ISEBA 2022
International Symposium & Exhibition on Business and Accounting 2022

SERVICE RECOVERY PERFORMANCE: MANAGEMENT COMMITMENT TO SERVICE QUALITY USING SERVANT LEADERSHIP THEORY

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Abstract

Servant leadership has been studied internationally, and it has been linked to a variety of positive individual, team, and organisational outcomes. To date, various servant leadership measures have been validated, and a clear distinction has been made between the servant leadership theory and other leadership theories. However, it appears that more research on the implementation of servant leadership within organisations is required. The primary functions of a servant leader have not yet been conceptualised in the literature to assist researchers or practitioners in successfully implementing servant leadership within organisations. Effective service recovery is critical in the service industry to maintain customer satisfaction. By providing effective service recovery, service firms can maintain long-term relationships with customers and gain their loyalty, commitment, and product acceptance. Because customer satisfaction underpins customers' strong relationships with organisations and brands. The findings of this study may assist practitioners in more effectively developing servant leaders and organisations in cultivating a servant leadership culture within their organisations. All future outcomes are crucial in determining service recovery performance of frontline workers as the theory of servant leadership is applied.

Keywords: Service recovery performance, service quality, management commitment, servant leadership theory, tourism industry

1. Background

Tourism is now become a dominant role in the worldwide economy. Many nations start to open up their precincts in order to let the foreign exchange revenues run in the domestic market. The tourism industry has contributed to the overall industry as in socio-economic growth over its work creation availability. Strategy made have boosted the domestic economy over job creation both either direct or indirect employment which relating to job opportunities to every sectors that related to tourism industry as a whole. Therefore, by aiming on the growth of the national tourism business, each government is achieving competitive advantage in global markets exclusively when foreign investment is secured, as they became favoured destinations for all. To assure the competitive advantage is gained, the government is forced to prioritize the investment in developing and promoting tourism to be budgeted (Gopalan, 2013).

The tourism growth worldwide is analyzed based on various factors namely worldwide tourist arrivals, the progress in tourism earnings, total involvement to foreign exchange incomes and gross output for each nation. Likewise, the tourism business worldwide in 2014 generated US$ 7.6 trillion which resulted into 10 percent of global GDP and 277 million jobs creation (1 in 11 jobs) for the global economy data in 2014 (UNWTO, 2015). Additionally, the increasing overall amount of international visitor arrivals worldwide was over 1 billion recorded. From this figure, emerging economies country visitors signified almost half from the worldwide arrivals data. Europe and the Asia-Pacific counties have constantly became the most world's favoured destinations to be visited as they have shown 60 percent (averagely) of receiving worldwide visitor arrivals for the past last decade. Statistically in 2014, World Travel and Tourism Council (WTTC) has announced that Malaysia is ranked as number 26 from 184 countries showing that the tourism business is somewhat important to the accomplishment of the country's revenue (WTTC, 2015).

International tourism has expanded more than the world trade, amounting to 7 percent of the world's export of goods and service in 2015, with an increment of 1 percent compared to 2014. In the same year of 2015, international tourist arrivals represent a whopping number of 1.186 million, an increase of 52 million from 2014, with a persistent rate of 4 percent since 2010 (UNWTO, 2015). Based on region, America and Asia Pacific are leading the progress worth 6 per cent in worldwide traveler arrivals, with Europe at 5 per cent (Cheng et al., 2019).

Hotel is one of the key sectors in the hospitality and tourism industry (Cheng et al., 2019). Development in the hotel industry expands almost every year at a constant rate. Hotel service providers must reassess business approaches in ensuring consumer loyalty and ensuring their business is able to sustain in today's competitive business environment. One of the aspects of hotel management is handling customer complaints that correspond to service recovery in handling service failure. Ability of hotels in handling service recovery will lead to customer satisfaction and create loyalty, as an important component of this field.

