
CHAPTER 6

FINDINGS AND ANALYSIS

CHAPTER 6

FINDINGS AND ANALYSIS

AN OVERVIEW

The chapter is sub divided into three subsections. Each sub section studies the impact of the recovery action on the perception of service recovery dimensions and overall satisfaction of the customer in the light of unique recovery action meted out after the service failure. It also investigates the influence of culture on the perceived relative importance of the service recovery dimensions. Each section details out the study through descriptive and t test. Pearson correlation between the overall satisfaction and dimensions of service recovery is computed. Correlation is also found between the dimension of service recovery and the dimensions of culture for each sub group. Lastly regression analysis is used to study the effect of the dimensions of service recovery on the overall satisfaction of the customer and to investigate whether the service recovery dimension is influenced by the cultural dimensions.

6.1 SECTION A

This section analysis the effect of the recovery action (presence and absence of compensation) taken by the service provider on the perception of service recovery dimensions and overall satisfaction of the customer. It also probes into the influence of culture and the perceived relative importance of the service recovery dimensions. For this purpose the respondents in this set are divided into two groups of 99 each making it 194 in all. The respondents were exposed to the unique recovery scenario. The first set of 99 (group 1) was provided with compensation (a free sightseeing tour) and an apology after the service failure. The second set of 99 (group 2) was extended just an apology after the service failure and no compensation was provided. The respondents were asked to note down their responses after reading the given service recovery action to a service failure (which was same for all the groups i.e. non availability of rooms after a confirmed booking due to double booking). The respondents were asked to state the extent of their agreement with the statements given, 1 being strongly disagree and 4 being strongly agree. The cultural orientation of the respondent was tapped in section C of the instrument on a five point Likert scale. The comparison of means and correlation and regression analysis for group 1 are studied first followed by the group two.

6.1.1 INTRODUCTION: GROUP 1 (PRESENCE OF COMPENSATION)

In the present scenario, the respondents were exposed to a service recovery situation where the service provider resolves the problem of double booking by not only extending an apology but also providing the customer's family with a free sightseeing tour as compensation for the inconvenience caused. Their responses were measured on a four point scale with one being strongly disagree and four being strongly agree. The cultural orientation of the respondents was tapped in section C of the instrument on a five point scale where one was strongly disagree and 5 was strongly agree.

6.1.2 BRIEF PROFILE

The respondents were final year undergraduate students who have had the experience of staying in a hotel for at least one week in past twelve months. The brief profile of the respondents was captured as under:

6.1.2.1 Profile – Gender: The male respondents were marginally more in number than the female respondents. However since respondents of both the gender have been exposed to the same kind of education and experience in terms of age (refer table number 6.1 and figure 6.1) we deduce that gender has negligible role to play so far as the study is concerned.

Table 6.1 Profile: Gender

Gender	Frequency	Percent
Female	54	54.5
Male	45	45.5
Total	99	100.0

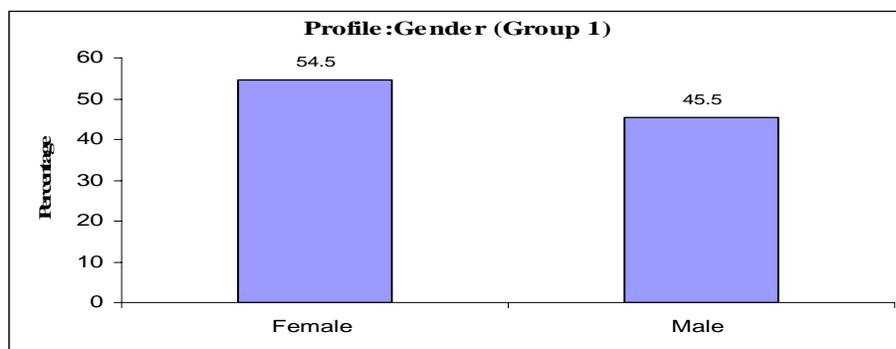


Figure 6.1: Profile –Gender

6.1.2.2 Profile – Age: The age of the respondents varied from twenty three to twenty four. The respondents fell mainly in the same age bracket thus eliminating the chances of age playing any crucial role in the altering the responses. The respondents’ reaction was primarily to the stimulus i.e. the recovery action provided (compensation and apology) to them rather than their age or experience acting as intervening variables.

Table 6.2: Profile - Age

Age (yrs)	Frequency	Percent
23	59	59.6
24	40	40.4
Total	99	100.0

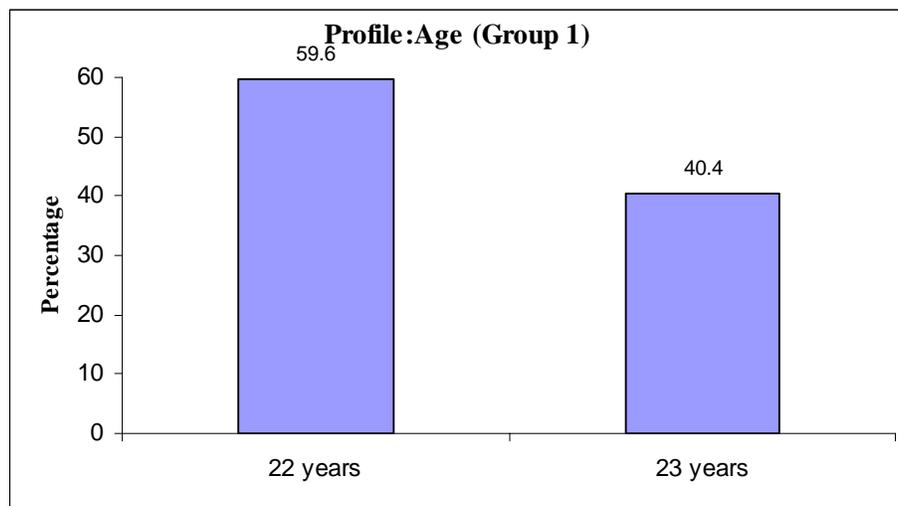


Figure 6.2: Profile –Age

6.1.3 MEANS AND STANDARD DEVIATION OF DIMENSIONS OF SERVICE RECOVERY: GROUP 1(PRESENCE OF COMPENSATION)

Before determining the correlates and impact of the service recovery dimensions on the overall satisfaction of the customer, mean and standard deviations of the service recovery dimensions were calculated, as this helps in understanding them better. The responses were captured on a four point scale with 4 as strongly agree and 1 and strongly disagree. After the factor analysis, when the six factors emerged, the score of each of the factors was computed by taking out the mean of the items falling under each factor. For e.g. in order to calculate the mean of empowerment, the score of all the items measuring it were first added and then mean was calculated. Similarly, means and standard deviations were calculated for all the factors.

The ranking of the dimensions based on the means and standard deviations is shown in table 6.3, and Figure 6.3 gives the graphical representation of the same.

Table 6.3: Means and Standard deviation of Dimensions of Service Recovery

Group 1(Presence of Compensation)

Dimensions of Service Recovery	Mean	Standard Deviation
Communication	3.04	.42
Compensation	2.98	.79
Standardized policies	2.85	.65
Response time	2.40	.89
Reliability	2.23	.76
Empowerment	1.63	.60

It is clear from table 6.3 that the mean for the dimension Communication is the highest ($m=3.04$, $SD=.42$). Customers feel “most satisfied” with the communication style of the service provider. They perceive the service provider as polite, caring, kind and empathetic in its communication. The mean for the factor compensation is the second highest. ($m=2.98$, $SD=.79$) The customers perceive the service provider to be fair in its dealing. The customers do not feel at loss and feel that the compensation in the form of sightseeing has resulted in a positive outcome.

According to the mean the third factor standardized policies is the third most important factor ($m=2.85$, $SD=.65$). In the given situation the customers perceive that the policies and procedures of the service provider are satisfying and therefore feel satisfied so far as the policies and procedures are concerned.

The customers are also fairly satisfied with the response time ($m=2.4$, $SD=.89$) and reliability of the recovery action ($m=2.23$, $SD=.76$). In the given scenario where the customer was extended both apology and compensation the customer perceives the service provider as reliable and quick in response.

The customers however do not grade the service provider as empowered. ($m=1.63$, $SD=.60$) despite the fact that the customer’s problem was resolved and the service provider extended

apology and compensation. With a mean value less than 2, it can be inferred that the respondents do not consider the provider empowered. This may be because of the fact that the customer expectations regarding the compensation were just met.

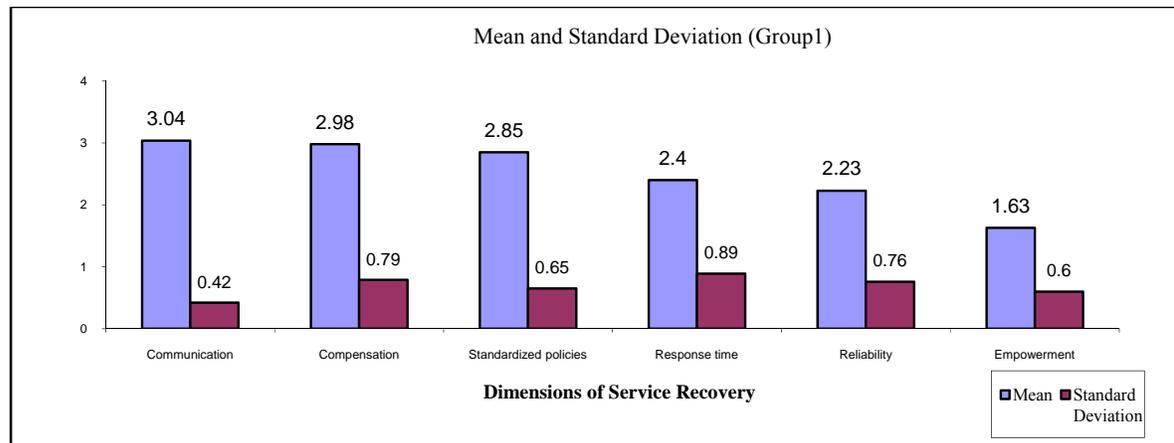


Figure 6.3: Mean and Standard Deviation of Group1 (Presence of Compensation)

6.1.4 COMPARISON OF DIMENSIONS OF SERVICE RECOVERY BETWEEN GROUP 1(PRESENCE OF COMPENSATION) AND GROUP 2 (ABSENCE OF COMPENSATION)

Students t-test was applied to compare the dimensions of service recovery between the two groups i.e. Group 1 where after a service failure the customer was provided with an apology and compensation (a free sightseeing tour for the family) and group 2 where only an apology was extended and no compensation was provided. Table 6.4 shows the values of mean and standard deviation t value for all the dimensions of service recovery across the two groups.

Table 6.4: Comparison of dimensions of service recovery between group 1 and 2

Dimensions of service recovery	<u>Compensation</u>	<u>No Compensation</u>	t-value
	(N= 99) Mean S.D	(N=99) Mean S.D	
Empowerment	1.63 (.60)	1.99 (.06)	4.164**
Communication	3.04 (.42)	2.86 (.58)	2.519**
Response time	2.40 (.89)	2.67 (.68)	2.364**
Compensation	2.98 (.79)	2.83 (.64)	1.425 NS
Standardized policies	2.85 (.65)	2.73 (.66)	1.289 NS
Reliability	2.23 (.76)	2.31 (.66)	.892 NS

** Significant at .01 level.

Significant difference was found in the mean values of three out of the six dimensions of service recovery as perceived by customer. Group two where the compensation in the form of free sightseeing tour was not provided and the manager simply apologized for the service failure, the customer perceived the service provider as empowered and quick in response than when compensation in the form of free sightseeing tour is extended to the customer ($t=4.164$ $p \leq 0.01$, $t=2.364$ $p \leq 0.01$). It can be inferred that the customers in group 1 had more expectations regarding the compensation than compared to group two. The compensation in the form of sightseeing tour was not very well accepted by the customer because it fell short of their expectation. The customer perceived the service provider not in the capacity to compensate the customer well. However the dimension communication was perceived to be better in the case of group 1 ($m=3.04$). The customers when provided with both the compensation and apology perceived the service provider to be empathetic and kind. ($t=2.519$ $p \leq 0.01$).

There is no significant difference in the perception of the customer of the two groups so far as the reliability of the service provider, compensation and standardized policies are concerned.

6.1.5 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND OVERALL SATISFACTION (GROUP 1 PRESENCE OF COMPENSATION).

The next step involved computing the correlations of six dimensions of service recovery with the overall satisfaction of the customer. This was done to find out the relationship between the overall satisfaction and the dimension of service recovery.

The variables included the dimensions of service recovery as extracted from factor analysis. All total there were six. The Pearson correlation coefficient of the six dimensions of service recovery and overall satisfaction is shown in table 6.5. The table clearly shows that four out of the six dimensions of service recovery have significant correlation with overall satisfaction.. The correlations were statistically significant at 0.05 levels. The interpretation of each variable is explained below.

**Table 6.5: Relationship (Correlation Coefficient) of Dimensions of service recovery with Overall satisfaction
Group1 (Compensation)
(N=99)**

Dimensions of Service Recovery	Overall satisfaction
Reliability	.496**
Compensation	.422**
Standardized Policies	.320**
Communication	.220*
Empowerment	.156NS
Response time	.128NS

*Significant at .05 level. ** Significant at .01 level. NS not significant

Reliability: There is a significant and positive relationship between reliability and overall satisfaction. ($r=0.496$ $p \leq 0.01$ level.). This relationship indicates that customers when provided with compensation (distributive justice) along with an apology tend to perceive the service provider as more good on this dimension. When the service provider provides compensation to make good the loss of the customer caused due to service failure, the customer finds the service provider as reliable. The customer has positive feelings for the service provider and perceives the service provider as trust worthy and capable of handling such problems and providing error free service. The customer feels satisfied from the recovery action taken by the service provider.

Compensation: There is a significant and positive relationship between overall satisfaction and the dimension compensation is concerned ($r=0.422$ $p \leq 0.01$ level). The customers when provided with compensation (distributive justice) after a service failure tend to be satisfied with the recovery action and perceive the outcome of the interaction as fair and just. In this case the compensation is a free sightseeing tour instead of a free night stay or a discount voucher. This shows that any effort made by the service provider to make good the loss and inconvenience caused to the customer because of a failed service is welcomed by the customers.

Standardized Policies: There is a significant and positive relationship between standardized policies of the service provider and overall satisfaction of the customer ($r=0.320$ $p<0.01$). This relationship indicates that customers when provided with compensation (distributive justice) after a service failure tend to perceive that the service provider has fair and just standardized policies to meet such exigencies and therefore have a significantly positive relationship with satisfaction.

Communication: There is significant positive relationship between communication and overall satisfaction ($r=0.220$ $p<0.05$). This relationship indicates that, customers when provided with compensation (distributive justice), a free sightseeing tour in this case tend to perceive the service provider as empathetic kind and caring. The gesture of compensating the inconvenience caused due to the service failure is appreciated by the customer and they find the service provider as empathetic and kind

Empowerment: There is positive relationship between empowerment and overall satisfaction ($r=0.156$) but is not found to be significant. This relationship is not statistically significant, therefore it can be said that the customers have a mixed perception so far as the empowerment is concerned.

Response time: There is a insignificant but positive relationship between overall satisfaction and the response time i.e. the time taken by the service provider to provide remedial actions after a service failure ($r=0.128$). This directional relationship indicates that customers when provided with compensation (distributive justice) after a service failure tend to perceive the service provider as good on this dimension and perceive that the service provider responded quickly.

6.1.6 REGRESSION PROCESS

Regression Model for Predicting the Effect of Service recovery Dimensions on Overall

Satisfaction: After calculating the correlates and determinants of the overall satisfaction the next section details out the regression process. This section works out the regression model of the dimensions of service recovery that impact the overall satisfaction of the customer in the event when after a service failure the service provider provides both apology and compensation in the form of free sightseeing tour to the customer after a service failure (i.e. booked room not made available due to double booking). A stepwise regression analysis was conducted to examine the strength of the independent variables in predicting the dependent variable.

**Table 6.6: Determinants of overall satisfaction
Group 1: Compensation Present
(N=99)**

Independent Variables	Dependent variable: Overall Satisfaction		
	Beta(standardized)	Simple r	t-value
Reliability	0.507**	.496**	4.934
Compensation	0.310**	.422**	3.362
Empowerment	-.245**	.156 NS	2.413
Multiple R = .588 R Square = .346			

** Significant at 0.01 level

As shown in Table 6.6 the value of multiple R is 0.588 and the value of R^2 is 0.346. It states that almost 35% of the satisfaction after the service recovery can be controlled by the three factors namely: reliability, compensation, and empowerment. 35% is a significant value that explains the cause of satisfaction after service recovery. This shows that the satisfaction in the presence of compensation (distributive justice) is significantly related to satisfaction and is in congruence by various studies done in the past. [38]. Rest 65% can be attributed factors other than that of service recovery. These factors are scattered and individually contribute to the satisfaction. It should be noted here, that the dependent variable is the overall satisfaction after the service recovery and two determinants namely reliability and compensation are also positively and significantly correlated whereas the third determinant i.e. empowerment has negative contribution with satisfaction but has insignificant correlation with satisfaction in the model. This can be explained as the correlation is insignificant because of the other factors.

How ever in regression since the other factors are partialled out, empowerment emerges out as negatively yet significantly contributing to the dependent variable.

Reliability: There is a positive effect of reliability on satisfaction after service recovery ($\beta=0.507$, $p < 0.01$). The customers in this group perceive the service provider as reliable. The service failure (double booking of their reserved rooms) does not perturb their trust in the service provider. The customers when after a service failure is treated with an apology and compensation, they perceive the service provider as trust worthy and capable of providing an error free service.

Compensation: There is a positive effect of compensation on satisfaction after service recovery. This relationship ($\beta=0.310$, $p < 0.01$) indicates that after a service failure the customer appreciate the compensation which was in kind i.e. a free sightseeing tour and therefore felt the outcome of the service interaction was fair and just. It is observed that compensation was found to have significant correlation with satisfaction. After reliability it is the second highest contributor in the model to explain satisfaction.

Empowerment: In the given situation where the service provider extends compensation and apology to the customer after the service provider there is a negative effect of empowerment on overall satisfaction ($\beta=-0.245$, $p < 0.01$). The customer perceives the service provider as less assertive and confident. This can be explained by the fact that customer perceives that service provider is incapable to solve his problem and therefore to rectify goes overboard to please the customer by a petty compensation. It is noted here that the correlation between empowerment and dependent variable i.e. satisfaction from service recovery is insignificant. The Pearson correlation is weak and not significant however in the regression analysis empowerment features as dominant determinant with negative relationship ($\beta=-0.245$, $p \leq 0.01$).

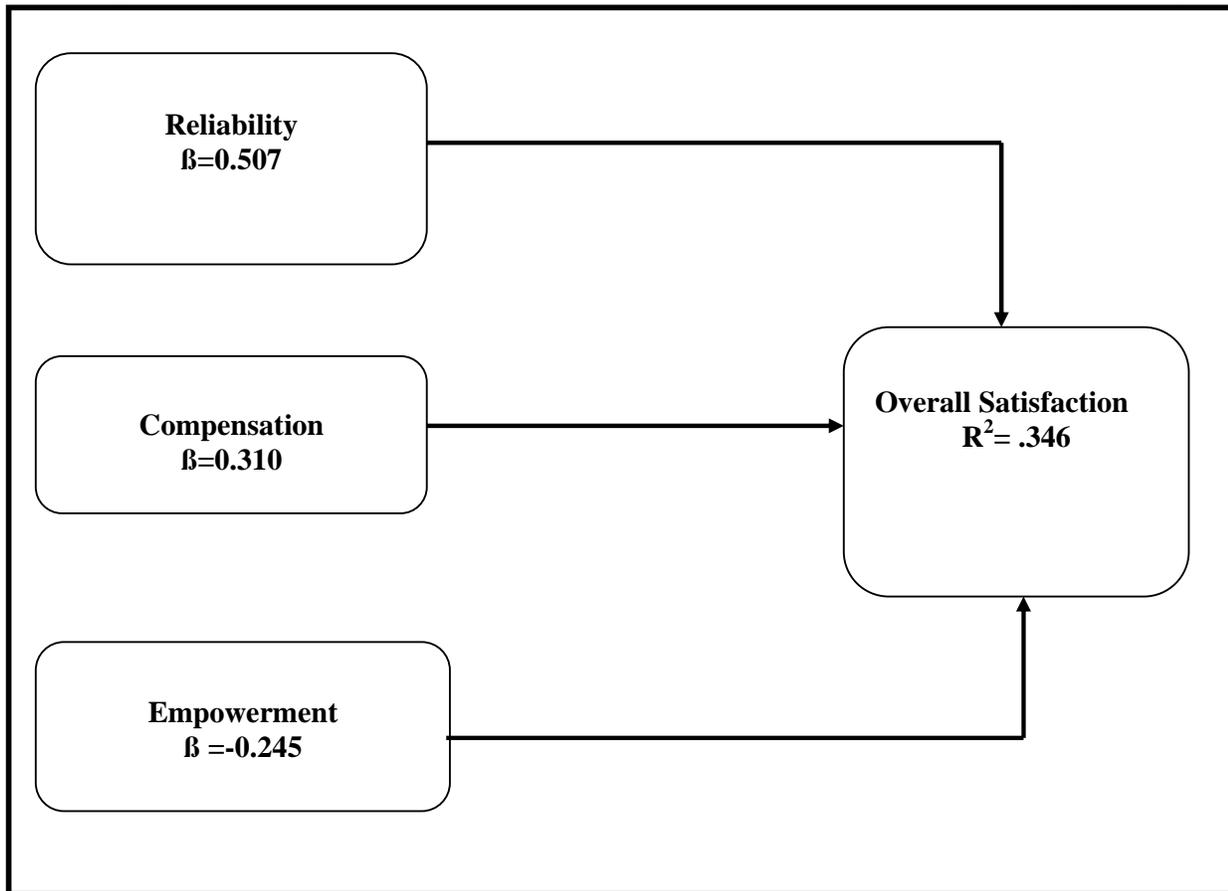


Figure 6.4: Determinants of overall satisfaction

6.2 INFLUENCE OF CULTURE ON SERVICE RECOVERY DIMENSIONS

A few recent empirical studies have examined how culture affects satisfaction and perceived service quality [53] [54] [55] 56] [60] [82]. Overall, these studies provided evidence that culture has an impact on service quality. Based on these studies, we intend to explore the influence of culture on the perception of service recovery dimension. The study on the effect of culture on the importance of service recovery dimensions follows a sequence of logical steps.

6.2.1 CULTURAL PROFILE OF THE RESPONDENTS

The cultural profile of the respondents was tapped. The table 6.7 below shows the cultural profile of the respondents in this group. The distributions statistics are used to outline the cultural characteristics of the group of respondents. Student's t-test is used to compare the difference of cultural profiles between the group 1 and group 2. Second, Pearson's correlation coefficients are used to find the relationships between the dimensions of culture and

dimensions of service recovery. The results enable us to examine the link between culture and the perceived relative importance of service recovery dimensions. The effect of the attributes' importance on the strength of these relations with customer satisfaction is assessed. Finally the five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variables i.e. attributes of service recovery.

Table 6.7 Means and Standard deviation of Dimension of Culture

**Group 1
(N=99)**

Dimensions of Culture	Mean	Standard Deviation
Collectivism	4.34	.63
Uncertainty Avoidance	4.26	.67
Long Term Orientation	3.88	.76
Masculinity	3.64	.58
Power Distance	3.15	.98

The mean of the responses as captured on a five point scale is listed in table 6.7 It is observed that that the mean for the factor collectivism is highest ($m=4.34$, $SD=.63$). This shows that the respondents have high collectivism orientation. This is closely followed by the mean of the first factor i.e. Uncertainty Avoidance. ($m=4.26$, $SD=.67$) This implies that the respondents in this group are collectivists and a feeling of “what is different is dangerous” prevails [67] among them and has low inclination towards risk. They prefer certainty over uncertainty. The long term orientation has emerged as the third most important cultural value (third dimension indicating that the respondents in this group believe in the long term relationship with the service provider of their choice. Redpath and Nielson (1997) [244] stated that people with long term orientation include values like thrift, saving, persistence with slow results, adaptation of traditions to a modern context, acceptance of unequal relationship, and a concern for virtue rather than truth.

However the mean for the factor masculinity and power distance hovers around the midpoint i.e. 3.64 and 3.15 respectively. We thus deduce that the respondents in this group are neither very high nor very low on the continuum.

