

## **A Scenario-Based Experiment Comparing Managerial and Front-Line Employee Apologies in Terms of Customers' Perceived Justice, Satisfaction, and Commitment**

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**Abstract :** Due to the many moving parts and high human component, mistakes and failures sometimes occur during transactions in service environments. Because a certain portion of such failures is unavoidable, many service providers constantly look for guidance regarding optimal ways by which they should manage failures and recoveries. Through the use of a scenario-based experiment, the findings of this study run counter to the empowerment approach (i.e. that frontline employees should be empowered to resolve failure situations on their own doing). Specifically, this study finds that customers' perceptions of distributive, procedural, and interactional justice are significantly higher [p-values < .05] when a manager delivers an apology as opposed to the frontline provider. Moreover, customers' satisfaction with the recovery and commitment to the firm are also significantly stronger [p-values < .05] when a manager apologizes. Interestingly, this study also empirically tests the effects of combined apologies of both the manager and employee and finds that the combined approach yields better results for customers' interactional justice perceptions and for their satisfaction with recovery, but not for their distributive or procedural justice perceptions or consequent commitment to the firm. This study can serve a springboard for further research. For example, perceptions and attitudes regarding employee empowerment vary based upon country culture. Furthermore, there are likely a number of factors that can moderate the cause and effect relationship between a failure recovery and customers' post-recovery perceptions [e.g. the severity of the failure].

**Keywords :** apology, empowerment, service failure recovery, service recovery

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