Employee performance is a key factor towards achieving firm's success. Employees who didn't perform will harm the chance for a firm to accomplish an achievement whilst those employees whom execute all tasks successfully will determine triumph to the firm. Therefore, hiring and managing the right human capital will ensure the success of the hotel business. In hotel business, the service personnel is a source to customer loyalty and competitive advantage where this will bring an enormous impact to the

firm's sales and profit making. Service personnel in the hotel industry serves the firm as a core part of the product, represent the firm as the service itself also be the brand of the firm. From these three important perspectives, it has shown that service employees' performance are crucially important in every service firm particularly to the hotel industry. In addition, preferred and competence employees are highly demanded, as they will perform well in every task given and will skillfully deliver higher quality service delivery performance (Chong et al., 2013). Thus, keeping skillful and valuable employees will become a big challenge to the hotel industry as the industry offering heavy competition from not only offering rewards and promotion but also individual's career enhancement. Strategies to retain the employees need to be constructed, as failure to retain the skillful and valuable employees will demolish the chance to reach firm's victory (Hemdi & Rahman, 2010).

2. Problem Statement

In general, organizations are having a hard time competing in the business market because of increased financial scrutiny, higher expectations of work performance, the need to adapt to new technologies, and the work values of the younger generation (Burke et al., 2013). Complaints from customers are hard to deal with, and when dealing with people from different cultures, like in the hotel business, the demand can sometimes be too high (Costers et al., 2019).

Studies show that customers from different cultures make it hard for frontline employees to do a good job of service recovery (Costers et al., 2019). This is especially worrying in the hotel business, where people from different cultures, both international and local, come to stay. Different cultures call for different ways to get service back, such as paying money, getting an apology, or asking management to explain (Sengupta et al., 2018).

Hotel front desk workers have a lot to deal with besides dealing with customers. There is a lot of work to do, the jobs are boring, the pay is low, there is a lot of stress, and the hours are not set (Burke et al., 2013). So, leaders in the hotel industry need to help front-line workers (Ling et al., 2017). Starwood, Ritz- Carlton, and White Swan are just a few of the well-known hotel chains that have successfully used servant leadership or authentic leadership in their corporate management (Ling et al., 2016).

Customers would be happy if employees who deal with complaints were able to solve problems quickly, listen to customers' needs, and give them a lot of money for their complaints (Costers et al., 2019). Front-line workers in the hospitality industry experience emotional exhaustion in the form of emotional fatigue and lack of energy, which may affect how well they do their jobs (Choi et al., 2014).

As employees usually depend on organisational effort for their service performance, adapting reformulation of attitude theory (RAT) would help this study figure out what's really bothering people about how employees feel and act (Kim & Oh, 2012).

Role of leadership in influencing service recovery is still in shortage (Luu, 2020). In the hospitality industry, servant leadership (SL) and authentic leadership (AL) are known to be the most reliable styles of leadership that can get employees motivated (Kaya & Karatepe, 2020; Qiu et al., 2019). There are a lot of questions about which style of leadership, SL or AL, is better for the hospitality industry, especially hotels, since both styles would help employees do their jobs better (Ling et al., 2017). Furthermore, it is intriguing

to unveil the relationship of leadership in relation to the reformulation of attitude theory that correspond to customer appraisal and hence toward emotional response and behavior.

3.   Research Questions

Many research have brought up important questions about the relationship between leadership styles and how well service recovery works. For this study, the following research questions were made to address the issues that were brought up:

1)   What are the impact of servant leadership on management appraisal of hotel front liner?
2)   What are the impact of appraisal on service recovery performance of frontline employee?
3)   What are the impact of servant leadership on work satisfaction of frontline employee?