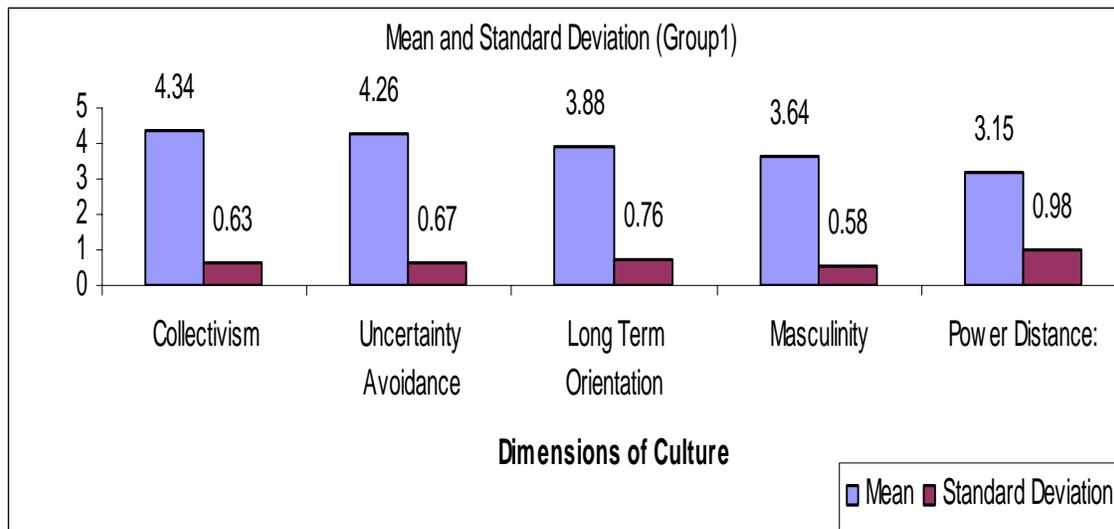


Figure 6.5: Mean and Standard Deviation of Dimensions of Culture (Group 1)

6.2.2 COMPARISON OF DIMENSIONS OF CULTURE BETWEEN GROUP 1 AND GROUP 2

Students' t- test was applied to compare the dimensions of culture between the two groups i.e. group 1 where after a service failure the customer was provided with an apology and compensation (a free sightseeing tour for the family) and group 2 where only an apology was extended and no compensation was provided. The culture is not confined to national boundaries and varies with individual's faith, beliefs, norms, background etc.

Table 6.8: Comparison of dimensions of culture between group 1 and 2

Dimensions of Culture	Group 1 Mean (S.D)	Group 2 Mean (S.D)	t-value
Collectivism	4.35 (.63)	4.10 (.54)	2.888**
Power Distance	3.15 (.98)	3.53 (.84)	2.860**
Uncertainty Avoidance	4.26 (.67)	4.04 (.65)	2.375**
Long Term Orientation	3.88 (.76)	3.87 (.69)	1.30NS
Masculinity	3.64 (.58)	3.60 (.71)	.435NS

** Significant at 0.01 level NS not significant

Table 6.8 shows all the values of mean and standard deviation of the dimensions of culture across the two groups. Significant difference was found in the mean values of three of the five dimensions of culture. They are uncertainty avoidance, collectivism and power distance

In group one the respondents can be characterized as low on power distance and high on collectivism and uncertainty avoidance. Strong and cohesive ties between group members characterize the collectivists. They are, more tolerant of poor service than individualistic people. The respondents are also risk averse and less tolerant towards uncertainty. They would like to assured of error free service and empathetic communication [54] [55].

In Group two the respondents are significantly low on collectivism and uncertainty avoidance orientation. The respondents in this group are of individualistic orientation i.e. they are characterized by loose ties between people [68]. The respondents in this group are low on uncertainty avoidance and therefore high on risk taking behavior and tolerant towards uncertainty. The third dimension that stands out on significant difference is Power distance. The respondents of this group are high on power distance and therefore can be characterized by acceptance for centralization and formalization of authority and tolerate the lack of autonomy which foster inequalities in power and wealth [68]. They tolerate power hierarchy, vertical top down communication. Weak customers with high score in power distance view themselves as being unimportant to service provider and do not expect a empathetic and responsive service [54].

There is no significant difference between the two groups so far as long term orientation and masculinity orientation is concerned. However the mean of the two groups on this long term orientation is 3.87 and 3.88 respectively hinting at the fact that both the groups are dominated by this value. The mean of masculinity for both the groups is 3.60 which are also rounding at 4.0 that the respondents if not very high and moderately high on this value.

6.2.3 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND CULTURAL DIMENSIONS

The next step involved computing the correlations of six dimensions of service recovery with the five dimension of culture. This was done to find out the relationship between the dimension of service recovery and the dimension of culture.

The dimensions of service recovery were as extracted from the factor analysis. The dimension of culture were also extracted after the factor analysis using varimax rotation. All total there were five dimensions of culture and six dimensions of service recovery. The Pearson correlation coefficient is shown in Table 6.9. The correlations were statistically significant at 0.05 levels. The interpretation of each variable is explained below.

**Table 6.9: Relationship (Correlation Coefficient) of Dimensions of cultural orientation with Dimensions of service recovery satisfaction
Group1 (Compensation)
(N=99)**

Dimensions of Service Recovery	Dimensions of Culture	Uncertainty Avoidance	Masculinity	Long Term Orientation	Collectivism	Power distance
Empowerment		0.061	-0.037	0.373**	0.174	0.191*
Reliability		-0.074	-0.005	0.017	0.037	0.140
Communication		-0.080	0.039	0.245**	-0.035	0.01
Standardized policies		0.035	-0.219*	-0.076	0.110	0.117
Fair compensation		-0.110	-0.015	0.261 **	-0.107	0.127
Response time		-0.004	0.108	-0.080	0.054	-0.135

*Significant at .05 level.

** Significant at .01 level.

Uncertainty Avoidance: The table shows that there is no significant relationship between the dimensions of service recovery so far as respondents of this orientation are concerned. This group is characterized by respondents high on uncertainty avoidance. In this situation the respondents after the service failure (booked room not made available due to double booking) are meted out not only with an apology but also with compensation (free sightseeing tour). Though no significant relationship has been found but the directional relationship is worth studying. It is observed that four out of six dimensions have negative relationship with this cultural dimension. This can be because respondents with an orientation of uncertainty avoidance are not tolerant towards service failure as that exposes them to uncertainty. The waiting time of 45 minutes followed by the compensation is perceived as poor communication and compensation on behalf of the service provider. The service failure catapults them out of their zone of stability. They also perceive the service provider as slow in taking remedial action and less reliable.

Masculinity: The table 6.9 shows that there is a significant negative relationship between masculinity values so far as the standardized policies dimension of satisfaction from service

recovery is concerned. ($r=-0.219$ significant at 0.05 level.). People with masculine values tend to practice decisiveness, assertiveness, competitiveness and some other traditional manly values as necessary characters to play the leading roles [203]. This relationship indicates that people with masculinity values will be less satisfied if the service provider during the recovery process is following rigid policies and procedures and is not flexible. It is observed that the customers of this orientation have negative correlation (though insignificant) with four out of six dimensions of service recovery. The service failure makes them perceive the service provider as unreliable and the compensation makes them perceive that the service provider is unfair and not empowered besides perceiving significantly poor for the policies of the service provider. Customers with masculine orientation value wealth [67] and therefore a non monetary compensation is seen as a shallow effort to compensate for the service failure.

Long Term Orientation: This group is characterized by people high on long term orientation (mean=3.88). The table 6.9 shows that there is a significant relationship between long term orientation and empowerment, communication and compensation are concerned. The customers in this group have positive relationship with four out of six dimensions of service recovery and significant positive relationship with three dimensions of service recovery.

There is a significant and positive correlation between long term orientation and empowerment dimension of service recovery ($r=0.373$ significant at 0.01 level.). This relationship indicates that customers with long term orientation values perceive the service provider during the recovery process as empowered and capable of handling the complaint of the customer.

There is a significant and positive correlation between long term orientation and communication dimension of service recovery ($r=0.245$ significant at 0.01 level). This shows that customers with long term orientation values perceive the service provider as polite and concerned. They perceived that the service provider listened to the complaint empathetically.

There is a significant and positive correlation between long term orientation and compensation dimension of the service recovery ($r=0.261$ significant at 0.01 level) This can be explained as people with long term orientation values feel that the service provider has been able to make good the loss suffered by the customer due to the poor service failure.

Collectivism: The table shows that there is no significant relationship between dimensions of service recovery and customers of collectivist orientation. However there is positive relationship between the customers of this orientation and four out of six dimensions of service recovery are concerned, namely empowerment, reliability standardized policies and response time is concerned. However there is a negative correlation so far as compensation and communication are concerned. This group is characterized by people with strong social ties, interdependence with group members, maintenance of one's social status, seeking harmony and avoiding conflicts, and a preference for an indirect communication style. Such indirect communication is associated with emotional restraint and the desire to keep harmony and save face within the group [257] [258] Therefore they perceive positively about the attributes of service recovery barring compensation and communication. The compensation in the form of sightseeing makes the customer feels poorly about the service provider on these two aspects.

Power Distance: The table 6.9 shows that there is a significant relationship between power distance values and empowerment ($r=0.191$ significant at 0.05 level.). This group is characterized as weak customers (students who at this stage seldom patronize a hotel for long, therefore they do not consider themselves as important for the hotel) with low power distance. The relationship indicates that customers with low power distance values consider the service provider as empowered and in position to take decision when they are extended with compensation after a service failure. It is observed that the customers of this orientation though insignificant but positive relationship with five out of six dimensions of service recovery.

6.2.4 REGRESSION PROCESS

Regression Model for Predicting the Effect of Dimensions of Culture on Dimensions of Service Recovery: After calculating the correlates and determinants of the dimensions of culture the next section details out the regression process. This section works out the regression model of the dimensions of culture that impact the dimensions of service recovery. The customer in this case after a service failure (i.e. booked room not made available due to double booking) is provided by the service provider, both apology and compensation in the form of free sightseeing tour. It considers the regression equation in the model and examines

the strength of the independent variables in predicting the dependent variable. A stepwise regression analysis was conducted.

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (empowerment). Only one variable has emerged as contributing significantly to the dependent variable (empowerment). The variable is long term orientation. The contribution of this variable is 14%. (Table6.10). The customers with long term orientation values in the given situation (where the service provider has extended an apology and compensation) perceived the service provider as empowered. ($\beta=0.37$, $p < 0.01$). The customers with long term orientation are forgiving and easy to please as they try to overlook the faults and try to maintain the long term relationship with their trusted service provider [243].

**Table 6.10: Determinants of Empowerment
Group1 (Compensation)
(N=99)**

Independent Variables	Dependent variable: of Empowerment		
	Beta	Simple r	t-value
Long Term Orientation	0.37 **	0.373**	3.96
Multiple R =0.37 R Square = 0.14			

*Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (Communication). Only one variable has emerged as contributing significantly to the dependent variable (Communication). The variable is long term orientation. The contribution of this variable is 7% (Table6.11). The customers with long term orientation values in the given situation (where the service provider has extended an apology and compensation) perceived the service provider to be good at interpersonal communication. ($\beta=0.24$, $p < 0.01$).

**Table 6.11: Determinants of Communication
Group1 (Compensation)
(N=99)**

Independent Variables	Dependent variable: Communication		
	Beta	Simple r	t-value
Long Term Orientation	0.24 **	0.245**	2.49
Multiple R =0.26 R Square = 0.07			

* Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (standardized policies). Two variables have emerged as contributing significantly to the dependent variable (standardized policies). As the table 6.12 reveals the variable is masculinity and power distance. The contribution of this variable is 9%.

The customers with power distance values in the given situation (where the service provider has extended an apology and compensation) perceived the service provider to be good on policies and procedures. ($\beta=0.21$, $p < 0.01$). The people of this orientation accept the centralization and formalization of authority, they tolerate power hierarchy. Therefore they perceive positively to the act of adherence to the company's policies.

The customers with masculinity values with the given recovery action (where the service provider has extended an apology and compensation) have perceived the standardized policies as negative ($\beta=-0.29$, $p < 0.01$). The group is characterized by people with high masculine values (Mean=3.64 on a scale of five) thus being characterized as customers who value decisiveness, assertiveness, competitiveness values as necessary characters to play the leading roles [203]. It is interpreted as that the customers with high masculine values do not feel satisfied when the service provider provides the compensation as per the policies and procedures. The customers with masculinity values may possibly prefer service providers who are more flexible and provide compensation more than their expectation. Masculine customers value wealth and competitiveness. Service failure is not taken lightly by them and non monetary compensation flares up the disgruntlement in them.

**Table 6.12: Determinants of Standardized Policies
Group1 (Compensation)
(N=99)**

Independent Variables	Dependent variable: Standardized Policies		
	Beta	Simple r	t-value
Masculinity	-0.29**	-0.219*	2.82
Power distance	0.21*	0.117	2.09
Multiple R =0.29 R Square = 0.09			

* Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (compensation). Only one variable has emerged as contributing significantly to the dependent variable (compensation) (Table 6.13} The variable is long term orientation. The contribution of this variable is 6%.

The customers with long term orientation values in the given situation (where the service provider has extended an apology and compensation) perceived the service provider to have provided a fair compensation for the inconvenience caused ($\beta=0.26$, $p < 0.01$).

**Table 6.13: Determinants of Compensation
Group1 (Compensation)
(N=99)**

Independent Variables	Dependent variable: Compensation		
	Beta	Simple r	t-value
Long Term Orientation	0.26 **	.261**	2.66
Multiple R =0.26 R Square = 0.06			

** Significant at 0.01 level

This section explores the effect of service recovery attributes on the overall customer satisfaction following the service recovery process. In this section the correlates and determinants of dimensions of cultural orientation and dimensions of satisfaction from service recovery is computed. It also investigates the influence of culture on the service recovery dimensions. This is followed by a discussion on the outcomes of group 1 and group 2.

6.3 INTRODUCTION: GROUP 2 (ABSENCE OF COMPENSATION)

In the present scenario, the respondents were exposed to a service recovery situation where the service provider resolves the problem of double booking by only extending an apology and does not provide any monetary or non monetary compensation for the inconvenience caused. Their responses were measured on a four point scale with one being strongly disagree and four being strongly agree The cultural orientation of the respondent was tapped in section C of the instrument on a five point scale where one was strongly disagree and 5 was strongly agree.

6.3.1 BRIEF PROFILE

The respondents were final year undergraduate students who have had the experience of staying in a hotel for at least one week in past twelve months. The brief profile of the respondents was captured as under.

6.3.1.1 Profile-Gender: The male respondents were more in number than the female respondents. (Table 6.14 and figure 6.6). However since respondents of both the gender have been exposed to the same kind of education and experience. We deduce that gender has negligible role to play so far as the study is concerned. It is worth mentioning here that the respondents are final year students of an undergraduate program. In India the population of male are more than the females (the Population Census of 2011 revealed that the population ratio in India 2011 is 940 females per 1000 of males) and not many females are educated therefore the proportion is generally biased towards males (Effective literacy rate increased to a total of 74.04% with 82.14% of the males and 65.46% of the females being literate [259]. But we reaffirm that as students form a homogeneous group the gender difference will have a negligible role on the study.

Table 6.14: Profile-Gender

Gender	Frequency	Percent
Female	25	25.3
Male	74	74.7
Total	99	100

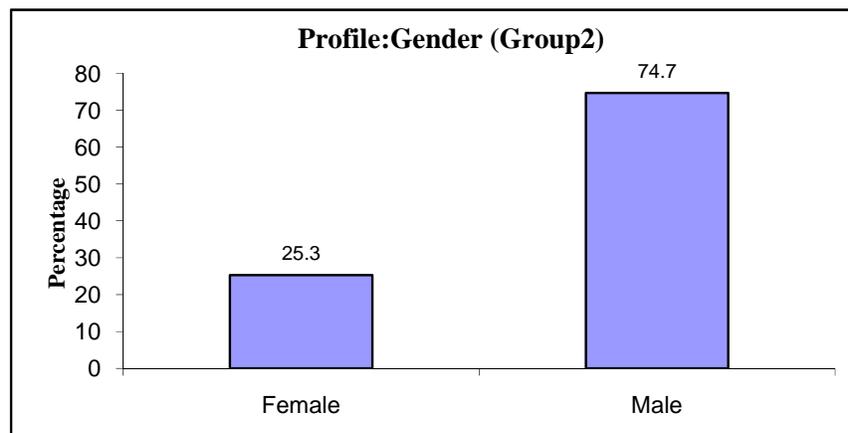


Figure 6.6: Profile-Gender

6.3.1.2 Profile-Age: The age of the respondents varied from twenty three to twenty six (table 6.15 and figure 6.7). The respondents fell mainly in the same age bracket thus eliminating the chances of age playing any crucial role in the altering the responses. The respondents reaction was primarily to the stimulus (recovery action) provided to them rather than age or experience acting as intervening variables.

Table 6.15: Profile: Age

Age (yrs)	Frequency	Percent
23	47	47.47
24	30	30.30
25	21	21.21
26	1	1.01
Total	99	100

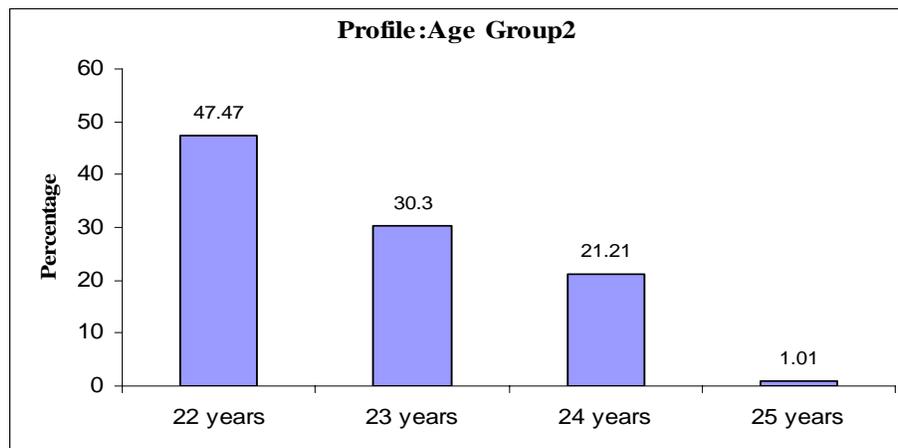


Figure 6.7: Profile- Age

6.3.2 MEANS AND STANDARD DEVIATION OF FACTORS OF SERVICE RECOVERY. GROUP 2 (ABSENCE OF COMPENSATION)

Before determining the correlates and impact of the service recovery dimensions on the overall satisfaction of the customer, mean and standard deviations of the service recovery dimensions were calculated, as this helps in understanding them better. The responses were captured on a four point scale with four as the strongly agree and 1 and strongly disagree. The ranking of the dimensions based on the means and standard deviations is shown in table 6.16. Figure 6.8 gives the graphical representation of the same.

**Table 6.16: Means and Standard deviation of factors of satisfaction from service recovery
Group 2(Absence of Compensation)
(N=99)**

Dimensions of Service Recovery	Mean	Standard Deviation
Communication	2.86	.58
Compensation	2.83	.64
Standardized policies	2.73	.66
Response time	2.67	.68
Reliability	2.31	.66
Empowerment	1.99	.06

Table 6.16 shows that that the mean for the dimension communication is the highest. (m=2.86, SD=.58). The customers rate the service provider's communication style as the most satisfying attribute. They perceive the service provider to be empathetic and polite in its dealings.

The mean for the dimension compensation is the second highest (m=2.83, SD=.64). The customers perceive the service provider to be fair in its dealing. The customers do not feel at loss and feel that the compensation in the form of an apology for the inconvenience caused due to double booking was apt and the interaction has resulted in a positive outcome.

According to the mean the dimension standardized policies is ranked as the third most important factor (m=2.73, SD=.66). The mean is rounding off to three thus revealing that the customers perceive that the policies and procedures of the service provider are satisfying and therefore feel satisfied so far as the policies and procedures to deal with the service failures are concerned.

The customers also perceive the response time as good (mean=2.67, SD=.68) and consider the service provider as reliable. In the given scenario where after waiting for 45 minutes the customer was extended an apology and no compensation the customer perceives the service provider as reliable and quick in response.

The customers however do not grade the service provider as empowered. (m=1.99, SD=.06). This may be because of the fact that the customer expectations were just met. The

recovery action was as expected by the customer, thus the customer is neutral at 2 on a four point scale.

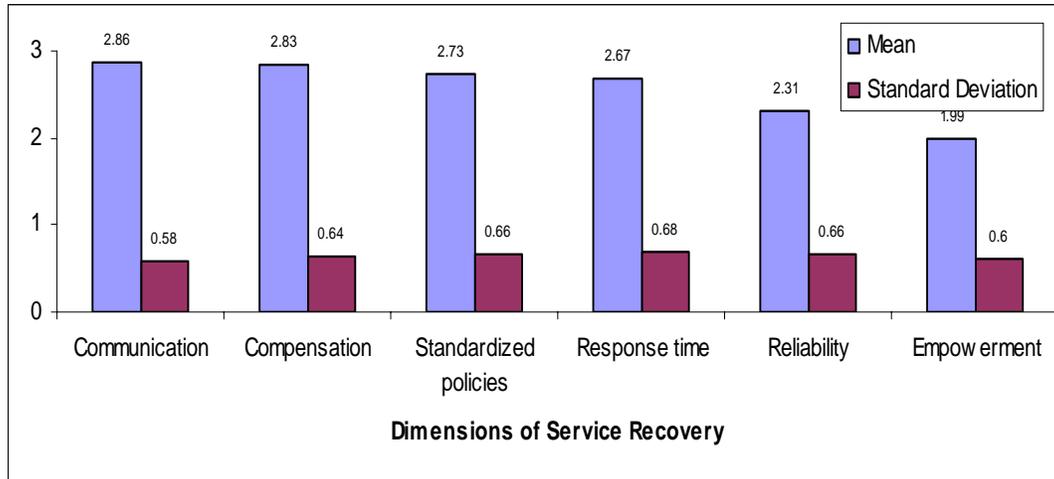


Figure 6.8: Mean and Standard Deviation of Dimensions of Service recovery (Group2: Absence of Compensation)

6.3.3 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND OVERALL SATISFACTION (GROUP 2 ABSENCE OF COMPENSATION)

In order to identify relationship between the independent variables and the dependent variable Pearson's correlation coefficient were computed. This step involved computing the correlations of six dimensions of service recovery with the overall satisfaction of the customer.

The six dimensions of satisfaction from service recovery are as extracted from factor analysis. The Pearson correlation coefficient of the dimension of service recovery with overall satisfaction was computed. The table 6.17 clearly shows that five out of the six dimensions of service recovery have significant correlation with overall satisfaction. The correlations were statistically significant at 0.05 levels.

**Table 6.17: Relationship (Correlation Coefficient) of Dimensions of service recovery with Overall satisfaction
Group2 (No Compensation)
(N=99)**

Dimensions of service recovery	Overall satisfaction
Compensation	.412*
Communication	.287**
Empowerment	.261**
Reliability	.236*
Response time	.229*
Standardized Policies	.197NS

*Significant at .05 level. ** Significant at .01 level NS=Not significant

Compensation: There is positive and significant relationship between the dimension compensation and overall satisfaction of the customer. ($r=0.412$ significant at .05 level). This relationship indicates that customers when provided with only an apology and no compensation tend to perceive positively about the service provider on the dimension of compensation. They perceive the outcome of the interaction as just and fair.

Communication: There is positive and significant relationship between the dimension communication and overall satisfaction of the customer. ($r=0.287$ significant at .01 level). This relationship indicates that customers perceived the service provider as courteous and kind. The service provider is perceived as empathetic when after a service failure the customer is provided with non monetary intangible apology and no compensation from the service provider.

Empowerment: The table shows that there is a significant and positive relationship between empowerment and overall satisfaction of the customer ($r=0.261$ significant at 0.01 level). This relationship indicates that customers when provided with an apology and no compensation have positive relationship with satisfaction. When the service provider provides an apology without any compensation the customers perceived the service provider as empowered i.e. assertive confident. The customer finds the service provider as empowered and feels satisfied.

Reliability: There is a significant and positive relationship between overall satisfaction and the dimension reliability ($r=0.236$ significant at 0.05 level.). This relationship indicates that customers when provided with an apology and no compensation tend to perceive the service provider as reliable. The customer has positive feelings for the service provider and perceives the service provider as trust worthy and capable of handling such problems and providing error free service. The customer feels satisfied from the recovery action taken by the service provider.

Response time: There is positive relationship between communication so far as the satisfaction from service recovery is concerned ($r=0.229$ significant at 0.01 level). This relationship indicates that customers when provided with just an apology and no compensation tend to perceive that the response time taken by the service provider to resolve the problem (45 minutes) as fair and apt. The response from the service provider was perceived as timely and quick.

