

**An Antecedents and Outcomes of Service Recovery
Performance, The Case of Hospitality Industry in
North Cyprus**

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ABSTRACT

The main aim of this study is to identify factors affecting service recovery performance and its outcomes in the case of five-star hotels in North Cyprus. The total number of 214 frontline employees participated in this study. Accordingly, judgmental sampling that is a type of non-probability sampling has been applied for collecting data. This study suggested a conceptual model that tested the impact of managerial attitudes and frontline staffs' perceptions of their work environment influence Service Recovery performance. More specifically, the study tests the impact of managerial attitudes and frontline staffs' perceptions of their work environment on service recovery performance and the effect on service recovery performance on employees' intentions to resign and their job satisfaction. These relations have been tested referring to social exchange theory. The association of these constructs was tested by using SPSS 20. The results clearly demonstrated that several factors impacts Service Recovery performance in hotels in North Cyprus which consequently affect employee intentions to resign and their job satisfaction. The results emerging from the current study proposed useful implications for managers and hotel owners in North Cyprus. Additionally, some information regarding the limitations of this study as well as implication for future inquiry was presented in this thesis.

Keywords: service recovery performance, managerial attitude, intentions to resign, job satisfaction

ÖZ

Bu çalışmanın temel amacı, hizmet iyileştirme performansını etkileyen faktörler ve bunların Kuzey Kıbrıs'taki beş yıldızlı otellerdeki sonuçlarını etkileyen faktörleri tespit etmektir. 214 sınır birim çalışanı çalışmaya katılmıştır. Bu çalışmada kavramsal model test edilmiş ve yönetsel tutum ile sınır birim çalışanlarının çalışma koşullarının hizmet iyileştirme performansına etkileri ortaya konmaya çalışılmıştır. İlişkiler SPSS 20 ile test edilmiş ve Kuzey Kıbrıs'taki beş yıldızlı otellerdeki sınır birim çalışanlarının hizmet iyileştirme performansının işten ayrılmaya niyetli olma ve iş tatminleri üzerinde etkili olduğu sonucuna varılmıştır. Bu çalışmanın bir diğer sonucu da, bulguların Kuzey Kıbrıs'taki otel yöneticileri ile otel sahiplerine sağlayacağı faydalar olmuştur. Ayrıca, çalışma esnasında karşılaşılan kısıtlamaların etkisinin sonraki çalışmalara ışık tutacağı bilgisi de Çalışmada belirtilmiştir.

Anahtar kelimeler: hizmet iyileştirme performansı, yönetsel davranış, işten ayrılmaya niyetli olma ve iş tatmini.

To My Family

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Chapter 1

INTRODUCTION

In today's competitive era, organizations should attempt to focus on customers' wants and needs to meet their expectations and satisfy their needs. Research indicated that service quality has a significant impact on customer satisfaction and loyalty compared to the characteristics of product/service (Donnelly, Kerr, Rimmer, & Shiu, 2006).

Service quality similarly leads to reduced costs, augmented productivity, enhanced organizational performance, and accordingly, has impact on positive word-of-mouth; (Buttle, 1996; Seth, Deshmukh, & Vrat, 2005). Marketers also have lately begun to deliberate and develop strategies to accomplish and measure service quality to their own benefit.

It is said that frontline employees characteristically have the greatest face to face contact with an establishment's clients and as a result play a serious role not only on delivering service but also throughout the whole process of Service Recovery (Boshoff & Allen, 2000; Choi, Kim, Lee, & Lee, 2014; Zeithaml, Bitner, & Gremler, 2012). Tax, Brown and Chandrashekar (1998) found that the majority of service failures which almost comprises of sixteen percent initiated in the front of the house. Frontline workforces can also propose significant information concerning customer's requirements, criticisms, and prospects (Karatepe, 2012).

These employees simultaneously may be unwilling to transfer this data forward to management for horror of vengeance (i.e., the absence of empowerment employee insights of emotional security at the place of work). Supervisors who appreciate and comprehend this subject apply policies and plans to efficiently manage service mistakes/failures.

Since frontline employees have boundary-spanning roles and have extreme face-to-face interfaces with customers, they are among main actor in and have a severe part in distribution of service excellence and operative service recovery (Gil, Hudson, & Quintana, 2006; Hartline & Ferrell, 1996; Min & Min, 2006; Yavas, Karatepe, Babakus, & Avci, 2004). In spite of such issue, various factors including low salary, high workloads, customer hostility, role pressure, and troublesome work agendas cause problems for such employees ((Babakus, Yavas, & Karatepe, 2008; Karatepe, Kilic, & Isiksel, 2008; Miller & Madsen, 2003; Solnet & Hood, 2008). For such reasons, managers have trouble to keep skilled and high performing employees in organizations for long time (Karatepe & Karadas, 2012)

It is commonly believed that service process can have great intricacy, since it is grounded on individual associations among consumers and frontline office staffs. Hence, service process policy should deliberate the catastrophe recovery procedure (Schoefer, 2010). That is pertinent for producers of industrial items with added services and involves substitutions to performance advance (Menor, Tatikonda, & Sampson, 2002). Literature has offered the theme of service recovery. For instance, Michel, Bowen and Johnston (2009) considered the origins of the common failure of service recovery to reinstate customer pleasure and satisfaction. Additionally, Michel and Meuter (2008) confirmed the presence of the recovery inconsistency.

They claim that in the case of well implemented recovery, the customer will reappear to his former level of gratification or even exceed it. Magnini, Ford, Markowski and Honeycutt Jr (2007) in other study stated that service recovery is merely fruitful only if consumers do not consider the failure grave and are absolutely astounded by recovery activities.

In order to assemble the procedure of service recovery, Michel (2001) and other authors offered scopes related to problematic appreciation, responsiveness and confession; introducing the solution to the problem, and the quickness of recovery process. Numerous scholars' studies have concentrated on performance measurement. Nonetheless, as stated by Battaglia, Borhardt, Afonso Sellitto and Medeiros Pereira (2012), a technique for assessing the presentation of service recovery scopes was formerly defined. (Bhandari, Tsarenko, & Polonsky, 2007), which recounts the recovery practice to the scopes observed by customers, and Hang (2010), which relates such presentation to the positive word-of-mouth (WOM) communication and repurchase intentions related to the firm.

Confirmed by Choi, Kim, Lee and Lee (2014), frontline employees' regular direct and close interactions with customers are a noticeable distinguishing character of the service procedure. Yet, the service procedure does not necessitate customers to be considerate or sympathetic. Accordingly, frontline service suppliers are likely to serve customers who may be discourteous, conceited, and even aggressive (Zapf, 2002). As an example, Harris and Reynolds (2004) found that around seventy percent of hospitality customers confessed to have deliberately and orally abused frontline employees to have financial gains. The concept and the philosophy of the notion that customers are always right has been a core notion in many service

sections. Even in facing disrespectful behaviour by customers they still have to keep their smile and respect them.

The fact is that when one talks about Service Recovery he means a certain group of fact for an association, as an unacceptable reply to a consumer protest would result in dropping the unsatisfied customer (Michel, Bowen, & Johnston, 2009). Hence, the literature dedicates substantial care to this matter, and recognizes the vital elements of a pleasing Service Recovery. This comprises resolving the customer's problem, presenting an apology, being polite and showing responsiveness, and offering an immediate recovery (Liao, 2007; Ozgen & Kurt, 2012). In turn, an agreeable service recovery may lead to restore customer gratification and behavioural goals (Van Vaerenbergh, Larivière, & Vermeir, 2012). It is said that an agreeable recovery can help to improve and ameliorate customers' moods of unfaithfulness and their subsequent aspiration which help them to react in contradiction of the service supplier. One might claim that an agreeable service recovery is also allied with a growth in merciful, creating customers less probable to continue in demanding compensations (Grégoire & Fisher, 2008). Scholars propose that customers are unlikely to request compensation when the recovery procedure is well performed. Thwaites and Williams (2006) propose that customers do not constantly pursue monetary reparation, particularly if the miscarriage can be modified instantly.

