

# Research on the Influence of Service Employee Emotional Intelligence on Customer Satisfaction in the Context of Service Recovery

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## ABSTRACT

The research on the factors affecting the effect of service recovery has become a hot research topic, but the relationship between the emotional intelligence of service employees and the effect of service recovery has not received widespread attention. The article uses a service employee-customer matching questionnaire survey method, and uses empirical research to explore the relationship between service employee emotional intelligence, emotional labor and customer satisfaction after service recovery.

## Keywords

Service recovery; Emotional intelligence; Emotional labor; Customer satisfaction;

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## 1. Introduction

Since the early 1960s, the role of the service industry in economic growth has continued to increase. In the 1990s, with the advent of post-industrial societies in developed countries, the global industrial economic structure showed a trend of transition to a "service economy". The development of national strategy has gradually developed from "industrial economy" to "service economy". At present, in the world total, the output value of the service industry in 2018 has exceeded 60%, and the output value of the service industry in some developed countries has accounted for 70% of the GDP. According to the information released by the German National Bureau of Statistics, the German economy grew by 0.6% in real terms in 2019, and the completed nominal GDP was about 34359.9 billion euros (about 3.85 trillion US dollars). Therefore, it can be said that the more developed the economy, the more developed the service industry, and the higher the per capita GDP of the country, the higher the proportion of output and employment in the service industry, which basically represents a country's economic and

social development level. At the 2020 Financial Annual Conference, the Governor of the People's Bank of China Zhou Xiaochuan pointed out that China's service industry accounted for more than 52% of GDP in 2019. From a global horizontal comparison, this is a low number, and there is still huge room for the development of the service industry. Service companies take "perfect service" as their development goal, but due to the intangible, synchronous and heterogeneous characteristics of service products, it is difficult to achieve "zero defect" in service. Service failures often occur in the process of service consumption. .

Therefore, how to carry out effective service remedies for service failures, effectively improve the effect of service remedies, regain customers, and improve customer trust has become a very realistic and urgent problem facing the majority of enterprises. In the current research, the effect of service recovery is generally measured using service recovery quality, customer satisfaction after service recovery, customer loyalty after service recovery, or similar variables (Assefa, 2014). In the context of service recovery, whether

the emotional intelligence and emotional labor of service employees will affect customer satisfaction after service recovery and it is a question worthy of in-depth discussion. Therefore, this article attempts to explore the relationship between the emotional intelligence and emotional labor of service employees on the effect of customer satisfaction after service recovery, to make up for the current lack of attention in this field, and to solve the problems that need to be solved in the reality of service recovery.

## 2. Literature review

### 2.1 Service recovery

Regarding the definition of service remedy, Gronroos (1988) is the forerunner of the definition of service remedy. He proposed that service remedy is the response and measures taken by service providers in response to customer dissatisfaction and complaints. Johnston et al. (1999) believe that service remediation is the proactive and anticipatory behavior of discovering and handling service errors in time. Tax&Brown (2000) believes in the book that service remediation is the response measures and actions taken by service providers to reduce and make up for the harm and complaints caused by service failure to customers. On the basis of referring to and absorbing previous views, this article believes that service remediation is the response and measures taken by service providers to customer dissatisfaction and complaints after a service failure occurs. Service recovery can bring a higher level of satisfaction than before the service failed.

### 2.2 Emotional intelligence and Emotional labor

At present, there are two typical definitions of emotional intelligence: one is defined by the cognitive perspective represented by Mayer et al., who believe that emotional intelligence is a way to manage the emotions and emotions of oneself and others, and use the information obtained to guide one's own understanding and behavior ability. The second is a mixed perspective definition represented by Bar-On, which believes that emotional intelligence is a variety of intersecting

