

# “The role of perceived justice in service recovery on banking customers’ satisfaction and behavioral intentions: a case of South Africa”

## AUTHORS

Alex Smith  
Mercy Mpinganjira

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Alex Smith (South Africa), Mercy Mpinganjira (South Africa)

## The role of perceived justice in service recovery on banking customers' satisfaction and behavioral intentions: a case of South Africa

### Abstract

Service failure may not always be avoidable in business. The way in which it is managed may however have important implications of business success. This study investigates the role of perceived justice in service recovery on banking customers' level of satisfaction and on their behavioral intentions. Data are collected using a structured questionnaire from 281 retail banking customers in Gauteng, South Africa. The findings show that procedural, interactional and distributive justice positively influence satisfaction and behavioral intentions. Satisfaction was also found to have strong influence on behavioral intentions. The findings point to the need for banks to have in place fair policies and systems for handling service failure. Banks also need to ensure that they treat their customers well during service recovery and that they strive for outcomes that are fair to customers.

**Keywords:** perceived justice, customer satisfaction, behavioral intentions, South Africa.

**JEL Classification:** M12, M51, N87.

### Introduction

These days customers are known to be more demanding and less tolerant of poor services (Nikbin et al., 2012; Omarini, 2011). According to Clemes et al. (2010), in the modern days it takes a great deal of effort to encourage customers to be loyal to service providers as mere oversight and minute errors make them terminate their relationship with service providers. One reason for this is that the nature of most service industries today is one characterized by high levels of competition and in the fight for customers, service providers are constantly looking for ways of making it easy for customers to switch to themselves. This is resulting in customers being in a powerful position of choosing service providers that best meet their unique needs. In turn this is placing a lot of demands on service providers to look for ways of ensuring high service quality provision at all times. While this is so, it is common for people to experience a service that falls short of expectations. This is irrespective of who the service provider may be. Studies show that service failures cannot always be avoided in everyday operations (Zhou et al., 2013; Kuo & Wu, 2012).

While service failure cannot always be avoided, the manner in which it is managed can have an influence on customers' attitude and behavior towards a service provider and ultimately on business success. Service failure results in dissatisfaction which can cause a firm to lose customers (Chelminski & Coulter, 2011). Studies show that following service failures, customers expect a service provider to engage in service recovery efforts so as to resolve their complaints and remedy the dissatisfaction experienced

(Tsai et al., 2014; Valenzuela & Cooksey, 2014). A review of literature shows that the way in which service recovery is handled by firms can be looked at from the perspective of customers' perceived justice. Central to this perspective is the realization that service recovery efforts may not always be done to the satisfaction of customers. Just as with service failure, ineffective service recovery can lead customers to engage in negative behaviors such as spreading of negative word-of-mouth (NWOM) about a service provider, and/or switching to other service providers (Vyas & Raitani, 2014; Clemes et al., 2010; Harrison-Walker, 2012). Conversely, successful recovery efforts may result in positive intentions and behaviors such as re-patronage intentions and engagement in positive word-of-mouth (PWOM) (Lee et al., 2012).

This paper empirically investigates the influence of perceived justice in service recovery on behavioral intentions of banking customers. The study was conducted in Gauteng, South Africa. The South African retail banking industry has become increasingly competitive in recent years (Financial Mail, 2013). KPMG (2014) noted that the banking industry in South Africa shows all the signs of being a maturing industry. According to Finmark Trust (2013) as many as 75% of adults in South Africa, use formal banking services. While the industry can grow by attracting more unbanked customers, Buzz South Africa (2014) observed that taking that route will require an increased and often expensive infrastructural network. This is due to the fact that most unbanked customers live in rural areas where problems relating to financial literacy as well as earning levels may limit the viability of going for such customers. With increased patronage and a maturing industry, the battle for existing customer market share in the industry is stiff. This compels banks to invest in efforts aimed at ensuring good service quality provision to their customers, including those necessary to keep customers from defecting to competitors after experiencing service failure.

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 Alex Smith, Department of Marketing Management, University of Johannesburg, South Africa.  
 Mercy Mpinganjira, Ph.D., Department of Marketing Management, University of Johannesburg, South Africa.

