# UNIVERSITY OF EDUCATION WINNEBA COLLEGE OF TECHNOLOGY EDUCATION, KUMASI

# SUSTAINABILITY IN GHANAIAN RESTAURANT SERVICE: THE ROLE OF SERVICE RECOVERY

AKUA SERWAH
200027432

A Dissertation in the Department of Catering and Hospitality, School of Technology
Submitted to the School of Graduate Studies, University of Education, Winneba, in
Fulfillment of the Requirement for the Award of Master of Philosophy Degree in
Catering and Hospitality.

## **DECLARATION**

## STUDENT 'S DECLARATION

I Akua Serwah, declare that this thesis, with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

another degree elsewhere.		
AKUA SERWAH	DATE	
SUPERVISOR'S DECLARATION		
I hereby declare that the preparation and pre-	sentation of this work was supervised in	
accordance with the guidelines for supervision of	of this thesis as laid down by the University	
of Education, Winneba.		

**DATE** 

DR. MRS. LOUISE ELLEN FAGBEMI OLU

# **DEDICATION**

This research is dedicated to the memory of the late Professor Martin Amoah, the former Dean of the Faculty of Vocational and Technical Education.



#### ACKNOWLEDGEMENT

This research work would not have been accomplished without the helpful guidance of some academics whose unflinching love, support, dedication, commitment and cognitive contributions made this thesis a reality. I am most grateful to my supervisor, Dr. Mrs. Louise Ellen Fagbemi Olu, for bringing her rich experience and expertise to bear on discussion sessions which brought incredible revelations and facts to inform this thesis. Dr. Mrs. Patricia Owusu Darko and Dr. Kofi Agyarko Ababio are highly appreciated for their valuable suggestions and recommendations as far as this thesis is concerned.

Also to Prof. Martin Amoah, the formal Dean of the Faculty of Vocational and Technical Education. Without his intellectual support and experience, this thesis would not have been proved successful. Even though he is no more his impact on this work was phenomenal; he contributed immensely to this work. May his gentle soul, rest in perfect peace.

I am extremely appreciative of the Head of Department and Acting Dean of Faculty of Vocational and Technical Education, Dr. Samson Owiah for his expertise and help throughout my study. I also take this golden opportunity to profoundly appreciate Dr. Mrs Doreen Adi for her generous support during the writing of this thesis. Again, I express my profound appreciation to Mr. Wisdom Adzraku for his immense support and assistance to this work.

I register special appreciation to my husband, Mr. Samuel Kwame Gato, my parents Professor O. S Olympio and Professor Mrs. Nana Sakyiwaa Olympio, my sons Rowlland,

## University of Education, Winneba http://ir.uew.edu.gh

Robert and Reginald. May God bless you all. Lastly, I extend my heartfelt thanks to Mr Antwi Boasiako, Mr. Musa Labaran and Mr. Isaac Awuah and all my lovely siblings for their immense patience, affection, understanding, knowledge, wisdom, experience, moral and financial support for making this work successful.



# TABLE OF CONTENTS

CONTENTS	PAGES
DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	vi
LIST OF TABLES	xi
LIST OF FIGURES	xii
ABSTRACT	xiii
LIST OF ABBREVIATIONS	xiv
CHAPTER ONE	1
INTRODUCTION	1
1.0 Background to the Study	1
1.1 Statement of the Problem	3
1.2 Purpose of the Study	4
1.3 Research Objectives	4
1.4 Research Questions	4
1.5 Hypothesis	5
1.5 Significance of the Study	6
1.6 Scope of the Study/Delimitation	6
1.7 Limitations	7
1.8 Definitions of Terms	7

CHAPTER TWO	. 12
LITERATURE REVIEW	. 12
2.1 Overview of the hospitality industry in the world	. 12
2.1.1 Overview of the hospitality industry in Ghana	. 13
2.2 Service Recovery	. 15
2.2.1 Dimensions of service recovery	. 17
2.2.2 Distributive or outcome justice	. 19
2.2.3 Procedural justice	. 22
2.2.4 Interactional /Interpersonal justice	. 23
2.2.5 Informational justice	. 25
2.2.6 The process of service recovery	
2.2.7 Proactive and reactive service recovery	. 27
2.3 Customer satisfaction.	. 28
2.4 Service recovery and customer compliant attitude	
2.5 Customer reactions to service failure	. 30
2.6 Organisational legitimacy	. 31
2.7 Sustainability	. 32
2.8 Theory and hypotheses development	. 35
2.8.1 The Justice/Fairness Theory	. 36
2.8.2 Confirmation and disconfirmation theory and service recovery	. 37
2.8.3 Equity theory	. 38
2.8.4 Social exchange theory and equity theory	. 38
2.8.5 Service recovery and environmental sustainability	. 39

# University of Education, Winneba http://ir.uew.edu.gh

2.8. 6 Service recovery and customer satisfaction	41
2.8.7 Customer satisfaction and sustainability	42
2.8.8 Organisational legitimacy and sustainability	43
2.8.9 Mediation of customer satisfaction in the service recovery – sustainability linkage	43
2.8.10 Moderation of organisational legitimacy in the customer satisfaction-sustainability	
linkage	44
2.9 Theoretical framework	45
CHAPTER THREE	48
METHODOLOGY	
3.1 Research design	48
3.2 Population	49
3.3. Sample and sampling procedure	49
3.4 Research instruments	51
3.5 Construct measurement	52
3.6 Data collection procedure	53
3.7 Pilot testing of instruments	54
3.8 Data processing and analysis	55
3.9 Validity of instruments	55
3.10 Ethical issues associated with the research	56

CHAPTER FOUR	57
RESULTS AND ANALYSIS	57
4.1 Socio-Demographic information of the respondent	57
4.1.1 Personal information of service providers	57
4.2 Service recovery practices	60
4.2.1 Perception of service providers	60
4.3 Confirmatory factor analysis	63
4.4 Bivariate correlational analysis	66
4.5 Hierarchical multiple regression result	71
4.5.1 Service recovery, customer satisfaction, legitimacy and sustainability	71
4.5.3 Customer satisfaction and sustainability of restaurants	75
4.5.4 Organisational legitimacy and sustainability of restaurants	75
4.5.3 Service recovery, customer satisfaction, legitimacy and environmental sustainability	y 81
4.6 Structural equation model	85
CHAPTER FIVE	89
DISCUSSION OF RESULTS	89
CHAPTER SIX	94
SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION	94
6.1 Service recovery practices of restaurants	94
6.1.2 Service Recovery Practices and Sustainability	94
6.1.3 Service Recovery and Customer Satisfaction	95

# University of Education, Winneba http://ir.uew.edu.gh

6.1.4 Customer Satisfaction and Sustainability
6.1.5 Customer satisfaction as Mediator in the Service Recovery – sustainability Linkage. 95
6.1.6 Firm legitimacy as moderator in the customer satisfaction – sustainability linkage 96
6.2 Conclusion 96
6.3 Contribution to Theory and Practice
6.4 Recommendations
6.4.1 Organisation of Workshops and Seminars on Service Recovery
6.4.2 Promotion of Online Complaint Handling
6.4.3 Training Programmes on Service Recovery Practices for Managers and Staff99
6.5 Suggested Areas for Further Studies
REFERENCES
APPENDIX A123
APPENDIX B
APPENDIX C

# LIST OF TABLES

TABLES PAGES
Table 3.1: Distribution of Target Population of the Study by Restaurant Grades
Table 3.2: Sample size distributions by category of restaurant
Table 3.3: Percentage of questionnaires allocated to the various grades of restaurant 54
Table 4.1: Descriptive statistics
Table 4.2: Customers personal data
Table 4.3: Service providers' perception of service recovery practices
Table 4.4: Customers perception of service recovery practices
Table 4.5: Validation of constructs and reliability
Table 4.6: Goodness of fit indices
Table 4.7: Spearman 's correlational analysis
Table 4.8: OLS estimation result of service recovery and sustainability
Table 4.9: Mediation analysis of individual unit constructs
Table 4.10: Estimation result of service recovery and social sustainability
Table 4.11: Mediation analysis
Table 4.12: OLS estimation result of service recovery and environmental sustainability 82
Table 4.13: Mediation analysis of individual unit constructs
Table 4.14: Model fit indices of the structural equation models

# LIST OF FIGURES

FIGURES	PAGES
Figure 2.1: Service Recovery, Legitimacy, satisfaction and sustainability Fran	nework 47
Figure 4.1: Structural Equation Model with Standard Estimates	87
Figure 4.2: Structural Equation Model with t-values	88



#### **ABSTRACT**

In many parts of the world, restaurants have systematic mechanism for recovering failed services. However, many restaurants in Ghana do not practically perceive service recovery as a strategic management tool, and hence attaches limited significance to systematic service recovery in an attempt to ensure sustainable performances. This study therefore investigates the role of service recovery in the sustainability of Ghanaian restaurant services. The explanatory design and quantitative study involved the survey of 37 managers, 57 waiters/waitresses, and 169 customers of 10 restaurants in the Kumasi Metropolis. Data collected through structured questionnaire was entered in the SPSS IBM 20 and validated using the Lisrel 8.50. Data was subjected to confirmatory factor analysis (CFA), and hypotheses tested using both multiple regression and Structural Equation Model. The study showed that both customers and service providers perceive the restaurants in the Kumasi Metropolis to adhere to service recovery justices. Nonetheless, the level of service recovery adherence of the restaurants depended largely on the category or grade of restaurant. The higher the grade of restaurant, the higher the adherence to service recovery practices. Distributive and procedural justices had no effect on the social and environmental sustainability. However, the interactional and informational justices positively and significantly influenced both social and environmental sustainability. The distributive, interactional and informational justices positively and statistically significantly influenced the satisfaction level of customers. Also, the satisfaction level of the customers of the restaurants positively and statistically significantly influenced social and environmental sustainability. Customer satisfaction fully mediated the effect of the interactional justice on sustainability whereas the informational justice affects the sustainability of the restaurants only partially through the satisfaction level of the customers. The legitimacy of the restaurants in their located communities was not a moderator in the effect of the level of satisfaction of the customers on sustainability of the restaurants. Lastly, the positive effect of interactional and informational justice on social and environmental sustainability is through the intervening role of customer satisfaction but not dependent on the legitimacy of the restaurants. This study therefore recommends organisation of workshops and seminars on service recovery and promotion of online complaint handling.

### LIST OF ABBREVIATIONS

NRA - National Restaurant Association

GDP - Gross Domestic Product

GTA - Ghana Tourist Authority

CSR - Corporate Social Responsibility

PCSR - Perceived Corporate Social Response

OPIJ - Outcome, Procedural and Interactional Justice (s)

CS - Customer Satisfaction

CL - Customer Loyalty

SS - Social Sustainability

PWOM - Positive Word-of-mouth

WOM - Word-of -mouth

UN - United Nations

OJ - Outcome Justice

PJ - Procedural Justice

IJ - Interactional Justice

#### CHAPTER ONE

#### INTRODUCTION

## 1.0 Background to the Study

As stated by Chan and Mackenzie (2013), hospitality is the act of demonstrating love or kindness by welcoming customers and taking care of their basic needs such as food, drink and accommodation. Hospitality requires the guest to feel that the host is hospitable through feelings of generosity, a desire to please and a genuine regard for the guest as individual (Adigbo & Mada, 2011). In the perspective of Ghosh, (2006), hospitality industry is comprised of organisations that provide lodging, food and other services to travelers, and the component hotels, motels, inns, resorts and restaurants. From the foregoing definitions, the hospitality industry comprises both physical and invisible aspects of services delivery. It involves the process of receiving guest and meeting their basic needs such as providing them with food, beverages and a place to rest. Hospitality industry contributes significantly to the growth of a country's economy. Unequivocally, its benefits to national economies are that it generates revenue and contributes significantly to Gross Domestic Product (GDP), provide lucrative employment, improves social services, develops infrastructure and brings about improvement of rural communities, (Mensah, 2009).

In Ghana, The hospitality industry between 2010 and 2018 employed a great number of people in the restaurant sector contributing about 6.5% to the GDP (Ghana Tourism Authority, 2018). Notwithstanding the contributions of the industry to revenue and foreign exchange earnings, the practices of the restaurants in the industry are heavily disrupted by persistent service failure and the associated difficulty in sustaining performance. Undoubtedly, organisations that have the

strongest quality programs are unable to eradicate service failures and therefore results in customer dissatisfaction with the service provider (Del Rio-Lanza, 2009). Indeed numerous restaurants collapse within the first three years of their establishment on account of innumerable factors consisting of defection emanating from\_dissatisfaction. Around 30% of new restaurants opened between 2000 and 2010 in the United States fizzled. Over half of restaurants collapse in the first five years of its establishment, costing \$2.1 billion yearly, in national sales revenue (Bureau of Economic Analysis, 2017). Sustainable restaurants are the top economic supporters of the United States economy and are the second-biggest private-area manager (Persa Van der Rest et al., 2015).

After a service failure, customer defection is bound to happen and eventually affect the sustainability of the business (Maxham & Netemyer, 2002). Notwithstanding the significance of service and food quality to the social and economic sustainability of hospitality industry in Ghana, the idea of service quality in these organisations are not well perceived and plagued with irregularities and the food services are portrayed as poor (Appaw-Agbola & AfenyoDehlor, 2011). In Ghana, the numerous restaurants in the business are gone up against with the trouble of effectively conceptualising the desires for customers in the delivery of food services. These have caused many customers of restaurants in Ghana to express disappointment with the failure of service. Typical examples are unavailable/irregular services and defective products (Inkumsah, 2018; Mensah-Kufuor, Mensah & Amenumey, 2015). There is an additional developing worry about the safety of food served by both small and large restaurants. In this manner, Ghanaian consumer satisfaction with restaurant's food service is still below what is expected (Odonkor & Odonkor, 2020; Donkoh, Quinoo, Cudjoe & Kaba, 2012). Consumer satisfaction issues are more

identified with neatness of eating area, tidiness of serving place, the appearance of staff and good atmosphere. Notwithstanding the prevalence of service failure in the restaurant industry in Ghana, the interest of many food service providers like restaurants on the concept of service recovery is limited. This study therefore investigated the impact of the practiced service recovery strategies on the sustainability of restaurants in Kumasi.

#### 1.1 Statement of the Problem

Ideally, restaurants worldwide are required to have a systematic mechanism for recovering failed services. With the consistent rise in competition within the industry, clients are less inclined to exculpate service failures (La, 2019). Considering service failure, what brings back consumer satisfaction is firmly dependent on the sort of recovery system utilised (Duffy et al., 2006). However, many restaurants in Ghana do not practically perceive service recovery as a strategic management tool for sustainable purposes. Service recovery practices in most restaurants in Ghana are largely ad hoc. Thus, many restaurants in Ghana rarely survive beyond three years after their establishment (Ghana Tourism Authority's Report, 2018). In addition, although service recovery programs are regarded to be associated with social and environmental sustainability (Gariga & Mele, 2004), studies on the linkage between the concepts are limited in Africa. Researchers have largely concentrated on the linkage between service recovery strategies and sustainability in the service industry in the developed geographical setting, particularly in North America (La, 2019), Western Europe and Asia (Luu, 2018; Villi and Koc, 2018). Also, from the extant service recovery literature, there are few documented studies integrating sustainable programs and service recovery in the survival of restaurants in Ghana. Besides, the numerous studies worldwide on service failure rarely evaluate the mediating role of customer satisfaction and the moderating role of organisation legitimacy. This study therefore investigated the roles of customer satisfaction and legitimacy in the impact of service recovery strategies on the sustainability of restaurants in the Ghanaian restaurant industry.

### 1.2 Purpose of the Study

The purpose of the study is to investigate the role of customer satisfaction and organisational legitimacy in the impact of service recovery strategies on the sustainability of restaurants in the Kumasi Metropolis.

## 1.3 Research Objectives

The objectives of the study are to determine:

- 1. The effect of service recovery strategies on social sustainability;
- 2. The effect of service recovery strategies on environmental sustainability;
- 3. The mediating role of customer satisfaction in the relationship between service recovery strategies and sustainability; and
- 4. The moderating role of organisational legitimacy in the relationship between customer satisfaction and sustainability.

### 1.4 Research Questions

The study is guided by the following research questions:

- 1. What is the effect of service recovery strategies on social sustainability?
- 2. What is the effect of service recovery strategies on environmental sustainability?

- 3. What is the mediating role of customer satisfaction in the relationship between service recovery strategies and sustainability?
- 4. What is the moderating role of organisational legitimacy in the relationship between customer satisfaction and sustainability?

## 1.5 Hypothesis

 $H_{1a}$ : Service recovery will have a positive effect on social sustainability.

 $H_{1b}$ : Service recovery will have a positive effect on environmental sustainability.

H1c: Service recovery will have a positive effect on customer satisfaction.

 $H_{2a}$ : Customer satisfaction will have a positive effect on social sustainability.

 $H_{2b}$ : Customer satisfaction will have a positive effect on environmental sustainability.

 $H_{2c}$ : Customer satisfaction will have a positive effect on sustainability.

H<sub>5</sub>: Customer satisfaction will mediate service recovery - sustainability linkage.

*H<sub>3a</sub>*: Customer satisfaction will mediate service recovery - social sustainability linkage.

 $H_{3bb}$ : Customer satisfaction will mediate service recovery - environmental sustainability.

H4a: Organisational legitimacy will moderate customer satisfaction - social sustainability linkage.

H4b: Organisational legitimacy will moderate customer satisfaction - social sustainability linkage.

H5: Organisational legitimacy will moderate customer satisfaction - environmental sustainability linkage.

#### 1.5 Significance of the Study

The research has enormous significance to several stakeholders in the hospitality industry. It will benefit a wide range of individuals both in academia and professional within the hospitality industry. Study professionals in the hospitality industry will profit from the research through better comprehension of effective service recovery for the Ghanaian restaurant. The Ghana Tourist Board will likewise benefit from the study, as the study could serve as a guide in creating modules and policies for training programs, and formulation of training approaches or programs for the hospitality industry, and serving as a reference report for experts in the hospitality industry. The study could also serve as a-reference material to researchers who would like to undertake similar studies in the same field of study. Also, the study would explain significant issues that need attention in the region of sustainability and service recovery, and provide extra information or knowledge to existing literature.

### 1.6 Scope of the Study/Delimitation

The study focused on the views and knowledge on the customers of restaurants, waiters/ waitress and the management members of the restaurant. Conceptually, the research centres on service recovery strategies, customer satisfaction, organisational legitimacy and sustainability. The dimensions of service recovery are distributive, procedural, interactive and informational. The fundamental elements of sustainability underlined are social and ecological or environmental sustainability. Geographically, the study to a great extent emphasised the restaurants in the Kumasi Metropolis in the Ashanti Region of Ghana.

#### 1.7 Limitations

Similar research in the future could address the limitations in the findings of this study. The consideration to conduct this study within the economic pillar of sustainability could likewise be considered to ascertain the link between the justice dimension and economic sustainability.

#### 1.8 Definitions of Terms

Sustainability: Refers to development that meets the needs of the present without compromising the ability of people in the future to address their needs, (Sloan, Legend & Chen, 2009).

Service Recovery: This deals with the activities taken by a service provider to resolve a customer grievance with regard to a seeming service failure, (Hazee, Vaerenbergh &, 2017).

Distribution or Outcome justice: This refers to justice process in the form of compensations such as, discount, refund or apology offered to customers by the service provider after a service failure (Del Rio-Lanza, 2009).

Procedural Justice: This has to do with the justice process which centres on the policies and guidelines that any customer should experience to look for service recovery, (Ha & Jang, 2009).

Interactional Justice: this centres on relational associations during the process of Service delivery. It implies assessment of how much the client has realised justice in human interaction from the workers of service organisation during the recovery cycle, (Matila et al., 2010).

7

University of Education, Winneba http://ir.uew.edu.gh

Justice: Concerns with fairness, equality or judgment regarding what quality of service they

receive, (Oliver, 1992).

Social Sustainability: Deals with the impact that an organisation or business has on the general

public within which operates and exploit shareholders value, (Palazzi & Starcher, 2001).

Economic Sustainability: Refers to profit maximisation and extra business benefits accruable

through improved relationship with partners and good sound management system, (Sloan,

Legend &Chen 2009).

Perceived Corporate social responsibility: This is the perception of customers about an

organisation as to whether they organisations integrate the interest of the society into corporate

strategies, (La, 2019).

Corporate Social Responsibility: The concept by which organisations integrate the interest and

needs of customers, employers, suppliers shareholders and the communities into corporate

strategies, (La,2019).

Positive word-of-mouth: The act of telling other people about one's satisfaction with an outlet or

a firm, (Ramadan, 2012). Negative word-of-mouth: This refers to the act of describing one 's

dissatisfaction to others, (Ramadan, 2012).

Repatronage Intentions: This means the post-purchase conduct of the client, (La, 2019).

8

Consumer satisfaction: The feeling a client obtains if the impact to the exchange process of service delivery balances the supposed output, (Rather & Sharma 2017).

Compensation: This refers to either monetary payment or any other offer given to the client to assuage the inconveniences suffered during service failure, (Ramadan, 2012).

Customer Loyalty: This describes the positive post behaviour relationship of customers based on previous satisfaction with an outlet, (Rather, 2017).

Restaurant: Any establishment well-appointed and formally appropriately fitted for the preparation and serving of food and beverages for consumption on the premises, (GTA, 2018).

Stakeholder: Any person, group or association that has an interest in, or that might be influenced by, the activities of another organisation, (Sloan, Legend & Chen, 2009).

Sustainable: That which can be kept in the equivalent or a better condition for the future, (Sloan, Legend & Chen, 2009).

Sustainable Development: Development carried out in such a way to meet the needs of the present without compromising the ability of the future generation to address their needs, (Sloan, Legend, & Chen, 2009).

9

Gross domestic product: The Gross domestic product is a measure of the total value of goods and services produced by the domestic economy during a given period, generally one year,(GTA,2018).

Globalisation: It is generally described as the network of connections of organisations and people across national, geographic and cultural borders and limits, (Chan & Machenzie, 2013).

Hospitality Industry: Is comprised of business that gives accommodation, food and refreshments, and provides entertainment, (Chan & Machenzie, 2013).

## 1.8 Organisation of the Study

The study is organised into six chapters. The first chapter covers the presentation which incorporates the background thus the general summary of the research; problem statement which exposes the gap to be filled by the study. This section also focuses on the purpose of the study, research goals and questions that serve as the basis for collecting data. The section further discusses the significance of the research, scope and definition of terms. The second chapter reviews related literature in similar fields of study, for example, service recovery, distributive or outcome justice, procedural justice, interactional justice, informational justice, the cycle of service recovery among several others. Also, Chapter three spotlights on research design, population, sample and sampling procedure research instrument, data collection system and the technique for analysing the data. The fourth chapter fundamentally discusses the actual analyses and the results of the data collected. The Chapter five covers the discussions of the results and its

# University of Education, Winneba http://ir.uew.edu.gh

implications and finally the sixth chapter gives the outlines of the significant findings, conclusions and proposals.



#### CHAPTER TWO

#### LITERATURE REVIEW

#### 2.0 Introduction

This chapter reviews conceptual, theoretical and empirical literatures related to the study. The main concepts reviewed in this study are service recovery strategy, customer satisfaction, organisational legitimacy, and sustainability. Theoretically, this chapter discusses the justice, equity, confirmation and disconfirmation theory, and how it underpins this study. Empirically, several studies on the linkages between the main concepts are reviewed to aid in the development of the main hypotheses of the study. The final part of the chapter involves the development of a theoretical framework to guide the study.

## 2.1 Overview of the hospitality industry in the world

The hospitality industry's economic benefits around the world can never be overlooked. The international hotel industry has swiftly thrived to become the largest employer of the world, by providing jobs for more than 200 million people (UNESCO, 2013). Actually, the impact of the hospitality industry to GDP ranges from around 2% for nations where the hospitality industry is relatively a small sector to over 10% for nations where the industry is an important part of the economy (UNESCO, 2013). In Western Australia, the hospitality industry directly accounted for \$3.0 billion, or 9.6% of Australian total hospitality value-added, Ghana Tourism Authority, (2015).

Also sustainable restaurants are the top economic contributors to the United States and are second-largest private-sector employer Bureau of Economic Analysis, (BEA, 2017). In America,

according to research conducted by the National Restaurant Association (NRA, 2017), consumers spend approximately half of their disposable income on dining outside the home.

However studies conducted in the United States, still confirmed that more than 50% of restaurants fail in the first five years of operation, Persa et al, (2015), and this has been causing annual loss of \$ 2.1 billion in national sales revenue in the US.

Again in the Philippines there has been significant growth within the restaurant setup (Luu, et al., 2016). According to the Philippine Statistics Authority, (2017), restaurants and mobile food service activities employ the highest number of workers. In particular restaurants and mobile food service providers with at least twenty employees accounted for 67% of the employment and generated around 72.5% of the total income (approximately PHP240.8 billion or around USD.4.75 billion) in accommodation and food service sector in 2015 alone.

