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The Emerald Research Register for this journal is available at www.emeraldinsight.com/researchregister. The current issue and full text archive of this journal is available at www.emeraldinsight.com/0960-4529.htm. MSQ 15, 3 A case study of service failure and recovery within an international airline. David Bamford Manchester School of Management, UMIST, Manchester, UK, and 306 Tatiana Xystouri Ministry of Finance, Nicosia, Cyprus Abstract Purpose – This paper seeks to examine the effectiveness of internal processes of service quality recovery for an international airline.

Design/methodology/approach – An action research methodology was adopted. The research involved: a review of available service quality literature; the identification of causes of failure/errors within the host company; the development of key lessons and management guidelines.

Findings – It is argued that, for service recovery to be effective, it must be external (to the customer) as well as internal (to the organisation). The need to incorporate employees and not overlook their significance, power and influence on the delivery of quality service is highlighted.

Through comparison with another airline the findings re-assert that service quality excellence can only be achieved through employee satisfaction, commitment and loyalty as a result of senior management commitment, focus and drive. Research limitations/implications – The methodology applied was appropriate, generating data to facilitate discussion and from which to draw specific conclusions. A perceived limitation is the single case approach; however, Remenyi argues that this can be enough to add to the body of knowledge. For further investigation, there is an ongoing opportunity for future research in the area of service quality, failure and recovery, as well as <https://assignbuster.com/singapore-airlines-research-paper-samples/>

the service quality gaps within the airline. Practical implications – Key lessons and management guidelines for improving service quality are presented. Originality/value – The paper describes how an international airline has tangible service quality failure and recovery systems in place, but fails to capitalise on the data and information generated. Keywords Customer services quality, Service failures, Service improvements, International travel, Airlines Paper type Research paper Managing Service Quality Vol. 15 No. 3, 2005 pp. 06-322 q Emerald Group Publishing Limited 0960-4529 DOI 10. 1108/09604520510597845 Introduction Services marketing and management literature widely acknowledge that keeping current customers and developing relationships with new ones is a key business strategy (Piercy, 1995). The growing sophistication of consumers does represent an ongoing challenge to all manner of service organisations. According to Zemke and Bell (1989) nothing is as common as the organisation committed more to lip service than customer service; more interested in advertising than action. This is not helped in the link between customer satisfaction and profit being neither straightforward nor simple. Zeithaml (2000) highlights three major problems in measuring relationships as: (1) the time-lag between measuring customer satisfaction and measuring profit improvements; (2) the number of other variables influencing company profits such as price, distribution; (3) that other variables (such as behavioural issues) should be included in the relationship as they explain causality between satisfaction and results. However, a number of studies have demonstrated a clearly positive relationship between organisation performance and customer satisfaction/service excellence.

Wirtz and Johnston (2003) highlight the positive correlation between the profits and service excellence of Singapore Airlines (SIA). Commenting on the competitive nature of the airline industry, one of their interviewees states: [. . .] it is important to realise that they (customers) are not just comparing SIA with other airlines. They are comparing us against many industries, and on many factors (Wirtz and Johnston, 2003, p. 11). A case of service failure and recovery 307 Van der Wiele et al. (2002, p. 191) found the same result for an employment agency, stating “ perceived quality is related to organisational performance indicators in the same year and/or in the next year”. Service failure and the subsequent complaints from customers are a likely occurrence over a product/service lifetime and the rapid, effective handling of these has proven to be vital in maintaining customer satisfaction and loyalty. Indeed, the importance of service recovery reinforces the need for organisations to find approaches that are effective in both identifying service failure and in developing strategies to recover successfully.

Service recovery should be the cornerstone of a customer satisfaction strategy. This paper examines the effectiveness of internal processes of service quality recovery for an international airline. Literature review The changing environment in the service sector ? According to Gronroos (1987) the dimensions of service quality are diverse and relate to both the basic service package and augmented service offering. Two important contributions in developing models for measuring service quality are from Johnson et al. (1995) and Silvestro et al. (1990, cited in Dale, 1999), who assessed service quality in the UK. They identified 15 aspects of service quality, and categorised them into three factors: (1) Hygiene factors: those