4.   Research Objectives

The aim of this paper is to predict how servant leadership affects work satisfaction and service recovery performance. This clear view of the framework is supported in each of the following ways:

1)   To determine the impact of servant leadership on management appraisal of hotel front liner
2)   To identify the impact of appraisal on service recovery performance of frontline employee.
3)   To identify the impact of servant leadership on work satisfaction of frontline employee.
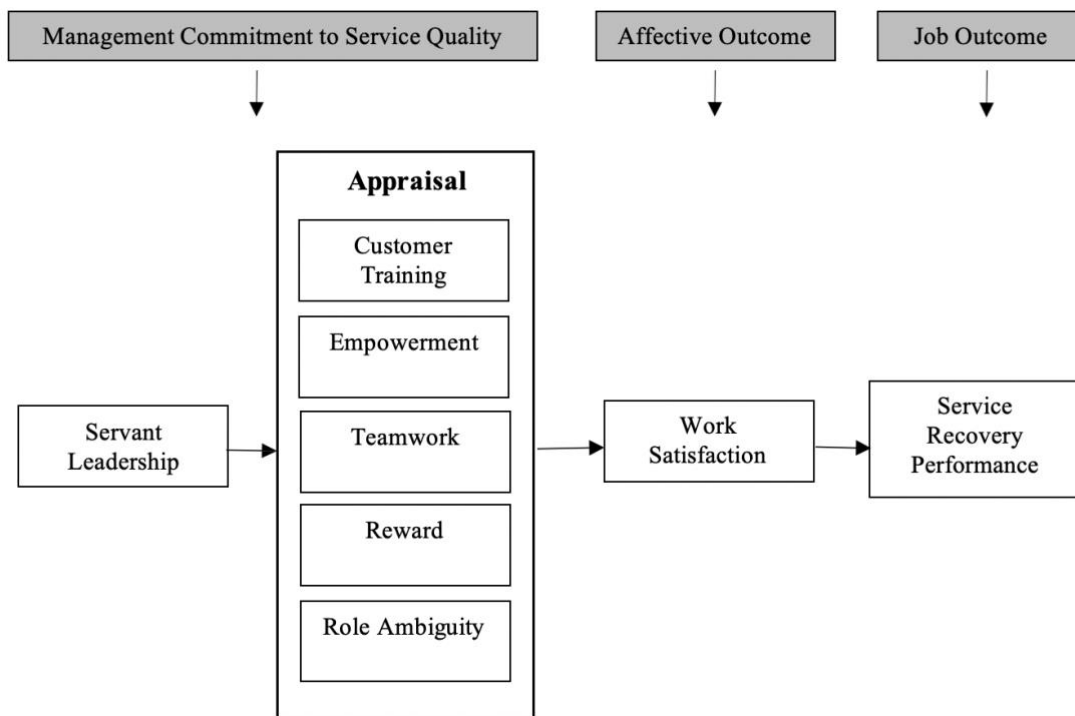
5.   Research Framework

Figure 1. Research framework

6. Scope of the Study

Based on Figure 1, this study looks at how the style of leadership affects service recovery performance and how that affects how happy people are at work in the hotel industry in Malaysia. So, the only things that can be used to judge the hotel are customer training, empowerment, teamwork, role ambiguity, and rewards (Appraisal). This study looks at the hotel business in Malaysia from different points of view. This is because the hotel business is one of the best in the services industry and has a lot to do with how people interact with each other. Many studies also think that the hotel industry is one of the most organized because it has a good system in place. Given the size, location, number of employees, and customer base of the hotel industry, it is expected to be more market-oriented and strategically placed as a good platform to become a research unit analysis.

The key respondents are the people who work at the front desks of the selected 3- to 5-star hotels in Malaysia. Front-line employees are chosen based on what their job entails. Front-line employees are those who serve customers directly. The respondents are categorized based on organizational level of hierarchy; lower level management, middle level management and top level management. This categorization is useful for generalization purposes. Also, this study focused more on how well the organization works as a whole than on how well its employees could do their jobs. This study was also meant to measure how well the organization did at service recovery and at putting its strategy into action, not just how well the top management came up with it. So, getting feedback from the three levels of an organization's hierarchy would be a good method to support the focus point of this study. Geographically, this study will look at a few hotels in Malaysia, from Peninsular to Sabah and Sarawak (in East Malaysia), as well as Kuala Lumpur, Putrajaya, and Labuan, which are federal territories.

