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Customer Perception of Emotional Labor of Airline Service Employees and Customer Loyalty Intention

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Abstract

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This study investigated the link between customer perception of emotional labor of airline service employees, perceived customer orientation, perceived service quality, and customer loyalty intention. A self-reported survey conducted among 300 participants, who were asked to respond to questions on perceived employee deep acting, perceived employee surface acting, perceived customer orientation, perceived service quality, and customer loyalty intention, was conducted. A series of regression of analysis were performed on the data collected. The findings showed that perceived employee deep acting was significantly and positively related to perceived customer orientation and perceived service quality while perceived surface acting was negatively associated with perceived customer orientation and perceived service quality. Perceived customer orientation and perceived service quality were also found to influence customer loyalty intention. The implications of the findings for practice are discussed.

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Keywords: Emotional labor; perceived customer orientation; perceived service quality; customer loyalty; airline services.

1. Introduction

In an extremely competitive environment, such as in the hospitality sector, service employees' emotional display plays a critical role in maintaining loyal customers. Frontline employees are expected to manage their emotional display during the service interaction (Karatepe, 2010), known as emotional labor. Emotional labor refers to the service employees' display of organizationally desired emotions during encounters with customers (Ashforth & Humphrey, 1993). Focusing on work emotion has the

advantage of remaining courteous and friendly even when dealing with difficult customers. Hence, emotional labor is critical to customer outcomes, such as customer satisfaction and perceived customer orientation (Grandey, 2003; Groth, Hennig-Thurau, & Walsh, 2009; Karatepe, 2010; Lam & Chen, 2012).

There are two emotional strategies used by employees when encountering customers: deep acting, which is experiencing the desired emotion, and surface acting or faking the expected emotion. It is claimed that customers can distinguish between the real and fake behavior, and this perception affects their satisfaction and perception of service quality. Studies have shown that employee cooperation and service quality are related (Kelly, Hoffman, & Davis, 1994; Parasuraman, Berry, & Zeithaml, 1991). The experience of these feelings determines whether or not the customer stays or leaves (Tsai, 2009). Despite the importance of quality service provision, the relationship between emotional labor, service quality, and customer loyalty is still underdeveloped (Gremler & Brown, 1996), even though loyalty is critical to business success (Cronin & Taylor, 1992). Hence, this study was conducted to fill this gap in the existing body of knowledge and hence contributes to the growing literature on emotional labor in marketing research.

According to the job requirements and organizational expectation, frontline workers should display specific emotions (e.g., happiness) and overpower others (e.g., anger) (Grandey, 2000). Emotional labor is the process of managing both feelings and expressions to reach the organization's goal. Concentration on the concept of emotional labor helps understand how service organizations can better deliver the service to customers through the proper display of emotions.

2. Literature Review

Emotional labor is a kind of impression management that helps an individual to direct his/her behavior. Deep acting (displaying a genuine emotion) and surface acting (displaying a fake emotion) are the two main strategies for regulating emotions that employees use (Kruml & Geddes, 2000). In a service encounter, the personal interaction between the customer and the service employee is a critical part of customers' experience (Bitner, 1990). Hence, emotions play a significant role in the social processes as the employees' emotion regulations influence the service quality and subsequent customer loyalty which are critical customer outcomes for a service success (Meier, Mastracci, & Wilson, 2006). However, deep acting is likely to engender more favorable outcomes than surface acting (Kim, 2008) because the former is related to managing the feeling, whereas surface acting corresponds to the observable expressions of the customers. The prediction is that the service employees' deep and surface acting will result in a favorable perception of customer orientation and service quality, leading to customer loyalty (Grandey, 2000, 2003).

Employees' customer orientation demonstrates the degree to which their interactions meet customers' need (Hennig-Thurau, 2004; Hennig-Thurau, Groth, Paul, & Gremler, 2006). Efforts of employees to provide a genuine behavior should signal the customers that the employees are interested in satisfying their needs and reveal the extent to which their activities meet the customers' needs (Hennig-Thurau, 2004). On the other hand, a negative impact of surface acting on perceived customer

orientation is expected because a fake behavior will make the customers distrustful of the employees (Groth et al., 2009).

Service quality refers to the customers' overall impression of the superiority of the service (Bitner, 1990). According to Groth and Hennig-Thurau (2009), a positive impact of deep acting on service quality perception is expected due to the increase in service quality reliability. In contrast, the lack of originality of the surface acting will negatively affect the service quality due to the reduction in service responsiveness and reliability. Hence, we proposed the following:

H1: There will be a positive correlation between perceived employee deep acting and perceived customer orientation and perceived service quality.

