TOWARDS AN UNDERSTANDING OF PREFERENTIAL TREATMENT IN SERVICE ENCOUNTERS: EVIDENCE FROM BANKING SECTOR OF PAKISTAN

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Abstract

The purpose of this study is to understand the relationships between perceived justice, customer satisfaction with service worker and customer satisfaction with the organization in a service encounter. We employed four texts based role-play scenarios [equity reward, under reward, over reward (unique) and over-reward (non-unique)] to obtain responses from 195 conveniently selected university students. Structural equation modeling (SEM) with maximum likelihood method was used for data analysis. The findings suggest that different settings for receiving preferential treatment (individually or shared with another customer) shaped dissimilar levels of customer satisfaction with a service worker and with a service organization. Customer satisfaction with service worker is a source of intensification in customer satisfaction with a service organization. In the end, future recommendations and managerial implications are also discussed.

Keywords: Preferential Treatment, Service Marketing, Perceived Justice, Customer Satisfaction.

JEL Classification: G210

Introduction

According to some service researchers, providing preferential treatment to their customers is beneficial for the service firms. Preferential treatment can be defined as a situation in which the focal/particular customer is receiving something “extra” as compared to other customers who don’t

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receive something “extra” or don`t receive to some extent (Jiang et al., 2013). For instance, providing-
extra services to a few customers, prioritizing them in case of a queue, providing them with faster
services or offering them better prices as compared to other customers may be considered as a prefer-
ential treatment.

A positive relationship was found by Lacey (2007) between customer commitment, preferen-
tial treatment, and customer satisfaction with the organization or (the) brand, purchasing behavior of
the customer (customer share & positive word of mouth). Therefore, we may assume that preferential
treatment provides benefits to not only the customers but also the firms. A majority of previous studies
claim that service encounters take place when other customers are absent. Whereas, in real service
settings, most of the encounters take place when the other customers are present (Söderlund et al.,
2014). Several services encounters held in the presence of other customers such as dining-in in a
restaurant, having a facial treatment at a beauty parlor and making a bank transaction. In situations,
such as these, customers are well aware of the happening (s) taking place around them as Söderlund
(2014) suggests that the impression of the focal customer about the firm gets affected if other custom-
ers are also present even if they are strangers.

Human beings tend to compare themselves with others in every possible situation and they
make inferences about situations and acts accordingly (Moon, Hassan & Attiq, 2015). Preferential
treatment that involves several customers in social settings requires cautious as customers compare
their treatment with that of other customers (Söderlund et al., 2014; Jiang et al., 2013). Customer to
customer comparison can make preferential treatment more problematic as only the focal customer is
getting the preferential treatment. Moreover, when focal customers receive preferential treatment,
other customers may react negatively who do not receive something extra in the presence of focal
customer (Jiang et al., 2013). Therefore, a deeper understanding of preferential treatment in custom-
ner-to-customer comparison is warranted (Moschis, 1976).

For service organizations, customers are the major stakeholders and the ultimate purpose of
these organizations is to satisfy them. Two major players are involved in a service encounter with a
customer, one is a service worker and the other is service organization with its service escape (Moon
et al., 2017). A customer may be satisfied with service worker and organization at the same time and
may be dissatisfied with one of these, while satisfied with the other. Consequently, we may cautiously
assume that customer satisfaction with both the organization and worker is affected by preferential
treatment when other customers are present. Therefore, in this research, we study customer satisfac-
tion with service worker (CSSW) and with service organization (CSSO) in a situation where a
customer receives something extra from a service worker or does not receive. We also studied the
association between perceived justice, CSSW, and CSSO in a situation where preferential treatment
received by the customer as compared to other customers who did not. This study focuses on the level
of CSSW and CSSO whereas, past studies talk about the influence of preferential treatment on
customer satisfaction only with no differentiation between CSSW and CSSO.
Literature Review

Perceived Justice (PJ)

The idea of PJ comes from the justice theory (Adams, 1963), which suggests that people compare their inputs and outputs in everyday exchanges to the inputs and outputs of others who are part of similar exchanges. PJ, a multi-dimensional concept consists of interactional, procedural and distributive justice (Nikbin et al., 2010). Perception of justice is one of the main outcomes of making the comparisons (Söderlund et al., 2014; Jung & Seock, 2017). People consciously or unconsciously tend to compare their outcomes with the outcomes of others (Pritchard, 1969). The sense of perceived justice emerges from equity theory in which interpersonal evaluations are the focal point.