7. Significance of the Study

The body of knowledge and the practitioners are the two main groups that got the most out of this research. From a knowledge point of view, the results of this research are expected to add a lot to the service recovery theory by providing real-world evidence that the theory is reliable and valid. This new addition to the theory will strengthen the idea behind it and make it easier to use studies from the past in the present. It is also hoped that the results of this research will pave the way for a new theory that will be made by researchers in the future. This Reformulation of Attitude Theories (RAT) in service recovery will add more value through concepts and theories that relate to management's commitment to service quality, affective outcome, job outcome, servant leadership, company appraisal, work satisfaction, and service recovery performance as a whole.

There is no question that the research framework adds to the body of business management knowledge. This study looks at the gaps in the hospitality industry from the point of view of front-line workers. It adds three things to the body of knowledge. First, this study made a theoretical contribution to the reformulation of attitude theory as it relates to the commitment of management to quality service for frontline employees. Then, the hotel front liner's perspective on service quality, which includes training, empowerment, teamwork, role ambiguity, and organizational commitment, has yet to be fully understood. Third, the role of leadership has an effect on the appraisal domain, which in turn leads to work satisfaction.

These relationships are exploratory, so we need to know how big these variables are as outside factors that affect employee service recovery performance.

The second beneficiary of this research would be the practitioners in hotel industry. Both hotel businesses in other countries and other service-based businesses would benefit. This research would be a good resource for future researchers who want to learn more about service recovery performance and what factors lead to it. There's no doubt that the results of this study would be useful for hotels and front desk staff. The results of this study would teach hotels and their front-line staff that a hotel's performance depends on how well its employees, especially its front-line staff, know how to fix problems. This depends a lot on the style of leadership that is used.

From this study, hotel managers would learn that they need to take serious action on the completion and development of company appraisal in order to make sure that each front-line worker who is very involved in customer service is qualified. Also, hotel managers would be great leaders if they used a complete leadership style in their daily work and set an example for their followers, especially those who want to be leaders in the future. Furthermore, the results of this study will show hotel managers and front desk workers how important it is for their hotels to be in the right place. They need to show that they are good at what they do and become productive and efficient at serving customers.

8. Sampling

The sample will be made up of all front-line workers in the hospitality industry who work in hotels. The population of hotel front desk workers in Malaysia's five regions will be chosen by quota sampling (Northern, Central, East Coast, Southern and East Malaysia). The hotel employees will be chosen from at least 3-Star hotels to make sure that the sample comes from a reputable hotel that can help make the study results reliable and valid.

9. Tool

PLS-SEM - "partial least square structural equation modelling," will be used to test the proposed variables' path analysis. The PLS-SEM has a two-stage model that has a measurement model and a structural model. Tests of indicator loadings, internal consistency, convergent validity, and discriminant validity are all part of the measurement model (Hair et al., 2017). The path coefficient, the explained variance of R^2, the effect size, and the level of significance, which is shown by the t-value, will all be measured by the structural model. The proposed hypotheses in this study can be accepted or rejected based on how well the structural model works.

10. Expected Outcome

The results of this study are expected to help in three ways:

First, this study would help people who have a stake in tourism and hospitality in Malaysia. Especially after the COVID-19 pandemic, the front-liner in this area had to deal with fewer people travelling and going on vacation. In terms of leadership style, the results would add a lot to what is known about how important leadership is in motivating employees in the hospitality industry, especially those who work at

the front lines. Based on the reformulation attitude theory, this study would give us a better understanding of how work satisfaction is affected by different factors. All outcomes are important for figuring out how well frontline workers do at service recovery.

Acknowledgments

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