Emotional Labor: The Role of Employee Acting Strategies on Customer Emotional Experience and Subsequent Buying Decisions

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ABSTRACT: Prior research has demonstrated the impact of employee emotional labor strategies (deep and surface acting) on customer behavioral intentions. However, there is limited data on the impact of emotional labor strategy on potential intervening variables and on actual buying decisions. This study extends the prior research by examining the effect of employee emotional labor strategies on customers’ emotional experiences and actual customer purchasing decisions. Data were collected from 294 employee-customer pairs from retail cell phone stores in China. Results indicated that choice of strategy (deep or surface) does significantly impact purchase decisions. In addition, the relationship between strategy and purchase is mediated by the customer's emotional experience.

Keywords: Emotion; emotional labor; deep acting; surface acting

JEL Classifications: M

1. Introduction

Although business management has traditionally focused on rational decision making models, recent trends have recognized the importance and value of emotions and emotional experience as influencing a broad range of consumer attitudes, including the perception of service quality (Chebat et al., 1995), loyalty to the institution (Tsai, 2001), perception of authentic service delivery (Gountas et al., 2007), customer satisfaction (Giardini and Frese, 2008; Kalcheva and Parasuraman, 2009), and future behavioral intentions (Martin et al., 2008). The preponderance of the evidence is clear, emotions matter; however, what is less clear is the relationship of the employee’s emotional strategic choices, customer’s emotional experience, and actual customer behaviors (rather than just attitudes). That is, the relationship between antecedent, intervening, and dependent variables is still unclear in the literature.

In terms of the antecedent variable, the emotional labor (Hochschild, 1983) literature provides insights into how service organizations may influence the emotional experience of consumers, through the customer-employee interaction (Groth et al., 2009; Gountas et al., 2007; Tsai and Huang, 2002; and Pugh, 2001). In general, "how emotions are managed by employees to improve work..."
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performance" (Grandey, 2000:95), is a core question for service organizations. Of particular interest, is the emotional display strategies used by employees in relation to customers.

In terms of the intervening variables, prior researchers have found that not only do emotional displays by employees impact the customer’s emotional experience (Pugh, 2001; Tsai and Huang, 2002), but that the actual emotional display rule strategy (i.e., deep and surface acting) can also influence customer attitudes (Groth et al., 2009). In other words, a key antecedent condition may be the employee’s choice of emotional labor strategy.

In terms of the dependent variables, although prior researchers have explored the impact of emotional labor and emotional labor strategies on consumer intentions, there is limited data on whether those intentions actually lead to a buy or no-buy decision by consumers.

In sum, marketing and management researchers need to move from consumer attitudes to actual behavioral choices, as well as examine the relative impact of employee emotional labor strategic choice and customer emotional experience. Therefore, this paper extends prior research designs to include the mediating effects of customer emotional experience on the relationship between employee emotional labor strategy and actual consumer buy or no buy decisions (Tang et al., 2013).

1.1 Emotional Labor

Emotional labor involves adapting emotional expressions to better align with appropriate organizational display rules (Morris and Feldman, 1996; Grandey, 2000). One reason for the importance of appropriate display rules for service organizations is that employees’ displayed emotions impact customer moods. For instance, one study found that “employee display of emotion was a significant predictor of customer positive affect” (Pugh, 2001:1024). Therefore, the outward display of emotion, especially positive emotions, by employees has been the main focus of research in emotional labor (Mattila and Enz, 2002; Tan et al., 2004). Essentially, employees have two emotional labor strategies to choose from, either fake the expressed emotions, called surface acting, or modify the underlying feelings, called deep acting (Grandey, 2000). These two contrasting strategies refer to how employees deal with their internal emotional responses and their external emotional displays during employee-customer interactions. Therefore, a key aspect of emotional labor involves the strategic choice employees make regarding deep or surface acting.

1.2 Deep Acting and Surface Acting

When faced with institutional norms that require certain appropriate emotional responses, employees will opt for one strategy or another (surface or deep acting) in order to comply with the situation. Groth et al. (2009) defined deep acting as "attempting to modify felt emotions so that a genuine emotional display follows" and surface acting as "faking or amplifying emotions by displaying emotions not actually felt" (p. 958). Deep acting is when an employee attempts to modify their own true feelings (e.g. they actually try to modify their core emotional state to better reflect the appropriate requirements for their job), and requires the employ to conduct a reappraisal of their feelings (Lui et al., 2010). Surface acting, in contrast, is when an employee simply pretends (e.g. they don a happy veneer and say whatever it is they need to say or do in order to fulfill the requirements of their job), and represents a suppression strategy that has been linked to poor job satisfaction outcomes (Berry et al., 2006).