expected by the customer. (2) Enhancing factors: those that lead to customer satisfaction, although failure to deliver is not likely to cause dissatisfaction. (3) Dual threshold factors: those whose failure to deliver will cause dissatisfaction while delivery above a specific level will cause satisfaction. While the above model gives a clear view of what criteria a customer may use to judge service quality, it is not as widely reported as the one proposed by Parasuraman et al. (1985) who condensed ten original factors into five categories (tangibles, responsiveness, reliability, assurance and empathy). Gronroos (1988a, b) later added a sixth factor and called it recovery. Parasuraman et al. (1985) also suggested quality consists of the gap between what the customer expects and receives and that this gap is affected by four gaps on the MSQ 15, 3308 provider side (customer expectations; management perceptions of consumer expectations; service quality specifications; actual service delivery). Unfortunately when customers are asked for feedback the methodologies used sometimes lack empirical rigor and are often a response to a specific crisis in the organisation (Berman, 1996). This loss of data at the organisational level means that operational changes are not tied to customer priorities in a routine manner. Dale (2003) summarises three major changes in the service sector. Stating the present emphasis on the service encounter, in particular the contribution made by service providers in enhancing and maintaining service quality, arises from environmental trends relating to: . consumers' awareness and expectations; . technological developments and sophistication; and . competitive elements.

In terms of consumers' awareness and expectations, as society gets wealthier and the marginal utility derived from additional increments of goods declines, people turn to service expenditures. The growth in ? nal demand from consumers may be attributed to consumer expectations of quality, which are believed and accepted to be increasing (Fitzsimmons and Fitzsimmons, 1998). With regards to technological developments and sophistication, computerisation and technological innovations are radically altering the way in which many organisations do business with their customers.

They can make a major contribution in the delivery of quality service. One view is that technological advances offer an opportunity to increase service in a variety of ways to improve the competitive stance (Schlesinger and Heskett, 1991). In terms of competitive elements, since entering the new millennium, it has become clear that most organisations are increasingly, in their quest for progress and advancement, interested in how they can achieve differentiation and competitive advantage (Verma, 2000).

Globalisation and value driven business imperatives therefore mean that mistakes will not be tolerated.

Services failures, recovering and learning The impact of active recovery strategies on a company's revenue and profitability is dramatic. For example, Hampton Inn hotels in the USA realised \$11 million in additional revenue from the implementation of its service guarantee and scored the highest customer retention rate in the industry (Ettorre, 1994). Research by the Office of Fair Trading (OFT, 1990) illustrated when people make a

complaint about goods and services and the complaint is satisfactorily resolved, three quarters of them will buy the same brand again.

Where the complaint is not resolved, less than half will buy the same brand again. Clearly there is a profit to be made by retaining the customer loyalty of those whose complaints the company resolves (Citizen's Charter Complaints Task Force, 1995). The ability to deal effectively with customer problems is closely related to employee satisfaction and loyalty. These are critical concerns in industries where customer relationships are closely associated with an individual service provider (Schlesinger and Heskett, 1991). Heskett et al. (1994) identifies a number of factors that are considered important for employee satisfaction. These include: satisfaction with the job itself; training; pay; advancement fairness; treatment with respect and dignity; teamwork; the company's interest in employees' well-being; and the service worker's perceptions of their abilities to meet customer needs. Of course the greatest barrier to effective service recovery and organisational learning is that only 5-10 per cent of dissatisfied customers choose to complain following a service failure (Tax and Brown, 1998, p. 7; Dube and Maute, 1996). Instead, most silently switch providers or attempt to get even by making negative comments to others (Singh, 1990). Why are customers reluctant to complain? Several authors such as Dube and Maute (1996) and Singh (1990) uncover four reasons: (1) customers believe that the organisation will not be responsive; (2) they do not wish to confront the individual responsible for the failure; (3) they are uncertain about their rights and the firm's obligations; and (4) they are concerned about the high cost in time and effort of complaining.

