Customer Expectations of Employee Emotional Labour in Service Relationships

Jyothsna Appaiah Singh

A thesis submitted to the University of Gloucestershire in accordance with the requirements of the degree of PhD in the Business School

September 2017

Abstract

Emotional labor has been defined by Hochschild (1983) as "the management of feeling to create a publicly observable facial and bodily display" (p. 7, 1983). Many jobs contain an emotional component that goes beyond the normal burden on feelings caused by work and thus require "emotional labor". Hochschild (1983) distinguished between two approaches available to the emotional laborer - *surface acting* and *deep acting*. This thesis examines the relationships between employee emotional labour (Hochschild, 1983), customer perceived interaction quality and customer intention to continue the private banking service relationships. It also tests the mediating effects of customer expectations of emotional labour on the relationship between employee emotional labour and customer perceived interaction quality.

Dyadic data was generated from customer-relationship manager pairs involved in private banking service relationships. Key findings demonstrate that employee deep acting relates positively with customer perceived interaction quality; however, employee surface acting does not relate negatively. At a more specific level, the greater the customer *expectations* of deep acting - the more positive the relationship between employee deep acting and customer perceived interaction quality and the more negative the relationship between employee surface acting and customer perceived interaction quality. The lower the customer *expectations* of surface acting, the more positive the relationship between employee deep acting and customer perceived interaction quality. Higher levels of customer perceived interaction quality then relate positively to the customer intention to continue the service relationship.

This work helps simultaneously explore the flow of emotional labour from employees to customers and helps understand the service relationship holistically. Findings establish the importance of emotional labour and how it influences customers' perception of their interactions. This knowledge is useful in building sustainable and fruitful service relationships for the benefit of the customers, employees and organizations.

Author's Declaration

I, Jyothsna Appaiah Singh declare that this thesis is an original work undertaken and composed by myself, unless referenced and stated otherwise in the text. The work has not been submitted for any other degree or professional qualification to another university or institution of learning. Any other works consulted have been fully referenced and quoted explicitly as applicable.

Signed: JYOTHSNA APPAIAH SINGH

Dated: Sep 9th, 2017

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

LIST OF FIGURES AND CHARTS

LIST OF TABLES

Chapter 1: Conceptualizing emotional labour-interaction quality-service continuity

Introduction to emotional labour

Emotional labour (EL) is defined by Hochschild (1983) as "the management of feeling to create a publicly observable facial and bodily display" (p.7, 1983). Emotional labour has been widely researched from an organizational and an employee perspective since Hochschild (1983) first coined the term.

Many jobs contain an emotional component that goes beyond the normal burden on feelings caused by work and thus require "emotional labour". Such work has three things in common: (a) requires face-to-face or voice-to-voice contact with public, (b) requires the employee to produce an emotional state in the customer, and (c) allow the employer, through training and supervision, to exercise some control over the emotional life of employees (Hochschild, 1983).

Hochschild (1983) distinguishes between two approaches available to emotional labour-surface acting (SA) – deceiving others about what one actually feels, where the primary aim is to get the 'right' emotion across to the audience; and deep acting (DA) – deceiving oneself and through exhorting the feeling, or through creative imagination producing the feeling(s) required, to have the outward appearance that induces the desired emotion amongst the audience (Hochschild, 1983; Stanislavski, 1965).

Service encounter vs. service relationship

This thesis considers the service relationship context (between customer and relationship manager in banking) to study EL and its interconnections. Service relationships differ from service encounters with respect to the frequency of interactions, intensity of the interactions and the tendency that the service is rendered by the same service provider. "A single interaction between customer and provider is referred to as a service encounter. A service relationship is when the two individuals -employee and customer- have

repeated contact with each other over time and get to know each other as role occupants and sometimes even become friends" (Gutek, Groth & Cherry, 2002, p.133).

Previous EL studies have predominantly chosen service encounters spanning contexts such as retail, convenience store, healthcare and call centres. The prevalence of EL has been found to be high in interaction-intensive contexts. This may also indicate a high prevalence of EL in service relationships where many interactions may span a period of time between the two entities. The interactions in a service relationship can lead to participants knowing each other well on a person-to-person level. The intensity of interaction would additionally be higher in a service relationship, since the propensity for future interactions and transactions exist between the two entities (Gutek et al., 2002).

