

**SERVICE RECOVERY PERFORMANCE:
THE EFFECT OF MANAGEMENT
COMMITMENT TO SERVICE QUALITY
AMONG THE FRONTLINE HOTEL EMPLOYEES
THROUGH WORK ENGAGEMENT AND JOB
EMBEDDEDNESS**

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UNIVERSITI SAINS MALAYSIA

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by

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**PRESTASI PEMULIHAN SERVIS: KESAN KOMITMEN PENGURUSAN
SERVIS BERKUALITI DALAM KALANGAN PEKERJA BAHAGIAN
HADAPAN HOTEL MELALUI KETERLIBATAN KERJA DAN
KETERLEKATAN KERJA**

ABSTRAK

Prestasi pemulihan servis adalah penting di dalam industri hotel sebagai salah satu tindakan atau tingkah laku pekerja bahagian hadapan dalam menangani kegagalan dalam servis. Kejayaan di dalam menghadapi situasi pemulihan servis mungkin bergantung kepada komitmen pengurusan terhadap servis yang berkualiti. Dalam kajian ini, komitmen pengurusan servis berkualiti yang dimanifestasikan oleh latihan servis, pemerksaan, ganjaran, kerjasama dan pengurusan aduan pelanggan di kaji terhadap hubungannya dengan prestasi pemulihan servis dengan kehadiran keterlibatan kerja dan keterlekatan kerja yang berperanan sebagai pengantara. Teori *Social Exchange* dan teori *Reformulation of Attitude* di guna pakai sebagai teori asas dalam mengkaji hubungan tersebut. Data di perolehi daripada soal selidik sendiri yang di fokuskan kepada pekerja hotel bahagian hadapan di hotel empat and lima bintang di Malaysia. Secara keseluruhannya 313 penyertaan di terima mewakili 35.98% kadar maklum balas dan data tersebut digunakan untuk dianalisis. Pendekatan *Partial Least Squares (PLS-SEM)* di gunakan untuk menganalisa hipotesis yang di bangunkan dalam mencari hubungan positif yang signifikan secara langsung dan tidak langsung di antara komitmen pengurusan servis kualiti, peranan keterlibatan kerja dan keterlekatan kerja sebagai pemboleh ubah

pengantara terhadap prestasi pemulihan servis. Hasil kajian menunjukkan: (1) komitmen pengurusan servis berkualiti (pemeriksaan, kerjasama, pengurusan aduan pelanggan, keterlibatan pekerja dan keterlekatan kerja) mempunyai positif signifikan secara langsung dengan prestasi pemulihan servis, (2) komitmen pengurusan servis berkualiti (latihan servis, ganjaran, pengurusan aduan pelanggan) mempunyai signifikan secara langsung dengan keterlibatan pekerja, (3) komitmen pengurusan servis berkualiti (pemeriksaan, ganjaran, pengurusan aduan pelanggan, keterlibatan pekerja mempunyai signifikan positif secara langsung dengan keterlekatan kerja, (4) Keterlekatan kerja adalah pemboleh ubah pengantara yang mempunyai hubungan di antara keterlibatan kerja dan prestasi pemulihan servis (5) keterlibatan kerja adalah pemboleh ubah pengantara yang mempunyai hubungan di antara hubungan komitmen pengurusan servis berkualiti (latihan servis, ganjaran, pengurusan aduan pelanggan) dan prestasi pemulihan servis dan (6) Keterlekatan kerja adalah pemboleh ubah pengantara yang tidak mempunyai hubungan di antara komitmen pengurusan ke atas servis kualiti dan prestasi pemulihan servis. Implikasi teoritikal dan praktikal kajian ini serta cadangan untuk menjalankan kajian ini di masa hadapan turut di bincangkan.

**SERVICE RECOVERY PERFORMANCE: THE EFFECT OF MANAGEMENT
COMMITMENT TO SERVICE QUALITY AMONG FRONTLINE HOTEL
EMPLOYEES THROUGH WORK ENGAGEMENT AND JOB
EMBEDDEDNESS**

