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# The impact of human resource management practices on service recovery performance

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### **Abstract**

Service failure and recovery remain important issues for both academicians and researchers in recent years. This study examines the direct empirical relationship between human resource management (HRM) practices on service recovery performance in United Arab Emirates – Abu Dhabi's Healthcare Sectors. Results show that all the predictors have significant and insignificant effects on service recovery performance with service technology support. This study implies that HRM of healthcare in UAE should come forward and try their best to present a better work environment for employees to enhance service recovery performance to maintain customers' satisfaction.

**Keywords**: Service recovery performance, Organizational commitment, Training, reward, Teamwork and service technology support.

### El impacto de las prácticas de gestión de recursos humanos en el rendimiento de la recuperación de servicios

### Resumen

El fracaso del servicio y la recuperación siguen siendo cuestiones importantes tanto para académicos como para investigadores en los últimos años. Este estudio examina la relación empírica directa entre las prácticas de gestión de recursos humanos (HRM) sobre el rendimiento de la recuperación de servicios en Emiratos Árabes Unidos: los sectores de atención médica de Abu Dhabi. Los resultados muestran que todos los predictores tienen efectos significativos e insignificantes en el rendimiento de recuperación del

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servicio con soporte de tecnología de servicio. Este estudio implica que la gestión de recursos humanos de la atención médica en los Emiratos Árabes Unidos debe presentarse y hacer todo lo posible para presentar un mejor ambiente de trabajo para que los empleados mejoren el rendimiento de la recuperación del servicio para mantener la satisfacción de los clientes.

**Palabras clave:** Rendimiento de recuperación de servicios, compromiso organizacional, capacitación, recompensa, trabajo en equipo y soporte de tecnología de servicios.

### 1. INTRODUCTION

Currently, healthcare sectors have faced many fundamental alterations and challenges because of the changes in government policies, procedures to the rapid development in information technology, and increase in diseases such as obesity, blood sugar, pack pain, nerves pain, and heart-related diseases, resulting in a growing need for medical professionals (BAICKER, KATHERINE, & GOLDMAN, 2011), which leaded healthcare sectors to expand in all aspects. As a result, consumers' awareness of healthcare services grew locally and globally. Some parts of this expansion were in the U.A.E, especially in healthcare sectors. Therefore, hospitals (public and private) should use the best strategies and take necessary actions for their employees to work more effectively and efficiently by supporting and motivating them.

This will increase their levels of satisfaction, which in turn improve and increase employee involvement, loyalty, and commitment to the organization. WILSON et al (2012) stated the service recovery performance (SRP) "refers to the actions taken by a corporation or service provider in response to a service failure." Therefore, the role of SRP is fundamental in helping organizations to increase customer satisfaction

because the employees serve the customer directly. The massive growth of the U.A.E.'s healthcare sector poses primary major challenges: recruiting and educating enough quality medical personnel. Over the next years, the U.A.E. will need a surge of medical personnel to meet its growing demand for high-quality services in the treatment of illness and injuries.

The Health Authority - ABU DHABI (HAAD) in 2015 reported that the Emirate would need 4,800 new doctors and 13,000 new nurses by 2022. Meanwhile, the Director General of the Dubai Health Authority estimated in early 2015 that Dubai would need 7,323 more doctors and 8,510 nurses over the next decade. It is justifiable to say that development employee job satisfaction and employee retention strategies lead to improve employees' work performances and productivity, leading the organization to achieve its own prescheduled objectives and goals. While various other sectors such as banking, food & beverage (F&B) and manufacturing, and so on have been previously studied and tested, the healthcare sectors in the U.A.E. have very rarely been the subject of research thus far. To fill the gap in literature, this current study was conducted. The model was developed which consisted of independent variables (organizational commitment, training, reward, teamwork and service technology support) and dependent variable (SRP).

Currently, there are a total of 104 licensed hospitals in the U.A.E. They comprise approximately 13,568 beds, 904,816 inpatient admissions, 3.5 million outpatient attendances, 10,762 doctors, and 24,725 nurses. In Abu Dhabi, there are 39 hospitals comprising 25 private and 14 government hospitals. Due to the shortage of medical personnel – nurses in particular in the U.A.E. – employee retention has become a pressing matter (U.A.E. Business Council, Healthcare Sector, 2015 and 2016).

### 1.1. Problem statement

Currently, the U.A.E. will need specific types and skills of medical employees that are already lacking. Next time, the U.A.E. will require an influx of medical employees to meet its increasing demand for high-quality medical services. The Health Authority - Abu Dhabi planned in a September 2015 report that the UAE will need 4,800 new doctors and 13,000 new nurses by 2022. At the same time, Dubai Health Authority estimated in early 2015 that Dubai will need 7,323 more doctors and 8,510 nurses over the next decade.