Standardized Policies: There is a positive relationship between standardized policies and overall satisfaction of the customers. ($r=0.197$) but is not found to be significant. In the previous situation where the compensation was provided along with the apology, the relationship between the two was found to be highly significant and positive ($r=0.320$ significant at .01 level). The relationship here indicates that customers when provided with an apology and no compensation tend to perceive poorly about the service provider so far as the policies to deal with such service failures are concerned.

6.3.4 REGRESSION PROCESS

Regression Model for Predicting the Effect of Service recovery Dimensions and the Overall Satisfaction: After calculating the correlates and determinants of the overall satisfaction the next section details out the regression process. This section works out the regression model of the dimensions of service recovery that impact the overall satisfaction of the customer in the event when after a service failure i.e. booked room not made available due to double booking the service provider provides only an apology and does not provide any monetary or non monetary compensation. A stepwise regression analysis was conducted.

**Table 6.18: Determinants of overall satisfaction
Group 2 (No Compensation)
(N=99)**

Independent Variables	Dependent variable: Overall Satisfaction		
	Beta (standardized)	Simple r	t-value
Compensation	.414**	.412*	4.701
Communication	.290**	.287**	3.288
Multiple R = .504			
R Square = 0.254			

*Significant at 0.05 level ** Significant at 0.01 level

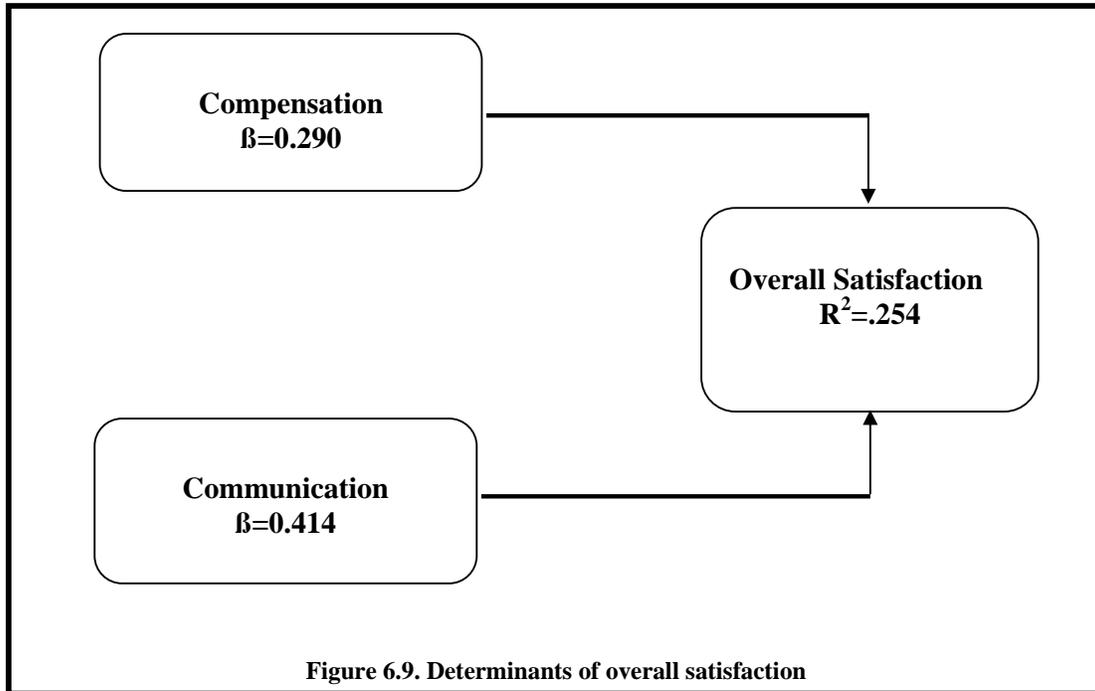
The six independent variables i.e. the dimensions of satisfaction from service recovery were entered in the regression equation in order to find out their contribution to dependent variable (overall satisfaction). Table 6.18 reveals the value of multiple R is 0.504 and the value of R^2 is 0.254. It states that 25% of the satisfaction can be explained by the two determinants namely compensation and communication. The remaining 75% can be attributed to factors other than that of service recovery.

Compensation: There is a positive relation of compensation with overall satisfaction. This ($\beta=0.414$, $p < 0.01$) indicates that after a service failure the customer appreciate the compensation which was non monetary intangible apology and no compensation and perceives the outcome of the service interaction was fair and just. It is observed that compensation was found to have significant correlation with satisfaction. It is the highest contributor in the model to explain satisfaction.

Communication: There is a positive relation of communication with satisfaction. This ($\beta=0.290$, $p < 0.01$) indicates that after a service failure the customer appreciate the communication which was non monetary intangible apology and no compensation. The customer perceives the service provider as polite, courteous and empathetic. It is observed that compensation was found to have significant correlation with satisfaction.

An apology is viewed as a valuable reward that redistributes esteem in an exchange relationship [232], conveys empathy and concern to customers who have experienced the inconvenience [27], and sets things right [260]. An apology has implications for customer evaluations of service recovery and customer satisfaction. Apology has been shown to

enhance customer perceived distributive justice [9] and interactional justice [133], consequently enhancing customer satisfaction.



6.4 INFLUENCE OF CULTURE ON SERVICE RECOVERY DIMENSIONS

The study on the influence of culture on the importance of service recovery dimensions follows a sequence of logical steps. The distributions statistics are used to outline the cultural characteristics of the group of respondents. Second, Pearson's correlation coefficients are used to find the relationships between the dimensions of culture and dimensions of service recovery. The results enable us to examine the link between culture and the perceived relative importance of service recovery dimensions. Finally the five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variables i.e. dimensions of service recovery.

6.4.1 CULTURAL PROFILE OF THE RESPONDENTS

The cultural profile of the respondents was tapped. The table 6.19 shows the cultural profile of the respondents in this group. The distributions statistics are used to outline the cultural characteristics of the group of respondents.

**Table 6.19: Means and Standard deviation of Dimension of Culture
Group 2(No Compensation)
(N=99)**

Dimensions of Culture	Mean	Standard Deviation
Collectivism	4.11	.54
Uncertainty Avoidance	4.04	.65
Long Term Orientation	3.87	.69
Masculinity	3.60	.71
Power Distance:	3.53	.84

The mean of the responses as captured on a five point scale is listed in table 6.19. It is clear that the mean for the factor collectivism orientation is highest ($m=4.11$, $SD=.54$). This shows that the respondents have high collectivism orientation and have strong ties with their group. This is closely followed by the mean of the factor Uncertainty Avoidance. ($m=4.04$, $SD=.65$) This implies that the respondents in this group are collectivists. They have low inclination towards risk [67]. They prefer certainty over uncertainty. The long term orientation has emerged as the third most important cultural value, with mean of 3.87 and standard deviation of .69. The dimension indicates that the respondents in this group believe in the long term relationship with the service provider of their choice. People with long term orientation include values like thrift, saving, persistence with slow results, adaptation of traditions to a modern context, acceptance of unequal relationship, and a concern for virtue rather than truth [244].

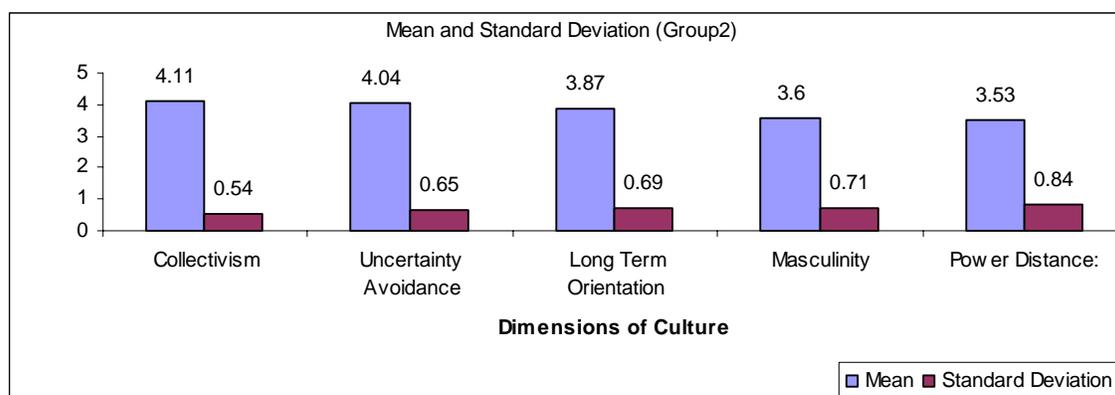


Figure 6.10: Mean and Standard Deviation of the Dimensions of Culture (Group2-No compensation)

However, the mean of the factors masculinity and power distance hovers around the midpoint i.e. 3.60 and 3.53 respectively. We thus deduce that the respondents in this group are neither very high nor very low on the continuum.

6.4.2 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND CULTURAL DIMENSIONS

The next step involved computing the correlations of six dimensions of service recovery with the five dimension of culture. This was done to find out the relationship between the dimension of service recovery and the dimension of culture

The Pearson's correlation coefficient was computed. The dimensions of service recovery were as extracted from factor analysis. The dimension of culture was also extracted after the factor analysis using varimax rotation. All total there were five dimensions of culture and six dimensions of service recovery. The Pearson correlation coefficient is shown in Table 6.20 shows that three out of five dimensions of culture are significantly related to the dimensions of service recovery. The correlations were statistically significant at 0.05 levels.

**Table 6.20: Relationship (Correlation Coefficient) of Dimensions of cultural orientation with Dimensions of service recovery
Group2 (No Compensation)
(N=99)**

Dimensions of Service Recovery \ Dimensions of Culture	Uncertainty Avoidance	Masculinity	Long Term Orientation	Collectivism	Power distance
Empowerment	-0.137	-0.073	0.132	-0.128	0.030
Reliability	-0.105	-0.109	0.183	-0.202*	-0.008
Communication	0.343**	0.144	0.172	0.065	0.037
Standardized policies	-0.101	0.149	-0.095	-0.147	0.069
Fair compensation	0.008	0.006	0.241* *	-0.094	0.112
Response time	0.206*	-0.059	0.113	0.074	-0.057

*Significant at .05 level. ** Significant at .01 level.

Uncertainty Avoidance: The table shows that there is a significant positive relationship between uncertainty avoidance values and the dimension communication of service recovery. ($r=0.343$ significant at 0.01 level.).

The table reveals that there is a significant relationship between uncertainty avoidance values so far as the “response time” dimension of service recovery is concerned. ($r=0.206$ significant at 0.05 level.). This relationship indicates that of people with uncertainty avoidance values in the given situation perceive the service provider to be quick in resolving their problem of (double booking). The t-test in table 6.17 shows that the mean of this group is significantly less than the previous group i.e. group one where in the recovery action were meted out with an apology along with the compensation. This group is characterized by respondents low on uncertainty avoidance.

Customers with the weak uncertainty avoidance are contemplative, less aggressive, unemotional, accepting of personal risk, and relatively tolerant. [68]. In this situation the respondents after the service failure (rooms not made available due to double booking) are meted out only with an apology and not with compensation (free sightseeing tour). This explains why in this group even in the absence of compensation the customers’ of this orientation perceive significantly positive about the response time. Though not significantly, the customers perceive the compensation to be fair. The correlation with empowerment, reliability and standardized policies are negative and the relationship is found to be weak and insignificant.

Masculinity: The table 6.20 shows that there is no significant relationship between masculinity values and each dimension of service recovery. It is observed that the group does not have customers with highly masculine or highly feminine values with mean hovering around 3.60 and the standard deviation of .71. Though not significant yet positive correlation is found with dimension like communication and standardized policies. It is to be observed that people of masculinity orientation had perceived significantly negative so far as the dimension standardized policies of the service provider is concerned when they were given compensation along with apology. This hints that the customers with masculine orientation will not perceive positively about the service provider if the compensation is not apt because they value and place greater emphasis on wealth, success, ambitions, material things, and achievement. A compensation in the form of sightseeing was not taken as a shallow gesture to cover up the failure in contrast an honest and assertive apology is more acceptable.

Long Term Orientation: There is a significant and positive correlation between long term orientation and the dimension compensation with $r=0.241$ significant at 0.01 level. This can

be explained as customers with long term orientation will be more satisfied from the service recovery process if they feel that the service provider has been able to make good the loss suffered by the customer due to the poor service failure. The customers of this orientation are easy to please as they believe in being tolerant to the service failure in order to keep the relationship with their service provider of their choice. The findings endorse the same as even after receiving a plain apology and no compensation after a service failure (double booking) and wait of 45 minutes the customers of this orientation perceive the service provider to be fair in compensation. They perceive that by apologizing the service provider has equated the inconvenience caused by the service failure.

Collectivism: The table shows that there is a significant negative relationship between Collectivism values so far as the dimension reliability ($r=-0.202$ significant at 0.05 level.). The t test results in the table 6.17 indicate that the customers in this group, compared to group one have significant difference in mean. The customers in this group are characterized as low on collectivism or in other words they are individualist. Customers who are individualistic are characterized by attitudes of independence from in-groups, achievement, freedom, autonomy, and fairness. Attributes of individualists include an emphasis on personal responsibility and freedom of choice [261], personal autonomy and self-fulfillment [68], distinctive personal attitudes and opinions [262]. This explains why customers with low collectivism values were not satisfied by the service provider. They perceived negatively on four out of six dimensions of service recovery with significant negative correlation with reliability of the service provider.

Power Distance: The table shows that there is no significant relationship between the dimension of service recovery and power distance.

6.4.3 REGRESSION PROCESS

Regression Model for Predicting the effect of Dimensions of Culture on the Dimensions of Service recovery:

This section works out the regression model of the dimensions of culture that impact the dimensions of service recovery. The customer in this case after a service failure (i.e. booked room not made available due to double booking) is provided by the service provider, both

apology and compensation in the form of free sightseeing tour. A stepwise regression analysis was conducted. (Table 6.21)

**Table 6.21: Determinants of Reliability
Group 2(No Compensation)
(N=99)**

Independent Variables	Dependent variable: Reliability		
	Beta	Simple r	t-value
Collectivism	-0.27**	-0.202*	2.72
Long Term Orientation	0.26*	0.183	2.58
Multiple R =0.32 R Square = 0.10			

* Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (reliability). Two determinants have emerged as contributing significantly to the dependent variable (reliability). The variables are collectivism and long term orientation. The contribution of this variable is 10% with R^2 as 0.10 and Multiple R at 0.32.

The customers with long term orientation values in the given situation (where the service provider after the complaint of the customer only provides apology and does not give any compensation) have perceived the service provider as reliable ($\beta=0.25$, $p < 0.01$). It is observed that there was insignificant correlation between reliability and long term orientation however with the regression the effect of other variables is partialled out and this emerges as a significant factor. The customers with long term orientation are forgiving and easy to please as they try to overlook the faults and try to maintain the long term relationship with their trusted service provider [243]. Even in the absence of any monetary compensation the customers perceive the service provider to be reliable.

The customers of collectivism values on the other hand in the given situation (where the service provider after the complaint of the customer only provides apology and does not give any compensation) perceives the service provider negatively on reliability attribute. ($\beta=-0.27$, $p < 0.01$). The correlation is also found to be negative ($r = -0.202$). The group is characterized by the customers who are low on collectivism values. The concept of just extending an apology and no compensation is negatively affecting the satisfaction of the customers with these customers because they are characterized by attitudes of independence from in-groups,

achievement, freedom, autonomy, and fairness. They emphasize on personal responsibility and freedom of choice [261], personal autonomy and self-fulfillment [68], distinctive personal attitudes and opinions [262]. They do not fear loss of face and are more open to demand fairness.

**Table 6.22: Determinants of Communication
Group 2(No Compensation)
(N=99)**

Independent Variables	Dependent variable: Communication		
	Beta	Simple r	t-value
Uncertainty Avoidance	0.34**	0.343**	3.60
Multiple R =0.34 R Square = 0.12			

** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (communication). The determinant that has emerged as contributing significantly to the dependent variable (communication) is uncertainty avoidance. The contribution of this variable is 12%.The multiple R is 0.34 (Table 6.22).

The customers with uncertainty avoidance values in the given situation have perceived the service provider as good in communication ($\beta=0.34$, $p < 0.01$). The customers in this group are characterized as low on this continuum (refer table 6.8).Customers with weak uncertainty avoidance orientation are contemplative, less aggressive, unemotional, accepting of personal risk, and relatively tolerant [68]. In this situation the respondents after the service failure (rooms not made available due to double booking) are meted out only with an apology and not with any compensation (free sightseeing tour). This explains why in this group even in the absence of compensation the customers' of this orientation perceive significantly positive about the communication of the service provider. They perceive the service provider to be kind and empathetic.

**Table 6.23: Determinants of Compensation
Group 2 (No Compensation)
(N=99)**

Independent Variables	Dependent variable: Compensation		
	Beta	Simple r	t-value
Long Term Orientation	0.24**	0.241**	2.4
Multiple R =0.24 R Square = 0.06			

** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (compensation). As seen from table 6.23 only one determinant has emerged as contributing significantly to the dependent variable (compensation). The contribution of the determinant long term orientation is 6%.

The customers with long term orientation values in the given situation (where the service provider has extended an apology and no compensation) perceived the compensation by the service provider as fair ($\beta=0.24$, $p < 0.01$). The customers with long term orientation are forgiving and easy to please as they try to overlook the faults and try to maintain the long term relationship with their trusted service provider [243]. This explains why even in the absence of compensation the customers of this orientation perceive the compensation (only apology) to be fair and just.

**Table 6.24: Determinants of Response Time
Group 2 (No Compensation)
(N=99)**

Independent Variables	Dependent variable: Response Time		
	Beta	Simple r	t-value
Uncertainty Avoidance	0.20*	0.206*	2.07
Multiple R =0.20 R Square = 0.04			

* Significant at 0.05 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (response time). Only one determinant has emerged significantly contributing to the dependent variable (response time). The determinant is uncertainty avoidance. The contribution of this determinant is 4% (Table 6.24).

The customers with uncertainty avoidance values in the given situation (where the service provider has extended an apology and does not provide any monetary or non monetary compensation) perceived the service provider to have taken a timely action to help the customer ($\beta=0.21$, $p < 0.05$). The table 6.8 shows that the mean of this group is significantly less than the previous group i.e. .group one where in the recovery action were meted out with an apology along with the compensation. This group is characterized by respondents low on uncertainty avoidance. Customers with the weak uncertainty avoidance are contemplative, less aggressive, unemotional, accepting of personal risk, and relatively tolerant [68]. This explains why the customers of this orientation do not perceive the time taken by the service provider as too much (45 minutes) and perceive that the service provider resolved the problem in timely and quick manner.

6.5 DISCUSSION: GROUP 1 AND 2

A comprehensive conclusion can be drawn on the basis of the results obtained after the statistical test. In group 1 three dimensions out of six emerged as significant predictors of overall satisfaction explaining 34% of the overall satisfaction ($R^2=0.346$) and in group two, out of six, two dimensions emerged as significant predictors explaining 25% of the overall satisfaction ($R^2=0.254$).

Pearson correlation coefficients and step wise regression was done to study the influence of the specific recovery action on the perception of service recovery dimensions and overall satisfaction of the customer. It is observed that in the presence of compensation the customers perceived the service provider as reliable and fair in compensation but perceive negatively so far as the empowerment of the service provider is concerned. Even after receiving the compensation in form of free sightseeing tour for the full family the customer feels that the recovery action wasn't apt and consequently perceives the service provider as less empowered. In group two where only apology was provided by the service provider the customers perceived the service provider as fair in compensation and communication. Table 6.4 shows significant difference between the two groups so far as the means of the dimensions empowerment, communication and response time is concerned. Customers of group two perceive the service provider as significantly more empowered, good in communication and quick in responding to the service failure, even in the absence of compensation. The

observation is quite puzzling, and leads to probe the answers in the cultural profiles of the respondents.

The answer to this was probed by studying the cultural profile of the customers in the two groups. The cultural values of the customers' are related differently to the different dimensions of service recovery. Customers with uncertainty avoidance have not been significantly related to any of the attribute of satisfaction from service recovery when the service provider provides both apology and compensation. However when the service provider only extends apology and no compensation the customers with these values perceive the service provider to be good in interaction, courteous and empathetic (communication) and also perceives that the problem was resolved quickly (response time) and in required time ($\beta=0.34$, $p < 0.01$, $\beta=0.21$, $p < 0.01$ respectively). It is observed that the respondents in group 2 are significantly low on this dimension. They are assertive and tolerant and do not get anxious in the event of a service failure.

Customers with the masculinity values remain neutral when the service provider provides apology for the inconvenience caused due to the service failure however when the service provider provides compensation to the customers along the apology for the same service failure the customers perceive negatively so far as the factor standardized policies of the service provider are concerned. ($\beta=-0.29$, $p < 0.01$). The customers with Masculinity values perceive the compensation apology along with the compensation makes the customer probably perceive that the service provider is going out of way to make good the loss. This in turn escalates the seriousness of the service failure thus making the customer more dissatisfied. The masculine customers are competitive and therefore compensation in kind is not perceived as apt.

Customers with long term orientation are easy to please and do not seek assurances from their trusted service provider. They perceive the service provider as reliable and fair in compensation even in the absence of compensation

Customers in group two are significantly low on the dimension "collectivism". The customers are individualistic values and are less tolerant for the poor service. Therefore where in group one these customers are neutral (no significant regression model) in group two customers of these values perceive the service provider negatively so far as the dimension reliability is concerned. ($\beta=-0.33$, $p < 0.01$).

Customers with power distance values perceive the positively so far as the standardized policies of the service provider is concerned ($\beta=0.21$, $p < 0.05$, when the service provider extends both apology and compensation in the event of service failure.

6.6 SECTION B: AN OVERVIEW

The respondents in this set are divided into two groups of 99 each making it 194 in all. The respondents were exposed to the unique recovery scenario. The respondents/ customers in the first set after the service failure (reserved rooms not made available due to double booking) were provided with an apology by the service provider and were instructed to wait. After the waiting time of forty five minutes, the service provider again apologized and provided the rooms to the customer. During the waiting time of 45 minutes the customer was not informed about the progress made to solve the problem. No feedback/explanation or cognitive control was provided to the customers by the service provider. In the second set the customers after the service failure were extended an apology by the service provider and were made to wait. During the waiting period of forty five minutes the customers were informed twice by the service provider about the progress made to resolve the problem. After forty five minutes the service provider apologized for the inconvenience and provided the rooms to the customer. The respondents were asked to note down their responses after reading the given service recovery action to a service failure (which was same for all the groups i.e. non availability of rooms after confirmed booking due to double booking). The respondents were asked to state the extent of their agreement with the statements given, 1 being strongly disagree and 4 being strongly agree. The cultural orientation of the respondent was tapped in section C of the instrument on a five point likert scale. The comparison of means and correlation and regression analysis for group three (absence of feedback) are studied first followed by the group four (presence of feedback).

6.6.1 GROUP 3: ABSENCE OF FEEDBACK

In this group, the respondents after the service failure were asked to wait for 45 minutes till the problem was rectified. During the waiting period the respondents/customers were not given any explanation or feedback on the progress made to resolve the service failure i.e. they were exposed to the absence of feedback/ cognitive control. The service provider resolves the problem of double booking by extending an apology, but does not provide the feedback on the progress made to resolve the problem.

6.6.2 BRIEF PROFILE

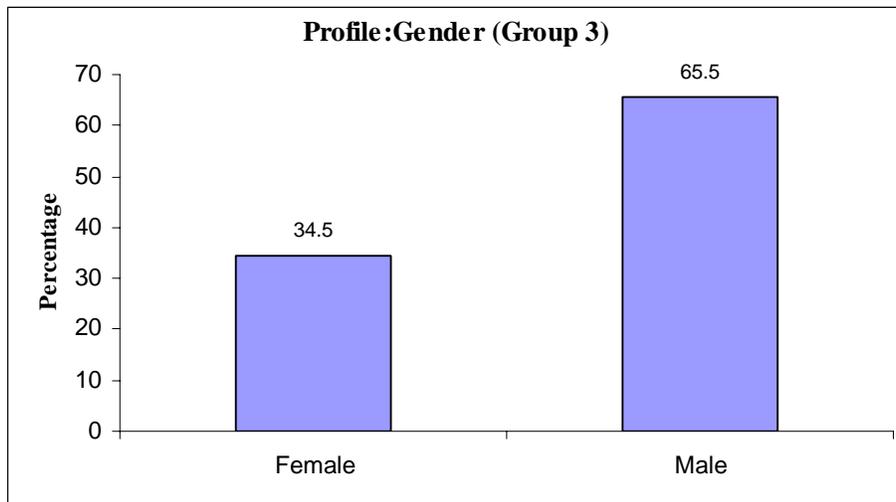
The respondents were final year undergraduate students who have had the experience of staying in a hotel for at least one week in past twelve months. The brief profile of the respondents was captured as under:

6.6.2.1 PROFILE: GENDER

Table 6.25 and figure 6.11 reveal that the male respondents were more in number than the female respondents. However since respondents of both the gender have been exposed to the same kind of education and experience in terms of age we deduce that gender has negligible role to play so far as the study is concerned.

