

CHAPTER 1

Introduction

1.1 Introduction

Recent research has focused on employees' deviant behaviour as responsible for triggering customer dissatisfaction, anger, and even rage. In this research frontline services employees (FLEs) are portrayed as the perpetrators and customers as the victims (Bougie et al. 2003; McColl-Kennedy et al. 2009; Surachartkumtonkun et al. 2013). Yet in recent years, the very people that a service organisation seeks to serve (i.e., customers) are increasingly the perpetrators of aggressive and deviant behaviour that leads to employee stress and burnout. This is especially the case among FLEs who are required to face customers every day and who need to achieve ever increasing sales and service targets and must reconcile the demands of both supervisors and customers (Ben-Zur and Yagil 2005; Chan and Wan 2012). For example, when JetBlue flight attendant Steven Slater responded to an argument with a rude passenger by leaping out the emergency chute, shouting "That's it. I've had it" (Leach 2010), it attracted widespread attention around the world, on Twitter, Facebook, by email and through blogs, even an animated video has been posted on YouTube. In Jakarta, Indonesia, passengers frustrated with the service provided by a budget airline went so far as to smash its offices at the Soekarno-Hatta airport (Febrina, 2009). In Australia, the Community and Public Sector Union (CPSU, 2012) is taking customer aggression very seriously, noting that "official statistics revealed 5,900 reports of aggressive incidents towards Centre link, Medicare and Child Support Agency workers in the 2011-12 financial year - up 400 on the year before." Hence the primary focus of this dissertation is on understanding how FLEs appraise and cope with customer aggression, and its impact on their psychological well-being.

1.2 Research rationale and motivation

Today, when dealing face to face with customers in service industries, frontline

employees (FLEs) are increasingly required to interact with misbehaving, aggressive and even abusive customers. In some cases, customers seem to receive implicit encouragement to exploit service employees due to the power imbalance of the transaction (Rafaeli et al., 2012). Experiences with aggressive customers have various detrimental effects on FLEs, including burnout, damaged psychological well-being (Grandey et al., 2004), feelings of dehumanization (Fisk and Neville, 2011), diminished on-the-job performance (Wegge et al., 2007), and greater turnover intentions (Karatepe et al., 2009). The harm is also cumulative, i.e., it can generate long-term, emotionally oriented problems to employees. That is, service encounters in which FLEs become victims of psychological and or physical aggression can inflict serious damage (Dallimore et al., 2007; Fisk and Neville, 2011; Goussinsky, 2012; Grandey et al., 2004, 2010; Patterson et al., 2009; Reynolds and Harris, 2006). Furthermore, in service organisations, FLEs are the pivotal contact point between the organisation and its customers. They are the public face of the firm or brand. As the organisation's marketing-oriented boundary spanners, they must represent the firm effectively in interactions with customers (Bitner et al. 1990), because their behaviour has a critical impact on perceptions of service quality (Brady et al. 2012). Therefore, the physical and psychological well-being of FLEs during and after their face-to-face interactions with customers should be a primary concern for managers. Finally, customer aggression also can have a negative impact on the organisation in various ways such as damage to the organization property and even other customers (McColl-Kennedy et al., 2010). So rather than focusing on employees as instigators of aggression, this study takes a different perspective and considers situations where customers are the instigators of aggression and who make the service encounters stressful for employees. Accordingly, we address employee psychological well-being, an important research priority area in service science research (Ostrom et al. 2010). More specifically, this dissertation focuses on FLEs emotional exhaustion which is one component of burnout (Maslach et al., 2001). Emotional exhaustion refers to the feeling of being overextended and depleted of one's emotional and physical resources (Maslach and Leiter 2008). Burnout forms part of vigour-fatigue dimension of well-being (Rothmann, 2008). Service work requires constant emotion regulation of frontline employees that may eventually deplete their resources when they have to deal regularly with abusive customers (Brotheridge

and Grandey, 2002). Since the stressor is an aggressive customer, FLEs appraise whether that stressor is relevant to their psychological well-being. If so, it is likely to deplete their emotional resources. This aligns with Schat and Kelloway, (2000) who suggested that individual psychological strain, from any source stressor, impacts on health and organizational outcomes.

