HOW PERSONALITY TRAITS AFFECT PERCEIVED FAIRNESS AND SATISFACTION IN HOTEL SERVICE

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ABSTRACT

This study examines the role of personality traits in hotel guests' perceived fairness and satisfaction. Using a survey of 225 guests from a luxury hotel in Taiwan, we found that personality traits assessed with the Five Factor Model moderate the relationship between perceived fairness and satisfaction. The results also indicated that for people with different personality traits, different dimensions of fairness have different weights in their overall fairness perception. Thus, fairness indeed, is in the eye of the beholder.

Keywords: perceived fairness, personality traits, satisfaction, hotel service

INTRODUCTION

The study of service fairness has gained considerable attention in hospitality research over recent years [22, 3, 20]. Scholars have explored fairness in hotel pricing [14], yield and revenue management in the hotel industry [15, 3], customer's sense of control and satisfaction in service encounters [22], as well as wait-list management of restaurants [20]. The findings of these studies highlight the importance of fairness in customer satisfaction in the hospitality industry. A vital issue related to fairness is the principles of fairness judgment. Just like beauty is in the eye of the beholder, fairness, too, may be up to different interpretations and judged with different principles. Besides an equity rule that states rewards should be proportional to contributions, Deutsch [6] argued that there are other rules, for example, equality rule, or need-based distribution, that come into consideration depending on the contexts. Thus, what is deemed fair by one person may seem utterly unfair by another? What are the factors that drive these differences in perceptions of fairness? This raises another question: what about personality and the perception of fairness? Do different personalities lead to different fairness perceptions? These are the questions that we set out to investigate in this research.

LITERATURE REVIEW

Fairness consists of four dimensions: distributive, procedural, informational, and interpersonal. The latter two are sometimes combined and referred to as interactional fairness. Procedural fairness deals with consistency. To be perceived as fair, procedures need to (a) be applied consistently across people and across time, (b) be free from bias, (c) ensure that accurate information is collected and used in making decisions, (d) have some mechanism to correct flawed or inaccurate decisions, (e) conform to personal or prevailing standards of ethics or morality, and (f) ensure that the opinions of various groups affected by the decision have been taken into account [16].

The viability of service fairness, especially distributive fairness, rests on the claim that consumer reactions to services are, at least in part, based on equity theory. When procedural matters are concerned, consumers will only consider the service as fair when it is consistent, free of bias, and accurate. Besides the four traditional fairness dimensions, a new dimension called overall fairness is proposed. Overall

fairness is defined as an evaluation of overall fairness derived from the evaluation of original four dimensions of fairness [11]. Researchers have found that fairness is positively related to customer loyalty [12], interactional fairness leads to satisfaction and predicts behavioral intentions, fairness, and that procedural and interactional fairness leads to higher satisfaction in service recovery [10]. Increasing attention has been given to dispositional effects in organizational studies over the years [13]. These findings also benefit research in consumer studies, where relatively little efforts have been exerted toward this direction. Researchers set out to explain why some people always feel happier than others in two different approaches. Proponents of the genetic approach argue that dispositions are innate [17] ; with evidence indicating that the job satisfaction experienced by identical twins reared apart is higher than that of less closely related individuals [1] . The set of individual characteristics selected for the present study is personality in terms of the Five-Factor Model (FFM). We propose these Five Factors as moderators to the fairness-satisfaction relationship. Further, we think different dimensions of fairness may carry different weights for people with different personality traits. The five dimensions are briefly described below [19, 9, 21].

Extroversion

The dimension of Extraversion involves attributes such as sociability, affiliation, and gregariousness as well as the extent to which individuals are dominant, bold, and assertive. Extraverts are predisposed to experience positive emotions [5], and positive emotionality likely generalizes to satisfaction.

Agreeableness

Agreeableness involves a tendency to be altruistic, cooperative, and warm. Individuals high on this dimension are oriented toward serving and helping others. People high on agreeableness can be characterized as highly cooperative, sociable, and empathetic to others. In contrast, a person who is at the low end of this personality dimension can be labeled antagonistic, temperamental, argumentative, and emotional.