1.3 Emotional Dissonance

The ability to assess one’s situation and redirect internally negative feelings without the customer being aware is difficult (Berry et al., 2006). In addition, research has demonstrated that employee job satisfaction is higher for those who are able to regularly access this emotional labor strategy as opposed to those who suppress their feelings (Lui et al., 2010). Therefore, employees who are able to successfully utilize a deep acting strategy are not only more likely to positively influence customers but they will also demonstrate higher job satisfaction as well. The energy or emotive labor involved in emotional labor brings on what Chu et al., (2011) term emotional dissonance, a disconcerting disconnect between what is felt and displayed. This dissonance is often recognized and absorbed by the customer (Pugh, 2001), as customers are emotionally savvy and form their opinions based on these cues (Berry et al., 2006). If a customer feels the employee makes a sincere effort to understand their needs then they are more likely to rate the experience positively.
2. **Employee Emotional Labor Strategy**

   Research on the ways the two types of strategies are viewed may offer predictions about potential links between employee labor strategies and customer behavior. In surface acting, employees are thought to regulate their emotions in order to keep their jobs, not to help the customer or organization (Grandey, 2003). Thus, customers may regard an employee’s surface acting efforts negatively, which would affect their subsequent purchasing behavior. In contrast, according to ‘emotional contagion’ theory (Hatfield et al., 1994), which suggests that one person’s emotions are nonverbally transferred to another, if customers view sellers’ emotions as genuinely positive, as with deep acting, they should be more likely to make a purchase (Westbrook, 1987). As noted earlier, prior research on emotional labor strategies relied upon individual observer assessment and employee self-report as opposed to consumer observations and actual consumer behaviors (Grandey, 2003). In this study, we examine the influence of an employee's strategy (deep or surface acting) on the actual consumer purchase decision, which leads to the following two hypotheses:

   - **Hypothesis 1:** Employee deep acting strategy will be positively related to a customer's purchase decision.
   - **Hypothesis 2:** Employee surface acting strategy will be negatively related to a customer's purchase decision.

3. **Customer’s Emotional Experience**

   Although an employee’s emotional labor strategy is a critical antecedent variable, simply making a preliminary choice may not be sufficient in all situations to lead to customer purchase decisions. Further, the mechanism underlying the relationship between employee emotional labor strategies and subsequent customer purchase decisions should be examined. This study identifies a mediator of the relationship between emotional labor strategies and customer purchases: customers’ emotional experiences in a purchasing decision.

   As discussed, there is clear evidence that the customer’s emotional experience has an impact on customer attitudes, as suggested by Tsai and Huang (2002). The overall emotional experience of the customer is likely to have a significant impact on behavioral intentions; in particular, customers who experience "in-store positive moods" (p. 1005) are likely to see the employee as more friendly, spend more time in-store, and positively influence consumer behavioral intentions (i.e. to buy a product). In addition, these positive mood experiences are often the result of the employee-customer interactions (Kaltcheva and Parasuraman, 2009). However, the two missing elements from the prior literature are: (1) how best to elicit these positive affective experiences through the employee-customer interaction (i.e. identifying the antecedent and mediating factors); and (2) confirming the impact of the employee-customer interaction on actual purchasing decisions, rather than focusing on customer satisfaction or behavioral intent.

   In the current study it is expected that emotional experience will mediate the relationship between emotional labor strategies and customer buying decisions (see Figure 1). The theoretical mechanism for this proposed relationship includes emotional contagion and mood congruency theory. First, as noted earlier, emotional contagion (Hatfield et al., 1994) is a process by which one person’s emotions are nonverbally transferred to another. This occurs by imitating and coordinating with another person’s emotional displays such as facial expressions, vocalizations, and movements. Service sector research has uncovered an association between employees’ positive emotion displays (e.g., smiles) and customers’ positive affective moods (Pugh, 2001; Tsai and Huang, 2002). Thus, employees engaging in emotional labor strategies (deep surface acting, in particular), should be more likely to display the kinds of positive emotions that are likely to be imitated by customers. It is further expected that customers in a positive affective state would subsequently be more likely to make a purchase. According to mood congruency theory (e.g., Nadeau and Bradley, 2012), positive moods can increase the likelihood of positive consumer behavior.

