectives of the Study:
1. To make an inventory of common complaints in the airline industry.
2. To find the severity and controllability of the complaint situations as perceived by airline passengers.
3. To identify the differences, if any, in expectation of justice across different situations according to their perceived severity and controllability.

VI. Conceptual Model

Based on the literature review a conceptual model was developed to study the justice based recovery expectations of airline passengers by combining the characteristics of severity and controllability of the complaint situations. It was conceptualized that the justice based recovery expectations would depend on the situation type as shown in the four quadrants of the model. The quadrant-wise situations are severe controllable, severe not controllable, not severe not controllable and not severe controllable. This is depicted in the conceptual Model (Fig. 2.13)

Proposed Conceptual Model of the Study:

Based on the above literature review the following hypothesis was derived for further testing.

Hypotheses for Testing Proposed Conceptual Model Based on Justice Theory:
It was then hypothesized that different types of situations would lead to different types of expectations of justice.

H1. In severe not controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

H2. In not severe controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

H3. In not severe not controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

H4. In severe controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

b) Within quadrants a-priori directions of hypotheses are based on the characteristics of failure situations. e.g., when a situation is not controllable passengers may prefer interactional justice to other types of justice. The present study focused more on controllability characteristic of the failure situation.

H5a. In severe not controllable failure situations, the expectations of interactional justice are higher than distributive justice.

H5b. In severe not controllable failure situations, the expectations of interactional justice are higher than procedural justice.

H5c. In severe not controllable failure situations, the expectations of procedural justice are higher than distributive justice.

H6a. In not severe controllable failure situations, the expectations of distributive justice are higher than interactional justice.
H6b: In not severe controllable failure situations, the expectations of distributive justice are higher than procedural justice.
H6c: In not severe controllable failure situations, the expectations of interactional justice are higher than procedural justice.
H7a: In not severe not controllable failure situations, the expectations of interactional justice are higher than distributive justice.
H7b: In not severe not controllable failure situations, the expectations of interactional justice are higher than procedural Justice.
H7c: In not severe not controllable failure situations, the expectations of procedural justice are higher than distributive Justice.
H18a: In severe controllable failure situations, the expectations of distributive justice are higher than interactional justice.
H8b: In severe controllable failure situations, the expectations of distributive justice are higher than procedural justice.
H8c: In severe controllable failure situations, the expectations of interactional justice are higher than procedural justice.

VII. Methodology:
The research covers the expectation of justice in complaint redressal in airline industry based on controllability and severity of the complaint situations. The study was conducted in Goa, with adequate number of passengers. In the first level of this research, in-depth exploratory interviews with the officials of all the airlines operating in the state of Goa, India were conducted. An open ended questionnaire was administered. This resulted in interviews of managers of eight airlines. Out of the eight airlines, two were operating only internationally, three operated in both domestic and international sectors, and three operated only in the domestic sector.

The result of in-depth exploratory interviews revealed different categories of common complaints (service failures) encountered by the passengers. Findings also revealed that the passengers have different expectations of justice in complaint redressal.

In the second stage, ‘Part-A’ an inventory of complaints situation collected at first stage was made and then linked to the characteristics of controllability and severity.

The detailed hypotheses for the research leading to proposed models of research were derived from the ‘PART-A’ of second stage of research. Quantitative testing of the hypotheses is proposed in ‘PART-B’ of the second stage research.

VIII. Statistical Tests Used in this Research:
The statistical tests used in this research include the ANOVA and independent sample t test, to test the research hypothesis. An ANOVA makes multiple comparisons of treatment groups in single tests, by identifying whether there is any difference in mean values. Moreover, the possibility of multiple comparisons makes the ANOVA technique more useful than structural equation modeling and regression analysis in experimental examinations (Morrison, 2005).

Secondly, the independent sample t-test assesses the statistical significance between two sample means. This test identifies the difference between groups by computing t-values, p-values and mean differences (Zikmund, 2000).

IX. Sample and Administration:
The researcher targeted a total sample of 500 respondents. The respondents were airline passengers. Accordingly, the researcher intercepted 400 passengers (arrivals and departures) at the Dabolim airport, Goa, India, over a period of 64 days (18th February, 2014 to 22nd April, 2014) and personally administered the questionnaire. The scenario method seems to be most appropriate for the present research as the respondents were intercepted in the midst of actual service setting.

The respondents returned the completed questionnaires within a period of ten minutes. Each respondent was given any one of the sets of questionnaire (either Q-2, or Q-2a).

There searcher dispatched 50 questionnaires by post with postage, pre-paid envelopes including those respondents who could not return the questionnaire at the time of interception at the airport due to time constraint and were given self-addressed postage pre-paid envelopes, with the request to return the completed questionnaires by post. 50 questionnaires were e-mailed to solicit the responses.