ABSTRACT

Service recovery performance is crucial in the hotel industry as it reflects the action or behaviour of the frontline employees when encountering a service failure. The success of handling a service recovery situation may rely upon the commitment of the management towards upholding service quality. In this study, the management commitment to service quality which is manifested through service training, empowerment, reward, teamwork and customer complaint management, is examined in relation to service recovery performance. Work engagement and job embeddedness have mediating roles in the evaluation of service performance in this study. The Social Exchange Theory and Reformulation of Attitude Theory were employed as the grounded theory to assess the relationship. The data were obtained from self-administered questionnaires which focused on the frontline employees of four and five-stars hotels in Malaysia. A total of 313 participants were involved and they represented 35.98% of the response rate. A Partial Least Squares (PLS-SEM) approach was used to analyze the hypotheses developed to establish the direct and indirect positive significant relationship between management commitment to service quality as well as the role of work engagement and job embeddedness as the intervening variables in the service recovery performance. The findings of the study indicated that: (1) the management commitment

to service quality (empowerment, teamwork, customer complaint management, work engagement and job embeddedness) had a direct and positive significance to service recovery performance, (2) the management commitment to service quality (service training, rewards, customer complaint management) was significant to work engagement, (3) the management commitment to service quality (empowerment, rewards, customer complaint management) had a direct and positive significance to job embeddedness, (4) job embeddedness mediated the relationship between work engagement and service recovery performance, (5) work engagement mediated the relationship between management commitment to service quality (service training, rewards, customer complaint management) and service recovery performance and (6) job embeddedness do not mediate any component of the management commitment to service quality in relation to service recovery performance. The theoretical and practical implications of the study as well as the suggestions for future research avenues were also discussed.

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study, which discusses the importance of service recovery performance in the hotel industry, especially among the frontline employees. The problem statement or the issues pertaining to the role of management commitment in terms of service quality, work engagement and job embeddedness are highlighted. The research objectives, the research questions and the scope of the study are also discussed in the subsequent section. The definitions of the key terms are provided to understand critical variables investigated in this study. Finally, the structure of the thesis is also presented at the end of the chapter

1.2 Background of the Study

Travel and Tourism is one of the largest industries in the world after manufacturing which creates jobs, drives export and generate prosperity across the world (WTTC, 2019). Not only is the travel and tourism sector one of the biggest generators of employment and the economy but this industry plays a fundamental role in global economic. In 2018 alone, the industry recorded 10.4% of the world's Gross Domestic Product (GDP) that is equivalent to US\$8.8 trillion. It is also expected to rise consistently at a rate of 3.7% annually which has the potential to contribute 11.5% of GDP (amounting US\$13 billion) in the next 10 years (WTTC, 2019). In terms of employment, the industry has created 122 million of direct or indirect job opportunities the world. It is proposed that by 2029 the number will increase to 154 million jobs opportunities at an increase rate of 2.1% per

annum (WTTC, 2019). This means that the industry will experience stable growth and provide increased number of employment and influence global economic growth.

Similar to the global state of affairs, the travel and tourism industry in Malaysia recorded a Gross National Income (GNI) amounting of RM81.1 billion in 2017 and it is expected to contribute RM104 billion in the year 2020 (Civil Service Delivery Unit, 2017). This is evident when the industry is ranked as the third largest GNI contributor (amounting to RM81.1 billion) after oil, gas and energy, and wholesale and retail. The World Travel & Tourism Council (WTTC) reported that Malaysian travel and tourism industry's total contribution to the GDP was 10.4% (amounting to US\$8.272 billion) in 2017 and it is forecasted that the GDP will continue to grow at 4.0% in 2018 and continually increase by 3.8 % per annum to US\$12.450 billion at 11.7% of the GDP by 2028 (WTTC, 2018). The continuous growth and strength of the industry are due to the efforts made by the government to strengthen the industry as one of the main components in the National Key Economic Area (NKEA) (Ministry of Tourism Malaysia, 2012).

The continuous effort and strategy undertaken by the Ministry of Tourism had transformed and positioned Malaysia as one of the leading tourism destinations globally. The effectiveness of the strategic planning through its branding of "Malaysia: Truly Asia" has ranked Malaysia as one of nine most traveled destinations by the World Tourism Organization (UNWTO) (Ministry of Tourism Malaysia, 2012). The strategic planning was part of the initiatives proposed in the Malaysian Tourism Transformation Plan 2020. In addition to various efforts taken, the increase in flight frequency from China, Korea, Australia, India, Japan and Taiwan, the introduction of the homestay program and

positioning Malaysia as a dynamic meeting, incentives, conventions and exhibitions (MICE) destination increased Malaysia's competitive value as a tourist destination. This has resulted in the growing awareness about Malaysia and the increased number of tourist arrival.

Statistics have shown that the number of international tourist arrivals had risen substantially from 17.55 to 26.76 million within the last 10 years (2006-2016) despite some unprecedented events. This promising growth has a direct implication to many sub-sectors such as the hotel industry. Owing to this positive growth, the hotel industry not only acts as an important supportive sub-sector (Zailani, Din, & Wahid, 1997) but it has become a critical component of the tourism industry. Hence, it is fundamental to take into account the key issues pertaining to the hotel industry in Malaysia.

