

CHAPTER 3

Theoretical Framework, Conceptual Model and Hypotheses Development

This chapter presents a theoretical basis for this dissertation study – i.e., stress and coping theory which is employed to explain the phenomena faced by frontline employees (FLEs) when dealing with customer aggression. Based on stress and coping theory, the associations between the stressful event (i.e. customer aggression), cognitive appraisal categories (threat to various resources such as threat to self-esteem) and emotional response (emotional exhaustion) are described. In addition, the moderating effects of the ‘customer is always right’ organizational philosophy and emotional intelligence are presented. Research hypotheses, based on previous research, and theoretical foundations are developed. Finally, this chapter summarizes hypothesized relationships of each of the constructs through development of the conceptual model.

3.1 Theory of stress and coping

The foundation theory of this study is the stress and coping theory developed by Lazarus and Folkman (1984). The theory is consistent with a “Think-Feel-Do framework (Patterson et al., 2009). The main point of this theory is to help us understand how frontline employees appraise a stressful encounter (customer aggression) and respond to that stressful encounter. The theory identifies two key processes: cognitive appraisal and coping as critical mediators of stressful person environment relationship and the impact on encounter outcomes (see Figure 3.1).

Cognitive appraisal is defined as a process through which the person evaluates whether a particular encounter with the environment is relevant to his or her well-being, and if so, in what way. At the appraisal stage, the person evaluates whether a particular (stressful situation) encounter with the environment (service encounter) is relevant to their well-being and if so, they subconsciously ask themselves: is there potential harm or benefit with respect to my commitments values, or goal? Is any health or security, or

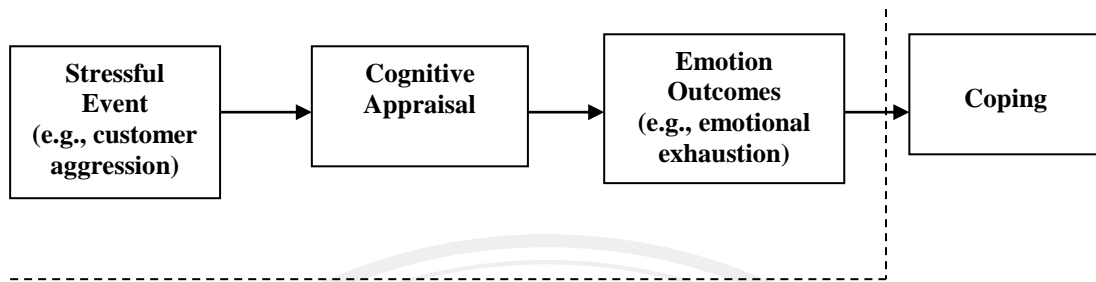


Figure 3.1 Key processes of stress and coping theory (Folkman et al., 1986)

Note: This dissertation measures processes in the dashed line box only

that of a loved one, at risk? Is there a potential threat to their self-esteem? Is it a threat to their sense of fairness or justice? Moreover, cognitive appraisal is the process of “categorizing an encounter, with respect to its significance to well-being” (Folkman et al., 1986). This appraisal process helps to explain why frontline employees have negative effects such as exhaustion, stress, anxiety or depression after an “in the face” encounter with an aggressive customer. For example, an angry customer screamed abuse at a frontline employee because the employee would not vary from the firm’s replacement policy (even though the customer was wrong) when asking for a refund. Consequently, the employee reacted and felt physically threatened; damage was done to their self-esteem and they perceived it too be unfair (injustice). Subsequently, they tried to withdraw from the incident and avoid the customer, feeling anxious, tense and unhappy. It is the cognitive appraisal (i.e., physical threat, violation to self-esteem, unfairness) of stressful incidents such as this, which have effects on an individual’s psychological well-being through their coping strategies.

Drawing on the stress and coping theory (Lazarus and Folkman, 1984) above, this study identifies the inter-related constructs as a theoretical concept (see Figure 3.2). In this model, stress that is caused by a customer during the service interaction evokes the employee’s cognitive appraisal and leads to a psychological state. Thus customer aggression during the service interaction, when expressed by physical, verbal and non-verbal expressions, is viewed as the source of stress. Employee cognitive appraisal, consisting of primary appraisal and secondary appraisal, can be viewed as the job stress. Here stress is an individual’s interpretation of the stressful event and the reaction to the characteristics of the work environment that appear threatening (Jamal, 1984). Emotional exhaustion is an emotional response of the cognitive appraisal process.