**Table 6.25 Profile: Gender
Group 3 (Absence of Feedback)**

Gender	Frequency	Percent
Female	34	34.5
Male	65	65.5
Total	99	100.0



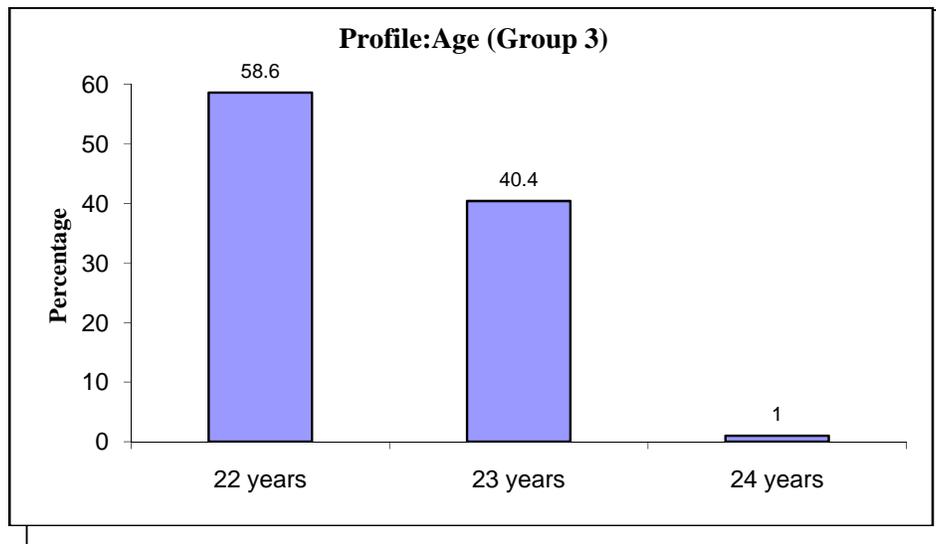
**Figure 6.11 Profile-Genders
Group 3 (Absence of Feedback)**

6.6.2.2 PROFILE: AGE

The age of the respondents varied from twenty to twenty three (Table 6.26 and figure 6.12). The respondents fell mainly in the same age bracket thus eliminating the chances of age playing any crucial role in altering the responses. The respondents' reaction was primarily to the stimulus (recovery action) provided to them rather than age or experience acting as intervening variables.

**Table 6.26 Profile: Age
Group 3 (Absence of Feedback)**

Age (yrs)	Frequency	Percent
22	58	58.6
23	40	40.4
24	1	1.0
Total	99	100.0



**Figure 6.12 Profile- Age
Group 3 (Absence of Feedback)**

6.6.3 MEANS AND STANDARD DEVIATION OF DIMENSIONS OF SERVICE RECOVERY. GROUP 3 (ABSENCE OF FEEDBACK)

Before determining the correlates and impact of the service recovery dimensions on the overall satisfaction of the customer, mean and standard deviations of the dimensions of service recovery were calculated, as this helps in understanding them better. The responses were captured on a four point scale with four as the strongly agree and one as strongly disagree. After the factor analysis, when the six factors emerged, the score of each of the factors was computed by taking out the mean of the items falling under each factor. The ranking of the dimensions based on the means and standard deviations is shown in Table 6.27. Figure 6.13 gives the graphical representation of the same.

Table 6.27: Means and Standard deviation of dimensions of Service Recovery Group 3 (Absence of Feedback) (N=99)

Dimensions of Service Recovery	Mean	Standard Deviation
Communication	2.80	.51
Compensation	2.72	.67
Standardized policies	2.71	.51
Reliability	2.36	.56
Response Time	2.29	.78
Empowerment	1.85	.65

It is observed that the mean for the dimension Communication is the highest ($m = 2.80$, $SD = .51$). The customers with the given recovery action feel satisfied so far this factor is concerned. They perceive the service provider as polite, caring, kind and empathetic.

The mean for the factor compensation is the second highest ($m = 2.72$, $SD = .67$). The customers perceive the service provider to be fair in its dealing. The customers do not feel at loss or being short changed. They perceive that the compensation for the inconvenience was fair.

The table 6.27 shows that the mean of the standardized policies is ranked as third most important dimension ($m = 2.71$, $SD = .51$). In the given situation the customers perceive that the

policies and procedures of the service provider are satisfying. They feel that the guidelines in the form of policies are well laid out to deal with such exigencies.

The mean of the dimension response time and reliability hovers at the mid point of the four point likert scale revealing that the customers neither agree nor disagree so far as these two dimensions are concerned. ($m=2.29$, $SD=.78$ and $m=2.36$ and $SD=.56$ respectively). However the customers do not perceive the service provider as empowered. As the mean is skewed to the left ($m=1.85$, $SD=.65$). This may be because of the fact that the customer expected an apology, which they perceived as a part of the standardized policy of the company but would have been delighted if they were given a customized treatment, something beyond an apology,

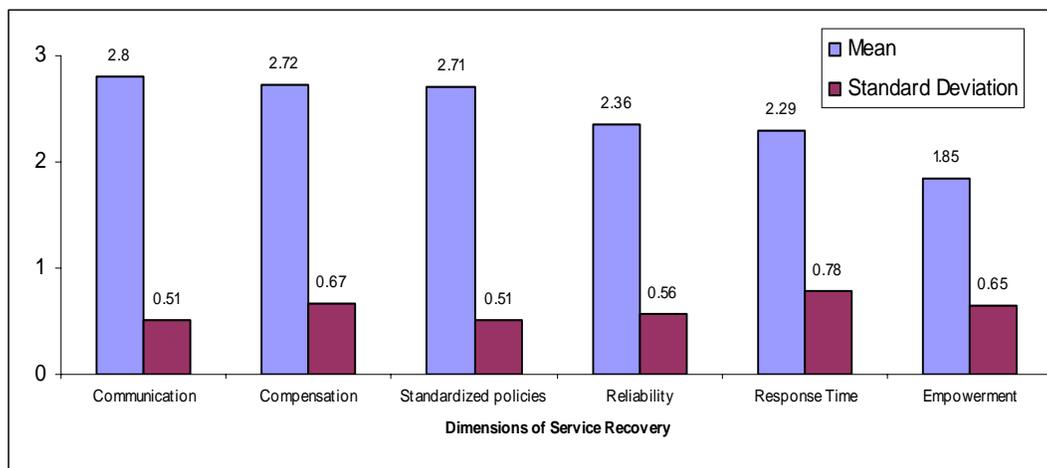


Figure 6.13 Means and Standard Deviation of Dimensions of Service Recovery Group 3 (Absence of Feedback)

6.6.4 COMPARISON OF DIMENSIONS OF SERVICE RECOVERY BETWEEN THE GROUP 3 (ABSENCE OF FEEDBACK) AND GROUP 4 (PRESENCE OF FEEDBACK)

The t- test was applied to compare the dimensions of service recovery between the two groups i.e. Group 3 where after a service failure the customer was provided with an apology and were not given any feedback on the progress made to resolve the problem (double booking) and group 5 where the customer is updated twice during the waiting time (45 minutes) regarding the progress made to solve the problem of double booking. Comparison of means helps to probe the difference in perception of the customer with the change in stimuli (presence and absence of feedback). Table 6.28 shows all the values of mean and standard deviation and t value of the dimensions of service recovery across the two groups.

Table 6.28: Comparison of dimensions of Service Recovery between group 3 and 4

Dimensions of Satisfaction	<u>No feedback</u>	<u>Feedback</u>	t-value
	(N= 99) Mean S.D	(N=99) Mean S.D	
Reliability	2.36 (.56)	2.16 (.59)	2.30*
Standardized policies	2.71 (.51)	2.32 (.71)	4.39*
Empowerment	1.85 (.65)	1.87 (.58)	.280NS
Response Time	2.29 (.78)	2.37 (.74)	.69NS
Communication	2.80 (.51)	2.71 (.54)	1.21NS
Compensation	2.72 (.67)	2.59 (.57)	1.42NS

* Significant at .05 level. NS=Not Significant

Significant difference was found in the mean values of two of the dimensions of service recovery as perceived by respondents i.e. reliability and standardized policies. Unlike the customers in group three where the service provider is not given any feedback, the customers of group four, where the customer is constantly updated (twice in 45 minutes) regarding the progress made to resolve the problem of double booking, perceived the service provider as less reliable and to have poor standardized policies. It can be explained that with the constant updating on the progress being made by the service provider the customer perceives the problem to be graver. The customer perceives that the service provider is unable to handle the problem and is therefore trying best to woo the customer by updating him on the progress being made.

There is no significant difference in the perception of the customer of the two groups so far as the dimension empowerment is concerned. The customers in both the groups perceive the service provider as poor on this attribute. (Mean=1.85 and 1.87 respectively). The two groups do not have any significant difference between the means so far as communication, compensation and response time is concerned. However it is worth noting that the mean of communication and compensation hovers around three, thereby suggesting that the customers perceive the service provider as average on the two dimensions.

6.6.5 CORRELATES OF DIMENSIONS OF SERVICE RECOVERY AND OVERALL SATISFACTION (GROUP 3 ABSENCE OF FEEDBACK)

In order to investigate the association and relationship between the dimensions of service recovery and overall satisfaction of the customers, when, exposed to this unique recovery action (absence of feedback), the Pearson's correlation coefficient was computed.

The Pearson's correlation coefficient between the dimensions of service recovery and overall satisfaction were calculated. All total there were six factors as extracted from factor analysis which are referred as dimensions of service recovery. The Pearson correlation coefficients are shown in Table 6.29. The table clearly shows that four out of the six dimensions of service recovery have significant correlation with the overall satisfaction. The correlations were statistically significant at 0.05 levels.

**Table 6.29: Relationship (Correlation Coefficient) of Dimensions of Service Recovery with Overall satisfaction
Group3 (Absence of Feedback)
(N=99)**

Dimensions of service recovery	Overall Satisfaction
Empowerment	.346**
Reliability	.320**
Communication	.499**
Policies and procedures	.314**
Compensation	.270**
Response time	.057

** Significant at .01 level.

Empowerment: The table shows that there is a significant and positive relationship between empowerment and overall satisfaction. ($r=0.346$ $p<0.01$). This relationship indicates that when customers are not provided with any explanation or no cognitive control, tend to have positive relationship with the dimension empowerment. When the service provider provides a remedial action without giving any explanation to the customer regarding the progress made to solve his/her problem, the customer finds the service provider as empowered and in control of the situation.

Reliability: The table shows that there is a significant and positive relationship between reliability and overall satisfaction. ($r=0.320$ $p<0.01$). This relationship indicates that customer when provided with an apology only and no explanation or cognitive control, tend to have positive relationship with reliability. When the service provider provides a remedial action without giving any explanation to the customer regarding the progress made to solve his/her problem, the customer finds the service provider as reliable and capable of providing error free service.

Communication: There is positive and significant relationship between communication and overall satisfaction ($r=-0.499$ $p<0.01$). This relationship indicates that customers when not provided with any explanation on the progress made to solve the service problem tend to perceive the communication of the service provider as polite and courteous.

Policies and procedures: The table shows that there is a significant and positive relationship between the dimension policies and procedures and overall satisfaction. ($r=0.314$ $p<0.01$). This relationship indicates that customers when provided with no feedback or cognitive control (procedural justice) tend to have positive relationship with satisfaction. When the service provider provides a remedial action without giving any explanation to the customer regarding the progress made to solve his/her problem, the customer finds that the service provider has fair and just policies and procedures to satisfactorily resolve the problem.

Compensation: There is significant and positive relationship between communication and overall satisfaction. ($r=0.270$ $p<0.01$). This relationship indicates that customers when provided with no feedback on the progress made to resolve the service problem but are just being given an apology perceive the outcome of the interaction as fair and just. Resolving the issue with an apology is perceived as a fair compensation by the customers for the inconvenience caused due to service failure.

Response time: There is positive and insignificant relationship between the dimension response time and the overall satisfaction of the consumer. ($r=0.057$).

6.6.6 REGRESSION PROCESS

After calculating the correlates and determinants of the overall satisfaction the next section details out the regression process. This section works out the regression model of the dimensions of service recovery that impact the overall satisfaction of the customer in the event when after a service failure (booked room not made available due to double booking) the service provider provides no feedback to the customer.

**Table 6.30: Determinants of overall satisfaction
Group 3 (Absence of Feedback)
(N=99)**

Independent Variables	Dependent variable: overall satisfaction		
	Beta (standardized)	Simple r	t-value
Communication	.479**	.499**	5.589
Compensation	.228**	.270**	2.658
Multiple R = .548 R Square = .301			

** Significant at 0.01 level

The six independent variables i.e. the dimensions of service recovery were entered in the regression equation in order to find out their contribution to dependent variable (overall satisfaction). The value of multiple R is 0.548 and the value of R^2 is 0.301 (table 6.30). It states that 30% of the satisfaction can be controlled by these two determinants namely: Communication and compensation. 30% is a significant value that explains the cause of satisfaction after service recovery. The rest 70% can be attributed to so many other factors other than the stimulus (service recovery action provided), and can be scattered and individually contribute to the satisfaction.

Communication: There is a positive effect of communication on overall satisfaction ($\beta=0.479$, $p < 0.01$). In the given situation where the customer is not provided with explanation regarding the progress made to resolve the problem i.e. No cognitive control (procedural justice), the customers perceived the service provider as polite and courteous. This dimension explains 47% of the customers overall satisfaction.

Compensation: There is a positive effect of compensation on overall satisfaction ($\beta=0.228$, $p < 0.01$). The beta values indicates that after a service failure the customer appreciates the fact

that the fault was rectified and perceives the non monetary compensation i.e. apology as fair. This dimension explains 22% of the overall satisfaction of the customers.

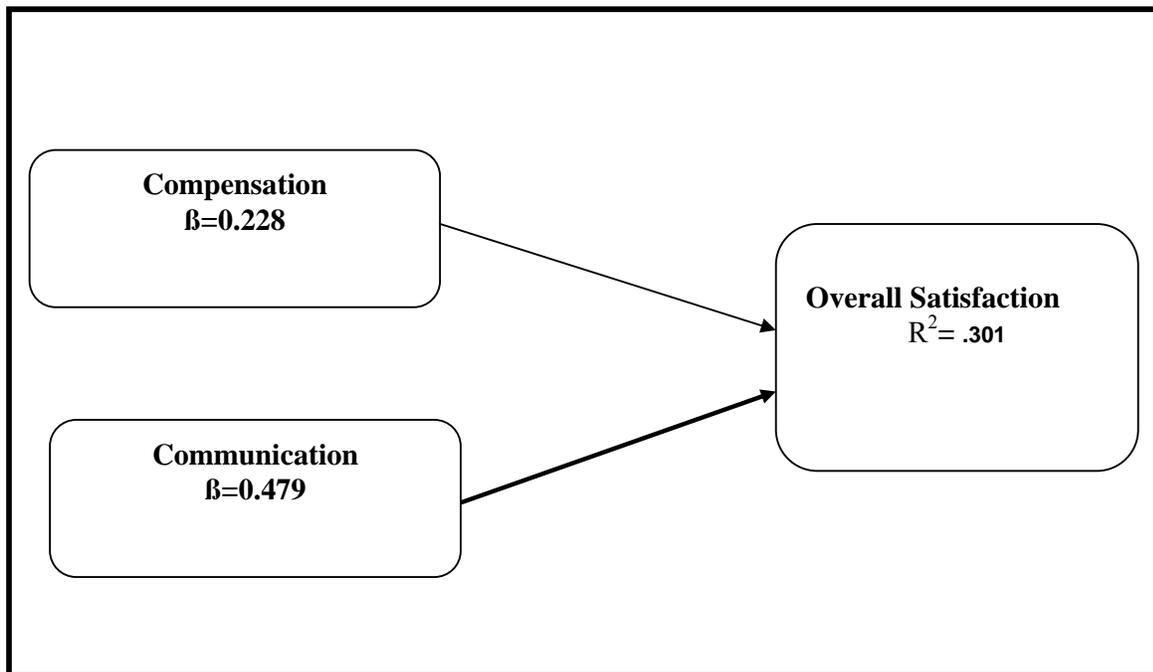


Figure: 6.14: Determinants of overall satisfaction (Group 3)

6.7 INFLUENCE OF CULTURE ON SERVICE RECOVERY DIMENSIONS

The study of the influence of culture on service recovery dimensions follows a sequence of logical steps.

6.7.1 CULTURAL PROFILE OF THE RESPONDENTS

The cultural profile of the respondents was tapped. The table below gives the cultural profile of the respondents in this group. The distributions statistics are used to outline the cultural characteristics of the group of respondents. Student's t test is used to compare the difference of cultural profiles of the customers between the group 3 and group 4. Second, Pearson's correlation coefficients are used to study the relationships between the dimensions of culture and attributes of service recovery. Finally the five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variables i.e attributes of service recovery.

**Table 6.31: Means and Standard deviation of Dimension of Culture
Group 3 (Absence of Feedback)
(N=99)**

Dimensions of Culture	Mean	Standard Deviation
Collectivism	4.25	.42
Uncertainty Avoidance	4.04	.53
Long Term Orientation	4.03	.61
Masculinity	3.87	.62
Power Distance:	3.68	.76

The mean of the responses as captured on a five point scale is listed in table 6.31. It is observed that that the mean for the factor. Collectivism is the highest i.e. 4.25. This shows that the respondents have high collectivism orientation. They have strong social ties. This is closely followed by the mean of. Uncertainty avoidance. This implies that the respondents in this group are collectivists and have a low inclination towards risk. A feeling of “what is different is dangerous” prevails [67] among the people of this orientation. They prefer certainty over uncertainty. The long term orientation has emerged as the third most important cultural value third dimension indicating that the respondents in this group believe in the long term relationship with the service provider of their choice. Redpath and Nielson (1997) [244] stated that people with long term orientation include values like thrift, saving, persistence with slow results, adaptation of traditions to a modern context, acceptance of unequal relationship, and a concern for virtue rather than truth.

However the mean of second and fifth factor i.e. Masculinity and power distance hovers around the midpoint i.e. 3.87 and 3.68 respectively. We thus deduce that the respondents in this group have a score of masculinity on the higher side but are neutral, i.e. neither very high nor very low on the continuum so far as power distance is considered.

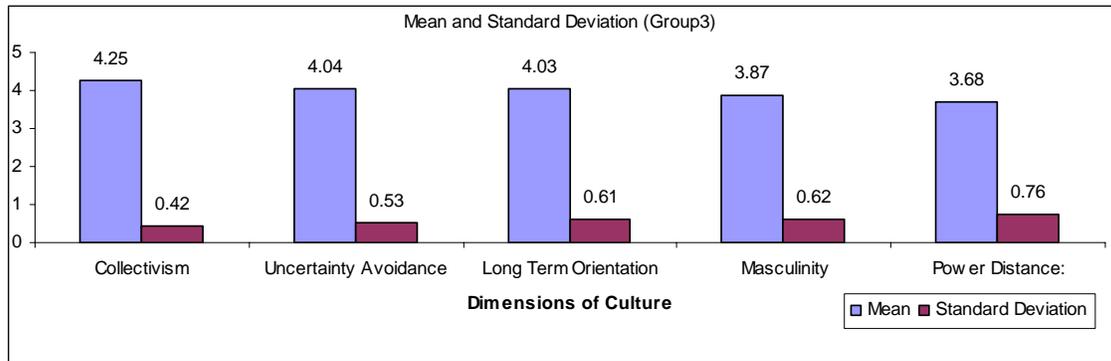


Figure 6.15: Mean and Standard Deviation Group 3 (Absence of Feedback)

6.7.2 COMPARISON OF DIMENSIONS OF CULTURE BETWEEN GROUP 3 (ABSENCE OF FEEDBACK) AND GROUP 4 (PRESENCE OF FEEDBACK)

The t-test was applied to compare the dimensions of culture between the two groups i.e. group 3 where after a service failure the customer was provided with an apology and was asked to wait. After 45 minutes the problem was resolved. During the waiting time the customer was not provided with any feedback on the progress made to resolve the problem. And group 4 where after the discovery of the service problem the service provider asks the customer to wait till the problem is resolved. During the waiting time the service provider informs the customer twice regarding the progress made to solve the problem. Table 6.32 shows all the values of mean, standard deviation and t values of the dimensions of culture across the two groups. The groups vary significantly only on one out of five dimensions of culture. The explanation is given below:

Table 6.32: Comparison of dimensions of culture between group 3 and 4

Dimensions of culture	Feedback Absent		Feedback Present		t-value
	Mean	S.D	Mean	S.D	
Uncertainty Avoidance	4.04 (.53)		4.21 (.49)		2.22*
Collectivism	4.25 (.42)		4.23 (.58)		.27 NS
Power Distance:	3.68 (.76)		3.63 (.87)		.47 NS
Masculinity	3.87 (.62)		3.93 (.79)		.59 NS
Long Term Orientation	4.03 (.61)		3.90 (.62)		1.38 NS

** Significant at .05 level. NS not significant

Significant difference was found in the mean values of one of the dimensions of culture i.e. Uncertainty avoidance.

In group three the respondents can be characterized as low on uncertainty avoidance. Uncertainty avoidance is associated with the extent to which the individuals tolerate uncertainty and accept risk. The respondents in this group are tolerant for uncertainty and risk taking [68] [67] Individuals with lower score of uncertainty avoidance are contemplative, less aggressive, unemotional, accepting of personal risk, and relatively tolerant

In Group four the respondents are significantly high on Uncertainty avoidance. Customers with high score of Uncertainty avoidance believe in reduction of ambiguity and a need for predictability: a need for written rules, and a structured relationship, while low uncertainty avoidance is often prepared to engage in risky behavior in order to reduce ambiguities [67]. Customers with strong uncertainty avoidance are active, aggressive, emotional, security-seeking, and intolerant. Donthu and Yoo (1998) [54] suggested that customers of high uncertainty avoidance would use tangibles as a surrogate of service quality because visible evidence would help lower their perceived risk in service situations.

There is no significant difference between the two groups so far as masculinity, long term orientation and collectivism are concerned. However the mean of the two groups on this masculinity and long term orientation hovers around four hinting at the fact that both the groups are dominated by this cultural orientation. The mean of the last dimension i.e. power distance is around neither high nor low.

6.7.3 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND CULTURAL DIMENSIONS

Pearson's correlation coefficients between the dimensions of culture and dimensions of service recovery were calculated in order to find out the relationship between the two

The Pearson correlation coefficient of the dimensions of culture and dimensions of service recovery is shown in Table 6.33. The table clearly shows that four of the five dimensions of culture have significant correlation with the dimension of service recovery. The correlations were statistically significant at 0.05 levels.

**Table 6.33: Relationship (Correlation Coefficient) of Dimensions of cultural orientation with Dimensions of service recovery
Group 3 (Absence of Feedback)
(N=99)**

Dimensions of Culture	Uncertainty Avoidance	Masculinity	Long Term Orientation	Collectivism	Power distance
Empowerment	-0.032	0.009	0.070	-0.153	0.122
Reliability	0.137	0.127	0.239**	0.046	0.190*
Communication	-0.024	0.268**	0.193*	0.052	0.183
Standardized policies	0.029	0.106	0.050	-0.096	0.148
Compensation	0.155	-0.027	0.070	0.060	0.280**
Response time	-0.177	0.039	0.052	-0.228*	0.082

*Significant at .05 level. ** Significant at .01 level.

Uncertainty Avoidance: The table shows that there is no significant relationship of uncertainty avoidance values with each dimension of satisfaction from service recovery. Though insignificant there is a negative directional relationship so far as three dimensions of service recovery are concerned. They are empowerment, communication and response time. This indicates that in the event of absence of any compensation and feedback, mere apology from the service provider makes the customer with low uncertainty avoidance score perceive the service provider as less empowered, less empathetic, and slow in taking the desired response.

Masculinity: The table 6.33 shows that there is a significant relationship between masculinity values so far as the communication dimension of satisfaction from service recovery is concerned. ($r=0.268$ $p < 0.01$). The group is characterized by customers with high Masculine values. (mean =3.87) Holt (1998) [203] characterizes such people as those who tend to value decisiveness, assertiveness, competitiveness and some other traditional manly values as necessary characters to play the leading roles. The crisp and assertive apology with the problem being solved without much fuss and explanation is taken positively by the customers of masculine values. The customers of this orientation perceive positively about the five (four insignificant and one significant relationship) out of six dimensions of service recovery. Though insignificant, but a negative relationship is found between the dimension compensation and the dimension masculinity. The customers of this orientation were not satisfied with the compensation (apology and no feedback) in the given situation.