This thesis identifies a context gap and extends the study into service relationships set in the high-contact, high-interaction setting of private (customized) banking (Karatepe, Avci & Tekinkus; 2005; Lassar, Manolis & Winsor, 2000).

Emotional labour and interaction quality connection

EL is prevalent in interactive environments and is a medium for employees to render service to the customers, yet the impact of EL on interaction quality has not been examined explicitly (Diefendorff & Richard, 2003; Grandey, 2000; Totterdell & Holman, 2003), particularly in long-term service relationship service contexts, such as private banking (Chase, 1978; Chase, 1981; Lassar, Manolis & Mittal, 2000). Employee EL has additionally not been much investigated with regards to its flow to (or influence on) the customer, particularly their perceived interaction quality. This research thus explores how employee EL affects the customer perception of interaction quality.

Matching customer EL expectations to employee EL has also not received attention, although both employees and customers are involved in performing and receiving EL simultaneously. Recording the joint responses of both entities has been limited to a few studies (Groth, Hennig-Thurau & Walsh, 2009; Trougakos & Jackson, 2011). This thesis tries to bridge this gap in an attempt to understand the relationship, from the perspective of EL flow from employee to customer.

Service continuity and perceived interaction quality connection

Relationship continuity is an essential prelude to customer loyalty in long-term relationships so that customers consider further engagement with the organization through repeat purchase, and referral (Zeithaml, Berry & Parasuraman, 1996). The interactions in private banking can influence customers' investment decisions and thus subsequently affect the organization's tangible (financial) and intangible (e.g. perceptions of service) gains (Horn & Rudolf, 2011; Mittal & Lassar, 1998). However, before a customer forms perceptions about the organization, he/she possibly considers the bond shared with his/her relationship manager. This person-to-person bond could be so strong that it influences the customer to even move his/her association with this employee to another organization when the employee switches employment (Parkington & Shneider, 1979). As the person-to-person bond is likely to impact the customers' bond with the organization and their loyalty intentions, customers' intention to continue the service relationship with the employee (Svensson, 2003; Svensson, 2004) forms the outcome variable considered within this research.

Aim: This research aims to examine the connections between employee EL and customer perceived interaction quality and customer intention to continue the service relationship. The mediating effect of customer expectations of EL on the direct relationship of employee EL and customer perceived interaction quality will be present.

Evolution of emotional labour

EL, as a concept, evolved from an organizational perspective and widely from an employee perspective. Aspects of the concept were also examined from the customer perspective and the following sections delineate the evolution of EL from these varied viewpoints.

Emotional contagion (EC) – a closely connected topic – received attention and offers an initial starting point for the trajectory of this study.

Emotional Contagion (EC)

Emotional contagion (EC) is defined as "the tendency to automatically mimic and synchronize expressions, vocalizations, postures, and movements with those of another person and, consequently converge emotionally" (Hatfield, Cacioppo & Rapson, 1993, p.96). The EC literature provided the impetus to study the flow of emotions from employees to customers and

examine how individual differences in employee personality impact their engagement in EC (Doherty et al., 1995; Verbeke, 1997; Vijayalakshmi & Bhattacharya, 2011). Employee EC, both the positive and negative emotions of employees, appears to impact customers (Tsai & Huang, 2002; Pugh, 2001), evidencing the flow of emotions from employees to customers. Employee EC was found to be influenced by customer behaviour (Huang & Dai, 2010; Tsai, 2001), offering initial support for testing the mediation of customer EL expectations in this study. However, EC appears to fade in strength during the course of an interaction and EL appears to have a more lasting impact on the customers' perceptions of interactions (Barger & Grandey, 2006; Hennig-Thurau et al., 2006) because mere mimicry could only be useful for starting the interaction. Strength of the interaction would develop only when the employees deliver EL and it is perceived by the customers (Groth et al., 2009).