The response rate for 50 questionnaires dispatched by post was 48 which are 96%, and the e-mail response received was 37 which work out to 74%. The questionnaires administered personally registered 98.2% response rate.
However, all the questionnaires received could not be used, in the research study, due to either incomplete information provided in the questionnaire, or the respondents did not fill the questionnaire as per the instructions. Hence the usable questionnaires were 459, out of which 391 were personally administered, 41 were those received by post, and 27 were those received by e-mail. The data was entered on SPSS DATA SHEET and SPSS 16.00 VERSION was used for analyses.

X. Findings and Analysis:

a) Demographic characteristics of the sample:
The total sample consisted of 459 airline passengers. Based on the criteria of age 36% are from the age group of 21-29, 45% percent are from the age group of 30-49 and 19% belong to 50 plus age group. This explains that the younger people travel more by airlines. Based on gender male constitute 69% of the sample and females 31% which shows that males travel more than female passengers. Based on the criteria of educational qualification the sample consists of 32% graduation and below, and 39% post-Graduation and 30% are professionals. Based on type of passengers based on residence domestic passengers constitute 54% and the least is NRI passengers which constitute only 16% of the sample. Business and leisure, constitute, 31% and 69% of the sample respectively. Frequent fliers are 26% of the sample and 74% are less frequent fliers. Based on the income categories of passengers the lower most income groups constitutes 57%, of the sample study, and the highest income group constitutes the least, 20% of the sample. Based on flying length of the journey 46% of the sample undertakes short routes, 18%, 23%, of the sample constitutes that travel mid haul and long haul hours of travel respectively, 54% of the sample have travelled in group, 36%, percent of the sample constitutes those travel individually and 10% have travelled both in group as well as individually. The sample also shows that 35% of the sample travel through tour operator and 65% prefer to travel independently. This shows that all the categories of passengers are adequately covered in the sample.

b) Results and analyses to test the conceptual model
This section presents the results and analysis of the following hypothesis:

H3. In severe not controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

H4. In not severe controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

H5. In not severe not controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

H6. In severe controllable failure situations, the expectations of distributive justice, interactional justice and procedural justice in complaint redressal are significantly different.

The statistical results and interpretation, and testing of hypothesis is presented below:

<table>
<thead>
<tr>
<th>Table 1.1 Results of Anova showing significant difference between three types of Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>SITUATION-1</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>SITUATION-2</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>SITUATION-3</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>SITUATION-4</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

From the output table-1.1 for the one-way Anova:

a) We see that the F. Ratio is 57.741 and the significance is .000 for situation 1 which represents severe not controllable failure situation. Therefore it is concluded that the expectations of all three types of justice will be significantly different in case of severe not controllable failure situations at 95% confidence level.
b) Similarly, it is seen that the F. Ratio is 294.605 and the significance is .000 for situation 2 which represents **not severe controllable failure situation**. Therefore it is concluded that the expectations of all three types of justice will be significantly different in case of **not severe controllable failure situation** at 95% confidence level.

c) It is seen that the F. Ratio is 169.426 and the significance is .000 for situation 3 which represents **not severe not controllable failure situation**. Therefore it is concluded that the expectations of all three types of justice will be significantly different in case of **not severe not controllable failure situation** at 95% confidence level.

d) It is seen that the F. Ratio is 110.841 and the significance is .000 for situation 4 which represents **severe controllable failure situation**. Therefore it is concluded that the expectations of all three types of justice will be significantly different in case of **severe controllable failure situation** at 95% confidence level.