H2: There will be a negative correlation between perceived employee surface acting and perceived customer orientation and perceived service quality.

According to Grandey (2000), emotional labor strategies – deep and surface acting – have a strong effect on perceived customer orientation and perceived service quality in service industries and subsequent customer loyalty. Customer loyalty occurs when a customer prefers a specific brand or product of a particular provider and consistently purchases the same product or service over a period of time (Lovelock & Wirtz, 2011). It was found that customer outcomes of perceived customer orientation and service quality have a critical role in building a long-term relationship between the customer and the service provider (Zeithaml, Berry, & Parasuraman, 1996). Customer-oriented attitudes and behaviors of the frontline staff are likely to motivate customers to stay loyal to the firm (DeWitt & Liu, 2002; Hennig-Thurau, 2004). Having loyal customers is a critical marketing strategy for achieving sustainable competitive advantage (Zeithaml et al., 1996). Thus, we hypothesized the following:

H3: Perceived customer orientation and perceived service quality relate positively to customer loyalty intention.

3. Methodology

Paper-based questionnaires were distributed to passengers landing at Kuala Lumpur International Airport. A total of 300 usable questionnaires were collected in five days from passengers of two international airlines (i.e., Emirates, Qatar Airways, and Malaysia Airlines).

Established measures were used to measure the key variables of perceived employee deep acting, perceived employee surface acting, perceived service quality, and customer loyalty intention. A five-point Likert scale was used to measure the items, ranging from '1' "strongly disagree" to '5' "strongly agree". Factor analysis and Cronbach's alpha were used to test the validity and reliability of the items.

Perceived employee deep acting was measured by six questions; three of them were adapted from Huang, Qu, and Zhang (2011), two from Groth et al. (2009), and one from Kim (2008). Perceived employee surface acting was measured by 10 items: three items adapted from Huang et al. (2011), three from Groth et al. (2009), and four items from Kim (2008). Six questions were asked to determine the perceived service quality of the airline service employees. Five of the items were adapted from Bloemer, Ruyter, and Wetzels (1999) and one of them from Groth et al. (2009). The participants' intention to becoming a loyal customer and maintaining with the airline was measured by eight

questions: three items were adapted from Ammari (2012), four from Groth et al. (2009), and one from Bloemer et al. (1999).

4. Findings

4.1. Profile of participants

The participants were somewhat evenly distributed among female (42%) and male passengers (58%). The majority of them were young adults between 20 and 29 years old (60%), followed by those in their thirties and forties (16% and 16%, respectively). Half of them had a master's degree (51.3%), followed by those who had a bachelor degree (38%), diploma (6%), a professional degree (5%), a doctoral degree (4%), and a high school certificate (1%). In terms of marital status, slightly more were married (56%). In terms of monthly (USD) household income, 16% belonged to the range of \$2001-\$2500, which was the biggest group. The second biggest groups were those earning \$2501-\$3000 and \$3001-\$3500 (each with 14.7%). With regards to ethnic origins, the participants were rather evenly distributed: Malay (28.7%), Chinese (16.7%), Indian (28.7%), and others (26%). The majority (70.7%) took international flights and the remaining (29.3%) domestic flights. The purposes of their travel were leisure (70%) and business (30%). Slightly more than half flew with the same airline 3-4 times per year (56%) while only 28% flew with the same airline less than two times per year. The average ticket price (USD) bought by slightly half of the participants (42%) was in the range of \$300-\$399.

4.2. Reliability and regression analysis

The Cronbach's alphas for all the scales were greater than 0.8, suggesting that the measures of employee deep acting, employee surface acting, perceived service quality, and customer loyalty intention were internally consistent.

The first hypothesis tested was the relationship between perceived employee deep acting (PDA) and perceived customer orientation (PCO) and perceived service quality (PSQ). Table 1 presents the regression result. PDA was found to be positively and significantly to PCO while negatively and significantly related to PSQ, supporting H1. Empirical support was also found for the second hypothesis (H2) as the result shows that a negative and significant link between perceived surface acting (PSA) and PCO and PSQ. In both hypotheses, PDA was more influential than PSA in explaining perceived customer orientation and perceived service value as reflected in the beta values. Emotional labor explained significantly 44.7% and 65.8% of the variance in PCO and PSQ, respectively.

Table 1. Regression analysis for H1 and H2.