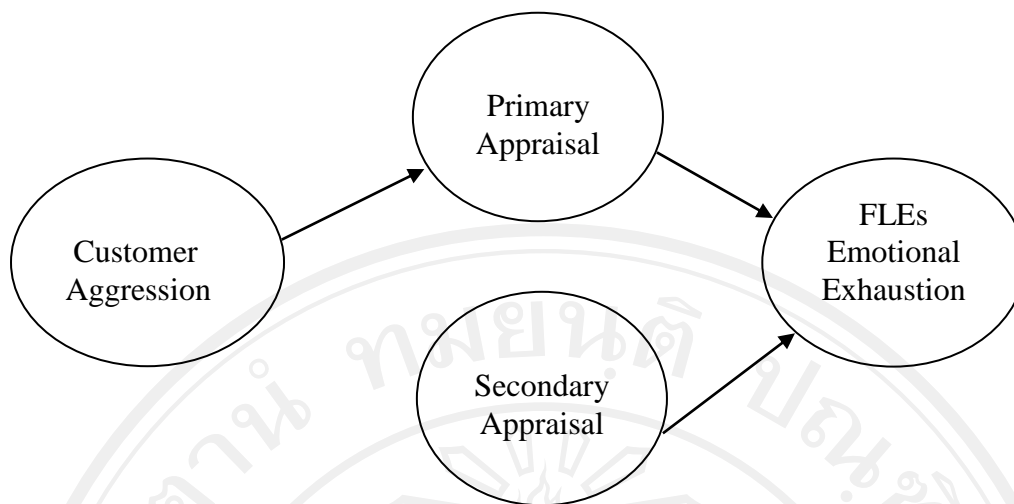


Figure 3.2 Cognitive appraisal model

3.2 Customer aggression and cognitive appraisal

Cognitive appraisal of FLEs is vital for management, since it helps the management to understand when and why specific emotions arise. As stated previously, cognitive appraisal is viewed as a process through which the person evaluates whether a particular encounter with the environment is relevant to his or her well-being, and if so, in what way (Folkman et al., 1986). The stress and coping theory categorizes cognitive appraisal into two types, namely primary appraisal and secondary appraisal. Primary appraisal refers to the cognitive-evaluate process that focuses on evaluating whether an individual has anything at stake in a particular encounter (Folkman et al., 1986). Lazarus and Folkman (1984) proposed that primary appraisal considers the stressor through interpreting a situation as stressful where the demands of the task are perceived to threaten one's well-being.

According to the nature of high contact service work, frontline employees may perceive stress when dealing with angry customers during the service encounter. To understand the relationship between the aggressive customer and stress appraisal, we need to understand stress. Stress is viewed as an interaction between demands and the ability to deal with them (Gardner and Fletcher, 2009). Stress triggers the cognitive process of primary appraisal and coping that mediate the relationship between demands and outcomes (Lazarus and Folkman, 1984). The Lazarus transaction model suggested that the interaction of the person and environment creates an individual's stress.

According to this model, Lazarus (1991b) proposes that stress arises when it gathers between particular environments and particular people, which leads to threat appraisal. This is consistent with Colligan and Higgens (2005) who suggested that when an individual encounters a new environment situation, he/she will get involved in cognitive appraisal. The present paper views the aggressive customer as the *stressor* inherent in the frontline employees work role, which they have to deal with on a regular basis.

To illustrate, Folkman et al., (1986) have examined cognitive appraisal, coping, and encounter outcomes among 85 married couples with at least one child at home. The participants were investigated across a variety of stressful encounters. The aim of this work was to understand the functional relationships among these variables. They measured primary appraisal i.e. the appraisals of what was at stake in the stressful encounter. The dimensions of cognitive appraisal used were threats to self-esteem, threats to own physical well-being, threats to goal at work, threats to financial strain, threats to respect for another person and threats to a loved one's well-being.

Another study, Surachartkumtonkun et al. (2009), examined how customers perceived threats or losses during service failure situations in Eastern and Western contexts. The aim of that study was to investigate what specific service failure circumstances lead to different cognitive appraisals. Finally, five dimensions of cognitive appraisal emerged from the data; threats to physical well-being, self-esteem, economic resources, fairness, and control.

A literature review showed that employee and customer appraise the stressful situations that were relevant to them in the forms as threatening, such as threats to self-esteem, having no control over stressful situation, threats to physical well-being, threats to fairness or injustice and threats to goal at work. Therefore, the current research combines the cognitive appraisal dimensions of Folkman et al., (1986), Patterson et al (2009), Schneider and Bowen (1999) and Surachartkumtonkun et al., (2009) to describe the appropriate phenomena of the context. The definition of cognitive appraisal used in the present paper views the stressor (customer aggression) and appraisal process from an employee perspective (rather than a customer perspective) Table 3.1 provides a concise definition for each cognitive appraisal dimension employed in this study.