There are several factors that contribute to the shortage of doctors and nurses in the health sector in the UAE and the reason is partly due to influence of the cultural norms, approximately 3% of the 23,000–25,000 staff nurses (U.A.E. Healthcare Sector: September 2016). In Abu Dhabi the ratio is even lower, with The National Report in January 2016 that only 1.6% of the 7,000 staff nurses employed by the Abu Dhabi Health Services and the threat of criminal procedures for treatment complaints do not stimulate some foreign medical qualified personnel from working in the U.A.E. Expatriate medical employees tends to have high turnover, as many medical personnel consider the U.A.E.

### 1.2. Research questions

This study aimed to answer the following questions:

1. Is there a significant relationship between organizational commitment and service recovery performance in United Arab Emirates – Abu Dhabi's Healthcare Sectors?

- 2. Is there a significant relationship between employee training and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors?
- Is there a significant relationship between employee rewards and service recovery performance in United Arab Emirates – Abu Dhabi's Healthcare Sectors?
- 4. Is there a significant relationship between teamwork and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors?
- 5. Is there a significant relationship between service technology support and service recovery performance in United Arab EmiratesAbu Dhabi's Healthcare Sectors?

### 1.3. Research objectives

- 1. To investigate the relationship between organizational commitment and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- 2. To investigate the relationship between employee training and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- To investigate the relationship between employee rewards and service recovery performance in United Arab Emirates – Abu Dhabi's Healthcare Sectors.

- 4. To investigate the relationship between employee teamwork and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- 5. To investigate the relationship between service technology support and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.

### 1.4. Research hypotheses

- H1. There is a significant relationship between organizational commitment and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- H2. There is a significant relationship between employee training and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- H3. There is a significant relationship between employee rewards and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- H4. There is a significant relationship between teamwork and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.
- H5. There is a significant relationship between service technology support and service recovery performance in United Arab Emirates Abu Dhabi's Healthcare Sectors.

### 1.5. Significance of the study

This study will contribute to healthcare services and employee in the hospitals. This study is exceptionally important in this field because it focuses on the organizational commitment, employee training, rewards, teamwork, and service technology support factors as predictors of the SRP. SRP frequently reported challenges to healthcare services all over the world. Healthcare is an essential service that deals daily with the lives of the people around the world at vulnerable and significant times: delivery, sickness, and passing away. Various factors have been found to influence the performance of a service recovery; yet, more research is needed to provide sufficient information for improving the SRP, especially in the healthcare sectors.

Research in this field can improve the knowledge of the healthcare managers and provide more information for improving recovery service in the healthcare sectors. Appropriate researches can also help recognize governments' aim of improving healthcare in societies and enhance the well-being of population. Consequently, this study will examine the relationship between organizational commitment, training, rewards, teamwork, and service technology support as predictors of the SRP. The findings of this study can improve the knowledge of employees (nurses) in the hospitals who are working in the healthcare sectors to know the influence of the factors on SRP and increase the customer satisfaction. Finally, this study can help the employee in the hospitals who deal with the health and well-being of the majority of population to increase the quality of their service and customer satisfaction.

Recently, service failure and recovery has become a more important research topic for enterprises, customers, employees, and researchers. Service recovery refers to the actions a supplier takes in feedback to a service failure (Tax & Brown, 2012). A service failure occurs when customers' perceptions of the service do not contest with their expectations (Johnston and Michel, 2008). SRP is described as the behaviors in which customer service employees who directly handle customer complaints involve recovering customer satisfaction and loyalty after service failures in healthcare sectors (LIAO, 2007).

The outcomes of SRP can increase or decrease the satisfaction level of customers. To study and examine the consumer response to service recovery elements using scenario-based experiment, HARRIS et al. (2006) have found that good SRP level positively influences the satisfaction and intention of repurchase in online and offline environment. By studying and reviewing the literature review, a disagreement in the findings and results of researchers is found. While some research attributed the success in service recovery due to the frontline employees (MASOUD & HMEIDAN, 2013), other associated the success due to the organization's strategies (ZAHARI & RADZI, 2013). Some other researchers are related to the SRP due to the customers' characteristics (LIN, 2011).

### 2. METHODOLOGY

In this study, the quantitative approach or correlation and multiple regression research design was used as it appeared to be more appropriate for investigating the relationships and impact of organizational commitment, employee training, employee reward, teamwork and service technology support, and SRP.

