THE EFFECT OF PERCEIVED JUSTICE TOWARD RECOVERY SATISFACTION AND TRUST: A STUDY ON HARRIS HOTEL & CONVENTIONS MALANG

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Abstract
This research aims to determine the effect of Perceived Justice toward Recovery Satisfaction and Trust on study of Harris Hotel & Conventions Malang in simultaneously and via mediation. The research is explanatory research which explains the causal relation between the variables through hypothesis testing. The data collection technique of this study uses questionnaires and literature study. This study used 150 samples of Harris Hotel’s consumers in Malang. Those samples were taken using a purposive sampling technique. Test instrument that are used for testing the research instrument are validity test, reliability test, and classical assumption test. The analytical methods that were used are path model analysis and hypothesis testing are conducted with t test using SPSS 21.

The result of this study shows with using testing t is concluded that each of Perceived Justice has significant and direct effect toward Recovery Satisfaction. Therefore, Recovery satisfaction also has significant and direct effect toward Trust. Perceived Justice has significant and direct effect toward Trust as well. Moreover, Recovery Satisfaction has positive effect as mediator between Perceived Justice and Trust in the study of Harris Hotel & Conventions Malang.

Key Words: Perceived Justice, Service Recovery, Recovery Satisfaction, and Trust

INTRODUCTION
In today’s ever-growing global environment, the tourism sector of Indonesia is booming. It shows from the numbers of tourist in Indonesia is increasing every year. The major reason of increasing number of tourists who visited Indonesia every year is the tourism sector.

Those numbers would be affected on the growth of hospitality sector in Indonesia (Indonesia Investment, 2015).

Indonesia government has high expectation that tourism industry in Indonesia can contribute up to 8 percent by 2019 to the country’s gross domestic product (GDP) from 4 percent in 2014. In
order to realize this goal, the government launched new policy in April 2015 which is allowing foreigners from 30 countries to enter Indonesia without Visa. Regarding to that condition, the demand for hotel rooms in Indonesia is expected to positively increase (Indonesia Investment, 2015). Indonesia's Minister of Tourism and Creative Economy Mari Elka Pangestu said several domestic and foreign hotel operators are eager to expand their business in Indonesia as the demand of hotel industry increases (Indonesia Investment, 2014). Thus, Hotel industry has supported the economic growth of Indonesia. The hotel industry in Indonesia is projected to grow strongly in the years ahead (CEIC Data, 2015).

This Graph shows the growth of Hotel Industry from one-star hotel up to five-star hotel and Hotel’s Investment in Indonesia over 10 years.

According to the graph, the demand of three and four-star hotels is significantly increase. Nowadays, three up to four star hotels become customer’s choice because they offer great service hotels at affordable price.

Harris Hotel & Conventions Malang is categorized as four-star hotel which means it offers not only rooms but also the excellent services and facilities. Unfortunately, even its stated as four-star hotel when it deliver service to customers still make imperfection service called service failure. In hotel industry, service failure happens when hotel service does not meet with the expectations of hotel guests. After a service failure, a strong emotional attachment could ease the negative feelings caused by the failure and further reduce the likelihood of increasing the possibility of customer dissatisfaction, increasing the unwillingness to return, increasing customers’ distrust to the organization (Yang and Mattila, 2012).

Moreover, the hotel guests who are dissatisfied with the service offered would possibly do complaints. Quick response in handling the complaint is necessary for customer satisfaction and customer trust. In order to see the effectiveness of service recovery offered by the service provider, previous researchers used justice theory as it has been widely used to explain how customers perceive the service recovery efforts (Chang and Chang, 2010).

LITERATURE REVIEW

The justice theory of Adams (1963) has been adopted as a powerful vehicle in predicting customer satisfaction or
dissatisfaction after they have experienced service failure (Kim et al., 2009). Justice dimensions are including distributive justice, interactional justice, and procedural justice. In study of McCollough (2000) mentioned that in a recovery situation, customers tend to evaluate perceived justice based on tangible outcomes (distributive justice), the organization’s recovery policies (procedural justice), and interpersonal interaction between customers and service providers (interactional justice) (Ha and Jang, 2009).