Table 3.1 Cognitive appraisal dimensions of employee perspective

Cognitive appraisal dimensions	Definitions
1. Threats to physical well-being	Employee sense of loss of security of self or loved ones well- being
2. Threats to self-esteem	Employee sense of being treated as unimportant or disrespected
3. Threats to goal at work	Employee sense of not achieving a desired goal of their job or work
4. Threats to fairness	Employee sense of being cheated or treated unfairly
5. Needs for control	Employee sense of being in a situation of helplessness, or having no control

Sources: Folkman et al., (1986), Schneider and Bowen (1999), Patterson et al (2009), Surachartkumtonkun et al., (2009)

Organizational behavior research (Grandey et al., 2004) examined customer aggression amongst call-center employees. Two call centers were selected as research sites and 198 employees participated. The employees were full-time, long-term employees who handled incoming calls regarding questions about bills and service. Results revealed that employees received about 10 calls per day from aggressive customers which is 15-20 percent of their interaction. This study measured stress appraisal of the call-center employees when dealing with customer's verbal aggression. There was also variability in the extent that employees found verbal aggression from customers to be stressful.

The management literature (Dallimore et al., 2007; Grandey et al., 2004) revealed that during the service encounter between employees and aggressive or angry customers, the service provider was susceptible to the consumer's strong negative emotions. Since the goal of the customer has not been met during the encounter, it was likely that anger escalated at each unsuccessful recovery effort and that rage behavior, expressed by consumers, could be stressful for the service provider (Patterson et.,

2009). The more emotional anger expressed, the more likely that the incident may be found to be stressful due to the heightened states of arousal. A previous study demonstrated that an aggressive customer (non-verbal communication) can produce similar facial displays and affective states in a service worker (Dallimore et al., 2007). In this case, the intensity of customer aggression may induce negative stimuli; however, it is often difficult for frontline employees to react strongly to such threatening event, as the organizations aim is to achieve *customer* satisfaction. In Harris and Daunt (2013), they explore the impact of customer misbehavior on 88 frontline employees and managers, in-depth interviews were employed. The customer-contact employee reported that customer misbehavior was a cause of stress in their working lives. Some employees described that they felt cheated and treated unfairly when encountering customer misbehavior.

Based on the literatures review above, if FLEs interpret or appraise customer aggression as significant to their well-being, they also might anticipate violations of their self-esteem, threats to their physical safety, or barriers to their completion of work goals (Schneider and Bowen, 1999; Surachartkuntong et al., 2013). Therefore, this study proposes that:

Hypothesis 1a: *Customer aggression is positively related to threats to self-esteem.*

Hypothesis 1b: *Customer aggression is positively related to threats to physical well-being.*

Hypothesis 1c: *Customer aggression is positively related to threats to goal at work.*

Hypothesis 1d: *Customer aggression is positively related to threats to fairness.*

Hypothesis 1e: *Customer aggression is positively related to the need for control.*

3.3 Attribution of blame and primary appraisal

In our initial qualitative interviews a situation was described where a customer became angry and threw a large bottle of shampoo at a cashier when the cashier rightly charged the customer for two shampoos. The customer thought that it was a “buy one get one free” promotion on the brochure. In this case the customer didn’t check the

details about the volume of shampoo. It was restricted to only the small bottle of shampoo, but the wording was small under the promotional sign. In this situation, who should get the blame?

Attribution of blame is defined here as when the frontline employee assigns blame to an agent for a negative experience in the service encounter with an aggressive customer. Attribution of blame is grounded in attribution theory. Attribution theory was founded by Heider (1958) and later Weiner (1986) made an extensive development of this theory in consideration of consumer research (Bebko, 2001). Research in the area of attribution theory suggested that when individuals are faced with a negative outcome (failure) or experience unexpected behavior by others (Wong and Weiner, 1981) they seek to explain the cause to themselves. Individuals initially perform cognitive evaluations to determine whether the actor, or some other external factor, caused the negative outcome (Bradfield and Aquino, 1999). In this study, attribution theory provides a framework of how employees assign blame. Kelly and Michela (1980) stated that in the service interaction, blame can be attributed to self, provider and circumstance or all three combined. Thus, FLEs can blame themselves, other customers, the organization or a third party. According to the attribution theory locus, which is one component of the attribution theory, is most relevant to this study. Locus refers to who or what precipitated an event (Harris et al., 2006). Also, locus influences beliefs about who should solve the problem. Lazarus (1991) proposed that if we blame another individual's actions then attribution is external, which Tennen and Afflect (1990) called "blaming others". This study argues that FLEs will assign blame to customers in stressful events.