Besides, various works done in the criticism literature propose that customers who are living in individualistic culture generally have more tendency to criticize compared to collectivist consumers (Zhang, Beatty, & Walsh, 2008) and this type of customers put more stress on reimbursement through Service Recovery (Mattila

& Patterson, 2004; Wong, 2004), therefore they are more probable to appeal the unconditional service promise leading to succeed in the process of an agreeable Service Recovery (Van Vaerenbergh, Keyser, & Larivière, 2014).

1.1 Purpose of the Thesis

The main aim of this study is to explore the potential influence of different variables on Service Recovery Performance of front personnel, and the influence of effective service recovery on frontline members' job satisfaction and plans to resign by using sample from frontline employees in five-star hotels in North Cyprus. More specifically, this study will propose a conceptual model in which managerial attitudes and frontline staffs' perceptions of their work environment influence Service Recovery Performance. Moreover, the model would suggest that service recovery performance leads to different outcomes, which lowers intentions to resign and increases job satisfaction. Customer SO of the organisations and their willingness to reward staff for providing service excellence to the customers are two proposed managerial attitudes identified in this study which hypothetically prompting service recovery performance. The work environment factors include Training, Empowerment, Role Ambiguity and Organizational Commitment.

The relation between the abovementioned constructs will be justified and explained by applying social exchange theory. In other words, by explaining the norm of reciprocity offered by social exchange theory, all these relations would be explained.

1.2 Contribution of the Thesis

Against the mentioned study background, this study is planned to fill some missing points being confirmed by other researchers, specifically in the case of hospitality

context. Firstly, although several empirical studies examined factors affecting service recovery performance and its consequences in organization, there is still a dearth of research concerning factors strengthening service recovery performance and the probable outcomes (Guchait, Paşamehmetoğlu, & Dawson, 2014; Choi, Kim, Lee, & Lee, 2014). These studies clearly stated the need and the importance of investigating factors affecting service recovery performance. Therefore, this study tends to fill this gap by examining antecedents and consequences of service recovery performance in hospitality industry in North Cyprus.

Moreover, based on a recent study conducted by Seul, Kim and O'Neill (2014), different cultures have different perception related to service recovery. In this study, the authors claimed that companies which have been expanding internationally need to identify the cultural diversity of their consumers and generate localized plans and strategies for service recovery to fit diverse customers' complaint behaviours. Similarly, employees, like customers, may have different insight and perception related to service recovery in their work place. Therefore, there is a need to determine employees perception related to service recovery performance and its probable outcomes at employee level performance. Additionally, studies proved that employee turnover that lessens productivity is a severe problem in the global workforce (Huffman, Casper, & Payne, 2014). Similarly, this is the case for the hospitality industry. In fact the hospitality industry is particularly characterized with high turnover (Madera, Dawson, & Neal, 2014; Ogbonna & Harris, 2002). Although several studies determined the impact of organizational and individual variables on turnover intentions, more research is needed to identify other factors impacting turnover intentions. Besides, many

researchers have studied consumer complaints and perceptions of service recovery methods in the hospitality industry (Mueller, Palmer, A., & McMullan, 2003), focusing mainly on Western consumers rather than other places (Liu & McClure, 2001). Still, to the best knowledge of the author, there is not any study investigating antecedents and consequences of service recovery in the case of hotel industry in North Cyprus. In addition, by justifying the relationship between the study variables using social exchange theory, this study would add more insight to the existing literature and provide theoretical background to justify the relation between the constructs. To end with, the outcomes of this inquiry may provide beneficial and expedient insight to administrative standpoint with reference to the connections among factors intensifying service recovery, intentions to resign and job satisfaction.

1.3 North Cyprus as a Tourism Destination

The Turkish Republic of Northern Cyprus (TRNC) is a state that encompasses the north-eastern part of the island of Cyprus (Northern Cyprus - Wikipedia, the free encyclopedia, n.d.). In the north east, the island spreads starting the top of Karpaz, from west part spreads to Morphou Bay and Cape Kormakitis and it is extended to the village which is called Louroujina in the south part. A buffer zone which is controlled by the UN stretches between North Cyprus and the rest of the island. Cyprus is the third largest island in the Mediterranean Sea. It occupies an area of 9851 km. It lies 60km. south of the coast of Turkey, 96 km. west of the coast of Syria, and 322 km. distant from Greece (Rustem, 1987). Winter in North Cyprus is mostly rainy and cool, especially between December and February. Although the temperature may really be low during the nights in winter, there is no snow fall in different part of North Cyprus. (<http://www.cyprus-beach.co.uk/north-cyprus->

holiday/, 2015). In spring the weather is unstable and pretty short. Summer that is followed by a short autumn is very hot and dry enough to turn the island brown.

In recent years, the charter flights from different parts of the world such as the Netherlands, Poland, Azerbaijan and Iran have been arriving via Turkey. There are more efforts in order to have charter flights from southern part of Europe and Russia as well. Gilmore, Carson, Fawcett and Ascenção (2007) in their research examined sustainable marketing in the case of North Cyprus. In their study they stated that tourism has a noteworthy role for income as well as employment in such region. They specified that international economic sanctions that happened in 1974 had an intense upshot on North Cyprus and it led some limitations and boundaries to tourism sector as well. There also appeared many difficulties for having a balance between major activities such as economic, social and environmental perspectives. Some scholars such as Hall (1994), Clements and Georgiou (1998) claimed that North Cyprus tourism has faced many difficulty and instability that originated from political issues between Greek Cypriots and Turkish Cypriots on the island. According to Lockhart (1993), Manfield and Kliot (1996), Ioannides (1992) and Gunce (2003) in Greek Cypriot part, tourism activities is more developed compared with the Turkish part.

Altinay (2000) states that most investment that is including the building of highways, electricity plants, water supply and so forth are financed by Turkey. However, these activities are not compatible with EU standards.

North Cyprus, as a tourist destination, has a rich natural and cultural attractions. Creating marketing strategies to enter international tourism and attract potential

tourists to North Cyprus is the main problem that facing today. Understanding attractiveness for North Cyprus is an important issue that must be considered precisely.

There are different and interesting water-sport activities that people can do in North Cyprus while visiting the place. People and visitors can also benefit beautiful historical memorials as well as rich archaeological ruins and monuments (North Cyprus Guide, 2015). The cities in North Cyprus are Nicosia, Kyrenia, Morphou, Famagusta, Iskele, and Karpaz. North Cyprus is having the most beautiful and a unique beauty in the beaches and it has a rich nature. The beaches are truly clean and outstanding. Additionally, visitors can enjoy the cuisine and warm and friendly people that you can rarely find in other countries. “If you are a nature-addict, an archaeologist, a jogger, a sportsman or a sun-lover, the island is the correct place for you to be”.

Tourists and visitors will have the opportunity to enjoy all these marvellous beauties combined with Beşparmak Mountains' beauty and magnificence.

1.4 Content of the Thesis

This thesis will comprise of seven chapters. In the next chapter, the relevant theory and literature review and the study background of all the constructs will be presented. In the third chapter, the proposed conceptual model, the research hypotheses and hypothesized relation between study constructs will be discussed. Methodology chapter will deliberate information regarding to research philosophy, approach and method. In this chapter sample and procedure used for data collection, questionnaire structure and measures would be discussed. Chapter five

would explain psychometrics properties of the measures and tests of research hypothesis. This chapter is followed by discussion section which explains the summary of findings, implication for practices. Limitation and future research direction will be given in this chapter. Finally, last chapter would present conclusion.