The Tourism Organisational Report (2006) asserts that the hospitality industry in sub-Saharan Africa enjoyed a strong annual market share growth rate of 10%. In Kenya, the hospitality industry is among the fast-expanding industries and an important foreign exchange earner, (Wamuya, 2015).

### 2.1.1 Overview of the hospitality industry in Ghana

In Ghana the hospitality industry contributes immensely to the economy. Unequivocally its benefits to the Ghanaian economy are that, it is a revenue earner and contributes significantly to Gross Domestic Product (GDP). It generates lucrative employment, improves on social services,

develops infrastructure and brings about rural development as well, (Mensah, 2009). The Ghana Tourism Authority reported that between 2010 and 2018, the hospitality industry employed many people in the restaurant sector contributing approximately 6.5% to GDP during that period. However a number of restaurants keep on folding up and are out of business as a result of service failures. Studies conducted in Ghana indicate that many restaurants within the hospitality industry are confronted with the difficulty of correctly conceptualising the expectations of the customers in the delivery of food service, (Inkumsah, 2018). Thus the Ghanaian customer's satisfaction with food service of the restaurant is still below expectation, (Odonkor & Odonkor). According to the Ghana Tourism Authority's list of restaurants, there are 72 registered restaurants within the Ashanti Region and if each of these restaurants has a maximum of five employees it would go a long way in reducing the unemployment rate in the country. However, in Ghana, the interest of many food service providers like restaurants on the concept of service recovery is limited.

Moreover in Ghana, the importance of service and food quality to the social and economic and environmental sustainability of restaurants industry is ill-understood and beset with anomalies and the food services are described as poor (Appaw-Agbola&AfenyoDehlor, 2011). Most customers express dissatisfaction with the failure of food services in relation to unavailable or irregular service, (Inkumsah, 2018; Mensah-Kufour, Mensah & Amenumey, 2015). Some of these failures have led to the closure of some hotels and restaurants in Ghana. However there are limited documented studies conducted in Ghana in the area of service recovery in rectifying such situation, thus, it is essential that restaurant owners identify underlying strategies that enhance customers delight and satisfaction throughout each business cycle (Gummeson 2014).

It is therefore imperative for current and aspiring restaurant owners to discover ways to entice consumers. On the contrary, if customers who are considered as important stakeholders do not receive the expected services they will be dissatisfied. This is when service recovery comes in with actions to overcome the incidence, (Hazee et al., 2017). When service failure is followed by poor service recovery, some customers simply stop using the outlet. Research has shown that a good recovery process always generates a positive impact on the purchases behaviour of the customers (Lewis & McCann, 2004).

#### 2.2 Service Recovery

Service recovery is described as the actions that the organisation uses in order to defeat the incidence of service failure, (Haze et al. 2017). In the best form of description, service recovery is considered as the action is taken when something is done wrongly in the process of delivering service, (Fabian & Jeff, 2008). Actually, it is the responsibility of the service provider to act instantaneously to make sure that the desired outcome is attained and necessary corrections are effected afterwards so that the failure does not recur. In Ghana, there have been growing concerns regarding the safety of food served by small, medium and large restaurants and so this has given rise to the dissatisfaction of Ghanaian customers with food services of restaurants, (Odonkor & Odonkor, 2020). Such situations create customer defection and therefore necessitate the adoption of special recovery strategies to win back the dissatisfied clients. In line with this, service failure produces varied recovery strategies reliant on the social contextual world and this expatiates on the way and manner that service providers need to comprehend the course of the failure in order to adopt a particular strategy which is able to satisfy the needs of the customers, (Azenri et al. 2018). Notably, the impact that online service recovery reactions

started by the advocates has on the opinions and views of bystanders concerning the company cannot be underrated and therefore online recovery strategies are important for any profitoriented firm, (Weitzel &Hutzinger, 2013). They concluded that accommodative strategies which include apologies and price reduction are some of the promotional tools that the society pays attention to and have a positive impact on the firm. As a result, if nothing is done to resolve the service failure encountered by the customers, could generate into negative impact on the outlet. It is significant to accentuate, that one of the paramount objectives of service recovery is to retain customers, after service failure, which is candidly noticed as an effective means to motivate customers after a service failure so that they will continue to patronise a service industry, (Johnston, 1995). In addition, another chief aspiration of service recovery is to maintain customer loyalty and attempt to mitigate the harm or damage or inconvenience caused, (Johnston, 2005). In fact the concept of service recovery is dependent on a certain action taken by service organisation as well as its workers to expiate for the losses incurred by customers due to service failure, (Gronroos, 2003). Some of these actions are economic resources such as compensation, refund, free product or service and social resources such as apology, admission of the fault, management intervention as well as good interpersonal skills and relationships, (Jones et al, 2003). Service recovery refers to services used by the service organisation in response to a failure, (Gronroos, 2003). From the foregoing definition, service recovery basically is concerned with the mechanisms an organisation utilises in trying to win back dissatisfied customers.

#### 2.2.1 Dimensions of service recovery

The principal concept behind the justice dimension theory relates to justice or decision which people take concerning the quality of service delivered to them, (Oliver, 1992). Usually, studies attempt to associate perceived justice, with service failure and recovery in line with the issue of satisfaction the reason being that the customer actually achieves satisfaction if and only if reasonable treatment is offered to them. Undoubtedly, the customer's sense of dissatisfaction occurs when the organisation fails to do so as the treatment is given is not considered fair and equitable. On the contrary, in Ghana, issues relating to customers satisfaction are greatly associated with cleanliness of the eating area, the appearance of staff as well as the entire ambience of the outlets (Donkoh, 2012). It is worthy of note that justice theory found in the literature on service recovery state emphatinote that different studies conducted on justice theory in the literature on service recovery, rascally that justice theory rests on the perspective that customer satisfaction and their future loyalty levels will rely on whether or not the customers feel they were justly treated. Therefore justice was achieved (Kennedy, McColl & Sparks, 2003). Significantly, equity is introduced into the considerations of justice with the view that "perceived justice is connected to service failure and recovery as its elements involved component of fairness and equity theory, inferring that exchange interactions between service providers and customers should be fair" (Chebat and Slusarczyk, 2005). Without any equivocation, the compensation given as part of the service recovery process is deemed to elicit a complex set of reactions from the customer side. It is worthwhile to recognize that in the process of service recovery, the recompense given brings an intricate set of reactions from customers. As a consequence, low degree of recompense causes an adverse effect on the customer so to speak and excessively high degree of recompense engenders a feeling of dissatisfaction per the

discretion of customers and a feeling of guilt should the compensation so given is unsatisfactory and not acceptable.

Albeit certain researchers have actually endearvoured to find connections between the three dimensions of justices and satisfaction as well as behavioural intents of customers (Karate, 2006). Consequently this study will take into account justice solely as a significant component of customer satisfaction plus efforts at service recovery. As a matter of fact justice and its dimension make up an intermediate phase in the process of service recovery and powerfully influential customer opinions of the result or outcome. Emphatically, it is appropriate to characterize laconically the separate dimensions of justice as a group before dealing with them distinctly.

In the same vein, should in exchange, the customer feel fairly treated,; this part of justice of called distributive justice (Godwin & Ross, 1992; Oliver, 1997). Again, if the customer judges the perceived fairness of the outcome he or she procures and the perceived justice of the process of delivery, conclusively, this is properly called procedural justice as it was Mattila et al., (2010). Notably, the interpersonal dimension of procedural justice is suitably denominated as interactional justice in certain studies which accentuates the manner in which the service is executed and consequently the service provides vital piece of information to customer appropriately, (Tax et al., 1998).

Available studies have shown clearly that the Ghanaian customers' satisfaction with the service organisations is not directly linked with service recovery. However the researcher holds a

contrary view, since there have been few documented studies conducted in the area of service recovery and that the Ghanaian customer will be satisfied if inputs to the exchange process of the service delivery balance the outputs.

### 2.2.2 Distributive or outcome justice

Actually, the compensation that the customer gets owing to the losses and inconveniences brought about by the service failure is called outcome justice or distributive justice in other research parlance. This part of justice consists of compensation for failure, time, effort and energy exerted in the course of service failure as well as the process of service recovery (lovelock, Witz & Chew, 2009). Distributive justice deals with the assignment of materials by the firm to correct and compensate for service failure (Del Rio-Lanza, 2009). In the context of service failure and recovery, distributive justice has to do with the fairness that is perceived after a failure occurs (Holloway et al., 2009). Really, this underpins the legitimate ethics and etiquettes for business on which the corporate social responsibility is based. Indeed, this means that the customer may be compensated after a service failure yet he/she may perceive that justice is not attained on account of the fact that the worth of the outcome awfully falls short of the input. That is, what is offered as compensation does not adequately make up for the losses incurred or inconveniences caused by the service organisation. Actually, the customer in question undergoes distress, should he or she regard the benefits as not fairly distributed, (La, 2019). Reliably, studies have given empirical evidence that perceived justice of tangible outcome has a positive effect on recovery evaluation, (Boshoff, 1997). The compensation that the customer receives as a result of the losses and inconveniences caused by the service failure is known as the outcome justice or sometimes called distributive justice. This includes

compensation for not only the failure, but also time, effort and energy spent during the service failure and the process of service recovery (Lovelock, Witz & Chew, 2009). According to Del Rio-Lanza, (2009), outcome justice refers to the assignment of tangible resources by the firm to rectify and compensate for service failure. In the Ghanaian context, some of the failures could be serving a cold dish to a customer, allowing a customer to wait unnecessarily before serving him or her, serving a customer below the required portion and the like. To rectify these failures, a Ghanaian customer will be pleased if an apology is given after which, compensation in the form of the takeaway pack given to the customer who has been served below the required portion.

Moreover, acknowledging the problem and giving the customer the assurance that the failure will not be repeated could also win the customer back. This is consistent with (Michel et al., 2009; Reis et al., 2017), that what seems to annoy customers after a failed service is not that they were satisfied but rather their belief that the system remains unchanged. After the promise, when customers actually sees that the situation has changed they will continue to do business with the restaurant and this can contribute to how well the society within which the restaurant is located will think of the outlet. The justice framework helps in assessing the attempts to overcome service failure, underscoring customer's assessment of the fairness in the way in which service failures are handled. Outcome justice deals with the customer's view relating to equity by which resources allocated and apportioned in addition to any different transactions. This implies that quite apart from the core service provided to the customer in the service outlet, customers also base their judgment of justice delivered on all other services provided at the premise, such as the length of time wasted before meals are served or delivered, (Casado- Diaz et al., 2006). Particularly outcome justice relates to what the customer obtains as the outcome of any attempt

of recovery (Ha & Jang 2009). More specifically outcome justice is attained in service recovery if customers get what they expected to receive prior to the occurrence of the service failure. It is appropriate to emphasise here that the evaluation of recovery is associated with justice theory due to customer's assessment of the way they are justly treated during the process of recovery, (Choi & Matilla). Further, the customer's satisfaction will be firmly sustained if they perceive equitable recovery, (Chen et al., 2018). Again, distributive or outcome justice refers to the perceived fairness of the definite and real outcome of service delivered, (Hocutt et al., 2006).

Indeed problems with measuring distributive justice occur because equity, equality, and need are not easily differentiated by the customers themselves. It will be essential within the Ghanaian context to have already guidelines and specific monetary compensation in place while training the service personnel to be able to react rapidly and conveniently to numerous situations of service failure so that personnel could determine which compensation to be given to aggrieved customers. When these mechanisms are put in place, customers will be able to weigh the value of the input and output and assess how they have been treated fairly or not. With emphasis, the distributive justice equity model has been extensively tested in the research of sociological and organisational behaviour research, (Mattila et al., 2010). In the same vein, distributive justice has been utilised and applied countless times to elucidate justice (Lin et al., 2011). Really, researchers approve the application of distributive justice model because it makes the measurement of input and output easy and relatively less laborious. Obviously, research on equity has enormously contributed to the pivotal role of distributive justice in service recovery, (Yi et al., 2010; Hsin-Hui, 2011). Likewise, in the service recovery process outcome justice is accomplished when the client had received equity and what they would have genuinely received

before the occurrence of service failure and this has been denominated appropriately 'restoration' to at least value level, (Casado-Daiz et al. 2010). It is worth noting that reimbursement, replacement; repair, correction, credit, and no attempt at resolution are likely reactions or answers to distributive injustice, (Lin et al., 2011). Emphatically, a number of types of reward for service failure are often combined with the umbrella term compensation. This implies the data collection tools must always be structured to make provision for questions which measure how customers perceive outcome justice of service recovery effort especially it link with the hospitality industry.

## 2.2.3 Procedural justice

Procedural justice which is based on fair processes and how people perceive justice will have an impact on the quality of experiences that they encounter. Procedural justice has a link with client's view of justice of the service recovery effort. Stated differently, it is the step by step action or approach to problem -solving, (Ha & Jang, 2009). This justice process is concerned with the policies and rules that any customer will have to go through in order to seek service recovery. It is of central importance to begin a just and fair procedure since the customer expects the firm to accept responsibility and will want flexible systems that can consider and accommodate the input of customer (Lovelock et al., 2009).

An earlier study by Luu et al. (2018), examined the extent to which a service provider in the hotel sector should react to a negative view of customers and that it is needful to consider the enormity of the failure when employing an approach or method (Crisafull & Singh, 2017). The objective of the study was to find out the severity of the failure which influences the service

recovery process and outcome in the internet word-of-mouth context, if it has not been adequately accommodated and comprehended (Sparks & Brabley, 2017). The procedural justice refers to the adequacy of the criteria employed in decision making (Tax & Brown, 1998). As usual, the customer many a time, bases the assessment of product on subjective comparison of processes adopted in dealing with transaction, service recovery and justice. In order of priority, according to the customer, the features of the procedural justice are reasonability, timing and speed, convenience, follow up, process control, flexibility and perfect knowledge of the process (Tax & 1998). Procedural justice refers to the customer perception of whatever procedure adapted to reach a resolution that puts service failure to a close (Lind et al., 1995). Without demur, the customer's perception or desire in procedural justice may encompass procedure and policies together with the consideration of structured element of service recovery, like, refund policies, the amount of time needed to produce a refund, and the flexibility and sensitivity en masse of an organisation during the recovery process (Mattila et al., 2010). Innumerable studies have really utilised procedural justice to measure "fairness". For instance, Del Rio- Lanza et al., 2010 applied it to analyse pay equity just as Matila et al., (2010) applied to human resource practices. However, in Africa, few studies have extensively researched into this justice dimension and its relationship with sustainability. Therefore, this study seeks to find how procedural justice could positively influence the client's satisfaction and loyalty, profit maximisation and sustainability of the Ghanaian restaurants.

## 2.2.4 Interactional /Interpersonal justice

This justice focuses on interpersonal interactions during the process of service delivery. It is a means of evaluating the degree to which the customer has experienced justice in human

interactions from the employees of the service organisation during the recovery process. Interactional justice can also emanate from the interpersonal side of a transaction (Jasso, 2002) and therefore it is an abstract element of the service encounter experience consisting of fairness judgments pertaining to the features of honesty (Goodwin & Ross, 1998), politeness, effort empathy and adequate explanation given to customers (Yi et al., 2003). Interactional justice is defined as the perceived fairness in interactions between people in the presence of customers while the service is being delivered or in the service delivery system (Tax et al., 1998). Interactional justice may be based on the quality of the interaction between two parties involved in a kind of an exchange where one is rendering service while the other is buying it (Ha & Jang, 2009). As a matter of fact, interactional justice has been vehemently proven to affect the quality of the service rendered (Kennedy & Sparks, 2003); Del Rio- Lanza et al., 2009). Within the parameter of the customer satisfaction literature, it is fascinating to observe that interactional justice has been greatly examined in situations where an injustice or service failure has taken place. More importantly, studies done by (Jasso, 2002) stunningly revealed that 43% of poor customers relation in service transaction domain is as the result of customer forming a negative perception of frontline employees regarding their reaction to service failure. Undoubtedly, unacceptable response to service failures, especially from frontline workers such as managers, supervisors, mechanics, and other usually surreptitious technicians who are curt and rude, absent- minded or inattentive, uncaring, or even arrogant in their participation of the transactional process represents 51% of poor outcome (McColl & Sparks, 2003). Furthermore, marketing studies that have adopted the concept of interactional justice in customer research corroborate its efficacy as an important predictor of the customer satisfaction when applied to service recovery endeavours (Blodgett, et al., 1999). Besides, Mattila et al.,(2010) operationalised interactional justice as the presence or absence of an apology right after a service failure and in the course of the service recovery effort. In a nut-shell, studies have revealed that the manner and way the customer is treated shortly after a service failure usually has a greater impact on their perceptions and view of justice than the compensation they are given (Ramadan, 2012). Incontrovertibly, social psychology and organisational behaviour literature has sufficiently informed that past personal exchanges or experiences are able to have a bearing on conflict resolution (Goodwin & Ross, 1992).

These studies recognise the effect of individual reactions on problem-solving. Certainly, the studies of interactional justice outline point on the fact that there is a link between perceived justice and the quality of the peoples' reactions and interaction developed through the service recovery effort, either this is face-to-face, or through the social media. Certainly literature has revealed that, clients who are treated with respect, courtesy and empathy have been shown to be much more likely to be satisfied with service recovery efforts.

## 2.2.5 Informational justice

Informational justice is a vital exercise of communicating significant reasons for the procedures and guidelines applied in the service recovery process, as well as the rationale of the allocation of rewards to the ill-treated customers in the hospitality industry (Greenberg, 1993). Undoubtedly, this justice dimension has been recognised to have a powerful effect on the emotional attachment of the customers and the restaurant as well. It is the fairness achieved when relevant reasons are communicated effectively to the aggrieved customers and also appropriate compensations have been given to them so that their commitment and patronage can be

retrieved. This justice dimension has the efficacy to restore the goodwill, confidence and trust of customers in the services of the restaurant, and therefore enables them to form favourable perceptions of the restaurants (Hassan & Hashim, 2011). When meticulously considered, informational justice possesses the power to retrieve and recover customers who have lost trust in the services of the restaurant, and therefore have withdrawn their patronage. This helps the restaurant to minimize the cost of losing committed customers and so maximises profit in the process. The main purpose of service recovery in addition to satisfying the customer is to use the information gained from the failure and its consequences to driving improvements through an organisation by focusing managerial attention on specific problem areas, (Johnston et al., 2008). Learning from failures moves service recovery away from the transactional activity, towards managerial activity that improves systems and processes to ensure future customers are satisfied and cost is reduced. Indeed, learning from failure may be more important than simply recovering individual customers, because process improvements that influence customer satisfaction represent the most significant means of creating bottom-line impacts through recovery, (Johnston & Clark, 2005).

## 2.2.6 The process of service recovery

Anytime a firm identifies a problem, the best way to solve it is to start recovery procedures. One of the best ways to recover customers is to involve them in the process as this makes them have a feeling that they have been treated fairly. This eventually enhances the confidence of the customers and makes them contribute to give a detailed account of what actually went wrong to help with the recovery process, (Hess, 2008; Yi et al. 2010). In addressing the problem, a form of compensation has to be given to customers to reassure them that the situation will not continue

but rather change for the better, (Matilla et al., 2010). Consistent with the justice theory which has been used to underpin this study, an apology, refund, discount and give away could be used to win back an aggrieved client. In the Ghanaian context, if compensation is given with courtesy, the customer will respond positively as this also supports the equity theory. The compensation has to be equivalent to the customer's input. On the contrary, if the compensation does not balance with the client's input, then recovery will not be successful.

## 2.2.7 Proactive and reactive service recovery

There are two ways to provide service recovery; these are proactive and reactive service recovery. Proactive service recovery is the process whereby the service recovery process is initiated by the service provider to rectify a failed service in a successful manner after the service provider themselves recognise the problem and realise the customer has not been treated fairly. This is consistent with Villi and Koc, (2018) who revealed that, customers are positively influenced by the attractiveness of service personnel, which is an example of a firm being proactive in the way and manner in which its employees appear to the general public. A reactive service recovery on the other hand occurs when a customer complains about an action to be taken by the service provider after a service failure. In such circumstances, one could tell that the management of a firm has a problem with its processes and here the procedural justice of the firm has to be strengthened. In Ghana a form, whatsApp account or a suggestion box could be used in the restaurant to welcome reports and complaints of service failures for the necessary redress. Irrespective of an outcome of service recovery performed after a failed service it makes an impact on the customer's perception of a firm. Successful service recovery may cause the customers to have a different view about an outlet and that quality recovery increases the

satisfaction level of the client. The correction of a defective service recovery is known as service recovery, (Hoccutt et al. 2006). As per the service recovery paradox theory, recovery after failure generates positive outcomes and that could build more customer loyalty than if the failure had never occurred, (Matilla et al., 2010).

#### 2.3 Customer satisfaction

Customer satisfaction has to do with how the services of a firm generate an outcome that the customer takes delight in. A study by Henning et al., (2002) suggested that, customer satisfaction has a relationship with the development of commitment and that, the better the recovery performance after service failure, the higher and the post-recovery satisfaction. Again, customer satisfaction has always been generating positive intention of customers by making them spread the positive word- of- mouth about an outlet, and also increases patronage- intentions of the client, (Hsin-Hui et al. 2011).

## 2.4 Service recovery and customer compliant attitude

According to Reis et al., (2017), the degree of customers dissatisfaction is not directly linked to the severity of the failure, but rather with the view that the system remains unchanged. Also, Michel et al., (2009) claimed that what seems to annoy customers is unchanged service after complaining to the firm about a failure. Service recovery is a corrective program that is instituted to address the compliant of customers. It is therefore imperative on the service organisations to get to the root cause of the complaint and how to understand and resolve the reported failure effectively. According to Mangnini et al., (2007) between 4% and 10% customers will want to disclose their dissatisfaction to the service provider. The study further explains that most clients

do not complain as a result of three key reasons; Firstly, they are afraid that the service providers will put them through tough time by questioning them; secondly, there are no direct procedures to follow to address the failures; and thirdly, many clients feel reporting will not do them any good, and that the service providers do not care about them, and will not even bother to listen to their problem. When recovery is planned, it helps to resolve customer compliant. Customer dissatisfaction results in three major outcomes; first, to stop using the service or product, second, to seek redress using word-of-mouth of public nature, and third, clients to refuse to complain. This means that service providers have the responsibility of investigating the factors that contribute to a customer's decision to either complain or not. Within the Ghanaian context, service providers can encourage their clients to give them feedback either by calling them on the phone or reporting directly to the management of various establishments.

Similarly Nwokorie (2016), investigated service recovery strategies and their effects on customer loyalty in the hotel set up and also examined what contributed to complaints and redress seeking, and found that a number of complaint were not as a result of functional characteristics of the product or service. His study summarises that clients complaints are as result of several factors, including product or service dissatisfaction, the reputation of the manufacturer, and customers or retailers' attitudes. Similarly this study, seeks to survey customers of selected restaurants in Kumasi Metropolis to find out whether they are satisfied with the services provided to them and also if that could win them back to the said outlets in the future. Burns and Grove (2005) examined the nature and structure of the concept of complaining attitude from the aspects of its definitional and taxonomical issues. In all, the study outlines the main reasons of complaining to include: redress seeking, exiting, and dissatisfaction relating to operational procedures. However,

given the nature of the hospitality industry, and restaurants operating on high international standard and within the Kumasi Metropolis, it is highly unlikely that any regular customers of the ten restaurants surveyed have never encountered service failure.

#### 2.5 Customer reactions to service failure

The ability for an establishment to identify service failure committed by them is critical. In many instances service failure may not seem insignificant to be identified, by the management or outlet may not recognised the effect of that failure. It is worthy of notice that customers responses to a service failure are categorised into exit, voicing out and remaining loyal, (Ramadan, 2012). In fact, exit refers to a strong reaction to the dissatisfaction experienced through ending or bringing to an end the intention to repurchase the firm. This means that the customer does not attempt to lodge a complaint about the failure, but resolves to exit. Actually, exit is terminal and stands for the greatest loss borne by the service provider for the failure. The exit behaviour of the customer indicates that the experience of service failure has stimulated the customer to exit from the service eventually. The exit may occur if a customer is either shy or reserved or thinks that their protest will not be attended to with equity. This may be due substantially to the less important involvement of service providers or staff in detecting and addressing the grievances of customers, or better still the impression of the cumbersome reporting process and rigid bureaucratic formality to reach the capable authority, (Hirschman, 1970). The customer is more probably to inform on the failure when it is explicit to them that the firm will actually attempt to correct it because usually customers become irritated when they realise that the problem is still unresolved and the same, (Reis et al., 2017). Service guarantees and warranty are the two practices to cultivate such a faith in the customer. But it is contemporary to the concept, in the

sense that a customer opting to say nothing about a failed product in anticipation of things getting better may (or may not) come back to the same firm. Hence, to clarify the response and understand the open-ended options available to the customer to express dissatisfaction, the term "silence" is used in this study as a more suitable label than loyalty in cases of customer not responding to service failures. The customer still has the option of coming back to the firm or otherwise. An organisation has to accept without demur the belief that the customer is invariably right and therefore, customer satisfaction and loyalty should be attained, regarding service failure and service recovery, (Wang & Chi, 2004).