Emotional Stability

Emotional stability refers to individuals who are poised, self-reliant, and stable, although it is often discussed in terms of Neuroticism, referring to individuals low on Emotional Stability. Neuroticism involves characteristics such as insecure, indecisive, and tense. Prior research [2] suggests that personality is important for predicting responses to fairness/unfairness.

Openness to Experience

Openness to experience is related to scientific and artistic creativity [7], divergent thinking, low religiosity, and political liberalism [18]. Attributes included in this dimension include imaginative, curious, and original. High Openness to experience is related to higher creativity [7], divergent thinking, low religiosity, and liberalism [18].

Conscientiousness

Finally, a primary component of the Conscientiousness dimension is dependability. Individuals high on Conscientiousness tend to be responsible, organized, and efficient. Conscientiousness included goal-directed behavior (such as efficacy and rule conscious) and control-related traits(such as internal locus of control and impulsivity).

DATA COLLECTION

Survey method is adopted for data collection. We collected data from guests of one luxury hotel located in a famous vacation resort in South Taiwan. The self-administered questionnaire was distributed to each guestroom before guests check-in with an introduction letter stating the purpose of this research as well as ensuring anonymity. Guests were advised to turn in the finished survey when they check-out for a small gift-card of NT 100 dollars as a token of appreciation. A total of 297 survey questionnaires were distributed and 231 were returned, resulting in a response rate of 77.9%. After deleting samples with more than 4 missing values (excluding the demographics part) , 225 samples remain useable ones. The sample consists of 107 men, 108 women (10 missing value), 69.8% of the sample are under 40 years of age, and 83.6% are vacationers. All questions adopt five-point Likert scales ranking from extremely disagree (1) to extremely agree (5).

RESULTS

Confirmatory factor analysis is performed and one item measuring neuroticism with factor loading under 0.5 is deleted. After the deletion all constructs achieve an average variance extracted (AVE) of above 0.50, and composite reliability of above 0.70. Convergent validity is gauged by examining the average variance extracted(AVE). Items associated with a given construct should be greater than .50, indicating more than half of the variance is true score instead of error [8]. We test our hypotheses with partial least squares (PLS) technique. PLS is similar to LISREL in that both structural relationships among latent variables and relationships between latent variables and observed variables may be modeled. The path coefficient exhibit of the main effect model is provided below.

Table 1: path coefficient table

Variable	Overall fairness
Interpersonal fairness	-0.017(n.s.)
Informational fairness	-0.105(n.s.)
procedural fairness	0.693***
distributive fairness	0.34***
Satisfaction	0.666***

(*** denotes significance at p<0.005 level)

To test moderating effects, PLS multi-group analysis is deployed to test the moderating effects. PLS multi-group analysis a commonly preferred technique for detecting moderating effects of non-parametric variables . The 225 samples were divided into three groups each consisting of 75 people according to their scores in a certain dimension of the Five Factor Model. Group one consists of those scoring the upper 1/3; while those with scores at the lower 1/3 were grouped into group two. The rest were discarded. The results of the PLS analysis of the moderating effects are presented in Table 2 below.

Table 2: results for PLS multi-group analysis

	coefficient1 (high)	standard error 1	coefficient 2 (low)	standard error 2	pooled estimator for the variance	T stat
EX	0.659	0.116	0.657	0.089	0.889	0.014
AG	0.489	0.078	0.737	0.06	0.599	**-2.537**
NR	0.636	0.097	0.672	0.08	0.765	-0.288
CS	0.588	0.077	0.699	0.07	0.633	-1.074

