

A Comparison of Independent and Chain Hotels and their Organisational Responses to Complaints and Service Recovery

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1.0 Executive Summary

This paper aims to examine the effectiveness of organisational responses with regards to service failure, with an investigation to find the opinions and attitudes of front-line hotelier employees who implement these responses within their day to day work. It aims to outline any similarities or differences of opinion found when ruling which responses are deemed most effective for complaint handling, and the importance of the responses, using employee perspectives who have worked in chain and independent hotels. The objectives of the paper are to describe what service recovery is and why it is an issue for customer retention, why front-line employee training is imperative to be able to handle customer complaints and ensure effective service recovery, and to investigate the organisational responses posed through literature. This paper offers a new framework, based on the results found from the research and can be used to carry out further research based on service recovery, organisational responses and justice theory.

The literature review begins by discussing what service recovery is and the impact it has on businesses success, with emphasis on hospitality businesses as there is a high degree of interaction between guests and employees. It then further explains the importance and benefits of having customer retention within the service industry, including the 'service recovery paradox.' Employee training and retention is also described, as poor training can mean poor customer service, which in turn may increase the guest's dissatisfaction. The literature has shown that complaint handling is linked with the 'Justice Theory' framework which is also discussed. Finally the review examines the organisational responses that this study is based on, and the gap in literature found.

This paper comes to the conclusion that the primary research indicated weak similarities and differences of opinion between independent and chain employees with regards to organisational responses. What has been found however is that the front-line training given to employees was a major influence of complaint handling. Within this study, the primary research has shown a distinct lack of training and complaint handling procedures within hotels and details the employee opinions and the consequences of this. The study also details the employee and customer perspectives of the organisational responses, which has

been linked with Justice Theory, and a new service recovery model has been proposed in accordance to the results found.

1.1 Key words

Service failure

Service recovery

Complaint handling procedures

Employee training

Organisational responses

2.0 Context, Aims and Objectives

2.1 Context

The Hotel Industry involves a high degree of interaction between employees and consumers and so provides many opportunities for service failures to occur. The quality of service encounters is frequently determined by the actions of front-line staff, whose experience and commitment may be limited and whose attitudes may vary from one encounter to another. (Lewis & McCann, 2004)

The hotel market has increased its competitiveness, due to the recent worldwide economic difficulties. Fewer people are able to travel and visit new places, and business guests have become fewer as organisations are making serious cutbacks in order to save money. Organisations rely on customer retention and a good reputation in order to be successful, and without both of these, it would be hard for a business to survive. Hotels now want to gain their customers back and by doing so, they are increasing their competition. It is known that businesses that focus on their loyal, regular guests and therefore encompass high retention are not only gaining regular revenue, but it is also cheaper and less time consuming to spend money advertising new guests. (Tepeci, 1999) Businesses within hospitality know that perfect service every time cannot be guaranteed, and therefore in order to keep customer retention, procedures need to be in place to be able to handle customer complaints effectively, to avoid unhappy guests, which may result in negative word of mouth behaviours and a poor reputation. An increasing number of complaints make the customer more prone to desert the firm so the objective of complaint handling is to turn a dissatisfied customer into a loyal one (Huang, 2011) The internet is also a major factor for hotels to consider, with popular websites such as Trip Advisor so freely available, every

customer can be a 'hotel inspector.' Negative comments are very common on these sites, and so hotels need to be aware to try and prevent these from happening. This is why service recovery within hotels is so important.

Each business has its own service recovery strategies. According to Davidow (2000) 'how an organization responds to a complaint can have a major impact on its customer's post-complaint consumer behaviour.' Within hotels, different hotel sectors have different policies and procedures that employees are to follow in order to carry out the most effective service recovery. A critical component in service recovery procedures is the front-line employee who has to deal with complaining and aggrieved, and sometimes highly emotional, customers. (Johnston and Michel, 2008) The amount of training the employees receive to be able to handle these complaints effectively, ultimately reflects the level of care and attention the businesses wishes to give for its guests. Johnston and Michel (2008) explain that *'in some parts of the economy the number of complaints about the way complaints have been handled is on the increase.'*

This study therefore researches the importance of service recovery in hotels, based on 6 organisational responses discussed within the literature. Participants who have worked as a front line employee in a hotel, in either a chain or independent hotel, will take part in focus groups, to find any differences or similarities of opinion.

2.2 Aim:

This paper examines the organisational responses to complaints within hotels, focusing on front-line employee attitudes to customer care both from a hotel chain and independent hotel point of view, examining the similarities and differences found.

2.3 Objectives:

1. To describe the importance of service recovery within Hospitality businesses, and why it is an issue for customer retention
2. To indicate why front-line employee training is imperative in order to give satisfying service recovery and to be able to handle complaints effectively
3. To describe the effects of Justice Theory in relation to understanding the satisfaction of complaint handling

3.0 Literature Review

'Service recovery refers to the actions companies take when they have failed to provide the service customers expected' (Michel, Bowen and Johnston, 2006) Due to recent economic difficulties there is intense competitive pressure between businesses for custom, and so one way to ensure survival is to maintain customer satisfaction through striving to deliver the best possible service.

