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THE MODERATING ROLE OF SERVICE RECOVERY PERFORMANCE ON THE RELATIONSHIP BETWEEN TEAMWORK AND JOB SATISFACTION: A STUDY OF SINGAPOREAN BANKING INDUSTRY

VISUANATHAN GOPALAN

SRM Institute of Science and Technology, India

Tel: **044-27417852**

Email: brainpowerimc@gmail.com

Abstract

Singapore is recently facing a tremendous increase in the number of banking companies. Relevantly, this study researched the impact of teamwork on job satisfaction, and investigated the moderating role of service recovery performance on the link between teamwork and job satisfaction among employees in banking sector in Singapore. This study adopted quantitative method, while data were obtained using research questionnaire disseminated to employees working in banking companies in Singapore. Analysis was executed with the IBM SPSS software. The results show that teamwork has significant impacts on job satisfaction through service recovery performance as moderator. The contribution of this study includes providing a

theoretical explanation concerning the association between teamwork and service recovery performance alongside its associated outcomes. Moreover, the findings showed that working in team will lead the managers and management to a new dimension with holistic approach in the job satisfaction arena. Based on the study findings, practical and theoretical implications were discussed.

Keyword: Teamwork; Service Recovery Performance; Job Satisfaction; Singapore

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INTRODUCTION

Service Recovery Performance belongs to the domain of service quality [1-9], and as indicated in Hamir, et al. [10] it is linked significantly with service quality. For services firms, service Recovery Performance enhance their experience, which in turn enables these firms to provide service quality of excellent level provided to the customers [11-20].

Service Recovery Performance is now a topic of major interest among both researchers and academicians. As described in Karatepe, et al. [14], it is linked to the actions that a corporation or service provider takes as a respond to a service failure. Luo, et al. [19] accordingly mentioned the importance of service recovery performance in the customer satisfaction attainment due to the fact that it encompasses a planned organizational approach, which might facilitate in the breakdown of customer's problems, in a straightforward and impartial manner.

Mattsson and Ramén [21] stressed that service recovery performance is becoming more important as more and more companies are using service recovery strategies. Hence, it becomes increasingly important to take in mind the service recovery performance. Accordingly, service recovery performance is defined as how the employee acts and directly handles customer complaints after a service failure, to recover the customer satisfaction and loyalty [17-31].

In the work of Yao, et al. [32], service recovery performance is outlined as the behaviors manifested by customer service workers who closely manage customer complaints and engage in interaction in recovering satisfaction and loyalty of customer when service failures occur. In this regard, Service Recovery Performance that is of low level ends up in undesirable outcomes for any organization. As such, Yao, et al. [32] stated the importance of having the awareness of the factors that impact the structure efforts in response to service failures, in order to reduce their negative effects on organizational effectiveness. For some, service recovery is viewed as a general effort exercised by a given firm to rectify any downside pertaining a service failure, for the purpose of gaining the customers' constant support. In fact, service recovery effort plays a pivotal role in achieving or winning customer satisfaction [27].

Within the domain of banking sector, service recovery is integral as it assists in the sustainment of clients. Equally, service recovery is a vital competitive advantage for business existence. Besides that, it adds value to the future of a given organization. Many companies have been facing many problems especially when it comes to service recovery efforts, and these problems have in fact been linked to employees' job satisfaction and their intention to resign [2]. For instance, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. Thus, companies can maintain a good level of hygiene factors, and yet, employee motivation can still decrease, and this is due to the absence of people who are satisfied with their job all along, which is a strong determinant of job satisfaction. There are many employees within the banking area in Singapore who complain about low-level payment and rewards, and these are the driving forces for them to resign and seek employment from another company which pays and compensates the employees more fairly.

Problem Statement

Within banking sector, many companies nowadays have the realization that customer satisfaction by way of service quality delivery is a key constituent of the overall success and satisfaction.