Chapter 2

LITERATURE REVIEW

2.1 Social Exchange Theory

As stated earlier, in order to explain and justify the relationship between independent and dependent variables in this study, social exchange theory will be applied as the theoretical background. This theory implies that organizational variables are observed and understood by employees. These staffs successively would use the information for additional activities and respond to them accordingly. Previous studies similarly used this theory to explain the relation between different constructs. For instance, in a recent study, Karatepe and Ngeche (2012) conferred to this theory to justify the relation between work engagement and (a) turnover intentions and (b) job performance.

Additionally, in another recent empirical study, Gibbs and Ashill (2013) applied the theory to examine the process through which high performance work practices influence frontline employees job satisfaction and organizational commitment, and the relationship between these job attitudes and the critical employees behavioural outcome of job performance. This study similarly will use this theory to explain the logical relation between the variables under investigation.

2.2 Perceived Managerial Attitudes

2.2.1 Customer Service Orientation

Despite the fact that the explanation of services is not entirely steady amongst processes and service organisation researchers, there are numeral characteristics of services that are granted upon by most of the academicians. As also stated by Oliveira and Roth (2012) these comprise of imperceptibility, inseparability of production and ingesting, “heterogeneity”, “perishability”, and “inability to be stored in inventory”.

The attention of service academics in SO is dating back to above fifty years currently: Adair (1969) is attributed to have initially used the notion and recognized it as a central feature in librarians. However, other scholars such as Hogan, Hogan, and Busch (1984) study in the case of the SO of hospital worker can debatably permit as the influential part on the topic, which consequently produced different inquiry interests. The perception and concept received a strong attention throughout the renaissance of the service area and SQ investigation in the eighty’s decade (Schneider, Parkington, & Buxton, 1980; Grönroos, 1984; Parasuraman, Zeithaml, & Berry, 1985).

SO is an unclear term that has regularly been applied to refer to disposition characters, employee arrogances and performances, or service values/policies, which support superiority performance of service. An inclusive analysis conducted by Homburg, Hoyer and Fassnacht (2002) recognized two comprehensive components of literature on the concept. Nonetheless, as claimed by Frimpong and Wilson (2013), scholars designated two other subcategories at the individual level known as service orientation as a personality trait and as what personnel do throughout the service encounter and delivery. According to Dienhart, Gregoire, Downey and Knight (1992) “Service-oriented employees tend to be attentive,

pleasant, courteous, and responsive to customers' needs". Correspondingly, Johnson (1996) likewise defined service orientation as the level and degree to which subdivision teams go out of their way to resolve customer difficulties, collaborate to crack purchaser problems, are dedicated to providing outstanding service, and sense personal concern for their work. In this thesis, the concept of SO in delivery was operationalized as employees' attitudes and behaviours which is expected to confidently have influence on service recovery performance. (Frimpong & Wilson, 2013).

Various studies examined the impact of customer service orientation in organizations. For instance, Hong, Yang, and Dobrzykowski (2014) in a study examined the concept of customer service orientation in the context of rapidly changing competitive market environments. The findings suggested that firms with a customer service orientation implemented both human and technical aspects of lean manufacturing practices leading to better performance results. The findings also proved that performance outcomes were indirectly influenced through the joined efforts of technical and human lean manufacturing practices.

In other study conducted by Lee and Ok (2013), the findings revealed that display rule perception, emotional intelligence, and sense of accomplishment had positive effects on service orientation, whereas depersonalization had a negative influence on service orientation. The results of this study also indicated that for frontline line employees, displaying rule perception and depersonalization had more impact on forecasting service orientation than for managers, while depersonalization had no effect on service orientation from manager perspectives.

In another study, Gebauer and Kowalkowski (2012) attempted to offer an improved consideration of the relation and interrelatedness of customer and service alignments in the organizational assemblies of manufacturing corporations. In this article, they discovered four diverse outlines and forms of how firms transfer from creature product-focused to service-focused. The four outlines are labelled and termed as highlighting service orientation, service-focused structural structure, stressing CO, and focusing on consumer organizational arrangement. The authors explicitly claimed that by using these four organizational approaches managers would be able to reform and restructure their companies to service and customer orientations.

2.2.2 Rewarding

The impact of rewards on employee performance has been examined extensively in various studies. It is commonly accepted among scholars that rewards is one of the indicators of High Performance Work Practices (HPWPs) (e.g., Karatepe & Vatankhah, 2014). HPWPs consist of activities enhancing employee performance in organizations in terms of their knowledge, capabilities and skills which in turn can result in having better service delivery (Rhoden, Ralston, & Ineson, 2008; Wirtz, Heracleous, & Pangarkar, 2008).

According to Lewis and Gabrielsen (1998), an essential component of service quality is the relation between staff rewards and service delivery presentation. Rewards are not simply essential in encouraging workforces to bring extraordinary quality services, they are also essential in encouraging them once dealing with consumer protests (Bowen & Johnston, 1999; Yavas, Karatepe, Avci, & Tekinkus, 2003). As stated by Rod, Carruthers and Ashill (2006), it is assumed that if managers do not assign reward based on servant service recovery hard work,

frontline workers will not put much struggle in dealing with client objections or service failures. Therefore, it seems objective rewards would have beneficial outcomes in service organizations.

Additionally, specifically in the case of hotel employees as proved by Tang and Tang (2012), by allocating competitive rewards to staffs based on the service performance evaluations as an alternative of subjective issues like the preference of a supervisor, hotels not only assist employees to appreciate that their commitment would bring them equal rewards but also reinforce their motivation to improve service quality. Rewards and public award not merely convey a message to employees that the hotels extremely value high quality of service but also confer benefits of workforces, customers and hotels organized consequently the employees will perform upon this mutual interest of themselves, their hotels, and customers, relatively than upon their own alone. Accordingly, in such situation employees are more inspired to deliver superior facility, and their service value combines with the one of the lodging house (Chiang & Birtch, 2011).

In a recent study conducted by Jiang and Liu (2015) the authors clearly stated that individual based rewards stimulate and reinforce individual performance which ultimately lead to organizational effectiveness. In another study done by García-Chas, Neira-Fontela and Castro-Casal (2014), Rewards were considered as one indicator of HPWPs. In this recent inquiry, the researchers concluded that HPWPs was significantly and positively associated to job satisfaction, procedural justice and intrinsic motivation.

Although not analysed as a single construct, in another study conducted by Karatepe (2013) it is stated that rewards coupled with other indicators of HPWPs increase the level of employees' job embeddedness, in turn showing lower level of turnover intentions.

2.2.3 Training

Training strategy has frequently been the object of disapproval since it is excessively costly and it does not attain the transmission of taught information and knowledge to the work position (Caudron, 2002; Kraiger, McLinden, & Casper, 2004; Wright & Geroy, 2001). As a result, Training is often perceived as a cost midpoint which requires being organised and controlled or even uninvolved when companies are going over hard periods and eras (Kraiger, 2003). In fact, from time to time, Training programs are applied for some various reasons other than performance enhancement, such as legal agreement, rewarding employees, and keeping good workforces – or basically there are administrative subsidies to advance some training-related actions. Therefore, the presence of a certain point of scepticism about the association between Training strategy and organizational performance appears reasonable under such conditions. Accordingly, most establishments simply evaluate Training programs with principles connected to response and to the views of learners about the Training that they have received, and very little of them examined the effect of Training on performance at employee level (Kraiger, 2003; Kraiger, McLinden, & Casper, 2004; Úbeda-García, Cortés, Marco-Lajara, & Zaragoza-Sáez, 2014).