To counter this several approaches have been highlighted that are effective in identifying service failures: setting performance standards; communicating the importance of service recovery; training customers in how to complain; and using technological support offered through customer call centres and the internet (Dale, 2003). According to Bitner et al. (1997) the level of customer participation in a service experience varies across services and customers can play a variety of roles. Through a review of the literature Bitner et al. (1997) identify three: (1) the customer as productive resource; (2) the customer as contributor to quality, satisfaction and value; and (3) the customer as competitor to the service organisation. These roles are not mutually exclusive, meaning individuals' behaviours in a specific situation may apply to more than one of the three roles. What can firms do to improve recovery performance? Academic evidence, for example Hart et al. (1990), Mason (1993) and Bowen and Lawler (1995), suggests there are specific practices that improve service-recovery effectiveness: hiring, training and empowerment; establishing service-recovery guidelines and standards; providing easy access and effective responses through call centres and maintaining customer and product databases. Bitner et al. (1990) in a study of 700 critical incidents found that it is not necessarily failure itself that leads to customer dissatisfaction, most customers do accept that things can go wrong. It is more likely the organisation's response/lack of response to the failure that causes resentment and dissatisfaction.

Boshoff (1997) surveyed 540 travellers, presenting them with a constantly negative service situation (a missed flight connection caused by flight delay) and looked for the most successful recovery strategies. They were: a

fast response by the highest possible person in terms of seniority; a fast response accompanied by full refund plus some amount of compensation; a large amount of compensation provided by a high ranking manager. An apology was of limited use unless accompanied by some form of tangible compensation.

A market-driven approach to service recovery consists of many tools in addition to identifying and responding to complaints: surveys; mystery shopping; focus groups; customer and employee advisory panels; and service operating performance data (Day, A case of service failure and recovery 309 MSQ 15, 3 310 1994). In identifying opportunities to improve services, many firms integrate complaint data with data gathered through one or more of these research methods. Firms determining investment priorities in service improvement examine the impact of various options (e.g. increasing the speed of front-desk check-in versus expanding the room-service menu at a hotel) on customer satisfaction, repurchase intention, process cost, and market share. The goal is to identify those process improvements that will have the greatest impact on profitability (Rust et al., 1995). Investment decisions should also be driven by customer profitability assessments. For example, United Airlines determined that business travellers account for 40 per cent of its business by headcount, but supply 72 per cent of its revenue; “mile-collecting vacationers” constitute 60 per cent of travellers but provide only 28 per cent of revenue.

The most frequent business travellers, dubbed “road warriors”, generate 37 per cent of revenue even though they make up only 6 per cent of the passengers. United learned through complaints and survey results that the <https://assignbuster.com/singapore-airlines-research-paper-samples/>

road warriors were the customers least satisfied and most frustrated with air travel. Based on the data, the company invested \$400 million to provide business travellers with better seats, food, and lounges; a pre-departure service to avoid long lines; more frequent-flyer benefits; and perks such as showers in terminals (Rust et al. 1995). The relationship between service recovery and organisational profitability can be clearly seen by examining the service-profit chain (Heskett et al. , 1994). This argues that profit results from customer loyalty, which results from customer satisfaction with the service system; customer satisfaction (value) is generated by satisfied, loyal, and productive employees. The impact of service recovery can be traced through improvements in the service system and through the direct effect on satisfaction of resolving a customer complaint.

Resolving problems effectively has a strong impact on customer satisfaction and loyalty (McCollough and Bharadwaj, 1992). Conversely, poor recovery following a bad service experience can create “terrorists”, customers so dissatisfied that they actively pursue opportunities to criticise the company (Heskett et al. , 1994). Loyal customers expect problems to be dealt with effectively and are disappointed when they are not, making service recovery key (Zeithaml et al. , 1993). Examples from the airline industry Wirtz and Johnston (2003), comment how SIA continues to get service quality right.

They have consistently been one of the most profitable airlines in the world and are routinely voted “best airline”, “best business class”, “best cabin crew service”, “best in-flight food”, “best for punctuality and safety”, “best for business travellers”, “best air cargo carrier”, and even “Asia’s most admired company”. SIA seems to follow many of the normative models that <https://assignbuster.com/singapore-airlines-research-paper-samples/>

are well researched and published in the service literature such as: a strategic focus on customers; adopting a “total company” approach to service excellence; incremental improvement and periodic process redesign; and continuous benchmarking.

