Perceived justice, emotions and post-complaint outcomes: an empirical generalization in service recovery situations

Chiara ORSINGHER
Universitá di Bologna
chiara.orsingher@unibo.it

Sara VALENTINI
Universitá di Bologna
s.valentini@unibo.it

Matteo DE ANGELIS
Luiss Guido Carli University
mdeangelis@luiss.it
Résumé:
Dans la recherche sur la récupération des incidents dans les services, la théorie de la justice est largement utilisée par les chercheurs intéressés à étudier la perception de l'équité du système de récupération des incidents des entreprises. Récemment, les chercheurs ont intégré dans ces études le rôle des émotions, mais les résultats des études présentent des résultats disparates. A fin d'estimer le rôle des émotions dans le cadre de la justice perçue, nous présentons un modèle meta-analytique des effets causaux qui concernent la justice, les émotions et les conséquences post-récupération de 81 études indépendantes de situations de récupération des incidents dans les services. Les résultats indiquent que dans la relation entre les dimensions de la justice et la satisfaction post-récupération, les émotions ne jouent pas un rôle de médiateur (pour la justice distributive), jouent un rôle de médiateur partiel (pour la justice interactionnelle), ou complet (pour la justice procédurale).

Mots clés: Récupération des Incidents, Emotions, Meta Analyse, Théorie de la Justice.

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Abstract:
In complaint handling research, the justice framework has gained widespread acceptance among scholars interested in studying customers' perception of the fairness of the recovery system. Recently, researchers have devoted increasing attention to the role of emotions, but the findings of the studies provide mixed results. To assess the role of emotions within the justice framework, we performed a meta-analytic model of the causal effects involving justice, emotions and post-complaint outcomes of 81 independent studies of complaint handling situations in services. Results indicate that the relationship between justice dimensions and satisfaction with complaint handling are not mediated by emotions (for distributive justice), partially mediated (for interactional justice), or fully mediated (for procedural justice). We draw on these results to formulate managerial implications for service firms.

Key words: Complaint handling, Service recovery, Emotions, Meta-Analysis, Justice theory
Introduction

Many service firms are confronted with the management of service failures that can occur during the business relationship with their customers. For this reason, firms have set up recovery processes that aim at restoring the level of satisfaction after the failure, and avoiding the exit or the negative word of mouth of the customers.

For about twenty years academics have studied the effects of service failure and recovery processes on customer behavior. The conceptual framework on which most complaint handling scholars have relied on is the perceived justice framework. According to justice theory, customer's reactions to the recovery efforts of the service company are positively related to the cognitive evaluation of three dimensions of justice: distributive, procedural and interactional justice. Throughout the years, a conspicuous number of studies has proved that justice theory represents a valuable framework to explain the level of customers' satisfaction after the complaint handling efforts.

Despite the appropriateness of the complaint handling framework, a vast majority of work in this domain has disregarded the role of customers' emotional reactions in service failure/recovery situations, assuming that the evaluation of recovery efforts by the customers is primarily guided by a cognitive assessment.

Only recently, researchers have investigated the role that emotions play in complaint handling situations. The rationale for this inclusion is based on two broad reasons. First, research on customer satisfaction has proved that emotions coexist alongside various cognitive judgments in producing satisfaction, and that they are central to understanding customers' consumption experiences (Oliver, 1997). Second, service failure/recovery situations often evoke strong
emotional experiences (Smith and Bolton, 2002) that are likely to influence the service evaluation (Hui and Tse, 1996; Smith and Bolton, 2002). When emotions come in the picture, however, the issue of their role in the network of relationships within the perceived justice framework emerges. What is the relative impact of justice dimensions on emotions? Do emotions exert a direct or mediating effect on satisfaction with complaint handling and on post-complaint outcomes?

This research aims at providing an answer to these questions through a meta-analysis of 81 studies of complaint handling situations. We contribute to the literature by testing in an integrated framework the mediating role of affective states in the relationships between cognitive dimensions and post-complaint outcomes involved in service recovery situations.

