The Importance of Justice Dimensions in Improving Customer Loyalty in Indonesia Aviation Industry

by Nuri Purwanto, Amelia Amelia,rita Murtiani, Nur Farihin Abd Hadi Khan, Ronald Ronald

Submission date: 12-Apr-2023 10:17AM (UTC+0700) Submission ID: 2062184401 File name: riber_12-3_18_b23-059_217-221.pdf (208.61K) Word count: 1720 Character count: 10117 The Importance of Justice Dimensions in Improving Customer Loyalty in Indonesia Aviation Industry

Nuri Purwanto STIE PGRI Dewantara Jombang

Amelia Amelia Pelita Harapan University, Surabaya Campus

Rita Murtiani STIE PGRI Dewantara Jombang

Nur Farihin Abd Hadi Khan Universiti Malaysia Kelantan

Ronald Ronald Universitas Pelita Harapan, Surabaya Campus

ABSTRACT

This study is motivated by the current endemic phase of the COVID-19 pandemic that encourages people to engage in activities in the new normal era. The sampling methods used in this research are non-probability sampling and snowball sampling. The number of respondents is 100. The results show that: Interactional Justice, Procedural Justice, and Distributive Justice are important factors that influence Recovery Satisfaction; Procedural Justice is an important determinant of Recovery Satisfaction; Recovery Satisfaction is an important factor affecting Overall Satisfaction, and; Overall Satisfaction is an important determinant of Customer Loyalty.

Keywords: Interactional Justice, Procedural Justice, Distributive Justice, Recovery Satisfaction, Overall Satisfaction, Customer Loyalty.

1. INTRODUCTION

The Covid-19 pandemic affected consumption patterns (Amelia, *et al.*, 2022a, 2022b). In particular, all airlines experienced substantial losses due to the sharp decrease in the number of passengers. Mobility is currently returning to normal, which has made air transportation popular again. To benefit from this post-pandemic recovery, airlines need to enhance customer loyalty to adapt themselves to the new normal era. This study guides airlines managers in re-running the aviation industry after the pandemic.

2. LITERATURE REVIEW AND HYPOTHESES

b1 Interactional Justice

Interactional Justice is the quality of the interpersonal treatment when procedures are applied (Bies, 2014), while Interactional Justice is the interaction between the allocation source and ge people affected by the allocation decision (Moorman, 1991).

H1: Interactional Justice has a significant effect on Recovery Satisfaction

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2.2 Procedural Justice

According to Suliman and Kathairi (2013), Procedural Justice is an employee's perception of be fairness of the rules and procedures for determining acceptable results in workplaces. Procedural justice is the fairness of social norms relative to "how decisions are made" and "how authorities and others treat people" (Lind and Tyler, 1998)

H2: Procedural Justice has a significant effect on Recovery Satisfaction

2.3 Distributive Justice

As Karkoulian *et al.* (2016) suggested, Distributive Justice is the fairness regarding the amount and reward perceived. According to Schermerhorn (2010), Distributive Justice is the degree to which people are treated equally under a policy regardless of race, ethnicity, gender, age, and other demographic characteristics.

H3: Distributive Justice has a significant effect on Recovery Satisfaction

2.4 Recovery Satisfaction

According to Siu *et al.* (2011), Recovery Satisfaction is important to the survival and success of every business organization. Recovery Satisfaction is a company commitment to responding to consumer voices (Putri *et al.*, 2014). Service recovery benefits companies in returning customer satisfaction and trust in the services provided.

H4: Recovery Satisfaction has a significant effect on Overall Satisfaction

2.5 Overall Satisfaction

Howard & Steth (2014) mentioned that Customer Satisfaction is a customer evaluation of a product or service in terms of whoher the product or service meets customer needs and expectations. Kotler (2009) defines Customer Satisfaction as a person's feeling of pleasure or disappointment that arises after comparing his perception or impression of performance against expectation. The customer is dissatisfied if performance is below expectation, and vice versa.

H5: Overall Satisfaction has a significant effect on Customer Loyalty

2.6 Customer Loyalty

According to Gremler and Brown (2008), Customer loyalty occurs when a customer not only repurchases the good or service but also form a commitment and a positive attitude towards the service company, for example, by recommending someone else to buy from the same company. Jill Griffin (2007) suggested that customer loyalty tends to be closer to behavior rather than attitude. Thus, if a customer has purchased the same product two to three times, he/she is regarded as a loyal customer.

3. RESEARCH ISSUE AND METHODOLOGY

3.1 Research Issue

This study's method is non-probability sampling on the population of customers from Singapore Airlines. Characteristics of the 100 respondents include 70th Male and Female aged between 18-60 years who have used Singapore Airlines' services. Figure 1 shows the research model.

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Review of Integrative Business and Economics Research, Vol. 12, Issue 3



4. FINDING AND DISCUSSION

4.1.1 Validity Test

Based on the data validity test from Table 4.1, all indicators used in this study are valid as the factor loading value for each question is greater than 0.196 (r critical).

