

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

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— *Review of* —
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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

2.1 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 the people affected by the allocation decision (Moorman, 1991).

H1: Interactional Justice has a significant effect on Recovery Satisfaction

2.2 Procedural Justice

According to Suliman and Kathairi (2013), Procedural Justice is an employee's perception of the 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 Karkouljian *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 whether 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 both Male and Female aged between 18-60 years who have used Singapore Airlines' services. Figure 1 shows the research model.

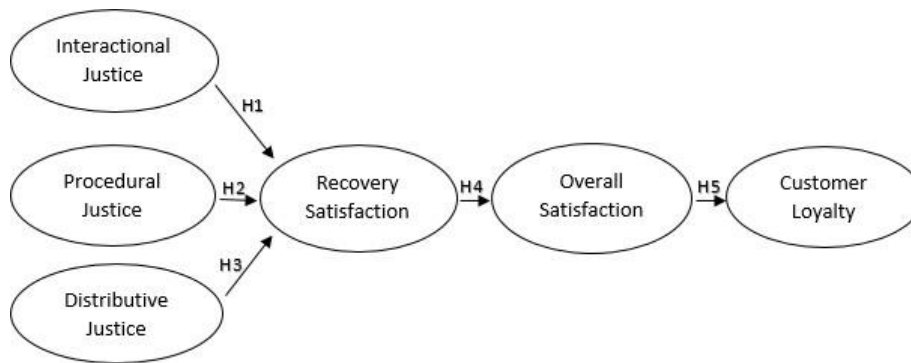


Figure 1. Research Model

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).

Table 4.1 Validity Test

| Indicator | | Indicator | | Indicator | | Indicator | | Indicator | | Indicator | |
|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|
| IJ | | PJ | | DJ | | RS | | OS | | CL | |
| IJ1 | .622 | PJ1 | .804 | DJ1 | .773 | RS1 | .877 | OS1 | .933 | CL1 | .896 |
| IJ2 | .692 | PJ2 | .857 | DJ2 | .830 | RS2 | .677 | OS2 | .818 | CL2 | .921 |
| IJ3 | .763 | PJ3 | .906 | DJ3 | .830 | RS3 | .902 | OS3 | .878 | CL3 | .921 |
| IJ4 | .763 | PJ4 | .857 | DJ4 | .773 | | | | | | |
| IJ5 | .763 | PJ5 | .802 | | | | | | | | |
| IJ6 | .848 | | | | | | | | | | |

Source: own calculation, 2022

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.

Table 4.2 Reliability Test

| Variable | Cronbach's Alpha |
|----------|------------------|
| IJ | .837 |
| PJ | .900 |
| DJ | .815 |
| RS | .748 |

4.1.3 Regression Results and Multicollinearity Test

Table 4.3: Regression results

| 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 |

Based on the findings, Procedural 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

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.

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