1. Cognitive and affective reactions in complaint handling evaluations

In most complaint handling research covering the years from 1987 to 2009, justice theory has emerged as the prevailing framework scholars have relied on to explain consumers’ evaluations of complaint handling. Drawing from social exchange theory, complaint handling researchers have conceptualized post-complaint outcomes as the result of the individual's cognitive appraisal of three dimensions of justice: distributive, interactional, and procedural justice.

Distributive justice occurs whenever the customer feels fairness in the type of redress offered by the company to resolve the complaint (Blodgett, Hill, and Tax, 1997). Interactional justice stems from the evaluation of the quality of the interactions between the service provider and the customer, and it is defined by customer's perception of the courtesy, honesty, and interest in fairness of the service provider. Procedural justice occurs whenever the customer feels that the set of procedures and policies used in the recovery efforts were fair and customer oriented (Lynd and Tyler, 1988).
The adequacy of such a cognitive approach to complaint handling evaluations has proved itself across time and research settings; on average, all justice dimensions exert a positive effect on satisfaction with complaint handling (SATCOM, auteur, 2010). The behavioral outcomes of SATCOM have been frequently integrated in the justice theory framework. A conspicuous body of research has investigated the effects of SATCOM on three focal outcomes: positive word-of mouth (WOM), return intent and overall satisfaction. Positive WOM refers to the intention to recommend the service provider to friends and relatives, return intent represents the probability of making future purchases from the service provider involved in the service failure/recovery situation.

The perceived justice framework has proved to be valuable in explaining customers' cognitive reactions to service recovery processes, but unsuitable to take into account customers' affective states. However, given the nature of service failure and recovery processes, it is reasonable to expect some form of affective reactions from the customers experiencing a failure. Customers are typically highly emotionally involved and more observant when service fails; therefore distinguishing cognitive elements from affective states is both valuable and necessary for understanding consumer behavior in service recovery settings (Smith and Bolton, 2002).

Scholars advocating the need to include emotions in complaint handling research argue that the service failure situation can trigger affective responses. More precisely, affective responses may arise at two different point in times: negative emotions may occur just after the service failure, and either positive or negative emotions may arise after the recovery process has started. Most research has analyzed the latter, given that the company can hardly manage the negative emotions that immediately follow a service failure. Differently, through the recovery of the service failure, companies might either produce positive emotions or incur in the double deviation scenario (Bitner, Booms, and Tetreault, 1990) i.e., generate negative
emotions as the result of an inadequate response of the service recovery system. In this research, our conceptual discussion and empirical analysis on the affective states following the recovery efforts of the service company is grounded on two fundamental theories: the Affect Control Theory and the Cognitive Appraisal Theory. Affect Control Theory (ACT) states that individuals act in such a way that their emotions are appropriate to the situations they experience (MacKinnon, 1994). Cognitive Appraisal Theory posits that it is the way individuals evaluate the event that generates the emotions, not the event itself (Lazarus, 1999). Both theories have been used in service recovery research to support the idea that a perceived (in) justice (appraisal of the event) is expected to produce positive (negative) emotions. So, when a service provider makes a good recovery, a customer’s negative affective state may be reduced and positive affective states (e.g. happiness, pleasure) may be increased. By contrast, poor recovery may enhance negative states and diminish positive ones.

Despite the conceptual clarity of the network of causal relationship that link justice dimensions, emotions, and post-complaint outcomes, the empirical evidence provides a confused picture of the relationships. Some studies combine justice dimensions in one single construct and find a direct effect of overall justice on customer affective states (DeWitt, Nguyen and Marshall, 2008); other studies do not support a direct impact of justice dimensions on affective states, indicating that either distributive (del Rio-Lanza, Vazquez-Casielles, and Diaz-Martin, 2009), procedural (Chebat and Sluzarsky, 2005) or interactional justice (Rio-Lanza, Vazquez-Casielles and Diaz-Martin, 2009) do not significantly affect the emotions that consumer experience with the service recovery.