'To overcome this cut-throat competition, every organization is trying to improve efficiency, increase customer loyalty and build long-term relationships with their customers without sacrificing quality of service.' (Javalgi and Moberg, 1997 cited from Sabharwal, Soch and Kaur 2010 p125)

'Research into service recovery has been growing over the past 20 years, with the rise of service economies and customer-focused strategies employed by increasing numbers of organisations, in order to develop a better understanding of communication processes.' (Johnston and Michel, 2008; Susskind and Viccari, 2011). Poor service recovery could mean disastrous results for the company in both reputation and revenue, and this could be critical to their company's success. As Chebat and Slusarczyk (2003) explain 'How fair complaining customers are treated isn't only an ethical matter, it is also an issue of profitable management.' Johnston and Michel (2008) suggest in their research that there are three distinct outcomes to service recovery procedures: customer, process and employee, and that each outcome has an impact on the financial performance of the organisation. These include increased customer retention or spending from customer recovery, reduction in costs from process improvement, and reduced absenteeism or staff turnover from employee recovery. Orsingher, Valentini and De Angelis (2009) point out that 'the importance of service recovery systems are significant, as they allow the organisations to prepare, to be able to react to potential problems.'

The importance of service recovery in hospitality

Due to the intangible nature of the hospitality service industry, service recovery is especially important as it is people and service orientated, and so the way service recovery is executed ultimately reflects on the level of care they wish to deliver to their guests. Within hotels, each department is responsible for providing the best service, particularly departments such as Front of House, Restaurant and Conference & Events. 'It is their level of service and interaction between guests and employees, which determines their success, so

consequently the effects of communication and service delivery are of the utmost importance.' (Rio Lanza, Vazquez-Casielles and Diaz-Martin, 2008). Perfect, error-free service is practically impossible in the service industry so aspects of service failures are inevitable, such as a guest receiving food in a restaurant that isn't cooked to their liking. Managers need to understand how important recovery efforts are when building long-term customer relationships; it is the manner in which the complaint is handled which may become the key driver of customer satisfaction. Having an increased understanding of how hospitality customer service recovery attributions would influence the guest's perceptions and attitudes and their repurchase behaviour would aid managers to improve their overall service quality, as well as their customer satisfaction. (Ha and Jang, 2008; Swanson and Hsu, 2011; Karatepe, 2006; Susskind and Viccari, 2011)

Customer retention

Customer retention within service industries is imperative as, in terms of finance and marketing, it is advantageous to the organisation to have a high level of customer loyalty. It is more expensive, time consuming and less profitable to attract new customers, as Karatepe (2006) reports that new marketing strategies which aim to gain new customers all come at a price, whereas attaining loyal customer's costs far less. Karatepe (2006) also states that *'in a period of global competition, many service businesses focus on service quality to gain and retain a group of loyal and profitable customers.'* This relates with Ha and Jang (2008) and Gruber, Szmigin and Voss (2009) who both explain that by correcting service failure through successful service recovery, organisations are showing that they value their customers and wish for them to leave happy and satisfied. Customers are therefore effectively giving companies a second chance by correcting service which if the company met or exceeded the customer's expectations, this would help strengthen and rebuild customer confidence and relationships. This in turn leads to customer loyalty, retention and satisfaction, and reduces the negative word of mouth and behaviours that may have happened otherwise. It is also widely known that customers who have complained after experiencing a service failure and have undergone recovery encounters may become more satisfied with the organisation and in turn become more loyal, than if the service failure hadn't happened. This means that secondary satisfaction can be at times,

greater than pre-failure satisfaction. This is known as the 'service recovery paradox' (Sabharwal, Soch and Kaur, 2010; de Matos, Henrique and Rossi, 2007).

One difficulty service organisations may encounter is that when customers are dissatisfied, they tend not to display their true feelings at the time of the situation, often disappearing and defecting to competitors (Huppertz, 2007) and so organisations consequently might be unaware of any changes they could make to improve their service. Tax and Brown (1998 cited from DeWitt, Nguyen and Marshall 2008 p269) establishes that '*Only 5-10% of dissatisfied customers actually complain.*' Huppertz (2007) considers whether customers anticipate their complaints would lead to positive outcomes, and whether it would actually be worth going through the organisations complaint procedures. Gelbrich and Roschk (2011) explains that businesses can sometimes misjudge customer perceptions and may have the belief that customers were truly happy with the service delivered, whilst actually the customers may not be, which may result in unfavourable actions such as poor online reviews and negative word of mouth behaviour. Instead of making the company aware of their dissatisfaction, customers tend to tell others after the incident, through word of mouth or, more recently, online. Swanson and Hsu (2011) conclude that 'today's technology-savvy customers may vent their dissatisfaction online, via social media such as blogs, forums, e-mails, message boards and social networking sites.'

Employee retention and training

As well as customer retention and satisfaction, organisations should also focus their efforts on their employees. In service industries such as the Hotel Industry, there is high face to face involvement between customers and employees. When customers receive a service failure and wish to complain, it is often the front-line employees who have to deal with the complaint first hand. 'Usually it is the receptionist who is the first and last person a guest has extended contact with in the hotel. It is the receptionist's response in such interactive situations which affect the perception of the complaint handling situation and the overall evaluation of the company's complaint resolution process.' (Gruber, Szmigin and Voss, 2009; Scanlan and McPhail, 2000). Problems may arise further if the employee doesn't handle the issue with care and consideration for the guest, or if they have not received the required training to deal with these situations. 'Front-line employees often find that they are sandwiched between understandable customer grievances and unchangeable and

inflexible organisational policies and procedures. This undoubtedly can give stress both to the guest, and also employee.’(Johnston and Michel, 2008). How the employee deals with that situation is imperative to the guest’s feelings, whether the employee is able to resolve the issue to the guest’s satisfaction. If not, the guest may feel angrier than they did beforehand which would worsen their opinion of their stay.