As equity theory states human beings believe that the recipient’s contribution in a given situation should derive the distribution of rewards and punishments (Adams, 1963; Konow, 2003, Chan & Lai 2017). Furthermore, Equity theory states that relative comparison—individuals’ comparing themselves to others, is the result of perceived equity. This comparison leads to three potential outcomes. First, customer A will perceive the existence of justice if customer B’s reward or input ratio is equal to the reward or input ratio of customer A, called Equity-Reward. Injustice will be considered, if A views the ratio as unequal to B. Injustice can be of two types 1) Over-Reward in which input/reward ratio of A is higher than input/reward ratio of B and 2) Under-Reward in which input/reward ratio of A is less than input/reward ratio of B. Therefore, according to justice theory, receiving more than others (over-reward) against the same input is a form of injustice (Söderlund et al., 2014; Gohary et al., 2016).

Let us imagine that in a service organization, a service worker provides services to several customers. We consider all customers as Bs and one focal customer as customer A, who receives preferential treatment. In this scenario, other customers (Bs) may compare themselves with focal customer A. Let’s suppose that focal customer A is also comparing himself with a particular customer (B) that is identical to him. According to equity theory, we can identify three possible ways for customer A to make comparisons with customer B;

1. Equity-Reward: Neither A nor B will receive something extra.
2. Under-Reward: B receives an extra element/reward, of which A is deprived
3. Over-reward: A receives an extra element/reward, of which B is deprived.

There can also be a fourth possibility of preferential treatment if both A and B can obtain preferential treatment. This case of equity reward is a special case in accordance with traditional equity theory that focuses only on customer A vs. customer B comparison (Söderlund et al., 2014). But in this service encounter, A is also able to make comparisons with other people as it involves several customers other than A and B (Xia, Monroe, & Cox, 2004). The setting in which A and B are receiving preferential treatment, of which other customers are deprived, can be termed as over-reward for A. However, the key difference between the over-reward described in condition 3 and the over-reward described in...
current condition is that the former is not unique. As an addition to equity theory, many firms provide an extra element to several customers, known as non-unique over-reward. (4) Non-Unique Over-Reward: there is an extra element for both A and B. Under this context, customer A may not receive extra in condition 1 and 2, whereas, in condition 3 and 4, customer A may receive extra element (Söderlund et al., 2014).

**Customer Satisfaction (CS)**

CS with a business can be explained as, (the) positive feelings/emotions regarding the value obtained after using a business service in a particular situation (Virmani & Dash, 2014). According to Szymans Ki and Henard (2001), a positive relationship between PJ and CS exists. We measured the CS in two ways: 1) CSSW and 2) CSSO.

**Customer Satisfaction with Service Worker (CSSW)**

The period during which a customer interacts directly with service is known as service encounter (Langeard, 1981). This definition encircles all elements of service firm with which a customer may interact including physical facilities, tangible elements and staff, during service encounter (Bitner, 1992). Service encounter is mainly determined by customer behavior towards service (Farrell, Souchon, & Durden, 2001). Whenever a customer has an inquiry, the first people they talk to are service workers also known as outward “face”. Customers judge the level of services provided by a service organization through the quality of interaction between themselves and the service provider (Czepiel, 1990). Due to the participation of service workers in the manufacturing process, it carries a great deal of risk and uncertainty (Roland, 1999). There are three main components that influence the service encounter (Baker, 1987; Bitner, 1992; Keng, Huang, Zheng, & Hsu, 2007) and one of these components is employee factors, involving service workers (Wu, Cedric Hsi-Jui, & Rong-Da Liang 2009). The consumer is not sure whether the service worker will provide the desired service or not. From the consumer’s view, it is very much possible that the service worker will make it difficult to the manufacturing process and prevent the service as desired from being manufactured (Namasivayam & Hinkin, 2003). Therefore, we can say that the service worker is an important player of service encounter. Treating customers equally in a service delivery process in presence of other customers will not leave any performance gap and ultimately this will lead to CSSW. Hence, we postulated the following.

**H1:** Perceived justice has a positive influence on customer satisfaction with service worker in an a) equity reward b) under reward c) over reward unique and d) over reward non-unique scenario.