### Table 1.2  Anova showing Descriptive statistics between different types of justice

<table>
<thead>
<tr>
<th>Situation</th>
<th>Type</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>95% Confidence Interval for Mean</th>
<th>Min.</th>
<th>Max.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Upper Bound</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situation-1</td>
<td>Distributive</td>
<td>459</td>
<td>1.77</td>
<td>.841</td>
<td>.039</td>
<td>1.69</td>
<td>1.84</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Interactional</td>
<td>459</td>
<td>2.29</td>
<td>.744</td>
<td>.035</td>
<td>2.23</td>
<td>2.36</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Procedural</td>
<td>459</td>
<td>1.87</td>
<td>.780</td>
<td>.036</td>
<td>1.80</td>
<td>1.94</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1377</td>
<td>1.98</td>
<td>.821</td>
<td>.022</td>
<td>1.93</td>
<td>2.02</td>
<td>3</td>
</tr>
<tr>
<td>Situation-2</td>
<td>Distributive</td>
<td>459</td>
<td>2.62</td>
<td>.716</td>
<td>.033</td>
<td>2.55</td>
<td>2.68</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Interactional</td>
<td>459</td>
<td>1.67</td>
<td>.712</td>
<td>.033</td>
<td>1.60</td>
<td>1.73</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Procedural</td>
<td>459</td>
<td>1.66</td>
<td>.633</td>
<td>.030</td>
<td>1.60</td>
<td>1.72</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1377</td>
<td>1.98</td>
<td>.821</td>
<td>.022</td>
<td>1.94</td>
<td>2.02</td>
<td>3</td>
</tr>
<tr>
<td>Situation-3</td>
<td>Distributive</td>
<td>459</td>
<td>2.50</td>
<td>.772</td>
<td>.036</td>
<td>2.43</td>
<td>2.57</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Interactional</td>
<td>459</td>
<td>1.68</td>
<td>.806</td>
<td>.038</td>
<td>1.61</td>
<td>1.76</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Procedural</td>
<td>459</td>
<td>1.78</td>
<td>.620</td>
<td>.029</td>
<td>1.72</td>
<td>1.83</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1377</td>
<td>1.99</td>
<td>.822</td>
<td>.022</td>
<td>1.94</td>
<td>2.03</td>
<td>3</td>
</tr>
<tr>
<td>Situation-4</td>
<td>Distributive</td>
<td>459</td>
<td>1.84</td>
<td>.906</td>
<td>.042</td>
<td>1.76</td>
<td>1.92</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Interactional</td>
<td>459</td>
<td>2.38</td>
<td>.709</td>
<td>.033</td>
<td>2.32</td>
<td>2.45</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Procedural</td>
<td>459</td>
<td>1.66</td>
<td>.667</td>
<td>.031</td>
<td>1.59</td>
<td>1.72</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1377</td>
<td>1.96</td>
<td>.827</td>
<td>.022</td>
<td>1.91</td>
<td>2.00</td>
<td>3</td>
</tr>
</tbody>
</table>

In Table 1.2 – situation 1 representing the severe not controllable failure situation, indicates that the interactional justice is most important to the passengers. The **Mean for interactional justice is highest 2.29 indicating the preference for interactional justice over other type of justice. The passengers also show second preference for procedural justice (Mean =1.87) over distributive justice (Mean= 1.77).**

In Table 1.2 – situation-2 representing the not severe controllable failure situation, indicates that the distributive justice is most important to the passengers. The **Mean for distributive justice is highest 2.62 indicating the preference for distributive justice over other type of justice. The passengers show equal preference for interactional justice (Mean= 1.67) and procedural justice (Mean= 1.66).**

In Table 1.2 – situation -3 representing the not severe not controllable failure situation, indicates that the distributive justice is most important to the passengers. The **Mean for distributive justice is highest 2.50 indicating the preference for distributive justice over other types of justice irrespective of the failure situation being not severe not controllable. The passengers also show preference for procedural justice (Mean= 1.78) over interactional justice (Mean= 1.68).**

In Table 1.2 – situation-4 representing the severe controllable failure situation, indicates that the interactional justice is most important to the passengers. The **Mean for interactional justice is highest 2.38 indicating the preference for interactional justice over other types of justice. The passengers also show moderately high preference for distributive justice (Mean= 1.84) over procedural justice (Mean= 1.66).**
XI. Contribution of the Study:

The justice theory is linked to complaint characteristics as well as to the type of passengers in the airline industry. Specifically, it is affirmed that passengers in airline industry do distinguish between the three types of justice based on severity as well as controllability of the situations.

The expectations of justice when the characteristics of severity and controllability were used in combination

Past literature has used the characteristics of severity and controllability in isolation. The severity of the failure situation has been studied by many authors in the past (Hart, et al., 1990; Hess, et al., 2003; McCollough, 2009; Oliver & Swan, 1989; and Weaun et al., 2004).

Hart et al., (1990), states that, “justice based recovery expectation depend on severity and controllability of the service failure, wherein, the impact of controllability and severity of the failure situation on justice based recovery expectations have been examined separately and found that severity and controllability of the failure situation will impact the customers recovery expectations. However, when the characteristics of severity and controllability were considered together in this research, the findings were different from the above research. The findings showed that, the expectations of justice based recovery expectation are different across the four quadrants of the conceptual model. For example, in severe not controllable situation the passengers show very high preference for interactional justice over distributive and procedural justice, whereas in not severe controllable situation the passengers show very high preference for distributive justice over interactional and procedural justice.

Hess, et al., (2003); McCollough, (2009), affirmed that severity of service failure enhances the recovery expectations in consumers.

Weaun et al., (2004), demonstrated that customers facing a higher severity failure situation will become more dissatisfied and will be more likely to demand reparation. The severity of the failure situation directly affects customer outcomes (Oliver & Swan, 1989).

