

Impact of Causal Attributions on Organisational Recovery Responses

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Abstract

The study investigated the impact of firms' recovery responses when their services fail. Customers view the fairness of these responses on the perceived dimensions of distributive justice, procedural justice, and interactional justice. The paper has taken into account the moderating role of attributions dimensions of stability, controllability, and responsibility on the effect of firms' responses. Structural Equation Modelling technique has been used to study the interactions of moderator attribution variables with the independent variables of firms' responses. Conceptually, the study demonstrates the relative importance of company's recovery strategies in affecting different dimensions of perceived justice, along with the moderating effect of attributions. Managerially, it shows the importance of basing firms' efforts on customers' causal attributions. If the failure is controllable, then apology becomes more important. When the firm could have controlled the situation, but did not or could not do so, then the influence of explanation and attentiveness is going to be reduced. If companies consistently fail, then it is more important for them to look into their processes and try to improve their service encounters, rather than trying to improve service recovery encounters.

Key words: *Service Failure, Organisational Recovery Responses, Causal Attributions, Customer's Perceived Justice*