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The Role of Organizational Agility and Transformational Leadership in Service Recovery Prediction

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Abstract

The main goal of this research was to develop a conceptual model for defining the relationship between organizational agility and transformational leadership in personnel service recovery among governmental organizations. Due to the role of service recovery in customer satisfaction, previous researches have been focused on different factors leading to better service recovery. Due to its interwoven relationship with organizational flexibility and transformational leadership (with its supportive role) as well as with service recovery, organizational agility can play an eminent role in this process. Present research was on the basis 149 randomly-selected personnel; the findings indicated that (1) transformational leadership and (2) organizational agility have positive impact on service recovery. Moreover the findings indicated that suitable application of organizational agility and transformational leadership may lead the organization to better and suitable service recovery. The mutual role of these two factors can help managers in governmental organizations to pay more attention to the leadership styles applied in these organizations.

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1. Introduction

Failure in service delivery occurs when the required services provided in some poor and incomplete ways; this would lead to more costs and energy and would be a great hurdle on the way of competition with other organizations. Service recovery is an action during which one can employ facilities logically in a way that it makes

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more lucidity among customers (Othman et al 2013, 117). It is for decades that organizations and companies are trying to improve the speed and efficiency of providing information and the materials related to organizational performance in service delivery chain to show the importance of time-oriented competitive advantage in dynamic business environments; while no companies have been able to convert their operational success to constant performance. Despite the improvement in speed and operational performance, institutes create an area of competitive conflict when they cannot react to the environmental dynamism and unexpected challenges. Institutes must try both to facilitate the process of goal fulfillment and to create agility and compatibility (Shin et al 2015, 181). When the clients are not satisfied due to lack of suitable service delivery, organization would try to concentrate on the recovery of those deficiencies to have an impact on costumers' appraisals and behaviors (Baker et al, 2015, 181). This requires leader's speed, flexibility and ability in changing conditions. In non-profit organizations, the client-personnel and client-organization relationships are among the kinds in which services received without any financial turn. This may lead to a condition in which clients would not inclined to declare their dissatisfaction and even the organization would not aware of the service delivery failure, the continuity of which may lead to costumers' complaint and developing negative attitudes toward the organization; while positive service recovery may lead to customers' satisfaction (Homburg & Furst, 2005, 95). Tsourveloudis and Valavanis (2002) defined agility as business potential to perform profitable tasks in an international market that is always changing and dividing; moreover they defined it with some descriptions like high quality production, high performance, and customized goods and services (Tsourveloudis & Valavanis 2002, 330), which indicate the emphasis on agility in profitable organizations; while flexibility in non-profit organizations may discussed as agility and affects service recovery.

2. Review of Literature and Hypotheses

2.1. Service recovery and transformational leadership

During the last few years, the ethics, corporate compliance, and anti-fraud functions have confronted a fast improvement. This kind of growth was described as a kind of reply to many advanced profile governance defeat and coming regulatory reforms (Andreisová, 2016). In general, cultural dimensions of power distance, individualism, masculinity, and uncertainty avoidance seem to affect service disconfirmation. The impact of culture on the assessment process is investigated to account for the various effects of apology and compensation on customer perception about service failure and recovery (Wong, 2004).

To repeat, the culture influences leadership as much as leadership impacts culture. For example, a powerful organizational culture, with advantages and internal help for more independence at lower levels, can impede upper administration from expanding its personal power at the cost of middle-level administration. On a more certain level, the culture can influence how decisions are made with regard to areas like recruitment, selection, and placement inside the organization (Bass & Avoilo, 1993).

2.2. Leadership style affects cultural functions and organizational performance

Researchers have examined the links between leadership styles and performance (see Bycio et al., 1995), and also between organizational culture and performance (see Denison, 1990; Peters and Waterman, 1982; Kotter and Heskett, 1992). Besides, many dimensions of the organizational culture literature refers to the role of leaders in 'producing' and 'preserving' special types of culture (for example, Schein, 1992). Following this, the literature related to leadership recommends that the power to comprehend and work within a culture is a requirement to leadership success (see Hennessey, 1998).

In order to improve employee and organization performance, transformational leadership develops suitable relationship with subordinates and encourages employees to think beyond their personal needs to group and organization interest (Burke and Collins 2001).

As a result through affecting organizational culture, transformational leadership can affect employee's expression of apology, word of mouth, and compensation. In conclusion transformational leadership have a positive impact on employee's service performance (Lin, 2011) and long term service relationships (Liau, Chang, 2007). Therefore, after occurrence of a service failure, the post-incident service performance relies not only on the timely treatment of

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