Given the high levels of competition in the South African banking industry, it is in each bank's interest to ensure customer satisfaction so as to ensure loyalty. Taking cognisance of the fact that service failure is not always avoidable (Zhou et al., 2013), it is important for banks to develop and maintain effective service recovery systems so as to avoid losing customers unnecessarily. While some research has been conducted internationally looking at service failure and recovery, Barakat et al. (2015), Maher and Sobh (2014) as well as Harrison-Walker (2012) noted that there is still need for more studies in this area, particularly studies that can assist in understanding customer response to service recovery efforts. Clemes et al. (2010) further noted that findings on customer response to service recovery efforts may not be generalized to varied contexts, including other countries, as customers' behavior varies between countries and cultures. A review of literature shows lack of studies focusing justice in service recovery in the South African banking industry.

Furthermore, findings from those studies that have looked at customer response to service recovery efforts show that researchers differ on what form of justice carries the most weight in influencing post-recovery satisfaction and driving positive behavioral intentions. Keeping in mind the fact that banking customers in South Africa exhibit a higher propensity to switch banks (EY, 2013) it is of interest in this study to examine the influence of the different dimensions of perceived justice in service recovery on customer satisfaction and behavioral intentions. The research question being addressed is: What influence does perceived justice in service recovery have on South Africa's banking customer's satisfaction and behavioral intentions.

The paper has been structured such that the next section provides a review of literature followed by the research problem and objectives of the study. Thereafter, the research methodology is discussed followed by presentation of results. The final sections of the paper are discussion of findings and managerial implications and conclusion.

## 1. Literature review

### 1.1. The retail banking industry in South Africa.

The South African retail banking industry is dominated by five major players. These are Standard Bank, Absa, FNB, Nedbank and Capitec. The industry fares well compared to the banking industries of other countries. In 2012 the industry was ranked 2nd for soundness and 3rd for development out of 144 countries worldwide (The Banking Association of South Africa, 2012).

While the South African banking industry is considered sound and strong, a survey conducted by EY

(2014) covering 43 countries around the world, including South Africa, found that in general, banks are viewed by customers as falling short on important aspects of customer experience and that they are, as a result, increasingly vulnerable to competition; particularly competition coming from new providers of banking services. According to the survey, findings on South Africa showed that 44% of bank clients intended to close an account in the coming year. This was significantly higher when compared to an average of 34% for other African countries and a global average of 40%. According to de Matos et al. (2013) as well as Nikbin et al. (2012), one of the major reasons why service providers lose customers is because of failure to consistently provide good quality services. The next subsection looks at the concept of service failure in more detail.

**1.2. Service failure and service recovery.** Service failure refers to situations where a service provider falls short of meeting the needs and expectations sought by a customer (Harrison-Walker, 2012; Lin et al., 2011), leaving them dissatisfied (Tsai et al., 2014). Maher & Sobh (2014) and Harrison-Walker (2012) pointed out that service failures can lead to increased complaints lodged with the service provider.

It is common for firms to engage in service recovery efforts following receipt of complaints relating to service failure. Service recovery refers to actions taken by the service provider to remedy service failure (Nikbin et al., 2012; Zhao et al., 2014). Kim and Jang (2014) as well as Chang and Chen (2013) observed that after service failure, customers experience a sense of injustice, resulting in negative emotions. Appropriate service recovery efforts help address these feelings of injustice (Lin et al., 2011). According to Zhou et al. (2013) is only the consumer who can best determine whether recovery efforts are successful. They further pointed out that customer satisfaction is a good measure of the effectiveness of service recovery efforts.

### 1.3. Theoretical foundation – the justice theory.

This study makes use of the justice theory to understand customer response to service recovery efforts. Central to the justice theory is the concept of perceived justice. Perceived justice refers to the professed fairness of a service provider's recovery effort (Ha & Jang, 2009). There are essentially three main dimensions that underlie the justice theory. These are distributive, procedural and interactional justice. The following discussion looks at what each of these dimensions is about, and its relationship to customer satisfaction and behavioral intentions.