Nonetheless, the general problem is that, in spite of the increased the rate of service recovery performance which eventually leads to job satisfaction among employees in Banking sector in Singapore, it is still somewhat unclear what makes employees satisfied. Furthermore, most service recovery performance fails to meet expectations, and this failure impacts job satisfaction among employees (Vaerenbergh and Orsingher, 2016). Given this volatile environment, this study seeks to ascertain the factors that contribute to job satisfaction among bank's employees in Singapore.

Research Questions

Given the discussion above, this study attempts to address two primary questions as follows:

- Is there a relationship between Team Work and Job Satisfaction?
- Does Service Recovery Performance moderate the relationship between Teamwork and Job Satisfaction?

Research Objectives

Given the aforementioned research questions, this study attempts to accomplish the objectives below:

- To investigate the relationship between Team Work and Job Satisfaction
- To investigate the effect of moderating role of Service Recovery Performance on the relationship between Teamwork and Job Satisfaction.

LITERATUR REVIEW

Teamwork

Teamwork and job satisfaction appear to be linked together. This notion implies that the dimensions that comprise job satisfaction may not single handedly determine job

satisfaction, as there may be other factors present. Meanwhile, millennials have been demonstrating their preference towards working in teams, because they are of the view that working together will prevent risks, aside from being more enjoyable as opposed to working alone [29]. In other words, millennials are advocates of teamwork. Additionally, teamwork has been linked to increased team productivity. Relevantly, Butt [5] reported that when articulating their thoughts or ideas, millennials are not apprehensive, and they are therefore more open to an environment of creativity and innovation in their search of ways to reach the set goals. Meanwhile, considering that trust and positive relationships with coworkers and superiors contribute to the formation of job satisfaction. Ali, et al. [3] proposed that the inculcation of the prospects for employees to work in teams would equally assist in the nurturing of satisfaction. Besides that, considering that teamwork assists in the establishment of relationships between employees and their coworkers, it has been linked to the persistence of commitment, seeing that the idea of upsetting any relationships could be regarded as a cost of separating from a company.

Service Recovery Performance

For companies, service recovery performance is highly crucial. Meanwhile, as reported in Vieira, et al. [31] corporate leadership style, employee self-efficacy and manager-subordinate interactions are the three aspects that can generally affect service recovery. In Cai and Qu [7] it was reported that procedures of service recovery impact more on employees and process improvement as opposed to on customers. In this context, Hazarika, et al. [11] are among those who proposed that the effectiveness of recovery encounters will be dictated by the manner in which encounters operate, in relation to customer expectations and experiences pertaining to the activity of recovery. In Pizzutti and Basso [26], it was found that stronger client-company relationships may restrict the effect of service and recovery failures on loyalty and trust of customer. Meanwhile, Kau and Loh [15] reported that satisfaction with service recovery increases trust, constructive word-of-mouth and loyalty to a small extent. Besides that, it is commonly acknowledged that employee motivation and retention contribute to employee satisfaction. In this regard, Aguenza and Som [1] indicated that higher

employee satisfaction will increase the likelihood of attaining external satisfaction and retention. Meanwhile, a direct and positive impact between employees' job satisfaction and the increase in job performance level was reported in Mikkelsen and Olsen [24]. In another study, Mccollough [22] found the direct impact of recovery performance and the impairment from service failure on post recovery satisfaction. As such, higher recovery performance leads to the increase in post-recovery satisfaction.

Service recovery is significantly associated with service quality and it leads to the improvement of firm's learning experience which in turn assures firm's provision of excellent service quality to its customers. As noted in Lewis and Clacher [16] service quality is currently a primary strategic factor in the efforts of organization in convincing and holding on to the current clients or attracting new ones. Gummesson [9] relevantly mentioned that perceived quality relates to the assessment of a person towards the complete service offering value. Gronroos [8] additionally mentioned the presence of variance between anticipated service quality and experienced service quality. Meanwhile in Kandampully (1998), the construct of service quality was divided into normal services and the handling of problems for the purpose of assuring that fitting practices are executed in tackling the inescapable failures.