Long Term Orientation: The table shows that there is a significant relationship between the variable long term orientation and two of the dependent variables i.e. reliability and communication dimensions of service recovery. The customers of this orientation can be characterized as people who exhibit a long-term future oriented perspective [68] [67]. The customers of this orientation believe in maintaining long term relationship with the service provider and therefore they are forgiving the relatively poor service from the service provider they care most [243]. There is a significant and positive correlation between Long Term Orientation and reliability dimensions of the satisfaction from the service recovery is concerned ($r=0.239$ significant at 0.01 level.). The customers of long term orientation perceive the service provider as reliable and capable of provider error free service. They also perceive the service provider to be empathetic kind and courteous and therefore have a significant positive correlation with the dimension communication. ($r=0.193$ significant at 0.05 level). It is observed that though insignificant yet there is positive correlation between all the six dimensions of service recovery and the dimension long term orientation.

Collectivism : The table 6.33 shows that there is a significant negative relationship between collectivism values so far as the response time is concerned. ($r=-0.227$ significant at 0.05 level.). This relationship indicates that people with collectivism values perceive that the service provider has taken too much of time to respond to the service failure. The customers of this group have a high mean (Mean=4.25) of this score thus indicating that the customers have high value for group and have strong cohesive ties between the group members [68] [67]. In the given situation where the service provider in his recovery action does not provide compensation or feedback but merely offers an apology the collectivist customer perceives poorly about three out of six dimensions of service recovery. The customer who is with his family perceives significantly negative about the time taken to respond. The 45 minutes taken to provide rooms for the customer and his family was perceives as too long and therefore the relationship is inverse between the two dimensions.

Power Distance: The table shows that there is a significant relationship between power distance values and reliability and fair compensation are concerned. Power distance is “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” [67].

Accept centralization and formalization of authority and tolerate the lack of autonomy. The customers of this orientation are characterized as weak in relation to the service agents (students who are not patronizing the hotel much) and therefore are prepared to accept the relatively less reliable service from powerful service provider [54] [55]. Thus we observe that there is a positive relationship between the six dimensions of service recovery and the dimension power distance. And significant and positive correlation with reliability ($r=0.190$ $p < 0.01$) and compensation ($r=0.280$ $p < 0.01$). An apology without compensation and feedback is acceptable as fair compensation to the weak power distance customers.

6.7.4 REGRESSION PROCESS

Regression Model for Predicting the Effect of Dimensions of Culture on Dimensions of Service Recovery:

This section works out the regression model of the dimensions of culture that impact the dimensions of service recovery. The customer in this situation, after a service failure (i.e. reserved rooms not made available due to double booking) receives no feedback or compensation from the service provider. The customer is just extended an apology from the service provider.

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (reliability). As seen from Table 6.34 only one determinant has emerged as contributing significantly to the dependent variable (reliability). The variable is long term orientation. The contribution of this variable is 5%, with R^2 as 0.05 and value of multiple R as 0.23. The dimension long term orientation is the major predictor of reliability with $\beta=0.24$, $p < 0.01$. The customers with long term orientation are forgiving and easy to please as they try to overlook the faults and try to maintain the long term relationship with their trusted service provider [243]. They in the given situation where after a failure the customer receives only an apology and no explanation or compensation perceive the service provider as reliable and capable of providing an error free service.

**Table 6.34: Determinants of Reliability
Group 3 (Absence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Reliability		
	Beta	Simple r	t-value
Long Term Orientation	0.24**	0.239**	2.4
Multiple R =0.23 R Square = 0.05			

Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (Communication). Only one variable has emerged as contributing significantly to the dependent variable (Communication). The variable is masculinity (Table 6.35). The contribution of this variable is 7% with R^2 as 0.07 and value of multiple R as 0.27. The dimension masculinity is the significant predictor of the dimension communication. The customers with masculinity values who are assertive and decisive in the given situation (where the service provider has extended an apology but does not provide feedback on the progress made to resolve the problem) perceives the service provider good in their communication ($\beta=0.27$, $p < 0.01$) The crisp and assertive apology with the problem being solved without much fuss and explanation is taken positively by the customers of masculine values.

**Table 6.35: Determinants of Perception of Communication
Group 3 (Absence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Communication		
	Beta	Simple r	t-value
Masculinity	0.27**	0.268**	2.74
Multiple R =0.27 R Square = 0.07			

Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (Compensation). Only one determinant has emerged as contributing significantly to the dependent variable (Compensation). The determinant is power distance. Table 6.36 shows the contribution of this variable as 7%.. The

value of Multiple R is 0.28 and that of R^2 is 0.07. The customers of power distance orientation perceived the service provider to be good in communication style i.e. courteous, kind and empathetic. ($\beta=-0.28$, $p < 0.01$).

**Table 6.36: Determinants of Compensation
Group 3 (Absence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Compensation		
	Beta	Simple r	t-value
Power distance	0.28**	0.280**	2.88
Multiple R =0.28 R Square = 0.07			

*Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (response time). Only one determinant has emerged as contributing significantly to the dependent variable (response time). The determinant is collectivism. The contribution of this variable is 5% (Table 6.37).

The customers with collectivism values have perceived the service provider in the given situation (where the service provider has extended an apology but does not provide feedback on the progress made to resolve the problem) as not being quick in responding as beta coefficients of the dimension response time being negative. ($\beta=-0.23$, $p < 0.05$). The customers with collectivism orientation during the recovery process with no feedback felt that the time taken by the service provider was more than required and therefore has a negative relation with the dimension “response time”.

**Table 6.37: Determinants of Response Time
Group 3 (Absence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Response Time		
	Beta	Simple r	t-value
Collectivism	-0.23*	-0.228*	2.3
Multiple R =0.23 R Square = 0.05			

*Significant at 0.05 level

6.8 GROUP 4: PRESENCE OF FEEDBACK

The respondents in this section were asked to note down their responses after reading the given service recovery action to a service failure (which was same for all the groups i.e. non availability of rooms after confirmed booking due to double booking). Ninety nine respondents were asked to give their responses after reading the service recovery situation where they were given only apology and no compensation. Their responses were measured on a four point scale with one being strongly disagree and four being strongly agree. The cultural orientation of the respondent was tapped in section C of the instrument on a five point scale where one was strongly disagree and 5 was strongly agree.

This section explores the effect of service recovery dimensions on the overall customer satisfaction. The study of mean and standard deviation helps us to know how the respondents have ranked the service recovery dimension in the light of the given stimulus i.e. presence of feedback. The correlates and determinants of dimensions of cultural orientation and dimensions service recovery is computed to study the relationship of factors of culture with factors of service recovery. This is followed by a discussion on the outcomes of group 3 (where the procedural justice was absent as no feedback was given to the customers during the waiting time of 45 minutes) and group 4 (where the procedural justice was present as feedback was given to the customers during the waiting time of 45 minutes along with an apology).

6.8.1 BRIEF PROFILE

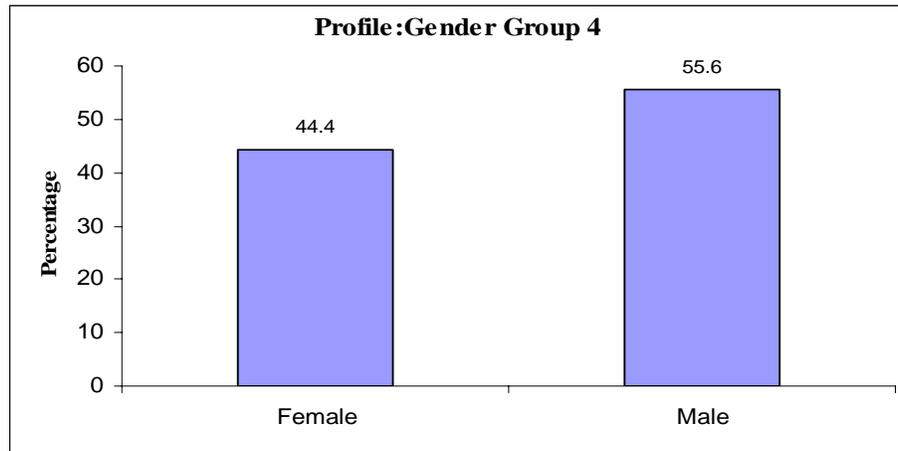
The respondents were final year undergraduate students who have had the experience of staying in a hotel for at least one week in past twelve months. The brief profile of the respondents was captured as under.

6.8.1.1 PROFILE: GENDER

The male respondents were more in number than the female respondents (Table 6.38 and figure 6.16). However since respondents of both the gender have been exposed to the same kind of education and experience in terms of age we deduce that gender has negligible role to play so far as the study is concerned.

**Table 6.38: Profile- Gender
Group 4(Presence of Feedback)**

Gender	Frequency	Percent
Female	44	44.4
Male	55	55.6
Total	99	100.0



**Figure 6.16: Profile - Gender
Group 4(Presence of Feedback)**

6.8.1.2 PROFILE: AGE

The age of the respondents varied from twenty two to twenty four (Table 6.39 and figure 6.17). The respondents fell mainly in the same age bracket thus eliminating the chances of age playing any crucial role in the altering the responses. The respondents reaction was primarily to the stimulus (recovery action) provided to them rather than age or experience acting as intervening variables.

**Table 6.39: Profile: Age
Group 4(Presence of Feedback)**

Age (yrs)	Frequency	Percent
22	40	40.4
23	47	47.5
24	12	12.1
Total	99	100.0

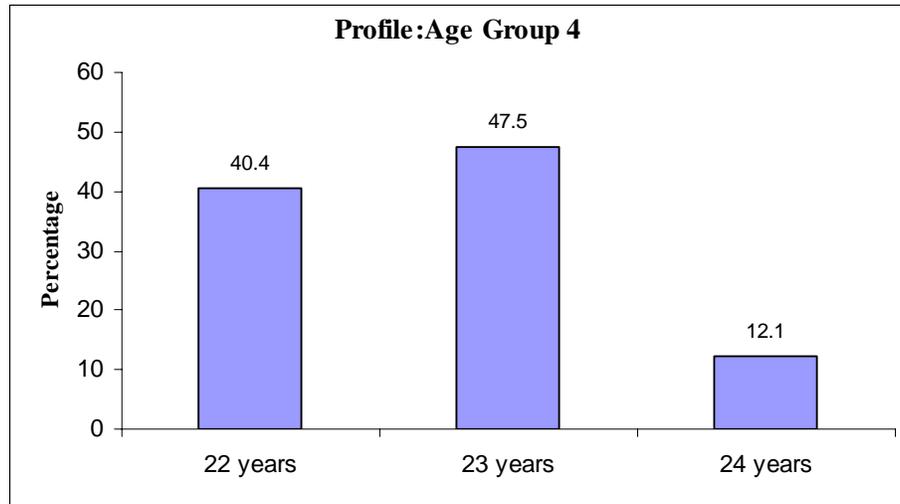


Figure 6.17: Profile-Age Group 4(Presence of Feedback)

6.8.2 MEANS AND STANDARD DEVIATION OF DIMENSIONS OF SERVICE RECOVERY. GROUP 4(PRESENCE OF FEEDBACK)

Before determining the correlates and impact of the service recovery dimensions on the overall satisfaction of the customer, mean and standard deviations of the service recovery dimensions were calculated, as this helps in understanding them better. The ranking of the dimensions based on the means and standard deviations is shown in Table 6.40, Figure 6.18 gives the graphical representation of the same.

Table 6.40: Means and Standard deviation of dimensions of service recovery Group 4 Presence of feedback (N=99)

Dimensions of Service Recovery	Mean	Standard Deviation
Communication	2.71	.54
Compensation	2.59	.57
Response time	2.37	.74
Standardized policies	2.32	.71
Reliability	2.16	.59
Empowerment	1.87	.58

It is observed that the mean for the dimension Communication is the highest. ($m = 2.71$, $SD = 0.54$) The customers with the given recovery action feel most satisfied so far the communication of the service provider is concerned. They perceive the service provider as polite, caring, kind and empathetic.

The mean for the factor compensation is the second highest. ($m = 2.59$ $SD = 0.57$). The customers perceive the service provider to be fair in its dealing. The customers do not feel at loss. The customers feel that the compensation in the form of apology with the constant updating on the progress made to solve the problem was fair and apt for the inconvenience caused.

According to the mean the factor response time is ranked as the third highest ($m = 2.37$ $SD = 0.74$). In the given situation the customers perceive that the service provider was quick in responding. This can be because the customers were provided feedback regarding the progress made to resolve the problem. The table shows that the mean of the dimensions standardized policies ($m = 2.32$ $SD = 0.71$) and reliability ($m = 2.16$, $SD = 0.59$) hovers around the midpoint of the four point likert scale. Thus standardized policies revealing that the customers neither agree nor disagree so far as this dimension is concerned.

The customers however do not grade the service provider as empowered and rank this dimension as last with a mean of 1.87 and SD of .58. This may be because of the fact that the customers were being informed on the progress made but were not given any compensation for the failed service.

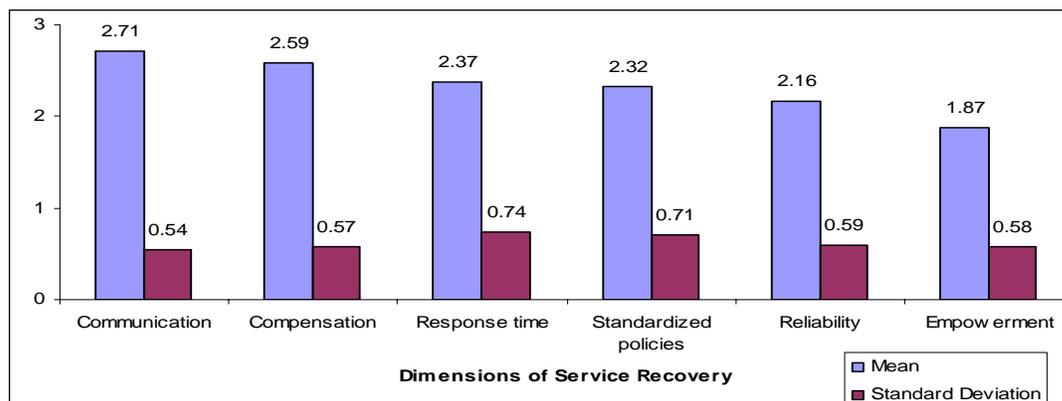


Figure 6.18: Mean and Standard Deviation Group 4(Presence of Feedback)

6.8.3 CORRELATES OF DIMENSIONS OF SERVICE RECOVERY DIMENSIONS AND OVERALL SATISFACTION (GROUP 4 PRESENCE OF FEEDBACK)

Pearson correlation coefficient was computed in order identify the relationship between the dimensions of service recovery and overall satisfaction, in the presence of explanation.

All total there were six dimensions of service recovery The Pearson correlation coefficient of dimensions of service recovery and overall satisfaction is shown in table 6.41. The table clearly shows that four out of the six dimensions of service recovery have significant correlation with the variable overall satisfaction.. The interpretation of each variable is explained below.

**Table 6.41: Relationship (Correlation Coefficient) of Dimensions of service recovery with overall satisfaction
Group4 (Presence of Feedback)
(N=99)**

Dimensions of service recovery	Overall Satisfaction
Reliability	.477**
Standardized Policies	.280**
Compensation	.274**
Response time	.316**
Empowerment	-.010 NS
Communication	.090 NS

** Significant at .01 level.

NS=Not Significant

Reliability: The table 6.41 shows that there is a significant and positive relationship between reliability and overall satisfaction. ($r=0.477$ significant at 0.01 level). This relationship indicates that customers when provided with explanation regarding the progress made to resolve their problem i.e. cognitive control (procedural justice) tend to perceive the service provider as reliable and have positive relationship with satisfaction. When the service provider provides a remedial action by giving any explanation to the customer regarding the progress made to solve his/her problem, the customer finds the service provider as reliable and capable of providing error free service

Standardized Policies: The table shows that there is a significant and positive relationship between the dimension standardized policies and overall satisfaction ($r=0.280$ significant at 0.01 level). This relationship indicates that customers when provided with explanation regarding the progress made to resolve the problem and are given cognitive control

(procedural justice) perceive that the service provider has highly standardized policies to deal with the problems of service failure and thus feel more satisfied. When the service provider provides a remedial action giving explanation to the customer and keeping him informed, the customer perceives the service provider to have fair and just policies and procedures to satisfactorily resolve the problem.

Compensation: The table shows that there is a significant and positive relationship between compensation and overall satisfaction. ($r=0.274$ significant at 0.01 level). This relationship indicates that customers when provided with explanation regarding the progress made to resolve the problem and are given cognitive control (procedural justice) have positive relationship with satisfaction. When the service provider provides a remedial action giving explanation to the customer and keeping him informed, the customer perceives the service provider as fair and just and find the outcome of the interaction as positive, fair and just.

Response time: The table shows that there is a significant and positive relationship between response time and overall satisfaction of the customer. ($r=0.316$ significant at 0.01 level.). This relationship indicates that customers when provided with explanation regarding the progress made to resolve the problem and are given cognitive control (procedural justice) perceive positive relationship with satisfaction. When the service provider provides a remedial action giving explanation to the customer and keeping him informed, the customer perceives the time taken by the service provider has “quick”.

Empowerment: The table shows that there is a negative relationship between empowerment and overall satisfaction. ($r=-0.01$). This relationship however is very weak and is insignificant. This relationship indicates that customers when provided with explanation i.e. cognitive control (procedural justice) tend to perceive the service provider as weak and not empowered.

Communication: There is positive and insignificant relationship between communication and overall satisfaction. ($r=0.090$ significant at 0.05 level). This relationship indicates that customers when provided with explanation regarding the progress made to resolve the problem (double booking) i.e. provided with cognitive control (procedural justice) perceive the communication of the service provider as polite, kind and empathetic.

6.8.4 REGRESSION PROCESS

Regression Model for Predicting the Effect of Service recovery Dimensions and the Overall Satisfaction

This section works out the regression model of the dimensions of service recovery that impact the overall satisfaction of the customer in the event when after a service failure the service provider provides only a non monetary compensation in the form of apology and also updates the customer on the progress made to resolve the problem. A stepwise regression analysis was conducted.

**Table 6.42: Determinants of Overall satisfaction
Group4 (Presence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Overall satisfaction		
	Beta (standardized)	Simple r	t-value
Reliability	.618**	.477**	6.25
Empowerment	-.393**	-.010	4.00
Compensation	.195*	.274**	2.199
Multiple R = .595 R Square = .354			

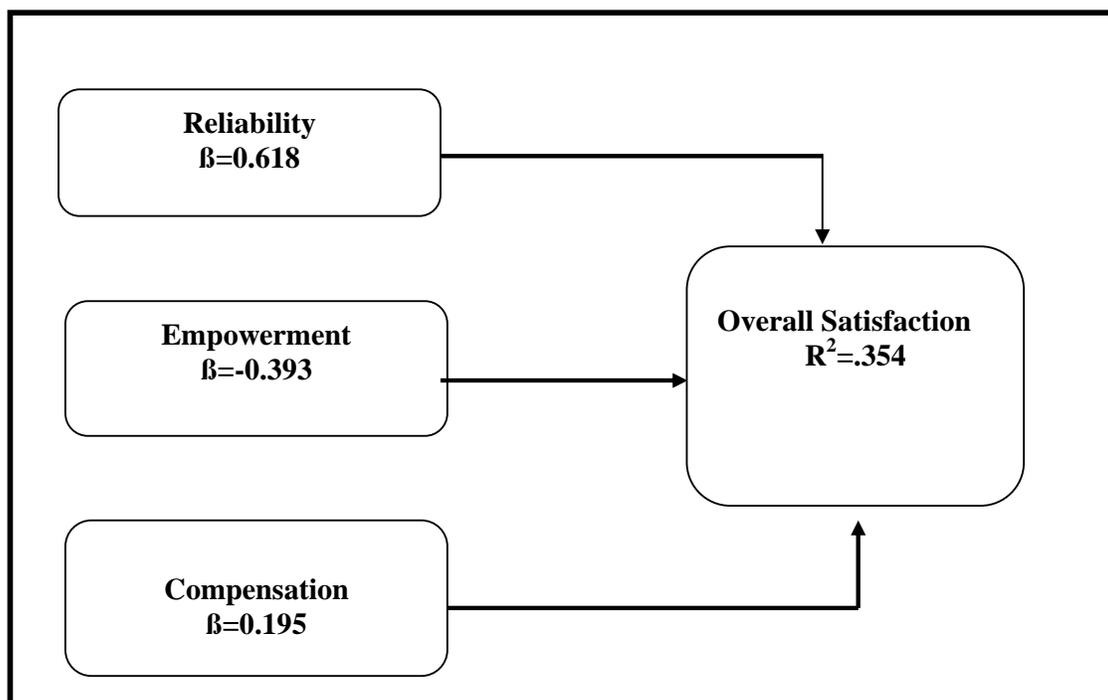
*Significant at 0.05 level ** Significant at 0.01 level

The six independent variables i.e. the dimensions of service recovery were entered in the regression equation in order to find out their contribution to dependent variable (overall satisfaction). As seen from the Table 6.42, the value of multiple R is 0.595 and the value of R^2 is 0.354 (Table 6.42). It states that 35% of the satisfaction after the service recovery can be controlled by these three determinants namely: Reliability, Compensation and Empowerment. 35% is a significant value that explains the cause of satisfaction after service recovery. The rest 65% can be attributed to so many other factors which are scattered and individually contribute to the satisfaction.

Reliability: There is a positive effect of reliability on overall satisfaction ($\beta=0.618$, $p < 0.01$). This dimension alone contributes 61% of the total satisfaction explained. In the given situation where the customers were provided with explanation regarding the progress made to resolve the problem i.e. cognitive control (procedural justice) was provided, the customers perceived the service provider as trust worthy and capable of providing an error free service.

Empowerment: There is an inverse relation of empowerment with overall satisfaction. This determinant has negative effect on the overall satisfaction ($\beta=-0.393$, $p < 0.01$). This indicates that the customer perceives the explanation of the service provider during resolving the problem negatively. This can be explained by the fact that the effort to keep the customer informed about the problem is perceived as being too servile and less assertive, which shifts the locus of control on the service provider. The expectations of the customer increases and they start perceiving that the service provider is not sure of the actions to be taken and is therefore indulging in this exercise of explanation and feedback.

Compensation: This factor explains 19% of the explained overall satisfaction, with beta coefficients as .195 significant at 99%. ($\beta=0.195$, $p < 0.01$). This relationship indicates that after a service failure the customer perceives the compensation in the form of apology as fair if he is equipped with cognitive control i.e. is equipped with the information on the progress being made to solve the problem.



**Figure 6.19: Determinants of Overall satisfaction
Group4 (Presence of Feedback)**

6.9 INFLUENCE OF CULTURE ON SERVICE RECOVERY DIMENSIONS

The study on the effect of culture on the importance of service recovery dimensions follows a sequence of logical steps. The mean and standard deviation reveals the cultural profile of the customers of this group. The results enable the ranking of recovery attributes in terms of their importance to the customers. Pearson's correlation coefficients are used to study the relationships between the dimensions of culture and dimensions of service recovery. Finally the five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variables i.e. attributes of service recovery

6.9.1 CULTURAL PROFILE OF THE RESPONDENTS

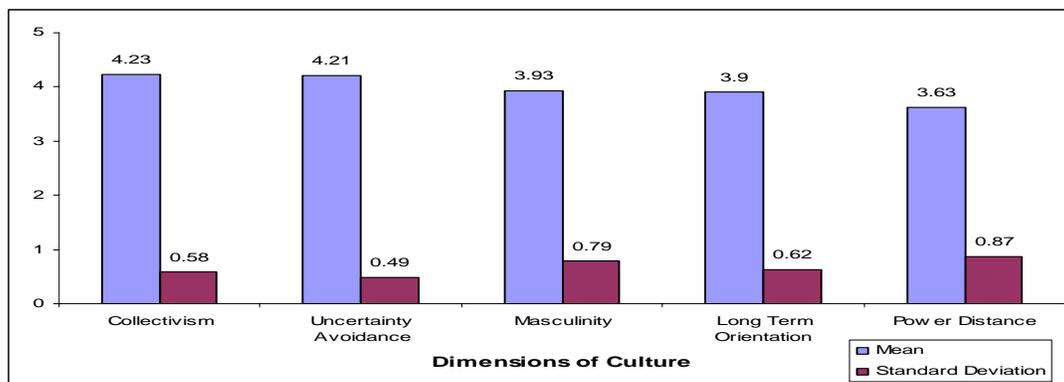
The cultural profile of the respondents was tapped. The table 6.43 and figure 6.20 below gives the cultural profile of the respondents in this group.