The effect of perceived justice dimensions on recovery satisfaction also has been mentioned in past literature. Many authors have found that all three forms of justice including distributive justice, procedural justice, and interactional justice have a positive effect on overall service recovery satisfaction (Kim et al., 2009). Kuo and Wu (2012) found that perceived justice exerts positive influence on customer recovery satisfaction. Thus, this research proposed:

\[ H_1 \]  \textit{Perceived justice has a significant and direct effect toward recovery satisfaction}

Customer recovery satisfaction occurs when the customer is feeling satisfied of recovery effort that organization provides. When customers satisfied with the recovery provided by organization, they will believe to services in those organizations or business. Thus, customer trust would be building because of recovery satisfaction. According to Ha and Jang (2009) found the result when satisfaction with service recovery is met, trust gives confidence to customers about the service provider, so future behavior of the customers can be voluntarily and positively gained. Thus, this research proposed:

\[ H_2 \]  \textit{Recovery satisfaction has a significant and direct effect toward trust}

Perceived justice has direct effect on customer trust. According to Colquitt and Rodell (2011) affirm that justice perceptions can be antecedents to trust because information on justice is encountered earlier (and is more interpretable) than information on trust. Customer trust, which refers to trust customers have toward a firm, is formed based on prior experience with a firm (Choi, 2013). When the customers believe to the service provider by the experience, trust to the company would be build. Thus, this research proposed:

\[ H_3 \]  \textit{Perceived justice has a significant and direct effect toward trust}
In a study conducted by McCollough and Berry (1996); Singh and Wilkins (1996), it was found Customer trust has also been conceptualized as a reflection of customer satisfaction and researchers have also linked successful service recovery to customer satisfaction on the ground of customers’ perception of firm’s fair effort in ensuring recovery (Baksi and Parida, 2012). Prior studies recognized service recovery as a dynamic process of initiation of marketing activities to regain customer trust following a perceived failure in service to meet customer expectation of recovery effort (Johnston and Michael, 2008). Research has established customer recovery satisfaction as a mediator towards explaining the relationship between service recovery and post recovery behavior namely customer trust (Baksi and Parida, 2012). Based on that previous study means that when company provide service recovery and the customer would perceive the justice, and customer trust would be building through the satisfaction of service recovery.

H.4 Perceived justice has a significant indirect effect toward trust through recovery satisfaction.

RESEARCH METHOD

Sample

The respondents of this study are the customer who have stayed and complaint in Puri Asri Hotel which is located in Malang City, East Java Province, Indonesia. A total 150 questionnaires were distributed and used in this study. These respondents were recruited using purposive sampling method.

The following is the demographic profile that emerged from the sample: 52.7% of the respondents are female, 36.7% occupation of respondents are entrepreneur, around 34.7% aged between 30-39, 98% respondents are Indonesian, 58.7% have bachelor degree, around 52% have income per month higher than 4,000,001 rupiahs, 65.3% are visited the hotel for pleasure purpose, 54% are stayed for 3-5 nights, and 52% were guests who ever stay at the hotel less than 2 times.

Data Analysis

Item questions in the questionnaire measured by using a Likert scale. Instrument research test conduct with validity and reliability test, to examine that the items in the questionnaire are valid and reliable. Classical assumption test including normality and linearity test also use in this research as this research is multivariate study to see whether the data are normally distributed or not and linear.
or not. Path model was applied to analyze the data in order to determine the significance direct or indirect effect of independent variable toward dependent variable with or without intervening variable.

**FINDINGS**

*Instrument research test*

According to Arikunto (2010) the instrument can be said whether it is valid or not by comparing the Pearson product moment correlation index with a significance level of 5% with a critical value. If the significance of the correlation results is less than 0.05 (5%), then it is declared valid and vice versa.