‘Dealing with complaining customers may be a difficult and sometimes upsetting experience, made even more stressful if the organisation has customer-unfriendly policies and inadequate recovery procedures. Poor recovery processes can be the cause of much stress for employees’ (Bowen and Johnston, 1999 cited from Johnston and Michel 2008 p3)

To help maintain a high level of service, organisations are continually required to make sure their policies and procedures are being adhered to, whilst also providing the essential training that employees require, to be able to deliver the best levels of service recovery that are to the satisfaction of the guests. ‘Firms should train their employees to be compassionate, have polite and respectful communication, be good listeners, and empower experienced employees to handle the situation effectively, ensuring the service recovery procedures are carried out when service failure occurs.’ (Swanson and Hsu, 2011; Gelbrich and Roschk, 2011).

Justice theory

Distributive, procedural and interactional are three dimensions of justice which make up ‘Justice Theory.’ *‘Justice Theory has emerged as the most frequently investigated framework for understanding what drives satisfaction with complaint handling.’* (Orsingher, Valentini and De Angelis, 2009 p169). How guests evaluate their service failures regarding the fairness of the service recovery efforts is often described through Justice Theory, and influences customer satisfaction and future behavioural intentions (Susskind and Viccari, 2011; Huang, 2011; Ha and Jang, 2008). Distributive justice refers to the perceived outcome of a decision or exchange, usually in the form of redress, such as refunds, free gifts or coupons. Procedural justice refers to how the complainant perceives the fairness of policies and procedures in place, and the amount of time taken to deal with the complaint and interactional justice refers to how the complainant perceives the interpersonal treatment they receive during the service encounter (Gelbrich and Roschk, 2011; Karatepe, 2006). Various studies have been carried out to find which of the justice’s customers deem most

important. However, without all three, service recovery cannot be truly effective. Whilst these dimensions can be seen as independent, they actually relate to one another and their combination determines a customer's overall perception of justice. In order to voice a complaint, customers need to interact with the organisation (interactional justice), the organisation must then process the complaint (procedural justice) and finally the result (distributive justice) follows. (Blodgett, Hill and Tax, 1997; Gustafsson, 2008; Rio Lanza, Vazquez-Casielles and Diaz-Martin 2008)

Organisational Responses

'Organisational responses are the initial reactions by a company in response to a complaint.' (Gelbrich and Roschk, 2011 p26) Many studies have been conducted to find customer perceptions of organisational responses that affect post complaint behaviour and their perceived level of justice. The studies show different opinions of the relevance and importance of specific responses, although many authors (Huppertz, 2007; Kim, Wang and Mattila, 2010; Orsingher, Valentini and Angelis, 2009; Rio-Lanza, Vazquez-Casielles and Diaz Martin, 2009; Susskind and Vaccari, 2010; Yavas *et al*, 2008) have referred to Davidow's two studies (2000; 2003). Organizational Responses to Complaints within their literature, these responses being redress, apology, attentiveness, credibility, facilitation and timeliness.

The empirical research gathered for this study focuses mainly on the customer's perspective of service recovery procedures. (Gruber, Szmigin and Voss, 2009; Karatepe, 2006; Chebat and Slusarczyk, 2003; Johnston and Michel, 2008; Sabharwal, Soch and Kaur, 2010; DeWitt, Nguyen and Marshall, 2008). The results from a study carried out by Johnston and Michel (2008 p16) establishes that *'Service recovery procedures appear to have a greater impact on employees and process improvement than on customers.'* The suggestions following the aforementioned study also deem that *'many organisations and academic researchers have taken a limited view of service recovery by concentrating on the less potent area of customer recovery and largely ignoring the potentially higher impact outcomes of process and employee recovery.'*

Conclusion

The literature has shown many studies have been conducted to find people's opinions on the policies, procedures and organisational responses within a business setting. They have

been based on the customers perspective, with the research carried out focusing on the customer’s opinions and attitudes of service recovery. There is however a gap in the literature, when studying the same opinions and attitudes of service recovery from a front-line employee perspective. What customer’s may deem to be most effective for them to be satisfied with the level of service recovery given, may be different to what front-line employees have been trained to be most effective.

Therefore the primary research will include finding the front-line hotel employee perspective of the complaint handling policies and procedures in place within their hotel, their training given to be able to handle complaints effectively and their views on the organisational responses, in order to maintain customer and employee recovery. The study will be based on Gelbrich and Roschk (2011 p26) Figure 2: Description of organizational responses framework as seen below:

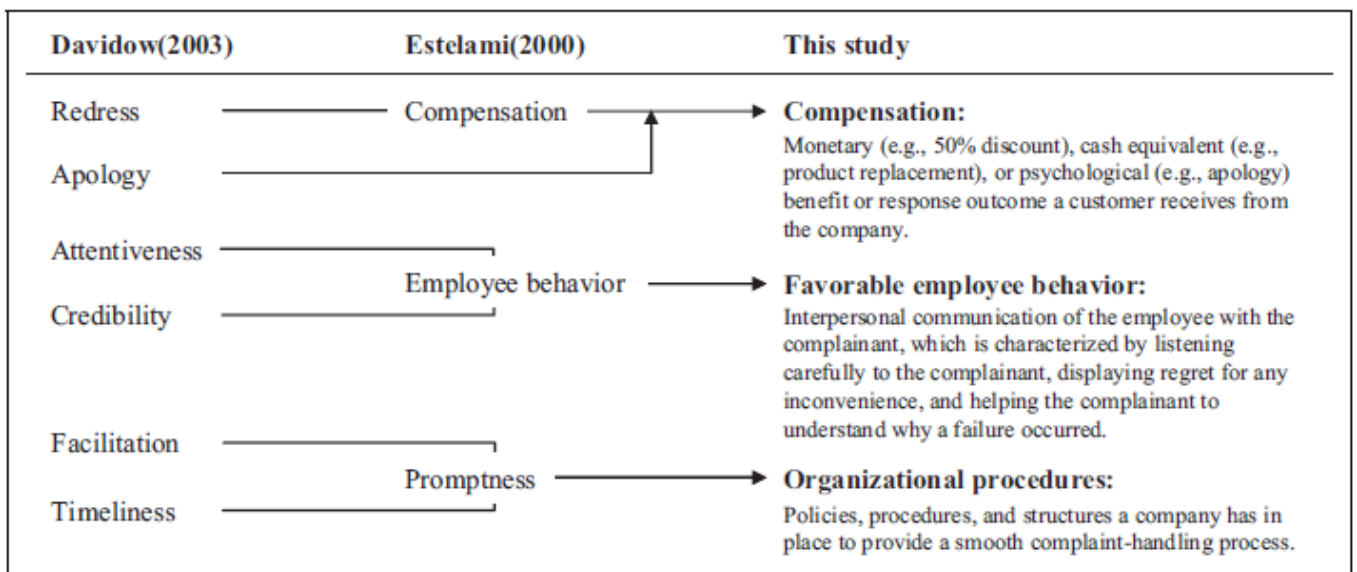


Figure 2. Description of organizational responses.

Figure: 2

4.0 Method of investigation

This research paper uses a thematic analysis approach, using Davidow (2003) organisational responses to conduct the primary piece of research, investigating what front-line employees think to their policies and procedures they adhere to, what training they received when handling customer complaints and if their opinions change when answering from a customer perspective.

Final year undergraduate students were chosen to participate in the research was because these participants are still studying Hospitality and are therefore still gaining academic knowledge about the industry, which may help formulate balanced opinions and attitudes from both the academic knowledge and the actual experience gained whilst working in a hotel. As these participants do not currently have a full time job within hotels, there isn't any subconscious loyalty towards their place of work and are therefore able to give opinions open and honestly, whilst also hoping to make the participants aware of the topics that will be discussed, which may become important in their future careers. Hill, Thompson and Williams (1997) describe that it is important the researcher and the participants do not have preconceived opinions and ideas, as this may affect the results if there is a sense of bias.

Two focus groups will be conducted to find this qualitative information, one group involving participants from an independent hotel background, the other from a chain hotel background. Focus groups have been chosen as the method for this research, following best practice as suggested by Stewart, Shamdasani and Rook (2007) who discuss that focus groups allow planned discussions to take place, to obtain perceptions on a topic of interest in a permissive, non-threatening environment. They are used to gain a deep understanding of the topics than other methods would provide, such as likert scale questionnaires, and is a great way for opinions to be given. These focus groups will allow the participants to give direct and sincere answers, and formulate ideas and opinions from others; this is why interviews would also be unsuitable. The partakers are divided into two focus groups, as this allows a larger number of people to be involved, and is easier to evaluate the opinions given in order to carry out the secondary piece of research and make a comparison. This also allows opinions to be given that aren't swayed or subconsciously altered to differ from each type of hotel. The focus groups will be held in a safe atmosphere in a classroom at the university.

To begin the focus groups, firstly the participants will complete a baseline questionnaire. This questionnaire is comprised of 5 questions that allow the students to think about what they know of service recovery, and to be able to see already if there are differences or similarities of the level of knowledge on the topic. The questionnaires will be open ended, so the students can share as much information as they wish, rather than selecting from set requirements. (see appendix 1 for a blank copy of the questionnaire) After, the focus group will take place and it will be recorded and scrutinized to explore the responses that have been given, in order to be able to make an effective comparison. The focus groups will be based on 3 questions, which will be asked to guide the direction of the discussion, in order to receive the desired response. This triangulation method is used to find whether the participants describe the same opinions and ideas throughout their baseline questionnaire, and also after discussing with the other participants in the focus group. It is used to increase the credibility and validity of the research.

By conducting a baseline questionnaire before the focus group, information was gathered, guiding the direction of the focus group. One participant from the independent hotel focus group asked the meaning of service recovery which was an advantage as it highlighted the need for all participants to be briefed on relevant terminology before the focus group began. This perhaps indicates that the terminology of service recovery isn't used within hotels; it may be more of an academic reference.

Unfortunately on the day the focus groups took place, 2 participants were unable to take part. Therefore, each focus group involved 3 participants instead of 4. Although fewer opinions were given, this smaller number didn't affect the outcome or results and two successful focus groups were still able to be conducted.

5.0 Findings and analysis

5.1 Baseline Questionnaire

'What do you believe service recovery is?'

All 6 participants answered similarly with being able to turn a customer complaint into a positive and rectifying the problem by making the customer satisfied. This is positive, and shows that all participants are aware that service recovery exists and of its importance within the hotel environment.

'How important do you believe service recovery is from the business point of view?'