OE	0.605	0.105	0.59	0.079	0.799	0.115
EX-IP	-0.103	0.081	0.074	0.093	0.750	-1.445
EX-IF	-0.016	0.091	0.082	0.142	1.026	-0.585
EX-PR	0.668	0.105	0.382	0.131	1.021	**1.715**
EX-DS	0.424	0.108	0.423	0.147	1.110	0.006
AG-IP	-0.064	0.069	-0.026	0.075	0.620	-0.375
AG-IF	-0.127	0.084	0.119	0.173	1.170	-1.288
AG-PR	0.766	0.116	0.463	0.141	1.111	**1.671**
AG-DS	0.293	0.127	0.411	0.14	1.150	-0.628
NR-IP	-0.115	0.11	0.092	0.109	0.942	-1.346
NR-IF	0.011	0.147	-0.194	0.092	1.055	1.190
NR-PR	0.624	0.162	0.567	0.144	1.318	0.265
NR-DS	0.376	0.179	0.45	0.141	1.386	-0.327
CS-IP	-0.123	0.087	0.102	0.076	0.703	**-1.961**
CS-IF	-0.057	0.129	0.006	0.168	1.288	-0.299
CS-PR	0.676	0.145	0.691	0.166	1.341	-0.069
CS-DS	0.404	0.147	0.177	0.164	1.340	1.038
OE-IP	0.123	0.078	-0.21	0.08	0.680	**3.000**
OE-IF	-0.169	0.083	0.143	0.119	0.883	**-2.165**
OE-PR	0.856	0.124	0.425	0.116	1.033	**2.555**
OE-DS	0.129	0.13	0.56	0.116	1.060	**-2.490**

The fairness to satisfaction main effect is validated (coefficient=0.666, t=14.02, R square=44.4%), signifying the importance of perceived fairness to guest satisfaction. However, the effects of interpersonal and informational fairness to overall fairness are non-significant. In contrast, procedural and distributive fairness significantly influence overall fairness perceptions under the hotel context.

DISCUSSION

These results are perplexing at first glance. Two major issues demand explanation: first, the non-significant results for interpersonal and informational fairness to overall fairness, and second, the unexpected results for the moderating effects. To understand these results, we think that the context should be taken into consideration. Our survey is conducted in a luxury hotel in a major resort, with most guests as vacationers. For the hotel under study, the quality of staff service, especially interpersonal courtesy, is already very high. Indeed, the mean of interpersonal fairness is significantly higher than the other dimensions. Thus, it is possible that because most people perceive interpersonal fairness as already high, the effects of interpersonal fairness to overall fairness is attenuated. As regard to informational fairness, it is likely that typical hotel service is very much standardized and well understood, and not

much information seeking is performed by most guests. Another reason could be that for vacationers, information seeking usually happens in the vacation planning phase, and with the convenience the internet provides, little information is requested at the hotel instead. It is also worth noting that in most prior research of fairness or justice, distributive fairness has been found to be the most important dimension in organization studies [4]. In the hotel context, however, procedural fairness seems to weight more in the formation of overall fairness perception. This may be due to the fact that hotel service by nature is a continuous process, and except for price fairness, there is no end product or allocation of goods or rewards like in the organization context that contributes to distributive fairness perceptions. Thus, fairness perceptions are largely based on the experience of the service process.

CONCLUSION

These findings have important implications for hotel managers. First, the study shows that in the hotel context, the fairness dimensions that matter most are procedural and distributive fairness. This implies that for hotels that have already achieved a satisfaction level of interpersonal and informational fairness, a further increase in those two dimensions does not result in higher perceptions of overall fairness, and subsequently, higher satisfaction. It may even cause a drop in overall fairness perceptions for some people because the over-courtesy of hotel staff and too much information might seem annoying. The direction for improvement, then, lies in procedural and distributive fairness. Since procedural fairness carries the most weight in overall fairness perception, service managers should pay special attention to the contents of procedural fairness visible to consumers, i.e., consistency of process, free from bias, conformance to personal or prevailing standards of ethics or morality, and ensuring that the opinions of various groups affected by the decision have been taken into account. This research shows that fairness is indeed in the eye of the beholder. People with different personality perceive fairness differently. Some value interpersonal more than others, while procedural fairness maters more to some than others. It may not be practical to tailor fairness for every type of personality, but it does help to understand that different people have different needs. Thus, the key point is to be flexible and attentive. When a customer complains about something that may seem perfectly fair to some people, there is a reason. It's because that he/she sees it from his/her own angle and lens, but not that he/she is being purposely unreasonable. By being flexible and attentive, dissatisfaction of the customer may be alleviated as soon as it buds. For example, when a customer complains about receiving his morning paper five minutes late than the previous day, it could be that he is especially sensitive to procedural consistency, and a little extra effort to ensure that consequent services are consistently delivered will lead to better customer satisfaction.

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