The company strives for a constant “exceeding of expectation” (e. g. Berry, 1995) and has active customer feedback systems (e. g. Berry and Parasuraman, 1997, Wirtz and Tomlin, 2000). SIA’s culture of service excellence at a profit is in line with the service profit chain (Heskett et al. , 1997) and the cycle of success (Schlesinger and Heskett, 1991). Final observations made by Wirtz and Johnston (2003, p. 18) include what they term as these “somewhat surprising findings”: SIA’s holistic process perspective – a culture where all staff look at all processes all the time to search for incremental improvement; SIA strive to maintain consistency in service excellence that meets the needs of every customer (maintaining the difficult balance between standardisation and customisation); a simultaneous focus on service excellence and costs/profits, pushed right out to the front line staff. Their conclusion is that SIA has no secret formula for success; they just follow widely known and applied frameworks and models. At British Airways (BA) in 1983, the then chief executive, Colin Marshall, launched the Customer First campaign.

The cornerstone of the Customer First campaign was detailed research into what customers expect in terms of personal service. BA established monitoring mechanisms, which continually told them what the customers expect, and how well they were doing against these expectations. The market research covered both customers and staff, so as to form the starting

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point for a fully integrated campaign to improve standards of service. The training programmes included a personal development course looking at such aspects as handling feelings, understanding and coping with stress, and being assertive.

The programme was then extended to embrace all non-customer contact staff. Great emphasis has been placed on teamwork and on an appreciation of the contribution that each individual and each role makes towards the success of the airline as a whole. Further, the Quality Assurance Unit, whose activities were to focus on defining detailed customer service standards, and develop quality control mechanisms by which BA could measure their local performance against customer expectations, monitored the progress of improving service quality.

At the same time, a service quality audit was developed to meet the needs of overseas stations. The objective has been that all staff within the company becomes actively involved and committed to the corporate objective of improving customer service, with the slogan: “ Putting our customers first – if we don’t, someone else will” (Hamill and Davies, 1986). SAS suffered an \$8 million operating loss in 1981. Within two years, they achieved a gross profit of \$71 million on sales of \$2 billion, although the industry as a whole lost a total of \$1.7 billion (Albrecht, 1985).

The success story at SAS was claimed to come from an organisational commitment to manage the customer’s experience through so-called “ moments of truth”, “ the first 15-second encounter between a passenger and the front-line people” (Carlzon, 1987, p. viii). Carlzon, SAS President at

the time and later author of ' Moments of Truth', his take on successful customer service quality, put all 27, 000 employees through a company-wide training programme. Everyone, from baggage handlers to company vice presidents received the training in a two-day workshop, specifically targeted to meeting the needs of their customers.

According to Carlzon this cross-functional training is essential; if only front-line staff have it then their best efforts to satisfy customers may be blocked by back-room staff. He goes on to propose that the link between tactics and strategy is not made in many customer service organisations, ultimately resulting in failure of service quality. Research method An action research methodology was adopted (Remenyi et al. , 1998). Action research was developed during the 1960s and has proven particularly useful in the area of managing change and identifying areas for improvement (Remenyi et al. 1998). Moore (1999) states that to be properly regarded as action research, a project must contain a continuous thread of objective evaluation and a mechanism whereby the results of the A case of service failure and recovery 311 MSQ 15, 3 312 evaluation and the lessons learned during the project can be fed back into the process so that it becomes something which is dynamic and constantly modified in the light of experience. The main advantage of action research is that it is done in real-time; produces a concrete result and everyone in the organisation can see what is going on.

This can have its disadvantages as well - mistakes made are very public, but on the whole it makes for research which has the support and backing of people who might otherwise have shown little commitment to the idea. Its distinguishing feature is that it integrates something of real, practical worth

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into an organisation. This has to be the case, otherwise the research would never have been sanctioned – firms do not have resources to spare and would not waste their own time and resources on a futile project. As detailed above, one potential weakness of the adopted research methodology might be its very public nature.

If the project did not produce tangible real-time results, those supporting it may lose interest and bias any future initiatives. The applied methodology needed to be systematic so that it fitted with the basic aims of the research. Informal interviews, observation and company documentation were all used. This investigation's objective was to make an assessment of the airline's process of service quality recovery with respect to service failure, driven by the goal of customer satisfaction and internal improvement. Once access was established key measurables, and causes of failure were identified through a detailed examination of company processes, informal discussion with Company personnel, and formal interviews with various employees. This process, over a period of time, allowed the identification of sources of errors within the host company. The case study The research presented here involved full participation from an international airline. During the 1990s the airline concentrated on improving customer service, reducing costs and aggressive marketing. Significant effort and new approaches were initiated to improve the quality of service delivered to the customer, in order that the organisation remains competitive in future years. A central pivot of the airline's approach was a commitment to improve service to the customer and they subsequently won a number of passenger accolades. Service failure in the airline Among the key data was the record of passenger complaints

during a four-year period. These records included the revenue-passengers carried by the airline, number of complaints received, number of complaints offered compensation and the amount of money paid out during each of the four years.