**Validity Test of Perceived Justice (X) Variable**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Significance</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>X₁₁</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
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<tr>
<td>X₁₂</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
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<tr>
<td>X₁₃</td>
<td>0.000</td>
<td>Valid</td>
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<tr>
<td>X₂₁</td>
<td>0.000</td>
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<td>X₂₂</td>
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<td>X₂₃</td>
<td>0.000</td>
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<tr>
<td>X₂₄</td>
<td>0.000</td>
<td>Valid</td>
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<td>X₂₅</td>
<td>0.000</td>
<td>Valid</td>
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<tr>
<td>X₃₁</td>
<td>0.000</td>
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<tr>
<td>X₃₄</td>
<td>0.000</td>
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**Validity Test of Trust (Y) Variable**

<table>
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<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Significance</th>
<th>Conclusion</th>
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<tbody>
<tr>
<td>Y₁</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
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<tr>
<td>Y₂</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Y₃</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
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<tr>
<td>Y₄</td>
<td>0.000</td>
<td>Valid</td>
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</tr>
<tr>
<td>Y₅</td>
<td>0.000</td>
<td>Valid</td>
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</table>

**Validity Test of Recovery Satisfaction (Z) Variable**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Significance</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Z₁</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Z₂</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
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<tr>
<td>Z₃</td>
<td>0.000</td>
<td>Valid</td>
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<tr>
<td>Z₄</td>
<td>0.000</td>
<td>Valid</td>
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</tr>
<tr>
<td>Z₅</td>
<td>0.000</td>
<td>Valid</td>
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The instrument is reliable if the variables studied have Cronbach’s alpha (α) which is more than 0.60 (Arikunto, 2010).

**Classical Assumption Test**

Good regression model is a model where the residual follows a normal distribution. If sig. (P-value) > 0.05 so H₀ accepted, which means normality is met.
Testing the linearity, it can be done using Ramsey statistical calculations. If \( p \) (sig.) > 0.05, thus the data are considered to be linear, or if the value of \( p < 0.05 \) then the data distribution is not linear.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Sig.</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>X – Z</td>
<td>0.069</td>
<td>Linier</td>
</tr>
<tr>
<td>X – Y</td>
<td>0.469</td>
<td>Linier</td>
</tr>
<tr>
<td>Z – Y</td>
<td>0.064</td>
<td>Linier</td>
</tr>
</tbody>
</table>

**Determination Test**

The level of accuracy of a line can be determined from the size of the coefficient of determination (R Square). R square (\( R^2 \)) and Adjusted R Square value (Adj. \( R^2 \)) in path analysis can be used as a measurement to state the compatibility of path line obtained.

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.755a</td>
<td>.570</td>
<td>.564</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Z, X

**Path Analysis Test**

Based on the Table above the path structure coefficients are as follow:

\[ Z = P_{y1x}X \] (Substructure 1):
\[ Z = 0.666X \]

\[ Y_2 = P_{zx}X + P_{zy1}Z \] (Substructure 2):
\[ Y_2 = 0.372X + 0.455Z \]

Calculation of the effect of Recovery Satisfaction as an intervening variable is as follows:

\[ Y = PYX + (PZX x PYZ) \]

Direct Effect between perceived justice on trust: 0.372
Indirect Effect: \( PY_1 \times PY_2Y_1 \)
\[ 0.666 \times 0.4555 = 0.303 \]

Total Effect: \( PZX + (PYX \times PZY_1) \)
\[ 0.372 + 0.303 = 0.675 \]