According to Ling Suan and Mohd Nasurdin (2014), the positive growth of the tourism industry in Malaysia has directly altered the nature of the hotel services in this country. The demand for a high-quality service delivery among hotel customers made the industry more competitive. This is in line with the hallmarks of the hotel services which are distinct from the retail of goods and physical products; hotel services deal with elements of intangibility, inseparability, perishability, and heterogeneity. In fact, these characteristics are often difficult to be evaluated (Mola & Jusoh, 2011) and maintained by the hotel management as they are subjected by the high level of interaction between the employees and customers (Lewis & McCann, 2004a) as well as a high expectations of current hotel customers (Kim, Tavitiyaman, & Kim, 2009). Intangibility refers to the service outcome that is being performed by the service person and it is something that

cannot be seen, touched, smelled, tasted and heard, thus, the services totally rely on the performance and action of the service person (Berry & Parasuraman, 1991; Parasuraman, Zeithaml, & Berry, 1988). Unlike intangibility, the inseparability of the hotel services means that both the customers and the service employees must be present at the same time and location in order for the service to be carried out (Berry & Parasuraman 1991; Parasuraman, Zeithaml, & Berry 1988). Perishability, on the other hand, relates to the hotel services which cannot be stored or inventoried for later use or sale compared to a physical product (Berry & Parasuraman 1991; Parasuraman, Zeithaml, & Berry 1988). In other words, if a hotel room is unable to be sold, then they will lose its revenue. Finally, since the service involves two parties which are the customer and service provider, therefore, inconsistency in quality and performance do exist, and this is referred to as heterogeneity (Berry & Parasuraman 1991; Parasuraman, Zeithaml, & Berry 1988).

Given the hallmarks of hotel services discussed earlier, maintaining and upgrading those service characteristics require a dedicated and balanced approach to achieve excellent service. Although the hotel industry deals with considerable amount of perishable goods, maintaining an overall high quality hotel service plays a significant role in building its reputation. In general, services are essential features of the hotel and receive significant attention from the management. A poor service delivery system to serve customers in any hotel operation may result in the hotel's inability to attract new guests and maintain or keep the regular ones. This scenario is closely related to what most of the service researchers term as service failure.

Smith, Bolton and Wagner (1999) posited that service failures arise when service the delivery performance does not match the expectations of customers in terms of the result or the process. A process failure happens when the core service is performed in an imperfect or incomplete manner, causing a loss of social capital for the consumer (Smith et al., 1999). In a hotel, for example, the customer who experiences process failure whenever the waiter or waitress does not provide acceptable services, show lack of attentiveness or when the preferred menu items are unavailable (Chan, Wan, & Sin, 2007). As a result, the costumer may have a negative perception about the quality of service she/he receives and this will have an implication on the reputation of the hotel. Consequently, the hotel cannot afford to lose the interest of new customers who have the potential to repeat their 'mood' of patronization and become public relation makers through their positive word-of-mouth and influencing other customers to dine and consume the products or services at that establishment (Magnini & Ford, 2004).

Kim & Oh (2012) noted that service failure occurs without being invited or some inevitably occur during the delivery process. Thus, it is imperative for the hotel management to make provisions for the recovery of these damaging incidents and the provisions that an organization makes to mitigate the crisis are known as service recovery. More formally, service recovery includes all actions taken by a service provider to try to resolve the problem that a customer has with their organization (Gronroos, 1990). An organization's ability to recover from service failure is an critical element in the whole service delivery system with significant implications for customer satisfaction (Church & Newman, 2000). Duffy (1998) stated that service recovery provides opportunities for the

organization to decrease costs, improve customer experience, and increase customer loyalty.

Lewis and McCann (2004b) deduced that successful service recovery may depend on the type of service a business offers, as well as the types of the failures that the business usually encounter, and how quickly the company responds to the failures. If service providers or companies do not provide better service the second time, this may lead to customer disappointment and loss of confidence in the service. Hence, one of the most important keys to providing excellent service recovery is convincing the customer to bring the failure to the service provider's attention and allowing the organization to implement the service recovery process (Seawright, DeTienne, Bernhisel, & Larson, 2008).

The service recovery paradox posits that a successful service recovery can result in a more favourable encounter than if the service had been delivered flawlessly from the onset (Smith, 2007). Even though some researchers have questioned the validity of service recovery (Brown, Cowles, & Tuten, 1996; McCollough, Berry, & Yadav, 2000), it does appear that successful recovery efforts can transform dissatisfied customers into loyal ones. When customers are satisfied, they are more inclined to exhibit positive behaviour toward the service provider (Kristen, 2008). It is no surprise that satisfied customers are genuinely invaluable to an organization. In other words, if customers are satisfied with the service recovery, they may possibly have the intention to revisit or refer the services to family and friends.

