

UNIVERSITI TEKNOLOGI MARA

**PUBLIC PERCEPTION OF SERVICE RECOVERY
AND ITS EFFECT ON
SERVICE RECOVERY SATISFACTION,
TRUST AND WORD OF MOUTH:
THE CASE OF COMPLAINANTS
FROM THE LOCAL AUTHORITIES IN SELANGOR**

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Abstract

Citizen dissatisfaction with public services erodes trust in government and generates negative word of mouth behaviour (WOM) publicity. Public organizations must proactively seek, not only to design and operate better service delivery systems to reduce failures, but it must also establish systems to deal with service recovery. Prior researches have shown that decreasing the number of disgruntled citizens has greater impact on raising trust in government than increasing the number of delighted citizens. Therefore, if the service recovery systems are effective, trust in government can be significantly improved. This study examines complainants' perception of the justice in service recovery and its relationship with trust and WOM; with service recovery satisfaction as a mediator. Using the Organizational Justice Theory as the foundation, this study examines the complaints-handling process from three justice perspectives, namely fairness of the outcome (distributive justice), fairness of the procedures (procedural justice) and fairness of the interactional treatment during the service (interactional justice). A cross-sectional survey design of 1,625 complainants from 12 local authorities in the of state Selangor representing the three types of local authorities (city councils, municipal councils and district councils) was carried out to study the postulated relationships. The study found a strong relationship between the three perceived justice constructs (namely, interactional, procedural and distributive); and a positive relationship between trust and positive WOM. Regression tests showed that all perceived justice significantly influenced service recovery satisfaction; confirming earlier research that the three dimensions of perceived justice are antecedents to service recovery satisfaction. Complainants who perceived greater justice tended to have higher satisfaction level. Regressions of trust and positive WOM on justice constructs indicated that these antecedents are statistically significant and have strong influence on the outcomes. Regression tests also confirmed that service recovery satisfaction significantly influences trust and positive WOM supporting prior researches that service recovery satisfaction has a positive effect on behavioural outcomes. A series of multiple regression analyses were carried out using Baron and Kenny's (1986) procedure and Sobel's Test to determine mediation effect. Baron and Kenny's protocols indicated that service recovery satisfaction served as a partial mediator of the influence of justice constructs on trust and positive WOM; however, the extent of mediation varies. Service recovery satisfaction has the highest mediation effect on distributive justice, followed by procedural and interactional. However, R^2 only improved marginally indicating that the mediator, though significant, adds little to the understanding of the behaviour of the criterion (positive WOM). This study showed that the complainants' perceptions of the service recovery have strong effects on their overall satisfaction and their trust in government and the proclivity to say good things about the local authorities. Local authorities must go beyond mere creation of the service recovery systems to ensuring that complaining citizens are treated with respect and dignity. Good recovery procedures can create fairly satisfactory perceptions to offset or reduce the initial upset. Effective service recovery systems can help reverse the declining trust in government and create better image of the local authorities.

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It is hoped that this research is able to contribute to the enhancement of service recovery system of the local authorities in Malaysia.

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