All 6 participants answered the next question with 'very important' with just one participant from the independent hotel focus group mentioning that it could result in a loss of revenue for the business. As the participants are future managers, the lack of revenue mentioned is surprising as profits and revenue is obviously a very important aspect of a manager's job. The other participants mentioned that it is important to encourage loyal customers in order to generate repeat business, rather than them leaving with a negative experience and not returning. This links with the literature on customer retention, and shows that employees are aware of the importance of being able to handle problems and issues appropriately when they arise, in order for the business to stay successful.

'How important do you believe service recovery is from the customer point of view?'

Two participants from the chain hotel and one participant from the independent hotel focus groups answered similarly with the answer that it is very important, as the customers are paying for the service and have expectations that they use to decipher whether they are satisfied or not with the service given. One participant from the independent hotel group also mentioned that it shows how much the business values their custom, and if a bad situation is handled appropriately, it can turn into a good situation. This links with the 'service recovery paradox' mentioned within the literature, so although employees may not know the terminology, they are aware of the benefits of turning a negative issue into a positive one, by handling a complaint successfully.

'What difficulties did you have when trying to satisfy service recovery?'

Two participants from the chain hotel group answered with guests who complain about things the hotel had no control over, or don't know exactly what they want but like to complain anyway. The other participant replied that they didn't have any difficulties, as she had been trained extensively, which shows that she believes with the right level of training, employees are able to handle all sorts of complaints effectively. With the independent hotel group, one participant mentioned consistency of employees following the same procedures, which indicates that the employees from the independent hotels may not have the same level of training as those from a chain hotel.

'Did you feel you received enough training and empowerment and feel the correct policies and procedures were in place for you to be confident and successful in order to give satisfying service recovery?'

Four participants, two from each focus group replied with no, they didn't receive enough training. They explained there weren't concrete procedures in place, and they were often left to decide themselves how to handle the complaint, and that there were always differences of opinion by each member of staff on how to do this effectively. This leads to some guests who may complain about the same issue, receiving different solutions on handling the complaint, which is inconsistent and may be unfair, dependent on how the complaint was handled, for example by monetary terms. However two participants did feel they receive the correct amount of training in order to perform their job roles confidently and successfully.

5.2 Focus group discussion

In order to be able to analyse the results given to conduct an effective analysis and comparison, the focus group was voice recorded, and then transcribed in order to analyse all the information given. The opinions from the participants have been gathered into tables, divided by the questions asked.

Q1	What was your experience of using complaint policies and procedures? What level of training were you given? Would you change them if you could?
Chain – Hotel A Participant 1	If any problems arose, it would go straight to a manager away from reception. Change of management, gained more empowerment for example 10% off guest’s room bills, or vouchers for their restaurant. Would be better more organised, more appropriate compensation for the type of guest.
Chain – Hotel B Participant 2	Focused on facilitation, received a lot of training, 3 day programmes, Guest Service Excellence which lasted a week. Receptionists follow a guideline; different levels of empowerment can’t go over 20% compensation, guests were transferred to Guest Relations for large complaints.
Chain - Hotel C Participant 3	Received no training, only how to check a guest into the hotel. Focused on apology and redress, however most guests were corporate, and therefore weren’t interested in money back as they weren’t paying, had to be more creative. No procedures, dealt with the problems as they arose, dependent on the type of person. Feelings of anger, frustration, unsafe.
Independent – Hotel D Participant 4	No official procedures, give the guest what they want, usually money or free stays. Thrown in at the deep end, learn as you go. Manager would take money off so limited empowerment.
Independent – Hotel E Participant 5	Manager used his experience from working in a chain hotel so briefed his staff on what he did there. No formal training as always a duty manager around. Would like to have more structure, there’s no set work force, different managers have different ways of handling the complaints
Independent – Hotel F Participant 6	Hotel was very keen on compensation, therefore regular guests started to notice and make complaints about the smallest things in order to receive free stays whilst on check out. Very keen on giving away free products such as champagne.

Figure: 5.2.1

The answers from both focus groups were mostly very similar, with 5 out of 6 participants saying they had received very little training and no procedures in place. This differs from the baseline questionnaire answers, where only 4 participants answered that they didn’t receive enough training. This is led to assume that although one participant felt that they didn’t

receive enough training, they didn't see it as a negative, as they were able to learn and use their initiative and problem solve on their own. Participant 3 said this made her feel unsafe, angry and frustrated, and therefore begin to think how many other members of staff feel this same way. This is therefore a topic that new research could explore. All 5 participants had little empowerment, and often had to call for a manager to deal with problems. This relates to the organisational responses facilitation and timeliness, as waiting for a manager to deal with the issues is time consuming and may frustrate the guests even further, therefore increasing the level of dissatisfaction. The same participants also mentioned that a lot of the compensation wasn't appropriate to the type of guests complaining. Participant 3 mentioned that hotel C would want to give money back to their corporate guests, but as they weren't paying for the stay anyway, this wouldn't help satisfy the complaint and therefore had to be more creative with their offers, such as giving out Starbucks or iTunes vouchers instead. This implies that there are various forms of distributive justice which guests may be satisfied with, not only the monetary form of cash back which is a popular form of redress. In these circumstances, the other justices of procedural and interactional may become particularly influential in handling a customer complaint. The corporate guests may be looking for empathy and a promise the issue won't happen again, instead of being offered money. Not giving the appropriate compensation may show that the hotel doesn't truly care for their guests as individuals, and giving the same redress for each complaint, the guests may feel undervalued for their custom. As chain hotels are especially well known for their commitment for delivering excellent customer service due to their advertising, these results are surprising as it is expected that employees would have been extensively trained in order to handle such situations effectively, in order to fulfil the promises made. Referring to Justice Theory, it is assumed then that chain hotels in particular would focus on procedural justice, which relates to the policies and procedures in place. Participant 2 however explained she was extensively trained to deal with any type of situations that arose in hotel B, after completing various training programmes. However hotel B also had Guest Relations, a department that a lot of independent hotels do not have and is a department where a lot of the large complaints are handled. Hotel B it seems therefore not only focuses on distributive justice, but also has set training and complaint procedures in place, which shows procedural justice is also of an importance to the company.