They are represented in Table I. The number of recorded complaints increased by nearly 60 per cent and those offered compensation increased dramatically by 147 per cent during this period. The Year Revenue passengers carried Complaints received Instances paid Amount of money paid (?) Table I. Passenger complaints records 1 2 3 4 1, 298, 000 1, 355, 000 1, 346, 000 1, 400, 000 545 684 715 870 253 403 462 626 22, 736 47, 048 70, 253 73, 869 manager of the complaints department commented on these numbers by asserting the increase reflected “ only a small extent of the increased passenger movement”, even in year three when a slight trough was observed, the numbers of complaints showed no sign of decline. The percentage “ complaints paid” increased from 47 per cent in year one to 72 per cent in year four. The complaints department manager affirmed that increasing customer complaints have been a factor for the previous decade indicating the complaints/passengers ratio has been steadily increasing. In 1990 one complaint was recorded for every 2, 700 passengers, a decade later, one complaint is recorded for just over 1, 500 passengers.

Figure 1 represents the number of complaints per 10, 000 passengers during an 11-year period. In year 1, the complaints average was 3. 6 per 10, 000 passengers, within ten years that became 6. 2. Due to this upward trend in complaints, the airline’s expenditure on compensation is increasing noticeably year-by-year, demonstrated in Table I. Expenditure on

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compensation increased by more than \$ 50, 000 in the period year eight to year 11, with the most fundamental increases being witnessed in fiscal years nine and ten. Table II demonstrates which recorded complaints are the most frequent and reflects the main causes of recent service failure in the airline. Commenting on the figures of Table II, a senior manager identified the majority of complaints concentrating around three areas: (1) delays, usually technical in nature; (2) service interruptions, e. g. through frequent strikes; and (3) complaints regarding the attitudes of ground staff.

Complimentary letters were seldom received by the airline and were never logged or recorded. Anecdotal evidence suggests when a passenger compliments an employee it is done face-to-face, not in writing.

Interestingly, all current effort at the airline is put

A case of service failure and recovery 313 Figure 1. Number of complaints per 10, 000 passengers MSQ 15, 3 Nature of complaint Act of God Cabin staff attitude Downgraded Flight cancellations/diversion of rights/delays Food and beverage Ground staff attitude Lack of facilities Mishaps during flight Overbooking Reservation problems Strikes Travelled on jump-seat Cases 1 4 6 544 5 103 7 17 18 39 124 2 314 Table II. Passenger complaints records into recording complaints not compliments; senior managers believed this was because the board of directors (BoD) expected complaint data to discuss within their meetings. The service recovery plan The airline's activities for service recovery and in-house improvement are proceduralised through a detailed flowchart shown in Figure 2. Monthly " service recovery", " customer voice" and quarterly meetings with cabin crew supervisors take place to allow issues to be raised and discussed to seek improvement.

Appreciation for outstanding performance is provided through gifts (e. g. free business class two-way tickets to any destination), and printed letters of appreciation, signed by the president of the airline.

Discussion The research data revealed that 89 per cent of customer complaints resulted from 25 per cent of the problem areas, evidence of the Pareto principle in action. Evidence indicated the service recovery plan of the airline was not addressing these priority areas according to their significance. Presented in Figures 3 and 4 are cause and effect diagrams (Dale, 2003) reflecting the main service failures of the airline. With regard delays, diversions and cancellations, senior managers asserted that some causes, such as the weather, are predictable yet cannot be controlled – little can be done to avoid their consequences.

According to the US Department of Transportation (1989) 70 per cent of delays in the commercial airline service are caused by weather. In addition, external factors beyond the immediate control of the airline can cause service failure (flight diversion or cancellation due to air-traffic congestion, a failure in another airport where the airline's aircraft are engaged). For the airline the planned purchase of new aircraft and a scheduled upgrade of existing fleet should reduce problems caused by purely technical failure.