	Indicator		Indicator		Indicator		Indicator		Indicator	
	PJ		DJ		RS		os		CL	
22	PJ1	.804	DJ1	.773	RS1	.877	OS1	.933	CL1	.896
92	PJ2	.857	DJ2	.830	RS2	.677	OS2	.818	CL2	.921
63	PJ3	.906	DJ3	.830	RS3	.902	OS3	.878	CL3	.921
63	PJ4	.857	DJ4	.773						
63	PJ5	.802								
48										
	92 63 63 63 48	22 PJ1 92 PJ2 63 PJ3 63 PJ4 63 PJ5 48	22 PJ1 .804 92 PJ2 .857 63 PJ3 .906 63 PJ4 .857 63 PJ5 .802	22 PJ1 .804 DJ1 .92 PJ2 .857 DJ2 .63 PJ3 .906 DJ3 .63 PJ4 .857 DJ4 .63 PJ5 .802	22 PJ1 .804 DJ1 .773 .92 PJ2 .857 DJ2 .830 .63 PJ3 .906 DJ3 .830 .63 PJ4 .857 DJ4 .773 .63 PJ5 .802 .802	22 PJ1 .804 DJ1 .773 RS1 .92 PJ2 .857 DJ2 .830 RS2 63 PJ3 .906 DJ3 .830 RS3 .63 PJ4 .857 DJ4 .773 .63 PJ5 .802	22 PJ1 .804 DJ1 .773 RS1 .877 .92 PJ2 .857 DJ2 .830 RS2 .677 63 PJ3 .906 DJ3 .830 RS3 .902 63 PJ4 .857 DJ4 .773 .902 63 PJ5 .802	22 PJ1 .804 DJ1 .773 RS1 .877 OS1 .92 PJ2 .857 DJ2 .830 RS2 .677 OS2 63 PJ3 .906 DJ3 .830 RS3 .902 OS3 63 PJ4 .857 DJ4 .773 48	22 PJ1 .804 DJ1 .773 RS1 .877 OS1 .933 .92 PJ2 .857 DJ2 .830 RS2 .677 OS2 .818 63 PJ3 .906 DJ3 .830 RS3 .902 OS3 .878 63 PJ4 .857 DJ4 .773 63 PJ5 .802 48	22 PJ1 .804 DJ1 .773 RS1 .877 OS1 .933 CL1 .92 PJ2 .857 DJ2 .830 RS2 .677 OS2 .818 CL2 63 PJ3 .906 DJ3 .830 RS3 .902 OS3 .878 CL3 63 PJ4 .857 DJ4 .773 63 PJ5 .802

Table 4.1 Validity Test

4.1.2 Reliability Test

From Table 4.2, it is evident that all regressions have a Cronbach alpha value higher than 0.60. Therefore, the statements that develop variables are consistent/reliable and can be used for further analysis.

4	
Т	able 4.2 Reliability Test
Variable	Cronbach's Alpha
IJ	.837
PJ	.900
DJ	.815
RS	.748

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Regression	Standardized coef.	t test	Tolerance	VIF
IJ-RS	.276	.945	.073	13.733
PJ-RS	.817	.002	.172	5.817
DJ-RS	.380	.739	.181	5.525
RS-CL	.329	.063	.647	1.546
OS-CL	.444	.014	.647	1.546
CL-OS	.442	.014	.649	1.541
RS-OS	.333	.059	.649	1.541

4.1.3 Regression Results and Multicollinearity Test

Based on the findings, Procederal Justice has a significant effect on Recovery Satisfaction. Recovery satisfaction also has a positive and significant effect on Overall Satisfaction. Overall Satisfaction also has a positive and significant effect on Customer Loyalty. Finally, the five hypotheses are supported based on these results, and none are rejected.

The most important determinant of Recovery Satisfaction is the Procedural Justice variable. This is because the parties from Singapore airlines provide easy problem-solving and, according to customers' needs, provide a quick response in response to failed services, provide the latest information services, respect customers' rights, and handle operations properly.

The Customer Loyalty variable is influenced by Recovery Satisfaction and Overall satisfaction, which significantly affect customer loyalty. This is due to the ability to increase customer loyalty. The airline must increase the recovery satisfaction variable, which includes recovery services that suit customer needs, customers are given profitable solutions, and when airlines deal with obstacles in providing the best service. Apart from that, there is also an effect of overall satisfaction. To improve this, airlines must be able to provide services that follow the wishes of consumers so that consumers can be satisfied, the airlines provide profitable solutions for consumers, and the airlines provide good service when dealing with obstacles. Interactional Justice and distributive justice have positive but insignificant effects.

5. CONCLUSION

First, Interactional Justice is an important factor that influences Recovery Satisfaction, which implies that it is important to provide training to airline employees allowing them to provide the best service following the provisions of the airline itself. Fulfilling the customer's right to obtain fair services with the best quality will provide psychological pleasure that can enhance customer satisfaction. Second, Procedural Justice significantly influences Recovery Satisfaction, which suggests that it is important to provide justice to customers to receive their rights in accordance with the procedures set by the airlines. It is about carrying out all forms of operational activities in accordance with predetermined conditions, for example, the procedure for changing flight schedules and their solutions. Third, Distributive Justice significantly affects Recovery Satisfaction, which suggests that airlines should provide the best service in accordance with customer rights regardless of differences in gender, ethnicity, race, age, and various other characteristics. Fourth, Recovery Satisfaction is an important factor that influences Overall Satisfaction, implying the importance of providing space for customers to raise criticism and suggestions as an evaluation for the company to improve services. It is also crucial to provide a quick response as a settlement solution in response to

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220

something undesirable occurs, e.g., problems or obstacles during operational activities. Fifth, Overall Satisfaction influences Customer Loyalty, suggesting that airlines should provide customer satisfaction by providing the best services that exceed customer expectations, which in turn will lead to customer loyalty.

ACKNOWLEDGEMENTS

This research was funded and supported by STIE PGRI Dewantara Jombang. The authors thank the anonymous referees for their helpful comments.

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