   - **Hypothesis 3:** The relationship between employee emotional labor strategy and customer buying decision will be mediated by customer emotional experience.
4. Method

Data were collected in 27 mobile phone shop sites in Beijing, China in 2010. The original sample consisted of 326 employee-customer interaction dyads, which completed the questionnaires. However, only 294 interactions completed the full matched surveys and were used in the study. The employees were 59% female, with a mean age of 28.12, and a mean work experience of 2.91 years. The customers were 53% male, with a mean age of 32.5, and 71.5% had previously owned three more mobile phones before entering the interaction.

Procedures

Four research assistants coordinated the data collection efforts. At the end of a transaction, regardless of whether or not a sale occurred, the employee would fill out the survey as part of the transaction process, while the customer was also asked to submit a survey, in exchange for a token gift.

All of the measures were adapted from English instruments, using a translation and back translation procedure to convert to Mandarin, Chinese. The emotional labor strategy, deep acting and surface acting, measure was adapted from Grandey (2003) and was a self-report from the employee. The deep acting (DA) component consisted of six items (α = .83), which focused on a reappraisal strategy. The surface acting (SA) component consisted of five items (α = .86), which focused on a repression strategy. The measure used a Likert scale with a five option response, asking for level of agreement (from 1-strongly disagree to 5-strongly agree). Giardini and Frese (2008)’s measure of customer emotional experience (CEE) was used. The 6-item (α = .92) measure asked customers to rate the contrasting mood states of “unpleasant-pleasant”, “well-unwell” (recoded), “calm-excited” (recoded), “relaxed-nervous” (recoded), “inferior-superior”, and “secure-insecure” (recoded). The customers rated their mood state on a 7-point scale. After recoding, a low score (1-3) indicates a negative mood state while a high score (5-7) indicates a positive mood state. Employees responded to one categorical item concerning whether the customer ultimately decided to make a purchase (has purchased = 1; has not purchased = 0).

5. Results

The analysis controlled for gender, age, and education. The means, standard deviations, and correlations for all study variables are presented in Table 1.

Table 1. Correlation Matrix (N=294)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D.</th>
<th>SA</th>
<th>DA</th>
<th>CEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>3.19</td>
<td>.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DA</td>
<td>3.21</td>
<td>.80</td>
<td>-.86**</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td>CEE</td>
<td>4.68</td>
<td>1.11</td>
<td>-.84**</td>
<td>.91**</td>
<td>.92</td>
</tr>
</tbody>
</table>

( p<0.1; *, p<0.05; **, p<0.001; ***, two-tails test)
SA=surface acting, DA=deep acting, CEE=customer’s emotional experience.
Alphas appear in parentheses on the diagonal.

A confirmatory factor analysis was conducted in order to demonstrate that surface acting, deep acting, and customer emotional experience empirically define three distinct latent factors. The three factor model demonstrated a superior fit to the data ($\chi^2=157.43, df=61, \chi^2/df= 2.58, GFI=.93, NFI=.94, TLI=.94, CFI=.96, RMR=0.09, IFI=0.96 and RMSEA=.07$) over a one-factor model, in which the items from the three variables were set to load on one factor ($\chi^2=902.40, df=90, \chi^2/df= 10.03, GFI=.71, NFI=.68, TLI=.65, CFI=.70, RMR=0.10, IFI=0.70 and RMSEA=.17$).
5.1 Mediation

Logistic regression analysis— with purchase decision (yes/no) as the dependent variable, and with employee’s surface acting and deep acting as independent variables, with customer's gender, customer's age, customer's education, employee's gender, employee's age and employee's education as control variables—were conducted to identify predictors of purchase decision as well as the mediation effect of customer’s emotional experience.