Several studies support the idea that affective states may mediate the relationship between perceived justice and customers’ post-complaint behaviors. Evidence on the mediating role of emotions between justice dimensions and SATCOM shows mixed findings: some studies support full mediation (Schofer and Ennew, 2005), others partial mediation only for
distributive (Casado-Diaz, Mas-Ruiz and Kasper, 2007) or procedural justice (Rio-Lanza, Vazquez-Casielles and Diaz-Martin, 2009). Affective states have been found to fully or partially mediate the effects of distributive and procedural justice on customer exit behavior and attitudinal loyalty (Chebat and Slusarczyk, 2005; DeWitt, Nguyen, and Marshall, 2008), and partially mediate the effect of interactional justice (e.g. Schoefer and Diamantopoulos, 2008). Finally, emotions partially mediate the relationship between interactional and procedural justices and WOM, but not the link between distributive justice and WOM (Shoefer and Diamantouplos, 2008). Given the sparse findings of the extant research, a meta-analytic assessment of the cognitive and affective drivers of satisfaction with complaint handling and its outcomes appears worthwhile.

2. Meta-analytic procedure and findings

Published and unpublished studies were identified by means of an on-line search on electronic databases and an off-line search on leading academic journals. We retrieved more than 100 published and unpublished studies, which were checked for measures of the relationships among the cognitive and affective dimensions in service recovery situations (Hedges, and Olkin 1985; Rosenthal, 1991). The correlations were the most common metric available in these studies, but we converted other metrics into r’s when necessary (Rosenthal, 1991). In total, we obtained 859 usable correlations from 81 independent samples drawn from 71 papers, for a total of 27193 individuals. We adjusted correlations for corrections due to measurement and sampling errors using attenuation factors that take into account the reliability of the variables, and the sample size of the study (Hunter, and Schmidt, 2004). Then, we tested the causal model of the set of relationships involving cognitive and affective reactions in service recovery contexts. We used the complete adjusted average correlation matrix as input to LISREL to fit the structural equation model. Constructs having at least
three multiple study effects relating to every other construct were included in the causal model.

The literature theoretically suggests that: i) justice dimensions have a differential impact on emotion, ii) emotions associated with the service recovery effort could have a mediating role in the relationship between the perceived justice dimensions and both attitudinal outcomes (i.e. SATCOM), and behavioral outcomes (WOM and return intent).

Results of the model are presented in Figure 1, in which are reported only the significant path coefficients. The value of chi-square is $\chi^2(1) = 17.9$ ($p = 0.0001$), suggesting a poor fit. However, this metric is affected by large sample dimension and by the size of the correlations (Bollen, and Long, 1993). Alternative measures highlight an acceptable fit of the model (CFI = 0.99, NNFI = 0.90, GFI = 0.99, RMSEA = 0.077, RMSR = 0.025). In addition, results are in line with the theory.

Results indicate that each justice dimension contributes significantly and differently in the explanation of the outcome variables. Distributive justice has a unique and highest direct impact on SATCOM, which in turn mediates its relationship with return intent and WOM.

Figure 1: Meta-analytic structural model
Interactional justice has a distinctive role, since it is the only dimension that has direct effects on emotions and on post-complaint outcomes. Procedural justice directly affects only emotions. Finally, SATCOM has a strong, positive effect on WOM, and on return intent.

We performed an analysis to test the mediating role of emotions (Iacobucci, 2008). Table 1 reports the results for the paths that support full or partial mediation. Interestingly, we found support for the mediating role of emotions on the effects of cognitive reactions on SATCOM, but not on WOM and return intent. Specifically, full mediation is supported just for the relationship procedural justice → SATCOM. Partial mediation is supported for the relationship between interactional justice and SATCOM. Finally, no mediation is supported for distributive justice, which is the only dimension that has a strong and not mediated impact on SATCOM.

<table>
<thead>
<tr>
<th>Path</th>
<th>Indirect Effect</th>
<th>z test(^a)</th>
<th>Rel. Imp.(^b)</th>
<th>Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interactional J. → SATCOM</td>
<td>0.05</td>
<td>8.04(^*)</td>
<td>22.1%</td>
<td>partial</td>
</tr>
<tr>
<td>Procedural J. → SATCOM</td>
<td>0.07</td>
<td>9.36(^*)</td>
<td>63.7%</td>
<td>full</td>
</tr>
</tbody>
</table>

\(^a\) z (Sobel ,1982) tests whether the strength of the mediated path exceeds zero, which is equivalent testing the difference between the direct effect and direct effect estimated while controlling for the indirect, mediated effect (Iacobucci ,2008) \(^b\) It indicates the percentage of the variance in the consequence explained by the antecedent, that is indirect through emotion. *p-value < 0.01