1.3 Problem Statement

Following what has been discussed in the background of the study, customers will expect the best level of service offered by the employees of the hotel they choose to reside. Bearing that in mind, the hotel organization regardless of its star rating will customarily try to satisfy their guests by providing an excellent service. Due to the importance of satisfying the expectation of their customers, many hotel organization emphasised on rendering a flawless service delivery as part of their strategic plan with the tightest quality control system (Chiang, 2007). A high degree of personal interaction between their employees and the customers is regarded with utmost importance by many hotel organizations. Greater emphasis is given to avoid errors, mistakes, failures, and complaints in their process of service delivery. Despite this, it is often difficult to achieve a zero-defect operation or non-service failure even in the finest hotel with the best customer-oriented policy due to the high expectations of some guests.

Since the frontline employees are the first individuals who interact with the customer, they are the ones whom the customers will initially approach to complain about service failure. The frontline employees such as the front office receptions, waiter, waitress, bellboy, concierge, and cashiers as well as the management play a pivotal role to entertain the complaints made, handle service failures and reinstate the customers' reaction from the stage of dissatisfaction to the stage of satisfaction through service recovery (Hocutt, Bowers, & Donavan, 2006; Yavas, Karatepe, & Babakus, 2010). Frontline employees are responsible for portraying a good image of the hotel organization. If any situation goes wrong or service failures occur, a speedy recovery need to be carried out by the frontline

employees (Bettencourt & Brown, 2003; Crick & Spenser, 2011). Researchers have argued that service recovery is essential to service excellence (Hart, Heskett, & Sasser, 1990) and a hotel has to resolve customers' dissatisfactions immediately through an effective recovery process.

As mentioned previously, service recovery is an action that is carried out to resolve problems, adjust the negative attitude of a dissatisfied customer and retain the customer (Miller, Craighead, & Karwan, 2000). The frontline employees who have high-quality performance and problem-solving ability is vital in the service industry including the hotel organization to ensure continuous customer loyalty and profitability of the organization (Karatepe, 2012a). Therefore, the hotel industry must find ways to manage and instil their frontline employees with an appropriate work code because of their roles are fundamental in ensuring effective service recovery efforts (Tax, Brown, & Chandrashekar, 1998).

Guchait, Paşamehmetoğlu, and Dawson (2014) asserted that the continuous support from the management is a crucial factor to ensure that frontline employees are able to provide quality service to the customer. The management must show their commitment to create a service excellence environment for the frontline employees to deal with the customers' requests and complaints better successfully. Thus, successful employee service recovery performance relies on the management commitment towards service excellence (Guchait, Paşamehmetoğlu, & Dawson, 2014). Any service operation will fail if there is no commitment from the management towards quality service. This is in support with the statement made by Zemke (1991) and (Karatepe & Karadas, 2012) that a working environment where the management is not committed to service excellence were doomed

to failure and the employee would not be able to deal with customer's requests and complaints successfully. Therefore, both the management and the frontline employees have to work in tandem to deliver a quality service in order to retain satisfied and loyal customers (Karatepe & Karadas, 2012). Previous studies have identified that management commitment to service quality are interpreted through service training, rewards and empowerment (Babakus, Yavas, Karatepe, & Avci, 2003) which will result in high-quality service recovery performance (Boshoff & Allen, 2000; Yavas et al., 2010).

Many previous studies have explored the relationship between management commitment to service quality as a variable of service recovery performance. Service recover performance, on the other hand, only focuses on the direct relationship or the consequences of the relationship (Ashill, Carruthers, & Krisjanous, 2005; Boshoff & Allen, 2000; Karatepe, 2006; Kirkbir & Cengiz, 2007; Rod, Carruthers, & Ashill, 2006). Currently, there is still limited research that examines the presence of affective parameter as a mediating role between management commitment to service quality and service recovery performance (Ashill, Carruthers, & Krisjanous, 2006; Babakus, Yavas, Karatepe, & Avci, 2003; Guchait, Paşamehmetoğlu, & Dawson, 2014; Karatepe, 2011, 2012a, 2012b; Karatepe & Karadas, 2012; Kim & Oh, 2012; Rod & Ashill, 2009, 2010a, 2010b). Kim and Oh (2012) noted that from the tenet of Reformulation of Attitude Theory (Bagozzi, 1992), the affective response towards attitudinal factors plays an important role between the appraisal assessment and behaviour outcome. A few researchers have tested the presence of the affective parameter as a mediating role, but it still seems to be fragmented. Therefore, further investigation to find the link between the variables, affective response and the outcome is imperative.