and related emotions and social competence, skills and techniques that can effectively understand and express oneself, understand and handle relationships with others. Emotional labor is a dynamic process that unfolds along with the basic work process of an organization. Most researchers believe that emotional labor is a multidimensional concept. In 1983, Hochschild believed that emotional labor has two dimensions: surface and deep. The surface role is that employees express the emotions required by the organization by changing the external behavior they can see, but the emotions and feelings in the heart have not changed (Fukita & Kobayashi, 2008; Hochschild & Arlie, 2013). Deep acting is that employees make their own inner emotions and feelings change through continuous self-effort and thinking, so that their inner emotional experience is consistent with the emotional expression behavior required by the organization (Brook & Paul, 2009). This article will also refer to Hochschild's two-dimensional definition. Emotional intelligence is the most basic ability of individual emotional labor, and emotional labor is a manifestation of this ability (Mastracci & Hsieh, 2016). Just as manual workers need physical labor to work, employees in the service industry need emotional intelligence to carry out their work (Mastracci et. al., 2010). Employees with high emotional intelligence can manage their own emotions and perceive the emotions of others. At the same time, they can encourage themselves to show positive emotions to reduce the expression of negative emotions, and inform them how to control and manage their own emotions to manage their own behavior (Brotheridge, Céleste , & M., 2002). Kim et.al. (2012) explored the relationship between emotional intelligence and emotional labor through a survey of Korean service employees. The results of the study showed that emotional intelligence has a significant negative impact on service employees' surface acting, and the positive impact on deep acting..

Therefore, this article will propose the following hypothesis:

*H1 The emotional intelligence of service employees has a significant negative impact on the surface acting of emotional labor.*

*H2 The emotional intelligence of service employees has a significant positive impact on the deep acting of emotional labor.*

## **2.2 Emotional intelligence and customer satisfaction after service recovery**

Daus & Rater (2001) research found that employees' emotional expression ability is positively correlated with service quality, and proper emotional expression will improve service quality. Rozell (2006) found through an empirical study of marketers that the emotional intelligence of marketers has a significant positive influence on their sales performance. Kidwell et al. (2011) studied sales staff in the real estate industry and insurance industry and found that emotional intelligence is significantly correlated with sales performance.

The current research on the relationship between the emotional intelligence of service employees and customer satisfaction after service recovery under the service recovery scenario has hardly been directly involved. However, the above research results on the influence of emotional intelligence on service quality and customer satisfaction will be of great reference significance.

Therefore, this article will propose the following hypothesis:

*H3 The emotional intelligence has a significant positive impact on customer satisfaction after service recovery.*

## **2.3 Emotional labor and customer satisfaction after service recovery**

There are relatively few definitions of customer satisfaction after service recovery, and the terms used are not consistent. Some use "service recovery satisfaction" (Boshoff, 1997), and some use "service recovery customer satisfaction" (Song Zongjun, 2010). However, the terms used above are consistent with the meaning of "customer satisfaction after service recovery". In order to make the meaning more clear, this article

will use the term "customer satisfaction after service recovery". Customer satisfaction in the service recovery scenario is similar to that in the normal service scenario. Boshoff (1997) researched that service recovery satisfaction is the customer's satisfaction evaluation of the service recovery behavior provided after service failure. Schoefer (2002) defines customer satisfaction obtained by service recovery after service failure as the second satisfaction.

Pugh (2001) starts from Hochschild's (1983) emotional labor theory and believes that in service contact, the emotional display of service employees will affect customer evaluation, and this emotional display is mainly a manifestation of emotions within employees. When showing external emotions, service employees will unconsciously convey their true emotions through expressions and voices. Cote (2002) studied the interpersonal interaction between service employees and customers in emotional labor through the use of social interaction models. The research results show that the emotional display of service employees will get a certain impression and evaluation of customers. Henning et al. (2004) researched that customers can distinguish the sincerity of emotional display of service employees, and sincere emotional display can bring customers' praise. Magnus&Sara (2010) confirmed through research that: under the premise of certain technical service quality, the service personnel showing happy and friendly emotions will improve customer satisfaction; on the contrary, it will reduce customer satisfaction.

Therefore, this article proposes the following hypotheses:

*H4 The surface acting of service staff has a significant negative impact on customer satisfaction after service recovery.*

*H5 The deep acting of service employees has a significant positive impact on customer satisfaction after service recovery.*

## **3. Methodology**

### **3.1 Sample and data collection**

This research adopts the method of matching questionnaire survey between tourism service staff and customers. This method of investigation is to explore the relationship between the emotional intelligence of service employees and customer loyalty after service recovery, which inevitably involves two groups. If you only survey employees, you cannot accurately measure customer service perception.

In terms of the investigated industries, this article selects tourism as the target industry. Due to the high frequency of interaction and service failures in the tourism industry, service remedial behaviors are more typical. In terms of survey, the location of the questionnaire is selected in Xiamen. Xiamen, as a tourist city in eastern China, brings tourism annually and this article selects Xiamen as the survey location. There are two main reasons. First, Xiamen is a tourist city. In 2019, the number of tourists in Xiamen was 10,128,700, a year-on-year increase of 12.50%, and tourism revenue was 165.59 billion yuan, a year-on-year increase of 18.10%. Second, I live in Xiamen and can better collect data effectively.