## 2.6 Organisational legitimacy

The concept of legitimacy encompasses normative, legal, sociological and cultural meanings. Legitimacy has long been recognised as a core element in political and governance regimes, dealing with the relationship between societal acceptance of regimes and institutions and their ability to exercise power and authority effectively (Faisal, Greg & Rusmin, 2012). The focus of this study is not on legitimacy in the realm of regime types and politics, but rather on organisat ional legitimacy. It largely emphasises the streams of disciplines that evaluate the forces that impact upon stakeholders of the organisation (Hannan & Freeman, 1989; Zucker, 1989), the theory of resource dependency (Pfeffer & Salancik, 1978), and the approaches of neoinstitutional (Powell & DiMaggio, 1991). In the field of international development, legitimacy surfaces in two discourses.

In terms of definition, organisational legitimacy is a broad concept, and tends toward vague assertions about legitimacy arising from consistency with socio-cultural values. The commonest

definition of the concept is the description of legitimacy as a generalised perception or assumption that entity's actions are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995). Organisational legitimacy refers to the degree of cultural support for an organisation. It defines the extent to which the arrays of established cultural accounts provide explanations for its existence, function and jurisdiction (Meyer & Scott, 1983). Legitimate organisations meet and conform to societal expectations, and as a result are accepted, valued and taken for granted as right, fitting and good (Aldrich & Fiol, 1994). Legitimacy with regard to a restaurant's location can as well contribute to social sustainability in Ghana, in that when the society accepts the restaurant within the jurisdiction, they patronise, and promote, and that could also make the service provider integrate the needs and the culture of the community into their strategic planning and implement them. Conversely if the society does not accept the restaurant with regards to where it is situated, then it will have an effect on the restaurant.

## 2.7 Sustainability

Notably, the hospitality industry cannot thrive without the cherished effort of the stakeholders of the industry. It is pellucid to note that service recovery has a pivotal function to perform in attaining sustainability in the hospitality establishment. Service failures compel customers to exude negative emotions and behavioural intents (La, 2019). The rationale is that service failure ends in unsatisfied needs of customers and the results of service failure consist of cumulative cost (Armistead, Clark, & Stanley, 1995), customer dissatisfaction, increasing opposing word-of-mouth or communication, (Kim, Kim & Kim, 2009), customer defection, as well as less high performance and morale of workers, (Kim & Jeon, 2013). Sustainability in hospitality industry

refers to any hospitality operation that controls its resources in a manner that makes the best use of their economic, social and environmental advantages in order to satisfy the needs of the current generation while safeguarding and promoting opportunities for the next generations, (Brundtland, 1987). This is very relevant in the sense that the hospitality setups, count among businesses that employ a number of individuals within the service industries to ensure outlets survives to give employment opportunities today as well as staying in business in order to cater for the needs of the future generation. The American National Restaurant Association has established a set of guidelines that move the restaurant industry towards sound practices and sustainable initiatives. Under this context, any sustainability is hospitality outlet that is able to retain its customers in order to increase its work output in such a way that profit, societal and environmental benefits are maximised to keep the business functioning from generation to generation.

As stated by Amisano and Anthony (2017), sustainability deals with the means through which people keep away from the exhaustion of natural resources to ensure the stability of the environment so that the quality of society does not fall adversely. Remarkably sustainable development has general definitions that were initially featured in the Brundtland report in 1987. However there has been the addition of the concept development meaning that humankind should satisfy their current needs without compromising the ability of future generations doing the same. Along with it also comes an idea of societal progress and an increase in quality of life. Today, sustainability is often spoken of with regard to climate change, which threatens life as we know it as being caused mainly by industrial practices. Sustainability could also be defined in the corporate social responsibility business as the company's strategy that integrates the policies

and practices firms wanting to create value on their tipple bottom line (people, planet, profit). So quite apart from companies taking care of their work places and trying to care for their work-places and trying to be an eco-chain, companies with a sustainability mindset are now concerned about social issues like gender equality happiness at the workplace or taking care of the communities affected by their activities.

## 2.7.1 The dimensions of sustainability

Basically, there are three main dimensions of sustainability which are referred to as the three pillars of sustainability. Firstly environmental dimension focuses on an organisation's impact on flora and fauna that makes up the ecosystems in addition to the air we breathe, the water we drink. The aim of this dimension is to curtail all the practices that may have a dent on the resources of the planet by the current and the future generation, (Sloan et al., 2009).

The hospitality operations can impact on the environment during building construction, manufacture and use of fixtures and fittings, cultivation of food as well as when using energy and water or producing waste. Actually, the economic dimension of sustainability considers profit maximisation, (Sloan et al., 2009).

In recent years, it has become very obvious that some practices could also contribute to significant short-and long-term business benefits, such as using energy and water-efficient technologies, fair staff practices, improved relationship with stakeholders, improved staff moral holders and motivation, enhanced public reputation, generation of economic benefits for local

people through increased local employment opportunities, business linkage and other incomegenerating opportunities.

Secondly, the social dimension on the other hand deals with the impact an organisation wields or exercises on the society in which it runs, (Sloan et al., 2009). The principal factor of the social dimension which is reliant on social responsibility theory states that business apart from maximizing shareholders worth, owe it a duty to act in a way that is advantageous to society and this is the way hospitality works to contribute positively to the lives of the local people in the current and the future, (Palazzi & Starcher, 2000). A hospitality outlet committed to sustainability, therefore must deal with issues such as public health, social justice, human rights, labour rights, community issues, equal opportunities, skills and education, work place safety and working conditions. It must also maintain and promote social and cultural diversity, involving communities, consult stakeholders and the public as well as train staff in regard to sustainable practices. Assessment of the social impact of activities in order to enhance the well-being of individual and communities should be considered. Issues such as fair trade and fair prices with regard to sourcing products and food items require consideration. Food and beverages from the locality have to be considered.

#### 2.8 Theory and hypotheses development

This section of the review of the literature discusses the main theories underpinning the study. Besides the guiding theories, several hypotheses have been developed based on the reviewed empirical literature based on the specific objectives of the study.

## 2.8.1 The Justice/Fairness Theory

Based on the defined objectives, this study is supported by numerous theories including of the justice dimension theory, (Adams, 1963). Certainly, the three-dimensional view of justice idea has developed from the equity theory, that is distributional, procedural justice, referring to the perceived fairness of the procedures giving the outcomes, and the interactional justice dealing with the perceived fairness of interpersonal manner in the passing of procedures and giving outcomes, (Bloggett et al., 1993; Clemmer & Schneider, 1996; Smith et al.; 1999; Tax et a.l; 1998). Prominence should be given to the fact that the concept of fairness is closely identical to equity because the customer's justice, that is, the perceived fairness of real and definite outcomes, an appreciation of fairness as it were, is dependent on what they are worthy of likened, to their input (Oliver, 1997).

Actually, numerous studies done earlier concentrated on the connection between the inputs and the outcomes of the transaction (Goodwin & Ross, 1992). On the contrary, consumers are not only interested in the perceived fairness of the way in which the complaint is addressed and managed, (Blodgett et al.; 1993), as well as the process through which resources or rewards are apportioned, (Conlon & Murray, 1993). Certainly, the two other dimensions of fairness, such as procedural and interactional fairness, have been utilized in the evaluation of service recovery (Goodwin & Ross, 1992; Ruyter & Wetzels, 2000). Again, the other two areas of justice explicate to a greater extent change in satisfaction, (Oliver, 1997). Finally, the three dimensions of justice constituted more than 60% of the elucidated variation in service encounter satisfaction in restaurant and hotel establishments, (Smith et al., 1999).

## 2.8.2 Confirmation and disconfirmation theory and service recovery

The theory of confirmation and disconfirmation paradigm also has been adopted for this study. This is reliant on the supposition that customers are satisfied or dissatisfied based on the dissimilarity among three crucial elements that are expectations of perceived performance and whether the performance satisfies expectation, and also if the performance outperforms the expectation (Blodgett et al., 1993). A positive disconfirmation (satisfaction) occurs if the performance, the products or services are better than expected; thus when the performance equals or outperforms the expectations it signifies satisfaction. Conversely, when the performance does not match the expectations it results in negative disconfirmation (dissatisfaction). On the other hand, negative disconfirmation is caused when the performance is worse than anticipated which in turn, plays a part in possible dissatisfaction, (Boshhoff, 1997). Undoubtedly, the disconfirmation paradigm has also been employed in the evaluation of service recovery (McCollough, & Berry & Yadav, 2000; Oliver, 1980, 1981). It is in order to stress here that customers ascertain expectations for recovery attempt from the service provider, (Kelley & Davis, 1994; Ruyter & Wetzels, 2000). Significantly, the moment a dissatisfied customer seeks compensation, then the evaluation of recovery endeavours is reliant mainly on the customer's perception of justice, (Blodgett et al; 1993). Suffice it to say that fairness is assessed in accordance with the other party's performance of the expected role dimensions (Oliver, 1997). It is worth noting that, minor consideration has been paid to fair treatment in consumption on account of the unconventional comparison standards in fairness judgments, (Oliver, 1997).

## 2.8.3 Equity theory

Certainly, the problem confronting service providers an attempt to recover from service failure is that customers do not comply with the view of equity compatibly. Therefore they act in agreement to some extent but have a varied choices for equilibrium between their outcome/input ratio and perceived in juxtaposition to others, (Huseman et al., 1987). Equity is an important theory as far as issues of justice or fairness are concerned. When customers believe that there has been inequality in exchange, they become upset, disappointed or regretful. The customer may opt to execute a particular action or reaction that will aid him/her to reestablish equity with minimum costs (Chan et al., 2016). Invariably, the customers have the eagerness to establish equilibrium between inputs invested and outputs recouped, and this is thereafter traded off against the inputs of the service providers and outputs. The customer inputs consist of monetary expenses, time and effort, while an outcome can take the form of monetary gain, (De Ruyter & Wetzels, 2000). The adequacy of equity is another technique that is useful in-service recovery. Service providers are likely to compensate customers for a service failure if adequate compensation is available rather than not. It is convenient to conclude here that inadequate and inordinate compensations are devoid of adequacy and therefore service providers should attempt to refrain from such compensations, (Walster et al., 1976).

## 2.8.4 Social exchange theory and equity theory

Notably, studies examining customer 's evaluation of service recovery endeavours have utilised social exchange theory and the equity theory (Blodgett et al., 1993; Goodwin & Ross, 1992; Kelly & Dans, 1994). These two theories state that the exchange relationship should be stabilized (Adams, 1963, 1965). In fact, the exchange perspective rests on the opinion of equal partners,

such as a spouse, co-worker in an exchange (Oliver, 1997). In the domain of buying and consumption circumstances, a customer's appreciation of injustice generally ensues from perceived unfairness likened to either one's expectation or alternative juxtaposition criteria (Oliver, 1997). Indeed, service can be regarded as customer 's economic loss, for injustice, money, time and/ or social loss such as status, esteem, in an exchange (Smith et al., 1999). As a consequence, customers regard the failure condition as an opposing inequity and will equate equity with post- purchase behaviour (Lapidus & Pinkertron, 1995). It is of centrally importance to note that service providers endeavour to recover the balance by giving customers economic worth or value in the form of compensation such as discount, or social resources, such as, apology (Smith et al., 1999). Thus, a resume of the equity /inequity of consumers ' real input likened to the outputs gives rise to perceived justice and then the customer develops satisfaction /dissatisfaction judgment dependent on the degree of perceived justice (Andreassen, 2000).

## 2.8.5 Service recovery and environmental sustainability

Studies conducted by Burns-Smith et al., (2015) on environmental sustainability in the hospitality industry best practices, guest participation and customer satisfaction in 100 resorts and with 120 hotel customers found that, guests are generally willing to participate in sustainability programs. Additionally, the study found an increased willingness to participate when hotels offer incentives such as loyalty program points for participating in environmental programs. This study implies that, when sustainable programs are integrated well with programs that can help increase repurchase-intentions such as gifts and, discounts giveaways, customers are likely to remain loyal. A study was conducted by (La, 2019) on perceived justice and CRS after service recovery. The data was collected using questionnaires that asked respondents to

recall the most recent experience with a service failure. The findings suggested that justice perceptions does not only determine how much the recovery efforts are required to satisfy the customer but also determine how a customer perceives the ethical dimension of the company's operation after service recovery. The study suggested that companies should prioritise allocating a fair amount of monetary compensation in a timely manner, particularly for those who experience a service failure. On the other hand, when a service recovery program is not well executed, after a service failure, some customers simply stop using a service (a product). Still others may engage in retaliation by spreading negative word-of-mouth, which is likely to stigmatise the service provider as irresponsible or unethical. This indicates that inadequate service recovery may lead to negative perceptions of corporate social responsibility of a service provider, which falls under the social pillar of sustainability.

It is recognised that once a service failure occurs, service recovery becomes essential. However, according to research work conducted by Reis et al. (2017), the degree of customers dissatisfaction is not directly linked to the nature or the severity of the failure, but rather. Michael et al. (2009) claimed that, what seems to annoy customers after a failed service recovery is not that they were not satisfied, but rather their belief that the system remains unchanged. This implies that, in the Ghanaian restaurant setup when customers encounter service failure of a kind, they would expect the situation to be changed the next time they visited the outlet other than encountering a same or similar situation. Therefore, it is up to the service providers to make sure failures are identified or notified when complained about and also rectified, so that such an error does not repeat itself. Studies have shown that outcome, process, informational and interactional failures when rectified, and integrated with sustainable programs can lead to customer

satisfaction and, customers having a feeling that they have been treated fairly. The results of this could also lead to repatronage intention and that can link with profit maximization, and perceive corporate social responsibility (Chen et al., 2018). Based on the reviewed literature, the study hypothesizes as follows:

 $H_1$ : Service recovery will have a positive effect on social sustainability.

*H*<sub>2</sub>: Service recovery will have a positive effect on environmental sustainability.

## 2.8. 6 Service recovery and customer satisfaction

In an earlier study conducted by Nikbin et al (2010) data was collected from Iran air customers where respondents were interviewed while waiting for their flight. Questions were asked to see if respondents encountered any service failure with Iran air during the past one year. The results showed that distributive and interactional justices have significant effects on recovery satisfaction. The effects of regression analyses suggested that corporate image plays a moderating role between perceived justice and recovery satisfaction in the distributive and interactional justice dimensions. Customer satisfaction is crucial to the survival of any business organization. However, service failures are often unavoidable due to human and non-human errors. Such failures to perform a service inevitably lead to customer dissatisfaction (Kau & Loh, 2006). Customer dissatisfaction requires service recovery action in order to win back the customer's heart. In Ghana, customers are far from satisfied with the service recovery strategies of the service industry (Akwensivie, Narteh & Affum, 2013). Customers' expectations and profitability are therefore vital in the designing of a service recovery system (DeTienne, Seawright & Brough, 2015). Moderate to high service recovery efforts significantly increase post-failure levels of satisfaction, purchase intent, and positive WOM (Maxham, 2001). A

previous study by Smith, Bolton and Wagner (2002) in the hotel and restaurant settings found that outcome justice affects customer satisfaction and loyalty with service recovery. Procedural justice on the other hand, has to do with the policies and rules, timing, responsiveness, process and policy examples; these are considered as critical in-service recovery, (Bitner et al., 1990). It is believed that a timely response to a service failure is expected to enhance the customers' perception of a firm. Thus, several studies in the extant literature of service recovery have reported a direct relationship between service recovery strategies and the level of customer satisfaction (e.g., Rod, Carruthers & Ashill, 2006; Othman, Zahari and Radzi, 2013; Rashid, Ahmad & Othman, 2014; Díaz, Gómez, Martín-Consuegra & Molina, 2017; Sciarelli et al., 2017). Based on this argument, this study hypothesizes that:

*H*<sub>3</sub>: Service recovery will have a positive effect on customer satisfaction.

## 2.8.7 Customer satisfaction and sustainability

Earlier studies show that customer satisfaction is vital to both the social and environmental sustainability performances of firms (e.g., Kandampully & Suhartanto, 2003; Díaz, Gómez, Martín-Consuegra & Molina, 2017; Sciarelli et al., 2017). The study by Kandampully and Suhartanto (2003) found that satisfying customers alone is not enough, but a crucial factor to repatronage. In a survey of 430 internet customers in Egypt, Sciarelli et al. (2017) reported that service recovery satisfaction positively influences customer loyalty, which eventually stimulates a higher level of sustainability. In their developed framework, Díaz, Gómez, Martín-Consuegra and Molina (2017) emphasized that service recovery satisfaction of firms in the food service industry positively influences the sustainability of the firms. On the basis of this argument, this study hypothesizes that:

 $H_{4a}$ : Customer satisfaction will have a positive effect on social sustainability.

 $H_{4b}$ : Customer satisfaction will have a positive effect on environmental sustainability.

 $H_4$ : Customer satisfaction will have a positive effect on sustainability.

## 2.8.8 Organisational legitimacy and sustainability

The legitimacy of organisations in societal settings is crucial for sustainable performance of firms. Companies ability to legitimise their efforts in a community results in both higher social and environmentally sustainable performances (Hutchins, Sinha & Nandan, 2019). Positive disclosures can restore or repair an organization 's legitimacy and eventually stimulate a higher level of sustainable performances (Milne & Patten, 2002). Organizational legitimacy is needed to gain trust and influence favourable attitudes toward the organisation (Randrianasolo & Randrianasolo, 2017). In order to build trust with communities, organisations are first required to establish legitimacy, which not only helps build trust, but also indirectly affects attitudes toward organisations and their activities and eventually stimulates the higher level of sustainability (Randrianasolo & Randrianasolo, 2017). To legitimise their existence, many firms disclose more sustainability information (Faisal, Greg & Rusmin, 2012).

## 2.8.9 Mediation of customer satisfaction in the service recovery – sustainability linkage

Service recovery strategy practices of the food service industry are reported in the extant literature to promote higher level of customers satisfaction (e.g., Othman, Zahari and Radzi, 2013; Rashid, Ahmad & Othman, 2014; Díaz, Gómez, Martín-Consuegra & Molina, 2017; Sciarelli et al., 2017). Furthermore, customers pleased with the service recovery may have the intention to revisit or refer services to family and friends, which eventually promote higher level

of sustainability (Othman, Zahari & Radzi, 2013). These studies therefore, provide adequate evidence of the potential mediating role of customer satisfaction in the association between service recovery strategies and sustainability of firms. The study by Bouranta, Psomas and Vouzas (2019) that involved the survey of 836 customers of the hospitality industry reported that the satisfaction of customers on issues related to food safety partially mediates the effect of a company's service recovery on sustainability. In the survey of 430 internet customers in Egypt, Sciarelli et al. (2017) reported that service recovery satisfaction mediated the positive relationship between service recovery strategies and sustainability. In their developed framework, Díaz, Gómez, Martín-Consuegra and Molina (2017) emphasized that service recovery satisfaction of firms in the food service industry mediates the relationship between service recovery strategies sustainability of the firms. Based on the reviewed literature, the study hypothesizes the following:

H<sub>5</sub>: Customer satisfaction will mediate service recovery - sustainability linkage.

*H*<sub>5a</sub>: Customer satisfaction will mediate service recovery - social sustainability linkage.

H<sub>5b</sub>: Customer satisfaction will mediate service recovery - environmental sustainability linkage.

# 2.8.10 Moderation of organisational legitimacy in the customer satisfaction-sustainability linkage

Legitimacy theory has been utilized in quite a number of studies to provide useful insights concerning companies ' behaviour towards their society and the environment. The motivation and efforts of companies for their engagement in environmental and social initiatives through service recovery satisfaction of customers are largely explained by the legitimacy theory (Mousa

& Hassan, 2015). Legitimacy theory has an advantage over other theories in that it provides disclosing strategies that organisations may adopt to legitimate their existence (Gray, Kouhy & Lavers, 1995). The theory explains the motive behind companies established a relationship with society through disclosure of information. Within a broader systems-oriented perspective, the perceptions of the organisation, as held by other parties within that social system, are of importance to the survival of the organization (Deegan, 2002; Bebbington, Unerman & O 'Dwyer, 2014). Thus, for organisations to sustain their performances in a society there is the need for the cultural and environmental association through legitimacy through a higher level of service recovery strategies geared towards a higher level of customer satisfaction (Randrianasolo & Randrianasolo, 2017). Based on the reviewed studies on the linkage between customer satisfaction, sustainability and organizational legitimacy, the following hypotheses are developed.

H6: Organizational legitimacy will moderate customer satisfaction - social sustainability linkage.

H6a: Organizational legitimacy will moderate customer satisfaction - social sustainability linkage.

H6b: Organizational legitimacy will moderate customer satisfaction - environmental sustainability linkage.

#### 2.9 Theoretical framework

Service recovery strategies have been emphasized in the existing literature to be critical to recovering customers after service failure in the food industry (e.g., Michael et al., 2009; Rashid, Ahmad & Othman, 2014; Reis et al., 2017; Chen et al., 2018). Many previous studies have

largely emphasised three main service recovery practices like distributive justice, procedural justice and interactional justice (e.g., Reis et al., 2017; Chen et al., 2018). However, the study of Lii, Ding and Lin (2018) extended service recovery strategies by including information justice and hence the inclusion of this strategy in this study. Nonetheless, the satisfaction of customers with service recovery strategies is crucial to the success or failure of the restaurants. A successful service recovery programme that meets the satisfaction of customers would repair failures and stimulate re-patronage intentions and further promote positive word-of-mouth. The positive word-of-mouth would eventually promote economic success and further promote social and environmental sustainability. Based on the established analogy, the study of Lii, Ding and Lin (2018) reported a mediating role of customer satisfaction in the effect of the service recovery practices of firms in the food industry on sustainability practices. Nonetheless, the study of Chung et al. (2016) emphasises the importance of the legitimacy of firms in stimulating a higher level of customer satisfaction in the attempt to achieving a higher level of social and environmental sustainability in the phase of service recovery strategies. These reviews and discussions therefore, provided the conceptual basis for this study, as shown in Figure 2.1.

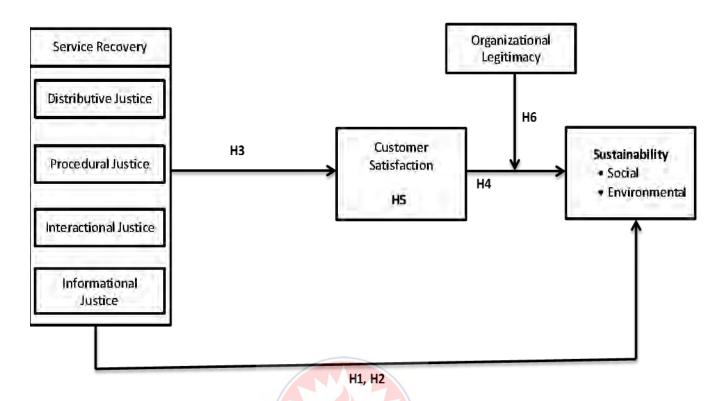


Figure 2.1: Service Recovery, Legitimacy, satisfaction and sustainability Framework Source: Adapted from Adams justice theory (1963).

47

#### **CHAPTER THREE**

#### **METHODOLOGY**

## 3.1 Research design

The study seeks to explain the role service recovery plays in the sustainability of Ghanaian restaurants in Kumasi Metropolis. The study is thus structured within the framework of the explanatory research. The explanatory survey deals with the collection of data to address questions or test hypotheses concerning why certain things happen the way they do. This research set out to know the role service recovery plays in the sustenance of the Ghanaian restaurant setup.

In explanatory survey, information is collected on population; and some generalisations are made about the entire population. The researcher employed the explanatory survey design because of its suitability. The researcher employed the base line sample survey for the study because of its suitability. This enabled the researcher to explain certain aspects of the population by sampling individuals to complete a set of questionnaires. As the subjects of the sample have the same characteristics as the population, the researcher used the opportunity to make generalizations about the whole population based on the responses of the sample drawn from the population. The Kumasi Metropolis and its sub-metros were chosen for the study due to its cosmopolitan nature. All categories of people are found within the Metropolis. The Metropolis has nine submetros including Ahodwo, Nhyeaso Subin, Asokwa, Oforikrom, Manhyia, Old Tafo, Suame and Bantama (Ghana Statistical Services, 2013). However, the restaurants are spread out within the Metropolis notwithstanding the fact that most of the restaurants are found within the jurisdictions of the Ahodwo, Nhyeaso and Adum. A statement made by the Metropolitan Chief Executive

Officer of Kumasi on 22nd April 2019 on Hello FM in Kumasi indicated that more than one million people visit Kumasi every day.