**Hypotheses Testing**

Partial path model testing is used to determine whether each independent variable (exogenous) has significant direct or indirect effect on dependent variable (exogenous) or not. Moreover, path model testing is also used to measure the direct or indirect effect from independent variable to dependent variable with or without intervening variable. To test the causal relationship, then path test is used by comparing the value of \( t_{\text{count}} \) with \( t_{\text{table}} \) and the significance value is smaller than \( \alpha = 0.05 \). Forming the independent and intervening variables of this path model is said to have a significant effect if \( t_{\text{count}} > t_{\text{table}} \) or significant \( < \alpha = 0.05 \). \( t_{\text{table}} \) value with \( n = 150 \) and \( \alpha = 0.05 \) is equal to 1.975.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized Coefficient</th>
<th>Sig.</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>H_1</td>
<td>0.666</td>
<td>0</td>
<td>Significant</td>
</tr>
<tr>
<td>H_2</td>
<td>0.455</td>
<td>0</td>
<td>Significant</td>
</tr>
<tr>
<td>H_3</td>
<td>0.372</td>
<td>0</td>
<td>Significant</td>
</tr>
<tr>
<td>H_4</td>
<td>0.675</td>
<td></td>
<td>Significant</td>
</tr>
</tbody>
</table>

**DISCUSSION AND CONCLUSION**

The result of this research shows that Hypothesis 1 which captured the relationship between perceived justice and recovery satisfaction is significant. This positive effect is revealed on the efforts done by the hotel after doing failures or mistakes. The efforts are in the form of effort to fix those problems by offering service recovery and when customer perceived that, it would be resulted on customer’s recovery satisfaction. The finding is similar to the previous research on the relationship between perceived justice and recovery satisfaction. The research of Kuo and Wu (2012) found that all of three dimension of perceived justice exerts positive influence on customer satisfaction.

As one of four star-hotels, Harris Hotel & Conventions Malang provided service that exceeds of customer expectation. Harris Hotel Malang has its standard to serve service to its guests. Unfortunately, sometimes this hotel has
imperfect services that could be break
down the level of customer perception
about service. The fast outcome of service
failure manifested from this hotel is in the
form of direct complaint received from
guests. To response those complaints,
Harris Hotel & Conventions has right and
policy in order to fixing the problems
occurred. in order to fix the problems,
Harris Hotel Malang responds customer’s
complaint adequately as fast as it can. The
employees always ask for an apology for
the first time. Harris Hotel Malang will
offer compensation whose value is
comparable with the problems such as
giving discount and coupons, upgrading
room, and giving additional breakfast. All
giving that compensation, Harris Hotel
Malang is trying to fix problem fairly by
following the procedures to recover the
problems. From all the implication of
service recovery dimension, it shows that
customers Hotel Harris & Conventions
Malang is satisfied with the service
recovery offered.

Hypothesis 2 also shows
significant direct effect between recovery
satisfaction and trust. This results means
that customer recovery satisfaction occurs
when the customer feel satisfied with the
recovery effort that organization provides.
When customers feel satisfied with the
recovery provided by organization, they
will believe in the services provided by
those organizations or business. Thus,
customer trust will be built after receiving
the recovery satisfactio. Harris Hotel &
Conventions Malang is aware that
customer satisfaction is one crucial thing
to keep survive and to be successful in
hotel business. Therefore, it puts much
attention and effort in order to make
customer satisfied with service after doing
a failure. Receiving service recovery effort
exceeding the customer’s expectation will
result on customer’s recovery satisfaction
that make customers believe in Harris
hotel’s service even when they found that
it does not work perfectly before. The
feeling of confidence and belief in hotel’s
service will improve customer’s trust to
Harris Hotel & Convention Malang.
Therefore, recovery satisfaction is crucial
to regain the customer’s trust to Harris
Hotel & Conventions Malang.

Another finding in this research is
based on hypothesis 3 which show the
relationship between perceived justice and
trust. The result of this research finds that
perceived justice has significant and
positive effect on trust directly. It means
that when the customer has got the
perceived justice provided by the hotel’s
service recovery, they will believe with the
service after failure so it will regain their
trust on the hotel’s service. In the context
of Harris Hotel & Conventions Malang, this hotel has marketing strategy which consists of standard, policy, and procedure to response service failure. Harris Hotel Malang’s customers believe in the integrity level of hotel based on the right procedure and policy to respond complaints or problems.