Among diverse studies, Jiang and Liu (2015) in a study intended to demonstrate the effect of high performance work systems on organizational effectiveness. These

authors stated that among various indicators of high performance work system, Training practice enhanced intra-organizational capital in terms of cognitive aspect. In another study conducted by Ravichandran, Cichy, Powers and Kirby (2015) in the case of older employees in foodservice industry, the authors identified continuous Training program as an important driver for better performance. Additionally, Úbeda-García, Cortés, Marco-Lajara and Zaragoza-Sáez (2014) concluded that the development of a Training policy oriented to human capital development in the case of hotels following a differentiation strategy led to enhanced business results both directly and indirectly, whereas instantaneously influencing investment as well as formality in Training activities. In another study in the case of hospitality sector, Martínez-Ros and Orfila-Sintes (2012) indicated that Training programs clearly affect employees' innovation-related choices and the level of their implementation.

Similarly as proved by Úbeda-García, Cortés, Marco-Lajara and Zaragoza-Sáez (2014) various studies determined and proved the positive impact of employees' Training on their performance (i.e., Van De Voorde, Paauwe, & Van Veldhoven, 2012; Park & Jacobs, 2011; Úbeda-García, Marco-Lajara, Sabater-Sempere, & Garcia-Lillo, 2013).

2.2.4 Empowerment

According to a definition given by Business Dictionary, authorization is based on the impression that providing employees assistances, assets, authority, chance, impetus, as well holding them accountable and liable for consequences of their activities, which accordingly will donate to their capability and gratification (BusinessDictionary.com - Online Business Dictionary, 2015). Member

authorisation is defined as permitting or authorizing employees to make choices to resolve guest matters by themselves (Jha & Nair, 2008; Ro & Chen, 2011). Empowerment is particularly encouraged for assorted and heterogeneous services where guest contact personnel need to adjust their performances to the needs of each and every service encounter (Chebat & Kollias, 2000; Ueno, 2008).

Among diverse inquiry, Luoh, Tsaur and Tang (2014) found that employee empowerment mediated the effect of job standardization on innovative behaviour. They subsequently stated that employee psychological empowerment played a buffering role and moderated the relationship between job standardization and innovative behaviour. A recent study by Ramdani, Mellahi, Guermat and Kechad (2014) (reference in HPWS article) in the case of Algerian firms also concluded that employee empowerment is not only positively associated with employee performance, but also increased business performance. In another research, Chiang and Hsieh (2012) found that there was a positive relation between employee psychological empowerment and Organizational Citizenship Behaviour (OCB). In addition, they stated that empowerment and organizational citizenship behaviour positively influenced job performance. They also claimed that OCB had a mediation impact in the relation between empowerment and job performance. In another empirical inquiry, Ro and Chen (2011) stated that individual and organizational factors should be considered to increase employees' perception of empowerment. In order to raise perceived empowerment, organizations should hire customer oriented people, guide them with service training, and provide a reward system for them. Additionally, Gill, Fitzgerald, Bhutani, Mand and Sharma (2010) proposed that the enhancement in the amount of employee aspiration for

empowerment (EDFE) is positively related to the improvement in the degree of perceived transformational leadership (TL) implementation in the hospitality industry in Canada and India. Though, due to cultural dissimilarities, levels of TL and EDFE were expressively lower in India compared to Canada. Correspondingly, empowerment is estimated to boost employees' skills and capabilities by involving them in decision-making process (Collings, Demirbag, Mellahi, & Tatoglu, 2010; Ramdani, Mellahi, Guermat, & Kechad, 2014).

2.2.5 Role Ambiguity

The concept of role ambiguity was initially introduced and presented by Kahn, Wolfe, Quinn, Snoek and Rosenthal (1964). As stated by Schmidt, Roesler, Kusserow and Rau (2014), conferring to these writers, role vagueness effects a dearth of info and thus misplaced clearness in a specific job situation. This leads employees to be unspecified about their label role, job aims, and connected errands. In such situation, anticipations of colleagues and supervisors likewise may be undistinguishable. Kahn, Wolfe, Quinn, Snoek and Rosenthal (1964) recounted that the complexity of administrations, operational change, as well as adapting spots were landscapes that can elevate the extent of role ambiguity.

In one recent meta-analysis study, Schmidt, Roesler, Kusserow and Rau (2014) claimed that the concept of role ambiguity encompasses both impartial and a personal constituent. Impartial role ambiguity denotes to definite circumstances in the person's setting, while personal role haziness tells the sum of uncertainty that a person in this environment perceives (Schmidt, Roesler, Kusserow, & Rau, 2014).

In this study they claimed that role ambiguity possibly will lead to increasing sadness and depression and thereby to lessened employee performance. Role ambiguity could be experienced as obstacle to work responsibilities, which impend employees' attitudes and insights that they are able to complete their allotted responsibilities (Madera, Dawson, & Neal, 2013).

In a study by Ghorpade, Lackritz and Singh (2011), it was offered that role ambiguity acted as stressors to elevate the level of burnout. Nonetheless, personality served as a resource that moderates the negative effects of role ambiguity on burnout.

Indeed, role ambiguity and role conflict are considered as work stressors that has considerable effect on job satisfaction (e.g., Fried, Shirom, Gilboa, & Cooper, 2008; Yun, Takeuchi, & Liu, 2007). This happens because such conflicts at work deter employees' capability to complete work duty. Once workforces cannot complete their assigned duties, they are expected to experience negative feelings and concern at work (LePine, Podsakoff, & LePine, 2005; Madera, Dawson, & Neal, 2013).

2.2.6 Organizational Commitment

Originally, Meyer and Allen (1991) designated three main components for commitment which are affective, continuance and normative. Staffs with tough affective commitment endure since they want to, the ones with strong continuance commitment stay with their organizations because they must to and those with robust normative commitment stay as they sense they should to do so. As claimed by Wong and Tong (2014) those employees who have developed level of affective commitment are more expected to put forth effort to achieve than those with higher

level of continuance commitment or those who feel obliged to fit in (normative commitment). It is assumed that organizational commitment is a central element in fruitful relationship marketing and will lead to supportive actions, upgraded competence and productivity of personnel (Eisenberger, et al., 2010; Lub, Nije Bijvank, Matthijs Bal, Blomme, & Schalk, 2012). Williams and Anderson (1991) proposed that the organizational commitment embodies a related element to Organizational Citizenship Behaviours (OCBs) as soon as there is slight anticipation of official managerial rewards. Later, Paulin, Ferguson and Bergeron (2006) clarified the reason that devoted and dedicated employees would like to recommend the organization to probable customers and co-workers. They contended that employees in service sectors who perceived high organizational commitment would have more tendency to recommend the organization to other individuals around them.

Conferring to Mowday, Steers, and Porter (1979), organizational commitment is an approach, which is between specific employee and the organization. For such reason, it is considered as a comparative strength of the person's psychological identification and connection with the organization (Jaramillo, Mulki, & Marshall, 2005).

Among recent studies, Fu and Deshpande (2014) claimed that organizational commitment had a mediating effect in the relationship between company reputation and OCBs. Besides, Gunlu, Aksarayli and Sahin Perçin (2010) indicated that job satisfaction is among factors that had substantial impact on organizational commitment.