**1.4. Procedural justice.** Procedural justice is about systems and policies in place to address service failure and to respond to a customer's complaint (Nikbin et al., 2012). For procedural justice to be achieved, a

service provider needs to admit fault and attempt to correct the error in a timely manner (Kuo & Wu, 2012; Lin et al., 2011). Research shows that a quick response from a service provider decreases customer intentions to spread negative word of mouth, and positively influences re-patronage intentions (Nikbin et al., 2011). A study by Siu et al. (2013) and Nikbin et al. (2012) found that procedural justice has significant positive influence on post-recovery satisfaction. It is therefore hypothesized in this study that:

- ◆ Perceived procedural justice following service failure has positive influence on banking customers' satisfaction with service provider.
- ◆ Perceived procedural justice following service failure has positive influence on banking customers' behavioral intentions.

## 2. Interactional justice

- ◆ According to Tsai et al. (2014), Kuo and Wu (2012) interactional justice is about how fairly customers feel they were treated and communicated to by staff following service failure. Interactional justice demands that service personnel demonstrate concern, politeness and empathy in handling service failure (Choi & Choi, 2014; Wang & Chang, 2013). Kuo and Wu (2012) observed that higher levels of interactional justice result in higher levels of satisfaction. Lin et al. (2011) pointed out that low level of interactional justice increases the likelihood of disgruntled customers spreading negative word of mouth. Chang et al. (2012) found that interactional justice has a significant influence on post-recovery satisfaction. Nikbin et al. (2011) found significant positive relationship between interactional justice and repurchase intention. It is therefore hypothesized in this study that:
  - ◆ Perceived interactional justice following service failure has positive influence on banking customers' satisfaction with service provider.
  - ◆ Perceived interactional justice following service failure has positive influence on banking customers' behavioral intentions.

## 3. Distributive justice

Distributive justice refers to perceived fairness of outcomes (Nikbin et al., 2012; Lin et al., 2011). When a decision is made relating to rectification of service failure customers make judgments as to whether the outcome is fair or not. According to Rashid et al. (2014) central to distributive justice is compensation that the customer receives on account of losses and inconveniences caused by the service failure. Bam-bauer-Sachse and Rabeson (2015) and Noone (2012) noted that compensation can be an effective tool in

mitigating customer dissatisfaction following a service failure, and many customers expect it for the inconvenience caused to them. Compensation to wronged customers can be in monetary and/or non-monetary forms including refunds, store credits, repairs, and exchanges (Choi & Choi, 2014; Lin et al., 2011). Lopes and da Silva (2015) as well as Kuo and Wu (2012) found that distributive justice exerts positive influence on customer satisfaction. Lin et al. (2011) and Nikbin et al. (2012) found that distributive justice influences repurchase and switching intentions. Grewal et al. (2008) found that compensation increases positive behavioral intentions, such as positive word of mouth. This study thus hypothesizes that:

- ◆ Perceived distributive justice following service failure has positive influence on banking customers' satisfaction with service provider.
- ◆ Perceived distributive justice following service failure has positive influence on banking customers' behavioral intentions.

## 4. Satisfaction and behavioral intention

Of concern in this study is customer's overall satisfaction with a service provider after the service provider has taken action to remedy the service failure (Kuo & Wu, 2012). According to Choi and Choi (2014) as well as de Matos et al. (2013), satisfaction after a service recovery makes customers more likely to re-patronise and spread positive word of mouth about the service provider. Komunda and Osarenkhoe (2012) also found that satisfaction with service recovery increases customer loyalty. A failed recovery on the other hand is known to result in further dissatisfaction and increased switching intentions (Chang & Chen, 2013; Lin et al., 2011). It is thus hypothesized in this study that:

- ◆ Satisfaction with a bank as a service provider following service recovery efforts positively influences customer behavioral intentions.

## 5. Research objectives

The objectives of the study are as follows:

### 5.1. Primary objective

- ◆ To investigate the influence of perceived justice in service recovery on banking customers' level of satisfaction and on their behavioral intentions.