# 3.2 Population

The target population for the study was made up of managers, waiters/waitresses and customers of all restaurants within Kumasi Metropolis. From the total target population of 800, 610 are customers, 46 are managers and 144 are waiters and waitresses. The distribution of the target population of the study by grades of restaurants in the Kumasi Metropolis is shown in Table 3.1

Table 3.1: Distribution of Target Population of the Study by Restaurant Grades

Grade	Restaurant	Customers	Managers	Waiter/tress
1	A	40	5	15
1	В	50	5	15
2	A	50	4	12
2	В	35	4	16
2	C	35	4	15
3	A	60	3	19
3	В	40	5	10
3	C	30	6	17
3	D	50	6	14
3	E	35	4	11
TOTAL		610	46	144

Source: Daily regular customer turnout booklet of restaurants (2018), and total number of managers and waiters/tress.

## 3.3. Sample and sampling procedure

The sample size was determined by the Krecjie and Morgan sample size determination table, (1970; Refer to appendix C). With the target populations of 800, a sample size of 260 was determined by the table. Multi-stage sampling technique was used in selecting the sample units. The researcher adopted the stratified sampling technique to select the restaurants for the study.

This is because the restaurants have already been categorized into grades (strata) by the Ghana Tourist Board (2018). Sample frames were constructed and, with simple random sampling the various restaurants for the study were selected 2 restaurants from grade one, 3 from grade two and 5 from grade three restaurants (Refer to Table 2). According to the Ghana Tourism Authority there are seventy-two registered restaurants within the Ashanti Region. Out of these, 34 restaurants are found within the Kumasi Metropolis. The Ghana Tourist Board rates these restaurants yearly based on their capacity, service delivery, number of facilities, excellent-ambiance and décor, excellence quality furnishing, fixtures, fittings, extensive cuisine, flawless/impeccable professional and high level of service, superior quality table ware and linen and wide choice of drinks and wine. Subsequently, the purposive sampling procedure was used in selecting the waiters, waitresses, and managers as this group are more informed with respect to the service recovery and sustainable practices. The convenience sampling procedure was used to select the various customers because of the difficulty in convincing all of them partaking in the study.

Table 3.2: Sample size distributions by category of restaurant

Respondent	Category of Restaurant			Total
	1	2	3	
Manager	8	12	19	39
Waiters/waitress	12	15	27	57
Customers	34	51	84	169
Total	52	78	130	260

#### 3.4 Research instruments

This study primarily relied on a structured questionnaire. Thus, the questionnaire largely constituted closed-ended questions. The categorical questions were largely ordinal, binary and multi-choice. Two separate questionnaires were developed for the customers of restaurants and service providers (managers and waiters/waitresses).

The developed questionnaire for the customers of the restaurants was in three sections. The first section of the questionnaire was for the customers; the Section A solicited information on the personal profile of the customers. The personal profile information solicited were gender, age, highest level of education, marital status, occupation and monthly income from all sources. The second part of the questionnaire, the Section B solicited information on the service recovery practices or strategies of the restaurants experienced by the customers. The four main subconstructs measured in this part of the questionnaire were distributive justice, procedural justice, interactional or interpersonal justice and informational justice. Distributive justice was measured using four items, whereas procedural justice was measured using 6 items. On the other hand, interactional and informational justices were measured using 6 items and 4 items respectively. The third part of the questionnaire for the customers measured three main constructs including sustainability, organisational legitimacy and customer satisfaction. Sustainability was measured using two sub-constructs, including social sustainability and environmental sustainability. Social sustainability was measured using 12 items whereas environmental sustainability was measured using 7 items. Organisational legitimacy as a construct was measured using 5 items, whereas customer satisfaction was measured using 12 items. Constructs in section B and Section C were

measured through an ordinal scale. To provide a wider scope of measurement, the seven pointer

Likert scale ranging from "1 = Extremely Disagree" to "7 = Extremely Agree" was employed.

Appendix B was the main questionnaire developed for the services providers (managers and waiters/waitresses). The developed questionnaire for the service providers was in two sections. The first section of the questionnaire for the service providers, Section A solicited information on the respondent's background and the restaurants' information. The solicited information of the restaurant included grade of the restaurant in the industry, and the years of existence of the restaurant in the industry. The information of the respondent included gender, age, current position and number of years of holding the position.

The second part of the questionnaire, the Section B solicited information on the service recovery strategies of the restaurants. The four main sub-constructs measured in this part of the questionnaire were distributive justice, procedural justice, interactional or interpersonal justice and informational justice. Distributive justice was measured using four items whereas procedural justice was measured using 6 items. On the other hand, interactional and informational justices were measured using 6 items and 4 items respectively. Constructs in Section B were measured through an ordinal scale. To provide a wider scope of measurement, the seven pointer Likert scale ranging from "1=Extremely Disagree" to "7=Extremely Agree" was employed.

#### 3.5 Construct measurement

In this study, the main constructs measured included service recovery, customer satisfaction, organizational legitimacy and sustainability. The main independent variable, service recovery

was measured using four main sub-constructs, including distributive justice, procedural justice, interactional justice, and informational justice. Distributive justice was measured using 4 items from the studies of Blodgett, Hill, & Tax (1997) and Maxham and Netemeyer (2002). Procedural justice was also measured using six (6) items adapted from the studies of Smith, Bolton, and Wagner (1999) and Maxham and Netemeyer (2002). The interactional or interpersonal justice dimension of service recovery was measured using six (6) items adapted from the studies of Smith, Bolton, & Wagner (1999) and Maxham and Netemeyer (2002). Informational justice was also measured using 4 items adapted from the studies of Colquitt (2001), Maxham Netemeyer (2003) and Homburg and Furst (2005). The sustainability of the restaurants was measured using two main sub-constructs including social sustainability and environmental sustainability. Social sustainability was measured using 12 items adapted from the study of Popovic et al. (2017). The 7 items employed in the measurement of environmental sustainability were adapted from Popovic et al. (2017). The satisfaction of the customers was measured using 12 items adapted from the study of Kocmanova and Dočekalova (2011). The legitimacy of the restaurants in the communities of location was measured using 5 items employed from the study of Chung et al. (2016).

#### 3.6 Data collection procedure

The data collection started on 29<sup>th</sup> September 2020 and ended on the 31<sup>st of</sup> October 2020. The researcher personally visited the sampled restaurants in the Kumasi Metropolis for the study, and administered the questionnaire. With a letter of introduction, the researcher introduced herself to the various managers of the restaurants and their staff. This gave her the opportunity to establish

rapport and explain the purpose of the study to the respondents. The distribution of the respondent during the questionnaire administration is shown in Table 3.3

Table 3.3: Percentage of questionnaires allocated to the various grades of restaurant.

Grade of Restaurant	No of Sample Taken	% of Questionnaire Distributed	Actual No. of Questionnaire Distributed
1	2	15%	39
2	3	20%	52
3	5	65%	169
TOTAL	10	100%	260

**Source**: Field Survey, (2019)

# 3.7 Pilot testing of instruments

Three restaurants, one from each grade were randomly selected from the target population to pilot test the instrument. The questionnaire were pre-tested with 26 participants from all the restaurants to make sure the participants understood the phraseology and meaning of the questions. The responses indicated that the questions were well worded. Furthermore, to diminish the mistakes linked with written questionnaires, participants were given a chance to suggest any extra explanation about the questionnaire. This was helpful in attaining content validity. The questionnaires were then analysed, to test the internal reliability, Cronbach alpha was used to calculate the average of all possible split-half reliability coefficients.

## 3.8 Data processing and analysis

The raw data was edited for consistencies. The cleaned data was coded and fed initially to the Microsoft Excel Version 10. The Microsoft data format was imported to the Statistical Software Programme for Social Sciences (SPSS). The Lisrel Version 8.50 was employed to validate the measurement items of the study through Confirmatory Factor Analysis (CFA). The reliability of validated measurement items was checked using composite reliability (CR) and Cronbach Alpha (CA) analysis. Both descriptive and inferential statistical methods were employed. The descriptive statistical tools used for the analysis were frequency, percentage, mean and standard deviation. Inferentially, the developed hypotheses of the study were tested using Spearman's correlation, multivariate regression and structural equation modelling (SEM).

## 3.9 Validity of instruments

The course content validity of the instrument, appropriate developmental processes were used to design them. The questionnaire items were vetted and approved by supervisors of the researcher for their content and face validity. Factor loadings above 0.5 were considered and all other factors below 0.5 were deleted as they did not adequately measure the concepts they were required to measure. In addition to the factor loading average variance extracted was also used to measure the convergent validity on the construct. Average variance extracted value of 0.50 or higher indicate that on average the construct explain more than half of its indicators (Hair et al,. 2014).

# 3.10 Ethical issues associated with the research

All the research aims were made clear to respondents before they were participated in the research. Also informed consent was sought prior to participant involvement. When reporting findings, pseudonyms were used to protect their privacy, and no details that could result in the identification of respondents were included in the report.



#### CHAPTER FOUR

#### **RESULTS AND ANALYSIS**

# 4.1 Socio-Demographic information of the respondent

In this section of the study, the distribution of the socio-demographic characteristics of the respondent is discussed. The key player's response was managers, waiters, waiters and customers of the restaurants in Kumasi.

## 4.1.1 Personal information of service providers

The characteristics of the managers, waiters/ waitresses of the restaurants are discussed in this part of the study. The characteristics include gender, age, and respondents' position and years in the respondents' current position. Result of the distribution of the personal characteristics of the respondents is presented in Table 4.1. Table 4.1 shows that service providers' information focused on 41.4% of restaurants' managers and (57.6%) of waiters/waitresses in the Kumasi metropolis. Fifty seven point six percent of the respondents were females whereas 42.4% were males. The restaurant industries are dominated by females who serve as cooks and waitresses. The age distribution of the respondents indicates that 48.0% fall within the age brackets of 20 and 29 years. This age bracket captures a majority of the respondents. This evidence is not surprising since a significant number of services in the restaurant industry are provided by the youth who are economically active compared to the aged. While 76.0% of the respondents have spent not less than 4 years in the restaurant industry, about 24% have spent between 5 to 10 years.

**Table 4.1: Descriptive statistics** 

Variables		Frequency	Per cent
Gender			
	Male	39	42.4
	Female	52	57.6
Age (Years)			
	< 20	12	13.3
	20-29	44	48.0
	30-39	22	24.5
	40-49	12	13.3
	50+	1	1.0
Position			
	Manager	39	42.9
	Waiter/Waitress	52	57.1
Years in Position			
	1 Year	37	40.8
	2-4 Years	32	35.2
	5-10 Years	22	24.0

Source: Field Survey (2020)

## 4.1.2 Personal information of customers

The characteristics of the customers of the restaurants are discussed in this part of the study. The discussed characteristics of the customers included gender, age, and highest educational level, marital status of the respondent, occupation and monthly income. Result of the distribution of the personal characteristics of the customers is shown in Table 4.2.

Table 4.2: Customers personal data

Variables	18 personal data	Frequency	Percent
Gender			
	Male	106	62.6
	Female	63	37.4
Age			
	< 20	5	2.7
	20-30	70	41.2
	31-40	54	31.9
	41-50	16	9.3
	> 50	25	14.8
Education (Highest)			
	No formal schooling	3	1.6
	Primary school completed	1	.5
	SSS/Middle school completed	36	21.4
	College/University/Polytechnic completed	110	64.8
	Post-graduate degree	19	11.5
Marital status			
	Never married	44	25.8
	Married	62	36.8
	Living with partner	30	17.6
	Widowed	15	8.8
	Divorced	12	7.1
	Separated	6	3.8
Occupation			
1	Government employee	40	23.6
	Non-paid student	9	5.5
	Private employee	25	14.8
	Self-employed	67	39.6
	Unemployed (able to work)	20	12.1
	Unemployed (Unable to work)	5	2.7
	Retired	3	1.6
Monthly Income			
<i>y</i>	< ¢1,000	31	18.1
	¢1,001-¢2,000	45	26.9
	$> $\psi_2,000$	93	54.8

Source: Field Survey (2020)

Table 4.2 shows that the surveyed customers of the numerous restaurants in the Kumasi Metropolis were predominantly males (62.6%), whereas 37.4% were females. The majority (73.1%) of the customers were also between 20 and 40 years. However, 14.8% of the customers

were above 50 years. This implies that the restaurants in the Kumasi metropolis are largely patronised by the youth. Evidently, the restaurants in the Kumasi Metropolis are largely patronised by customers with the highest level of education of college or university or polytechnic (64.8%).

Nonetheless, the minority of the customers of the restaurants were individuals with primary or no formal schooling. This distribution is not surprising as restaurants in Ghana are largely patronised by workers in the formal sector working as government employees and self-employed. However, restaurant services were less patronised by non-paid students, persons unable to work and the retired. The restaurant services were also predominantly patronized by customers (54.8%) with a higher monthly income of more than GH ¢2,000 and least patronized by persons (18.1%) whose monthly incomes are less GH ¢1,000. This characteristically implies that the income level of persons in the Kumasi Metropolis matters in the patronage of restaurant services.

#### 4.2 Service recovery practices

The perception of the key players discussed were managers, waiters, waitresses and customers of the restaurants in Kumasi. The level or category of the restaurants was also considered in the discussion of the service recovery practices of the restaurants.

# 4.2.1 Perception of service providers

The evaluated service recovery strategies were distributive justice, procedural justice, interactional justice and informational justice. The cross-tabulated result of the service recovery

strategies of the restaurants based on the grades or levels of the restaurants are shown in Table 4.3. The highest ranked restaurants were graded 1 and the lowest ranked restaurants were graded 3.

Table 4.3: Service providers' perception of service recovery practices

Service Recovery		Total		
	Grade 3	Grade 2	Grade 1	_
	Mean±SD	<b>Mean±SD</b>	Mean±SD	
Distributive	5.45±.72	$5.80 \pm .34$	$5.89 \pm .60$	5.77±.59
Procedural	5.35±.64	5.92±.39	$5.83 \pm .60$	5.75±.60
Interactional	5.17±.75	5.76±.27	5.82±52	5.67±.58
Informational	4.89±1.29	5.66±.44	5.94±.94	5.57±.99

Note: Grade 1 = Highly Ranked Restaurants, Grade 2 = Middle Ranked Restaurants, Grade 3 = Lowly Ranked Restaurants; Scale: [1=Extremely Disagree, 2=Disagree, 3=Fairly Disagree, 4= Undecided/Uncertain, 5=Fairly Agree, 6=Agree, 7=Extremely Agree]

Source: Field Survey (2020)

Table 4.3 shows that the service providers agreed that the restaurants produce positive outcomes from apology efforts to resolve problems of customers in a fairly manner and also compensates consumers in the event of service failures through their distributive justice strategies ( $\mu$ =5.77,  $\sigma$ =.59). Procedurally, the service providers agreed that the restaurants respond quickly and timely to customers ' problems, exhibit flexibility in solving problems, employ fair policies and practices to handle customer problems, and also provide credible feedback on customer complaints ( $\mu$ =5.75,  $\sigma$ =.60). In terms of interaction with customers, the restaurants are also perceived by the service providers to have personnel that care and consider views of customers, empathize and exhibit high level of honesty in responding to customer complaints ( $\mu$ =5.62,  $\sigma$ =.65). In terms of information, the restaurants are candid in their communication with customers; explain complaint decision making process to customers, communicates details of

requested information in a timely manner, and provides thorough information on any form of service failures to customers ( $\mu$ =5.57,  $\sigma$ =.99). Evidently, the grade 3 restaurants were perceived to be less than grades 2 and 1 in the provision and practices of service recovery strategies. Whereas the respondents of grade 3 restaurants fairly agreed to the provision and practice of service recovery strategies, the service providers agreed that the grade 2 and 1 restaurants have in place strategies to recover services.

Table 4.4 shows that the customers agreed that the restaurants produce positive outcomes from efforts to resolve customer complaints in a fairly manner and also compensate consumers for service failures through their distributive justice strategies ( $\mu$ =5.56,  $\sigma$ =.63). Procedurally, the customers agreed that the restaurants respond quickly and timely to complaints and other problems, exhibit flexibility in solving problems, offer fair policies and practices to handle problems, and also provide credible feedback on complaints ( $\mu$ =5.66,  $\sigma$ =.57). In terms of interaction with customers, the restaurants are also perceived by the customers to have personnel that care and consider views of customers, empathize and exhibit high level of honesty in responding to complaints ( $\mu$ =5.62,  $\sigma$ =.65). However, customers were undecided or uncertain about the informational service recovery strategic practices of the restaurants ( $\mu$ =3.76,  $\sigma$ =1.23). Evidently, the grade 3 restaurants were perceived to be lesser than grades 2 and 1 in the provision and practices of service recovery strategies. Whereas the customers of grade 3 restaurants fairly agreed to the provision and practice of distributive, procedural and interactional service recovery strategies, the customers of grade 2 and 1 restaurants agreed to receive distributive, procedural and interactional service recovery justices (Ref to table 4.5).

**Table 4.4: Customers perception of service recovery practices** 

Service Recovery		Grade		Total
	Grade 3	Grade 2	Grade 1	
	Mean±SD	Mean±SD	Mean±SD	
Distributive	5.21±.66	5.51±.68	5.73±.71	5.56±.63
Procedural	5.14±.57	5.53±.64	5.70±.63	5.66±.57
Interactional	$5.06 \pm .82$	5.57±.59	5.76±80	5.62±.65
Informational	3.57±1.34	4.39±1.09	$4.79 \pm 1.08$	3.76±1.23

Note: [1=Extremely Disagree, 2=Disagree, 3=Fairly Disagree, 4= Undecided/Uncertain, 5=Fairly Agree, 6=Agree,

7=Extremely Agree] Note: Mean ± Standard Deviation

Source: Field Survey (2020)

# 4.3 Confirmatory factor analysis

Measurement items of this study were validated and checked for internal reliability using Lisrel Version 8.50 and SPSS. The construct validity of the measurement of the main constructs of the study was determined through a confirmatory factor analysis (CFA) with maximum likelihood estimation method. In order to minimize the challenge of non-convergence of tested models emanating from minimum sample size to parameter ratio violation, the sub-set method or unit construct measurement of scale approach was employed. In the process, all problematic measurement items or observed variables of the scales were deleted. All observed variables maintained in the measurement of the constructs, their associated factor loadings and t-values are shown in Table 4.5. The positive and significant loadings of the factors confirmed the convergent validity of the constructs.

Table 4.5: Validation of constructs and reliability

Table	e 4.5: Validation of constructs and reliability	
	Measurement Items/Constructs	Loadings(t-value)
	Distributive Justice (CR =.935, AVE =.706, CA =.955)	
Dj1	Efforts to resolve problems results in a very positive outcome	0.72(11.27)
Dj2	Outcome received from the restaurant is fair	0.80(13.37)
Dj3	The recovery outcome received in response to problems is more than fair	0.87(15.26)
Dj4	I feel that the restaurant offer adequate compensation	0.86(Fixed)
	Procedural Justice (CR =.887, AVE =.663, CA =.921)	
Pj2	I feel the restaurant responds in a timely fashion to problems	0.89(Fixed)
Pj3	The restaurant has shown flexibility in solving problems	0.85(11.04)
Pj4	Restaurant has fair policies and practices to handle customer problems	0.93(14.56)
Pj5	The employee(s) handle problem in a fair manner	0.78(10.58)
	Interactional Justice (CR =.883, AVE =.657, CA =.920)	
Ij2	The restaurant employees seem to care about the customers	0.94(Fixed)
Ij4	The restaurant personnel consider customers views	0.75(10.27)
Ij5	In response to problems, the employees in this restaurant are honest	0.88(13.43)
Ij6	The employees of this restaurant empathize with customers	0.78(10.32)
	Informational Justice (CR =.915, AVE =.729, CA =.915)	
In1	The restaurant is candid in communications with me	0.79(Fixed)
In2	The restaurant explains the process used to make decisions about complaints	0.87(13.18)
In3	The firm communicates details of requested information in a timely manner	0.88(13.41)
In4	The restaurant provides thorough information on any form of service failures	0.87(13.10)
	Organizational Legitimacy (CR =.921, AVE =.745, CA =.921)	
Oj1	I think the restaurant is a necessary part of our society	0.89(Fixed)
Oj2	I think the restaurant meets the food requirements of our society	0.89(17.18)
Oj4	I believe the restaurant follows government regulations	0.89(16.87)
0j5	The restaurant is a key builder and maintainer of the culture of our society	0.78(13.40)
· ·	Customer Satisfaction (CR = .958, AVE = .719, CA = .958)	· · · · · · · · · · · · · · · · · · ·
Cs1	Customer needs are considered in the preparation of food	0.82(Fixed)
Cs2	Waiting time is minimized as possible to satisfy customers	0.84(13.61)
Cs4	Products of this firm are traceable	0.83(13.35)
Cs5	This firm encourages inspection and quality audit of products	0.84(13.79)
Cs6	This firm has longer average period of relationship with customers	0.84(13.65)
Cs7	This firm complies with regulations of restaurants	0.86(14.20)
Cs9	The restaurant provides a satisfactory resolution to problems	0.88(14.71)
Cs10	I am satisfied with the restaurant 's handling of problems	0.88(14.60)
Cs12	I am satisfied with my overall experience with the restaurant	0.85(13.84)
	Social Sustainability (CR = .962, AVE = .715, CA = .961)	,
Ss2	This firm Invest in community programmes	0.77(11.79)
Ss4	This firm avoids any form of corruption in its business activities	0.84(13.47)
Ss5	This firm has strong strategic alliance with the host community	0.87(14.21)
Ss6	This firm responds effectively to information request from the community	0.86(13.76)
Ss7	This firm has in place complaint channels for the community	0.88(14.44)
Ss8	The employees of this firm are engaged in the decision-making process	0.87(14.00)
Ss9	This firm employs cooking processes that minimise carbon emission	0.87(14.08)
Ss10	The procedures take into consideration customers' health complaints	0.85(13.56)
Ss11	I feel a sense of belonging whenever I eat in this restaurant	0.84(13.42)
Ss12	I feel like I have a voice in the decision making of this restaurant	0.80(Fixed)
5512	Environmental Sustainability (CR = .951, AVE = .735, CA = .951)	0.00(1 mea)
En1	I feel this restaurant appreciates greening practices	0.84(Fixed)
En2	I feel this restaurant is interested in reducing waste	0.88(15.29)
En3	This restaurant is interested in using lower energy consumption machineries	0.89(15.46)
En4	The level of sound pollution from the restaurant is low	0.84(14.13)
En5	This restaurant has proper drainage system	0.81(13.35)
En6	This restaurant has proper drainings system  This restaurant has effective waste management system	0.87(15.01)
En7	I feel this restaurant has lower level of gas emission	0.88(15.30)
/ /	There and restaurant has rower rever of gas emission	0.00(13.30)

Note: CR-Composite Reliability, AVE-Average Variance Extracted, CA-Cronbach Alpha

The discriminant validation, the composite reliability and the Cronbach alpha reliability all met the acceptable values or thresholds of 0.50, 0.60 and 0.70 respectively confirming their acceptability (Bagozzzi & Yi, 2012; Huang, Yen & Liu, 2014). The composite reliability that measured the internal consistency of the constructs ranged between 0.883 and 0.962 and hence deemed very good (Ursachi, Horodnic & Zait, 2015). Furthermore, there is an indication of discriminant validation acceptability since the average variances extracted (AVE) were higher than the shared variances between constructs (Fornell & Larcker, 1981). In conclusion, these measurements provide adequate support for the theoretical foundation of this study.

Based on the deduced fit-indices, it is concluded that the acceptable model fit is reflected, as the expected model structure of the study is supported by the factor analysis. For all structured models tested, the ratio of the chi2 to the degree of freedom ( $\chi^2$ /df) was below 2; the Root Mean Square Error of Approximation (RMSEAs) were below 0.07; the Non-normed Fit Index (NNFIs) was greater than 0.95, the Comparative Fit Index (CFIs) was greater than 0.95, the Goodness of Fit Index (GFIs) was also greater than the threshold of 0.95; the Standardised Root Mean Square Residual (SRMRs) were also less than 0.07. The result of the good-fit indices of the tested models is shown in Table 4.6 above.