**Customer satisfaction with service organization (CSSO)**

CSSO shows the positive feelings or degree of positive response to the service provider and service organization. The service organization is one of the two players involved in any service encounter. In a service encounter, a service worker treats some customers preferentially in presence of other customers. Hence, there is a chance that other customers may compare their ratio of rewards with the
ratio of rewards of other customers who received preferential treatment. In a recovery situation, the customer may remain satisfied with the organization even when a particular transaction caused dissatisfaction (Oliver, 1996). In such situations, customers do not perceive justice that ultimately results in customer dissatisfaction. Services cannot be experienced before purchase because of their intangible nature but customers try to look for tangible facts (Langeard, 1981). For instance, decor, stationery, business cards, signage and environmental design work as cues to influence the customer’s expectations and build the firm's image (Baker, 1987; Booms & Bitner 1982). According to Bitner (1992), marketing mix elements may also influence satisfaction in service encounters. Therefore, we may assume that because of the other factors like servicescape, operational capabilities of service organization customers are satisfied with the service organization. Hence, we postulated the following hypothesis:

H2: Perceived justice has a positive influence on customer satisfaction with service organization in an a) equity reward b) under reward c) over reward unique and d) over reward non-unique scenario.

Customer service worker is one of the key components of service encounters. If customers are satisfied with the service worker then this may lead to customer satisfaction with service organization. Hence, we propose the following hypothesis:

H3: Customer satisfaction with service worker has a positive influence on customer satisfaction with service organization in an a) equity reward b) under reward c) over reward unique and d) over reward non-unique scenario.

Figure 1: Theoretical Framework

Methods

Sample

We collected data from a convenient sample of 195 students (120 male, 75 female) enrolled in masters’ level degree program of the four universities were the participants of the study (Moon et al., 2018; Moon & Atiq, 2018). Söderlund et al. (2014) has used the sample size of 184 for this type of study, whereas David Garson, (2008) recommended 150 minimum number of respondents for such studies. Data was collected though a self-administrated questionnaire followed by a role-play scenario
(Murray, 1991). Students were asked to read the scenario and respond accordingly. As the focal service for this study, banking service was selected because numerous forms of preferential treatments can be witnessed in the banking sector. Furthermore, in banking service, specific service worker-customer encounters are quite easily noticeable to other customers.

**Stimulus Development**

A text-based role-play scenario was employed (Karandeet al., 2007; Söderlund et al., 2014) to manipulate the rewards for the customers. Each respondent was asked to adopt the role of a customer who was in a service encounter. The scenario was described as; a focal customer (A), other customer (B) and a customer service officer (CSO) of a bank were traveling to the bank on the same bus. After some time customers came to know that CSO was the employee of the bank where customers had accounts. There were four versions of the scenarios for each level of reward.

1. Neither A nor B are recognized by the CSO and no extra element for both (Equity Reward).
2. B, but not A, is recognized by the CSO and B receives extra element” (Under Reward).
3. A, but not B, is recognized by the CSO, and A receives extra element (Over Reward Unique).
4. Both A and B are recognized by the CSO and both received extra element (Over Reward Non-Unique).

In this study, the extra element was; being recognized and getting the priority in the queue inside the bank for transaction.

**Measures**

To measure the perception of justice, we adopted six items from Carr (2007) and Beugre’ and Baron, (2001). To measure CSSO, four items were adopted from Fornell, (1992) and Johnson et al. (2001). Furthermore, to measure CSSW, three items were adopted from Mahn, Hee and Yoon (2004).

Responses were collected on 7-points Likert scale anchored at 1 = strongly agree and 7 = strongly disagree.

**Tools and Techniques of Analysis**

For the analysis of data and testing of hypothesis, Structural equation modeling (SEM) was employed via AMOS 22.0. SEM is a to step procedure that is best suited to establish the reliability and validity of the constructs along with testing causal assumptions (Anderson & Gerbing, 1988; Kline, 2015; Hair et al., 2016)

**Results & Analysis**

Out of 195 individuals who participated in the study, 75 were females and 120 were males (38.5%, 61.5% respectively). However, 8% of the consumers were below 20 years of age, 29% were between 21-30 years, 33% were between 31-40 years, 22% were between 41-50 years and 8% were...
of the age above 50 years. We assessed the normality of data by Kurtosis (±3) and Skewness (±3). Values of all observed variables were within the recommended range of Skewness and Kurtosis that means the data is normally distributed.