### 5.2. Secondary objectives

- ◆ To investigate levels of perceived procedural, interactional and distributive justice experienced by banking customers following service failure.
- ◆ To examine customers' levels of satisfaction with their banks following service failure recovery efforts.

- ◆ To examine banking customers’ behavioral intentions following service failure recovery efforts.
- ◆ To investigate the influence of perceived procedural, interactional and distributive justice respectively on customer satisfaction with their banks.
- ◆ To investigate the influence of perceived procedural, interactional and distributive justice respectively on customer behavioral intentions.

## 6. Research methodology

This study makes use of a descriptive research design. According to Hair et al. (2013), descriptive research involves collection of quantitative data for the purpose of answering specific research questions. In this study, it was necessary to explain customers’ level of satisfaction and behavioral intentions following service recovery efforts. The study thus made use of a quantitative research approach. Malhotra (2010) noted that quantitative research is ideal where there is need to collect data from a large number of respondents to be analyzed using statistical methods. This study made use of statistical techniques in testing the study’s hypotheses.

The target population for this study was banking customers in Gauteng, South Africa who were 18 years or older at the time of data collection. The respondents needed to have had a retail bank account and had to have reported a service failure to their bank in the last six months before data collection. The study made use of a non-probability convenience sampling method in selecting the respondents. Respondents were asked to fill in a self-administered structured questionnaire. During data collection fieldworkers were on standby, ready to address any questions that the respondents

may have had. The questionnaire began with two screening questions to identify respondents who qualified for the study. The first screening question was aimed at establishing whether respondents had a South African bank account. The second screening question helped identify respondents who had reported a service failure to their bank within the last six months of conducting the study. Constructs associated with the study’s hypotheses were measured using a five-point Likert scale anchored on 1 = “strongly disagree” and 5 = “strongly agree”. Constructs were measured using items adapted from literature so as to enhance the validity of measures.

At the end of the data collection period a total of 281 useable questionnaires were retained for analysis. 45.9 percent of the respondents were male customers while 54.1 percent were female customers. 20.2 percent of the customers indicated that they had been with their bank for a period of 10 years or more. 33.5 percent had been with their bank for a period of between 5 and 10 years while the rest had been with their bank for a period of less than 5 years.

Version 22 of Statistical Package for Social Sciences (SPSS) was used for data analysis. Before subjecting the data to the main analysis, the scales were tested for reliability using Cronbach alpha coefficients. According to Brown et al. (2014) alpha values of .7 and above are indicative of high reliability. The results in Table 1 show that all the constructs of interest in this study were highly reliable. The study made use of descriptive analysis to determine frequencies, means and standard deviations of constructs of interest. Regression analysis was used to test the study’s hypotheses. 95% confidence interval was relied upon in deciding on whether to accept or reject a hypothesis.

Table 1. Construct reliability

| Construct                  | Number of scale items measured | Cronbach’s alpha coefficient |
|----------------------------|--------------------------------|------------------------------|
| Procedural justice         | 5                              | 0.901                        |
| Interactional justice      | 4                              | 0.889                        |
| Distributive justice       | 4                              | 0.915                        |
| Post-recovery satisfaction | 3                              | 0.923                        |
| Behavioral intentions      | 4                              | 0.910                        |

## 7. Results

**7.1. Descriptives.** Table 2 presents frequencies, means and standard deviations relating to respondents’ levels of perceived procedural justice, inter-

actional justice, and distributive justice following service failure. The table also includes frequencies, means and standard deviations relating to respondents’ post-recovery satisfaction and behavioral intentions.