The population and sample for this study were nurses of various rankings from seven hospitals in Abu Dhabi. The hospitals were selected based on their bed capacity, number of nurses, and geographical distributions. The types of samplings used were that of convenience and representative samplings. Of the 350 questionnaires distributed, 278 were answered and returned and 255 of those were eventually selected for the final analysis. The response rate of the participants was approximately 72%.

### Cronbach's alpha of the pilot study

A pilot study was conducted in three hospitals. For this purpose, 40 respondents were selected. Based on the results analysis, the Cronbach's alpha showed that all the items were consistently and positively correlated. Table 1 depicts a summary of the reliability results based on the pilot test carried out prior to the actual data collection. Overall, the reliability measurements ranged from 0.85 to 0.89 on Cronbach's alpha.

Table 1: Cronbach's alpha

No	Variable	Items	Cronbach's alpha		
1.	Organizational commitment	4	0.89		
2.	Employee training	5	0.87		
3.	Employee reward	7	0.89		
4.	Teamwork	5	0.85		
5.	Service technology support	4	0.86		
6.	Service recovery performance	5	0.88		

Table 2. Demographic variables

Gender (n = 255)	Percentage		
Male	58.0		
Female	42.0		
Total	100		
Mutual status (n = 255)			
Single	38.0		
Married	59.0		
Others (please state)	30		
Total	100		
Age $(n = 255)$			
20–30	38.4		
31–40	48.6		
41–50	12.2		
< 50	0.8		
Total	100		
Level of education $(n = 255)$			
Diploma	27.8		
Bachelor	52.5		
Master	13.7		
Doctorate	2.4		
Others (please state)	3.5		
Total	100		
Occupation (n = 255)			
Junior nurse	23.9		
Middle nurse	42.4		
Senior nurse	26.7		
Others (please state)	7.1		
Total	100		
Salary (n = 255)			
< 2,000	1.2		
2,000–5,000	43.1		
<10,000 DHM	56.6		
Total	100		

### 3. RESULTS AND DISCUSSION

### 3.1. Demographic characteristics

In regard to gender, majority of the respondents were in the male group (58%) while 42% belonged to the female group. Results showed that male nurses currently dominate the nursing profession among Abu Dhabi hospitals indicating that the nursing profession is more desired career choice for males. In regard to the respondents' marital status, results show that majority of respondents were married (59.4%), followed by unmarried respondents at 38.3% while others stood at 3%. 12.2% of the respondents were aged between 41 and 50 years and 0.8% were above 50 years of age. The largest age groups of the respondents were the two youngest groups (20 to 30 years old and 31 to 40 years old) which added up to more than 58% of the hospitals' total employees. This suggested that young male and girls were keen on nursing as a career choice.

In regard to education levels, majority of the respondents had obtained a degree (52.5%), followed by 27.8% who had a diploma, 14% with masters qualifications, 2.4% with doctorate degrees, and others which stood at 3.5%. The result indicated that nurses in hospitals were content with the minimum standards required to enter the nursing line of work in UAE. In regard to occupation rankings, majority of the respondents were middle nurses (42.4%) followed by senior nurses (26.7%), junior nurse group (24%), and others (7.1%). Results also showed that hospitals frequently hold training sessions for nurses, and this had increased their productivity at the workplace.

Lastly, in regard to salary, results indicated that 1.2% of the respondents earned between AED 2,000 and 5,000 a month, followed

by 43.1% of those earned a monthly income of 5,000 to10000 at whereas 53.7% earned monthly incomes of more than 10000. Results also suggested that the general monthly salary of nurses in hospitals ranged between AED 2,000 and 10,000.

Pearson's correlation and multiple regression analysis

Table 3: Correlations

		Organizational commitment	Employee training	Employee rewards	Teamwork	Service technology support	Service recovery performance
	Pearson	1	0.791**	0.643**	0.604**	0.649**	0.537**
Organizational	correlation		0.000	0.000	0.000	0.000	0.000
commitment	Sig. (two- tailed)		0.000	0.000	0.000	0.000	0.000
	N	255	255	255	255	255	255
	Pearson	0.791**	1	0.754**	0.664**	0.625**	0.502**
Employee	correlation						
training	Sig. (two- tailed)	0.000		0.000	0.000	0.000	0.000
	N	255	255	255	255	255	255
	Pearson	0.643**	0.754**	1	0.623**	0.507**	0.467**
Employee	correlation						
rewards	Sig. (two-	0.000	0.000		0.000	0.000	0.000
10114145	tailed)	255	255	255	255	255	255
	N Pearson	255 0.604**	255 0.664**	255 0.623**	255 1	255 0.732**	255 0.596**
	correlation	0.004	0.004	0.023	1	0.732	0.390
Teamwork	Sig. (two-	0.000	0.000	0.000		0.000	0.000
	tailed)						
	N	255	255	255	255	255	255
	Pearson	0.649**	0.625**	0.507**	0.732**	1	0.761**
Service	correlation	0.000	0.000	0.000	0.000		0.000
technology	Sig. (two-	0.000	0.000	0.000	0.000		0.000
support	tailed) N	255	255	255	255	255	255
	Pearson	0.537**	0.502**	0.467**	0.596**	0.761**	1
	correlation						
Service recovery performance	Sig. (two- tailed)	0.000	0.000	0.000	0.000	0.000	
	N	255	255	255	255	255	255