Display rules of organization communicate to employees how to express themselves during social interaction (Ekman, 1971). Positive emotions are expected to express and negative emotions suppressed (Brotheridge and Grandey, 2002). Such display rules promote the attack of abusive customers toward employees. Hence, FLEs may engage blaming as a strategy to defend themselves. When FLEs think that they are not the cause of service failure, they will blame others to protect themselves, relieving themselves from responsibility, or request support. This study argues that the customer is the target, or causal-agent, of blame from FLEs. The customer is the third party that has an influence on employee (Grandey et al., 2004). When individuals engage in

thinking of blame, they waste energy and involve angry thought against others (Tracy and Robins, 2006). Waxler (2008) argued that if people pour energy into complaining or anger, they are helpless to change the situation, including the worsening feeling they get through stress. This is consistent with Tennen and Affleck (1990) who suggested that assign blame to others is related to impairments of emotional and physical well-being and may impede attempts to align themselves with powerful people. In the process of externalizing responsibility, individuals may easily assimilate information that may threaten his or her self-image (Janoff-Bulman and Timko (1987). In the service transaction, the customer is superior to the employee. Even if FLEs blamed customers for stressful situations, they may experience negative outcomes. Previous research found that blaming others related to mood disturbance (Affleck et al., 1982), feeling cheated (Graham et al., 1987), self-reported psychological symptoms (Mendola et al., 1990), and poorer adaptation (Bulman and Wortman, 1977; Madden, 1988). This study presumes that when FLEs assigned blame to others, they tried to protect themselves. Since FLEs perceive that customers have more power in the service interactions they may experience a sense of worthlessness. This is consistent with Valencia (2008) who suggested that blaming other is a sign of low self-esteem, because when people assign blame to others, they also shift the responsibility to others. Thus, it is assumed that attribution of blame will relate to cognitive appraisal dimensions. Therefore, the following hypotheses are proposed:

Hypothesis 2a: *Attribution of blame (i.e, blame is attributed to the customer) is positively related to threats to self-esteem.*

Hypothesis 2b: *Attribution of blame (i.e, blame is attributed to the customer) is positively related to threats to physical well-being.*

Hypothesis 2c: *Attribution of blame (i.e, blame is attributed to the customer) is positively related to threats to goal at work.*

Hypothesis 2d: *Attribution of blame (i.e, blame is attributed to the customer) is positively related to threats to fairness.*

Hypothesis 2e: *Attribution of blame (i.e, blame is attributed to the customer) is positively related to need for control.*

3.4 Cognitive appraisal and emotional exhaustion

3.4.1 Primary appraisal and emotional exhaustion

Organizational behavior research pays attention to employee emotional exhaustion (Wright and Cropanzano, 1998). Emotion exhaustion is one of three dimensions of the burnout construct which was conceptualized by Maslach and Jackson (1981). The three parts of burnout are emotional exhaustion, depersonalization, and reduced sense of personal accomplishment. Emotional exhaustion refers to the feeling of being overextended and the depletion of one's emotional and physical resources (Maslach and Leiter 2008). It manifests in an employee as a feeling of fatigue, being used up, frustration and being worn out (Maslach and Jackson, 1981). The depersonalization component represents the interpersonal context and refers to a negative or excessively detached response to various aspects of the job. The last dimension is reduced accomplishment which represents the self-evaluation and refers to feelings of incompetence and a lack of achievement and productivity in work (Maslach and Leiter 2008).

Emotional exhaustion was selected to be the dependent variable in this study for three reasons. First, emotional exhaustion is a quality of life indicator (Gaines and Jermier, 1983) which evaluates the impacts of work related stress. It is assumed that service work is stressful because customer contact employees constantly engage with psychological and physical problems during the service encounter. Second, emotional exhaustion occurs in people-oriented occupations (Singh et al., 1994) such as service work, when being a frontline employee involves the interaction between customers and them. Third, perceiving psychological strain from the cognitive appraisal process can produce emotional exhaustion. Research has found that emotional exhaustion affects the job outcome of employees i.e. absenteeism (Grandey et al., 2004), job dissatisfaction and withdrawal (Boyd et al., 2009). Thus, this construct is vital for management consideration since it represents the psychological well-being of customer contact employees.

The conservation of resources theory (COR) posits that emotional exhaustion occurs when an individual perceives that his/her resource is lost, threat of resource including the situation that the individual's resource is inadequate to meet the job

demands (Hobfoll, 1989). Threat might cause from work-related demands (Halbesleben and Buckley, 2004) whereas resources are social support, level of autonomy, and established behavior-outcome contingencies (Lee and Ashforth, 1996). Saxton et al., (1991) suggested that when a person perceives excessive work demands from dealing with customers, their energy is depleted. Service working can create emotional exhaustion in two areas: 1) draining resources while performance acting; 2) stress of emotional dissonance (Hochschild, 1983).