The presence of work engagement as the affective response had received attention in several research (e.g., Burke, Koyuncu, Jing, & Fiksenbaum, 2009; Karatepe & Olugbade, 2016; Karatepe, 2013; Li, Sanders, & Frenkel, 2012; Yeh, 2013). Work engagement is the most proximate motivational variables to performance outcomes (Karatepe, 2014a) and based on the JD-R model, work engagement is the link between job resources and employee outcome (Bakker & Demerouti, 2008). However, there is a little empirical attention about work engagement as a determinant of performance outcome (Christian, Garza, & Slaughter, 2011; Karatepe & Olugbade, 2016) and as a mediator between the variables and the consequences especially in the hotel (Karatepe, 2014a; Lee & Ok, 2016). Given that work engagement is an important mediator and a major concern in the industry (Karatepe & Karadas, 2015; Qin, Wen, Ling, Zhou, & Tong, 2014), further investigation is required.

Job embeddedness is the anti-withdrawal that enhance performance (Karatepe & Ngeche, 2012). The presence of job embeddedness among the employees signifies that the employees are loyal to the organization and display a high-quality performance (Halbesleben & Wheeler, 2008; Lee, Mitchell, Sablinski, Burton, & Holtom, 2004). Based on Robinson, Kralj, Solnet, Goh and Callan's study (2014), there were only a handful of studies regarding the mediating role of job embeddedness in the hospitality industry. Therefore, it is imperative for further investigation to be conducted establish the role of job embeddedness as a mediator.

Based on the discussions earlier, the understanding about the linkages between management commitment to service quality, emotional reaction (work engagement and

job embeddedness) and service recovery performance in one conceptual model is yet to be empirically tested. In fact, studies pertaining to the hospitality industry are scant (Karatepe, Baradarani, Olya, Ilkhanizadeh, & Raoof, 2014), particularly the hotel industry in Malaysia. Only a few studies have been conducted, but they were based on the Western context, such as Cyprus (Karatepe et al., 2014), Romania (Karatepe & Karadas, 2012) and New Zealand (Ashill, Rod, & Carruthers, 2008) with only one examining the Malaysian hotel industry (Nik Rozana, Yuhanis, & Khairil Wahidin, 2011). Given the importance of such study in the hotel industry, an empirical investigation is warranted to bridge the gaps in the literature.

1.4 Research Objectives

The main objective of this study is to examine the relationship between the criterions of management commitment to service quality with the mediating role of work engagement and job embeddedness as the predictors of service recovery performance. This main objective is further supported by eight immediate objectives which are to:

RO1: Test the frontline hotel employees' perception of management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) will have any influence on their service recovery performance.

RO2: Test the frontline hotel employees' perceptions of management commitment to service quality (service training, empowerment, rewards, teamwork and

customer complaint management) will have any influence on their work engagement.

RO3: Investigate the frontline hotel employees' perceptions of management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) will have any influence on their job embeddedness.

RO4: Investigate the frontline hotel employees' work engagement will have any influence on their service recovery performance.

RO5: Examine the frontline hotel employees' job embeddedness will have any influence on their service recovery performance.

RO6: Examine the frontline hotel employees' job embeddedness mediates the relationship between work engagement and service recovery performance.

RO7: Examine the frontline hotel employees' work engagement mediates the relationship between management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) with their service recovery performance.

RO8: Examine the frontline hotel employees' job embeddedness mediates the relationship between management commitment to service quality (service

training, empowerment, rewards, teamwork and customer complaint management) with their service recovery performance.

1.5 Research Questions

To fulfil the objectives and shape the direction of this study, the following research questions have been formulated.

RQ1: Does the frontline hotel employees' perception regarding management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) have a direct relationship with the service recovery performance?

RQ2: Does frontline hotel employees' perception regarding management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) have a direct relationship with work engagement?

RQ3: Does frontline hotel employees' perception regarding management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) have a direct relationship with job embeddedness?

RQ4: Does frontline hotel employees' work engagement have a direct relationship with service recovery performance?

- RQ5: Does frontline hotel employees' job embeddedness have a direct relationship with service recovery performance?
- RQ6: Does frontline hotel employees' work engagement have a direct relationship with service recovery performance via job embeddedness?
- RQ7: Does frontline hotel employees' management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) have a direct relationship with service recovery performance via work engagement?
- RQ8: Does frontline hotel employees' management commitment to service quality (service training, empowerment, rewards, teamwork and customer complaint management) have a direct relationship with service recovery performance via job embeddedness?

1.6 Scope of the Study

The scope of the research determines the extent to which a research area is explored. In the current study, the effect of management commitment to service quality, work engagement and job embeddedness on service recovery performance is examined. With regards to the management commitment to service quality, there are five underlying components that are proposed to be investigated namely (1) service training, (2) empowerment, (3) rewards, (4) teamwork, and (5) customer complaint management.