The survey in this article uses face-to-face and on-the-spot questionnaires to conduct one-to-one matching questionnaire surveys between employees and customers. In the first step, let the employee fill in the first part of the questionnaire, and then randomly select a customer of the employee to fill in the second part. In this survey, 400 questionnaires were collected, 347 questionnaires were returned, and 320 valid questionnaires were collected. Among the sample of service employees, 138 male employees, accounting for 43%, and 182 female employees, accounting for 57%. The average age of employees is 29.89 years old. Among them, 131 have a bachelor degree or below, 179 have a bachelor degree, and 10 have a master degree or above. The average work experience is 3.08 years. In terms of customer samples, male customers accounted for 39% and female customers accounted for 61%. The average age of customers is 42.34 years old. Local customers accounted for 46% and non-local customers accounted for 54%. The above sample

data shows that the survey samples are highly representative and can meet the sample needs of this study.

### 3.2 Measures

Emotional intelligence is measured using a scale developed by Wong & Law (2002). The scale consists of fourteen items. These items are scored on a five-point rating scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Surface acting and deep acting are measured in terms of subjective acting. The scale is adopted from Grandey(2003). It consists of eight items. The items were scored on a five-point rating scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Customer Satisfaction After Service Recovery is adopted from (Crosby et al.,1990), The scale consists of seven items. It consists of eight items. The items were scored on a five-point rating scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

### 3.3 Estimating technique

The author used Ordinal Least Squares (OLS) regression to analyze the data. OLS regression allows researcher to estimate the relationship between a set of independents variable and the dependent variable. The analysis was performed using IBM SPSS Statistics version 24.

## 4. Results

Before performing the regression analysis, a few steps need to be conducted. First, construct reliability of the concepts that are measured using multiple item scale were evaluated by using Cronbach alphas coefficient. The results, as reported in Table 1, shows that all Cronbach alphas coefficient exceed the widely suggested value of 0.7 (Fornell & Larcker, 1981). This indicates that the reliability of all constructs is satisfactory. Then, the scores of each multiple-item scale that belong to the same concept were averaged to create a summated scale that was subsequently used in the regression analysis.

**Table 1: Results from reliability test**

Variables	Emotional intelligence	Surface acting	Deep acting	Customer satisfaction after service recovery
Cronbach alphas ( $\alpha$ ) coefficient	0.872	0.907	0.886	0.904

Finally, bivariate correlations among variables are analyzed using Pearson correlation coefficients. This correlation analysis was performed in order to

explore the one-on-one relationships between key variables. Results from correlation analysis are presented in Table 2.

**Table 2: Correlation among variables**

Variables	1	2	3	4
1.Emotional intelligence	1	0.746**	0.717	0.756**
2.Surface acting		1	0.618*	0.683**
3.Deep acting			1	0.562*
4.Customer satisfaction after service recovery				1

Notes: \*\*  $p < .01$ ; \*  $p < .05$ ;

Results from the OLS regression analysis are presented in Table 3. Hypothesis 1 predicts a negatively relationship between emotional intelligence and surface acting. The result, as shown in the first column of Table1, reveals that the relationship between two variables is negatively and statistically significant ( $\beta = -0.064$ ;  $p = 0.044$ ). Therefore, hypothesis 1 is supported.

Hypothesis 2 predicts a positively relationship between emotional intelligence and deep acting. The results are reported in the second column of Table1, it is statistically significant ( $\beta = 0.013$ ;  $p = 0.007$ ). Therefore, hypothesis 2 is supported.

Hypothesis 3 predicts a positively relationship between emotional intelligence and customer satisfaction after service recovery. The results are

