



Growing pains the low cost carrier sector in Indonesia: Internal service quality using a critical incident technique



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ABSTRACT

This study explores managers' perceptions of internal service quality (ISQ) for building a safety culture in Indonesian low-cost carriers (LCC), using the critical incident technique (CIT) approach to determine the domain constructs of ISQ. This study used departmental managers or district managers who were drawn at random from the directory of the Indonesian Directorate General of Civil Aviation (IDGCA), and the researchers conducted critical-incident interviews with 23 of them. These respondents described a total of 163 useable incidents, giving accounts of positive and negative internal evaluations of service quality drawn from these incidents. Based on retrospective interviews and, after the incidents had been categorized, the study found that domain constructs of ISQ included human factors, process, punctuality, sales and marketing and safety. The managers' first-hand experiences helped clarify the domain constructs of ISQ in the LCC setting. By using internal service evaluations, management can assess the quality of service periodically and of safety awareness. These efforts could not only improve the reliability and quality of a company's services but also allow management to diagnose service errors through important components of service quality specifically defined for the airline business. The results of this study could be used to help improve current service quality internally. The ISQ results suggest practical actions for improvements that provide guidance to management, which can be achieved by the using the internal service evaluation technique to increase passengers' confidence in local air operators. These actions include improvements in human factors, process, punctuality, sales and marketing, and safety.

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1. Introduction

The critical incident technique (CIT) has been identified as a valuable diagnostic approach for service industry studies. The advantage of this technique is that it enriches levels of understanding of human interaction because CIT can observe specific interactions between human behaviour that either positive or negative experiences produce. Service is an intangible factor that often provides people who have consumed a service with long-life memories. Unlike a product, a service is often delivered without prior quality control testing. Thus, service inconsistency can become a major concern. Service researchers and practitioners alike are challenged in finding appropriate paths that eliminate inconsistency service output, which disrupt service performance. The objective is to minimize the gap between a customer's expectations and his perceptions. Helping to bridge this gap is CIT, which

can measure the many ethical and practical difficulties associated with direct observation (Narayananamy and Owens, 2001). In the past, studies of the causes and consequences of service failures generally were conducted from the perspective of the consumers. Only a few of the studies were conducted from the perspective of management involvement (Wen-Bao, 2006). CIT is a research technique that can generate deeper, less-known information to solve practical issues. CIT could be used to advance theory as well as to help practitioners with everyday solutions drawn from experiences (Islam, 2014; Bianchi and Drennan, 2012). CIT results offer many positive features for work organizations (Eklöf et al., 2014) when the process addresses the “how” and “why” questions.

Exploring service quality evaluations from the perspective of managers is essential for constructing a body of knowledge in the ISQ area. This study does so by looking at managers' experiences in overcoming airline service quality problems in Indonesia. Seeking managerial opinions through their experiences also will help to strengthen a theoretical justification, which links service quality and safety quality. The quantitative technique is mostly cited in the literature for standardizing the minimum level of

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safety requirements, yet no federally mandated standards exist for service quality as each airline is free to choose the level of service quality (Rhoades and Waguespack, 2000). Among the many important factors affecting civil aviation safety efficiency, human competence and attitudes have been highlighted as among the most important factors that an airline should address for further investments in training (Cui and Li, 2015). Consumers often assess the more obvious service quality spending rather than the less visible safety spending. A traveller may use service quality as a basis for judging the overall quality of the airline (Rhoades and Waguespack, 2004), and price-conscious consumers may use service quality as a basic criterion for choosing an airline before traveling.

A study of safety and service improvement is critical because these factors concern the lives of many people and a country's reputation and because improvement enhances airline business performance. This current study takes place in Indonesia where policy makers and airline practitioners are currently striving to improve the quality of safety and services. Some efforts that have already been made have included improving runways, navigation systems, operational devices, aprons, taxiways and upgrading fencing and X-ray systems. Such has been necessary because in 2007, the EU (European Union) imposed a blanket ban on all Indonesian airlines after a series of fatal crashes (flightglobal.com, 2009). After fulfilling several criteria that the EU had proposed and demonstrating safety and services improvements, the EU took several, but not all, Indonesian carriers off its aviation black list (BBC news, 2009).