These five dimensions are tested for (1) their direct effect as variables on service recovery performance and (2) their indirect effect on service recovery with work engagement and job embeddedness as mediators. It is worth mentioning that the employees chosen as participants in this research are the frontline hotel employees from four and five-star hotels in Malaysia.

1.7 Research Contribution

Reviewing the existing literature, the result of the research in service recovery performance failed to achieve a conclusive findings and achieved a consistent result especially in the context of Malaysia (Piaralal, Bhatti, Piaralal, & Juhari, 2016). Thus, this research believed to contributes and extends the study in the area of conceptual, methodological, empirical and managerial.

The topmost studies on the service recovery focused on the strategies which related to customer outcome such as “recovery choices”, “customer behaviorial intention” and “customer overall satisfaction” (Krishna, Dangayach, & Jain, 2011). Rather than focusing on the customer related outcome, few studies have also shift to consider the roles and influences of frontline employees on service recovery (e.g. Karatepe & Vatankhah, 2015; Kim et al., 2017; Piaralal et al., 2016) and there are various calls for more studies to be conducted involving factors that stimulate the frontline employees service recovery performance (Boshoff & Allen, 2000; Karatepe, 2012; Karatepe, 2006). In response to the importance of frontline employees in dealing with the service recovery performance especially in the hospitality industry, this research focus on studying the role of

management commitment to service quality towards service recovery performance among the frontline employee of hotel industry.

Furthermore, reviewing the existing literatures on the empirical results indicated the roles of organizational commitment and job satisfaction as the mediator in between the management commitment to service quality and the service recovery performance have been very significant in the relationship (e.g. Ashill et al., 2006, 2008; Babakus, Yavas, Karatepe, et al., 2003; Kim, Tavitiyaman, et al., 2009). However, little research has examined the interaction of work engagement and job embeddedness as the mediator in the relationship of management commitment to service quality and service recovery context (Bergiel, Nguyen, Clenney, & Taylor, 2009; Karatepe, 2011; Karatepe & Ngeche, 2012; Karatepe, 2012). Thus, by investigating the dearth studies tested on the mediation role, this study contributes more significantly by emphasizing the role of work engagement and job embeddedness in the context of management commitment to service quality and service recovery relationship.

There is also limited effort to investigate the role of teamwork and customer complaint management as part of the dimension to the management commitment to service quality as suggested by the previous researcher (e.g. Babakus, Yavas, Karatepe, et al., 2003; Karatepe, 2012; Karatepe & Karadas, 2012). Thus, by testing and confirming the dimension of the teamwork, this research adds to the existing literature by improving the understanding of the conditions underlying the relationship between management commitment to service quality towards service recovery performance

Lastly, this research examines the multidimensional relationship of management commitment to service quality towards service recovery performance as well as the mediating relationship. This research may provide accurate and comprehensive guidance to the management of the hotel industry on how they can ensure their frontline employees being provided with factors that helps them to provide better service recovery performance. Specifically, by being able to identify the factors of management to service quality and the influence of the work engagement and job embeddedness, this research prompts the management of the hotel on the relationship where it helps to boost up the frontline hotel employees service recovery efforts.

Table 1.1 Contribution of This Research

Area of Contribution	Level of Contribution	
	Replication	Extension
Conceptual	- Clarify the concept of management commitment to service quality and service recovery performance among frontline employees	- Broden up the concept of management commitment to service quality dimension
Methodological		- Test the influence of the mediator
Empirical	- Verify the validity and reliability of scales to measure dimensions of management commitment to service quality and service recovery performance	- Verify the relationship of the dimensions of management commitment to service quality with the service recovery performance with the present of the mediator
Managerial	-	- Provide accurate and comprehensive guidance to the industry to consider the element of teamwork, customer complaint management, work engagement and job embeddedness.

1.8 Definitions of Key Terms

The definitions and descriptions of the key terms used in the study are presented below:

Service Recovery Performance.

Following the definition by Babakus (2008), service recovery performance in this study refers to the perception of the frontline employees own abilities and actions to resolve a service failure to the satisfaction of the customer.

Work Engagement

Refers to “a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication, and absorption” (Schaufeli, Salanova, González-Romá, & Bakker, 2002, p.74). Vigour, dedication, and absorption are the three dimensions of work engagement. Vigour is defined as “high levels of energy and mental resilience while working, the willingness to invest efforts in one’s work, and persistence even in the face of difficulties” (p.74). Dedication refers to “a sense of significance, enthusiasm, inspiration, pride, and challenge” (p. 74). Absorption refers to “being fully concentrated and deeply engrossed in one’s work, whereby time passes quickly and one has difficulties detaching oneself from work” (p. 75).