Table 4.6: Goodness of fit indices

Models	$\chi^2$	Df	χ²/df	RMSEA	NNFI	CFI	GFI	SRMR
Model 1	3.67	3	1.223	0.003	1.00	1.00	0.98	0.011
Model 2	4.14	5	0.828	0.000	0.99	1.00	0.97	0.035
Model 3	0.91	2	0.455	0.000	1.00	1.00	1.00	0.018
Model 4	3.54	2	1.770	0.065	0.99	1.00	0.99	0.012
Model 5	6.21	5	1.242	0.037	1.00	1.00	0.99	0.049
Model 6	31.74	27	1.176	0.031	1.00	1.00	0.98	0.017
Model 7	0.19	2	0.095	0.000	1.00	1.00	1.00	0.003
Model 8	55.11	35	1.575	0.056	0.98	0.99	0.96	0.021
Model 9	64.55	44	1.467	0.051	0.99	0.99	0.96	0.021
Model 10	18.53	14	1.324	0.042	0.99	1.00	0.97	0.016
Model 11	702.83	400	1.757	0.065	0.99	0.98	0.96	0.042

Note: Root Mean Square Error of Approximation (RMSEA), Non-normed Fit Index (NNFI), Comparative Fit Index (CFI), Goodness of Fit Index (GFI), Standardized Root Mean Square Residual (SRMR) Measurement Model 1 (Distributive): Dj1, Dj2, Dj3, Dj4

Measurement Model 2 (Procedural): Pj2, Pj3, Pj4, Pj5

Measurement Model 3 (Interactional): Ij2, Ij4, Ij5, Ij6

Measurement Model 4 (Informational): In1, In2, In3, In4

Measurement Model 5 (Service Recovery): Pj2, In1, In2, In3, In4

Measurement Model 6 (Customer Satisfaction): Cs1, Cs2, Cs4, Cs5, Cs6, Cs7, Cs9, Cs10, Cs12

Measurement Model 7 (Organisational Legitimacy): Oj1, Oj2, Oj4, 0j5

Measurement Model 8 (Social Sustainability): Ss2, Ss4, Ss5, Ss6, Ss7, Ss8, Ss9, Ss10, Ss11, Ss12

Measurement Model 9 (Environmental Sustainability): En1, En2, En3, En4, En5, En6, En7

Measurement Model 10 (Sustainability): Ss2, Ss10, Ss11, Ss12, En1, En2, En3, En4, En5, En6, En7

Model 11: Full Measurement

Source: Field Survey (2020)

### 4.4 Bivariate correlational analysis

In this section of the study, the bivariate correlation between the main constructs of the study is discussed. Spearman 's correlational analytical method is employed due to the ordinal nature of the measurement scale. Conclusions were drawn from the Spearman rhos, the direction of the relationship and the significant level. The result of the spearman correlation is shown in Table 4.7.

Table 4.7: Spearman 's correlational analysis

-	Constructs	1	2	3	4	5	6	7	8	9	10	μ±σ
1	Distributive	1.000										
2	Procedural	.637**	1.000									
3	Interactional	.661**	.899**	1.000								
4	Informational	.496**	.601**	.607**	1.000							
5	Service Recovery	.604**	$.708^{**}$	.749**	.920**	1.000						$5.02\pm1.53$
6	Organ. Legitimacy	.465**	.528**	.548**	.582**	.655**	1.000					$4.97 \pm 1.66$
7	C'mer Satisfaction	.520**	.543**	.616**	.642**	$.700^{**}$	.658**	1.000				$5.02\pm1.56$
8	Social Sustainability	.558**	.620**	.641**	.699**	.747**	.635**	.742**	1.000			$4.90\pm1.52$
9	Env. Sustainability	.502**	.574**	.608**	.699**	.740**	.659**	.737**	.845**	1.000		$4.90\pm1.58$
10	Sustainability	.558**	.624**	.654**	.738**	.787**	.669**	.755**	.923**	.955**	1.000	$4.91\pm1.55$

Note: Mean( $\mu$ )  $\pm$  Standard Deviation( $\sigma$ )

Scale: [1=Extremely Disagree, 2=Disagree, 3=Fairly Disagree, 4= Undecided/Uncertain, 5=Fairly Agree, 6=Agree, 7=Extremely Agree]

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: Field Survey (2020)

Table 4.7 shows that the fair or moderate level of service recovery practices of restaurants directly correlated with the organisational legitimacy of the restaurants (r=.655, P<.01). Thus, improvement in the service recovery practices of the restaurants is associated with improvement in the legitimacy of the restaurants in society. The service recovery practices of restaurants directly correlated with the satisfaction of customers (r=.700, P<.01). Thus, improvement in the service recovery practices of the restaurants is associated with increasing satisfaction of the customers. The service recovery practices of the restaurants directly correlated with the social sustainability of the restaurants (r=.747, P<.01). Thus, improvement in the service recovery practices of the restaurants is associated with increased social sustainability of the restaurants. The service recovery practices of the restaurants directly correlated with the environmental sustainability of the restaurants (r=.740, P<.01). Thus, improvement in the service recovery practices of the restaurants is associated with increasing environmental sustainability of the restaurants. The service recovery practices of the restaurants is directly correlated with the sustainability of the restaurants (r=.787, P<.01). Thus, improvement in the service recovery practices of the restaurants is associated with increasing sustainability of the restaurants.

Table 4.7 shows that the distributive justice of restaurants in service recovery is directly correlated with the organisational legitimacy of the restaurants (r=.465, P<.01). Thus, improvement in the distributive justice practices of the restaurants is associated with improvement in the legitimacy of the restaurants in society. The distributive justice of the restaurants in service recovery is directly correlated with the satisfaction of customers (r=.520, P<.01). Thus, improvement in the distributive justice practices of the restaurants is associated with increasing satisfaction of the customers. The distributive justice of the restaurants in service recovery is directly correlated with the social sustainability of the restaurants (r=.558, P<.01). Thus, improvement in the distributive justice practices of the restaurants is associated with increasing social sustainability of the restaurants. The distributive justice of the restaurants in service recovery is directly correlated with the environmental sustainability of the restaurants (r=.502, P<.01). Thus, improvement in the distributive justice practices of the restaurants is associated with increasing environmental sustainability of the restaurants. The distributive justice of the restaurants in service recovery is directly correlated with the sustainability of the restaurants (r=.558, P<.01). Thus, improvement in the distributive justice practices of the restaurants is associated with increasing sustainability of the restaurants.

Table 4.7 shows that the procedural justice of restaurants in service recovery is directly correlated with the organisational legitimacy of the restaurants (r=.528, P<.01). Thus, improvement in the procedural justice practices of the restaurants is associated with improvement in the legitimacy of the restaurants in the society. The procedural justice of the restaurants in service recovery is directly correlated with the satisfaction of customers (r=.543, P<.01). Thus, improvement in the procedural justice practices of the restaurants is associated

with increasing satisfaction of the customers. The procedural justice of the restaurants in service recovery is directly correlated with the social sustainability of the restaurants (r=.620, P<.01). Thus, improvement in the procedural justice practices of the restaurants is associated with increasing social sustainability of the restaurants. The procedural justice of the restaurants in service recovery is directly correlated with the environmental sustainability of the restaurants (r=.574, P<.01). Thus, improvement in the procedural justice practices of the restaurants is associated with increasing environmental sustainability of the restaurants. The procedural justice of the restaurants in service recovery is directly correlated with the sustainability of the restaurants (r=.624, P<.01). Thus, improvement in the procedural justice practices of the restaurants is associated with increasing sustainability of the restaurants.

Table 4.7 shows that the interactional justice of restaurants in service recovery is directly correlated with the organisational legitimacy of the restaurants (r=.548, P<.01). Thus, improvement in the interactional justice practices of the restaurants is associated with improvement in the legitimacy of the restaurants in society. The interactional justice of the restaurants in service recovery is directly correlated with the satisfaction of customers (r=.616, P<.01). Thus, improvement in the interactional justice practices of the restaurants is associated with increasing satisfaction of the customers. The interactional justice of the restaurants in service recovery is directly correlated with the social sustainability of the restaurants (r=.641, P<.01). Thus, improvement in the interactional justice practices of the restaurants is associated with increasing social sustainability of the restaurants. The interactional justice of the restaurants in service recovery is directly correlated with the environmental sustainability of the restaurants (r=.608, P<.01). Thus, improvement in the interactional justice practices of the restaurants

associated with increasing environmental sustainability of the restaurants. The interactional justice of the restaurants in service recovery is directly correlated with the sustainability of the restaurants (r=.654, P<.01). Thus, improvement in the interactional justice practices of the restaurants is associated with increasing sustainability of the restaurants.

Table 4.7 shows that the informational justice of restaurants in service recovery is directly correlated with the organizational legitimacy of the restaurants (r=.582, P<.01). Thus, improvement in the informational justice practices of the restaurants is associated with improvement in the legitimacy of the restaurants in society. The informational justice of the restaurants in service recovery is directly correlated with the satisfaction of customers (r=.642, P<.01). Thus, improvement in the informational justice practices of the restaurants is associated with increasing satisfaction of the customers. The informational justice of the restaurants in service recovery is directly correlated with the social sustainability of the restaurants (r=.699, P<.01). Thus, improvement in the informational justice practices of the restaurants is associated with increasing social sustainability of the restaurants. The informational justice of the restaurants in service recovery is directly correlated with the environmental sustainability of the restaurants (r=.699, P<.01). Thus, improvement in the informational justice practices of the restaurants is associated with increasing environmental sustainability of the restaurants. The informational justice of the restaurants in service recovery is directly correlated with the sustainability of the restaurants (r=.738, P<.01). Thus, improvement in the informational justice practices of the restaurants is associated with increasing sustainability of the restaurants.

Table 4.7 shows that the customers of the restaurants were moderately satisfied with the offered service recovery practices (5.02±1.56). The moderate level of satisfaction of the customers of the restaurants is directly correlated with the social sustainability of the restaurants (r=.658, P<.01). Thus, increasing satisfaction of the customers of the restaurants is associated with increasing social sustainability of the restaurants. The satisfaction of the customers of the restaurants is directly correlated with the environmental sustainability of the restaurants (r=.635, P<.01). Thus, increasing satisfaction of the restaurants' customers is associated with increasing environmental sustainability of the restaurants. The satisfaction of the customers of the restaurants is directly correlated with the sustainability of the restaurants (r=.669, P<.01). Thus, increasing satisfaction of the customers of the restaurants is associated with increasing sustainability of the restaurants.

# 4.5 Hierarchical multiple regression result

In this study, relationships between the four main constructs were evaluated. Both mediation and moderation concepts were tested. The mediation of customer satisfaction in the service recovery – sustainability linkage was initially tested. The legitimacy of the restaurants in customer satisfaction – sustainability linkage in the phase of service recovery strategies was also tested. These two main concepts were evaluated through a hierarchical regression modelling method using the ordinary least square estimation method.

### 4.5.1 Service recovery, customer satisfaction, legitimacy and sustainability

In this section of the study, the dependent variable considered was sustainability as a composite construct. The independent variables were the four main service recovery strategic justices including distributive, procedural, interactional, and informational. The tested mediator and

# University of Education, Winneba http://ir.uew.edu.gh

moderator were customer satisfaction and organisational legitimacy respectively. The ordinary least square multiple regression method results are shown in Table 4.8.



Table 4.8: OLS estimation result of service recovery and sustainability

				Unst	andardized β				
Constructs	CS	VIF			Sustai	nability			VIF
	Model 1		Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	
(Constant)	-1.598(-1.895)		-1.300(-1.934)	.716(3.282)***	585(-1.037)	696(-1.156)	511(913)	558(985)	
Hypothesized									
Distributive	.331(2.147)**	1.671	.159(1.289)		.010(.099)	.063(.570)	.005(.053)	006(059)	1.780
Procedural	420(-1.359)	5.374	265(-1.074)		077(373)	268(-1.225)	115(561)	118(576)	5.482
Interactional	$.817(2.927)^{***}$	5.665	.609(2.739)***		.244(1.289)	.474(2.392)**	.268(1.426)	.255(1.343)	6.050
Informational	.683(9.001)***	1.514	.906(14.958)***		.600(9.885)***	.658(10.231)***	.572(9.266)***	.578(9.205)***	2.400
Cus. Satisfaction	` ,		` ,	.835(20.117)***	.448(9.004)***	` ,	.117(2.005)**	.375(5.236)***	4.944
Org. Legitimacy				` ,	` ,	.329(7.014)***	.359(5.418)***	.131(2.078)**	4.415
Interactions						,	,	,	
CS*OJ								.016(.589)	3.151
$\mathbb{R}^2$	.575		.732	.692	.817	.791	.821	.821	
$\Delta R^2$					.124	.059	.030	.000	
Adj. R <sup>2</sup>	.566		.726	.690	.811	.785	.814	.814	
SE Estimate	1.01837		.81209	.86311	.67385	.71995	.66814	.66939	
F-Statistic	59.953(4)***		120.871(4)***	404.700(1)***	156.653(5)***	132.868(5)***	133.454(6)***	114.012(7)***	
ΔF-Statistic	( )		( )		29.827***	49.199	29.354	.347	
Durbin Watson	1.998		1.641	1.660	1.680	1.688	1.707	1.696	

Note: t-values are in the parenthesis; \*p < .1, \*\*p < .05; \*\*\*p < .01 Source: Field Survey (2020)

### 4.5.1.1 Service recovery and customer satisfaction

Model 1 of Table 4.8 shows that the distributive justices intended to recover services in the restaurants directly and significantly influences the satisfaction of the customers ( $\beta$ =.331, P<.05). Thus, a statistically significant unit increase in the distributive justice service recovery practices of the restaurants is associated with 0.331 units increase in the satisfaction of customers. The interactional justices intended to recover services in the restaurants directly and significantly influence the satisfaction of the customers ( $\beta$ =.817, P<.01). Thus, a statistically significant unit increase in the interactional justice service recovery practices of the restaurants is associated with 0.817 units increase in the satisfaction of customers. The informational justices intended to recover services in the restaurants directly and significantly influence the satisfaction of the customers ( $\beta$ =.683, P<.01). Thus, a statistically significant unit increase in the informational justice service recovery practices of the restaurants is associated with 0.683 units increase in the satisfaction of customers. However, the procedural justices intended to recover services in the restaurants negative influence the satisfaction of the customers but were not statistically significantly related to customer satisfaction.

### 4.5.1.2 Service recovery and sustainability of restaurants

Model 2 of Table 4.8 shows that the interactional justice service recovery strategies of the restaurants are directly and significantly associated with the sustainability of the restaurants ( $\beta$ =.609, P<.01). Thus, a statistically significant unit increase in the interactional justice service recovery practices of the restaurants is associated with 0.609 unit increase in the sustainability of the restaurants. The informational justice service recovery strategies of the restaurants are directly and significantly associated with the sustainability of the restaurants ( $\beta$ =.906, P<.01).

Thus, a statistically significant unit increase in the informational justice service recovery practices of the restaurants is associated with 0.906 unit increase in the sustainability of the restaurants. The distributive and procedural justice service recovery practices of the restaurants were positively related to the sustainability of the restaurants. However, distributive and procedural justices were not significantly related to the sustainability of the restaurants.

### 4.5.3 Customer satisfaction and sustainability of restaurants

Model 3 of Table 4.8 shows that the satisfaction of the customers of the restaurants is directly and significantly associated with the sustainability of the restaurants ( $\beta$ =.835, P<.01). Thus, a statistically significant unit increase in the satisfaction of the customers of the restaurants is associated with 0.835 unit increase in the sustainability of the restaurants, controlling for the service recovery practices of the restaurants. Also, the Model 4 of Table 4.8 shows that the satisfaction of the customers of the restaurants is directly and significantly associated with the sustainability of the restaurants ( $\beta$ =.448, P<.01). Thus, a statistically significant unit increase in the satisfaction of the customers of the restaurants is associated with 0.448 unit increase in the sustainability of the restaurants.

#### 4.5.4 Organisational legitimacy and sustainability of restaurants

Model 5 of Table 4.8 shows that the legitimacy of the restaurants in their communities of location positively influences the sustainability of the restaurants ( $\beta$ =.329, P<.01). Thus, a statistically significant unit increase in the legitimacy of the restaurants in their communities of location is associated with 0.329 units increase in the sustainability of the restaurants. Model 6 of Table 4.8 also shows that the legitimacy of the restaurants in their communities of location

positively influences the sustainability of the restaurants ( $\beta$ =.359, P<.01). Thus, a statistically significant unit increase in the legitimacy of the restaurants in their communities of location is associated with 0.359 units increase in the sustainability of the restaurants. Model 7 of Table 4.8 also shows that the legitimacy of the restaurants in their communities of location positively influences the sustainability of the restaurants ( $\beta$ =.131, P<.01). Thus, a statistically significant unit increase in the legitimacy of the restaurants in their communities of location is associated with 0.131 units increase in the sustainability of the restaurants.

# 4.5.1.5 Customer satisfaction as the mediator in the service recovery – sustainability linkage

Table 4.9 shows that customer satisfaction failed to mediate the relationship between distributive, procedural and sustainability of the restaurants. However, customer satisfaction fully mediated the relationship between interactional justice and sustainability of the restaurants. The satisfaction of the customers also partially mediated the relationship between the informational justice of the restaurants and the sustainability of the restaurants. Customer satisfaction's total mediation effect in the relationship between interactional justice and sustainability was relatively higher than the total mediation effect of customer satisfaction in the relationship between restaurants' informational justice and sustainability.

**Table 4.9: Mediation analysis of individual unit constructs** 

Path		Unstandardized βs		Sobel test statistic	Form of mediation
	Direct Effect (D)	Indirect Effect (I)	Total Effect (D+I)		
Dj → Cs →SB	.010	.331*.448 = .148	.158		No Mediation
$Pj \rightarrow Cs \rightarrow SB$	077	420*.448 =188	265		No Mediation
$Ij \rightarrow Cs \rightarrow SB$	.244	.817*.448 = .366	.610	2.90***	Full
$In \rightarrow Cs \rightarrow SB$	.600	.683*.448 = .306	.906	8.22***	Partial

Note: \*p < .1, \*\*p < .05; \*\*\*p < .01, Distributive Justice = Dj, Procedural Justice = Pj, Interactional Justice = Ij, Informational

Justice = In, Customer Satisfaction = Cs, Sustainability - SB

Source: Field Survey (2020)

### 4.5.1.6 Moderation role of legitimacy in the service recovery – sustainability linkage

Model 7 of Table 4.9 shows that the interaction between customer satisfaction and organisation legitimacy (CS\*OJ) was not statistically significantly related to the restaurants' sustainability. This implies that the positive effect of customer satisfaction on the restaurants' sustainability was not significantly moderated by the restaurants' legitimacy.

# 4.5.2 Service recovery, customer satisfaction, legitimacy and social sustainability

In this section of the study, the dependent variable considered was social sustainability as a component construct of sustainability. The independent variables were the four main service recovery strategic justices including distributive, procedural, interactional, and informational. The tested mediator and moderator were customer satisfaction and organisational legitimacy respectively. The ordinary least square multiple regression method results are shown in Table 4.

Table 4.10: Estimation result of service recovery and social sustainability

G			Unstanda	-			MIE
Constructs	Model 8	Model 9	Social Sust Model 10	Model 11	Model 12	Model 13	_ VIF
(Constant)	-1.454(-2.043)	.887(3.926)***	764(-1.233)	879(-1.343)	698(-1.129)	697(-1.113)	
Hypothesized	1.131( 2.013)	.007(3.720)	.701(1.255)	.075( 1.5 15)	.070( 1.125)	.077( 1.113)	
Distributive	.145(1.116)		.002(.020)	.054(.452)	002(018)	002(016)	1.780
Procedural	180(688)		.002(.009)	182(768)	033(144)	033(143)	5.482
Interactional	.614(2.608)**		.262(1.259)	.486(2.255)**	.283(1.368)	.284(1.355)	6.050
Informational	.829(12.927)***		.533(7.998)***	.592(8.482)***	.508(7.464)***	.508(7.322)***	2.400
Cus. Satisfaction		.800(18.602)***	.432(7.902)***	( )	.352(4.814)***	.352(4.449)***	4.944
Org. Legitimacy		,	,	.314(6.147)***	.106(1.638)	.106(1.519)	4.415
Interactions				` ,	,	` ,	
CS*OJ						.000(007)	3.151
$\mathbb{R}^2$	.689	.658	.770	.774	.774	.774	
$\Delta R^2$			.112	.055	.030	.000	
Adj. R <sup>2</sup>	.682	.656	.764	.737	.766	.765	
SE Estimate	.85978	.89404	.74077	.78232	.73725	.73936	
F-Statistic	97.948(4)***	346.046(1)***	118.050(5)***	102.204(5)***	99.764(6)***	85.023(7)***	
ΔF-Statistic	( )	. ,	21.548***	37.791***	23.175***	.000	
Durbin Watson	1.501	1.652	1.643	1.667	1.692	1.692	

Note: t-values are in the parenthesis; \*p < .1, \*\*p < .05; \*\*\*p < .01 Source: Field Survey (2020)

### 4.5.2.1 Service recovery and social sustainability of restaurants

Model 8 of Table 4.10 shows that the restaurants' interactional justice service recovery strategies are directly and significantly associated with social sustainability of the restaurants ( $\beta$ =.614, P<.01). Thus, a statistically significant unit increase in the restaurants' interactional justice service recovery practices is associated with 0.614 unit increase in the social sustainability of the restaurants. The restaurants' informational justice service recovery strategies is directly and significantly associated with social sustainability of the restaurants ( $\beta$ =.829, P<.01). Thus, a statistically significant unit increase in the restaurants' informational justice service recovery practices is associated with 0.829 unit increase in the restaurants' social sustainability. The restaurants' distributive and procedural justice service recovery practices were positively related to the restaurants' social sustainability. However, distributive and procedural justices were not statistically significantly related to the social sustainability of the restaurants.

### 4.5.2.2 Customer satisfaction and social sustainability of restaurants

Model 9 of Table 4.10 shows that the satisfaction of the customers of the restaurants is directly and significantly associated with social sustainability of the restaurants ( $\beta$ =.800, P<.01). Thus, statistically significant unit increase in the satisfaction of the customers of the restaurants is associated with 0.800 unit increase in the social sustainability of the restaurants, controlling for the recovery strategies of the restaurants. Also, the model 10 of Table 4.10 shows that the satisfaction of the customers of the restaurants is directly and significantly associated with social sustainability of the restaurants ( $\beta$ =.432, P<.01). Thus, a statistically significant unit increase in the satisfaction of the restaurants' customers is associated with a 0.432 unit increase in the restaurant's social sustainability.

### 4.5.2.3 Organisational legitimacy and social sustainability of restaurants

Model 11 of Table 4.10 shows that the restaurants' legitimacy in their communities of location positively influences the social sustainability of the restaurants ( $\beta$ =.314, P<.01). Thus, a statistically significant unit increase in the restaurants' legitimacy in their communities of location is associated with 0.314 units increase in the social sustainability of the restaurants. However, considering the satisfaction of customers in terms of the practiced recovery strategies, the restaurants' legitimacy in their communities of location failed to significantly influence the social sustainability of the restaurants (see models 12 and 13).

# 4.5.2.4 Customer satisfaction as the mediator in the service recovery – social sustainability linkage

Table 4.11 shows that customer satisfaction failed to mediate the relationship between distributive, procedural and restaurants' social sustainability. However, customer satisfaction fully mediated the relationship between interactional justice and social sustainability of the restaurants. The customers' satisfaction also partially mediated the relationship between the informational justice of the restaurants and the restaurants' social sustainability. Customer satisfactions' total mediation effect in the relationship between interactional justice and social sustainability was relatively higher than the total mediation effect of customer satisfaction in the relationship between restaurants' informational justice and social sustainability of the restaurants.

**Table 4.11: Mediation analysis** 

		Unstandardized ßs		Sobel test	
Path	Direct Effect	Indirect Effect	Total Effect	statistic	Form of mediation
	<b>(D)</b>	<b>(I)</b>	(D+I)		
Dj → Cs→SS	.002	.331*.432 = .143	.145		No Mediation
$Pj \rightarrow Cs \rightarrow SS$	.002	420*.432 =181	601		No Mediation
$Ij \rightarrow Cs \rightarrow SS$	.262	.817*.432 = .353	.615.	2.78***	Full
$In \to Cs \to SS$	.533	.683*.432 = .295	.828	6.74***	Partial

Note: \*p < .1, \*\*p < .05; \*\*\*p < .01, Distributive Justice = Dj, Procedural Justice = Pj, Interactional Justice = Ij, Informational

Justice = In, Customer Satisfaction = Cs, Social Sustainability - SS

Source: Field Survey (2020)

# 4.5.2.5 Moderation role of legitimacy in the customer satisfaction – social sustainability Linkage

Model 13 of Table 4.11 shows that the interaction between customer satisfaction and organisation legitimacy (CS\*OJ) was not statistically significantly related to the social sustainability of the restaurants. This implies that the positive effect of customer satisfaction on the social sustainability of the restaurants was not significantly moderated by the legitimacy of the restaurants.

### 4.5.3 Service recovery, customer satisfaction, legitimacy and environmental sustainability

In this section of the study, the dependent variable considered was environmental sustainability as a component construct of sustainability. The independent variables were the four main service recovery strategic justices including distributive, procedural, interactional, and informational. The tested mediator and moderator were customer satisfaction and organisational legitimacy respectively. The ordinary least square multiple regression method results are shown in Table 4.12.