2.2.7 Service Recovery Performance

Based on the existing literature, service recovery is characterized and identified as the activities which a service supplier takes in reply to customer complaints (Grönroos, 1988). It symbolizes a serious moment of truth for a business. This might be considered as an unacceptable reaction to a customer complaint which may possibly increase the level of customer dissatisfaction. As a result, one might claim that there is abundant attention to this matter, and recognizing the fundamental and key components of a satisfactory and agreeable Service Recovery. This encompasses resolving the customer's problem, proposing an excuse, being considerate and showing sympathy, and providing an immediate recovery (Liao, 2007; Ozgen & Kurt, 2012). There are numerous outcomes of such issue and one might claim that by paying utmost attention to Service Recovery, customer delightfulness would arise (Orsingher, Valentini, & de Angelis, 2010; Van Vaerenbergh, Larivière, & Vermeir, 2012). Besides, a satisfactory recovery lessens customers' moods of disloyalty and their succeeding aspiration to hit back against the service provider. Alongside with a decreased desire for reprisal, when customers experience high level of Service Recovery they would not tend to have continuous challenging recompenses (Grégoire & Fisher, 2008).

In a recent study, Van Vaerenbergh, Keyser and Larivière (2014) identified that all customers were extremely expected to appeal the service assurance after a disappointing Service Recovery. They claimed that as soon as customers were pleased and content with the service recovery, they reported lesser appeal aims. However, this issue was exception for collectivistic individuals. The results emerging from Choi, Kim, Lee and Lee (2014) research also demonstrated that

service recovery could help individuals appraise a service more positively and lessened their purposes to involve in negative behaviours over time.

The results from a different study conducted by (Guchait, Paşamehmetoğlu, & Dawson, 2014) specified that there was a direct core effect of supports perceived by superior and colleague for mismanagement on level of employee engagement in Service Recovery Performance. The outcome likewise demonstrated that the relation among observed provision for error supervision and employee assignment in service recovery was mediated by observed psychological safety.

Kim and Oh (2012) also conveyed that emotional exhaustion had a negative influence on service recovery performance. They also specified that customer orientation moderated both the effects of customer-related social stressors on emotional exhaustion and those of emotional exhaustion on service recovery performance.

2.2.8 Intentions to Resign

According to Denvir and McMahon (1992) personnel turnover is cleared as, “the drive of individuals into and out of employ inside an organisation” (p. 143).

Discovering staff turnover has been tremendously investigated for several periods. Plentiful studies have been issued with the core idea of dealing with turnover frequently and predominantly to the occasion of hotel and hospitality industries.

With specific reference to the hotel and hospitality businesses, worker turnover has been a problem of rising concern and exploration. Several studies directed by different authors in current years, precisely last two decades, have simplified study

to look at staff turnover and propose some insight connected to the hotel industry. Illustrations of such surveys include the ones directed by Yang, Wan and Fu (2012); Zhu, Hu, Wang, Xu and Cao (2012); Wells and Welty Peachey (2011); Slåtten, Svensson and Sværi (2011).

As specified by Mohsin, Lengler and Kumar (2013), the hotel business has the highest degree of staff turnover (Hinkin & Tracey, 2000), which is prejudiced by several different aspects. Deliberating to O'Fallon and Rutherford, (2010), “hospitality employees in one establishment ranked the most possible reasons for great staff turnover as treatment by managers, amount of work hours, job heaviness, arrangement, training, peripheral benefit packages, better chances elsewhere, and physical strains of the job” (p. 454).

In a research in the case of hotels in Romania, Karatepe and Karadas (2014) suggested that psychological capital alleviated turnover and absence intentions indirectly through family–work conflict.

In one recent study Mohsin, Lengler and Kumar (2013) attempted to investigate factor affecting intentions to resign and its probable outcomes in hospitality industry. The outcome recommended that, when bearing in mind intentions to resign from the occupation, a negative association was found between specialized and organisational eagerness and observations about the work being motivating. No support was found for a positive association between the range of work wedged social and family life and the intent to quit. Though, results maintained the notion that the employee’s administrative faithfulness has a negative influence on his/her intentions to resign from the job. In another study, Jang and George (2012) likewise

found that polychronicity was negatively linked to turnover intention. This conclusion reinforced the notion that employees who have higher levels of polychromic-orientation would lessen turnover intentions.

Similarly, in another study, Nadiri and Tanova (2010) suggested that the equality of personal outcomes that employees receive might have more impact on turnover intentions, job satisfaction and Organizational Citizenship Behaviour (OCB) than the perceived fairness of a firm's processes.

2.2.9 Job Satisfaction

An initial definition of job satisfaction apprehended that it denoted to “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Locke, 1976, p. 1300). Succeeding research found that satisfaction can be a fundamental variable that have great effect on employees' behavioural intentions (Cronin, Brady, & Hult, 2000; Lee, Song, Lee, Lee, & Bernhard, 2013).

Accordingly, job satisfaction is a function of the apparent connection between workers' prospects concerning a job and what they essentially attain from that specific job, as well as the significance or importance that employees attribute to their professions. Job satisfaction is an attitudinal measure which relates responsiveness of former experiences and rewards to existing impressions of a job. It is also an observed relationship between what staffs assume and acquire from their works and how imperative or appreciated it is to them (Lawler, 1995; Ko, 2012). Pettijohn, Pettijohn and Taylor (2008) likewise claim that employees' identification of existing occupational ethics and consequential behaviours bears an enormous influence on the level and degree of their job satisfaction.

Different studies determined factors impacting job satisfaction, both positive and negative effects. In a research by Lee, Song, Lee, Lee and Bernhard (2013) in the case of casino employees, the authors found that organizational trust positively influenced job satisfaction, which in turn had a positive effect on customer orientation.

In another study, emotional intelligence was found to indirectly affect job satisfaction through the mediating role of personal accomplishment Lee and Ok (2012). Additionally, emotional dissonance was found to indirectly affect job satisfaction through emotional exhaustion. Lee and Ok (2012) also claimed that emotional effort indirectly affected job satisfaction through personal achievement.

Furthermore, Ko (2012) showed that professional competence significantly affected job satisfaction, and that job satisfaction forecasted actual career improvement confidence. Additionally, job satisfaction had mediation effect in the relation between the influences of professional competence and career development confidence.

Chapter 3

RESEARCH HYPOTHESES

3.1 Research Model

Figure 1 presents the conceptual model and the constructs of present study. As stated earlier, the relationship between the study constructs will be explained and justified using social exchange theory. This model proposes that Customer Service Orientation and Reward are the attitudes that directly affect Service Recovery Performance in hotels. Moreover, the model suggest that Training, Empowerment, Role Ambiguity , and Organizational Commitment similarly have direct and significant effect on Service Recovery Performance among which only Role Ambiguity has negative effect while the rest have positive impact on Service Recovery Performance. As shown in the model, Service Recovery Performance has negative direct effect on Intention to resign while positive direct effect on Job Satisfaction.

3.2 Direct impact of Perceived Managerial Attitudes on Service Recovery Performance

Based on the exchange theory, this study will propose that when frontline employees perceive that hotels measure customer satisfaction on a regular basis and the organizations understand and value customers' needs, they will also strive to handle complained customer in their best ways which consequently increases Service Recovery Performance. Additionally, if employees are rewarded based on providing service excellence and for satisfying complaining customer, they will be

motivated more to deal with dissatisfied customers. This is also consistent with previous research showing similar results (e.g., Rod, Carruthers, & Ashill, 2006; Yavas, Karatepe, Avci, & Tekinkus, 2003).

Consequently, the succeeding hypotheses are suggested:

H1: Customer service orientation has a positive significant effect on the service recovery performance of frontline employee.

H2: Employee rewards have a positive and significant impact on service recovery performance.