Job embeddedness

Based on a study by Yao, Lee, Mitchell, Burton, & Sablinski's study (2004, p. 159), job embeddedness is defined as “the combined forces that keep a person from leaving his or her job”.

Management Commitment to Service Quality

Following a definition by Babakus, Yavas, Karatepe, et al. (2003), management commitment to service quality is viewed as the “employees’ appraisal of an organization’s commitment to nurture, develop, support and reward its employees for achieving service excellence”.

Service training

Refers to receiving education to provide high-quality service to customers and learning how to handle dissatisfied customers (Boshoff & Allen, 2000).

Empowerment

In this study, the term empowerment is conceptualized as a set of managerial activities and practices which provide employees with power, authority, control, and the activities involve the transmission of power to those who are less powerful in an organization (Ergeneli, Ari, & Metin, 2006).

Rewards

Following the definition by Babakus, Yavas, Karatepe, et al. (2003), rewards in this study can be conceptualised as the inducement that the employee received from the organization in the form of financial and non-financial due to their performance in the service recovery effort.

Teamwork

Within the context of this study, Boshoff & Allen (2000) define teamwork as cooperating in undertaking the tasks of providing high-quality services to customers.

Customer Complaints Management.

According to Jong and De Ruyter (2004), customer complaint management can be defined as managing the provision of information and feedback about customer complaints and evaluations made to the frontline employees.

1.9 Organization of the Thesis

This thesis is organised into five chapters as illustrated in Figure 1.1.

Chapter 1 introduces the fundamental aspects of the study by identifying and discussing the issues related to the scope of the study. Presented in this chapter are the background of the study, problem statement, the objectives of the study, the research hypotheses, the scope of the study, research contribution and the definitions of terms.

Chapter 2 presents the literature review pertaining to the study by reviewing the literature related to organization effort to service recovery, work engagement, job embeddedness, and service recovery performance. It examines related definitions and concepts, the literature gap, the underlying theory, the theoretical framework and hypotheses posited in the study.

Chapter 3 comprises a detailed description of the research methodology employed in the study. The chapter discusses the research approach, data source, population and sample size, data collection process and statistical methods used to analyse the data.

Chapter 4 focuses on the process of the multivariate analysis using Structural Equation Modelling using SEM-PLS software package version 2.0. This includes the data preparation process, the screening steps and the process of checking for problems that

might affect the legitimacy of the hypothesis testing as well as the validated measures generated through the exploratory factor analysis (EFA). This chapter also addresses the issue of the overall fit of the hypothesised model. In the final section of this chapter, an account of the results of the SEM-based path analysis of the conceptual model is presented, and this is followed by the hypothesis testing.

Chapter 5 is the discussion of the findings obtained from the responses to the research questions. This chapter also concludes the study by presenting the main conclusions that can be drawn from the findings. The implications and limitation of the study are addressed, and recommendations are made for the field of Human Resource Development for future research.