IVs	Unstd. beta	Std. beta	T	Sig.	IVs	Unstd. beta	Std. beta	T	Sig.
Constant	8.863				Constant	12.725			
PDA	1.018	0.926	0.701	0.000	PDA	1.512	1.185	15.871	0.000
PSA	-0.308	-0.427	-4.477	0.000	PSA	-0.532	-0.673	-9.020	0.000

Note. Dependent variable = PCO; R = 0.667; R² = 0.447; F = 56.161; Sig. = 0.000

Note. Dependent variable = PSQ; R = 0.811; R² = 0.658; F = 13.666; Sig. = 0.000

The third regression was run to examine the relationship between perceived customer orientation (PCO) perceived service quality (PSQ) and customer loyalty intention (CLI). Table 2 shows that PCO and PSQ had a positive and significant influence on CLI, thus supporting H3. Table 2 also shows that both PCO and PSQ explained significantly 93.8% of the variance in CLI.

Table 2. Regression analysis for H3.

Independent variables	Unstandardized beta	Standardized beta	T	Sig.
Constant	-5.426			
PCO	0.939	0.544	10.277	0.000
PSQ	2.282	1.446	27.325	0.000

Note. Dependent variable = CLI; R = 0.968; R² = 0.938; F = 1103.413; Sig. = 0.000

5. Discussion and Conclusion

By and large, we were able to show that emotional labor (i.e. employees' deep acting and surface acting) plays a significant role in affecting customers' experience. Our results are consistent with previous studies (Groth et al., 2009; Hennig-Thurau, 2004; Hennig-Thurau et al., 2006).

Perceived deep acting of the airline employees plays an important role in the perception of the passengers about how willing the employees are to satisfy their needs. The greater the authenticity of such emotional display suggests a sincere interest in providing customer services and raises the customers' confidence in the reliability of the services offered. Our findings in this context support previous studies (Groth et al., 2009; Hennig-Thurau, 2004; Hennig-Thurau et al., 2006). As expected, surface acting was found to have a negative impact on customer's experiences because faking positive emotions may lead the customers questioning, either consciously or unconsciously, whether the employees are truly interested in their needs and motivated enough to satisfy them. Such acting will also reduce the customers' confidence in the service provider. This finding supports Groth et al.'s (2009) result. However, as surface acting corresponds to the observable expressions of the customers (Kim, 2008), it may not pose a serious conflict as long as customers do not recognize it. Consistent with our expectations also, perceived customer orientation and perceived service quality were found to enhance customer loyalty intention, supporting previous studies (Groth et al., 2009; Hennig-Thurau, 2004; Hennig-Thurau et al., 2006; Zeithaml, 2000; Zeithaml et al., 1996).

A high-quality customer service is considered a competitive advantage in the service industries. In order to boost customer satisfaction and loyalty to service firms, most companies stress on delivering "service with a smile" (Schneider, Ashworth, Higgs, & Carr, 1996). Service employees are the representatives of the service firm. Hence, they have the responsibility to create a favorable image of the company through their emotional displays (Rupp, Holub, & Grandey, 2007). This research suggests that deep acting is more effective in eliciting desired customer responses in the airline industry. Therefore, airline managers should encourage deep acting strategies to be used by their employees. During staff hiring, managers can choose individuals who are more likely to engage in

deep acting (Gosserand & Diefendorff, 2006). Training the employees is also an effective way to engage them in deep acting so that the customers receive original emotional displays.

Customer's inaccurate perceptions of emotional labor often influence customer outcomes. This means that airline managers should manage both employees' behavior and customers' subjective experience of the service. This can be achieved by improving the appearance and aesthetic quality of the service and the employees' customer orientation to influence customer loyalty intention. The managerial challenge here is to train employees to give individualized attention to each passenger and customize their service, although the service is subject to a high degree of standardization.

Our findings should be interpreted with caution. Firstly, although the sample size was adequate, a better sampling technique should be applied to obtain a representative sample. Secondly, our empirical design did not allow us to control for factors that could contaminate the results, such as the dynamics of employee-customer interaction, service environment (e.g., music) and distractions by colleagues and other customers. Future studies might control such factors to explain why some customers are better able to read employees' emotional labor strategies. Finally, although the survey items for measuring emotional labor were valid, they did not separate the influences of the different facets of emotional display, such as smiling, eye contact and body language on customers. Future research could employ new measurement approaches. Future research also benefits by exploring the positive word of mouth as an outcome of positive experiences among airline passengers. In this context, customer satisfaction and customer brand attachment could be considered.

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