The participants from the independent hotels noted that the hotels mainly focus on redress and apology, giving what the customers expect to leave happy. However participant F said that some of the regular guests started to notice that money was given quite often, and so would try and complain about things in order to gain some money back. This in effect shows that redress maybe is often used when it isn't quite necessary, which indicates that there is a misuse of distributive justice. In monetary terms for a business, this is affecting revenue and therefore hotels should be aware of what they are giving, as this could affect their reputation in a negative way. If the hotel was to use distributive justice correctly in the right manner, and also implement the other justices more that don't affect revenue, this would put the hotel in a better position.

Q2	Referring to the organisational responses, which do you believe as an employee is most important for service recovery, and why?
Chain Hotel A Participant 1	Important to show attentiveness , the way in which employees respond to the complaint. (see example given below)
Chain Hotel B Participant 2	Facilitation and redress , because the training helped so much to deal with the complaints, and the redress and apology linked, usually made the customers happy. Timeliness also, however this is mostly thought about when answering complaints that are not face to face, but written in a letter or online.
Chain Hotel C Participant 3	Credibility . If hotels prevent what has gone wrong for a guest so it doesn't happen again, good reputation. If a complaint happens, guests should be compensated in a timely manner.
Independent Hotel D Participant 4	Attentiveness as it is very important to be willing to listen, make the effort and the employees attitude are all part of the complaint process. No hotel is perfect and there will always be complaints. It's how the hotel handles them that is going to affect their reputation, retention etc.
Independent Hotel E Participant 5	Credibility – employees should be trained and work their hardest to ensure problems they can handle, won't arise again. Focusing on this, the number of complaints should sufficiently decrease.
Independent Hotel F Participant 6	Attentiveness – e.g. looking after your guests before a complaint is made, not just during the handling procedure. Timeliness also, as people don't want to sit and wait for the complaint to be handled, because it builds on their anger.

Figure: 5.2.2

The organisational response that half of the 6 participants believe is the most important is attentiveness. Attentiveness is linked with interactional justice, which is discussed later in the project. The fact that the participants worked in different types of hotels doesn't make a difference to the opinions given. *'Attentiveness refers to the care and attention that the customer gets from the organisation or its representatives.'* (Davidow, 2003 p243) This shows that the participants believe that to a large extent of handling a complaint, it is the way the employee acts, respects, empathises and has a willingness to listen, which is the main dimension of being able to handle a complaint effectively. Participant 1 gave an example:

A guest came to check in early to the hotel; however there weren't any rooms available. He wasn't happy and complained to the receptionist on the desk. This receptionist has a 'rough way' with guests, and can often come across as abrupt, rude and brash, and wasn't willing to understand or to listen properly to the guest. Instead of continuing to complain about the hotel room, he then changed his complaint later in the day to how his dissatisfaction wasn't handled in the correct manner, and how unhelpful the member of staff was. This caused an increase in tension and upset for the guest, and it was I who had to deal with the situation, later whilst on shift.'

The example above shows a reverse of the 'service recovery paradox' mentioned within the literature review, and also links with the literature mentioned within employee retention and training. Had the member of staff responded to the original complaint accordingly, the guest may never have complained a second time which would have resulted in a happier outcome.

The second most popular response from an employee point of view was credibility, which with attentiveness, both link with interactional justice. These findings are discussed later in the project. Again the two participants who said this were from both focus groups, so it can be assumed that this does not differ between hotel types. This result shows that they believe solving the problems so they don't have repetitive complaints, would decrease the level of dissatisfaction within the hotels. Participants 2, 3 and 6 also mention timeliness as their second opinion, so this reflects that how fast a complaint is handled is important, but it might be expected that a hotel ensures to satisfy complaints as quick as they can, and therefore not the main response to focus on.

Q3	'What do you think customer's regard as the most important for service recovery?'
Chain Hotel A Participant 1	All responses are important in their right order, guests do want to hear you apologise , empathise with them and offer redress . However it depends on the type of guests; some people just want to complain to be heard, to be listened to.
Chain Hotel B Participant 2	A lot of guests find they don't want the same problems happening again the next time they come and stay, making credibility important. Some guests just want an apology , even when it is out of the hotels' hands, such as no hot water due to an outside water issue.
Chain Hotel C Participant 3	Guests mostly want attention . If the complaint is credible , then redress and apology is key. Hotels need to be proactive and organised, in order for the same issues not to happen again, which links with credibility
Independent Hotel D Participant 4	Credibility – sometimes hotels can just jump straight in and handle the complaint as it happens, without actually making sure it doesn't happen again. This results in many guests complaining about the same thing which can increase frustration and may make them move to competitors
Independent Hotel E Participant 5	Attentiveness – Guests are not naïve anymore, a lot of people work in service type jobs such as in shops and therefore are very aware of how they should be treated.
Independent Hotel F Participant 6	They are all very important, and complaints should be handled firstly with the customer always first, as without any customers, you have no revenue, and a hotel cannot be successful.