Employee emotional exhaustion stems from the face to face interaction with the customer. Emotional exhaustion occurs frequently among individuals who perform 'people-work' in various contexts (Maslach and Jackson, 1981). Literature reveals that service organizations provide the acting role for FLEs to perform, such as deep acting and surface acting. In deep acting, the employee tries to modify feelings to match the required display rule, whereas in surface acting the employee modifies their displays without shaping inner feelings (Grandey, 2003) Both forms of acting are internally false and involve effort (Ashforth and Humphrey, 1993). When employees experience both acting forms, their resources became depleted and this supports the ideal of emotional exhaustion is a crucial problem for service work (Wright and Cropanzano, 1998; Grandey, 2003). Studies in work stress show that the combination of job demands (workload, emotional demands and role conflicts) and job resources (autonomy, social support and feedback) can affect employee burnout (Chen and Kao, 2012).

Another factor that influences emotional exhaustion is cognitive appraisal. Individuals who appraise the situation to be more stressful would perceive their job to be more demanding and effortful (Muldary, 1983). Thus, if an individual perceives that a situation is significant to their well-being, they will incur stress. This is consistent with Oliver and Brough (2002) who proposed that an individual appraises an event as being stressful due to how they appraise such situation. Particularly, the interaction with customers may produce a high level of stress and lead to burnout among customer contact employees (Yagil et al., 2008). Several studies found that cognitive appraisal (threat) significantly predicted burnout. For instance, Enosh et al., (2012) studied the effects of client aggression toward social workers and social services in Israel. This study conducted in-depth interviews of 40 managers, supervisors and workers. The results found that social workers who interacted with aggressive clients reported

perceptions of being threatened, insecurity, stress and intimidation. The short-term impact was performance decreasing whereas the long-term was emotional burnout, helplessness and fatigue. Similar effects of cognitive appraisal on emotional exhaustion are revealed in other professions and contexts. Kozusznik et al., (2012) analyzed the role of appraisal of stressor as threatening in inducing burnout in social care service employees by comparing two countries; Spain and Poland. The results found that the distress appraisal of workload among social care service employees is positively related to burnout. Furthermore, it showed that Polish workers have higher level of burnout than Spanish workers.

In a workplace aggression context, stress emotions have an impact on employee health and organizational outcome (Schat and Kelloway, 2000). FLEs with a high level of threat perception tend to experience negative outcomes. For example, call center employees who were mistreated by customers, perceived verbal aggression as stressful and threatening, which in turn affected their emotional exhaustion (Grandey et al., 2004).

With regard to the present study, FLEs are confronted with customer aggression in difference contexts and events, so several kinds of threats that emerged from such events were consistent with how they interpreted such events. Based on the literature presented above, it is assumed that the more likely the FLEs perceived a threat from customer aggression, the more likely was the feeling of being emotionally drained and depleted of FLEs resources. Therefore, the following hypotheses are proposed:

Hypothesis 3a: *Threats to self-esteem are positively related to emotional exhaustion.*

Hypothesis 3b: *Threats to physical well-being are positively related to emotional exhaustion.*

Hypothesis 3c: *Threats to goal at work are positively related to emotional exhaustion.*

Hypothesis 3d: *Threats to fairness are positively related to emotional exhaustion.*

Hypothesis 3e: *Needs for Control are positively related to emotional exhaustion.*

3.4.2 Secondary appraisal and emotional exhaustion

As stated previously, cognitive appraisal involves two processes; primary appraisal and secondary appraisal. Secondary appraisal refers to a cognitive-evaluation process that focuses on minimizing harm and maximizing gain through coping responses (Lazarus, 1999). The coping options are evaluated, such as a changing situation, accepting of a situation, need for more information or holding back from what you want to do (Folkman et al., 1986). This study focuses on the perceived control which is one aspect of secondary appraisal. Burns and Egan (1994) suggested that the 'perceived control over events process' is when an individual decides what can be done to manage the demands which are assessed as surpassing a person's resource.

Lazarus (1991) stated that secondary appraisal is pronounced when an individual is faced with a stressful event, for example, FLEs encounter with an angry customer or aggressive customer. In this appraisal process, Smith and Ellsworth (1985) proposed that individuals evaluate whether they can control a situation, anticipate the meaning of that situation and plan their response to such a particular situation. For instance, a qualitative interview in this study revealed that a female senior cashier of retail store faced a stressful situation. A customer threw a big bottle of shampoo at her. She explicitly noted that she appraised that she was treated as an object or dehumanized (primary appraisal process), and then she recalled asking herself what ability (i.e., resources) do I have to deal with the situation (i.e., secondary appraisal process). In the secondary process, Lazarus (1991) suggested that an individual appraises what if anything can a person do to cope with a particular stressful situation. If so, the secondary appraisal process employed by FLEs consumes and limits cognitive resources (Clore, 1994). Beal et al., (2005) argued that the secondary appraisal process is conscious and assumed to consume cognitive capacity. In addition it is likely to interrupt the focusing on other tasks. Previous research found that minor verbal aggression from customers can strongly affect the immediate secondary appraisal of service employees and lead to reduce task performance (Rafaeli et al., 2012).