McCollough et al., (2000), concluded that, “the severity or the harm caused by the failure can influence the type of recovery necessary to mitigate the customer’s dissatisfaction such as whether the consumer will expect an apology or demand compensation. He explained with an example, that, a three hour flight delay which cause one person to miss an important meeting does much more harm than a three hour delay for someone who arrives the day before an important meeting.

Thus past research has found that severity impacts the justice based expectations of the consumers. However, the severity has not been linked to the three dimensions of justice of the justice theory, which has been done in the present research, in conjunction with controllability.

There are also prior research studies which studied the impact of controllability on expectations of service recovery (Zeithaml et al., 1993; Hart, et al., 1990; Kelly et al., 1993; & Hess et al., 2003).

Zeithaml et al., 1993, showed in their research that expectations are higher from service recovery when the failure is perceived as controllable. Hart et al., 1990, also stated that controllability of the failure situation should be considered to determine appropriate recovery strategy. According to Hess et al., 2003, severity of service failure enhances recovery expectations and he found that controllability has significant impact on recovery expectations.

Kelly et al., 1993, also demonstrated that service recovery falls short and less effective when failures are perceived to be controllable.

From the above discussion, it is evidenced that the severity and controllability of the failure situations have been researched independent of each other, in context of recovery expectations. Moreover there is evidence to show that the impact of severity of service failure on recovery expectations has been researched more than controllability (Levesque & McDougal, 2000; Swanson & Kelly, 2001; Mohr & Bitner, 1995; Hart et al., 1990; Hess et al., 2003; McCollough, 2009 ;).

The combined effects of severity and controllability on the justice based recovery expectations are the key issues that this dissertation unfolds. This study concludes that justice based recovery expectations in complaint redressal, depends on the combined effect of severity and controllability of the failure situations as perceived by the airline passengers.

XII. Limitations of the Study:

Research has shown that the majority of customers’ complaints are those dissatisfied with the way a company handles their complaints (Bitner et al., 1990). This study is conducted from the perspective of the airline passengers. The understanding of managers about the different type of situation based on the characteristics of severity and controllability will equip them better to address the failure situations. Hence the study may be conducted from the perspective of managers.

Lovelock et al., (2001), suggests that the heterogeneous nature of services implies that service recovery in two different settings would not be identical. The generalization is, therefore, mere impossible in the case of findings.
related to one service setting to across different service settings. The study may therefore be replicated in different service settings.

In further research it would be worth testing whether the expectation of justice will differ across types of passengers irrespective of the types of situations.

XIII. Managerial Implications:

In a highly competitive airline industry, managers must find ways to make their services stand out amongst others. To achieve this, managers must understand their customers’ needs and then set out to meet or exceed these needs.

According to Bejou & Palmar, (1998), Airlines service processes offer multiple opportunities for service failures to occur. Andreeva, (1998), opined that airlines are highly prone to service failures. According to Bitner et al., (1990), “customers generally do not expect services to be perfect and there is evidence to support that it is not service failure that affects customer’s satisfaction but it is the service provider’s recovery efforts following the failure that results in dissatisfaction”. Prior research also has affirmed that ‘airlines’ is one of the companies which is identified as the worst industry at handling complaints (Fornell, 1988).

The study aims to know which complaints are perceived as severe or more severe and which are not severe or less severe and similarly which complaints are perceived as controllable and which are perceived as not controllable. Therefore, the recovery efforts can be channellized towards the appropriate categories of complaints.

The findings of the study revealed that justice based recovery expectation of the airline passengers depend on the type of failure situations based on severity and controllability. Hence, the resources of the firm also are appropriately channellized towards the provision of justice as sought, according to different types of failure situations (HegdeDesai & sousa, 2013).

Since service failures are inevitable in the airline industry, (Steyn et al., 2011), suggests that, “airlines should try to minimise the possible damaging effect thereof, by putting service recovery strategies in place. The manner in which airlines react to service failures, could, therefore, potentially influence on whether a customer will stay with an airline or defect to a competitor.” Hence, this study would help to stall the flight of passengers to the competitors.

If the customer is not satisfied with service recovery, there will be secondary dissatisfaction which is explained as double deviation in marketing literature (McCollough et al., 2000; Zethaml et al., 1996; Hart et al., 1990). Therefore it is important for firms to provide appropriate service recovery strategies as satisfactory service recovery will result into customer satisfaction which is important for firm’s profitability and successful relationship marketing.

Understanding of justice based recovery expectations of airline passengers will place the managers and all other stakeholders to respond to airline service failure situations according to the need and requirement of the passengers. The manner in which airlines react to service failures could therefore stall the passengers switching to competitors and convert the dissatisfied customer into a satisfied customer which will have positive impact on profitability and will help to maintain long term relationships.

References


DOI: 10.9790/487X-171121022 www.iiosrjournals.org 20 | Page
Impact of Perceived Severity and Controllability of Service Failures on Expectations of Justice in Customers