Job Satisfaction

Job satisfaction relates to an ensemble of positive and/ or negative feelings possessed by a person in regards to the job he or she is holding. Notably, job satisfaction and life satisfaction are highly linked to one another. Further, job satisfaction entails the amount of pleasure or contentment that is linked with a job; it denotes an emotional reaction towards job. As highlighted in Reddy and Madhav [28], it encompasses the level of employee's positive or negative act towards his or her job. Equally, job satisfaction comprises a number of factors such as job nature, payment or salary, working environment, stress level, superiors, team members, and workload as well [20]. Hazriyanto and Ibrahim [12] on the other hand described job satisfaction as the general attitude exhibited by a person pertaining to his or her job. According to a study led by Linz and Semykina [18], job satisfaction is influenced by the significance of the work

and the sufficiency of supervision. In addition, job satisfaction has also had correlation with life satisfaction [28]. In this regard, the more the workers are satisfied with their work, the greater will be their commitment toward the organization [4].

HYPOTHESIS DEVELOPMENT

Hypothesis development is very important because acceptance and the rejection of hypothesis indicate the significance of the study. On the basis of literature review and above theoretical frame work we came to develop following hypothesis.

H1: There is a statistically significant relationship between teamwork and job satisfaction.

H2: Service recovery performance has a significant moderating role in the relationship between teamwork and job satisfaction (Figure 1).

FRAMEWORK

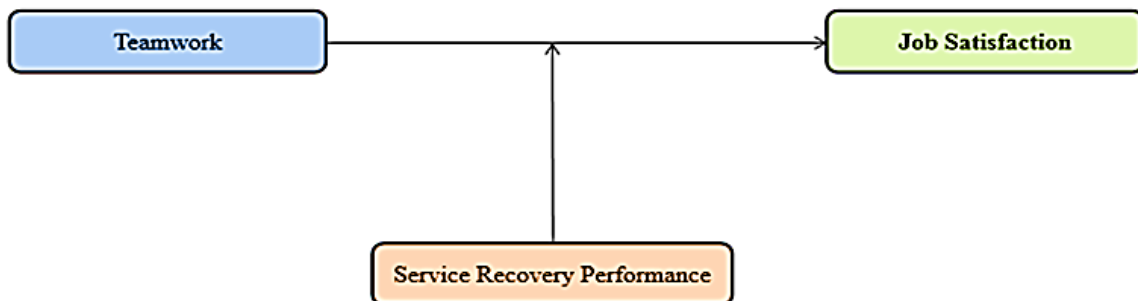


Figure 1: Conceptual Framework.

METHODOLOGY

This research selected 203 employees from Singapore banking companies to be participants. Data were collected online. The questionnaire comprises one part which includes three key constructs that have association with job satisfaction. This would

assist the evaluation on the likelihood of the level of acceptance. A number of items representing the constructs were included in the questionnaire and the 5-point scale was employed to measure the level of job satisfaction.

Research Model

In this study, the research framework represents the study's problem foundation, and its construction was based on the literature reviews. The framework illustrates all the study's ideas, meanings and suggestions that are linked to the research problems. Three Variables were studied in this work, namely, Teamwork as independent variable, service recovery performance as moderator, and job satisfaction as dependent variable.

Sampling Methods

The present study utilized two sampling methods as follows: Random sampling and convenience sampling. Accordingly, random sampling is regarded as among the best way of attaining results with no bias. In the application of random sampling, subjects are selected from a population with the application of random methods, meaning that, all subjects in the scrutinized population are equally eligible to be chosen as sample. As for the other method which is convenience sampling; McDonald and JH [23] mentioned that it encompasses a non-probability sampling technique, involving the selection of subjects based on their convenient approachability and closeness to the researcher. Both these techniques were used together because the approach appears to be the best way and useful in the gathering of data. Gathering data solely using simple random sampling is actually impracticable, and therefore, this study employed convenience sampling together with the application of random sampling methods.