An appraisal model (Lazarus 1991) suggested that secondary appraisal of a particular situation affects individual's emotions. Stress and coping theory suggested that when individuals appraise a situation, they might experiences with emotion that

they interpret such situation. As the customer aggression (stressful situation) reduces the FLEs cognitive functioning by depleting resources (Rafaeli et al., 2012). Thus, the more people employ secondary appraisal in dealing with difficult events, the more likely they are to engage with emotional exhaustion. Therefore, this study hypothesizes:

Hypothesis 4: *Secondary appraisal is positively related to emotional exhaustion.*

3.5 The moderating effects of ‘customer is always right’ organizational philosophy and emotional intelligence

As this study employed the mixed method, the qualitative has been done. The results showed the factors that exacerbate and weaken the relationship of cognitive appraisal and psychological well-being i.e., social status, public context, ‘customer is always right’ organizational philosophy and social support. In doing the quantitative stage, ‘customer is always right’ organizational philosophy was employed to be the moderator of the relationship between customer aggression and cognitive appraisal. This factor was referred most often by FLEs in various contexts. It communicates that this factor is still exist in Thai service organizations. Another factor is emotional intelligence construct. From the interviews, some FLEs described that they regulated their emotion during encounter with customer aggression. The literature also provides that the ability to regulate emotion can help individual to deal with stressful situation (Schutte et al., 2002). The other factors will not be tested because the scope of research is restricted; however they were left for the future research. The moderating roles of these two constructs are discussing in the following sections.

3.5.1 ‘Customer is always right’ organizational philosophy as a moderator of the customer aggression – cognitive appraisal relationship

At the qualitative stage, the FLEs from a variety of service organization were interviewed about their experiences in confronting with misbehaving customers. Our preliminary research revealed that most of the organizations supported the policy of the ‘customer is always right’ since the customer is the one who pay for products. The following is a comment from a waitress in a restaurant (female, 24 years), speaking about the maxim of the ‘customer is always right’ in her organization.

“The manager tells all employees about this idea..... We have a meeting every month. The manager talks about service and saying that customer is the king, they are always right.....I work here. I have to follow the rule”.

The ‘customer is always right’ organizational philosophy in this study is defined as the organization maxim of the customer is always right as a basic premise for delivering quality service that consigns toward employees. Many companies, especially in south-east Asia, seek to retain customers by assuming they are always right, which implies in turn that employees must passively accept unreasonable customer demands and even aggression during the service encounter (Bishop et al., 2005; Gettman and Gelfand, 2007). Employees are expected to suppress their true feelings, which leave them feeling powerless in the face of demands and aggression. This policy approach conveys an unequal power balance between FLEs and the customer (Grandey et al., 2004; Karatepe et al., 2009) and limits FLEs from responding in their preferred ways (Bishop and Hoel, 2008; Hughes and Tadic, 1998). This practice also triggers feelings of injustice and negative emotions among employees (Fisk and Neville, 2011).

The intensity of the effect of customer aggression and cognitive appraisal may not only come from employee or customer but also from the organizational policy. This study argues that the perception of the ‘customer is always right’ organizational philosophy may intensify the impact of customer aggression on the FLEs cognitive appraisal. Note that when the FLEs expose a high level of the ‘customer is always right’ organizational philosophy, they are expected to acquiesce to the customer aggression in an attempt to follow the rule of organizations. It supports the idea that organizations with a high pressure climate place employees in a position of lesser power than the customer in service transactions because they are encouraged to please the customers at any cost (Gettman and Gelfand, 2007). Thus, performing service task with a high level of organizational maxim perception is likely to be a target of vulnerability to the customer aggression (Bishop et al., 2005; Grandey et al., 2004).

Threat is likely to be provoked when the FLEs serve misbehaviour customers with perception the ‘customer is always right’ maxim in their minds. This organizational philosophy places a restriction on responding to deviant customers (Yagil, 2008). This

may be aligned with display rule of organization, which Brotheridge and Grandey (2002) suggested that the workplace expects employees to express positive, but suppress negative, emotion. Not responding signifies the support of customer aggression. Previous research showed that waiting staff employed response-focused regulation when faced with aggression from entitled customers; they also experienced unfairness, injustice and being treated as an object (Fisk and Neveille, 2011). Thus, the reaction constraint of the FLEs with customer aggression is likely to destroy self-esteem and result in feelings of injustice.