Figure: 5.2.3

All 3 participants from the chain focus group mentioned that a lot of the guests just want to be listened to when complaining. They want to feel like the hotel cares and values their opinions, and are looking for empathy. This links with the response of attentiveness, which is also the key response the participants mentioned from an employee point of view, meaning that without attentiveness, service recovery cannot be truly effective. Although training should be given, it is also the employee's personality and attitude that can satisfy or dissatisfy service recovery, and therefore employing the type of people who have genuine traits of empathy, understanding and listening skills, is of up most importance to a hotel. It has also been made aware that the participants also believed that apology can link strongly with redress, as through giving redress to a guest, you are also apologising for the dissatisfaction. Asking this question from a customer perspective was therefore very

important, as it shows different answers than from the employee perspective. The participants may not have realised there is a difference of opinion, so it has been made aware for future issues that it is important to look at a situation from both perspectives. After all, front-line employees are also customer's themselves when outside of their work and into other businesses.

6.0 Conclusions

Through conducting focus groups with participants who have worked in either chain or independent hotels, key findings have been established when examining service recovery procedures and policies, and the opinions and attitudes of these front-line employees with regards to the organisational responses.

From the information gathered within the study, and analysing a comparison between chain and independent hotel participants, it has been found that the type of hotel the participants have worked in isn't the reason why there are similarities and differences of opinion within the questions asked, with regards to organisational responses and training. For example, other than all 3 participants from the chain hotel group mentioning that a lot of guests just want to be listened to, there are no other strong correlations of opinions within the chain or independent hotel group that differentiate themselves, and therefore there isn't a strong comparison between the two different types of hotels. The strongest form of similarity between both types of hotels is the distinct lack of complaint handling and service recovery training for front-line employees.

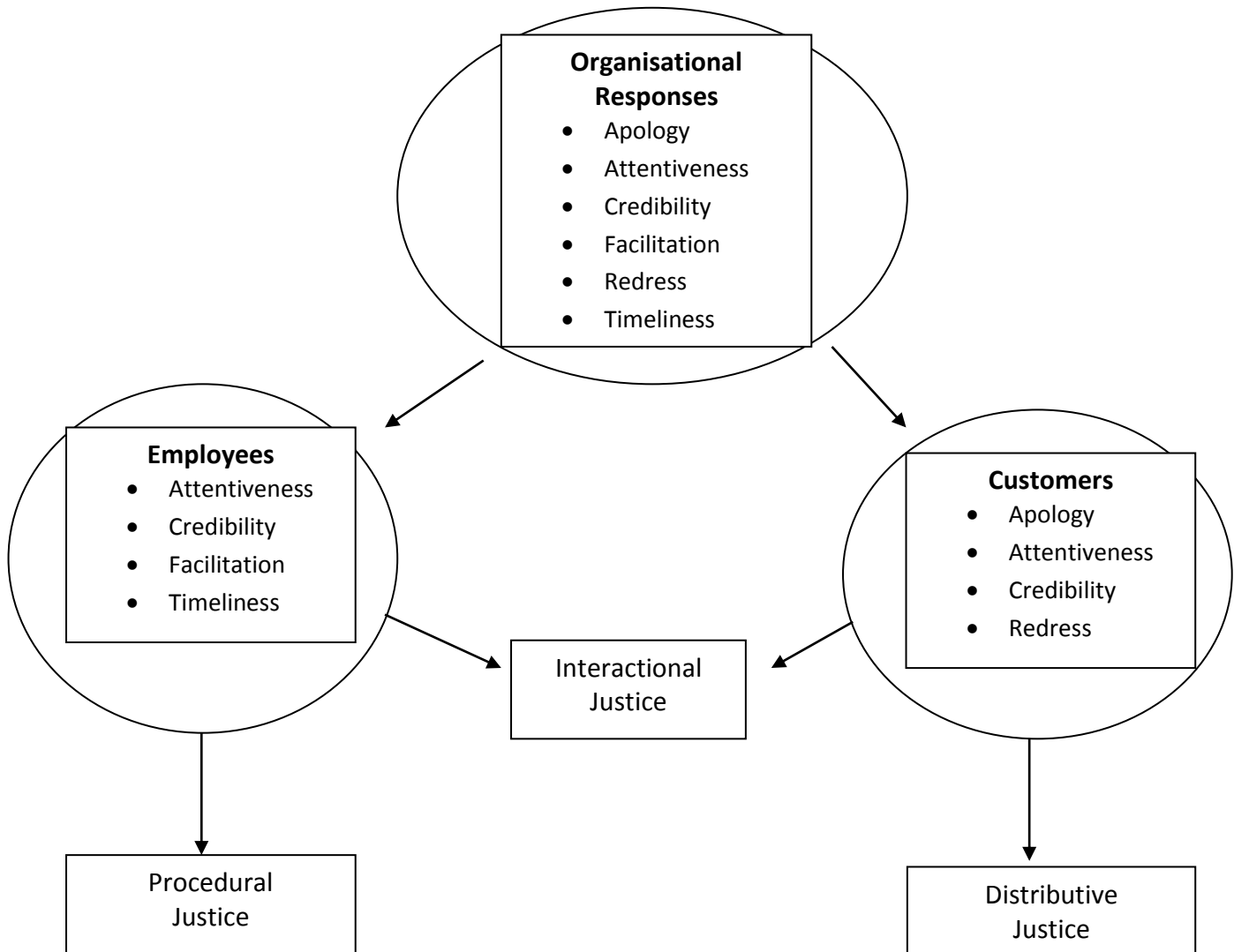
One of the main findings was regarding the lack of training front-line employees feel they receive when starting their job. Other than participant 2, the others both from the independent and chain hotels felt they were undertrained and therefore lacked confidence when handling guest complaints. From a chain hotel perspective, it is assumed they would have official policies and procedures in place to be trained to the same level as every other employee from all the other branches of hotels, to remain consistent with their standard of service. However, through conducting these focus groups, it shows that even employees, who have worked in a well-established hotel chain, are unhappy with the amount of training they received. When the participants filled in the questionnaire for question 4 (see 5.1) it was analysed that employees from independent hotels may not have the same level of extensive training as those from a chain hotel. From conducting a triangulation method in