Table 2. Perceived justice range

| Factors  | Frequencies – scale points |    |       | Mean | Std. deviation |
|--|----------------------------|----|-------|------|----------------|
|  | 1 & 2                      | 3  | 4 & 5 |      |                |
| Procedural justice   | -                          | -  | -     | 2.99 | 1.036          |
| The bank responded quickly to my needs                     | 111                        | 64 | 106   | 2.93 | 1.317          |
| The bank had fair practices for dealing with me            | 84                         | 94 | 103   | 3.04 | 1.158          |
| The bank applied their procedures fairly in this situation | 86                         | 89 | 106   | 3.08 | 1.222          |

Table 2 (cont.). Perceived justice range

| Factors   | Frequencies – scale points |     |       | Mean | Std. deviation |
|---|----------------------------|-----|-------|------|----------------|
|   | 1 & 2                      | 3   | 4 & 5 |      |                |
| The bank gave me the service I expected   | 108                        | 84  | 89    | 2.89 | 1.223          |
| The bank had fair overall procedures with me  | 91                         | 83  | 107   | 3.03 | 1.198          |
| Interactional justice   | -                          | -   | -     | 3.06 | 1.088          |
| The bank really tried to be fair  | 105                        | 78  | 98    | 2.89 | 1.253          |
| The bank showed me the respect I deserve  | 88                         | 82  | 111   | 3.10 | 1.269          |
| The bank worked as hard as could be expected to resolve the service failure                           | 89                         | 75  | 117   | 3.10 | 1.271          |
| The bank was ethical in dealing with me   | 78                         | 88  | 115   | 3.14 | 1.231          |
| Distributive justice  | -                          | -   | -     | 3.07 | 1.136          |
| The outcome I received was fair   | 87                         | 86  | 108   | 3.08 | 1.213          |
| The outcome I received was right  | 88                         | 79  | 114   | 3.10 | 1.261          |
| The bank treated me well  | 89                         | 81  | 111   | 3.04 | 1.253          |
| The bank's efforts resulted in a positive outcome for me  | 102                        | 60  | 119   | 3.06 | 1.359          |
| Satisfaction  | -                          | -   | -     | 2.91 | 1.086          |
| My feelings about the bank are very positive  | 96                         | 95  | 90    | 2.95 | 1.170          |
| I feel good about doing business with this bank   | 89                         | 106 | 85    | 2.96 | 1.145          |
| I feel satisfied that the results from doing business with this bank is the best that can be achieved | -                          | -   | -     | -    | -              |
| Behavioral intention  | -                          | -   | -     | 2.90 | 1.168          |
| If I had to choose a bank all over again, I would choose my current bank                              | 118                        | 65  | 98    | 2.84 | 1.348          |
| I would highly recommend my bank to other people  | 124                        | 79  | 78    | 2.73 | 1.256          |
| I intend to continue using my bank  | 93                         | 70  | 118   | 3.07 | 1.349          |
| I will make use of any other services and products I need from my bank                                | 105                        | 71  | 105   | 2.97 | 1.309          |

The results show that the respondents were rather “neutral” about levels of perceived justice experienced. The mean value for procedural justice was found to be 2.99; interactional justice had mean value of 3.06 while distributive justice had mean value of 3.07. Respondents were also neutral in their level of satisfaction with service recovery efforts (mean value = 2.91) as well as in their behavioral intentions (mean value = 2.90). Examination of the items used to measure justice in service recovery as well as satisfaction and behavioral intentions, however showed wide variations in customer perceptions, satisfaction levels and behavioral intentions. In most cases there were large numbers of respondents who either “disagreed” (those

who marked 1 and 2 on the 5 point Likert scale) or “agreed” (those who marked 4 and 5) with the statements than those who were in the neutral (marked 3). The neutral values were thus a result of wide variations in customer experiences.

**7.2. Hypothesis testing – perceived justice and satisfaction with service provider.** Table 3 presents findings on the regression analysis conducted to test the hypotheses relating to perceived justice and level of customer satisfaction with service provider. The results show that perceived procedural justice had significant influence on customer satisfaction with banking service provider ( $p = .000$ ;  $\beta = .643$ ).