Table 1: Mediation Analysis

3. Conclusions

The meta-analytic assessment of the causal effects involving both cognitive and affective states and the post-complaint variables provided an insightful picture of the sign, value, and
relationships among constructs. Distributive justice was found to exert the strongest direct
effect on SATCOM, not mediated by emotions. This justice dimension reflects customers' mental computation of the fairness of the redress offered to resolve the complaint. Therefore, it is possible that the rational evaluation of the equity of the compensation overcomes the emotional reaction. Interactional justice has a key role because of its direct and mediated effect on all different post-complaint outcomes. It is the only justice dimension that directly affects emotional and behavioral reactions. The crucial role of contact personnel, which has long been recognized in the service quality (Zeithaml, Parasuraman, and Berry, 1990) and human resources research (Schneider and Bowen, 1993), clearly emerges from these findings. Procedural justice is the only cognitive dimension fully mediated by emotions on SATCOM. Presumably, the fairness of the means (policies, procedures, and criteria) of the service recovery process is difficult to quantify. Hence, an emotional reaction to the fairness of the procedures is likely to precede the assessment of the satisfaction with the complaint management. The full mediating role of emotions might also explain why in most complaint handling studies that do not consider emotions there is a great number of non-significant or small effects of procedural justice on SATCOM.

Taken together, our findings shed new light on two important aspects of the complaint handling framework: 1) the importance of considering both cognitive and affective states in theoretical and empirical frameworks 2) the clarification of the mediational role of emotions in linking the cognitive reaction to service recovery efforts to post-complaint outcomes. Our findings may help managers to efficiently allocate company resources to achieve successful recovery strategies. On the one hand, our results confirm the fairness of the compensation as a rational evaluation made by the customer of costs–benefits generated by the complaints. Indeed, distributive justice does not significantly trigger positive or negative affective states, but is strongly related to the customer satisfaction. Hence a tangible compensation (such as a
discount, a bonus, etc.) represents a direct and effective way to make the customer satisfied. On the other hand, our findings also highlight that emotions - significantly explain part of the post-complaint satisfaction of the customer. For example, the application of fair policies and speed procedures to handle the issue is able to trigger a positive emotional state of the customer, which in turns creates satisfaction. The management should not underestimate the power that a fair procedure can have in producing an intense feeling, which may last for some time. Finally, when the purpose of the company is to acquire new customers, and maintain or increase the brand reputation employee training represents a good investment. A fair perception of the interaction with the contact personal during the process to resolve the problem is able to increase the likelihood of positive WOM and return intent, and it represents the most immediate way to achieve these results, both directly and indirectly via a positive emotional reactions of the customer that produce satisfaction. Employee should be aware of the emotional state of the customer in this situation and ad hoc trained to interact effectively with the customers.

Although this meta-analysis expands our knowledge on the role that emotions play in service recovery contexts, it is subject to certain limitations. First, we created an “emotions” variable that summarizes both positive and negative emotions. However, we acknowledge that positive and negative emotions are not opposite poles of a same dimension. On the one hand, this means that our framework is not able to capture the differential effect that positive and negative emotions play in service recovery situations. On the other hand, this grouping allowed to include in the same model different outcome variables (such as SATCOM, WOM, and return intent) and to test a parsimonious model that is able to explain which post-complaint behavior emotions influence the most. Second, we addressed only those constructs for which sufficient secondary data were available; for example our causal model does not include important variables such as trust and commitment. Thus, the potential bias for omitted
variables exists, and our framework should be considered as a summary of the most common correlates of cognitive and affective dimensions in service recovery contexts. Finally, our meta-analytic dataset includes a majority of studies that considered cognitive dimensions, and a much less percentage of studies that consider affective dimensions in their framework. Affective states have received less attention in the early stage of the complaint handling literature, hence less effect sizes are available for these variables. However, this meta-analytic study offers the opportunity to highlight the importance of considering both cognitive and affective reactions and might be used as a guide and an incentive for scholars willing to pursue research in this field.

References

The complete list of studies included in the meta-analysis is available from the authors on request.