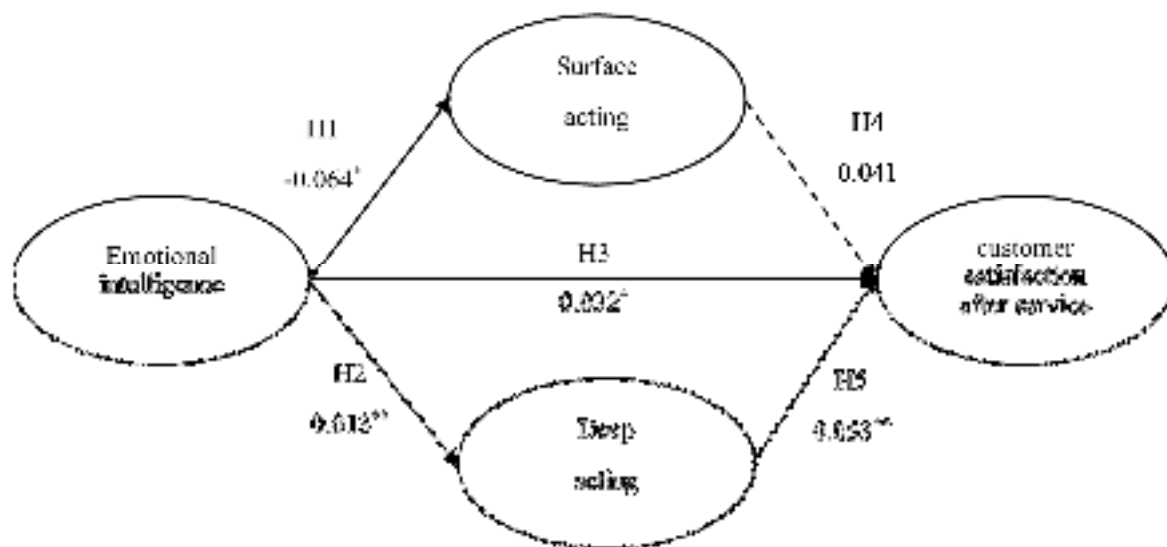
reported in the second column of Table1. it is statistically significant ( $\beta = 0.032$ ;  $p = 0.025$ ). Therefore, hypothesis 3 is supported.

Hypothesis 4 predicts a negatively relationship between surface acting and customer satisfaction after service recovery. The results are reported in the second column of Table1. Even though it shows that these two variables are positively related, it is not statistically significant ( $\beta = 0.041$ ;  $p = 0.135$ ). Therefore, hypothesis 4 is not supported.

Hypothesis 5 predicts a positively relationship between deep acting and customer satisfaction after service recovery. The results are reported in the second column of Table1, it is statistically significant ( $\beta = 0.053$ ;  $p = 0.006$ ). Therefore, hypothesis 5 is supported.



Figure 1: Regression analysis



Notes: Unstandardized beta coefficients are reported; \*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ ; Solid lines represent significant coefficients

## 5. Discussion and conclusion

Based on the service recovery scenario, this research explores the relationship between emotional intelligence and emotional labor of service employees in the travel industry in the Chinese scenario, and tries to enrich the research on service recovery and emotional intelligence theoretically. Through empirical analysis, some new research conclusions are obtained.

First, the research results show that the emotional intelligence of service employees has a significant positive influence on customer satisfaction after service recovery. This conclusion shows that in the service recovery scenario, the emotional intelligence of the new generation of employees has a significant impact on customer satisfaction after service recovery. Therefore, we should pay attention to the role of employees' emotional intelligence in service recovery work. When a service company recruits service employees, it should hire relevant psychologists or entrust professional institutions to conduct emotional intelligence tests on the hired personnel, so as to provide basic guarantees for improving the effectiveness of service remediation. Service companies should also hire experts to conduct regular and targeted emotional intelligence training and job training for the new generation of

employees to improve their emotional intelligence level, so as to improve the service recovery effect and overall service quality.

Second, the research results show that the emotional intelligence of service employees has a significant positive influence on deep acting. At the same time, deep acting has a significant relationship with customer satisfaction after recovery service. For service recovery, managers must be aware of the impact of deep emotional acting on satisfaction. Enterprises should emphasize sincere customer service. For companies in the tourism industry, managers should sincerely inculcate the importance of sincere service to service-oriented employees, keep customers truly at heart, and constantly adjust their mentality and state according to organizational rules and requirements, and provide customers with Remedial work is also a real behavior from the customer's perspective.

Third, In service recovery work, service employees are usually under a lot of work pressure, and work requires a lot of emotional labor. Long-term work of this kind may lead to emotional exhaustion and job burnout. Therefore, managers should take measures to resolve the negative emotions that may arise from service employees. Of course, service employees should also learn to

adjust their emotions, strengthen the management of their own emotional capabilities, enhance the perception and recognition of customer emotions, and show customers profound behaviors and positive emotions, which infect customers' emotional state.

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