Table 1  
Descriptive Statistics

<table>
<thead>
<tr>
<th>Equity Reward</th>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dv.</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PJ</td>
<td>1.94</td>
<td>0.65</td>
<td>1.72</td>
<td>2.77</td>
</tr>
<tr>
<td></td>
<td>CSSW</td>
<td>2.84</td>
<td>0.93</td>
<td>0.73</td>
<td>2.64</td>
</tr>
<tr>
<td></td>
<td>CSSO</td>
<td>2.20</td>
<td>0.83</td>
<td>1.95</td>
<td>1.59</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Under Reward</th>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dv.</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PJ</td>
<td>5.27</td>
<td>1.56</td>
<td>-1.05</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>CSSW</td>
<td>4.90</td>
<td>1.45</td>
<td>-1.07</td>
<td>0.34</td>
</tr>
<tr>
<td></td>
<td>CSSO</td>
<td>4.47</td>
<td>1.49</td>
<td>-0.27</td>
<td>-1.30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Over Reward</th>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dv.</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique</td>
<td>PJ</td>
<td>3.41</td>
<td>1.04</td>
<td>1.17</td>
<td>2.24</td>
</tr>
<tr>
<td></td>
<td>CSSW</td>
<td>1.93</td>
<td>0.66</td>
<td>-0.27</td>
<td>-0.27</td>
</tr>
<tr>
<td></td>
<td>CSSO</td>
<td>2.73</td>
<td>1.22</td>
<td>1.21</td>
<td>1.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Over Reward</th>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dv.</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Unique</td>
<td>PJ</td>
<td>2.58</td>
<td>0.77</td>
<td>1.03</td>
<td>1.89</td>
</tr>
<tr>
<td></td>
<td>CSSW</td>
<td>2.42</td>
<td>0.68</td>
<td>0.56</td>
<td>-0.15</td>
</tr>
<tr>
<td></td>
<td>CSSO</td>
<td>2.51</td>
<td>0.78</td>
<td>0.57</td>
<td>0.061</td>
</tr>
</tbody>
</table>

To measure reliability, values of composite reliability (CR) and Cronbach's Alpha was used. Fornell & Larcker (1981) argued that CR ≥ 0.70 is a minimum threshold for measuring the reliability of a construct. Whereas ≥ 0.70 is a minimum threshold for Cronbach’s Alpha (Hair et al., 2010). Table 2 shows the values of CR and Cronbach’s alpha. The values of CR and Cronbach’s alpha that are higher than the minimum threshold and this also indicates the reliability of our constructs. Furthermore, we used average variance extracted (AVE ≥ 0.5) to establish the convergent validity (Fornell & Larcker, 1981). AVE for all latent constructs surpasses the required threshold indicating the validity of scales.

Table 2  
Cronbach's Alpha and Composite Reliability (CR)

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>CR</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Justice</td>
<td>0.56</td>
<td>0.78</td>
<td>0.77</td>
</tr>
<tr>
<td>Satisfaction with Service Worker</td>
<td>0.61</td>
<td>0.76</td>
<td>0.79</td>
</tr>
<tr>
<td>Satisfaction with Service Organization</td>
<td>0.54</td>
<td>0.83</td>
<td>0.84</td>
</tr>
</tbody>
</table>

Notes: CR: Composite Reliability, α: Cronbach's Alpha, AVE: Average Variance Extracted
Hypothesis Testing

For testing the hypothesis, structural equational modeling (SEM) was used and the results are presented in Table 3. In case of equity reward, results of SEM shows that PJ is largely involved in predicting the CSSW (H1: \( y = 0.27; p < 0.05 \)) and CSSO (H2: \( y = 0.42; p < 0.05 \)). CSSW leads towards the CSSO (H3: \( y = 0.35; p < 0.05 \)). In this case, all of the hypotheses are supported by the results. In case of under reward, results of SEM shows that PJ has a positive influence on CSSW (H1: \( y = 0.64; p < 0.05 \)) and CSSO (H2: \( y = 0.47; p < 0.05 \)) and CSSW has a positive influence on CSSO (H3: \( y = 0.30; p < 0.05 \)). In this case, all of the hypotheses are supported. In case of over reward (unique), results of SEM shows that PJ has no influence on CSSW (H1: \( y = -0.02; p > 0.05 \)) and CSSW does not predict CSSO (H3: \( y = 0.62; p > 0.05 \)). Hence, H1 and H3 are not supported. But PJ is predicting CSSO (H2: \( y = 0.55 p < 0.05 \)) resultantly, H2 is supported by the results. For over reward (non-unique), results of SEM shows, that PJ is involved in predicting CSSW (H1: \( y = 0.18; p < 0.05 \)) and CSSO (H2: \( y = 0.40; p < 0.05 \)). Furthermore, CSSW leads to CSSO (H3: \( y = 0.26; p < 0.05 \)). All of the hypothesis are supported in this case.