Service quality should improve and expenditure on compensation reduced. Findings here also confirmed assertions from the literature that technological advances can offer opportunities to increase service in a variety of ways to improve competitive stance, and lead to cost savings (Mulconrey, 1986). Although this contrasts with the view that customers

insist on “ client-centred” performance as opposed to “ technical-centred” A case of service failure and recovery 315 Figure 2. Flowchart of service recovery and in-house improvement processes performance (Kotler and Connor, 1977), the findings indicated that a reliable “ personal touch” service is what the airline’s customers perceived as being good service quality. Findings indicated the perceived “ bad attitude” of ground staff was a major area of service failure. The airline’s senior management team agreed that for employees to be competent in offering soft quality, rigorous selection procedures and appropriate training was vital. However, research evidence suggests that these principles were not applied throughout the company. Dobbs (1993) affirms that without formal training staff have few tools to meet the expectations of customers or managers.

The level of consistent, appropriate and focused training was found to be a key issue within the airline. Ground staff were not sufficiently trained for the highly MSQ 15, 3 316 Figure 3. Cause and effect of delays/diversions/cancellations Figure 4. Cause and effect diagram of bad ground staff attitude “ customer centred” aspects of their jobs and therefore lacked appropriate key skills and diplomacy for handling the demands of customers. This is demonstrated in Figure 5. The ability to deal effectively with customer problems is closely related to employee satisfaction and loyalty (Schlesinger and Heskett, 1991).

Customer satisfaction is also increased when company management attempts to couple the service recovery process with offering initiatives to the employees (Reichheld, 1993). However, within the airline employee satisfaction is not as important as customer satisfaction. That ground staff

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are perceived as having a bad attitude confirms assertions from the literature (Heskett et al. , 1994, p. 164) that important factors for employees are: satisfaction with the job itself; treatment with respect; and the company's interest in employees' well being. A case of service failure and recovery 317 Figure 5.

Ground staff attitude complaints Research findings indicated a range of reasons for employee strikes. The diffusion of the single union 20 years ago (the Union of the Airline Staff) and the creation of several resulted, according to one senior manager, in “ the power to influence events in the hands of an uncompromising few”. Employees who felt their needs were not taken into consideration used their union to make demands. Weak management support, in combination with discontented employees, results in continual strike action that gives an impression of a disorganised company (see Figure 6).

The management of the airline failed to work towards a process of identifying and resolving the issues triggering employee dissatisfaction. Furthermore, the senior management team has been unsuccessful in attempts to improve internal company communications. Although researchers have studied the concept of service for several decades, there is no real consensus about the conceptualisation of service quality (Cronin and Taylor, 1992; Rust and Oliver, 1994). Different researchers focus on different aspects of service Figure 6. Cause and effect diagram of strikes MSQ 15, 3 318 quality. The most common definition is the traditional notion that views quality as the customer's perception of service excellence (Berry, 1995; Parasuraman et al. , 1985). Attempts have been made to provide applicable <https://assignbuster.com/singapore-airlines-research-paper-samples/>

conceptual models, see for example Zhu et al. 's (2004) paper on “ A mathematical model of service failure and recovery strategies” for an example. Of perhaps more direct use here is a simple comparison of how the Airline operates re service quality, with one of the best in the business, SIA. Table III offers a straightforward comparison between various service recovery elements of the two airlines.

Taken from Wirtz and Johnston's (2003) paper on SIA, which took SIA's senior managements perspective on sustaining their service excellence, we used ten key service recovery elements. Of these, all of which SIA excel at, our research indicates the airline actively pursue only one, acknowledging the challenge of delivering service excellence. Disappointingly, they would appear to fail on every other element. As the two companies have similar systems in place the key difference would appear to be the level of senior management commitment. Indeed this comes across compellingly in the Wirtz and Johnston paper.

If similarities exist in the perceived execution of objectives, a difference in perception of what the “ long-term” view actually is may be key (see Bamford and Forrester, 2003). The research does indicate the airline BoD is actively trying to improve its service quality. Through enhanced organisational intelligence they are striving to improve the fundamentals of their service delivery. They can ? x what they can see; they can ? x what they can directly in? uence. New equipment is easy, though expensive to bring in; changing company attitudes is another issue.