Sample Size

Sample size is important in order to obtain valid results. The number of units which could represent individuals, animals, specified situations, and so forth, in a population are the ones to be scrutinised. In this regard, the size of sample should be adequate to

carry the high probability of distinguishing a true variance between two groups. About 233 respondents were selected by using random sampling methods. According to Sekaran's table, the sample size for a population containing 233 subjects is 146, but for the accuracy reason, the entire population has been taken as a sample size.

RESULTS AND DISCUSSION

Descriptive analysis presents the profile of study participants, which includes the presentation of the participants' gender, age, education specifics, employment specifics, and many other relevant aspects. Profile of participants or respondents is highly integral to a research study because it assists researcher in understanding the respondents and their background.

Reliability

Reliability was described in Button et al. [6] as the level to which a measurement technique can decidedly be depended on for the purpose of achieving secure, constant or accountable results upon recurrent application. Reliability is hence more than a mere property instrument, as it carries some consistency level when applied upon certain populations under certain circumstances.

Reliability Analysis

Reliability test results are displayed in the following Tables 1-3.

Table 1: Reliability Test.

| Variable | N | Cronbach's Alpha | Status |
|------------------------------|---|------------------|--------|
| Team work | 5 | 0.948 | Good |
| Service recovery performance | 5 | 0.932 | Good |
| Job satisfaction | 6 | 0.959 | Good |

Reliability analysis, namely Cronbach Alpha is used to determine the internal consistency of the instrument. Higher reliability of the instrument leads to valid results. As Nunally and Bernstein [25] had proposed in their work, Cronbach's Alpha value of above 0.7 is crucial in the decision of a valid instrument. In this study, the value of Cronbach's Alpha for teamwork is 0.948, that for service recovery performance is 0.932 and that for job satisfaction is 0.959. These values show that all the dimensions are above 0.7 as suggested by Nunally and Bernstein [25].

Table 2: Regression Analysis.

| Predictors | Teamwork | | |
|------------------|------------------------------|----------------|---------|
| | B | R ² | P |
| Teamwork | 0.003 | 0.78 | 0.421** |
| Job satisfaction | 0.005 | 0.63 | 0.328** |
| Predictors | Service recovery performance | | |
| | B | R ² | P |
| Job satisfaction | 0.003 | 0.76 | 0.239** |

Table 3: Hypotheses Testing Summary.

| Hypothesis | Result |
|---|----------|
| H1: There is a statistically significant relationship between teamwork and job satisfaction. | Accepted |
| H2: Service recovery performance has a significant moderating role in the relationship between teamwork and job satisfaction. | Accepted |

CONCLUSION

The conclusions derived in the present study carry implications to both businesses and academicians. This study found a positive and significant link between teamwork and

service recovery performance in Banking Sector. Moreover, this study shows significant support for the relationship between Teamwork and job satisfaction. In addition, the highest effect on job satisfaction was due to service recovery performance. In addition, there are identified weak areas based on the enhancement.

LIMITATIONS

Researchers have revealed several limitations to the study, which could be taken as advantages for future studies. First, data were collected from one country which is Singapore, and therefore, this study recognizes its potential limited generalizability of results. For this reason, having this study replicated in other countries in Asia like Thailand, Malaysia and Indonesia might be of value in expanding the outcomes' generalizability. Secondly, qualitative method was not applied in this study. Therefore, future researchers could adopt qualitative method.

RECOMMENDATIONS

This study has several recommendations for future researchers. Firstly, in order to improve generalizability, the study scope of future work could be expanded. Not only that, future study should consider increasing the sample size in order increase assurance of representative population dispersal, while also increasing the representativeness of sample groups to the given population. Equally, other sectors could be examined in the same study context, such as health sector, manufacturing sector, or other industries such as hotel industry. Other countries can also be chosen for the same study, and different variables can also be employed as moderator variable such as human resource information system, technology advancement and organization culture.

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