Table 3
Structural Model Analysis for Equity Reward, Under Reward, Over Reward (Unique) and Over Reward (Non-Unique)

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Hypothesis</th>
<th>CSSW</th>
<th>Estimates</th>
<th>p-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Reward</td>
<td>H1 PJ</td>
<td>CSSW</td>
<td>0.27</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>H2 PJ</td>
<td>CSSO</td>
<td>0.42</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>H3 CSSW</td>
<td>CSSO</td>
<td>0.35</td>
<td>0.00</td>
</tr>
<tr>
<td>Under Reward</td>
<td>H1 PJ</td>
<td>CSSW</td>
<td>0.64</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>H2 PJ</td>
<td>CSSO</td>
<td>0.47</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>H3 CSSW</td>
<td>CSSO</td>
<td>0.30</td>
<td>0.02</td>
</tr>
<tr>
<td>Over Reward (Unique)</td>
<td>H1 PJ</td>
<td>CSSW</td>
<td>-0.02</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td>H2 PJ</td>
<td>CSSO</td>
<td>0.55</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>H3 CSSW</td>
<td>CSSO</td>
<td>0.06</td>
<td>0.62</td>
</tr>
<tr>
<td>Over Reward (Non-Unique)</td>
<td>H1 PJ</td>
<td>CSSW</td>
<td>0.18</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>H2 PJ</td>
<td>CSSO</td>
<td>0.40</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>H3 CSSW</td>
<td>CSSO</td>
<td>0.26</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Indirect Effects

Indirect effects of PJ on CSSO were examined under all the (four) scenarios. In case of equity reward, results indicate that PJ has a significant indirect effect on CSSO ($\gamma' = 0.51; p < 0.05$) while direct effect becomes insignificant ($\gamma' = 0.39; p > 0.05$), indicating a full mediation. While measuring under reward, results indicate that PJ has a significant indirect effect on CSSO ($\gamma' = 0.63; < 0.05$) while direct effect becomes insignificant ($\gamma' = 0.43; p > 0.05$), indicating a full mediation. While testing for over reward (unique), PJ has significant indirect effect on CSSO ($\gamma' = 0.62; p < 0.05$) while direct effect remains significant ($\gamma' = 0.54; p < 0.05$), indicating a partial mediation. For over reward (non-unique), PJ has a significant indirect effect on CSSO ($\gamma' = 0.55; p < 0.05$) while direct effect becomes insignificant ($\gamma' = 0.41; p > 0.05$), indicating a full mediation. Data analysis showed that receiving preferential treatment versus not receiving the preferential treatment yields different levels of customer satisfaction with service worker and service organization.

Discussion

Overall results of the hypothesis are supporting the findings of several previous studies which showed that there is a positive association between perceived justice and customer satisfaction. Our study extended the findings of Söderlund et al. 2014 by measuring customer satisfaction in two ways. When customers perceive justice, then the level of CSSW and CSSO is high. Customers showed their satisfaction with service worker and service organization when they received extra element along with other customers (over reward non-unique), and when the extra element (preferential treatment) was only given to focal customer then there was no relationship between CSSW but with the CSSO (over reward unique). In other words, under the scenario of Over Reward (unique), the focal customer was not satisfied with the service worker but was satisfied with the service organization.

Furthermore, our study also extended the finding of Gwinner et al. (1998) by showing that there is a positive association between CSSW and CSSO. If the customers are satisfied with the services provided by the service worker then it will lead to the customer satisfaction with service organization, and this is what we observed under the scenarios of Over Reward (unique) and Over Reward (non-unique). A positive relation has been observed between receiving preferential treatment and numerous variables like market share, purchase behavior, positive word of mouth and customer satisfaction (Lacey, 2007; Gwinner et al., 1998). But these studies talk about the service encounters with a social vacuum that reflects the non-presence of other customers and the only focal customer is receiving the treatment. Whereas, our study is conducted in an environment where other customers are present in service encounter and can easily compare the ratio of their rewards with the focal customer. More precisely, our finding shows that receiving Over Reward (unique) in presence of other customers does not result in the CSSW. Furthermore, past studies about the preferential treatment in service encounters like Söderlund et al. (2014) talks about the customer satisfaction generally, whereas our
study distinguishes between the customer satisfaction with two major players of service encounter that includes CSSW and CSSO. Therefore, by distinguishing between CSSW and CSSO in service encounter our study provides that a customer can show his/her satisfaction with service organization but not with service worker simultaneously or vice versa in a service encounter.