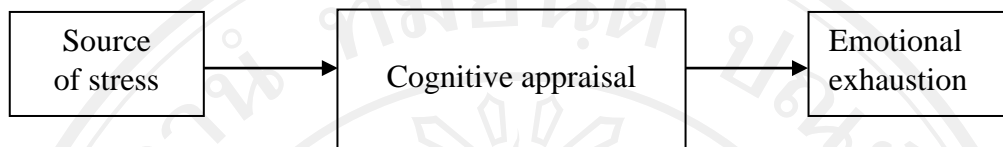


Figure 1.1: Overview model of FLEs cognitive appraisal

The foundation for this study is the theory of stress and coping, or sometimes referred to as appraisal theory (Lazarus and Folkman, 1984), which suggests that in stressful situations, people appraise whether the situation is beneficial or harmful to their well-being, then initiate an emotional response and coping behaviours. The aggressive customer is viewed as the stressor, and employee cognitive appraisals represent an assessment of the threat or violation resulting stress, and emotional exhaustion represents which strain after evaluating the situation (see Figure I). Stress and coping theory (Lazarus and Folkman et al., 1984) is employed in order to examine the cognitive appraisal of frontline employees when dealing with aggressive customers. The focus is on the cognitive appraisals that the FLEs undertake, automatically and subconsciously, when they face a stressful situation (i.e., aggressive customer) that they perceive may threaten their well-being, values, or fundamental psychological needs (Patterson et al., 2009). By explicating how FLEs deal with customer aggression during face-to-face contact, then interpret and cope with the stressful encounters, this research contributes to the scholarly literature on psychological employee well-being. It may also aid service organisations in delineating individual, organisational, and situational factors that exacerbate or attenuate psychological damage that FLEs suffer in response to customer misbehaviours. Because existing research into incidents of customer aggression and FLEs' cognitive appraisal and psychological effects is sparse (Rafaeli et al., 2012), we seek a deeper understanding of how FLEs appraise customer aggression,

as well as how the nature of the cognitive appraisal influences their psychological well-being (emotional exhaustion).

Additionally, this research concentrates on the moderator effects on the customer aggression - cognitive appraisal relationship, and the cognitive appraisal - emotional exhaustion relationship with frontline employees. Even though the connection of primary appraisal and burnout is reliant (Lee and Singh, 2010), it is, to some extent, dependent upon other factors. In the initial qualitative stage, thirty five in-depth interviews were undertaken of frontline employees who have dealt with aggressive customers, and the emergent findings indicated that stronger or weaker linkages between such relationships are contingent upon other factors. “Customer is always right” philosophy and emotional intelligence are the moderator factors that were most frequently referred to during the interviews. In other words, this study examines under what conditions (1) will customer aggression have a greater (or weaker) impact on cognitive appraisal; and (2) how cognitive appraisal effects emotional exhaustion?. Thus, in this study, we also examine the extent to which a “customer is always right” organizational philosophy moderates the relationship between customer aggression and cognitive appraisal; and whether the emotional intelligence construct has a moderating impact on the relationship between cognitive appraisal and emotional exhaustion.

1.3 Research gap and overall objectives

A seminal work of Grandey et al., (2004) examined the impact of customer aggression on employee cognitive appraisal and how it affected the emotional exhaustion of call center employees. The employees were mistreated by customers during telephone communication. Interestingly, however, there is less evidence that has examined the cognitive appraisal of FLEs when they must deal with customer aggression in a face to face situation. Thus our paper fills this gap. Moreover, much of the existing aggression research concentrates on the customers perspective, particularly on customer anger or customer rage resulting from organizational or systems failures or employee misbehavior (Nguyen and McColl-Kennedy, 2003; Menon and Dube, 2007; Patterson et al., 2009; Surachartkumtonkun et al., 2009; McColl-Kennedy, 2010). For instance, the determination of triggers that propel some consumers to experience extreme negative emotions, including rage and resentment (Patterson et al., 2009), i.e.,

the studies of where the customer targets his/her anger at an organization or an employee (McColl-Kennedy, 2010). These works reflect the customer aggression perspective only, and do not consider the employee's side. The current study looks at the other side of the coin and centers on the frontline employees who are victims of abusive customers. Finally, this is the first study of a contingency model of frontline employee emotional exhaustion, i.e., examining the moderating roles of "customer is always right" organizational philosophy and emotional intelligence on the relationship between cognitive appraisal and emotional exhaustion.