As discussed earlier, customer aggression is significant to the FLEs well-being. However, such effect is likely to be more severe when there is a high level of organizational philosophy perception. Indeed, under this policy, the FLE acquire the unequal power from the transaction unavoidably. Bishop and Hoel (2008) found that the outcomes of interaction between FLEs and bullying customers as it is an imbalance in power and the common outcomes were various forms of emotion infirmities such as being sick with depression. Therefore, this organizational philosophy perception of FLEs is likely to encourage customer aggression and the resulting cognitive processes in which FLEs appraise whether it is relevant to their well-being.

In short, customer aggression will have a stronger impact on all cognitive appraisal when accompanied by a high level of ‘customer is always right’ organizational philosophy. In other words, the negative impact of customer aggression on cognitive appraisal dimensions will strengthen, when FLEs perceive a high level of the ‘customer is always right’ organizational philosophy rather than a low level of such philosophy. Thus, this study hypothesizes:

Hypothesis 5a: *The relationship between customer aggression and threats to self-esteem is stronger under conditions of higher level of “customer is always right” organizational philosophy (and weaker when level of “customer is always right” is lower).*

Hypothesis 5b: *The relationship between customer aggression and threats to physical well-being is stronger under conditions of higher level of “customer is always right” organizational philosophy (and weaker when level of “customer is always right” is lower).*

Hypothesis 5c: *The relationship between customer aggression and threats to goal at work is stronger under conditions of higher level of “customer is always right” organizational philosophy (and weaker when level of “customer is always right” is lower).*

Hypothesis 5d: *The relationship between customer aggression and threats to fairness is stronger under conditions of higher level of “customer is always right” organizational philosophy (and weaker when level of “customer is always right” is lower).*

Hypothesis 5e: *The relationship between customer aggression and need for control is stronger under conditions of higher level of “customer is always right” organizational philosophy (and weaker when level of “customer is always right” is lower).*

3.5.2 Emotional intelligence as a moderator of the cognitive appraisal – emotional exhaustion relationship

Again, at qualitative stage, the interview data revealed that in some situations, FLEs managed their emotions when facing with customer aggression. According to the tasks of customer contact employees, who support the organization’s performance, customer satisfaction (Grandey et al., 2004), they need to manage emotion during the interaction with customers unescapably. Emotional intelligence can be defined as “a form of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use this information to guide one’s thinking and action” (Salovey and Mayer, 1990: p. 189). This study focuses on the regulation of emotion, which is one of four dimensions of emotional intelligence. Regulation of emotion refers to the ability of a person to regulate his or her emotions, enabling a more rapid recovery from psychological distress (Davies et al., 1998). Individuals attempt to repair unpleasant moods in emotion regulation process (Davies et al., 1998). Regulation of emotion includes the ability to react to the other distressing emotion (Salovey and Mayer, 1990). Thus, a person with a high ability to regulate their emotion when faced with an upsetting or cheerful situation would be able to return to the normal state quickly (Wong and Law, 2002). When interacting with a negative

event, such a person would have stable emotions, because they could better control their emotions (Law et al., 2004).

In a service transaction, employees frequently experience negative affectivities when they have to confront difficult customers. The research showed that a high level of emotional intelligence can enhance an employee's ability to alter a stressful situation (Wong and Law, 2002). Schutte et al., (2002) suggested that individuals with a high level of emotional intelligence are more likely to understand and employ their ability in regulating emotion to response to the situational threats, when deal with negative events. In the Schutte et al., (2002) study, they found that higher emotional intelligence related to the increase of positive emotion and a higher degree of self –esteem.

Several studies have shown that emotion intelligence plays an important role in moderating the relationship of constructs. For instance, Görgens-Ekermans and Brand (2012) studied the moderating effect of emotional intelligence on the relationship between stress and burnout of nurses working on different wards. The results showed that it was probable that emotional intelligence has a moderating effect on the stress-burnout relationship, but slightly weaker for emotional exhaustion than depersonalization dimension. The results of this study also suggested that emotional intelligence training for nurses can diminish the development of burnout from stress.

The study of Giardini and Frese, (2006) showing that the affective regulation (one dimension of emotion competence) of 84 service employees was found to be significant in moderating the associations between emotional dissonance and general well-being. This study suggested that affective regulation is a psychological resource that could buffer the negative relationship between emotional work and well-being. Furthermore, the interaction terms between emotional demands and emotional intelligence were significant in predicting coping strategies (deep acting and surface acting) in the study of 418 insurance salespersons in Western China (Peng et al., 2010). The results found that the employees with a high level of emotional intelligence adopted deep acting to cope with increased emotion demands, whereas employees with a low level of emotional intelligence engaged more in surface acting.