Table 3. Regression analysis – perceived justice and satisfaction

| Model | R                     | R square                    | Adjusted R square | Std. error of the estimate |        |      |
|-------|-----------------------|-----------------------------|-------------------|----------------------------|--------|------|
| 1     | .643                  | .413                        | .411              | .834                       |        |      |
| 2     | .633                  | .401                        | .399              | .842                       |        |      |
| 3     | .652                  | .426                        | .424              | .825                       |        |      |
| Model | Independent variable  | Unstandardized coefficients |                   | Standardized coefficients  | t      | Sig. |
|       |                       | B                           | Standard error    | Beta                       |        |      |
| 1     | (Constant)            | .894                        | .153              |                            | 5.862  | .000 |
|       | Procedural justice    | .673                        | .048              | .643                       | 13.984 | .000 |
| 2     | (Constant)            | .979                        | .150              |                            | 6.515  | .000 |
|       | Interactional justice | .631                        | .046              | .633                       | 13.635 | .000 |
| 3     | (Constant)            | .981                        | .143              |                            | 6.854  | .000 |
|       | Distributive justice  | .627                        | .044              | .652                       | 14.355 | .000 |

Source: Customer satisfaction with service provider.

Perceived interactional justice was found to have significant influence on customer satisfaction with banking service provider ( $p = .000$ ;  $\beta = .633$ ). Similarly distributive justice was found to have significant influence on customer satisfaction with banking service provider ( $p = .000$ ;  $\beta = .652$ ). Based on these results, hypotheses 1a, 2a and 3a are hereby accepted.

A closer look at the regression coefficients shows that while all three dimensions of justice had significant influence on customer satisfaction with service provider distributive justice had the strongest influence.

**7.3. Perceived justice and behavioral intention.**

Presented in Table 4 are findings on the regression analysis conducted to test the hypotheses relating to perceived justice and customers’ behavioral intentions.

Table 4. Regression analysis – perceived justice and behavioral intentions

| Model | R                     | R square                    | Adjusted R square | Std. error of the estimate |        |      |
|-------|-----------------------|-----------------------------|-------------------|----------------------------|--------|------|
| 1     | .579                  | .335                        | .333              | .954                       |        |      |
| 2     | .567                  | .321                        | .319              | .964                       |        |      |
| 3     | .600                  | .360                        | .358              | .936                       |        |      |
| Model | Independent variable  | Unstandardized coefficients |                   | Standardized coefficients  | t      | Sig. |
|       |                       | B                           | Standard error    | Beta                       |        |      |
| 1     | (Constant)            | .950                        | .174              |                            | 5.454  | .000 |
|       | Procedural justice    | .652                        | .055              | .579                       | 11.855 | .000 |
| 2     | (Constant)            | 1.043                       | .172              |                            | 6.077  | .000 |
|       | Interactional justice | .608                        | .053              | .567                       | 11.490 | .000 |
| 3     | (Constant)            | 1.009                       | .161              |                            | 6.259  | .000 |
|       | Distributive justice  | .617                        | .049              | .600                       | 12.527 | .000 |

Source: behavioral intention.

The results show that perceived procedural justice had significant influence on customers’ behavioral intentions ( $p = .000$ ;  $\beta = .579$ ). Perceived interactional justice was also found to have had significant influence on customers’ behavioral intentions ( $p = .000$ ;  $\beta = .567$ ). Similarly distributive justice has significant influence on customers’ behavioral intentions ( $p = .000$ ;  $\beta = .600$ ). Based on these results, hypotheses 1b, 2b and 3b are hereby accepted.

Justice had significant influence on customers’ behavioral intentions, distributive justice had the strongest influence. The regression coefficients further show that all three dimensions of justice had stronger influence on customer satisfaction than on customers’ behavioral intentions.

Just as with satisfaction, a look at the regression coefficients shows that while all three dimensions of jus

**7.4. Satisfaction and behavioral intentions.**

Table 5 presents findings on the regression analysis conducted to test the hypothesis relating to the influence of satisfaction on customers’ behavioral intentions.

Table 5. Regression analysis – perceived justice and satisfaction

| Model | R                    | R square                    | Adjusted R square | Std. error of the estimate |        |      |
|-------|----------------------|-----------------------------|-------------------|----------------------------|--------|------|
| 1     | .794                 | .631                        | .629              | .712                       |        |      |
| Model | Independent variable | Unstandardized coefficients |                   | Standardized coefficients  | t      | Sig. |
|       |                      | B                           | Standard error    | Beta                       |        |      |
| 1     | (Constant)           | .414                        | .122              |                            | 3.399  | .000 |
|       | Satisfaction         | .855                        | .039              | .794                       | 21.785 | .000 |

Source: behavioral intention.