3.3 Direct impact of Work Environment Perceptions on Service Recovery Performance

The study will suggest that among various work environment perceptions, Training, Empowerment, Role Ambiguity, and Organizational Commitment directly affect Service Recovery Performance in hotels. When hotels provide suitable and regular Training programs for the employees to handle and solve problems occurred during service encounter, encourage employees to handle problems by themselves, and allow them to do whatever they can to satisfy customers, in turn employees would be able to improve Service Recovery Performance very well. This means that employees are trained enough and well empowered. This is consistent with previous studies finding similar relation between these variables (Van Vaerenbergh, Larivière, & Vermeir, 2012). Additionally, when employees are not aware of what is expected of them, and have no clear idea of their responsibilities, they cannot perform well in dealing with complained customers. Other studies similarly stated the similar results (Karatepe, 2006; Guchait, Paşamehmetoğlu, & Dawson, 2014). What is more, Organizational

Commitment in which employees find their values similar to the ones in organizations has positive and direct impact on Service Recovery Performance. Other research also revealed the same result and suggested the same path for such variables. (Rod, Carruthers, & Ashill, 2006; Yavas, Karatepe, Avci, & Tekinkus, 2003).

Based on the abovementioned discussion and grounded on social exchange theory, these hypotheses are projected:

H3: Staff Training is positively related to service recovery performance.

H4: There is a positive and significant relation between Empowerment and Service Recovery Performance.

H5: There is a negative and direct relation between Role Ambiguity and Service Recovery Performance.

H6: There is a positive and significant relation between Organizational Commitment and Service Recovery Performance.

3.4 Service Recovery Performance and Individual Job Outcomes

Service Recovery Performance can reduce employees' intentions to resign. Individuals who are incapable of delivering a reliable level of Service Recovery Performance are more probable to leave the organisation. Likewise, they are more satisfied with their jobs. The direct relations between Service Recovery Performance, Intention to Resign and Job Satisfaction have been examined in several studies which stated the similar result (Boshoff & Allen, 2000; Cho & Johanson, 2008; Tsai, Chen, & Cheng). Therefore the following hypotheses can be proposed:

H7: There is a negative and significant relation between service recovery performance and intentions to resign.

H8: There is a positive and significant relation between service recovery performance and job satisfaction.

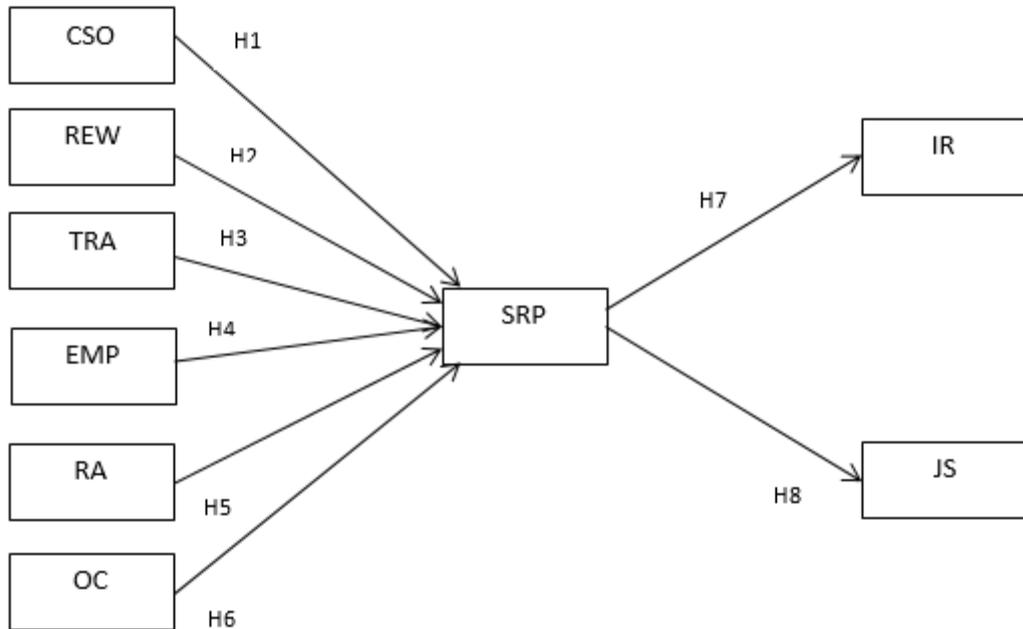


Figure 1: Conceptual Model

Chapter 4

METHODOLOGY

This chapter deals with study philosophy of the empirical enquiry conducted with frontline employees in hotel industry, in the case of hotels in North Cyprus. This study applies judgmental sampling which would be explained later. The present chapter clarifies the data collection process. This is followed by explaining the measuring instruments and stating the relevant sources. This will be followed by information related to data analysis strategy.

4.1 Deductive Approach

“A deductive approach is concerned with developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis” (Wilson, 2010, p. 7).

Deductive approach can be described through hypotheses, which can be resultant from the schemes of the theory. In other words, deductive approach is concerned with deducting conclusions from premises or propositions. Moreover, deductions from the constructs are tested by using a judgemental sample of frontline employees in North Cyprus. This approach is also consistent with other studies in hospitality sector. In other words, the researcher first formulates a set of hypotheses and tries to test them to see if they are being accepted or rejected.

4.2 Study sample and Applied Method

In the real world of hospitality and tourism research, probability sampling is often quite difficult to achieve. Time, cost and ethical considerations are the most common obstacles for researchers in making the necessary arrangements and securing access to, for example, hotel guests or cruise-line passengers in order to test a hypothesis. Therefore you may have to use a different set of sampling techniques, classified under the category of non-probability sampling. Non-probability sampling is defined as ‘sampling where it is not possible to specify the probability that any person or other unit on which the survey is based will be included in the sample (Smith, 1983); it is frequently used in qualitative studies (Robson, 2002), providing researchers with the opportunity to ‘select samples purposively’ and enabling them to reach ‘difficult-to-identify members’ of the population (Saunders, Lewis, & Thornhill, 2003, p. 178).

With non-probability sampling it is unlikely that valid inferences can be made regarding the entire population, as the sample selected is not representative (all members of the population do not have an equal chance of being selected). Five nonprobability sampling techniques have evolved: convenience sampling, judgmental sampling, quota sampling, snowball sampling and self-selection sampling. These sampling techniques are useful when the population is so widely dispersed that cluster sampling will not be efficient.

The present study applied judgmental sampling which is a type of non-probability sampling for data collection process. This sampling method refers to “selection of cases that are arbitrated to be characteristic of the people in which we are observant, pretentious that errors of judgment in the collection will tend to counterbalance one another” (Judd, Smith, & Kidder, 1991, p. 136). The essential postulation in this

sampling technique is that the members are selected which seems to be illustrative of the whole population (Altinay & Paraskevas, 2008).

At the time of this study, the total number of 15 five-star hotels operated in different cities in North Cyprus. The researcher attempted to contact the management of these hotels in advance to get permission for data collection process. Out of 15 hotels, 11 hotel managers agreed to participate in the study and gave permission for data collection. In the next step, the researcher contacted each hotel management which agreed upon the collaboration through a letter that encompassed information about the purpose of the study. Nonetheless, management of the hotels did not permit the researcher to directly distribute the questionnaires to staffs. However, hotel managers assigned a coordinator to be responsible for distributing questionnaires to each employee. The researcher insisted on choosing the right employees in order to decrease the probable method bias. The employees were among reception clerks, reception cashiers, bell staffs, food and beverage staffs in restaurants, bars, and cafés, and casino service staffs. In order to ensure the employees that the responses would remain confidential and anonymous, the researcher provide envelopes and ask the employees to put back the questionnaires in envelopes and seal them. By paying extreme attention to such process, the researcher could obtain the reasonable percentage of responses back.