According to the literature review above, this study presumes that emotional intelligence will have a moderation effect. The evidence also found that employees with

high level of emotional intelligence can get job done successfully (Carmeli, 2003; Carmeli et., 2009) since they have ability to deal with difficult work. Within the service work of retail industry, this paper suggests that the frontline employees will be more successful in confronting with customer aggression if they apply emotional intelligence. Thus, this study anticipates that FLEs with a high level of emotional intelligence (regulation of emotion) are more likely than FLEs with a low level emotional intelligence to be able to diminish the likelihood of emotional exhaustion caused by cognitive appraisal when facing customer aggression. Therefore, the relationships of cognitive appraisal dimensions and emotional exhaustion should be weaker among those FLEs with a high emotional intelligence. Hence, this study hypothesizes as:

Hypothesis 6a: *The relationship between threats to self-esteem and emotional exhaustion is weaker under conditions of higher level emotional intelligence (regulation of emotion) and stronger when level of regulation of emotion is lower.*

Hypothesis 6b: *The relationship between threats to physical well-being and emotional exhaustion is weaker under conditions of higher level of emotional intelligence (regulation of emotion) and stronger when level of regulation of emotion is low.*

Hypothesis 6c: *The relationship between threats to goal at work and emotional exhaustion is weaker under conditions of higher level of emotional intelligence (regulation of emotion) and stronger when level of regulation of emotion is lower.*

Hypothesis 6d: *The relationship between threats to fairness and emotional exhaustion is weaker under conditions of higher level of emotional intelligence (regulation of emotion) and stronger when level of regulation emotion is lower.*

Hypothesis 6e: *The relationship between needs for control and emotional exhaustion is weaker under conditions of higher level of emotional intelligence (regulation of emotion) and stronger when level of regulation of emotion is lower.*

3.6 Conceptual model

In summary, this paper develops conceptual model and hypotheses by drawing on the theoretical basis of stress and coping theory (Lazarus and Folkman, 1984). In this model, customer aggression and attribution of blame evoke cognitive appraisal of particular situation and emotional response. The FLEs cognitive appraisal of a situation has a strong effect on emotional exhaustion. In the model proposed, this study also tested the moderating effects of the ‘customer is always right’ organizational philosophy and emotional intelligence. Figure 3.3 summarizes the hypothesized relationships between each of the constructs in the study. Customer aggression and attribution of blame are hypothesized to have positive relationships to all primary appraisal dimensions. Finally, the ‘customer is always right’ organizational philosophy construct is proposed to moderate the linkage between customer aggression and primary appraisal, whereas emotional intelligence is suggested to moderate the linkage between primary appraisals and emotional exhaustion. All hypotheses are shown in Figure 3.3.

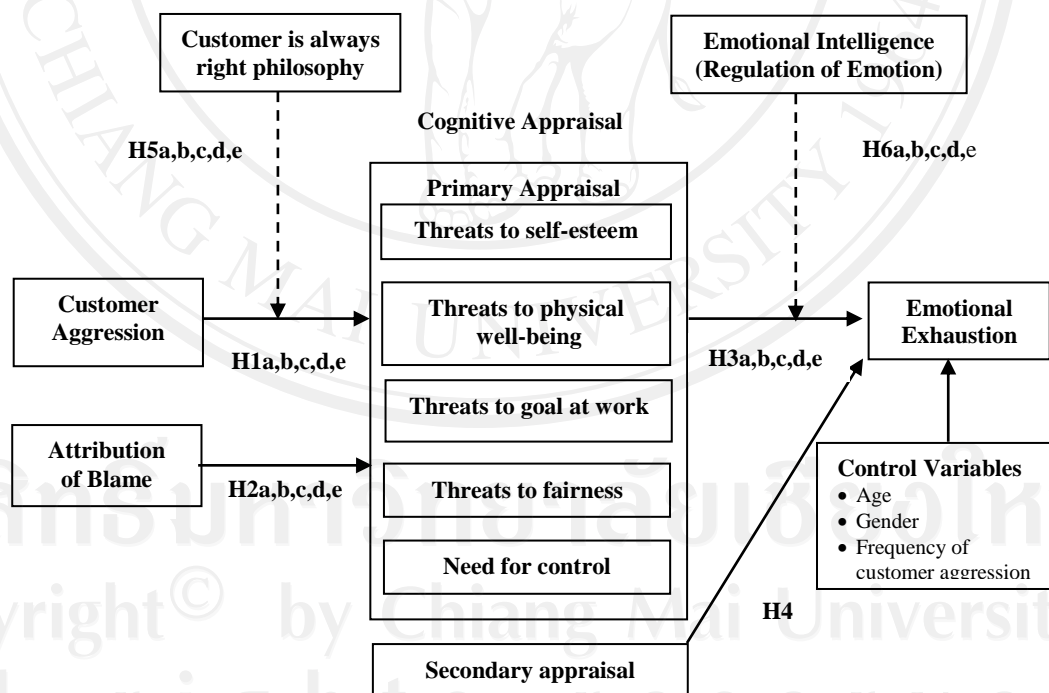


Figure 3.3 Proposed model