EC research acted as a prelude, however it is EL that has proven to be the more substantive and apposite basis for this research. Given the centrality of EL to this work, the sections below set out the key concerns of EL within this study.

Definition of EL

Hochschild (1983) focuses on the "management of feelings" in her definition of EL. In her seminal work, she observes how employees felt and simultaneously managed their emotions to create publicly observable behaviour, which relayed the employees' 'management of feelings'. The management and display aspects of the feelings are intertwined in Hochschild's (1983) definition. Morris and Feldman (1996) focus on expressed emotions to define EL and limit their observation of emotions to what is expressed by the employees rather than how emotions were felt, managed and displayed. At the same time, Asforth and Humphrey (1993) concentrated on observable behaviour to conform to organizational display rules. Many service-oriented organizations require that employees interact with external entities such as customers, and set rules and guidelines on what emotions to display and how to display them.

This thesis adheres to Hochschild's (1983) definition because expressed and observable emotions are both a manifestation of the 'felt' emotions. Organizations seek that their employees manage their felt emotions to conform to display rules (as formulated by the organization), with these emotions arguably directed towards inciting favourable feelings and responses in other entities - namely customers (Grandey, 2000; Hochschild, 1983). The favourable feelings engendered could include satisfaction and quality of interactions, while

favourable responses from customers could include retention, repeat purchase and referrals to prospective customers (Zeithaml, Berry & Parasuraman, 1996). Hochschild's (1983) definition encapsulates the felt feeling, the management of those feelings, the display and expression of those feelings towards others, *and* the compliance of those feelings to organizational goals and display rules. Thus, Hochschild's (1983) definition affords a more complete basis to probe the concept of EL in this thesis.

Surface acting (SA) and deep acting (DA) are the two approaches to EL that the employees may follow to perform EL in their interaction jobs. SA includes the hiding of emotions, pretending to have emotions that employees do not have and resisting emotions that would skew towards 'negative' EL. On the other hand, DA requires employees to feel the emotions that are to be displayed, experience the feelings and feel the emotions as part of their job to generate a more positive engagement with EL. These two aspects are the key components of EL that have been used within this research.

Organizational influences on EL

The nature of jobs, the intensity of interaction component in the jobs, organizational culture and EL display expectations could greatly influence the employee EL and its connections to customers' expectations of EL and their interaction perceptions ensuing from the elapsed EL.

EL in interaction jobs

The prevalence of EL in a job may vary depending on the type of job and the level of employee involvement with regards to interactions (Grandey, 2000). These interactions could vary in terms of the frequency, duration and variety of EL employed (Guy & Newman, 2004). For example, EL for a retail employee serving multiple customers over multiple service encounters could be quite distinct from the EL rendered by a banker/relationship manager to his/her customer - whom he/she may know over an extended period, with whom he/she has multiple interactions with, and comparatively for a longer duration (than a retail service encounter) (Grandey, 2000; Totterdell & Holman, 2003). High-interaction jobs such as private banking, as used as the focus of interest in this thesis allows for a range of service relationships to exist that would entail variations in EL necessary for the study.

Influence of organizational culture on EL

Organizations might create a culture, setting demands of EL from their employees (Karabanow, 1999) to achieve their organizational objectives of positive customer engagement (Grandey, Fisk & Steiner, 2005; Sutton, 1991). Organizational control of employee EL (ability to direct, demand and influence the amount of EL) could also result in employees employing coping strategies that allow them to share and alleviate their pain (if any) (Grandey, Foo, Groth & Goodwin, 2012; Korczynski, 2003). Positive organizational culture could influence employees towards positive disposition towards EL (more DA and less SA) (Ashforth & Humphrey, 1993; Grandey 2000; Morris & Feldman, 1996). This adds credence to studying employee-customer relationships with respect to the how employee EL may influence customers' interaction quality.