Aircraft accidents seem to be part and parcel of the country's aviation history and development. The most recent of which was AirAsia QZ8501, which was carrying 162 passengers from Surabaya in Indonesia to Singapore, that disappeared on 28 December 2014. It was found to have crashed into the Java Sea off Borneo. Indonesia's transport minister, Ignasius Jonan reported that the plane's black box showed that the pilots were desperately trying to stabilize the aircraft to avoid threatening clouds. Before the craft crashed, they had requested permission to climb from 32,000 feet to 38,000 feet but were denied permission because of heavy air traffic. Radar data showed that the doomed jet was climbing at about 6000 feet a minute, a rate that only a fighter jet could normally achieve. In normal operation, commercial planes are only able to achieve a climb rate of between 1000 and 2000 feet per minute (NBCnews, 2015).

Jonan had threatened to terminate all low cost carriers business models in Indonesia, because air crashes are frequent in this type of airline. He assumed that affordable prices had led to ignorance of airline safety aspects and were accentuated because price consciousness meant minimum services were the priority.

What is the truth? Who should be blamed in this case? Was it the pilot, the aviation systems or the weather that needed to be blamed?

The answer to these questions is complex. Indonesia is struggling to provide enough qualified pilots, mechanics, air traffic controllers and updated airport technology to ensure safety quality (CBCnews, 2014). Thus, a study of the experiences of Indonesian managers in improving service and safety performances not only can be used as a case study for other countries experiencing the same problems but also can contribute to the literature of airline service management, especially in developing the ISQ construct. Employees can observe the need for services and safety improvements for customers because employees directly impacts external service quality outcomes. Thus, properly implementing an ISQ strategy will impact a company's image and its business performance.

Around the world, various techniques have been used to analyze airline service quality. Among the most popular techniques in United States are the Service Dismality Index (SDI), the Airline Quality Rating (AQR) and the Airline Service Quality Performance

System (ASQP). The SDI is calculated based on data for on-time flights, baggage reports, overbooking, passenger complaints to the U.S. Department of Transportation and cancellations standardized by departures to track the rise and fall of airline service quality. The AQR is a negatively weighted score and is as a simple ranking of U.S. airlines without much discussion of the meaning of computed scores. No airline has received a positive score, and this makes the ranking of little value to consumers (Waguespack and Rhoades, 2014). Lastly, airline management in the United States provides the ASQP through a report to the U.S. Department of Transportation, providing airline performance based on on-time performance, flight delays, and cancellations.

Unfortunately, although the data provide thresholds for managers in the airline industry, the meaning behind all the ratings and statistics remains difficult to interpret and thus remains problematic in providing practical solutions. An elaboration of the "how" and "why" questions is relevant to CIT. The question of "how" addresses the internal aspects of service provision that leads employees to provide low-quality service, which in turn, leads to dissatisfaction among customers. The question of "why" explores why airline managers should consider ISQ as a means of providing better experiences and feelings of safety and security when passengers fly with their chosen airline. By addressing these questions, a company could strengthen its brand in the industry.

The intention of the study is to explore managers' perceptions and interpretations of experiences in internal service evaluations and being part of safety culture in LCC airline organizations. This gives rise to the following three objectives that are to: (1) identify situations of significance for employees with regard to internal service evaluation; (2) examine managers' perceptions of the important factors in internal service evaluation; and (3) consider how employees respond to ISQ in an organization. The first section of this study discusses the extant CIT literature in the service sector, and the remainder of the paper flows as follows: Section two provides a review of the Indonesian aviation industry and highlights service quality and safety issues. Section three proposes using the CIT to overcome industry problems. After that, CIT procedures, analysis and findings are provided. The last section contains a discussion and conclusion, followed by limitations of the study.

2. Literature review

The whole picture on critical incidents during service encounters is difficult to find in existing social science studies. CIT is an excellent approach, which allows the respondent to identify non-routine incidents. Although service incidents have been perceived as important factors, they have not been identified extensively in either standard service procedures or service attribute studies (Callan, 1998). Grace (2007) used CIT to collect entire and accurate stories and found that CIT was suitable for the study of the behavioural intention. Furthermore, CIT has met the research objectives of identifying the antecedents, dimensions and consequences involving experiences embarrassing to customers in several contexts. Irvine et al. (2008) used CIT to elicit the perceptions of student nurses about language awareness. Student nurses identified positive and negative instances of language matters in healthcare that were driven by personal and organizational strategies, which impacted patient care and student learning. Increasing the focus on improving the quality of healthcare, doctors and nurses described incidents in their own words. Critical incident monitoring has been shown to be an effective tool in detecting latent errors and eliminating them in a multidisciplinary intensive care unit (Chacko et al., 2007).

The technique could be adapted to meet the requirements of many specific study contexts (Flanagan, 1954). The CIT provides rich details that could be useful in the development of scales or

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