Table 4.12: OLS estimation result of service recovery and environmental sustainability

			Unstanda	rdized β					
Constructs	Environmental Sustainability								
	Model 14	Model 15	Model 16	Model 17	Model 18	Model 19			
(Constant)	941(-1.328)	.629(2.815)***	181(305)	332(517)	123(208)	157(263)			
Hypothesized									
Distributive	.149(1.148)		009(080)	.052(.445)	012(115)	021(191)	1.780		
Procedural	405(-1.560)		205(951)	408(-1.752)	236(-1.090)	238(-1.099)	5.482		
Interactional	.675(2.881)***		.287(1.446)	.539(2.551)**	.306(1.545)	.296(1.481)	6.050		
Informational	.935(14.663)***		.610(9.586)***	.685(10.003)***	.588(9.039)***	.593(8.946)***	2.400		
Cus. Satisfaction		.851(19.989)***	.475(9.109)***		.406(5.802)***	.417(5.522)***	4.944		
Org. Legitimacy				.332(6.631)***	.092(1.497)	.102(1.540)	4.415		
Interactions									
CS*OJ						.012(.410)	3.151		
$\mathbb{R}^2$	.715	.689	.806	.772	.809	.809			
$\Delta R^2$			.117	.057	.037	.000			
Adj. R <sup>2</sup>	.708	.688	.801	.765	.802	.801			
SE Estimate	.85543	.88496	.70720	.76734	.70472	.70640			
F-Statistic	110.819(4)***	399.564(1)***	146.308(5)***	118.974(5)***	123.156(6)***	105.085(7)***			
$\Delta$ F-Statistic			26.465***	43.974***	33.664***	.168			
Durbin Watson	1.603	1.605	1.581	1.574	1.585	1.576			

Note: t-values are in the parenthesis; \*p < .1, \*\*p < .05; \*\*\*p < .01

### 4.5.3.1 Service recovery and environmental sustainability of restaurants

Model 14 of Table 4.12 shows that the interactional justice service recovery strategies of the restaurants are directly and significantly associated with the environmental sustainability of the restaurants ( $\beta$ =.675, P<.01). Thus, a statistically significant unit increase in the interactional justice service recovery practices of the restaurants is associated with 0.675 unit increase in the environmental sustainability of the restaurants. The informational justice service recovery strategies of the restaurants are directly and significantly associated with the environmental sustainability of the restaurants ( $\beta$ =.935, P<.01). Thus, a statistical significant unit increase in the informational justice service recovery practices of the restaurants is associated with 0.935 unit increase in the environmental sustainability of the restaurants. However, restaurants' distributive and procedural justice service recovery practices were not statistically significantly related to the environmental sustainability of the restaurants.

### 4.5.3.2 Customer satisfaction and environmental sustainability of restaurants

Model 15 of Table 4.12 shows that the satisfaction of the customers of the restaurants is directly and significantly associated with the environmental sustainability of the restaurants ( $\beta$ =.851, P<.01). Thus, a statistically significant unit increase in the satisfaction of the customers of the restaurants is associated with 0.851 unit increase in the environmental sustainability of the restaurants, controlling for the recovery strategies of the restaurants. Also, model 16 of Table 4.12 shows that the satisfaction of the customers of the restaurants is directly and significantly associated with the environmental sustainability of the restaurants ( $\beta$ =.475, P<.01). Thus, a statistically significant unit increase in the satisfaction of the customers of the restaurants is associated with 0.475 unit increase in the environmental sustainability of the restaurants.

### 4.5.3.3 Organisational legitimacy and environmental sustainability of restaurants

Model 17 of Table 4.12 shows that the restaurants' legitimacy in their communities of location positively influences the environmental sustainability of the restaurants ( $\beta$ =.332, P<.01). Thus, a statistically significant unit increase in the restaurants' legitimacy in their communities of location is associated with 0.332 units increase in the environmental sustainability of the restaurants. However, considering the satisfaction of customers in terms of the practiced recovery strategies, the restaurants' legitimacy of the restaurants' in their communities of location failed to significantly influence the environmental sustainability of the restaurants (see models 18 and 19).

# 4.5.3.4 Customer satisfaction as the mediator in the service recovery – environmental sustainability linkage

Table 4.13 shows that customer satisfaction failed to mediate the relationship between distributive, procedural and the environmental sustainability of the restaurants. However, customer satisfaction fully mediated the relationship between interactional justice and environmental sustainability of the restaurants. The customers' satisfaction partially mediated the relationship between the informational justice of the restaurants and the environmental sustainability of the restaurants. Customer satisfactions' total mediation effect in the relationship between interactional justice and environmental sustainability was relatively higher than the total mediation effect of customer satisfaction in the relationship between restaurants' informational justice and environmental sustainability.

**Table 4.13: Mediation analysis of individual unit constructs** 

		Unstandardized βs	Sobel test	Form of	
Path	Direct Effect (D)	Indirect Effect (I)	Total Effect (D+I)	statistic	mediation
$Dj \rightarrow Cs \rightarrow ES$	009	.331*.475 = .157	.148		No Mediation
$Pj \rightarrow Cs \rightarrow ES$	205	420*.475 =196	401		No Mediation
$Ij \rightarrow Cs \rightarrow ES$	.287	.817*.475 = .387	.674.	2.79***	Full
$In \rightarrow Cs \rightarrow ES$	.610	.683*.475 = .324	.934	6.40***	Partial

Note: \*p < .1, \*\*p < .05; \*\*\*p < .01, Distributive Justice = Dj, Procedural Justice = Pj, Interactional Justice = Ij,

Informational Justice = In, Customer Satisfaction = Cs, Environmental Sustainability - ES

Source: Field Survey (2020)

# 4.5.2.5 Moderation role of legitimacy in customer satisfaction – environmental sustainability linkage

Model 19 of Table 4.13 shows that the interaction between customer satisfaction and organisation legitimacy (CS\*OJ) was not statistically significantly related to the restaurants' environmental sustainability. This implies that the legitimacy of the restaurants did not significantly moderate the positive effect of customer satisfaction on the environmental sustainability of the restaurants.

### 4.6 Structural equation model

In this section of the study, the hypothesized relationship between the constructs was tested through the structural equation modelling (SEM) method. Two basic models were evaluated. The first model estimated was full mediation of satisfaction of customers. The second estimated model involved partial mediation of customer satisfaction in the restaurants' legitimacy in the communities of their location. The tested models both exhibited good-fit as the chi2 per degree of freedom of the models were less or equal to 2; the RMSEAs were less 0.07; the NNFIs and the CFIs were less than 0.95 and SRMR were also less than 0.07 and, hence meet the standard thresholds of good-fit model indices (see Table 4.14). The R<sup>2</sup> of the model 1 of 0.79 implies that about 79 percent of the variations in the sustainability of the restaurants were explained by service recovery

strategies of the restaurants and customer satisfaction as full mediator. On the other hand, about 89 percent of the restaurants' sustainability was explained by the restaurants' service recovery strategies, customer satisfaction and the interaction of customer satisfaction and organisational legitimacy in a partial mediation model. The test of the change in the chi2 of the models shows that the best-fit model was the estimated partial mediation model. Therefore this implies that customer satisfaction plays a partial mediation role in the relationship between the service recovery strategies of the restaurants and sustainability under the consideration of the legitimacy of the restaurants in the communities of their location (see, Table 4.14).

Table 4.14: Model fit indices of the structural equation models

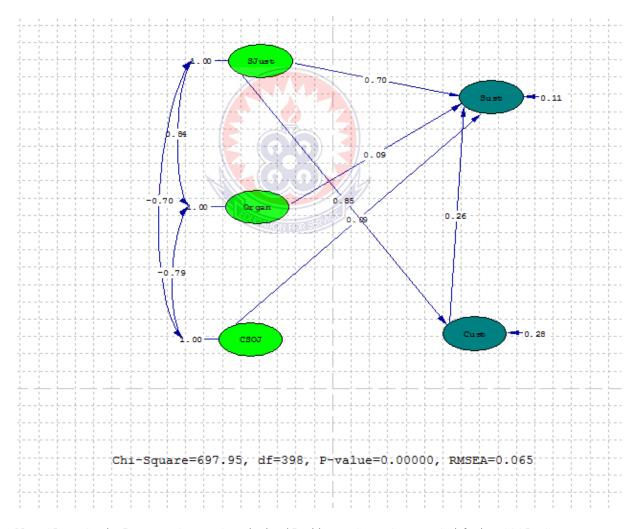
Models	$\chi^2$	Df	χ²/df	$\Delta \chi^2$	∆d.f	RMSEA	CS	Sustainability	NNFI	CFI	SRMR
						W44_	$\mathbb{R}^2$	R <sup>2</sup>			
1	813.22	401	2.00			.069	.78	.79	.99	.99	0.043
2	697.95	398	1.75	115.25***	3	.065	.72	.89	1.00	1.00	0.013

Note: Non-Normed Fit Index (NNFI), Comparative Fit Index (CFI), Standardized Root Mean Square Residual (SRMR), Root Mean Square Error of Approximation (RMSEA)

Baseline model: Model 1

Figure 4.1 shows that the service recovery strategic practices of the restaurants positively and significantly influence the sustainability of the restaurants ( $\beta$ =.70, P<.01). Thus, significant unit improvement in the restaurants' service recovery strategic practices is associated with 0.70-unit enhancement in the restaurants' sustainability. The tested model 2 of Figure 4.1 also shows that service recovery strategies of the restaurants are positively associated with the satisfaction of the customers of the restaurants ( $\beta$ =.85, P<.01). This suggests that significant unit improvement in the restaurants' service recovery strategies is associated with 0.85 units increase in the satisfaction of the restaurants' customers. The satisfaction of the restaurants' customers is positively associated with the sustainability of the restaurants ( $\beta$ =.26, P<.01).

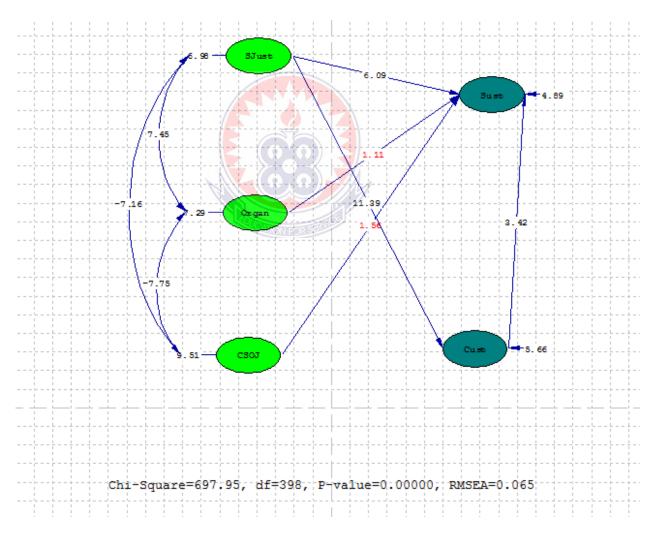
From the established relationships between the restaurants' service recovery strategies, customer satisfaction and sustainability of the restaurants, customer satisfaction is a partial mediator in the linkage between service recovery strategies of the restaurant and sustainability (See Figure 4.2). This conclusion is made because both the indirect effects (0.221) and the direct effect (0.70) of the moderation model 2 were all statistically significant. Thus, the total partial mediation effect of customer satisfaction in the linkage between restaurants' service recovery strategies and the sustainability of the restaurants is 0.921.



Note: SJust – Service Recovery, Organ – Organisational Legitimacy, Cust – Customer Satisfaction, CSOJ – Customer satisfaction - Organisational Legitimacy interaction, Sustainability.

Figure 4.1: Structural Equation Model with Standard Estimates

The legitimacy of the restaurants to the communities of their location statistically had no significant effect on the restaurants' sustainability ( $\beta$ =.09, P > .05). Thus, the restaurants' sustainability, whether social or environmental, is not dependent on the restaurants' legitimacy in the communities of their location. Based on the fact that the interaction between restaurants' legitimacy and customer satisfaction was not statistically significant, the effect of customers' satisfaction on the sustainability of the restaurants was not significantly moderated by the legitimacy of the restaurants (See Figure 4.1 and Figure 4.2).



Note: SJust – Service Recovery, Organ – Organisational Legitimacy, Cust – Customer Satisfaction, CSOJ – Customer satisfaction - Organisational Legitimacy interaction, Sustainability.

Figure 4.2: Structural Equation Model with t-values

#### **CHAPTER FIVE**

#### **DISCUSSION OF RESULTS**

In Ghana, a feature of the food industry is service failure. Therefore, stakeholders of the restaurant industry are developing enormous interest in service recovery a vital part of strategic business strategies. Customers generally perceived the service recovery practices of service providers as moderate. In the process of service recovery, the restaurants in Ghana offer an apology to customers, solve problems of customers, provide explanation, speedily recover service, empathise with customers, compensate customers, and make follow-up/feedback through the provision of adequate information on issues of service failures and processes employed in resolving the problems. Notwithstanding the perceived moderate nature restaurants' service recovery practices, the recommended processes of recovering failed services are followed by the restaurants (Sciarelli et al., 2017). The restaurants admit and acknowledge their mistakes and compensate aggrieved customers by replacing of food, discount, coupons, refunds or even upgrading of services.

Today, restaurants in the hospitality industry of Ghana are persistently making efforts to resolve all complaints and problems of customers in a fair manner as compensation to experienced service failures to ensure distributive justice. To ensure procedural justice in the recovery of services, the restaurants in the industry respond timely to complaints of customers and exhibit a high level of flexibility in solving problems. Besides these, restaurant employees in the industry show high level of honesty, empathy and care, and consider the customers' views in their interactions with customers. The restaurants are also candid in communication with customers as processes employed in the decision-making process of service recovery are clearly and timely explained to customers.

Notwithstanding the growing interest of the whole industry in service recovery, the practice of service recovery is more characterised with highly graded restaurants in Ghana. Service recovery requires technical, financial and human resources that can primarily be provided by larger and highly graded restaurants (Othman, Zahari & Radzi, 2013). The customers were generally satisfied with the restaurants' service recovery efforts and hence the associated sustainability of the firms. The customers' satisfaction is vital to both private and social benefits of the restaurants as service recovery practices do not necessarily imply justice (Ramadan, 2012). Customers could be compensated after a failure but still perceived not to have received justice due to the fact that the value of the outcome is below the input (Díaz et al., 2017). In other words, what has been offered is far below the inconveniences created by the service organisation. The service recovery practices are required to meet the customers' perceived justice level to ensure satisfaction (Reis et al., 2017). In the case of a customer 's perception of a fair recovery, a prior satisfaction with the restaurant's service will be sustained (Mensah & Mensah, 2018; Chen et al., 2018).

The service recovery practices of the food industry are aimed at correcting failures to ensure justice and fairness in the delivery of services in order to increase the satisfaction of customers. In the restaurant industry of Ghana, the service recovery practices in the form of distributive, interactive and informational positively influence the sustainability of the restaurants. Thus, besides the economic performance of the restaurants, their capacity to effectively employ social friendly food management practices is also dependent on the effectiveness of service recovery strategies that stimulate patronage and re-patronage behavioural intention of customers. This study therefore supported the hypothesized positive and significant relationship between service recovery practices like

interactive justice (H<sub>1c</sub>), informative justice (H<sub>1d</sub>) and social sustainability. The study also supported the hypothesized positive and significant relationship between service recovery practices like interactive justice (H<sub>2c</sub>), informative justice (H<sub>2d</sub>) and environmental sustainability. These findings are corroborated by the study of Reis et al. (2017) that reiterated the direct relationship between service recovery strategies of firms and the sustainability of the firms. A company's long term reputation is reliant on customers' perceptions of how well the company takes care of customers and how concerned it is with their welfare (Doney & Cannon, 1997). It is therefore imperative to effectively carry out service recovery programs in repairing service failures in order to avoid any form of customer retaliation by the spread of negative word-of-mouth. This indicates that inadequate service recovery may lead to negative perceptions of corporate social responsibility of a service provider, which falls under the social pillar of sustainability. The results of these could also lead to repatronage intention and that can link with profit maximisation, and perceive corporate social responsibility (Chen et al., 2018).

The satisfaction of customers with service recovery programmes of restaurants is vital to the sustainability of the firms in the industry. This study therefore reported positive effect of the service recovery strategies of the restaurants on the satisfaction of customers. This finding is consistent with the study of Cristulli and Singh, (2017) that emphasized the positive importance of service recovery strategies to the satisfaction and repatronage intention of customers. Besides this study, there are also several studies in the service recovery extant literature that reported direct relationship between service recovery strategies and the level of customer satisfaction (e.g., Rod, Carruthers&Ashill, 2006; Othman, Zahari and Radzi, 2013; Rashid, Ahmad & Othman, 2014; Díaz, Gómez,

Martín-Consuegra& Molina, 2017; Sciarelli et al., 2017). The importance of interactional justice to the recovery success of restaurants as emphasized by the study of Wang et al. (2011) is also supported by this study that showed that the highest effect of service recovery on customer satisfaction is through interactive justice strategies. Thus, the hypothesized (H<sub>3</sub>) positive effect of service recovery strategies on customer satisfaction is supported by this study.

A satisfied customer has a higher propensity to purchase and repurchase services, and spread right word of mouth that could promote economic, social and environmental sustainability. Thus, in this study, customer satisfaction was directly linked with the sustainability of the restaurants. The findings of this study support the hypothesized (H<sub>4</sub>) positive association between customer satisfaction and the sustainability practices of the restaurants. Furthermore, the hypothesized positive and significant relationship between customers' service recovery satisfaction of the restaurants and social (H<sub>4a</sub>) and environmental (H<sub>4b</sub>) sustainability was supported. In corroboration with this finding, Sciarelli et al. (2017) reported that service recovery satisfaction positively influences customer satisfaction, which eventually stimulates a higher sustainability level. In their developed framework, Díaz, Gómez, Martín-Consuegra and Molina (2017) emphasised that service recovery satisfaction of firms in the food service industry positively influences the firms' sustainability.

The interactive and informational justices in the service recovery practices of the restaurants in Ghana mediate the environmental and social sustainability practices of the firms in the industry. This finding therefore, supported the hypothesized (H<sub>5</sub>) mediation role of customer satisfaction in the relationship between service recovery and

sustainability of the restaurants. Moderate to high service recovery efforts significantly increase post-failure levels of satisfaction, purchase intent, and positive WOM (Maxham, 2001). Besides the mediation role of customer satisfaction in the interactional and informational service recovery procedures of the restaurants in their attempt to achieving a higher level of environmental and social sustainability, firms were hypothesised to exert a certain level of legitimacy in the community. However, the effect of the customers' satisfaction on the sustainability of the restaurants was not significantly dependent on legitimacy but rather primarily on the level of satisfaction associated with the service recovery practices. The restaurant industry customers in Ghana are not largely influenced by their perception of the communality of restaurants but rather the quality of the offered services efforts extended in correcting failures. This implies that the hypothesized (H<sub>6</sub>) positive moderation role of organisational legitimacy in the effect of customer satisfaction on the restaurants' sustainability was not supported by the findings of this study.

#### **CHAPTER SIX**

### SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

### **6.1 Service recovery practices of restaurants**

Both customers and service providers perceive the restaurants in the Kumasi Metropolis' to practice various service recovery justices including distributive, procedural, interactional and informational justices. In the distributive channels of the restaurants, efforts are made by service providers to resolve problems responsively and fairly. The restaurants also offer adequate compensation to customers in the phase of service failures. Procedurally, the restaurants respond to customers' complaints, flexibly and fairly. In terms of interaction with customers, the restaurants' employees are honest, caring and empathetic with customers. The restaurants are also candid in their communication with customers and explain vividly the processes used in making decisions about customer complaints. More so, information requested by customers is communicated timely to customers. Nonetheless, the level of service recovery practices of the restaurants depended largely on the category or grade of restaurant. The higher the grade of restaurant, the higher the practice of service recovery practices in the Kumasi Metropolis.

## **6.1.2** Service Recovery Practices and Sustainability

Evidently, service recovery practices in terms of distributive and procedural justices had no significant effect on the sustainability of the restaurants. Thus, both the social and environmental sustainability of the restaurants is not dependent on the distributive and procedural service recovery practices of the restaurants. However, the interactional and informational service recovery strategies of the restaurants positively and significantly influenced both social and environmental sustainability of the restaurants. Informational

service recovery practices of the restaurants yielded the highest effect on both social and environmental sustainability relative to the interactional service recovery practices of the restaurants.

#### **6.1.3** Service Recovery and Customer Satisfaction

The service recovery practice of the restaurants in terms of procedural justice had no statistically significant effect on the satisfaction of the customers of the restaurants. However, distributive, interactional and informational service recovery practices of the restaurants positively and statistically significantly influenced the restaurants' satisfaction level. Among the three significant service recovery strategies, interactional justice produced the highest effect on the satisfaction of the of the restaurants' customers.

#### 6.1.4 Customer Satisfaction and Sustainability

The satisfaction level of the customers of the restaurants positively and statistically significantly influenced the sustainability of the restaurants. Thus, the satisfaction level of the customers of the restaurants positively and significantly influenced both the social and environmental sustainability of the restaurants. Relatively, the customers' level of satisfaction yielded the highest effect on the environmental sustainability of the restaurants.

# 6.1.5 Customer satisfaction as Mediator in the Service Recovery – sustainability

## Linkage

In the effect of the restaurants' distributive and procedural service recovery strategies on the restaurants on sustainability, customer satisfaction played no mediation role. This suggests that both procedural and distributive service recovery strategies of the restaurants do not require the restaurants' satisfaction to stimulate a higher level of sustainability.

On the other hand, the customers' satisfaction fully mediated the effect of the interactional service recovery strategies on sustainability of the restaurants. This implies that the restaurants' interactional service recovery strategies only affect the sustainability of the restaurants through the satisfaction of the customers. Nonetheless, the restaurants' informational service recovery strategies affect the sustainability of the restaurants only partially through the satisfaction level of the customers.

# 6.1.6 Firm legitimacy as moderator in the customer satisfaction – sustainability linkage

The legitimacy of the restaurants in their located communities was not a moderator in the effect of the level of satisfaction of the customers on the sustainability of the restaurants. Legitimacy failed to moderate the effect of customer satisfaction on the restaurants' social and environmental sustainability. Thus, the effect of the customers' satisfaction on the social and environmental sustainability of the restaurants is not dependent on the legitimacy of the restaurants.

#### **6.2 Conclusion**

Service recovery strategies are emerging as a vital component of restaurants in Ghana due to the growing competitive nature of industries. Ghanaian restaurants are now fervently interested in minimising customers' satisfaction with service failures through distributive, procedural, interactional and informational justices. Service providers are

increasing their efforts to resolve problems responsively and fairly. Procedurally, the restaurants respond in time to complaints of customers, flexibility and fairly. In their interaction with customers, the restaurants' employees are honest, caring and empathetic with customers. The restaurant's level of service recovery practices depends mainly on their grade in the industry. The level of practice is relatively greater among highly graded restaurants in Ghana.

The practiced interactional and informational service recovery strategies of the restaurants stimulated a positive effect on the restaurants' social and environmental sustainability. In order words when restaurants practice service recovery along the line of interactional and informational the restaurants can achieve sustainability both socially and environmentally. Also both interactional and informational service recovery strategies of the restaurants stimulated a higher level of satisfaction of customers, which eventually stimulated a higher level of social and environmental sustainability. Thus, the positive effect of the restaurants' interactional and informational service recovery strategies on social and environmental sustainability is through the intervening role of the level of satisfaction of the customers but not dependent on the legitimacy of the restaurants.

#### **6.3** Contribution to Theory and Practice

Theoretically, the social exchange theory and the equity theory emphasise that the customers' dissatisfaction is redressed through service recovery strategies (Huseman et al., 1987; Chan et al., 2016; Msosa & Govender, 2019). From the perspective of the social exchange theory and the equity theory, service providers and customers are equal partners; hence require the exchange of money for restaurant services like food in a fair

manner (Oliver, 1997). Any form of injustice sensed by customers mainly emanates from the perception of unfairness in terms of dissatisfaction with provided services (Oliver, 1997), could force an attempt to balance equity with post-consumption behaviour (Lapidus& Pinkerton, 1995). In support of these theories, the service recovery justices like distributive, interactional and informational justices of the restaurants are reported to significantly stimulate a higher level of customer satisfaction in redressing of service failures. This implies that many restaurants in Ghana, especially the highly graded ones in the industry are implementing justice strategies to redress any form of dissatisfaction in order to minimise any form of negative post-purchase behaviours. Nonetheless, practically, the implementation of service recovery strategies does not always redress service failure and minimise negative behaviours as there is an enormous difference in consumers' behaviour. This study therefore, showed that procedural justice, although statistically not significant, was even negatively associated with the satisfaction of customers.

This is a novel study in Ghana, as there is no study on service recovery strategies and sustainability in Ghana's restaurant industry. Thus, this study is critical to bridging the knowledge gap on service recovery strategies and sustainability of restaurants in Ghana consumer satisfaction.