**Table 6.43: Means and Standard deviation of Dimension of Culture
Group4 (Presence of Feedback)
(N=99)**

Dimensions of Culture	Mean	Standard Deviation
Collectivism	4.23	.58
Uncertainty Avoidance	4.21	.49
Masculinity	3.93	.79
Long Term Orientation	3.90	.62
Power Distance	3.63	.87

The customers in this group are characterized as people with high values of uncertainty avoidance (m=4.21 and SD=.49). The mean of this group on this dimension is significantly different in comparison to the mean of group 3 (refer t test table 6.32). The customers of this orientation would like reduction of ambiguity and have a need for predictability: a need for written rules, and a structured relationship. People with strong uncertainty avoidance values are active, aggressive, emotional, security-seeking, and intolerant [68] [67] [54]. The customers in this group are also high on masculinity (m=3.93 SD=.79), long term orientation (m=3.90 SD=.62) and collectivism values (m=4.23 SD=.58). Masculine people according to

Holt 1998 [202] tend to value decisiveness, assertiveness, competitiveness and some other traditional manly values as necessary characters to play the leading roles. Collectivists have strong social ties. The long term orientation has emerged as the fourth most important cultural value indicating that the respondents in this group believe in the long term relationship with the service provider of their choice. Redpath and Nielson (1997) [243] stated that people with long term orientation include values like thrift, saving, persistence with slow results, adaptation of traditions to a modern context, acceptance of unequal relationship, and a concern for virtue rather than truth. The mean of the last dimension i.e. power distance is in the middle of the 5 point scale. ($m=3.63$ $SD=.87$). This indicates that the respondents in this group can neither be classified as high on power distance or low on this dimension.



**Figure 6.20: Mean and standard Deviation
Group5 (Presence of Feedback)**

6.9.2 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND CULTURAL DIMENSIONS

The Pearson correlation coefficient was computed to test the relationship between the dimensions of culture and service recovery. The Pearson correlation coefficient of the independent variables and the dependent variable is shown in table 6.44. The table clearly shows that four of the five dimensions of culture have significant correlation the dimension of service recovery. The correlations were statistically significant at 0.05 levels. The interpretation of each variable is explained below.

**Table 6.44: Relationship (Correlation Coefficient) of Dimensions of culture Dimensions of service recovery
Group 4 (Presence of Feedback)
(N=99)**

Dimensions of Culture Dimensions of Service Recovery	Uncertainty Avoidance	Masculinity	Long Term Orientation	Collectivism	Power distance
Empowerment	-0.060	-0.218*	-0.117	-0.165	-0.007
Reliability	0.080	-0.109	-0.094	-0.090	-0.006
Communication	0.272**	0.287**	0.089	-0.050	0.220*
Standardized policies	0.095	-0.064	-0.051	-0.095	-0.008
Compensation	0.195*	0.063	0.192*	0.070	0.201*
Response time	-0.082	0.122	-0.154	-0.067	-0.089

*Significant at .05 level. ** Significant at .01 level.

Uncertainty Avoidance: The table shows that there is a significant relationship between uncertainty avoidance values so far as the communication and fair compensation dimension of service recovery is concerned. Though insignificant but positive relationship appears with the dimension of reliability and standardized policies. There is weak insignificant, yet negative relationship with empowerment and response time.

The customers in this group are characterized by high score of uncertainty avoidance. Such people will certainly prefer to have the information on what is being done to resolve their problem as they detest ambiguity. This explains why the customers in this group perceive positively so far as reliability, communication standardized policies and fair compensation are concerned. There is a significant and positive correlation between uncertainty avoidance values and communication ($r=0.272$ significant at 0.001 level.). This relationship indicates that of people with uncertainty avoidance values will be satisfied if the service provider during the recovery process provides them on the progress being made to resolve their complaint. This feedback reduces the level of uncertainty and therefore they are more satisfied and thus perceive the service provider to be empathetic, kind and courteous.

There is a significant and positive correlation between uncertainty avoidance values and the dimension compensation ($r=0.195$ significant at 0.05 level). This can be explained as people with high score on uncertainty avoidance perceive the service provider to have compensated them in fair and just manner. The customers here were given full cognitive control. They

knew what was being done to resolve the problem and therefore were satisfied with the efforts taken by the service provider to help him out. The apology along with the efforts to reduce their uncertainty of these customers by giving the feedback makes customers of such value perceive the service provider as being fair in compensation.

Masculinity: The table 6.44 shows that there is a significant relationship between masculinity values so far as the empowerment and communication dimension of service recovery are is concerned. There is positive yet weak and insignificant relationship between masculinity and the dimensions fair compensation and response time. Reliability and standardized policies have a weak and insignificant negative relationship with masculinity.

There is a significant and negative correlation between masculinity and empowerment dimension of service recovery. ($r=-0.218$ significant at 0.05 level). According to Holt (1998) [203] the people of masculine orientation tend to value decisiveness, assertiveness, competitiveness. In the event of failure too much of explanation is perceived negatively by the masculine customers. These customers perceive that the service provider is not in control of the situation and therefore is indulging in the act of explanation. This relationship indicates that people high on masculinity values will be less satisfied if the service provider during the recovery process instead of providing with concrete action indulges in offering feedback on the progress. They perceive too much of explanation as lack of knowledge and assertiveness on the part of the service provider. They feel the service provider was less assertive and confident and therefore giving too many explanations.

There is a significant and positive correlation between Masculinity and communication dimension of service recovery is concerned ($r=-0.287$ significant at 0.01 level). Customers high on masculinity perceive more on satisfaction when the employees are empathetic and are polite and concerned. The act of providing feedback is perceived as the effort to woo the customer by doing best they can do. Thus a very strong positive relationship is found between the two dimensions.

Long Term Orientation: The table 6.44 shows that there is a significant relationship between long term orientation values and the dimension compensation ($r=0.192$ significant at 0.05 level). The customers in this group exhibit very high score for the dimension long term orientation. (Mean=3.90). The customers here values personal steadiness and stability. They do not believe in assurances from the service provider, and are tolerant. In the present scenario

where the customer of long term orientation is provider with constant feedback on the progress made to solve the problem of double booking the customer perceives the service provider to fair in compensation.

Collectivism: The table shows that there is no significant relationship of Collectivism values with each dimension of satisfaction from service recovery is concerned

Power Distance: The table shows that there is a significant relationship between power distance values and two of the dimension of service recovery, namely communication and compensation. The customers in this group are moderate therefore not very high nor very low on this dimension. The mean of this dimension is 3.63 which is near four on a five point scale, i.e. 'agree' if not strongly agree to this dimension. The people falling in this dimension are characterized as customers who accept centralization and formalization of authority and tolerate the lack of autonomy. The customers of this orientation are characterized as weak in relation to the service agents (students who are not patronizing the hotel much) and therefore are prepared to accept the relatively less reliable service from powerful service provider [55] [55]

There is a significant and positive correlation between power distance values and communication. ($r=0.220$ significant at 0.01 level.). This relationship indicates that people with Power Distance perceive the service provider as empathetic and courteous if the service provider keeps him updated on the efforts made to resolve his/her problem.

There is a significant and positive correlation between power distance values and compensation ($r=0.201$ significant at 0.05 level). This relationship indicates that people with power distance perceive the service provider to have extended fair and just compensation for the inconvenience caused due to double booking. An apology is considered as fair and just as compensation when the customer is updated on the recovery efforts made by the service provider to resolve the problem

6.9.3 REGRESSION PROCESS

Regression Model for Predicting the Effect of Dimensions of Culture on Dimensions of Service Recovery:

This section works out the regression model of the dimensions of culture that impact the dimensions of service recovery. The customer in this situation, after a service failure (i.e. booked room not made available due to double booking) receives feedback and apology from the service provider. A stepwise regression analysis was conducted.

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (empowerment). Only one determinant out of five has emerged as contributing significantly to the dependent variable (empowerment). The variable is masculinity. Table 6.45 shows the contribution of this variable is 5%. The value of R^2 0.05 and Multiple R is 0.22.

The customers with masculinity values in the given situation (where the service provider has extended an apology and provides feedback on the progress made to resolve the problem) perceives the service provider as less empowered ($\beta=-0.22$, $p < 0.05$) Masculine are decisive, assertive and competitive. Too much of feedback and explanation is probably what the customers with masculine values do not like and therefore the explanation is perceived as lack of confidence or empowerment of the service provider.

**Table 6.45: Determinants of Empowerment
Group4 (Presence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Empowerment		
	Beta	Simple r	t-value
Masculinity	-0.22*	-0.218*	-2.2
Multiple R =0.22 R Square = 0.05			

* Significant at 0.05 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (communication). Only one determinant out of five variables has emerged as contributing significantly to the dependent variable

(communication). The determinant is masculinity. The contribution of this variable is 8%. The value of R^2 is 0.08 and Multiple R is 0.29 (Table 6.46).

The customers with masculinity values in the given situation (where the service provider has extended an apology and provides feedback on the progress made to resolve the problem) perceives the service provider good in communication ($\beta=0.29$, $p < 0.01$). The feedback from the service provider makes the masculine customer perceive the service provider as kind, courteous. It can be said that the constant feedback from the service provider creates a perception that the service provider is trying to solve the problem to the best of its capacity and thus explaining this positive relationship.

**Table 6.46: Determinants of Communication
Group4 (Presence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Communication		
	Beta	Simple r	t-value
Masculinity	0.29**	0.287**	2.95
Multiple R =0.29 R Square = 0.08			

** Significant at .01 level.

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (compensation). Only one determinant out of five has emerged as contributing significantly to the dependent variable (compensation). The determinant is power distance (Table 6.47). The contribution of this determinant is 4%. The value of R^2 is 0.04 and Multiple R is 0.20

The customers of power distance orientation perceived the service provider in good light so far as the compensation was concerned ($\beta=0.20$, $p < 0.05$). Power distance is “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” [67]. They accept centralization and formalization of authority and tolerate the lack of autonomy. Therefore compensation in the form of an apology and feedback creates a positive perception regarding the compensation for customers of this orientation.

**Table 6.47: Determinants of Compensation
Group4 (Presence of Feedback)
(N=99)**

Independent Variables	Dependent variable: Compensation		
	Beta	Simple r	t-value
Power Distance	0.20*	0.201*	2.02

Multiple R =0.20

R Square = 0.04

*Significant at 0.05 level

6. 10 DISCUSSION GROUP 3 AND 4

A step wise regression analysis was done to observe the effect of the dimensions of service recovery on overall satisfaction in the absence and presence of feedback. The analysis revealed that the dimensions of service recovery did effect the overall satisfaction of the customers, but, differently for the two groups. For group 3 (absence of feedback) the R^2 is .301 with two out of six dimensions i.e. communication and compensation contributing significantly. However, in group four (presence of feedback) three dimensions i.e. reliability, empowerment and compensation explain 35 % (R^2 .354) of the overall satisfaction.

The regression analysis between dimensions of service recovery as the independent variables and overall satisfaction as dependent variable reveals that the dimension compensation contributes significantly in explaining the overall satisfaction in both the groups. ($\beta=0.228$, $p < 0.01$ and $\beta=0.198$, $p < 0.01$ for group 3 and 4 respectively).

It is noted that the determinants of overall satisfaction in group 2 (absence of compensation) Table 6.18 Section A and group 3 (absence of feedback) are communication and compensation. It is seen that an apology an apology is viewed as a valuable reward that redistributes esteem in an exchange relationship [232]. An apology is perceived as an expression of empathy and concern to customers who have experienced the inconvenience [27] [260]. The customers who have taken time and effort to complain about the service problem typically expect the mistake to be corrected and the problem to be resolved in order to achieve justice [174]. For example, customers expect a reimbursement if their accounts were mistakenly charged. With the problem being resolved and the blame of the service failure being taken by the service provider (an apology extended), the customers' feel that

they have received the outcomes they expect and deserve. And therefore perceive the compensation to be apt in both the situations.

Feedback may be viewed by customers as an important piece of information, a valuable outcome, and a means to understand and control their service environment. Mattila and Patterson (2004) [85] found that providing a causal explanation regarding the service failure reduced the likelihood of U.S. customers falling prey to the fundamental attribution error and increased their likelihood to attribute the errors to situational factors. However, explanations might backfire if deemed by customers as the service organization's attempts to justifying service failures and to place rather than take blame. This explains the negative contribution of empowerment to overall satisfaction in group 4 where the customer was given feedback/cognitive control. (table 6.42.)

A closer look at the cultural profile of the customers in these groups reveals that both the groups have customers who are high on power distance values. (Table 6.32). The customers of this orientation accept centralization and formalization of authority and tolerate the lack of autonomy. The customers of this orientation are characterized as weak in relation to the service agents (students who are not patronizing the hotel much) and therefore are prepared to accept the relatively less reliable service from powerful service provider [54] [55]. An apology without compensation and feedback is acceptable as fair compensation to the weak power distance customers.

The customers with masculinity values perceive the service provider good in communication both in the presence and absence of feedback. When the service provider does not provide the feedback and simply after forty five minutes resolves the problem, masculine perceives the service provider to be empathetic, kind and courteous and good in communication ($\beta=0.27$, $p < 0.01$). In the case where the service provider keeps the customer informed regarding the progress made the customer considers the service provider as good in communication ($\beta=0.29$, $p < 0.01$), but on the same hand they perceive the service provider as less empowered (Table 6.45). Too much of feedback and explanation is probably what the customers with masculine values do not like and therefore the explanation is perceived as lack of confidence or empowerment of the service provider.

The customers of long term orientation is orientation in group three, when the service provider does not provide them with the feedback on the progress made to resolve the problem

perceive the service provider reliable. The customers of this orientation believe in maintaining long term relationship with the service provider and therefore do not seek for assurances from the service provider and are forgiving the relatively poor service from the service provider they care most [243]. However, the customers of the same orientation do not have significant contribution in explaining the dimensions of service recovery in group four. The cognitive control provided by the service provider in the form of feedback makes them perceive the service provider as not so reliable.

The customers with collectivism values in the situation where the service provider has extended an apology and provides feedback on the progress made to resolve the problem are not related with any of the six dimensions of the satisfaction from service recovery. It is observed that in the previous situation (where the service provider has extended an apology but does not provide feedback on the progress made to resolve the problem), the customers with collectivism values had perceived service provider as negative on response time ($\beta = -0.23$, $p < 0.05$). The customers with collectivism orientation during the recovery process with no feedback felt that the time taken by the service provider was more than required and therefore has a negative relation with the dimension “response time”, however in the presence of feedback the customers remain neutral.

Individuals with lower score of uncertainty avoidance are contemplative, less aggressive, unemotional, accepting of personal risk, and relatively tolerant. This explains absence of any negative relationship with the dimensions of service recovery even in the absence of feedback.

6.11 SECTION C: INTRODUCTION

This section explores the correlates and determinants of dimensions of service recovery with overall satisfaction. It also explores the correlates and determinants of dimensions of cultural orientation and dimensions of service recovery with regards to the given service recovery action

6.11.1 GROUP 5 RE-ACTIVE SERVICE RECOVERY

The respondents in this section were asked to note down their responses after reading the given service recovery action to a service failure (which was same for all the groups i.e. non availability of rooms after confirmed booking due to double booking).The recovery action

meted out to the respondents of this group was re-active i.e. only after the customer complaints the service personnel apologizes and starts the recovery action. Ninety nine respondents were asked to give their responses after reading the service recovery action. After 45 minutes the problem of double booking is resolved and the service personnel again apologizes. Their responses were measured on a four point scale with one being strongly disagree and four being strongly agree The cultural orientation of the respondent was tapped in section C of the instrument on a five point scale where one was strongly disagree and 5 was strongly agree.

The effect of service recovery dimensions on the overall customer satisfaction is studied first followed with the study of influence of the dimensions of cultural orientation and dimensions service recover This is followed by a discussion on the outcomes of group 5 (where the interactional justice was absent as service recovery is initiated at the behest of the customer) and group 6 (where the interactional justice was present as the recovery action was initiated before the customer complained).

6.11.2 BRIEF PROFILE

The respondents were final year undergraduate students who have had the experience of staying in a hotel for at least one week in past twelve months. The brief profile of the respondents was captured as under.

6.11.2.1 PROFILE- GENDER: The male respondents were marginally more in number than the female respondents. However since respondents of both the gender have been exposed to the same kind of education and experience in terms of age (refer table number 6.49) we deduce that gender has negligible role to play so far as the study is concerned.

**Table 6.48 Profile-Gender
Group 5 (Reactive service Recovery)**

Gender	Frequency	Percent
Female	25	25.3
Male	74	74.7
Total	99	100.0

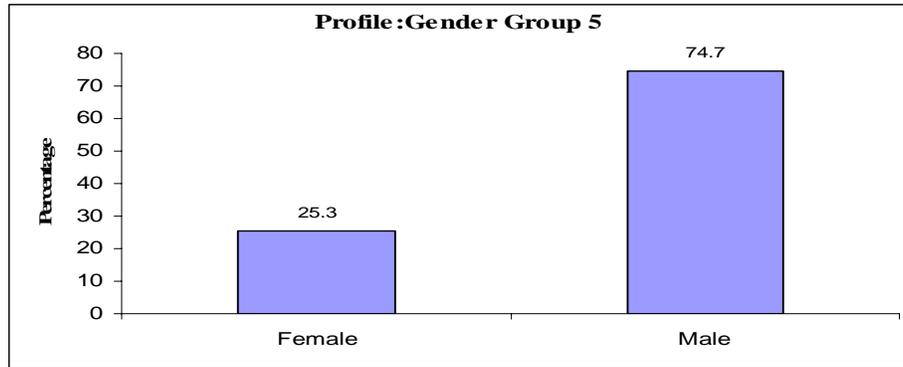


Figure 6.21: Profile-Gender Group 5 (Reactive service Recovery)

6.11.2.2 PROFILE –AGE: The age of the respondents varied from twenty two to twenty four. The respondents fell mainly in the same age bracket thus eliminating the chances of age playing any crucial role in the altering the responses. The respondents reaction was primarily to the stimulus (recovery action) provided to them rather than age or experience acting as intervening variables.

Table: 6.49 Profile -Age Group 5 (Reactive service Recovery)

Age(Years)	Frequency	Percent
22	21	21.2
23	56	56.5
24	22	22.2
Total	99	100

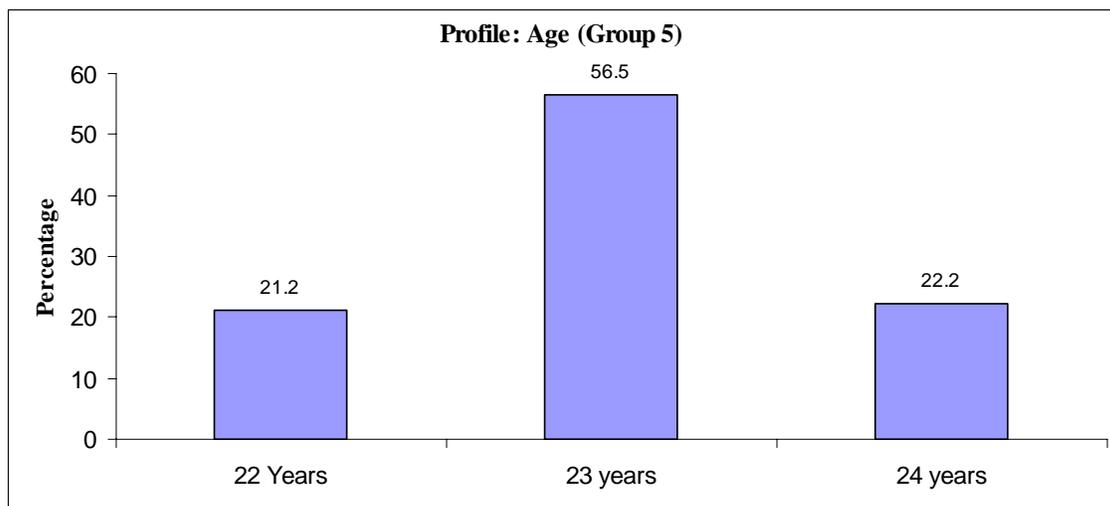


Figure 6.22 Profile: Age Group 5 (Reactive service Recovery)

6.11.3 MEAN AND STANDARD DEVIATION OF THE DIMENSIONS OF SERVICE RECOVERY. GROUP 5 (REACTIVE SERVICE RECOVERY)

The mean and standard deviations of the service recovery dimensions were calculated. The responses were captured on a four point scale with four as the strongly agree and one as strongly disagree. The ranking of the dimensions based on the means and standard deviations is shown in Table 6.50 and graphically presented in Figure 6.23

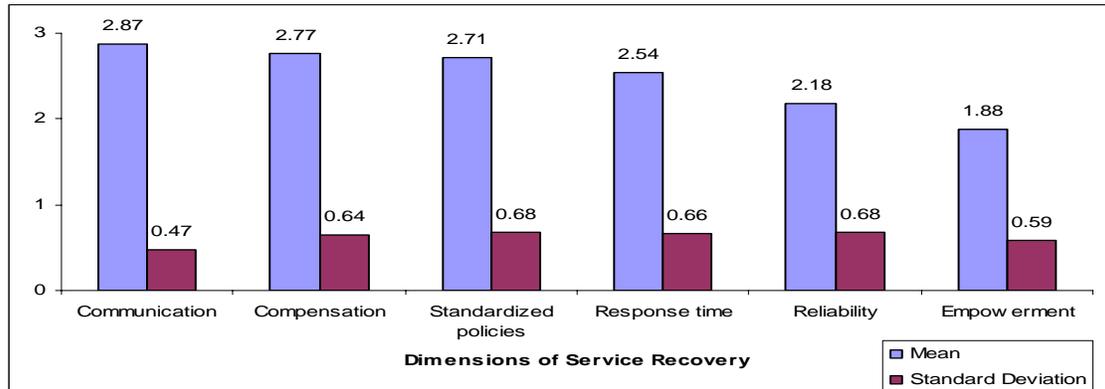
Table 6.50: Means and Standard deviation of dimension of service recovery Group 5 (Reactive service Recovery) (N=99)

Dimensions of Service Recovery	Mean	Standard Deviation
Communication	2.87	.47
Compensation	2.77	.64
Standardized policies	2.71	.68
Response time	2.54	.66
Reliability	2.18	.68
Empowerment	1.88	.59

It is observed that the mean for the dimension Communication is the highest ($m=2.87$ and $SD=.47$). It is rounding off to three on a four point scale. The customers with the given recovery action feel satisfied so far as this factor is concerned. They perceive the service provider as polite, caring, kind and empathetic. This dimension is ranked as first and is found as most favorable by the customer.

The second rank is being given to the dimension compensation. The mean for the factor compensation is 2.77 and the dimension that follows next is the dimension standardized policies dimension. ($m=2.71$, $SD=0.64$). This implies that in a reactive service recovery the customer perceives fairly justified so far as the compensation is concerned. The customers do not feel at loss and feel that the recovery action was fair and just. Not only this, the customer also perceives the service provider to be good on the existing policies and procedures of the service provider. This has received the third ranking. According to the mean the factor response time is the fourth most important factor ($mean=2.54$). In the given situation the customers perceive that the service provider was fairly quick in responding. The dimensions reliability and empowerment are the dimensions who either have a neutral or below neutral

score. The customers in the given scenario do not rate highly the service provider on these two dimensions. In the other words the service provider does not perceive the service provider to be reliable to provide error free service and not empowered enough to take decisions in a crisis situation like this. This may be because of the fact that the customers were being informed on the progress made but were not given any compensation for the failed service.



**Figure 6.23: Mean and Standard Deviation
Group 5 (Reactive service Recovery)**

6.11.4 COMPARISON OF DIMENSIONS OF SERVICE RECOVERY BETWEEN THE GROUP 5 (REACTIVE SERVICE RECOVERY) AND GROUP 6 (PRO-ACTIVE SERVICE RECOVERY)

The Duncan's t test was applied to compare the dimensions of service recovery between the two groups i.e. group 5 where after a service failure the customer was provided with a recovery action only after the customer complained and group 6 where service provider initiates the recovery action before the customer complaints. Table 6.51 shows all the values of mean and standard deviation of the dimensions of service recovery across the two groups.

Table 6.51: Comparison of dimensions of Service Recovery between group 5 and 6

Dimensions of Service Recovery	Re-activeness (N= 99)	Pro activeness (N=99)	t-value
	Mean S.D	Mean S.D	
Reliability	2.18 (.68)	2.38 (.64)	2.109*
Communication	2.87 (.47)	2.82 (.56)	.715
Response time	2.54 (.66)	2.45 (.78)	.832
Standardized policies	2.71 (.68)	2.84 (.66)	1.369
Compensation	2.77 (.64)	2.93 (.64)	1.704
Empowerment	1.88 (.59)	2.03 (.57)	1.750

* Significant at .05 level.