Table 2. Logistic regression of customer emotional experience as a mediator

<table>
<thead>
<tr>
<th>Model</th>
<th>Independent Variables</th>
<th>OR (95% CI) P value</th>
<th>β</th>
<th>OR (95% CI) P value</th>
<th>β</th>
<th>OR (95% CI) P value</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I</td>
<td>Customer’s gender</td>
<td>0.67(0.37, 1.22)</td>
<td>-0.39</td>
<td>0.63(0.29, 1.36)</td>
<td>-0.45</td>
<td>0.40(0.15, 1.05)</td>
<td>-0.89</td>
</tr>
<tr>
<td></td>
<td>Customer’s age</td>
<td>0.38(0.25, 0.59)**</td>
<td>-0.95</td>
<td>0.53(0.26, 1.07)</td>
<td>-0.63</td>
<td>0.49(0.22, 1.12)</td>
<td>-0.69</td>
</tr>
<tr>
<td></td>
<td>Customer’s education</td>
<td>0.42(0.27, 0.66)**</td>
<td>-0.84</td>
<td>0.59(0.30, 1.15)</td>
<td>-0.51</td>
<td>0.41(0.18, 0.92)*</td>
<td>-0.87</td>
</tr>
<tr>
<td></td>
<td>Employee’s gender</td>
<td>0.50(0.27, 0.92)*</td>
<td>-0.68</td>
<td>0.38(0.17, 0.85)*</td>
<td>-0.95</td>
<td>0.52(0.20, 1.33)</td>
<td>-0.64</td>
</tr>
<tr>
<td></td>
<td>Employee’s age</td>
<td>15.4(8.1, 29.3)**</td>
<td>2.73</td>
<td>4.18(1.75, 9.95)**</td>
<td>1.43</td>
<td>10.04(3.25, 30.96)**</td>
<td>2.30</td>
</tr>
<tr>
<td></td>
<td>Employee’s education</td>
<td>0.88(0.55, 1.43)</td>
<td>-0.11</td>
<td>1.04(0.57, 1.92)</td>
<td>0.04</td>
<td>0.80(0.38, 1.66)</td>
<td>-0.22</td>
</tr>
<tr>
<td></td>
<td>Surface acting</td>
<td>0.11(0.05, 0.22)**</td>
<td>-2.16</td>
<td>0.10(0.04, 0.22)**</td>
<td>-2.30</td>
<td>0.10(0.04, 0.22)**</td>
<td>-2.30</td>
</tr>
<tr>
<td></td>
<td>Deep acting</td>
<td>17.7(7.3, 43.1)**</td>
<td>2.87</td>
<td>3.38(1.15, 9.90)*</td>
<td>1.21</td>
<td>3.38(1.15, 9.90)*</td>
<td>1.21</td>
</tr>
<tr>
<td></td>
<td>Customer’s emotional experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model II</td>
<td>Overall “hit ratio”</td>
<td>79.9%</td>
<td>86.9%</td>
<td>89.3%</td>
<td>53.3(2.76, 10.30)**</td>
<td>1.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chi-square improved</td>
<td>144.45**</td>
<td>92.39**</td>
<td>41.12**</td>
<td>268.65</td>
<td>176.26</td>
<td>135.14</td>
</tr>
<tr>
<td></td>
<td>Likelihood-ratio test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cox &amp; Snell R²</td>
<td>0.38</td>
<td>0.54</td>
<td>0.60</td>
<td>0.51</td>
<td>0.73</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>Nagelkerke R²</td>
<td></td>
<td></td>
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</tbody>
</table>

Note: OR= odds ratio; CI = confidence interval. *p < .05; **p < .01

Model I includes customer's gender, customer's age, customer's education, employee's gender, employee's age and employee's education as control variables and buying decision as the outcome variable.

Model II includes deep acting and surface acting as the predictor variables and buying decision as the outcome variable. Customer's gender, customer's age, customer's education, employee's gender, employee's age and employee's education are covariates.

Model III is mediating model that includes customer emotional experience as the mediator variable, deep acting and surface acting as the predictor variables, and buying decision as the outcome variable. Customer's gender, customer's age, customer's education, employee's gender, employee's age and employee's education are covariates.

Three logistic regression models and one linear regression model were examined to identify factors related to customer purchase decision, according to a series of regression models as directed by Baron and Kenny (Baron and Kenny, 1986). Odds ratios and 95% confidence intervals (CI) were derived from these models.

Model I included customer's gender, customer's age, customer's education, employee's gender, employee's age and employee's education. Customer purchase decisions were significantly affected by customer age, customer education, employee gender and employee age (OR=0.386, CI (0.251 to 0.593), p < 0.000; OR=0.429, CI (0.277 to 0.664), p < 0.000; OR=0.504, CI (0.275 to 0.925), p < 0.05; OR=15.464, CI (8.145 to 29.359), p < 0.000). Model II examined the variables in the first model as well as deep acting and surface acting. Employee’s age still significantly affected customer’s purchase decision (OR= 4.185, CI (1.759 to 9.956), p < 0.01). Customer purchase decisions were also negatively affected by employee surface acting (OR=0.115; CI (0.058 to 0.228), p < 0.001) and
positively affected by deep acting (OR=17.770; CI (7.322 to 43.124), p < 0.000). Thus, Hypotheses 1 and 2 were supported. The effects indicated by the standardized logistic regression coefficients for surface acting (β = -2.163) and deep acting (β = 2.878) were not in the same direction. The total model validity indices were acceptable (Chi-square improved = 92.397, p < 0.000, Likelihood-ratio test = 176.262, Cox and Snell R²= 0.548, Nagelkerke R² = 0.731).