#### **6.4 Recommendations**

Based on the key findings and the drawn conclusion of the study, several suggestions have been made to the various stakeholders in the hospitality industry, especially to the restaurant sector to enhance customer satisfaction and sustainability through more effective service recovery strategies

#### 6.4.1 Organisation of Workshops and Seminars on Service Recovery

Evidence from this study shows that service recovery strategies are vital to customer satisfaction and sustainability of restaurants. It is therefore imperative to build the educational and knowledge capacity of restaurant managers in the area of service recovery practices. Thus, the National Hospitality Association Ghana, the Food and Beverage Association of Ghana, and the Ghana Hotels Associations could periodically organize workshops and seminars on service recovery strategies for the various managers, and staff of restaurants in Ghana.

#### 6.4.2 Promotion of Online Complaint Handling

It was also found that most restaurants do not have appropriate means through which customers complaints could be channeled. The study therefore recommends that each restaurant should have internet link or other means through which they could channel all their complaints to the restaurants so that management could consider and address such concerns. This way, the restaurant will be in a better position to win back all such dissatisfied and unfairly treated or aggrieved customers.

#### 6.4.3 Training Programmes on Service Recovery Practices for Managers and Staff

It is evident from the study that service recovery strategies like interaction and informational justice are crucial to customer satisfaction and sustainability of the restaurants. It is therefore recommended that there should be thorough in-service training by the management of the individual restaurants as part of their routine training schedule to update the skills and knowledge of waiters and waitresses on human relations to know

how best to interact with customers in order to enhance their satisfaction and win their loyalty for the sustainability of the restaurants.

### 6.5 Suggested Areas for Further Studies

Although this study was extensive and covered enormous area on the concept of service recovery, there are also several areas for future researchers. In the first place, this study covered only the environmental and social sustainability dimensions. Thus, future studies can further enhance the current study by extending the measurement dimensions of sustainability through the inclusion of the economic and governance forms of sustainability.



### **REFERENCES**

- Adams, J.S. (1963). Towards understanding of inequity. *Journal of Abnormal and Social Psychology*, 67, 422-436.
- Adams, J.S. (1965). Inequity in social exchange. *Advances in Experimental Social Psychology*, 2, 267-299.
- Adigbo, C. & Madah, C. K. (2010). A complete course in food and nutrition. Kwadwoan publishing, Dansoman.
- Akwensivie, D. M., Narteh, B. & Affum, S. (2013). Service Failure, Recovery and Recovery Outcomes in the Ghanaian Banking Industry. *European Journal of Business and Management*, 5(30), 167-175
- Aldrich, H.E. & Fiol, C.M. (1994). Fools rush in? The institutional context of industry creation. *Academy of Management Review*, 19(4), 645-670.
- Ali & Amin, M. (2014), the influence of physical environment on emotions, customer satisfaction and behavioural intention in Chinese resort hotel industry. *Journal for Global business advancement*, 7(3), 249 266.
- Amisano, D. C., & Anthony, P. (2017). Relationship between ethical leadership and 89 sustainability in small businesses. *Journal of Leadership, Accountability and Ethics*, 14(3), 76-90.
- Anderson, E. W., & Sullivan, M. (1993). The antecedents and consequences of customer-satisfaction, market share, and profitability: findings from Sweden. Journal of Marketing, 58 (3), 53-66.
- Andreassen, T. W. (2000). Antecedents to Satisfaction with Service Recovery. *European Journal of Marketing*, 34, 156-175.

- Annual survey of Philippine business and industry (ASPBI) (2017). Accommodation and food service activities sector for all establishment: Final report.
- Appaw-Agbola, E. T., Afenyo-Dehlor, S., & Agbola, A. K. (2011). Human resource issues in the development of tourism in Ghana: A survey of small/medium hotels in the Volta Region. *World Review of Business Research*, 1(1), 115–131.
- Jang, W., Baek, M., Han, Y.S., Kim, C. (2018). Duox mediates ultraviolet injury-induced nociceptive sensitization in Drosophila larvae. *Mol. Brain*, 11(1), 16-34.
- Hassan, A & Hashim, J. (2011), Role of Organisational Justice in Determining Work

  Outcomes of National and Expatriate Academic Staff in Malaysia. *International*Journal of Commerce and Management, 21(1), 82-93
- Asici, A. A., & Bunul, Z. (2012). Green new deal: A green way out of the crisis?. Environmental Policy and Governance, 22(5), 295–306.
- Azenri, Y., Ozuemb, W., Kerry, E., Howel, K.E., & Lancasterd, G. (2018). An exploration into the practice of online service failure and recovery strategies in the Balkans: UK, Elsevier Inc.
- Bitner, M.J. (1990). Evaluating Service Encounters: The Effects of Physical Surroundings and Employee Responses. *Journal of Marketing*, 54, 69-82.
- Blodgett, J. G., Hill, D. J., & Tax, S. S. (1997). The effects of distributive procedural, and interactional justice on post complaint behavior. *Journal of Retailing*, 73, 185–210. <a href="https://doi.org/10.1016/S0022-4359(97)90003-8">https://doi.org/10.1016/S0022-4359(97)90003-8</a>.
- Bolton, L.E. & Mattila, A.S. (2015). How does corporate social responsibility affect consumer response to service failure in buyer–seller relationships? *Journal of Retailing*, 91(1), 140-153.

- Boshoff, C.R. & Leogn, J. (1998). Empowerment, attribution and Apologising as dimension of service recovery: an experimental study. *International Journal of service industry management*, 1(1), 24-47.
- Bouranta, N., Psomas, E. & Vouzas, F. (2019). The effect of service recovery on customer loyalty: the role of perceived food safety. *International Journal of Quality and Service Sciences*, 11(1), 69-86. <a href="https://doi.org/10.1108/IJQSS-10-2017-0093">https://doi.org/10.1108/IJQSS-10-2017-0093</a>
- Bradley, GL, Sparks, BA, Zapf, D, Mccoll-Kennedy, JR & Jimmieson, NL (2013). Task-Relationship-Self: A Framework for Understanding Service Encounter *Behaviors'*, *Psychology and Marketing*, 30(6), 512-528.
- Brown, J.A. & Forster, W.R. (2013). CSR and stakeholder theory: a tale of Adam Smith. *Journal of Business Ethics*, 112(2), 301-312.
- Brundtland, G. (1987). Report of the World Commission on Environment and Development: Our Common Future. United Nations General Assembly document A/42/427.
- Bruns-Smith, A., Choy, V., Chong, H., & Verma, R. (2015), Environmental sustainability in the hospitality industry: Best practices, guest participation, and customer satisfaction [Electronic article]. *Cornell Hospitality Report*, 15(3), 6-16
- Bureau of Economic Analysis. (2017). *National data: Personal consumer expenditures*.

  Retrieved from <a href="https://www.bea.gov/national/pdf/NIPAhandbookch5.pdf">https://www.bea.gov/national/pdf/NIPAhandbookch5.pdf</a>
- Burns, D. J. (2014). Succeeding at new businesses: A matrix to measure flexibility. *The Journal of Business Strategy*, 35(5), 23-30. doi:10.1108/JBS-03-2014-0028
- Burns, N. & Grove, S.K. (2005). *The Practice of Nursing Research: Conduct, Critique, Utilization* (5th Ed.). Philadelphia, PA: Elsevier Saunders.

- Casado-Díaz B., A., L. Nicolau-Gonzálbez, J., Ruiz-Moreno, F. & Sellers-Rubio, R. (2014), The differentiated effects of CSR actions in the service industry. *Journal of Services Marketing*, 28(7), 558-565.
- Casado-Díaz, A, B., Francisco, J., Más-Ruiz & Hans, K. (2006). Explaining satisfaction in double deviation scenarios: The effects of anger and distributive justice.

  \*Institute Valencia no Investigations Economics, 9, 2-33.\*
- Casado-Díaz, A.B., Nicolau-Gonzálbez, J. L., Ruiz-Moreno, F., & Sellers-Rubio, R. (2014). The differentiated effects of CSR actions in the service industry. *Journal of Services Marketing*, 28(7), pp. 58 565.
- Casalo, L., Flavian, C., & Guinaliu, M. (2007). The impact of participation in virtual brand communities on consumer trust and loyalty. *Online Information Review*, 31(6), 775-792.
- Chan, B., & Mackenzie, B. (2013). *Introduction to Hospitality: education bureau*, Hong kong
- Chang, H.H., Lai, M.K. & Hsu, C.H. (2012). Recovery of online service: perceived justice and transaction frequency. *Computers in Human Behavior*, 28(6), 2199-2208.
- Chebat, J.C., & Slusarczyk, W. (2005). How emotions mediate the effects of perceived justice on loyalty in service recovery situations: An empirical study. *Journal of Business Research*, 58(5), 664-673.
- Chen, T., Ma, K., Bian, X., Zheng, C., & Devlin, J. (2018). Is high recovery more effective than expected recovery in addressing service failure? A moral judgment perspective. *Journal of Business Research*, 82, 1–9. <a href="https://doi.org/10.1016/j.jbusres.2017.08.025">https://doi.org/10.1016/j.jbusres.2017.08.025</a>

- Cheung, F. Y. M., Cheung, F. Y. M., To, W. M., & To, W. M. (2016). A customer-dominant logic on service recovery and customer satisfaction. *Management Decision*, 54(10), 2524–2543. doi:10.1108/MD-03-2016-0165.
- Choi, B. & La, S. (2013). The impact of corporate social responsibility (CSR) and customer trust on the restoration of loyalty after service failure and recovery.

  \*Journal of Services Marketing, 27(3), 223-233.\*
- Choi, B., & Choi, B. J. (2014). The effects of perceived service recovery justice on customer affection, loyalty, and word-of-mouth. *European Journal of Marketing*, 48(1/2), 108–131.
- Choi, S. & Mattila, A, S. (2008). Perceived controllability and service expectations:

  Influences on customer reactions following service failure. *Journal of Business Research*, 61(1), 24-30.
- Clemmer, E. C. (2003). The Role of Fairness in Customer Satisfaction with Services.

  Unpublished Doctoral Dissertation, University of Maryland.
- Colquitt, J.A., Conlon, D.E., Wesson, M.J., Porter, C.O. & Ng, K.Y. (2001). Justice at the millennium: a meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86(3), 425-445.
- Krecjie, R. V. & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and psychological measurement*, 30, 607-610.
- Crisafulli, B., & Singh, J. (2016). Service guarantee as a recovery strategy: The impact of guarantee terms on perceived justice and firm motives. *Journal of Service Management*, 27(2), 117–143. <a href="https://doi.org/10.1108/JOSM-10-2015-0309">https://doi.org/10.1108/JOSM-10-2015-0309</a>.
- Crisafulli, B., & Singh, J. (2017). Service failures in e-retailing: Examining the effects of response time, compensation, and service criticality. *Computers in Human Behavior*, 77, 413–424. https://doi.org/10.1016/j.chb.2017.07.013. D

- Deegan, C. (2002). The Legitimizing Effect of Social and Environmental Disclosures- A Theoretical Foundation. *Accounting, Auditing and Accountability Journal*, 15(3), 282-311.
- Del Río-Lanza, A. B., Vázquez-Casielles, R., & Díaz-Martín, A. M. (2009). Satisfaction with service recovery: Perceived justice and emotional responses. *Journal of Business Research*, 62, 775-781.
- De Tienne, K. B., Seawright, K. K. & Brough, A. R. (2015). Cost-Effective Service

  Recovery: Knowing Which Customers to Keep. *International Journal of*Applied Marketing, 1(3), 1-23
- Dias, A., & Teixeira, A. A. C. (2017). The anatomy of business failure: A qualitative account of its implications for future business success. *European Journal of Management and Business Economics*, 26, 2-20. doi:10.1108/EJMBE-07-2017-001.
- Díaz, E., Gómez, M., Martín-Consuegra, D. & Molina, A. (2017). The Effects Of Perceived Satisfaction With Service Recovery Efforts: A Study In A Hotel Setting. *Marketing and Trade*, 4(20), 203-218.
- Doney, P. & Cannon, J. (1997). An examination of the nature of trust in buyer-seller relationships. *Journal of Marketing*, 61(2), 35-51
- Donkoh, S. A., Quinoo, A. K., Cudjoe, E. & Kaba, N.C. (2012). Customer satisfaction and perceptions about food services on the University for Development Studies Campus, Ghana. *African Journal of Food Science*, 6(8), 216-223.
- Duffy, J., Miller, J. & Bexley, J. (2006). Banking customers' varied reactions to service recovery strategies. *International Journal of Bank Marketing*, 24(2), 112-132.

- Faisal, F., Greg, T. & Rusmin, R. (2012). Legitimising Corporate Sustainability Reporting Throughout the World. *Australasian Accounting, Business and Finance Journal*, 6(2), 19-34.
- Fornell, C., Rust, R.T. & Dekimpe, M. G. (2010). The effect of customer satisfaction on consumer spending growth. *Journal of Marketing Research*, 47(1), 28-35.
- Fournier, S., & Mick, D. G. (1999). Rediscovering Satisfaction. *Journal of Marketing*, 63, 5-23.
- Fraikue F.B. & Osman, B. (2017). Effects of the meal experience on Post purchase Behavioural intensions of customers of Grade three restaurants in Secondi–Tarkoradi, Ghana.
- Garciaa, M., Restubogb, S. L. D., Nhat V. L., Amarnanid, R. K., Lu, V.N., Wange, L, & Capezioc, A. (2018). Attributions of blame for customer mistreatment: Implications for employees service performance and customers' negative word of mouth. *Journal of Vocational Behavior*, 110, 203–213, UK, Elsevier Inc.
- Garriga, E. & Melé, D. (2004). Corporate social responsibility theories: mapping the territory. *Journal of Business Ethics*, 53(1/2), 51-71.
- Ghana statistical services (2006) World Tourism Organisation's report.
- Ghana Statistical Services (2013), Population and Housing Cencus, Ashanti Regional Analysis Report, GSS, Accra, June
- Ghana Tourism Authority (2018).
- Ghosh, J.(2006). Making Sense of the world Economic-Development and change.
- Goodwin, C., & Ross, I. (1992). Consumer Responses to Service Failures: Influence of Procedural and Interactional Fairness Perceptions. *Journal of Business Research*, 33, 254-283.

- Gray, R., Kouhy, R. & Lavers, S. (1995). Constructing a research database of social and environmental reporting by UK companies. *Accounting, Auditing and Accountability Journal*, 8(2), 78-101.
- Greenberg, J. (1993). Justice and organizational citizenship: A commentary on the state of the science. Employees Responsibilities and Rights Journal, 6,227-237
- Gronroos, C. (2003). Service Management and Marketing: Managing of Trust in Service

  Competent, Lexington, MA: Lexington Books
- Gummesson, E. (2014). Productivity, quality and relationship marketing in service operations. *International Journal of Contemporary Hospitality Management*, 26, 656-662. doi:10.1108/IJCHM-01-2014-0017
- Ha, J., & Jang, S. (2009). Perceived justice in service recovery and behavioural intentions: The role of relationship quality. *Journal Hospitality Management*, 28(3), 319-327.
- Han, H. S., & Ryu, K. (2009). The roles of the physical environment, price perception, and customer satisfaction in determining customer loyalty in the family restaurant industry. *Journal of Hospitality & Tourism Research*, 33(4), 487-510
- Hannan, M.T. & Freeman, J.H. (1989). *Organizational Ecology*. Cambridge, MA: Harvard University Press.
- Hazée, S., Vaerenbergh, Y. V., & Armirotto, V. (2017). Co-creating service recovery after service failure: The role of brand equity. *Journal of Business Research*, 74, 101–109. <a href="https://doi.org/10.1016/j.jbusres.2017.01.014">https://doi.org/10.1016/j.jbusres.2017.01.014</a>
- Heitmann, M., Lehmann, D. R., & Herrmann, A. (2007). Choice goal attainment and decision and consumption satisfaction. *Journal of Marketing Research*, 44(2), 234-250.

- Hennig-Thurau, T., Gwinner, K., & Gremler, D. (2002). Understanding relationship marketing outcomes: An integration of relational benefits and relationship quality. *Journal of Service Research*, 4, 230-247
- Hess, L. (2008). The impact of firm reputation and failure severity on customers" responses to service failures. *Journal Service Marketing*, 22(5), 385–398.
- Hirschman, A.O. (1970). Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States. Harvard University Press, Cambridge, MA.
- Hocutt, M.A., Michael, R. B. & Donavan. D. T (2006). The art of service recovery: Fact or fiction? *Journal of Services Marketing*, 20(3), 199-207.
- Hoffman, K.D. and Kelley, S.W. (2000). Perceived justice needs and recovery evaluation: a contingency approach. *European Journal of Marketing*, 34(3/4), 418-433.
- Holloway, B., Wang, S., & Beatty, E. (2009). Betrayal Relationship quality implications in service recovery. *Journal Service Marketing*, 23 (6), 385-396.
- Homburg, C. & Fürst, A. (2005). How organizational complaint handling drives customer loyalty: An analysis of the mechanistic and organic approach. *Journal of Marketing*, 69(3), 95-114.
- Hsin-Hui, L., Yi-Shun, W., & Li-Kuan, C. (2011). Consumer responses to online retailer service recovery after a service failure a perspective of justice theory.

  \*Managing Service Quality\*, 21(5), 511-534
- Huang, C., Yen, G. F. & Liu, T. C. (2014). Reexamining supply chain integration and the supplier's performance relationships under uncertainty. *Supply Chain Management: An International Journal*, 19(1), 64 78
- Huseman R. C., Hatfield J. D., & Miles E. W. (1985). Test for individual perceptions of job equity: some preliminary findings. Percept. *Mot. Skills*, 61, 1055–1064.

- Huseman R. C., Hatfield J. D., & Miles E. W. (1987). A new perspective on equity theory: the equity sensitivity construct. *Acad. Manage. Rev.* 12, 222–234.
- Huseman R. C., Hatfield J. D., & Miles E. W. (1987). A new perspective on equity theory: the equity sensitivity construct. *Acad. Manage. Rev.*, 12, 222–234.
- Hutchins, J., Sinha, M. & Nandan, S. (2019). The sustainability route to corporate legitimacy. *Journal of Global Scholars of Marketing Science*, 29(1), 15-24
- Inkumsah, W. A. (2018). Measuring Customer Satisfaction in the Local Ghanaian Restaurant Industry. *European Journal of Business and Management*, 1(6), 47-65.
- Jang, W., Baek, M., Han, Y.S., Kim, C. (2018). Duox mediates ultraviolet injury-induced nociceptive sensitization in Drosophila larvae. *Mol. Brain*, 11(1), 16.
- Jasso, G. (2002). A new theory of distributive justice. *American Sociological Review*, 45, 3-32.
- Johnston, R. & Clarck, G. (2005). *Service Operations Management* (2nd edn.), Printice-Hall, Harlow.
- Johnston, R., & Michel S. (2008). Three outcomes of service recovery: Customer recovery process recovery and employee recovery.
- Jones, M.A., Mothers, D.L. & Beatty, S. E. (2003). The effects of location convenience on customer repurchase intentions across service types. *Journal of Services Marketing*, 32(4), 44-56.
- Kaiser. D. H., & Scott W. K. (2000). Perceived justice needs and recovery evaluation: a contingency approach. *European Journal of Marketing*, 34 (12), 418-424.
- Kandampully, J., & Suhartanto, D. (2003). The role of customer satisfaction and image in gaining customer loyalty in the hotel industry. *Journal of Hospitality & Leisure Marketing*, 10(1/2), 3-25.

- Karatepe, M. (2006). Customer complaints and organizational responses: The effects of complaints perceptions of justice on Satisfaction and loyalty. *Journal Hospitality Management*, 25 (1), 69-90.
- Kau, A.K., & Loh, E.W. (2006). The effects of service recovery on consumer satisfaction: A comparison between complainants and non-complainants. *The Journal of Services Marketing*, 20 (2), 101-111.
- Kelley, S.W., Hoffman, K.D. & Davis, M.A. (1993). A typology of retail failures and recoveries. *Journal of Retailing*, 69(4), 429-52.
- Kennedy-McColl, J. R., & Sparks, B. A. (2003). Application of fairness theory to service failures and service recovery. *Journal of Service Research*, 5, 251-67.
- Kim, T. T., Kim, W. G., & Kim, H. B. (2009). The effects of perceived justice recovery satisfaction, trust, word-of-mouth, and revisit intention in upscale hotels. *Tourism Management*, 30 (1), 51–62. doi:10.1016/j.tourman.2008.04.003
- Kocmanova, A. & Dočekalova, M. (2011). Corporate sustainability: environmental, social, economic and corporate performance. *Acta univ. agric. et silvic. Mendel. Brun.*, LIX(7), 203-208.
- Kok, P., van der Wiele, T., McKenna, R. & Brown, A. (2001). A corporate social responsibility audit within a quality management framework. *Journal of Business Ethics*, 31(4), 285-297.
- Komunda, M. & Osarenkhoe, A. (2012). Remedy or cure for service failure? Effects of service recovery on customer satisfaction and loyalty. *Business Process Management Journal*, 18(1), 82-103.
- La, S. & Choi, B. (2019). Perceived justice and CSR after service recovery. *Journal of Services Marketing*, 33(2), 206–219

- Lapidus, R. S., & Pinkerton, L. (1995). Customer complaint situations: An equity theory perspective. Psychology & Marketing, 12(2), 105-122. <a href="https://doi.org/10.1002/mar.4220120203">https://doi.org/10.1002/mar.4220120203</a>
- Lastner, M. M., Folse, J. A. G., Mangus, S. M., & Fennell, P. (2016). The road to recovery: Overcoming service failures through positive emotions. *Journal of Business Research*, 69(10), 4278–4286.
- Lewis, R., & McCann, P. (2004). Service failure and recovery: Evidence for the hotel industry. *Journal Hospitality Management*, 16 (1) 6-17.
- Liberman-Yaconi, L., Hooper, T. & Hutchings, K. (2010). Toward a Model of Understanding Strategic Decision-Making in Micro-Firms: Exploring the Australian Information Technology Sector. *Journal of Small Business Management*, 48(1), 70–95
- Lii, Y. S., Ding, M. C. & Lin, C. H. (2018). Fair or Unfair: The Moderating Effect of Sustainable CSR Practices on Anticipatory Justice Following Service Failure Recovery. Sustainability, 10, 45-48.
- Likert, R. (1967). The Human Organisation. McGraw-Hill: New York.
- Lin, C., & Lin, J. C. (2017). The influence of service employees' nonverbal communication on customer-employee rapport in the service encounter. *Journal of Service Management*, 28, 107-132. doi:10.1108/JOSM-08-2015-
- Lind, L. P., Sheila L. D. & Eric J. A. (1995). Consumers emotional responses to service encounter the influence of the service provider. *International Journal of Service Industry Management*, 6 (3), 34-63.
- Lovelock, J., Wirtz, J., & Chew, P. (2009). Essentials of Services Marketing. Prentice
  Hall

- Lu, V. N., Capezio, A., Restubog, S. L. D., Garcia, P. R. J. M., & Wang, L. (2016). *In pursuit of service excellence:* Investigating the role of psychological contracts and organizational identification front line hotel employees. *Tourism Management*, 56, 8–19. https://doi.org/10.1016/j.tourman.2016.03.020.
- Luu, T. T., &Vo, T. T. (2018). Charismatic leadership and public service recovery performance. *Marketing Intelligence & Planning*, 36(1), 108–123.M 28 No 1 Pp 88-97
- Mangini, V., Ford. J., Markowski, E, & Honneycut, E. (2007). The service recovery paradox: justifiable theory or smouldering myth? *Journal Service Marketing*, 21(3), 213–25
- Mani, V., Agrawal, R., Gunasekaran, A., Papadopoulos, T., Dubey, R., & Childe S. J.
   (2016). Social sustainability in the supply chain: Construct development and measurement validation. *Ecological Indicators*, 71, 270-279. doi: https://doi.org/10.1016/j.ecolind.2016.07.007
- Mattila, A., CHO, W., & Ro, H. (2010). The role of self-service technologies in restoring justice. *Journal of Business Research*, 64 (4), 348-355.
- Maxham, J. G. (2001). Service recovery's influence on consumer satisfaction, positive word-of-mouth, and purchase intentions. *Journal of Business Research*, 54, 11-24
- Maxham, J. G. III. & Netemeyer, R. G. (2003). Firms Reap What They Sow: The effects of shared values and perceived organizational justice on customers' evaluations of complaint handling. *Journal of Marketing*, 67(1), 46-62.
- Maxham, J.G., &Netemeyer, R.G. (2002). Modeling customer perceptions of complaint handling over time: the effects of perceived justice on satisfaction and intent. *Journal of Retailing*, 78 (4), 239-52.