Significant difference was found in the mean value of the dimension reliability across two groups. Group six where the recovery action was initiated by the service provider i.e. the service provider identified and provided the recovery action before the customer complained of the problem, perceived the service provider as reliable and trust worthy and capable of providing error free service.

There is no significant difference in the perception of the customer of the two groups so far as the other dimensions i.e. empowerment, communication, compensation; standardized policies and response time are concerned.

6.11.5 CORRELATES OF DIMENSIONS OF SERVICE RECOVERY AND OVERALL SATISFACTION: GROUP 5 (PRO-ACTIVE SERVICE RECOVERY).

In order to identify relationship between the overall satisfaction and the dimension of service recovery Pearson's correlation coefficient between the dimensions of service recovery and overall satisfaction were computed. The Pearson's correlation coefficients between the two were calculated to test the relationship between the dimensions of service recovery and overall satisfaction, in the presence of re active service recovery.

The Pearson correlation coefficients are presented in the Table 6.52. The correlations were statistically significant at 0.05 levels. The table clearly shows that four out of six dimensions have significant correlation with overall satisfaction. The interpretation of each variable is explained below.

**Table 6.52: Relationship (Correlation Coefficient) of Dimensions of service recovery with overall satisfaction
Group 5 (Re-active service Recovery)
(N=99)**

Dimensions of service recovery	Overall Satisfaction
Reliability	.344**
Communication	.382**
Policies and procedures	.392**
Response time	.237*
Compensation	.142
Empowerment	.194

*Significant at .05 level. ** Significant at .01 level.

Reliability: There is a significant and positive relationship between reliability and satisfaction. ($r=0.344$ significant at 0.01 level.). This shows that after the recovery interaction (where the service failure is rectified along with an apology only after the complaint made by the customer) the customer perceives the service provider as reliable. The customer has positive feelings for the service provider and perceives the service provider as trust worthy and capable of handling such problems and providing error free service.

Communication: There is significant and positive relationship between the dimension communication and overall satisfaction. ($r=0.382$ significant at 0.01 level). This relationship indicates that customers tend to perceive the communication of the service provider as positive when the service provider rectifies the service failure at the behest of the customer complaint.

Policies and procedures: There is significant and positive relationship between the dimension communication and overall satisfaction. ($r=0.392$ significant at 0.01 level). This relationship indicates that a customer perceives the communication of the service provider in the given scenario as positive.

Response Time: There is significant and positive relationship between the dimension communication and overall satisfaction. ($r=0.237$ significant at 0.05 level). This relationship indicates that a customer perceives the service provider as quick in responding to the complaint of the customer.

Compensation: The table shows that there insignificant yet positive relationship between compensation and overall satisfaction ($r=0.143$).

Empowerment: The table shows that there insignificant yet positive relationship between empowerment so far as the satisfaction from service recovery. ($r=0.194$).

6.11.6 REGRESSION PROCESS: REGRESSION MODEL FOR PREDICTING THE AFFECT OF SERVICE RECOVERY DIMENSIONS AND THE OVERALL SATISFACTION

This section works out the regression model of the dimensions of service recovery that impact the overall satisfaction of the customer in the event when after a service failure the service provider provides the recovery action only after receiving the complaint from the customer.

After receiving the complaint the service provider is servile in his attitude and extends an apology to the customer and later resolves the problem. A stepwise regression analysis was conducted. (Table 6.53 and figure 6.24).

**Table 6.53: Determinants of Overall satisfaction
Group 5 (Re- active service Recovery)
(N=99)**

Independent Variables	Dependent variable: Overall Satisfaction		
	Beta(standardized)	Simple r	t-value
Standardized Policies	.274**	0.392**	2.934
Communication	.229**	0.382**	2.379
Reliability	.210*	0.344**	2.242
Multiple R = .517 R Square = .267			

*Significant at .05 level. ** Significant at .01 level.

The value of multiple R is 0.517 and the value of R^2 is 0.267. It states that 26% of the satisfaction after the service recovery can be controlled by the three factors namely: standardized policies, communication and reliability. The dependent variable is the overall satisfaction and the three independent variables namely standardized policies, communication and reliability are also positively and significantly correlated.

Standardized Policies: There is a positive and significant contribution of standardized policies in explaining overall satisfaction. ($\beta=0.274$, $p < 0.01$). The contribution of this variable in explaining the overall satisfaction is 27%. In the given situation (where the service provider reacts to the complaint in a servile attitude and extends an apology and no compensation), the customer perceived the service provider to have good policies and standardized to handle such service failures.

Communication: There is a positive relation of communication with overall satisfaction. This relationship ($\beta=0.229$, $p < 0.01$) indicates that after the complaint of the service failure by the customer, the recovery action of the service provider in the form of rectifying the problem and apologizing for the service failure is appreciated by the customer. The customers perceive the service provider as kind and courteous and empathetic.

Reliability: There is a positive and significant contribution of the dimension reliability in explaining the overall satisfaction. This ($\beta=0.210$, $p < 0.05$) indicates that after the complaint of the service failure the recovery action of the service provider is appreciated by the customer. The customer perceives the service provider as reliable and capable of providing the error free service.

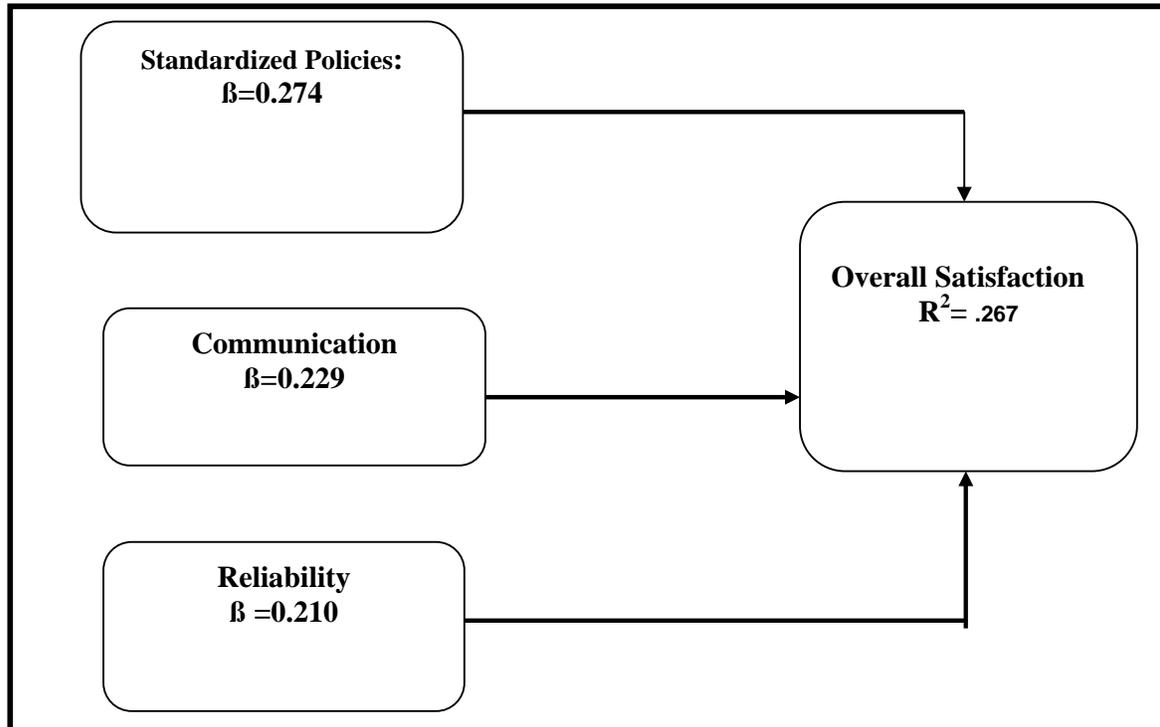


Figure 6.24: Determinants of Overall satisfaction
Group 5 (Reactive service Recovery)

6.12 INFLUENCE OF CULTURE ON SERVICE RECOVERY DIMENSIONS

To study the effect of culture on the importance of service recovery dimensions follows a sequence of logical steps. The cultural profile of the respondents was tapped. The distributions statistics are used to outline the cultural characteristics of the group of respondents. Second, Pearson's correlation coefficients are used to find the relationships between the dimensions of culture and attributes of service recovery. The results enable the ranking of recovery attributes in terms of their importance to the customers. The effect of the attributes' importance on the strength of these relations with customer satisfaction is assessed. Finally the five cultural

independent variables were entered in the regression equation in order to find out their contribution to dependent variables i.e. attributes of service recovery.

6.12.1 CULTURAL PROFILE OF THE RESPONDENTS

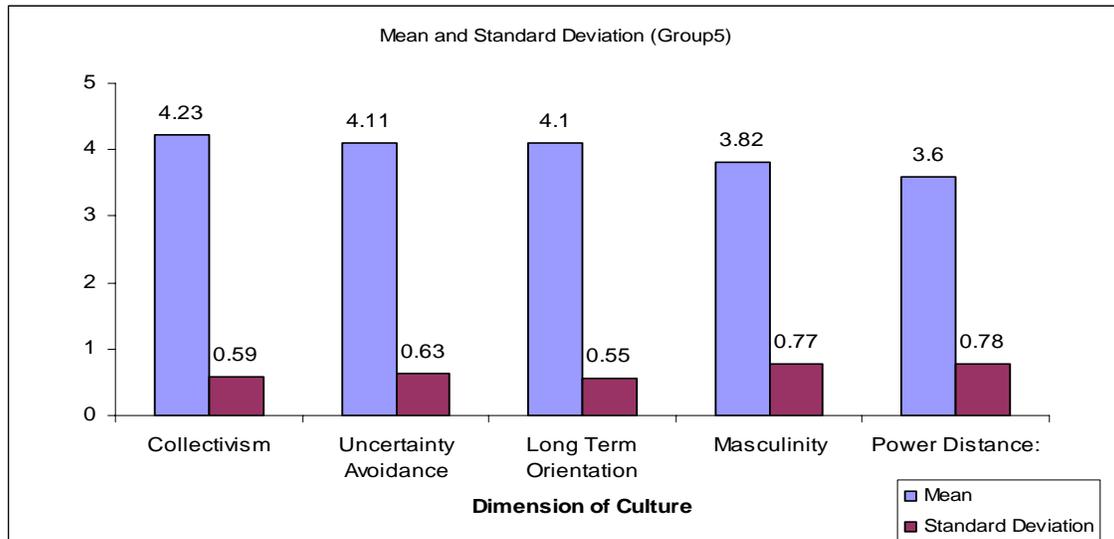
The table 6.54 below shows the profile of the respondents in this group.

**Table 6.54: Means and Standard deviation of Dimension of Culture
Group 5 (Reactive service Recovery)
(N=99)**

Dimensions of Culture	Mean	Standard Deviation
Collectivism	4.23	.59
Uncertainty Avoidance	4.11	.63
Long Term Orientation	4.10	.55
Masculinity	3.82	.77
Power Distance	3.60	.78

The mean of the responses as captured on a five point scale is listed in table 6.63. It is observed that that the mean for collectivism is highest i.e. 4.23. This shows that the respondents have high collectivism orientation. This is closely followed by the mean of the factor uncertainty avoidance. This implies that the respondents in this group are collectivists and like to have a stable and predictable environment. Uncertainty perturbs them.[67] . They have low inclination towards risk. They prefer certainty over uncertainty. The long term orientation has emerged as the third most important cultural value indicating that the respondents in this group believe in the long term relationship with the service provider of their choice. Redpath and Nielson (1997) stated that people with long term orientation include values like thrift, saving, persistence with slow results, adaptation of traditions to a modern context, acceptance of unequal relationship, and a concern for virtue rather than truth[243].

However, the mean of the remaining two factor i.e. masculinity and power distance hovers around the midpoint i.e. 3.82 and 3.60 respectively. It is thus deduce that the respondents in this group are neither very high nor very low on the continuum.



**Figure 6.25: Mean and standard Deviation
Group 5 (Reactive service Recovery)**

6.12.2 COMPARISON OF DIMENSIONS OF CULTURE BETWEEN THE GROUP 5 AND GROUP 6

The t- test was applied to compare the dimensions of culture between the two groups i.e. group five where the service recovery action was initiated only after the customer complained and group six where service recovery is initiated by the service provider before the customer complains. The service provider even before the customer complains, informs the customer of the service failure and initiates the service recovery process

Table 6.55 shows all the values of mean and standard deviation of the dimensions of culture across the two groups. It is observed that in this group there is no significant difference between the two groups.

Table 6.55: Comparison of Dimensions of Culture between Group 5 and Group 6

Dimensions of Culture	Re active (N= 99)		Pro active (N=99)		t-value
	Mean	S.D	Mean	S.D	
Uncertainty Avoidance	4.11	(.63)	4.15	(.48)	0.376
Masculinity	3.82	(.77)	3.76	(.80)	0.561
Long Term Orientation	4.10	(.55)	4.02	(.61)	0.927
Collectivism	4.23	(.59)	4.24	(.49)	0
Power Distance	3.60	(.78)	3.55	(.84)	0.391

There is no significant difference between the two groups so far as the five dimensions of culture are concerned. Both the groups are characterized to possess the customers who are high on collectivism and uncertainty avoidance. There is also a dominance of customers who value long term orientation and are moderate on masculinity values. The mean of power distance hovers around 3.5 making it neither high nor low on this dimension.

6.12.3 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND CULTURAL DIMENSIONS

Correlations between the dimensions of service recovery and the dimensions of culture were calculated in order to find out the relationship between the two. The Pearson's correlation coefficient was computed to study the relationship between dimensions of cultural orientation and the dimensions of service recovery in the presence of re-active service recovery.

The Pearson correlation coefficient is shown in table below. The Table 6.56 clearly shows that two out of five dimensions of culture have significant correlation with the dimension of service recovery. The correlations were statistically significant at 0.05 levels. The interpretation of each variable is explained below.

**Table 6.56: Relationship (Correlation Coefficient) of Dimensions of culture with Dimensions of service recovery
Group 5 (Reactive service Recovery)
(N=99)**

Dimensions of Service Recovery \ Dimensions of Culture	Uncertainty Avoidance	Masculinity	Long Term Orientation	Collectivism	Power distance
Empowerment	-0.115	0.099	-0.003	-0.171	0.069
Reliability	-0.014	0.129	0.067	-0.093	0.099
Communication	0.109	0.212*	0.016	-0.032	0.074
Standardized policies	-0.063	0.046	0.062	-0.109	0.128
Compensation	-0.005	0.300**	0.124	0.059	0.194*
Response time	-0.060	0.034	0.033	-0.131	-0.033

*Significant at .05 level. ** Significant at .01 level.

Uncertainty Avoidance: The table shows that there is no significant relationship of uncertainty avoidance values with each dimension of service recovery. The reactive response and non monetary compensation i.e. an apology does not go too well with the customers of this orientation. Five out of six dimensions have negative relationship with uncertainty avoidance.

Masculinity: The table shows that there is a significant relationship between masculinity values so far as the dimension communication and compensation are concerned.

There is a significant and positive correlation between masculinity values and communication dimension of service recovery. ($r=0.212$ significant at 0.05 level.). This relationship indicates that customers high on masculine values perceived the service provider kind and courteous when on their complaint, the service provider started the recovery process and extended an apology

There is a significant and positive correlation between masculinity values and compensation dimension of service recovery ($r=0.300$ significant at 0.01 level). Masculine customers are decisive and assertive. It pleases them to see the service provider in action after they make a complaint. Thus the compensation seemed to be fair to them.

Long Term Orientation: The table shows that there is no significant relationship of Long Term Orientation values with each dimension of service recovery

Collectivism: The table shows that there is no significant relationship of Collectivism values with each dimension of service recovery is concerned

Power Distance: The table shows that there is a significant positive relationship between Power Distance values and compensation ($r=0.194$ significant at 0.05 level). The customers with power distance orientation accept autonomy and are weak customers (students who at this stage seldom patronize a hotel for long, therefore they do not consider themselves as important for the hotel). It is observed that the customers of this orientation though insignificant but positive relationship with five out of six dimensions of service recovery. They perceive that the response time was fair and therefore share a positive relationship with this dimension.

6.12.4 REGRESSION PROCESS

Regression Model for Predicting the Effect of Dimensions of Culture on Dimensions of Service Recovery : After calculating the correlates and determinants of the dimensions of culture the next section details out the regression process .The customer in this case after a service failure (i.e. booked room not made available due to double booking) is provided the

recovery process only after he/she makes a complaint and is offered a non monetary compensation by the service provider. A stepwise regression analysis was conducted.

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (communication). Only one variable has emerged as contributing significantly to the dependent variable (communication). The variable is masculinity. The contribution of this variable is 4% out of which masculinity contributes 21%. The value of R^2 is 0.04 and Multiple R is 0.21 (Table 6.57). The customers with masculinity values in the given situation (where the service provider has extended an apology and resolve the problem only after receiving the complaint from the customer) perceives the service provider good in communication ($\beta=0.21$, $p < 0.05$).

**Table 6.57: Determinants of Communication
Group 5 (Reactive service Recovery)
(N=99)**

Independent Variables	Dependent variable: Communication		
	Beta	Simple r	t-value
Masculinity	0.21*	0.212*	2.13
Multiple R = 0.21 R Square = 0.04			

*Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (compensation). The variable masculinity has emerged as the only determinant contributing significantly to the dependent variable (compensation).. The contribution of this variable is 9 %.(Table6.58).

The customers with masculinity values in the given situation (where the service provider has extended an apology and resolve the problem only after receiving the complaint from the customer) perceives the service provider to have extended fair compensation ($\beta=0.30$, $p < 0.01$).

**Table 6.58: Determinants of Compensation
Group 5 (Reactive service Recovery)
(N=99)**

Independent Variables	Dependent variable: Compensation		
	Beta	Simple r	t-value
Masculinity	030**	0.300**	3.10
Multiple R =0.30 R Square = 0.09			

Significant at 0.05 level ** Significant at 0.01 level

6.13 GROUP 6: PRO-ACTIVE SERVICE RECOVERY

This section explores the effect of service recovery dimensions on the overall customer satisfaction following the service recovery process. The correlates and determinants of dimensions of cultural orientation and dimensions of satisfaction from service recovery are computed to study the relationship of factors of culture with factors of service recovery. This is followed by a discussion on the outcomes of group 5 (Reactive Service Recovery) and group 6 (Pro-active service recovery)

In the present scenario the service provider initiates the recovery action even before the customer complaints and resolves the problem. The service provider acts pro actively to rectify the service problem and also apologizes (non monetary compensation) for the inconvenience caused.

6.13.1 BRIEF PROFILE

The respondents were final year undergraduate students who have had the experience of staying in a hotel for at least one week in past twelve months. The brief profile of the respondents was captured as under:

6.13.1.1 PROFILE: GENDER

The male respondents were more in number than the female respondents (Table 6.59). However since respondents of both the gender have been exposed to the same kind of education and experience in terms of age. Thus we deduce that gender has negligible role to play so far as the study is concerned. It is worth mentioning here that the respondents are final year students of an undergraduate program. In India the population of male are more than the females and not many females are educated therefore the proportion is generally biased towards males [259]. But we re-affirm that as students form a homogeneous group the gender difference will have a negligible role in the study.

**Table 6.59 Profile: Gender
Group 6 (Pro-active service Recovery)
(N=99)**

Gender	Frequency	Percent
Female	41	41.4
Male	58	58.6
Total	99	100.0

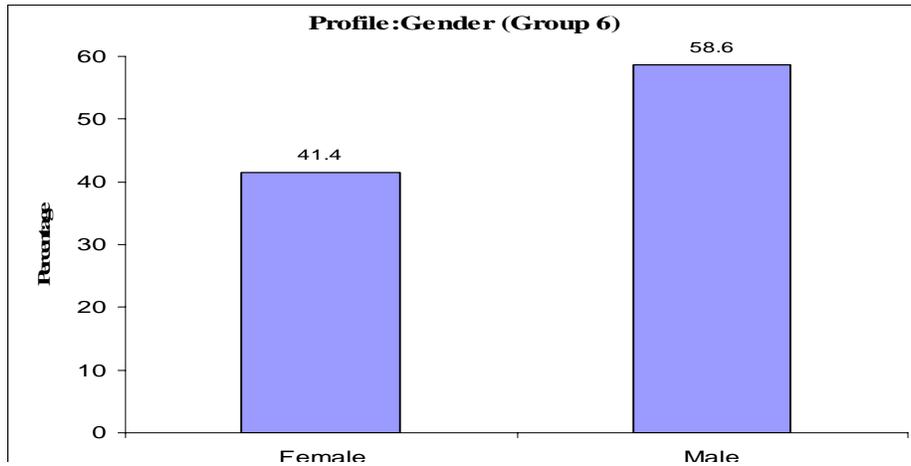


Figure 6.26: Profile Gender Group 6 (Pro-active service Recovery)

6.13.1.2 AGE

The age of the respondents varied from twenty two to twenty five (Table6.60). The respondents fell mainly in the same age bracket thus eliminating the chances of age playing any crucial role in altering the responses. The respondents reaction was primarily to the stimulus (recovery action i.e. Pro active Service Recovery) provided to them rather than age or experience acting as intervening variables.

Table 6.60 Profile: Age Group 6 (Pro-active service Recovery) (N=99)

Age (yrs)	Frequency	Percent
22	22	22.2
23	58	58.6
24	16	16.2
25	3	3.0
Total	99	100.0

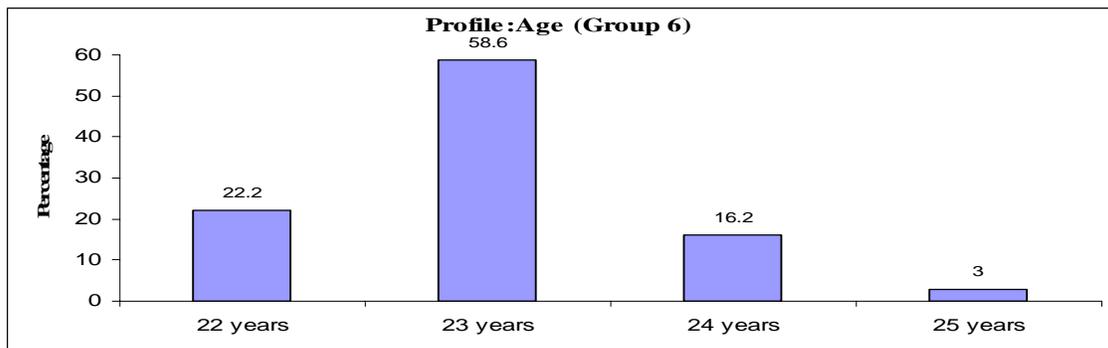


Figure 6.27: Profile-Age Group 6 (Pro-active service Recovery)

6.13.2 MEANS AND STANDARD DEVIATION OF DIMENSIONS OF SERVICE RECOVERY. GROUP 6 (PRO ACTIVE SERVICE RECOVERY)

The mean and standard deviations of the service recovery dimensions were calculated, as this helps in understanding them better. The responses were captured on a four point scale with four as the strongly agree and 1 and strongly disagree. The ranking of the dimensions based on the means and standard deviations is shown in table 6.61. Figure 6.28 gives the graphical representation of the same.

Table 6.61: Means and Standard deviation of Dimensions of service recovery Group 6(Pro active Service Recovery)

Dimensions of Service Recovery	Mean	Standard Deviation
Compensation	2.93	.64
Standardized policies	2.84	.66
Communication	2.82	.56
Response time	2.45	.78
Reliability	2.38	.64
Empowerment	2.03	.57

It is observed that the mean for the dimension Compensation is the highest (mean=2.93 SD=.64). The customers feel satisfied and perceive strongly for the compensation in the form of an apology (non monetary compensation) when the service provider acts pro actively to resolve the problem of the customer. They perceive the service provider as fair in compensation and perceive that the outcome of the interaction was fair.

The customers also perceive the service provider to be having good standardized policies. (Mean=2.84 SD=.66) to resolve the service failures. The customers grade this as the second most important factor. The pro activeness of the service provider makes the customer perceive the service provider to be having well laid out standardized policies to deal with such incidents of service failure.

The customers with the given recovery action feel satisfied with the style of communication of the service provider. (Mean=2.82 SD=.56). They perceive the service provider as polite,

caring, kind and empathetic when the service provider initiates the recovery action pro actively.