Hence, the purpose of this study is threefold;

1. Empirically examine the association between the nature and extent of customer aggression and FLEs cognitive appraisals;
2. Examine the nature of the association between FLEs cognitive appraisal and emotional exhaustion;
3. To test the moderating effects of:
 - a. the "customer is always right" philosophy on the relationship between customer aggression and primary appraisal,
 - b. the moderating impact of emotional intelligence on the linkage of primary appraisal and emotional exhaustion.

Emerging from the three aims, the following six research questions are described.

1.4 Research questions

This study attempts to shed light on the following questions:

1. What are frontline employees primary appraisals following a service encounter involving customer aggression?
2. What is the nature of the association between the customer aggression and frontline employees cognitive appraisals?
3. What is the nature of the relationship between attribution of blame and cognitive appraisals?
4. What is the nature of the relationship between cognitive appraisals and emotional exhaustion?
5. To what extent does a "customer is always right" organizational philosophy moderate the linkage between customer aggression and primary appraisals?

6. To what extent does emotional intelligence of FLEs moderate the linkage between cognitive appraisals and emotional exhaustion?

1.5 Theoretical contributions

This study contributes to the literature in three important aspects. Firstly, the results provide deeper insight into how FLEs interpret the phenomena of dealing with customer aggression in face-to-face contexts. The cognitive appraisal process, which consists of primary appraisal and secondary appraisal, focuses on a process of the individual's evaluation of an incident which is significant to his/her psychological well-being (Folkman et al., 1986). The current research centered on frontline employee cognitive appraisals in face-to-face situation with aggressive, deviant customer behavior which has been largely overlooked in the literature.

Secondly, as service encounters are social interactions between people, it stands to reactions that cultural norms and values might impact the cognitive process. This study extends the theory of stress and coping to the FLEs' perception of customer aggression and their emotional exhaustion in a retail sales context on Eastern, Collectivist Culture context (Thailand).

Thirdly, this study provides a contingency model in which we tested the extent to which, the relationship between key constructs is determined by other (moderator) factors. The study indicates that a "customer is always right" organizational philosophy can exacerbate the impact of customer aggression on cognitive appraisal, whereas FLEs emotional intelligence weakens the linkage between primary appraisal and emotional exhaustion. To our knowledge, the effects of these moderators have not been addressed before.

1.6 Managerial contributions

Employing a critical incident this study examines the emotional well-being of frontline employees when faced with the customer aggression. It is crucial that managers understand how FLEs appraise and engage with situations when confronting misbehaving customers, and the consequences for FLEs following such critical incidents. Thus, the current study presents managerial contributions in several ways. First, the results could assist management teams understand the process of frontline

employees' cognitive appraisal and its outcome when dealing with aggressive customers in service transactions. Second, the findings indicated that FLEs felt emotional exhaustion after facing aggressive customers and two consequence of this were employee absenteeism (Grandey et al., 2004) and an increased intentions of leaving (Karatepe et al., 2009). Therefore, management can use the results of this dissertation to help define employee retention strategies. Third, the findings describe various types of customer misbehavior expressions of where FLEs were the victims. The recruitment of suitable FLEs is very important for service organizations as they are a central point of contact with customer and often the public face of the organization. A naturally service-minded employee is suitable for service work training and recruitment. Management should consider this issue in human resource managements. Finally, even when management accepts that when they try to protect FLEs from abusive customers, these incidents will still occur. The findings revealed from this study should help management to utilize options for the remedial psychological well-being of FLEs after being threatened by aggressive behavior (e.g., support such as supervisor and co-worker support).

1.7 Organization of the dissertation

This dissertation is divided into 7 chapters. The introduction research rationale, research questions, and the theoretical and managerial contribution of the dissertation are presented in chapter 1. Chapter 2 describes a synthesis of relevant literature. The foundation theories underpinning this research, conceptual model, hypotheses development are discussed in chapter 3. This research uses a mixed methodology to answer the research questions, i.e., qualitative and quantitative methodologies. The qualitative stage included comprising in-depth interviews with FLEs and with supervisors, and the quantitative method, including the data collection method, measurement, scales evaluations, validity assessment, common method bias and data analysis using structural equation modeling are covered in chapter 4. Chapter 5 shows results of the qualitative study while chapter 6 presents the results of hypotheses testing. The discussion of the findings, implications of the study, and limitations and future research directions concluded in Chapter 7.