- McColl-Kennedy, J.R., & Sparks, B.A. (2003). Application of fairness theory to service failures and service recovery. *Journal of Service Research*, 5(3), 251-266.
- McCollough, M. A., Berry, L. L., & Yadav, M. S. (2000). An empirical investigation of customer satisfaction after service failure and recovery. *Journal of Service Research*, 3(2), 121-137.
- Mensa I., (2009). Management of tourism and hospitality services. American Journal of tourism. <a href="http://www.sapub.org/">WWW.Sapub.org/</a> Journal <a href="http://journal.sapub.org/tourism">http://journal.sapub.org/tourism</a>.
- Mensah, I. & Mensah, R. D. (2018). Effects of Service Quality and Customer Satisfaction on Repurchase Intention in Restaurants on University of Cape Coast Campus. *Journal of Tourism, Heritage & Services Marketing*, 4(1), 27-36
- Mensah-Kufuor, A. G., Mensah, I. & Amenumey, E. K. (2015). Service Failures in 3- to 5-Star Hotels in Accra, Ghana. *Journal of Tourism and Hospitality Management*, 3(3-4), 73-86
- Meyer, J.W. & Scott, W.R. (1983). Organizational Environments: Ritual and Rationality. Beverly Hills, CA: Sage.
- Michel, S. and Meuter, M. (2008). The service recovery paradox: true but overrated?

  International journal of service industry management, 19(4), 441-57.
- Michel, S., Bowen, D. & Johnston, R. (2009). Why service recovery fails: tensions among customer, employee, and process perspective. *Journal of Service Management*, 20(3), 253-273.
- Milne, M.J. & Patten, D.M. (2002). Securing organizational legitimacy: An experimental decision case examining the impact of environmental disclosures. *Accounting, Auditing & Accountability Journal*, 15(3), 372-405.

- Missimer, M., Robèrt, K. H., & G. Broman, G. (2017). A strategic approach to social sustainability Part 2: a principle-based definition. *Journal of Cleaner Production*, 140(1), 42-52. doi: https://doi.org/10.1016/j.jclepro.2016.04.059
- Mousa, G. A. & Hassan, N. T. (2015). Legitimacy Theory and Environmental Practices:

  Short Notes. *International Journal of Business and Statistical Analysis*, 2(1), 41-53
- Msosa S.K., & Govender J.P. (2019). Environmental Impact and CSR Responsibilities.
  In: Mugova S., Sachs P. (eds) Opportunities and Pitfalls of Corporate Social Responsibility. CSR, Sustainability, Ethics & Governance. Springer, Cham. https://doi.org/10.1007/978-3-030-17102-5 10
- Murray, B.S., Wolf, C.R., & Jowett, T. (1993). Temporal and spatial expression of the Drosophila glutathione S-transferase genes Dmgst1 and Dmgst27. Europ. Dros. Res. Conf. 13: Poster F6.
- National Restaurant Association (NRA). (November 5, 2015). Top 2016 food trends fuel evolution of menus. Retrieved from <a href="http://www.restaurant.org/Newsresearch/News/Top-2016-food-trends-fuel-evolution-of-menus">http://www.restaurant.org/Newsresearch/News/Top-2016-food-trends-fuel-evolution-of-menus</a>.
- National Restaurant Association (2017). Restaurant Industry Pocket Factbook.Retrieved

  from

  <a href="http://www.restaurant.org/Downloads/PDFs/NewsResearch/Pocket\_Factbook\_">http://www.restaurant.org/Downloads/PDFs/NewsResearch/Pocket\_Factbook\_</a>

FEB 2017-FINAL.pdf

Nikbin, D., Armesh, H., Heydari, A., & Jalalkamali, M. (2011). The effects of perceived justice in service recovery on firm reputation and repurchase intention on airline industry. *African journal of business Management*, 5 (23), 9814-9822.

- Nwokorie, E. K., (2016). Service recovery strategies and customer loyalty in selected hotels in Lagos State, Nigeria. *Net Journal of Business Management*, 4(1), 1-8.
- Odonkor, S.T. & Odonkor, C. J. A. (2020). An Assessment of Food Safety Knowledge and Practices in the Ghanaian Hospitality Industry. *Journal of Food Quality*, 1(1), 1-9.
- Oliver, R. L. (1980). A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. *Journal of Marketing Research*, 14(3), 495-507
- Oliver, R.L. (1992). An investigation of the attributes basis of emotion and related affects in consumption: suggestions for a stage-specific satisfaction framework, in Sherry, J., &Stern halt, B. (Eds). Advances in Consumer Research.

  \*Association of Consumer Research\*, Provo, UT, 19, 237-242.
- Oliver, R.L. (1997). Measurement and evaluation of satisfaction process in retailer selling. *Journal of Retailing*, 57, 25-48.
- Ong, C. H., Lee, H. W., &Ramayah, T. (2018). Impact of brand experience on loyalty.

  \*\*Journal of Hospitality Marketing & Management, 27, 755-774.\*\*

  doi:10.1080/19368623.2018.1445055
- Othman, Z., Zahari, M. S. M. & Radzi, S. M. (2013). Customer Behavioral Intention:

  Influence of service delivery failures and service recovery in Malay restaurants.

  Procedia Social and Behavioral Sciences, 105, 115-121
- Palazzi , M., & Starcher , G. ( 2001). Corporate Social Responsibility and Business Success. European Bah á 'I Business Forum , Paris.
- Parsa, H. G., van der Rest, J. P. I., Smith, S. R.; Parse, R. A., & Bulimic, M. (2015).
  Why restaurants fail? Part IV: The relationship between restaurant failures and demographics. *Cornell Hospitality Quarterly*, 56, 80-90. doi:10.1177/1938965514551959.

- Parsa, H., Gregory, A., & Terry, M. (2010). Why do restaurants fail? Part III: An analysis 112 of macro and micro factors. Emerging Aspects Redefining Tourism and Hospitality, 1(1), 16-25. Retrieved from <a href="https://www.hospitality.ucf.edu">www.hospitality.ucf.edu</a>
- Pfeffer, J. & Salancik, G. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row.
- Popovic, T., Kraslawski, A., Barbosa-Póvoa, A., & Carvalho, A. (2017). Quantitative indicators for social sustainability assessment of society and product responsibility aspects in supply chains. *Journal of International Studies*, 10(4), 9-36.
- Powell, W.W. & DiMaggio, P.J. (1991). *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press.
- Ramadan A.G. A (2012). Exploring service recovery and justice theory in Libyan Airline industry.
- Randrianasolo, A. & Randrianasolo, A. A. (2017). Understanding the role of organizational legitimacy within the realm of the community-based conservation approach. *Madagascar Conservation & Development*, 12(1), xx–xx.
- Rashid, M. H. A., Ahmad, F. S. & Othman, A. K. (2014). Does Service Recovery Affect

  Customer Satisfaction? A Study on Co-Created Retail Industry. *Procedia Social and Behavioral Sciences*, 130, 455 460
- Rather, R. A. (2017). *Investigating the impact of customer brand identification on hospitality brand loyalty: a social identity perspective*. Journal of Hospitality Marketing &Management, 1(6), 354-387
- Rather, R. A., & Sharma, J. (2017). Customer engagement for evaluating customer relationships in hotel industry. *European Journal of Tourism, Hospitality and Recreation*, 8(1), 1-13.

- Reichheld, F.F. & Sasser, W.E. (1990). Zero defections: quality comes to services", Harvard Business Review, September/October, pp. 105-11.
- Reis, J., Amorim, M & Melao, N. (2017). Omm channel service operations: building technology based business network. *International, Confidence on service and Logistics and information, Research*, 36(3), 356-372.
- Tax, S.S., & Brwon, S.W. (1998). Recovering and learning from service failure. *Sloan Management Review*, 40(1), 75-88.
- Rod, M., Carruthers, J. & Ashill, N. J. (2006). Antecedents and Outcomes of Service Recovery Performance: Insights from an Organisation Post-Corporatisation and Post-Deregulation. *Innovative Marketing*, 2(2), 20-31.
- Rupp, D.E., Ganapathi, J., Aguilera, R.V. & Williams, C.A. (2006). *Employee reactions to corporate social responsibility:* an organizational justice framework. *Journal of Organizational Behavior*, 27(4), 537 543.
- Schlosberg, D. (2013). Theorizing environmental justice: The expanding sphere of a discourse. *Environmental Politics*, 22(1), 37–55. https://doi.org/10.1080/09644016. 2013.755387.
- Sciarelli, M., Nagm, A. A., Dakrory, M. I., Tani, M. & Khashan, M. A. (2017).

  Mediating Service Recovery Satisfaction in the Relationship between Internet

  Service Recovery and Customer Loyalty. *International Journal of Business and Management*, 12(10), 24-42.
- Silber, I., Israeli, A., Bustin, A. & Zvi, O. B. (2009). Recovery Strategies for Service Failures: The Case of Restaurants. *Journal of Hospitality Marketing & Management*, 18(7), 730-740.

.

- Siu, N. Y., Zhang, T. J., &Yau, C. J. (2013). The roles of justice and customer satisfaction in customer retention: A lesson from service recovery. *Journal of Business Ethics*, 114(4), 675–686.
- Sloan P. Legend W., & Chen J. (2009). Sustainability hospitality industry; Principles of Sustainable operation.
- Smith, A. (2001). A Model of Customer Satisfaction with Service Encounters Involving

  Failure and Recovery. *Unpublished Doctoral Dissertation*. University of

  Maryland, Maryland.
- Smith, A. K., & Bolton, R. N. (2002). The effect of customers' emotional responses to service failures on their recovery effect evaluations and satisfaction judgements.

  \*Journal of the Academy of Marketing Science\*, 30 (1), 5-23.
- Smith, A.K., & Bolton, R.N. (2002). The effect of customers' emotional responses to service failures on their recovery effort evaluations and satisfaction judgments.

  \*Journal of the Acad. Mark. Sci., 30, 5–23.
- Smith, A.K., Bolton, R.N., & Wagner, J. (1999). A model of customer satisfaction with service encounters involving failure and recovery. *Journal of Marketing*, 4(5), 43-67.
- Sparks, B. A., & Bradley, G. L. (2017). A "Triple A" typology of responding to negative consumer-generated online reviews. *Journal of Hospitality & Tourism Research*, 41(6),719-745.
- Sparks, B. & McColl-Kennedy, J. (2001). Justice strategy options for increased customer satisfaction in a services recovery setting. *Journal of Business Research*, 54(3), 209-218.

- Sparks, B., & Fredline, L. (2007). Providing an explanation for service failure: Context, content, and customer responses. *Journal of Hospitality & Tourism Research*, 31(2), 241-260.
- Suchman, M. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.
- Sui, J. S., & Baloglu, S. (2003). The role of emotional commitment in relationship marketing: An empirical investigation of a loyalty model for casinos. Journal of Hospitality and Tourism Research, 27, 470-489
- Tax, S.S., Brown, S.W. & Chandrashekaran, M. (1998). Customer evaluations of service complaint experiences: implications for relationship marketing. *Journal of Marketing*, 62(2), 60-76.
- Udo, G.J., Bagchi, K.K., & kirs, P, J. (2010). An assessment of customers e-service quality perception, satisfaction and of Intention. *International Journal of Information Management*, 30(6), 481-492.
- UNESCO (2013). The impact of the hospitality industry the world's GDP.
- United Nations (2012). A Framework for Advancing Environmental and Social Sustainability in the United Nations System, United Nations, Geneva.
- Ursachi, G., Horodnic, I. A. & Zait, A. (2015). How Reliable are Measurement Scales?

  External Factors with Indirect Influence on Reliability Estimators. *Procedia Economics and Finance*, 20(1) 679-686
- Vill, B. I. & Koc, E. (2018). Employee Attractiveness and Customers' Service Failure Perceptions: Journal of Hospitality Marketing & Management, ISSN: 1936-8623 (Print) 1936-8631 (Online) Journal homepage: <a href="https://www.tandfonline.com/loi/whmm20">https://www.tandfonline.com/loi/whmm20</a>

- Walker, J.R. (2004). *Introduction to Hospitality management*, Pearsan Education, Inc. upper Saddle River, New Jersey 07458, U.S.A.
- Walster, G. W. (1975). The equity formula: A correction. Representative Research in Social Psychology. *Psychology*, 6, 65-67.
- Wamuyu, S. N., Gichira, R., Wanjau, K. L., & Mung 'atu, J. (2015). Compensation I Service Recovery and Customer Loyalty In The Hospitality Industry In Kenya.

  International Journal of Economics, Commerce and Management United Kingdom, 4(5), 432-543.
- Wang, Y., Po, L., Hing, C., Renyong, I. & Yang, Y. (2004). An integrated framework for customer value and customer-relationship-management performance: a customer-based perspective from China. *Managing Service Quality*, 14(3), 169-182.
- Waster et al. (1976). Journal of Experimental Social Psychology, Volume 12, Issue 2, March 1976, 194-209
- Webster, K. (2000). Environmental Management in the Hospitality Industry. Cassell

  New York
- Weitzl, W., & Hutzinger, C. (2017). The effects of marketer- and advocate-initiated online service recovery responses on silent bystanders. *Journal of Business Research*, 80, 164-175.
- Wirtz, J. & Mattila, A. (2004). Consumer responses to compensation speed of recovery and apology after a service failure. *International Journal of Service Industry Management*, 15(2), 150–166.
- Yim, C.K, Flora F.G, Kimmy, W.A. & David, K.T. (2003). Justice-based service recovery expectations: measurement and antecedents. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behaviour*, 16 (1), 36-52.

Yi-Wen, Fan.Cheng-Chieh, W., & Wei-Ting, W. (2010). The Impacts of Online Retailing Service Recovery and Perceived Justice on Consumer Loyalty.

\*International Journal of Electronic Business Management, 8(3), 239-249.

Youmatter (2015). Definition of Sustainability <a href="https://youmatter.world">https://youmatter.world</a>

Zucker, L.G. (1989). Combining institutional theory and population ecology: No legitimacy, no history. *American Sociological Review*, 54(4), 542-545.



#### APPENDIX A

University of Education, Winneba
Department of Hospitality and Tourism Education
Survey Instrument@2020
Customers

#### Brief background of the study

I am Akua serwah a student of University of Education, Winneba Pursuing (Mphil Hospitality and Catering). I am conducting this research as part of my academic work.

This study focuses on the service recovery strategies of restaurants and sustainable performance. The goal of this study is to examine how the service recovery strategies of restaurants in Ghana are aiding in their environmental and social sustainable practices. Not only is the study aimed at contributing to knowledge but also, it seeks to come out with strategies to help restaurants in Ghana improve and sustain their performances.

The study is purely academic-oriented, as such we would like to assure you that your responses would not be used for any other purpose other than those stated before. For the purposes of improving the quality of the study, we humbly request you to take your time to read and understand the items on this instrument before you respond to them. Objective responses offered will be highly appreciated.

Please read the instruction(s) under each section of the instrument to assist you in your responses.

Thank you so much for your willingness to participate in this study.

If you wish to discuss any aspects of the reviews or this document please do not hesitate to contact me.

me. I hope you feel able to take part in this project.

Thank you.

**BOX SE 983, SUAME-KUMASI** 

TEL 0205141771/0244084536

Serwahlady426@gmail.com

SECTION A: PERSONAL PRO  1. Gender  [] Male  [] Female	FILE
2. Age of respondent [] Less than 20	50 years
3. Highest level of education [] No formal schooling [] SSS/Middle school completed [] Post-graduate degree	[] Primary school completed [] College/University/Polytechnic completed
4. Marital status  [] Never married  [] Living with partner  [] Divorced  [] Sepa	

5. Occupation	
Government employee	[] Non-paid student
Private employee	Self-employed
Unemployed (able to work)	[] Unemployed (Unable to work)
] Retired	
6. Monthly Income level (Income fill Less than \$1,000	rom all sources):
[] ¢1,001-¢2,000	
[] More than ¢2,000	

### **SECTION B: SERVICE RECOVERY**

Please using a 7-point scale measuring from "1=Extremely Disagree" to "7=Extremely Agree" indicate your level of agreement to the under-listed items or statement by choosing from [1=Extremely Disagree, 2=Disagree, 3=Fairly Disagree, 4= Undecided/Uncertain, 5=Fairly Agree, 6=Agree, 7=Extremely Agree"

	Service Recovery	1	2	3	4	5	6	7
	Distributive Justice							
Dj1	In the event of any problem in this restaurant, efforts to							
	resolve it results in a very positive outcome							
Dj2	In case of any inconvenience, the outcome I receive from							
	the restaurant is fair							
Dj3	The service recovery outcome I receive in response to							
	problems is often more than fair							
Dj4	In case of any service failure, I feel that the restaurant							
	offer adequate compensation							
	Procedural Justice							
Pj1	The restaurant responds quickly to customers problems							
Pj2	I feel the restaurant responds in a timely fashion to							
	problems							
Pj3	The restaurant has shown flexibility in solving problems							
Pj4	I believe the restaurant has fair policies and practices to							
	handle customer problems							
Pj5	With respect to its policies and procedures, the							
	employee(s) handle problem in a fair manner							
Pj6	This restaurant often provides credible feedback on							
	customer complaints							
	Interactional/Interpersonal Justice							
Ij1	In dealing with problems, the restaurant personnel treat							
	customers in a courteous manner							
Ij2	During effort to resolve problems, the restaurant							
	employee(s) seem to care about the customers							
Ij3	The restaurant employee(s) are appropriately concern							
	about problems of customers							
Ij4	While attempting to solve problems, the restaurant							
	personnel consider customers views							
Ij5	In response to problems, the employee(s) in this restaurant							
	are honest							

Ij6	The employee(s) of this restaurant empathize with				
	customer in case of problems				
	Informational Justice				
In1	The restaurant is candid in communications with me				
In2	The restaurant explains thoroughly the procedures used to				
	make decisions about my complaint				
In3	The restaurant communicates details of requested				
	information in a timely manner				
Jn4	The restaurant provides thorough information on any form				
	of service failures				

# SECTION C: SUSTAINABILITY, LEGITIMACY AND CUSTOMER SATISFACTION

Please using a 7-point scale measuring from "1=Extremely Disagree" to "7=Extremely Agree" indicate your level of agreement to the under-listed items or statement by choosing from [1=Extremely Disagree, 2=Disagree, 3=Fairly Disagree, 4= Undecided/Uncertain, 5=Fairly Agree, 6=Agree, 7=Extremely Agree"

	nucu/oncertain, 5 Tanty Agree, 6 Agree, 7 Extremely Ag	1	2	3	4	5	6	7
	Social Sustainability							
Ss1	This firm contributes and support community funding							
Ss2	This firm Invest in community programmes							
Ss3	This firm volunteers in community activities							
Ss4	This firm avoids any form of corruption in its business							
	activities							
Ss5	This firm has strong strategic alliance with the host							
	community							
Ss6	This firm responds effectively to information request							
	from the general community							
Ss7	This firm has in place complaint channels for the							
	community							
Ss8	The employees of this firm are engaged in the decision							
	making process of the company							
Ss9	This firm employs cooking processes that minimizes							
	carbon emission							
Ss10	The procedures of this firm take into consideration the							
	health complaints of consumers							
Ss11	I feel a sense of belonging whenever I eat in this restaurant							
Ss12	I feel like I have a voice in the decision making of this							
2512	restaurant							
	<b>Environmental Sustainability</b>							
En1	I feel this restaurant appreciate greening practices							
En2	I feel this restaurant is interested in reducing waste							
En3	This restaurant is interested in using lower energy							
	consumption machineries							
En4	The level of sound pollution from the restaurant is low							
En5	This restaurant has proper drainage system							
En6	This restaurant has effective waste management system							
En7	I feel this restaurant has lower level of gas emission							

	Organizational Legitimacy			
Ol1	I think the restaurant is a necessary part of our society			
O12	I think the restaurant meets the food requirements of our			
	society			
O13	I think the restaurant is honest			
Ol4	I believe the restaurant follows government regulations			
O15	I think the restaurant is a key builder and maintainer of			
	the culture of our society			
	<b>Customer Satisfaction</b>			
Cs1	Customer needs are considered in the preparation of food			
Cs2	Waiting time is minimized as possible to satisfy			
	customers			
Cs3	There is high level of repeated purchases among			
	customers of this firm			
Cs4	Products of this firm are traceable			
Cs5	This firm encourages inspection and quality audit of			
	products			
Cs6	This firm has longer average period of relationship with			
	customers			
Cs7	This firm complies with regulations of restaurants and			
	the food and drugs board			
Cs8	This firm upholds high level of consumer privacy			
Cs9	In my opinion, the restaurant provide a satisfactory			
	resolution to problems on in every occasion			
Cs10	I am satisfied with the restaurant 's handling of problems			
Cs11	I am satisfied with my dining experience in this			
	restaurant			
Cs12	I am satisfied with my overall experience with the			
	restaurant			

#### APPENDIX B

## University of Education, Winneba Department of Hospitality and Tourism Education

# Survey Instrument@2020 Restaurant Managers, Waiters & Waitresses

## Brief background of the study

I am Akua Serwah a student of University of Education, Winneba Pursuing (M.Phil. Hospitality and Catering). I am conducting this research as part of my academic work.

This study focuses on the service recovery strategies of restaurants and sustainable performance. The goal of this study is to examine how the service recovery strategies of restaurants in Ghana are aiding in their environmental and social sustainable practices. Not only is the study aimed at contributing to knowledge but also, it seek s to come out with strategies to help restaurants in Ghana improve and sustain their performances.

The study is purely academic-oriented, as such we would like to assure you that your responses would not be used for any other purpose other than those stated before. For the purposes of improving the quality of the study, we humbly request you to take your time to read and understand the items on this instrument before you respond to them. Objective responses offered will be highly appreciated.

Please read the instruction(s) under each section of the instrument to assist you in your responses.

Thank you so much for your willingness to participate in this study.

If you wish to discuss any aspects of the reviews or this document please do not hesitate to contact me,

I hope you will feel able to take part in this project.

5. Please indicate your **current position** in this firm

Thank you.

BOX SE 983, SUAME-KUMASI

TEL 0205141771/0244084536

Serwahlady426@gmail.com

# SECTION A: BACKGROUND OF RESTAURANT & RESPONDENT 'S INFORMATION

1. In the restaurant industry, this restaurant is graded as
□Grade 1 □Grade 2 □Grade 3
2. How long has this restaurant existed/operated in the industry?
Years
Number of employees in the firm $\Box 2 - 30 \Box 31 - 99 \Box 100 +$
3. Please indicate your <b>gender</b>
□Male □Female
4. Please indicate your <b>age</b> (years)
$\square$ Less than 20 $\square$ 20 to 29 $\square$ 30 to 39 $\square$ 40 to 49 $\square$ 50+

∃Manager
□Waiter/Waitress
. Please indicate the number of years that you have held your current position in
his firmYears

### **SECTION B: SERVICE RECOVERY**

Please using a 7-point scale measuring from "1=Extremely Disagree" to "7=Extremely Agree" indicate your level of agreement to the under-listed items or statement by choosing from [1=Extremely Disagree, 2=Disagree, 3=Fairly Disagree, 4= Undecided/Uncertain, 5=Fairly Agree, 6=Agree, 7=Extremely Agree"

Unde	ecided/Uncertain, 5=Fairly Agree, 6=Agree, 7=Extremely Ag			_	4	-		_
	Service Recovery	1	2	3	4	5	6	7
	Distributive Justice							-
Dj1	In the event of any problem in this restaurant, efforts to							
	resolve it results in a very positive outcome							
Dj2	In case of any inconvenience, we offer fair response to							
	customers							
Dj3	The service recovery outcome we offer in response to							
	problems is often more than fair							
Dj4	In case of any service failure, we offer adequate							
	compensation							
	Procedural Justice							
Pj1	The restaurant responds quickly to customers problems							
Pj2	We respond in a timely fashion to problems							
Pj3	We have shown flexibility in solving problems							
Pj4	We have fair policies and practices to handle customer							
	problems							
Pj5	With respect to its policies and procedures, our							
	employee(s) handle problem in a fair manner							
Pj6	We provide credible feedback on customer complaints							
	Interactional/Interpersonal Justice							
Ij1	In dealing with problems, we treat customers in a							
	courteous manner							
Ij2	During effort to resolve problems, we care about the							
	customers							
Ij3	The restaurant employee(s) are appropriately concern							
	about problems of customers							
Ij4	While attempting to solve problems, the restaurant							
	personnel consider customers views							
Ij5	In response to problems, the employee(s) in this restaurant							
	are honest							
Ij6	The employee(s) of this restaurant empathize with							
	customer in case of problems							
	Informational Justice							
In1	The restaurant is candid in communications with							
	customers							
In2	We explain thoroughly the procedures used to make							
	decisions about complaint to customers							1
In3	The restaurant communicates details of all requested							
			1	1				

	information in a timely manner				
Jn4	The restaurant provides thorough information on any form				
	of service failures				

APPENDIX C

Table 1: Table for Determining Sample Size for a Finite Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	9 196	3000	341
80	66	420	201	3500	346
85	70	440 VOAHO	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note .- Nis population size. S is sample size.

Source: Krejcie & Morgan, 1970