The total numbers of 218 questionnaires were distributed to the hotel frontline employees. Out of total two hundred and eighteen questionnaires, 217 questionnaires were returned back. Although out of this number, three of them were discarded because they were not filled properly and had lack of information. To

sum up, the researcher was able to collect the total two-hundreds and fourteen usable questionnaires, representing the response rate of 98.16%.

4.3 Measurement

All the questionnaires used in this empirical study were taken from previous studies (Rod, Carruthers, & Ashill, 2006). The items were rated on five- point scale. Responses ranged from 5 (strongly agree) to 1 (strongly disagree). All the constructs were measured via self-report assessment. The items included in the study are totally 41 items. Six items were used to measure Customer Service Orientation. Reward was measured using seven items, Training was measured through 5 items, and Empowerment was evaluated by 4 items. There were 6 items for Role Ambiguity, 5 questions for Organizational Commitment, and 4 items for measuring Service Recovery Performance. Finally Intention to resign and Job Satisfaction were assessed using three and four items respectively. All the used items are available in appendix at the end of this thesis.

As the official language in North Cyprus is Turkish, all items were translated into Turkish by a professional native speaker. In order to make sure that all the items are understandable and straightforward, the total numbers of 10 employees were asked for pilot study. All translated items were clear and there was no need to recheck them.

4.4 Data Analysis

As mentioned earlier, the present thesis examines the direct effect of two commonly managerial attitudes and work environment perceptions on Service Recovery Performance and two job outcomes. Therefore, in order to test such a relation using SPSS 20 seems to be appropriate. The items with factor loadings

greater than 0.50, were kept for further analysis. Similarly, by examining the rotated component matrix, the issue of unidimensionality was checked to check the content validity of the items. In order to check the direct and significant effect of the independent and dependent variables, correlations of observed variables were checked. Means and standard deviation of the constructs are also reported.

In order to check whether the constructs are reliable or not, common Cronbach α for each construct is also given.

Frequencies are similarly applied for showing information related to respondents' profile including their age, gender, marital status, and organizational tenure.

The correlations of observed variables will be presented in table 3.

Chapter 5

RESULTS

This chapter will present results emerging from current study and explanation of the findings based on data collected from hotel employees in North Cyprus. More specifically, table 1 presents information about respondents' profile in terms of their age, education, marital status and tenure. Table 2 will present all the items used in the study and related factor loadings and percent of variance of each item. Means, standard deviation, and correlations between constructs will be presented in table 3.

5.1 Respondents' Profile

As shown in table 1, most of the respondents (Rs) were male (56.1 %). The rest were female, consisting 43.9%. The majority of the Rs (30.8 %) were between the ages of 28-37. Around twenty-six per cent of the employees were between the ages 18-27. The characteristics of all the respondents which includes the accurate percentage of all the items have been mentioned in the table 1. Around 25.7% of the employees worked with the organization less than one year. 28.5% of them were with their organizations between one and five years. Twenty-two percent had tenure between six and ten years. 17.3% work in the hotels between eleven and fifteen years. The rest had tenures more than sixteen years.

Table 1: Respondents' Profile (n =214)

	Frequency	%
<u>Age</u>		
18-27	57	26.6
28-37	66	30.8
38-47	54	25.2
48-57	37	17.3
Total	214	100.0
<u>Gender</u>		
Male	120	56.1
Female	94	43.9
Total	214	100.0
<u>Education</u>		
Primary school	2	0.6
Secondary and high school	19	8.9
Vocational school	61	28.5
Undergraduate	115	53.7
Graduate	17	7.9
Total	214	100.0
<u>Organizational Tenure (year)</u>		
Below 1	55	25.7
1-5 years	61	28.5
6-10 years	47	22.0
11-15 years	37	17.3
16 and 20 years	14	6.5
Total	214	100.0

Table 2 represents results related to exploratory factor analysis of the items. In this table information about factor loadings of each item, eigenvalues and percent of variance of all the constructs are reported. The initial results showed that some of the items had cross loadings with other items or producing different dimension. Therefore, they were eliminated for the rest of the analysis process. These items were related to Customer Service Orientation, Empowerment, Role Ambiguity, and Reward (one item from each of these constructs were eliminated). After excluding these four items the results showed that all items had acceptable loadings (> 0.50). Items factor loadings have been shown in the table. The content validity of all the items has been proved.

Table 2: Scale Items, Exploratory Factor Analysis

Scale Items	Factor Loadings	Eigenvalues	%of variance
<u>Employee REWS</u>		7.73	20.89
1. REW1	0.75		
2. REW2	0.80		
3. REW3	0.77		
4. REW4	0.82		
5. REW5	0.82		
6. REW6	0.83		
7. REW7	-		
<u>Customer Service Orientation</u>		4.09	11.05
1. CSO1	0.78		
2. CSO2	0.74		
3. CSO3	0.69		
4. CSO4	0.84		
5. CSO5	0.80		
6. CSO6	-		
<u>Training</u>		3.75	10.14
1. TR1	0.78		
2. TR2	0.71		
3. TR3	0.67		
4. TR4	0.81		
5. TR5	0.74		
<u>Organizational Commitment</u>		2.53	6.85
1. OC1	0.82		
2. OC2	0.82		
3. OC3	0.85		
4. OC4	0.85		
<u>Job Satisfaction</u>		2.13	5.76
1. JS1	0.83		
2. JS2	0.87		
3. JS3	0.80		
4. JS4	0.80		
<u>Service Recovery Performance</u>		1.84	4.98
1. SR1	0.70		
2. SR2	0.77		
3. SR3	0.64		
4. SR4	0.73		
<u>Role Ambiguity</u>		1.65	4.48
1. RA1	0.85		
2. RA2	-		
3. RA3	0.80		
4. RA4	0.80		
<u>Empowerment</u>		1.49	4.03
1. EM1	0.82		
2. EM2	-		
3. EM3	0.90		
4. EM4	0.82		
<u>Intentions to Resign</u>		1.19	3.22
1. IR1	0.82		
2. IR2	0.80		
3. IR3	0.80		

Table 3 will show complimentary information about all the items and constructs. In this table the correlation between the study constructs is reported to check the hypotheses. The results shows that Customer Service Orientation is positively and significantly related to Service Recovery Performance ($r = 0.320$). There is also significant relation between Reward and Service Recovery Performance ($r = 0.198$). As a result, H1 and H2 are supported. Moreover, as the table shows, Training and Service Recovery Performance are positively and significantly related ($r = 0.431$). So H3 is also supported. There is also a significant relation between Empowerment and Service Recovery Performance ($r = 0.204$). Thus H4 is also supported. As the results shows, Role Ambiguity and Service Recovery Performance are negatively and significantly related ($r = -0.256$). This result supports H5. Based on the results, Organizational Commitment and Service Recovery Performance are significantly related ($r = 0.166$). This supports H6. Additionally as reported in the table there is a negative and significant relation between Service Recovery Performance and Intention to resign, and positive relation between Service Recovery Performance and Job Satisfaction. Therefore, H7 and H8 are similarly supported.

As seen in table 3, all alphas were beyond the level of 0.70 which is commonly acceptable among scholars. Mean and SD of each construct are also reported in this table.