1.10 Structure of the Thesis

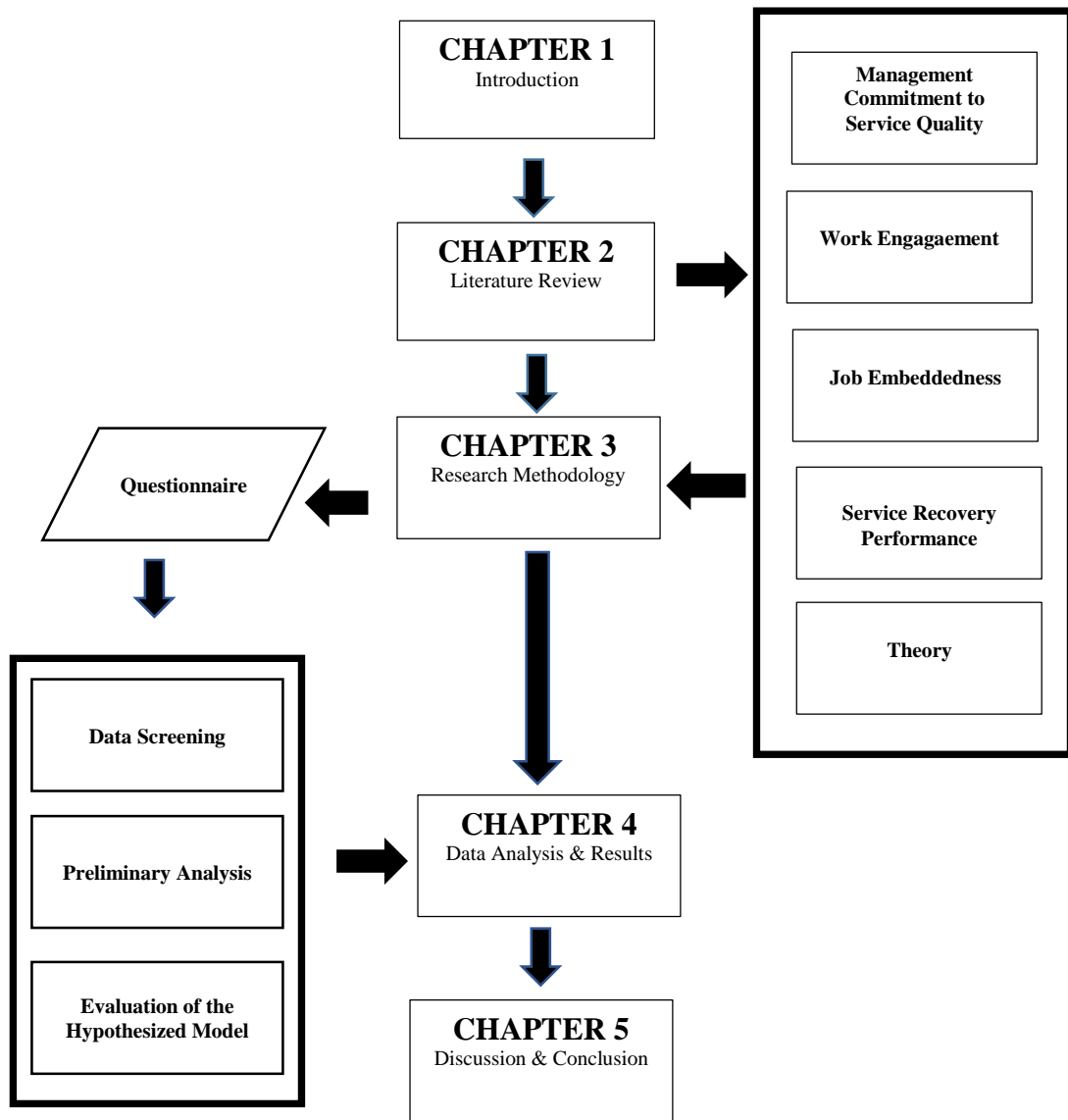


Figure 1.1 Structure of the Thesis

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Having briefly addressed some of the issues in the background of the study in Chapter 1, this chapter reviews literature related to the variables of interest and discusses the theoretical foundation that will form the construct of the study. The review will examine the issues and empirical findings of prior research conducted by various scholars about service recovery performance, management commitment to service quality, work engagement and job embeddedness. In addition, this chapter also reviews the relevant literature related to various theoretical constructs that lead to the development of the conceptual model for the study. Next, the theoretical underpinnings that form the basis of the current study presented. Finally, the conceptual framework and hypotheses for this study are provided.

2.2 Service Failure in the Service Industry and its Relation to Recovery

It is often difficult for the service industry to make sure that their daily operation has zero error. This is due to the nature of the service industry where consumption and production happen at the same time. In other words, the employee and the customer must be present to experience the service. Therefore, mistakes and problems are often unavoidable no matter how good the service was delivered to the customer in order to meet their needs and expectations.

Service failures can be defined as real or perceived mishaps or problems that occur when the customer and the organization interact (Maxham, 2001; Michel & Meuter, 2008). In the hospitality industry such as the hotel industry, the high labour-intensive nature of its service delivery is one of the reasons that contribute to the failure. This inevitably results in more heterogeneous outcomes compared to goods production processes (Kotler, Bowen, & Makens, 2006).

Service failure can occur at many points which may be varied in its frequency. Several examples of service failures are guest late check in due to the room not being available upon arrival, delay in serving food or beverage or impolite or inattentive hotel service personnel. Customers may have a different reaction upon experiencing service failure. Customers' dissatisfaction, negative words of mouth, loss of customers and decreased profits are the negative outcome (Babakus, Yavas, Karatepe, et al., 2003; Tax et al., 1998) if the service failure is not handled and resolved effectively or satisfactorily. Since service failures are inevitable during the service delivery, the hotel organization need to acknowledge the critical roles played by service employees in order to prevent the failure from happening or in order to rectify the failure. Therefore, it is critical for the organization to evaluate the employee's service recovery performance.

Immediate corrective action taken by the employees when mistakes and failure occur during service delivery is known as service recovery (Hart, Heskett, & Sasser, 1990). Service recovery is associated with addressing all the errors that occurred during the process of service with a view of reducing the negative effects (dissatisfaction) and ensuring positive enhancement (customer satisfaction) (Guchait, Kim, & Namasivayam,