<sup>\*\*</sup>Correlation is significant at the 0.01 level (two-tailed)

To serve the purpose of this research, Pearson's correlation coefficient (r) was first carried out to verify if a relationship between the independent variables— organizational commitment, employee training, employee rewards, teamwork, service technology support—and the dependent variable—service recovery performance existed. This analysis served to test hypothesis 1, 2, 3, 4, 5. Additionally, multiple regression analysis was employed to determine the predictive value of the model.

### Hypotheses

Hypothesis 1: There is a relationship between organizational commitment and SRP

The results suggested that employee rewards were positively correlated to employee satisfaction (r = 0.54, P < 0.01). Therefore, it can be safely concluded that the hypothesis was accepted (see Table 3). The findings of this study depicted the measure of influence organizational commitment has on service recovery ( $\beta = 0.547$ , t-value = 9.892, P = 0.01) (see Table 5). The findings prove the organizational commitment is important for SRP especially in the healthcare sector. This study consistent with findings of other previous studies such as MICHEL ROD et al. (2009), which found that organizational commitment positively affected SRP. And this study is consistent with MICHEL ROD and ASHILL (2010), who found that organizational commitment affects SRP positively in the healthcare sector. In addition, the results of the study by BOSHOFF and ALLEN (2000)

indicated the organizational commitment exerts a strong positive influence on the SRP of frontline staff. In addition, the results stated that managerial commitment do not influence SRP.

Hypothesis 2: There is a relationship between employee training and SRP.

The results of correlation analysis indicate that employee training was positively correlated to SRP (r = 0.50, P < 0.01). Therefore, it may be concluded that the hypothesis is accepted (see Table 3). It is also interesting to note that employee training was strongly related to other independent variables as well. Regression analysis results in Table 5 indicated that there was an insignificant relationship between employee training and service recovery ( $\beta = 0.259$ , t-value =2.234). Major results of the study indicated that employee training has significant effect on SRP, though these findings are also consistent with other studies such as PIARALAL et al. (2016). The results of this study showed that employee training has an influence on staff's SRP.

Hypothesis 3: There is a relationship between employee reward and SRP.

Results show that employee reward is strongly correlated to SRP (r = 0.47, P < 0.01). Therefore, it may be concluded that the

hypothesis is accepted. Results from the regression analysis (refer to Table 5) indicated that there was a significant relationship between employee rewards and SRP ( $\beta$  = 0.109, t-value = 1.076), in line with a prior study by MAHYOUB, FAREA, and BARDAI (2017) and PAI1, FAN-YUN, YEH, and TSU-MING (2017).

Hypothesis 4: There is a relationship between Teamwork and SRP.

### 4. CONCLUSION

Overall, the results from the study showed, it is evident that the dimensions of SRP that employee rewards and employee training are insignificantly impact on SRP, among nurses in Abu Dhabi's hospitals. Thus, employee rewards and training were not the only determinant of SRP. Since employees in the health sector are regarded to be well paid, employees are more motivated by non-physical factors such as working conditions, positive words of encouragements about their accomplishments in the workplace. In conclusion, it can be said that factors of SRP have a positive and negative effect on service recovery. In addition, employee rewards and employee training—though do not necessarily result in SRP. Findings of this study also suggests that in order to improve and develop SRP among nurses, healthcare management must be more fruitful in their efforts by paying more attention to improve employee rewards and training so that

organization can a achieve high profits and growth . Results of this study could be potentially useful in improving and enhancing SRP in organizations, as well as employee productivity in the healthcare sector.

The study was limited to nurses in the Abu Dhabi's Hospitals and as a result, any generalizations should be done cautiously due to the large number of hospitals in the U.A.E. Future research on this matter may delve into other variables that impact service recovery such as cultural norms between Emirati people which may have contributed to the current shortage of nurses in the country.

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