using both a baseline questionnaire and focus groups it has been found that this is not the case, and actually both types of hotel don't offer extensive training.

A further finding is the difference of opinion regarding the organisational responses when looking at an employee and customer perspective. It is important for an employee to look at the situation from a customer view as-well from a business point of view, as the results show that an employee may believe something is less significant than what the customer does, for example giving an apology and the type of redress offered.

A new model has been proposed from the researcher, derived from the primary research results regarding the two different employee and customer perspectives of the organisational responses. This new framework is named, 'Service Recovery – Employee and Customer Perspective Framework and is shown below. It shows clearly which responses employees and customers deem to be most important for effective service recovery, with attentiveness and credibility being the two most essential responses that both perspectives deem to believe most important, therefore an overlap has emerged. Facilitation and timeliness have been added as the other responses most effective from the employee's perspective, and redress and apology have been added from the customer's perspective. The three dimensions of Justice Theory have also been included within the framework, with the literature indicating that distributive justice relates to redress. Therefore this dimension has been included in the framework on the customer's perspective, showing that customer's deem distributive and interactional justices the most important for service recovery. Interactional justice refers to how the guest perceives the level of treatment they receive during the service encounter, linking with employee behaviour, therefore relating interactional justice with the responses attentiveness and credibility. Procedural justice refers to how the guest perceives the policies and procedures in place, as well as the time it takes to resolve the issue, making procedural justice relate with facilitation and timeliness. This shows that employees deem procedural and interactional justices the most important for service recovery.

This framework can be used as a framework for future organisational responses, service recovery or Justice Theory research studies.



6.1 Service recovery – Employee and customer perspective framework

6.2 Recommendations

6.3 For future research

Using this framework following best practice, areas for future research has emerged. The area of front-line employee training was touched upon, and after learning how little training is given to members of staff, this has opened up a new area of study such as to find exactly what training is given, and to see whether the training is different from that of different chain or independent hotels, or like this study, a comparison of both.

Further research could also be undertaken to find the similarities and differences of opinions on the organisational responses, or employee training within front-line employees who work in hotels in different countries. Due to different cultures and beliefs, the results could differ from the results found in this study. For example employees might be trained

extensively more in the USA to the UK, or American employees may not regard the timeliness response as important in any context. The new framework can be used as a baseline to conduct this research, and to compare the results found from this study.

6.4 For chain and independent hotels

It has become clear which organisational responses customers and employees regard to be most effective for service recovery. Therefore hotel managers should take these responses and results in consideration, when establishing their procedures of complaint handling, which links into their staff training. From this study it is clear to see that not enough front-line training is currently being given within complaint handling and service recovery within both chain and independent hotels. In order for customers to be satisfied once a complaint has been made, it is very important that the most appropriate form of service recovery has been taken place, and that the guests feel they have been treated in the correct manner.

6.5 Limitations and validity

The research carried out for this study shows an insight into employee and customer perspectives on organisational responses and service recovery; however this study also has limitations: although mentioned in the methodology the advantages of using final year undergraduate students for the focus groups, there are also limitations to this, for example the participants used their knowledge from the one hotel they have worked in. To improve the validity of this research, front-line managers who have gained more experience whilst in their hospitality career may be able to give more in depth answers and examples relating to the organisational responses, and may also be able to explain their choice of training for their front-line employees.

This study also strongly relates only to hotels within the UK, as all 6 participants worked in a UK based hotel. Therefore to also improve the validity, a mixture of front-line employees who have worked in hotels within different countries taking part in the focus groups, would give more universal results regarding service recovery.

Using a thematic analysis approach and a triangulation method to conduct this study has shown to be successful, as it has allowed to examine the issues found within the literature

by conducting focus groups, identifying, grouping, summarising and analysing the findings effectively. In terms of the validity, by using final year students as the participants for the focus groups, it has been made aware what the future leaders and managers of the Hospitality Industry currently believe, and this has allowed them to consider the ways complaint handling and service recovery will be conducted in the future, within their own businesses.

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8.0 APPENDIX 1

BASELINE QUESTIONNAIRE

FOCUS GROUP 27/03/12

What is your experience within customer service within hotels? Do you / have you worked in a chain or independent hotel?

1) What do you believe service recovery is?

2) How important do you believe service recovery is from the business point of view?

3) How important do you believe service recovery is from the customer point of view?

4) What difficulties did you have when trying to satisfy service recovery?

5) 'Did you feel you received enough training and empowerment and feel the correct policies and procedures were in place for you to be confident and successful in order to give satisfying service recovery?'