According to the mean the factor response time is the fourth most important factor (mean=2.45 SD=.78). In the given situation the customers perceive that the service provider was quick in responding. This can be because the recovery action was initiated by the service provider

The customers remains neutral and does not perceive the service provider as reliable (m=2.38 SD=.64) or highly empowered with mean as 2.03 SD=.57

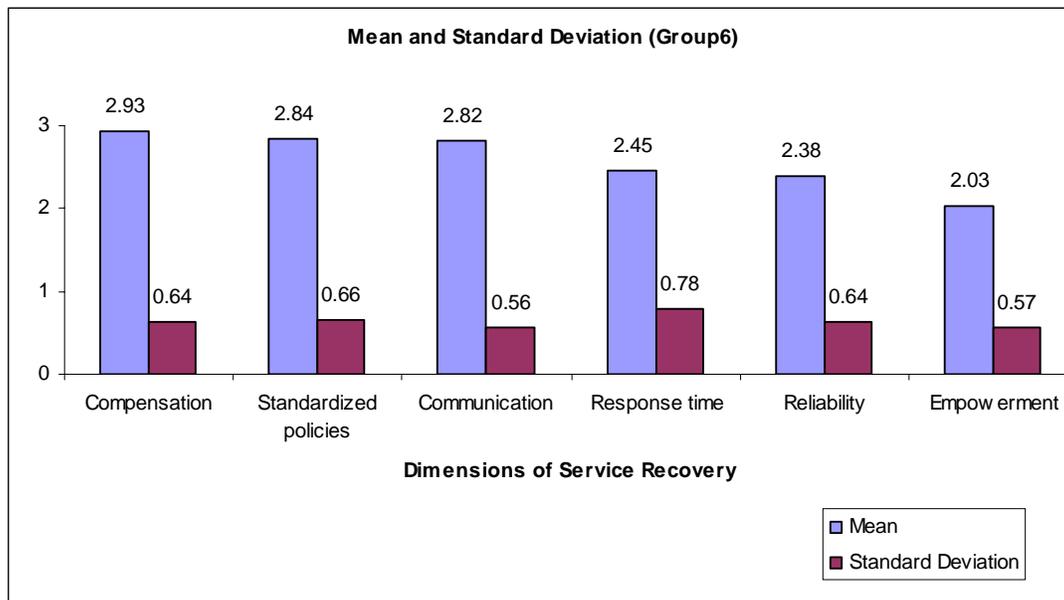


Figure 6.28: Mean and Standard Deviation Group 6 (Pro-active service Recovery)

6.13.3 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND OVERALL SATISFACTION (GROUP 6 PRO ACTIVE SERVICE RECOVERY)

Pearson's correlation coefficient were computed to identify the relationship between the service recovery dimensions and overall satisfaction in the presence of pro activeness

This required computing the correlations of six dimensions of service recovery with the overall satisfaction of the customer. The Pearson correlation coefficients are shown in Table 6.62. The table clearly shows that five out of the six dimensions of service recovery have

significant correlation with the overall satisfaction. The correlations were statistically significant at 0.05 levels. The interpretation of each correlation is explained below.

**Table 6.62: Relationship (Correlation Coefficient) of Dimensions of service recovery with overall satisfaction
Group 6 (Pro-active service Recovery)
(N=99)**

Dimensions of service recovery	Overall Satisfaction
Reliability	.365**
Compensation	.337**
Empowerment	.311**
Standardized Policies	.261**
Response time	.235*
Communication	.025

*Significant at .05 level. ** Significant at .01 level.

Reliability: There is a significant and positive relationship between reliability and overall satisfaction ($r=0.365$ significant at 0.01 level.). In a pro active service recovery scenario, tend to perceive the service provider as more reliable and capable of providing error free service and have positive relationship with satisfaction.. The customer has positive feelings for the service provider and perceives the service provider as trust worthy and capable off handling such problems and providing error free service.

Compensation: There is positive and significant relationship between compensation and overall satisfaction. ($r=0.337$ significant at .01 level).This relationship indicates that customers in a pro active service recovery scenario tend to perceive positively about the service provider on the dimension of compensation, They perceive the outcome of the interaction as just and fair and this makes them feel more satisfied.

Empowerment: The table 6.62 shows that there is a significant and positive relationship between empowerment and overall satisfaction ($r=0.311$ significant at 0.01 level.). This relationship indicates that customers perceive the service provider as more empowered and capable of handling the service failure when the service provider acts pro actively.

Standardized Policies: There is a positive and significant relationship between standardized policies and overall satisfaction. ($r=0.261$ significant at 0.01 level.) When the service provider

informs and initiates the recovery action before the customer complaints, the customer perceives the service provider to have fair policies and standard procedures for the employees to follow in such service slip ups situations.

Response time: There is positive and significant relationship between response time and overall satisfaction. ($r=0.235$ significant at .05 level). This relationship indicates that the customers in a pro active service recovery scenario tend to perceive the response time of the service provider as positive. They perceive that the time taken was just fair and right. The response from the service provider was perceived as timely and quick and this is positively related with satisfaction

Communication: There is positive and in significant relationship between communication and overall satisfaction. ($r=0.025$).

6.13.4 REGRESSION PROCESS

Regression Model for Predicting the Effect of Service recovery Dimensions and the Overall Satisfaction:

This section works out the regression model of the dimensions of service recovery that impact the overall satisfaction of the customer in the event when after a service failure the service provider acts on the problem(double booking) before the customer complaints and provides only a non monetary compensation in the form of an apology. A stepwise regression analysis was conducted (table 6.63) to identify the impact of recovery dimensions on overall satisfaction..

**Table 6.63: Determinants of overall satisfaction
Group 6 (Pro-active service Recovery)
(N=99)**

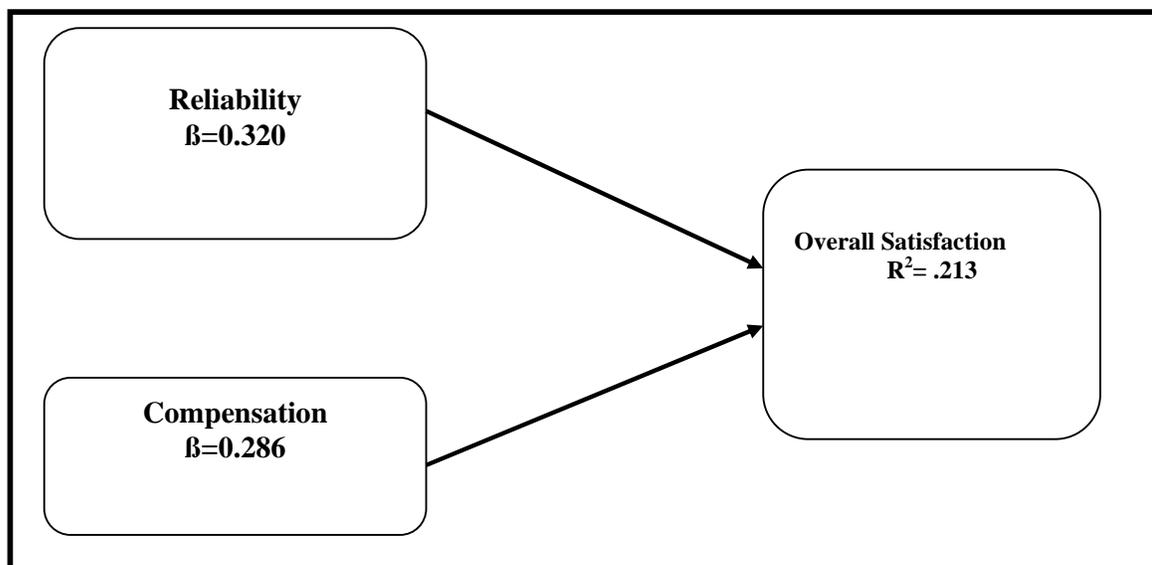
Independent Variables	Dependent variable: Overall Satisfaction		
	Beta (standardized)	Simple r	t-value
Reliability	0.320**	.365**	3.485
Compensation	0.286*	0.337*	3.118
Multiple R =.462 R Square = 0.213			

*Significant at 0.05 level ** Significant at 0.01 level

The six independent variables i.e. the dimensions of service recovery were entered in the regression equation in order to find out their contribution to dependent variable (overall satisfaction). The output in Table 6.63 shows the value of multiple R is 0.462 and the value of R^2 is 0.213. It states that 21% of the satisfaction after the service recovery can be controlled solely by the two dimensions i.e. compensation and reliability.

Reliability: There is a positive effect of reliability on overall satisfaction. This positive contribution ($\beta=0.320$, $p < 0.01$) indicates that after a service failure the customer appreciate the pro activeness of the service provider and finds it to be reliable and trust worthy. . It is the highest contributor in the model to explain satisfaction. and is also found to have a positive correlation with overall satisfaction.

Compensation: The dimension compensation significantly and positively contributes to the overall satisfaction. This positive effect ($\beta=0.286$, $p < 0.05$) indicates that the proactive service recovery from the service provider is appreciated by the customer. The intangible non-monetary compensation in the form of an apology from the service provider seems to be fair and just when the service provider is earnest and pro active.



**Figure 6.29: Determinants of overall satisfaction
Group 6 (Pro-active service Recovery)**

6.14 INFLUENCE OF CULTURE ON SERVICE RECOVERY DIMENSIONS

The study on the effect of culture on the importance of service recovery dimensions follows a sequence of logical steps. Firstly the distributions statistics are used to outline the cultural characteristics of the group of respondents.

6.14.1 CULTURAL PROFILE OF THE RESPONDENTS

The cultural profile of the respondents was tapped. The table below reveals the cultural profile of the respondents in this group. The mean of the responses as captured on a five point scale is listed in table 6.64.

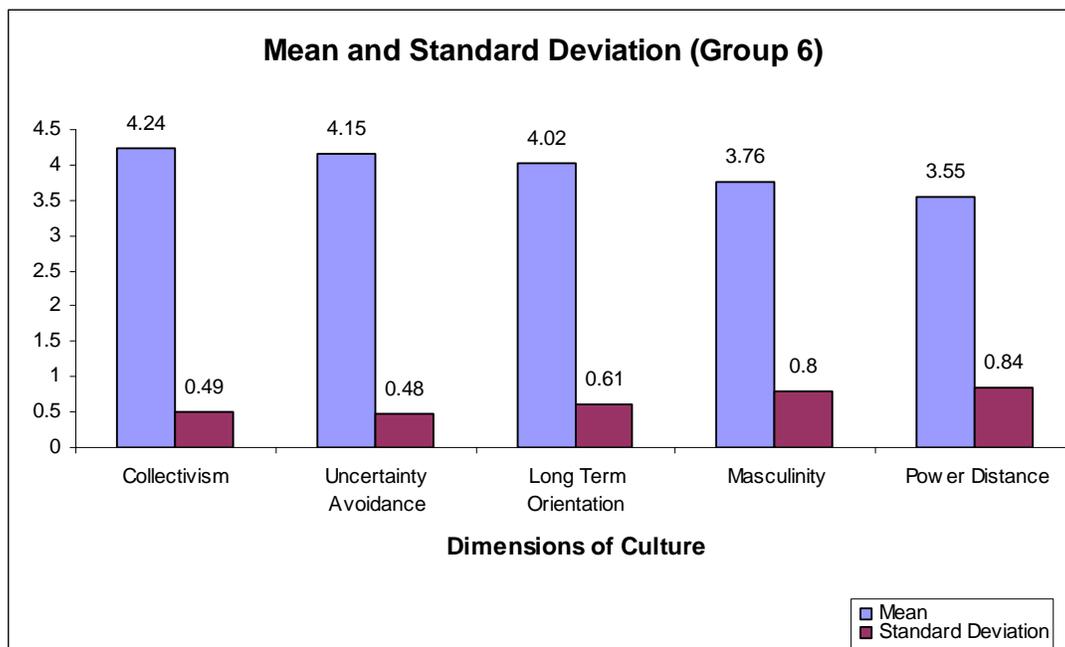
**Table 6.64: Means and Standard deviation of Dimension of Culture
Group 6 (Pro-active service Recovery)
(N=99)**

Dimensions of Culture	Mean	Standard Deviation
Collectivism	4.24	.49
Uncertainty Avoidance	4.15	.48
Long Term Orientation	4.02	.61
Masculinity	3.76	.80
Power Distance	3.55	.84

It is observed that that the mean for the factor collectivism is highest ($m=4.24$, $SD=.49$). This shows that the respondents have high collectivism orientation. The customers of this orientation believe that an individual is closely connected with others and that one should be concerned about the benefits of the group [238] [218]. They believe that service personnel should be concerned about individual customer's needs; that they should value the relationships among people. This is closely followed by the mean of the factor uncertainty avoidance. ($m=4.15$, $SD=.48$). This implies that the respondents in this group are poor risk takers. They have low inclination towards risk [67]. They prefer certainty over uncertainty. The long term orientation has emerged as the third most important cultural value, with mean of 4.02 and standard deviation is 0.61. The dimension indicates that the respondents in this group believe in the long term relationship with the service provider of their choice. People with long term orientation include values like thrift, saving, persistence with slow results,

adaptation of traditions to a modern context, acceptance of unequal relationship, and a concern for virtue rather than truth [243].

The mean for masculinity is 3.76 which indicate that the customers falling in this category have a bend towards masculine than feminism orientation. The means of Power distance lies around 3 thus indicating that the customers here neither have very high nor very low power distance.



**Figure 6.30: Mean and Standard Deviation
Group 6 (Pro-active service Recovery)**

6.14.2 CORRELATES OF SERVICE RECOVERY DIMENSIONS AND CULTURAL DIMENSIONS (GROUP 6 PRO ACTIVE SERVICE RECOVERY)

Correlations between the dimensions of service recovery and the dimensions of culture were computed in order to find out the relationship between the two.

All total there were five dimensions of culture and six dimensions of service recovery. The Pearson correlation coefficient is shown in table 16.65. The table 16.65 clearly shows that three out of five dimensions of culture have significant correlation with the dimension of service recovery. The correlations were statistically significant at 0.05 levels. The interpretation of each variable is explained below.

**Table 6.65: Relationship (Correlation Coefficient) of Dimensions of culture with Dimensions of service recovery
Group 6 (Pro-active service Recovery)
(N=99)**

Dimensions of Service Recovery \ Dimensions of Culture	Uncertainty Avoidance	Masculinity	Long Term Orientation	Collectivism	Power distance
Empowerment	0.024	0.052	-0.040	-0.056	0.127
Reliability	0.065	-0.039	0.074	0.074	0.078
Communication	0.258**	0.079	-0.029	0.254**	0.064
Standardized policies	0.101	0.071	0.071	0.157	0.271**
Compensation	0.096	-0.153	0.170	0.232*	0.259**
Response time	0.120	-0.086	-0.008	0.228*	0.281**

*Significant at .05 level. ** Significant at .01 level

Uncertainty Avoidance: The table 16.65 shows that there is a significant relationship between uncertainty avoidance values so far as the dimension communication is concerned ($r=0.258$ significant at 0.01 level.). This relationship indicates that respondents with uncertainty avoidance values will be satisfied if the service provider during the recovery process is polite and empathetic and listens to the complaints of the customer of this orientation. In the given situation the service provider has been pro active and has initiated the complaint handling process, consequently reducing the uncertainty aroused with the service failure. There is no significant correlation between customers of uncertainty avoidance values with each of the dimension of service recovery in the previous situation where the recovery action was not initiated by the provider but by the customer itself.

Masculinity: The table shows that there is no significant relationship of masculinity values with each dimension of service recovery. It is observed that in a situation where the service provider is pro active and initiates the recovery process the customers who are high on masculinity values do not show any significant correlation with any of the dimension of service recovery, In contrast the customers in the previous group (group 5- reactive service recovery) with masculine values are significantly correlated with communication $r=0.212$ significant at 0.01 level and compensation dimension $r=0.300$ significant at 0.01 level from

service recovery. This can be explained that customers with high masculine values (characterized by male assertiveness and dominant sex role pattern) feel more satisfied when they point out the fault and then the service provider makes efforts to resolve the complaint of faulty service.

Long Term Orientation: The table shows that there is no significant relationship of long term orientation values with each dimension of service recovery is concerned

Collectivism: The table shows that there is a significant relationship between Collectivism values and three dimensions of service recovery i.e. communication, compensation and response time.

There is a significant and positive correlation between customers with collectivism values and communication dimension of service recovery is concerned ($r=0.254$ significant at 0.01 level.). This relationship indicates that respondents with collectivism values will be satisfied if the service provider during the recovery process is empathetic and is concerned about their inconvenience and is polite in their dealings.

There is a significant and positive correlation between customers with collectivism values and compensation dimension of service recovery ($r=0.232$ significant at 0.05 level.). This relationship indicates that respondents with collectivism values will be satisfied if the service provider during the recovery process initiates to make good the loss suffered by the customer due to the poor service failure.

There is a significant and positive correlation between customers with collectivism values and response time dimension of service recovery ($r=0.228$ significant at 0.05 level.). This relationship indicates that respondents with collectivism values will be satisfied if the service provider during the recovery process is quick in resolving the problem. The perception of time is positive (ie the customer perceives that the action is taken in quickly) when the problems of customers of collectivist values are handled in a pro-active manner.

It is observed that the customers with collectivism values are not significantly co related with any of the six dimensions of service recovery in the previous situation, where the service provider did not initiate the recovery action. In contrast in this situation where the recovery action is initiated by the service provider it is observed that customers of the collectivism orientation are significantly co related with three out of six dimensions of service recovery.

They perceive quick action, better communication and fair compensation being meted out to them during the interaction.

Power Distance: The table 16.65 shows that there is a significant relationship between power distance values and three dimensions of service recovery i.e. standardized policies, compensation and response time. According to Furrer et al., 2000 [55] the customers high on power distance continuum value the assistance provided by the service provider to solve problems immediately and offer prompt and empathetic service.

There is a significant and positive correlation between power distance values and standardized policies dimensions of the service recovery ($r=0.271$ significant at 0.01 level). This can be explained as respondents with power distance values in the pro active service recovery situation feel that the service provider has fair policies and practices to handle problems.

There is a significant and positive correlation between power distance values and the compensation dimensions of service recovery ($r=0.259$ significant at 0.01 level). This can be explained as respondents with power distance values perceive the apology extended by the service provider as fair and just when the service failure is identified and efforts are made by the service provider to rectify the problem even before the customer complains.

There is a significant and positive correlation between power distance values and the response time dimensions of service recovery. ($r=0.281$ significant at 0.01 level). This can be explained as respondents with power distance values will be more satisfied from the service recovery process if the service provider responds in a timely fashion [55]. Here the service provider has acted in a pro active manner by initiating the complaint before the customer does and therefore the customers of high power distance values perceive that the response time taken by the service provider to resolve the problem is just and quick.

6.14.3 REGRESSION MODEL FOR PREDICTING THE EFFECT OF DIMENSIONS OF CULTURE ON THE DIMENSIONS OF SERVICE RECOVERY.

A stepwise regression analysis is computed to study the impact of the independent variables i.e. the dimensions of culture on the dependent variables i.e. dimensions of service recovery.

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (communication). Table 6.66 shows that two

out of five determinants have emerged as contributing significantly to the dependent variable (communication). The determinants are uncertainty avoidance and collectivism. The contribution of these variables is 10%.

The customers' with uncertainty avoidance values in the given situation (where the service provider has extended an apology and initiates the recovery action even before the customer complaints) perceives the service provider good in communication style. They perceive the service provider as empathetic and kind. ($\beta=0.21$, $p < 0.05$).

The customer with collectivism values in the given situation (where the service provider has extended an apology and initiates the recovery action before the customer complaints) perceives the service provider to be good in communication ($\beta=0.21$, $p < 0.05$).

**Table 6.66: Determinants of Communication
Group 6 (Pro-active service Recovery)
(N=99)**

Independent Variables	Dependent variable Communication		
	Beta	Simple r	t-value
Uncertainty Avoidance	0.21*	0.258**	2.19
Collectivism	0.21*	0.254**	2.15
Multiple R = 0.33 R Square = 0.10			

*Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (standardized policies). Only one out of five determinants has emerged as contributing significantly to the dependent variable (Table 6.67). The determinant is power distance. The contribution of the variable is 7%. The customers of power distance orientation perceived the service provider in good light so far as the policies and procedures ($\beta=-0.27$, $p < 0.01$).

Table 6.67: Determinants of Standardized Policies
Group 6 (Pro-active service Recovery)
 (N=99)

Independent Variables	Dependent variable: Standardized Policies		
	Beta	Simple r	t-value
Power Distance	0.27**	0.271**	2.77
Multiple R =0.27 R Square = 0.07			

*Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (compensation). Two out of five determinants have emerged as contributing significantly to the dependent variable (Table 6.68). The determinants are power distance and masculinity. The contribution of the variable is 12%.

The customers of power distance orientation perceived the service provider in good light so far as the compensation in the form of an apology with pro active service recovery ($\beta=0.33$, $p < 0.01$) is concerned.

The customers with masculinity values in the given situation are negatively related with the dimension compensation of service recovery ($\beta=-0.25$, $p < 0.01$). It is observed that these customers feel the problem to be graver when the service provider informs the customer of the problem before they complain and initiates the recovery action. They therefore find the treatment meted out to them (recovery initiation with an apology) as unfairness so far as the compensation is concerned.

Table 6.68: Determinants of Compensation
Group 6 (Pro-active service Recovery)
 (N=99)

Independent Variables	Dependent variable: Compensation		
	Beta	Simple r	t-value
Power Distance	0.33**	0.259**	3.32
Masculinity	-0.25**	-0.153	-2.49
Multiple R =0.35 R Square = 0.12			

Significant at 0.05 level ** Significant at 0.01 level

The five cultural independent variables were entered in the regression equation in order to find out their contribution to dependent variable (response time). Only one out of five determinants has emerged as contributing significantly to the dependent variable (Table 6.69). The determinant is power distance. The contribution of the variable is 8%.

The customers of power distance orientation perceived the service provider in good light so far as the response time ($\beta=0.28$, $p < 0.01$) is concerned.

**Table 6.69: Determinants of Response Time
Group 6 (Pro-active service Recovery)
(N=99)**

Independent Variables	Dependent variable: Response Time		
	Beta	Simple r	t-value
Power distance	0.28**	0.281**	2.89
Multiple R =0.28 R Square = 0.08			

*Significant at 0.05 level ** Significant at 0.01 level

6.15 CONCLUSION

On the basis of the findings in the above section it can be concluded that the dimensions of service recovery effect the overall satisfaction of the customers. In the presence of re-active service recovery the customers overall satisfaction is explained by the determinants namely standardized policies, communication and reliability. In the pro- active service recovery situation the two significant determinants that explain overall satisfaction are reliability and compensation.

The customer perceives the service provider as highly reliable. Reliability is the important determinant ($\beta=0.320$) in the pro active recovery scenario. When the organization initiates a recovery, the customer views a proactive effort as a demonstration of honesty and forthrightness, and a show of respect. [133].

In this section the two groups meted out with different recovery action (re active and pro active service recovery) had customers with similar cultural orientation. The study of means revealed no significant difference between the means of the various cultural dimensions between the two groups (Table 6.55). This perception of the dimensions of service recovery

changed with the recovery treatment meted out to the customers and not because of any variation in cultural orientation. The customers in group 6 perceived the service provider more reliable than in group five where the service recovery was initiated only after the customer complains.

It is observed that the customers with uncertainty avoidance values perceive the service provider high on communication factor (table 6.66) when the recovery action is initiated by the service provider rather than when the service provider takes the recovery action after the customer complaints about the problem.

The customers with masculinity values in case of pro active service recovery are negatively related with the dimension “compensation” of the service recovery ($\beta = -0.25$, $p < 0.01$). It is observed that these customers feel the problem to be graver when the service provider informs the customer of the problem before the complaints. They therefore find the treatment meted out to them (recovery initiation with an apology) as unfair so far as the compensation is concerned.

However when the customers of the masculinity values get a chance to point out the service mistake and their complaint is heard and the service provider extends a sincere apology, they then perceive the service provider to be good on communication ($\beta = 0.21$, $p < 0.05$) and fair in compensation. ($\beta = 0.30$, $p < 0.01$).

Customers in both the groups possess high uncertainty avoidance behavior. (Table 6.55). The customers of this orientation prefer pro active service recovery as this reduces to some extent the instability brought about by a service failure. The customers of this orientation perceive the service provider as empathetic, courteous and kind (Table 6.66). The customers of collectivism values perceive the service provider to be good in communication (Table 6.66) when the recovery action is initiated by the service provider rather than when the customer complains about the service failure.

The customers of power distance orientation perceived the service provider in good light so far as the standardized policies ($\beta = 0.27$, $p < 0.01$), compensation ($\beta = 0.33$, $p < 0.01$), and response time ($\beta = 0.28$, $p < 0.01$) are concerned. The recovery initiation has a good impact on such customers. However in the previous situation where the recovery action was initiated

after the customer complained the customers of this orientation remained unrelated with any of the dimensions of service recovery.