Table 3: Means, Standard Deviations, Reliability, and Correlations of Study Variables

Variables	1	2	3	4	5	6	7	8	9
1. CSO		1.00							
2. REW	0.22**	1.00							
3. TRA	0.35**	0.44**	1.00						
4. EMP	0.16*	-0.13	0.10	1.000					
5. RA		0.03	-0.11	-0.24**	-0.17*	1.00			
6. OC		0.30**	0.12	0.15*	0.19**	0.07	1.00		
7. SRP		0.32**	0.20**	0.43**	0.20**	-0.26**	0.17*	1.00	
8. IR		-0.15*	-0.30*	-0.34**	0.07	0.28**	0.02	-0.41**	1.00
9. JS		-0.01	0.09	0.17*	0.15*	-0.33**	-0.05	0.15*	-0.15*
1.00									
Means	2.93	3.17	3.00	3.23	2.63	3.36	3.60	2.97	3.37
Standard Deviation	1.03	1.07	1.04	1.21	1.09	1.12	0.88	1.09	1.00
Crobach's α	0.76	0.83	0.87	0.84	0.84	0.62	0.87	0.77	0.83

Chapter 6

DISCUSSION

6.1 Evaluation of Findings

Based on the mentioned gaps in recent articles, this study attempted to test a model that determined the effects of several variables on Service Recovery Performance and two individual outcomes namely Intention to resign and Job Satisfaction. Data were collected from employees in hotels in North Cyprus who were in direct contact with customers and were responsible to handle their requests. Results arising from this research provide beneficial implication for scholars and practitioners.

Using social exchange theory as theoretical framework, the research suggests that there are quit number of factors in hotels that are helpful to elevate employee Service Recovery Performance. The results suggest that Customer Service Orientation and Reward increase the level of Service Recovery Performance. In such a situation, hotels try to set goals for creating customer satisfaction and employees get rewarded based on their performance. If they deliver superior service to customers, they will get promotion. Consequently, they deal with complained customers better. Additionally, when hotels provide Training programs on regular base, employees learn more how to handle different situations in organizations.

As the results clearly show, Empowerment is also among factors elevating Service Recovery Performance. In such a situation, employees are encouraged to handle complained customer without any restriction and they do not have to wait for any permission from their subordinate. On the other hand, as the results demonstrate, if they do not feel the sense of authority, they cannot handle dissatisfied customers quit well. Moreover, if employees feel that they are in the best working environment and feel the sense of commitment to their organizations, consequently they show a better level of Service Recovery Performance.

As other studies also confirms, Intention to Resign and Job Satisfaction are among two significant individual outcomes specifically in hospitality industry (Lee, Song, Lee, Lee, & Bernhard, 2013; Yang, Wan, & Fu, 2012; Zhu, Hu, Wang, Xu, & Cao, 2012). The results emerging from this study show that Service Recovery Performance increases Job Satisfaction while it decreases Intention to Resign. The results indicate that when employees are eager to handle hard and unexpected situation in hotels, they are less likely to resign and look for other job. Moreover, in such situation, they are more pleased with the sum of salary they obtain for the job they do and they are pleased with working conditions. Results emerging from this study are consistent with other previous studies (Boshoff & Allen, 2000; Rod, Carruthers, & Ashill, 2006; Yavas, Karatepe, Avci, & Tekinkus, 2003). The relations between these constructs are justifiable based on using social exchange theory. When frontline employees have positive perception related to managerial attitudes in terms of existence of customer service orientation in hotels and assigning rewards based on providing suitable service to the customers, in turn they show higher level of Service Recovery Performance. Additionally, when customers

are well trained to please dissatisfied customers and feel empowered, they consequently show better level of Service Recovery Performance. Additionally, the lower level of Role Ambiguity and higher level of Organizational Commitment leads to higher Service Recovery Performance which in turn increased Job Satisfaction and lower the level of Intention to Resign.

It is worth noting that the conceptual model applied in present study has been tested in another context, namely banking industry (Rod, Carruthers, & Ashill, 2006). They suggested a number of significant managerial implications. They claimed that empowerment, role ambiguity and organisational commitment are significant predictors of service recovery performance by frontline staffs in banks. This suggests that management should clearly design and establish various organisational policies such as employee empowerment and role responsibilities in order to develop a system that will facilitate a service orientated environment and service recovery performance. This finding is similar to the ones suggested by present study.

6.2 Implication for Managers

The results emerging from this study provide useful managerial implications. It is believed that hospitality employees need to face different and heterogeneous demands by various customers. First and foremost, as managers and supervisors are seen as role models, they can influence subordinates in different ways and impacting their behaviour and performance. Therefore, they have high responsibility in organizations. This is not exception for hospitality. Managers need to set organizational objectives basically and mainly based on customer satisfaction. This is the utmost goal for every hospitality organization to have

pleased customers at the end of service encounter. They also need to reward employees based on providing superior service. Objective rewards are great incentives for employees to offer excellent service to the customers. When they receive rewards based on the positive feedback from the customers, they are motivated to put even extra effort and energy to please customers. Managers also can offer extra fringe benefits like private health care to employees to increase their motivation for giving better services. Moreover, regular Training program can help employees to handle with unexpected situation. Supervisors can set objective and scenario base situations in meetings from time to time to see how employees are able to handle unexpected and harsh situations. This Training programs should be on a regular base (like once in a month or every two months). In such situation, employees' level of intentions to resign would decrease and they may be more satisfied with their jobs. Employee turnover has lots of costs for organizations, especially for hospitality industry. As a result managers need to attempt to satisfy employees as much as they can and consequently decreasing the level of turnover intentions.

6.3 Limitation and Future Research Direction

This study like other studies has some restrictions and based on these limitations future research direction is proposed. Firstly, the results from this study are based on cross sectional data. Designing longitudinal study with the same constructs may enable us to get more valid results. Frontline employees responded to all the items and questions, although as suggested by Podsakoff, MacKenzie, Lee and Podsakoff (2003) and consistent with other studies in hospitality industry (e.g., Karatepe & Karadas, 2014; Karatepe, 2013) using different sources of respondents like managers and supervisors can help researcher to reduce potential threat of common

method bias. Moreover, some hotel managers did not permit the researcher to contact the frontline employees directly. Therefore, this might result in having bias in the result. To solve this problem it is suggested that in future study, the researcher attempts to directly gather the data honest from the frontline employees thus to reduce such difficulties. Additionally, in demand to assess whether such theoretical model characterized in this study can be accustomed by other realms and nations, it is indispensable that in future studies scholars use cross-national samples to be able to simplify the results for the present study merely used hotel frontline employees in TRNC.

What is more, as perceived by the researcher, various hotel departments have diverse duties. Thus, in coming studies, evaluating this aspect should be associated to each unit and section.

And at last, to oversimplify the results of present education, repetition studies are compulsory to be directed with larger sample scopes, in other advanced (e.g. the United States) or developing (e.g. Iran) countries.

Chapter 7

CONCLUSION

This study attempts to examine different hypotheses and propose a conceptual research model that suggests some managerial attitudes and work environment perception have great and significant influence on Service Recovery Performance in the case of hotels in North Cyprus, and Service Recovery Performance consequently affects employee intentions to remain with their organization and their job satisfaction. Based on the data gathered and obtained from frontline employees in five star hotels in the destination, the results clearly suggest that all the proposed hypotheses have been supported. These relations are justified by using social exchange theory as a theoretical framework.

The results clearly denote that hotel managers and owners need to apply policies and strategies to improve Service Recovery Performance. Since frontline employees are responsible to deliver service to customers, they have vital role in service business, including hospitality. In such situation, according to the obtained results, they would like to stay with their organization and are more satisfied with their jobs. This is very important because as stated earlier, employee high rate of turnover intentions and having displeased employees are very costly for all organizations. Hotel managers by applying suitable strategies like assigning rewards based on employee performance and providing superior service to customers are able to elevate Service Recovery Performance. Moreover, as this

study shows, by applying appropriate Training programs, giving empowerment to employees, reducing role ambiguity and increasing individual's commitment, employees' perception of Service Recovery Performance also increases.

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