The comparison with SIA highlights key differences between a so-called “best in class”, in terms of airline service quality and an airline that is trying very hard to survive in an increasingly competitive market sector. Key lessons and management guidelines As business and management research is essentially a field of applied studies it is appropriate that research of this type should convert at least some of its findings into a series of practical management guidelines (Remenyi et al. , 1998). Therefore, although it Singapore Airlines (Wirtz and Johnston, 2003) Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes

Service recovery element Acknowledge the challenge of delivering service excellence Adopt a “ total” systems approach Strive for consistency with personalisation in service delivery Understand customers and anticipate their needs Listen to both customers and front-line staff Log compliments and complaints Continuously training and motivate the front-line staff Provide dedicated resources forcommunicationandmotivationManage the organisation with an eye for the detail in everything Focus, above all, on delivering consistently high quality at a profit for the company

The airline Yes No No No No No No No No No Table III. Airline service quality set-up and recovery comparison is not our main purpose to present prescriptions, the following maybe useful for practitioners. The key lessons presented below offer straightforward advice: . Do not lose focus of internal service quality: quality of the workplace; job content and variation; recruitment; selection and sufficient training of employees; management support; rewarding employees for good job performance; recognising employees for good job performance. The latter is said to wield significant <https://assignbuster.com/singapore-airlines-research-paper-samples/>

in? ence over the quality of employee job performance (Piercy, 1995). . Put evaluation and reward systems into practice to ensure good performance is monitored and rewarded (e. g. with cash bonuses or free tickets). . Empower front-line employees. This is a tool for improving employee motivation, as having the power to own, manage and resolve a problem makes roles more meaningful and interesting. . Frequent serviceeducationand training can enhance the ability of front-line staff to provide greater levels of customer care. It also prepares them for handling the differing demands of customers.

A case of service failure and recovery 319 Conclusions This research has reported the main causes of service failure within an international airline and through comparison with another airline the ? ndings re-assert that service quality excellence can only be achieved through employee satisfaction, commitment and loyalty as a result of senior management commitment, focus and drive. The paper has assessed the organisation’s process of service recovery with respect to the main causes of service failure, in its goal to achieving customer satisfaction and internal improvement.

The analysis of the ? ndings conformed to the Pareto principle, by which the majority of the organisation’s failure resulted from a small proportion of the problem areas (technical problems; strikes; ground staff attitude). The ? ndings indicated that for service recovery to be effective, it must be external (to the customer) as well as internal (to the organisation) so that internal improvement can be ensured. The ? ndings also substantiated previous claims of the need to approach service quality in a manner that goes beyond unsophisticated and narrow-minded practices that verlook the signi? cance, power and in? uence of the employee on the delivery of quality service and <https://assignbuster.com/singapore-airlines-research-paper-samples/>

the smooth operation of the organisation's activities. Finally, the findings confirmed previous assertions that employee satisfaction, commitment and loyalty require high levels of management commitment, as well as frequent communication. This research raises a number of implications for management. The interactive concepts of external and internal quality and their importance raise issues of recruitment and training to achieve the right blend of employee skills and motivation.

There appears to exist the need for the organisation to adopt management-employee relationship strategies, to ensure it manages and gets the best out of this key resource. Periodic review of performances and reward schemes are considered of vital importance, to aid the co-evolution of mutual understanding between managers and employees, and hence the development of superior service quality. A further implication for management is reflected by the importance of understanding the positive effects of internal marketing on the profitability of the MSQ 15, 3 320 organisation. As the literature suggests (Albrecht, 1985; Hamill and Davies, 1986), satisfied employees have all the means to make customers happy by offering superior quality service and thus reducing the occurrence of complaints substantially. The eventual result on the profitability of the organisation can only be encouraging, even at its most basic level fewer complaints mean less complaint expenditure and thus improved profits. The methodology applied for collection of the research data was wholly appropriate and consistent with the perceived outcomes required.

It generated ample data, which facilitated discussion and the drawing of specific conclusions. A perceived limitation is the adoption of a single case

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approach; however Remenyi et al. (1998) argues that this can be enough to add to the body of knowledge. As a result of this research the Airlines senior management team have recognised the need to address internal marketing in a manner that will be translated into the company's philosophy and cultural attributes. This research has also provided a foundation for future work.

Although many valuable insights were revealed through this research, there is an ongoing opportunity for future research in the area of service quality, failure and recovery, as well as the service quality gaps within the airline.

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