Furthermore, for Hypothesis 4 shows the significant and indirect effect between perceived justices toward trust through recovery satisfaction. It means the customers will trust the hotel service even they experience service mistake. It happens when hotel offers recovery effort to make customers feel satisfied after experiencing service failure. Similar to the previous research by Mansori et al (2014), it was found that customer’s recovery satisfaction has positive and significant effect as mediator in between perceived justice of service recovery and trust.

As previously explain, even though Harris Hotel & Conventions Malang is considered as four star-hotels, failures or mistakes cannot be avoided in the hotel service industry. Some of Harris Hotel Malang’s guests experienced an imperfection in terms of service offered by the hotel. In responding to those problems, most of them directly complain on the service given to the management. Customers’ complaint is considered as an opportunity to retain customer satisfaction and trust of hotel’s service. To respond that complaints Harris Hotel Malang provide recovery effort to remedy the service failure. When the service recovery effort meets or exceeds the customer’s expectation of recovery, it will result in recovery satisfaction. The satisfaction can be seen from the expression and act of customers after receiving recovery effort. Customers Satisfaction after experiencing service failure would affect their confidence and believe of the hotel’s service. Thus, recovery satisfaction has positive effect as mediator between perceived justice on service recovery and customer’s trust of Harris Hotel & Conventions Malang.

IMPLICATION

Theoretical Implication

This research has theoretical implication for further research. In marketing field stated perceived justice have to be developed more in the next because it will affect on customer’s recovery satisfaction and trust which is will develop long relationship between customers and companies. Thus, by doing this research about perceived justice especially on hotel industry which uses to examine how customers see the effectiveness and fairness recovery effort
as strategy to response service failure provided by Harris Hotel & Conventions Malang that will be beneficial for Harris Hotel & Conventions Malang to know the recovery satisfaction and trust of customers. Perceived justice including distributive, procedural, and interactional justice is some factor to measure the recovery satisfaction and trust. They are not fix variables to influence trust in Harris Hotel & Conventions Malang, but object of the research can use those variables to maintain and develop its service.

Managerial Implication

This finding is could be improve service on hotel industry. Because the variable that use in this research is rare to found exactly how perceived justice give effect to customer recovery satisfaction and trust. Harris Hotel & Conventions Malang should improve its distributive justice by adding more differentiation of compensation such as giving gift-card for one night free, upgrading hotel room, giving 100% refund if it is possible to do and other various discount card (from 5% up to 50%) depending on problems occurred. Harris Hotel Malang could give free welcome drink and snack while waiting their complaint solved.

Harris Hotel & Conventions Malang should improve its procedural justice by more transparent about their policy and procedure in responding customer’s complaint. Harris Hotel Malang could give chance to customer to give feedback on why the service failure may have occurred and what is being done to rectify the failure. Harris Hotel & Conventions Malang should improve its interactional justice to ensure that customers are treated well by Harris Hotel’s employees Harris Hotel Malang should conducted employees training in order to improve employees’ skills, knowledge, attitude, behavior, and personality when they response customer’s problem or complaint. Harris Hotel & Conventions Malang should provide evaluation tools such as assessment paper in order to assess customer’s perception about the service before and after service recovery to examine how well Harris Hotel Malang handles customer’s complaint and to examine future behavior of customer as well.

LIMITATION

The object of this research is limited. This research only obtains the data from one single chain hotel which is four-star hotel in Malang; Harris Hotel & Conventions Malang. Since there is only a few of four-star hotel that exist in Malang, it is difficult to obtain the permission from hotel management to distributing the
questionnaires in the hotel area. This research does not examine the effect of three dimension of perceived justice one by one such as distributive justice, interactional justice, and procedural justice. Thus, we cannot know which one give the highest effect on recovery satisfaction.

When fulfilling the questionnaire, the respondents were not guided in answering all the questions in the questionnaire. This technique is lack of control which possibly could affect the validity result. The negative side of using this technique is the respondent’s answers do not represent their actual feeling. In addition, sometimes they also do not fully understand well about the questions. Hence, the answer might not be accurate when it is processed. In assessing the role of perceived justice, this research ignores other factors that can be related to perceived justice just focuses on recovery satisfaction and trust.

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