The results show that customer satisfaction with a service provider had significant positive influence on behavioral intentions ( $p = .000$ ;  $\beta = .794$ ). Based on these results, hypotheses 3 which states that “Satisfaction with a bank as a service provider following service recovery efforts positively influences customer behavioral intention” is hereby accepted.

Distributive justice proved to be the dimension with the greatest influence on satisfaction with banking service providers and on behavioral intentions. This is in line with findings by Kuo and Wu (2012) as well as Nikbin et al. (2012). The findings are consistent with the justice theory and have wider managerial implications on management of service failure by banks.

**8. Discussion and managerial implications**

Findings in this study show that banking customers’ levels of perceived justice exerts significant positive influence on satisfaction as well as on their beha-

avioral intentions. In general, bank managers need to strive towards avoiding service failures in their operations altogether by maintaining adequate and consistent levels of service quality. However, given the inherent variability

of services, it may not always be possible to foresee and avoid service failure. As a result it is important for managers to be conscious of factors that can help contribute to successful service recovery. The findings in this study point to the need for managers to ensure high levels of justice when engaging in service recovery efforts. In looking at perceived justice, managers need to take cognisance of the fact that perceived justice is a multidimensional construct. For this reason, each dimension and its effect on post-recovery satisfaction and behavioral intentions needs to be appreciated.

One of the dimensions that managers need to pay attention to is procedural justice. This dimension points to the need for individual banks to ensure that they have fair policies and systems for dealing with service failure. The system needs to allow for customers to be able to report service recovery process without hassles. This is possible when customers are aware of whom to approach when there are problems that need to be addressed. Customers need to also be provided with feedback on why the service failure may have occurred and what is being done to rectify the failure. A high degree of transparency of service recovery processes is likely to result in a higher level of perceived procedural justice. Additionally, personnel involved in service recovery efforts need to be swift in responding to customer complaints, as this may demonstrate greater concern for the customer's grievance which in turn can make the customer feel that they matter to the bank.

Findings on interactional justice point to the need for bank managers to ensure that customers are treated well by bank's personnel during the service recovery process. Managers can enhance this capability by ensuring that employees are trained to show empathy and respect to customers at all times, and deal with issues of service failure with sensitivity taking cognisance that inability to handle customers well can result in loss of business through customers switching to other service providers. Managers need to be cognisance of the fact that good performance on interactional justice is likely to require some flexibility in the way

complaints may be handled bearing in mind that customer has unique personalities and needs. In general, bank employees need to be seen by customers to be working hard to resolve problems when they are brought to their attention.

Findings on distributive justice point to the need for managers to pay attention to the outcomes of recovery efforts. Specifically, managers need to ensure that outcomes of service recovery efforts are fair to customers. What may be fair outcome is likely to depend on the nature of the service failure. In some cases an apology may do, while in other cases the customer may want more than just an apology. All in all, the outcome needs to mitigate any negative feelings experienced as a result of the service failure.

## Conclusion

This study investigated the influence of perceived justice in service recovery on banking customers' satisfaction and behavioral intentions. The findings show that use of appropriate service recovery efforts can have positive influence on levels of customer satisfaction, which in turn exerts positive influence on customers' behavioral intentions. The findings also point to the importance of the different dimension of justice in service recovery. All dimensions of perceived justice examined in the study were found to have a significant influence on satisfaction and on behavioral intentions.

The study contributes to a better understanding of issues of justice in dealing with service failure in the banking sector. Findings in the study can help managers develop effective strategies for monitoring and improving service recovery efforts so as to ensure continued patronage of their banks.

While the study has wide managerial implications, it is not without limitations. The main limitation of the study relates to the limited geographical area covered which makes it difficult to generalize the findings to the wider banking customer population. Researchers can look at the possibility of replicating the study in other areas in South Africa. Such studies can help validate current findings.

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