Managerial Implications

Our results suggest that the preferential treatment can be a source of a decrease in customer satisfaction. Additionally, our study suggests that managers should reconsider the policy of preferential treatment (if exists) since the customers who receive the extra element does not show satisfaction with the service worker. Therefore, the manager should design their policies in a way that it can be a source of customer satisfaction in the longer run. Furthermore, managers should also focus on the customers who are feeling unwelcomed when they don’t receive preferential treatment while other customers are receiving. Moreover, our results also indicated that customer satisfaction with the service worker is a source of customer satisfaction with service organization. Therefore, this study suggests that management should form policies for the training of service workers and to carry out day-to-day operations in a way that it can lift overall customer satisfaction.

Future Recommendations

The most important limitation due to which the research suffered is that the extra element is a priority in a queue – an object that is more important for some customers. Preferences of the customers diverge from customer to customer, that’s why this element may have less salient effects on some customers. Different types of extra element can be used as a preferential treatment so the type of extra element will affect the situation in some other way. Furthermore, this study is purely conducted in the context of Pakistan. Between Pakistan and other parts of the world, a lot of cultural difference can be observed and that is unavoidable in nature. Further research should be conducted in some other cultural context to generalize the results. Responses were confined to only four major universities of Pakistan. Further researches must include some other universities as well as consumers from other fields of life. In this study, data were collected only from the students. Moreover, reward manipulation was based on the distributive justice that is one dimension of justice defined by Adams (1963). In future researches, this limitation must be addressed by the inclusion of other dimensions of justice.

References


The purpose of this study is to understand the relationships between perceived justice, customer satisfaction only with no differentiation between CSSW and CSSO. This study focuses on the level received by the customer as compared to other customers who did not. Consequently, we may cautiously claim that service encounters take place when other customers are absent. Whereas, in real service environments, these encounters may not be true, and people consciously or unconsciously may try to look for tangible facts, which can directly affect their perception of justice.

The idea of PJ comes from the justice theory (Adams, 1963), which suggests that people notice the preferential treatment provided by the service providers. Moreover, Equity theory states that individuals' comparison can make preferential treatment more problematic as only the focal customer is getting the preferential treatment. Therefore, equity comparisons (Söderlund et al., 2014; Jung & Seock, 2017) can make customers feel that they are not treated equally.

In this study, the extra element was; being recognized and getting the priority in the queue inside the service (Farrell, Souchon, & Durden, 2001). Whenever a customer has an inquiry, the first people employed via AMOS 22.0. SEM is a statistical procedure that is best suited to establish the reliability and validity of the research model. SEM is a widely used technique in the field of business management for testing the relationships between variables. The SEM model used in this study includes the constructs of perceived justice (PJ), customer satisfaction with service worker (CSSW), and customer satisfaction with service organization (CSSO).

We collected data from a convenient sample of 195 students (120 male, 75 female) enrolled in masters' level degree program of the four universities. The data collection period was from January to March 2018. The participants were selected based on their convenience, and the data collection was done through self-administered questionnaires. The data was analyzed using SEM and AMOS 22.0 software.

The results showed that PJ significantly predicts CSSW (H1: β = 0.18; p < 0.05) and CSSO (H2: β = 0.40; p < 0.05). Furthermore, CSSW leads to CSSO (H3: β = 0.26; p < 0.05). All findings are supporting the findings of previous studies (Moon et al., 2018; Moon & Attiq, 2018). Söderlund et al. (2014) has used the sample size of 184 for this type of study.

Future Recommendations

1. Further research should be conducted to understand the impact of perceived justice on customer satisfaction in different industries and contexts.
2. Researchers should explore the mediating role of perceived justice in the relationship between service worker and service organization.
3. Future research can focus on the moderating role of customer demographics on the relationship between perceived justice and customer satisfaction.

References