Model III included deep acting and surface acting as the predictor variables and buying decisions as the outcome variables, customer emotional experience as the mediator, with the following as covariates: Customer's gender, customer's age, customer's education, employee's gender, employee's age and employee's education. Employee's age once again exhibited a significant effect (OR =10.045, CI (3.258 to 30.966), p < 0.000). Customer’s emotional experience partially mediated the relationship between employee’s emotional labor strategies and customer purchase decisions (OR=5.335, CI (2.763 to 10.301), p < 0.000, β =1.674). The total model validity indices were acceptable (Chi-square improved =41.122, p < 0.000, Likelihood-ratio test = 135.140, Cox and Snell R²= 0.607, Nagelkerke R² = 0.809). Thus, Hypothesis 3 was supported.

6. Discussion

The present study has implications for theory. Whereas existing research has examined the effect of emotional labor and emotional labor strategies on consumer intentions, there is little empirical evidence of whether those intentions actually lead to a buy or no-buy decision by consumers. Prior research on emotional labor strategies relied upon individual observer assessment and employee self-report as opposed to consumer observations and actual consumer behaviors (Grandey, 2003). In this study, we examined the influence of an employee's strategy (deep or surface acting) on the actual consumer purchase decision. The study also provided evidence of the mechanism through which this relationship occurs. The study demonstrated the mediating effects of customer emotional experience on the relationship between employee emotional labor strategy and actual consumer buy or no buy decisions. Further, the fact that the study involved perceptions of both employees and customers suggests that more confidence can be placed in the findings.

The finding that employee surface acting strategy negatively related to a customer's purchase decision whereas deep acting strategies had a positive effect on a customer's purchase decision has implications for theory. This finding makes a unique contribution to the existing literature on emotional dissonance (Chu et al., 2011) that has suggested that customers tend to recognize and absorb dissonance from an employee that results from a disconnect between what they feel and display (Pugh, 2001). In surface acting, employees are thought to regulate their emotions in order to keep their jobs, not to help the customer or organization (Grandey, 2003). Thus, customers may regard an employee’s surface acting efforts negatively, which seems to affect their subsequent purchasing behavior. It appears that customers are emotionally savvy and their actual purchasing behavior is affected by whether they perceive that an employee’s affect reflects a sincere effort to understand customer needs or whether they perceive that the employee is “feigning interest.” It is interesting to note that the current study also found that customers were more likely to make a decision to purchase from older employees. It might be that older employees have more sales experience and, thus, more opportunities to develop and practice deep acting skills.

The mediating effect of emotional experience, in particular, offers a unique contribution to the existing literature on emotional contagion (Hatfield et al., 1994) and mood congruency theory (e.g., Nadeau and Bradley, 2012). It appears that employees engaging in deep surface emotional strategies are more likely to display the kinds of positive emotions that would be imitated by customers and, as a result, facilitate a decision to purchase.

6.1 Managerial Implications

A key task for modern service organizations is identifying core antecedent and intervening variables that influence consumer emotional experiences to elicit positive organizational outcomes. In particular, our study revealed an important intervention point for managers to consider: the emotional labor strategy choice (either deep or surface acting). In terms of staffing, assessing prospective employees on their emotional labor strategy tendencies may be an important selection criterion. In terms of training, although areas of product knowledge, company policies, and general sales tactics are all important, a greater focus on emotional labor strategic choices may be just as valuable to service organizations. In addition to selecting and training employees in the area of emotional labor strategies,
managers should also work to create a supportive, pleasant work environment for employees in order to facilitate positive affect. In summary, this area of research provides robust areas to consider in the selection, training, and work environment of employees, suggesting that more attention to the antecedent and mediating variables may significantly and positively impact customer decisions.

6.2 Limitations and Future Research

There are several limitations to the current study, which also provides opportunities for future research. The most obvious limitations are the language and cultural barriers, the focus on mobile phone sales and the employee-customer interaction, as well as the preliminary research design. The language and cultural challenges provide potential limitations both in the initial translation and underlying assumptions (moving from English to Chinese) as well as the potential generalizability of the study results (would we find the same interactions in a U.S. sample?). Also, considering other industries and interactions, beyond the mobile phone and employee-customer intercalation may prove beneficial. Finally, in terms of research design, implementing some type of control population, as well as developing a baseline assessment of employee skills would strengthen the results.

7. Conclusion

In summary, the study confirmed the continued importance of emotion, in particular the emotional experience of customers that lead toward organizationally desired purchasing decisions. In addition, the study expanded on the prior research by examining the actual purchasing decision, rather than attitudes, and by providing a more integrated model that accounted for both employee emotional labor strategies as well as customers’ emotional experiences.

References


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