Organizational influences and expectations from employees could influence their use and the intensity of EL during their interactions. Positive organzational support could motivate the employees to indulge more in DA than SA, reducing their strain and emotional exhaustion (Ashforth & Humphrey, 1993; Grandey 2000; Morris & Feldman, 1996). Customers, being one of the prime recipients of employee EL (Grandey, 2000; Totterdell & Holman, 2003) could formulate different perceptions of interaction quality rendered by employees. This provides the basis for the articulation of the following research question:

'*What is the nature of the relationship between employee deep and surface acting and customers' perceived interaction quality in a service relationship?*'

Evolution of EL: Employee perspective

There are different factors, both *intrinsic* and *extrinsic* that may influence an employees' ability to engage in EL and impact their relationships with the customers (Grandey, 2000) as highlighted in the sub-sections that follow.

*Intrinsic***: Employee personality traits**

Individual traits and personalities could give rise to variations in EL behaviour amongst employees, and some could therefore engage more in SA, while others could exhibit more DA, with DA postulated to have a more positive impact on the employee-customer relationships and SA more negative.

Personality traits of individuals (employees) could influence others (customers) (Liu, Perrewe, Hochwarter & Kacmar, 2004) and traits, such as emotional intelligence, could influence the employment of DA more than SA by employees (Liu, Prati, Perrewe & Ferris, 2008). Extraverts tend to perform more DA than introverts (Judge, Woolf & Hurst, 2009) just as highly customer-oriented employees (Allen, Pugh, Grandey & Groth, 2010) and proactive personalities do (Randolph & Dahling, 2013). Most importantly, if individual identity traits are congruent with organizational display rules, it results in more DA than SA acting (Ashforth & Humphrey, 1991; Gosserand & Diefendorff, 2005; Morris & Feldman, 1996). Thus, different intrinsic factors, such as personality traits, could influence the employee EL and affect the customer relationships they hold.

Extrinsic: **Employee environment**

Just as with intrinsic factors, extrinsic factors could also impact the employee EL variations. A high interaction job component can cause EL amongst employees (Brotheridge & Grandey, 2002; Grandey, 2000). Intensity, frequency, variety and display rules can greatly impact the amount of EL performed by employees (Totterdell & Holman, 2003). Supervisor's display perceptions and co-worker's expectations of display could impact the EL behaviour of employees (Diefendorff & Richard, 2003). Most importantly, customers may exert a greater power for enunciating EL than colleagues and supervisors (Totterdell & Holman, 2003). Emoting to someone who has the power to decide on the delivery of service, interaction quality and thus make decisions that could influence gains to the organization, and the individual employee, is highly likely to influence the EL performed by employees. Hence, customers could influence employee EL engagement and approach (Diefendorff, Morehart & Gabriel, 2010). The above findings indicate that customers could be a major reason for employees to engage in EL. The influence of customers could be stronger than some internal entities such as colleagues or supervisors owing to the organizational and employees' individual goals, motives and gains from the customers.

Evolution of emotional labour: Customer perspective

The evolution of EL has been widely studied from an organizational and employees' perspective. Customers' expectations of EL have not been explicitly recorded in any of the works.

Customers' expectation of EL from employees could be very high when interpersonal interactions are involved between them (Wharton & Erickson, 1993). Authenticity anticipation could be extremely high in personalized service contexts (Salman & Uygur, 2010). DA appears to have a positive impact while SA a negative impact on customer perceived service quality (Trougakos & Jackson, 2011). Employee DA impacts customer service quality perceptions positively; however, employee SA does not impact customer service quality negatively, as long as customers are not able to detect the negative SA (Groth, Hennig-Thurau & Walsh, 2009). The above findings were applicable to the context of service encounters (Gutek et al., 2002; Pugh, 2001).

Longer duration and intensity in interactions could accentuate the prominence of EL (Grandey, 2000). Kiely's (2005) qualitative study tries to understand the customer and employee perspectives in business-to-business interpersonal relationships. Customers' expectations of EL in service relationships could impact an employees' EL, as well as a customers' perspectives on service quality (Kiely, 2005). Inclusion of customer expectations of EL as a mediating variable between the relationships of employee EL and customer perceived interaction quality and the exploration of service relationship context are of prime interest in this thesis. This connects to the second question of this thesis:

What are the mediating effects of customers' expectation of employee deep and surface acting on the relationship between employees' deep and surface acting and customers' perceived interaction quality?

Interconnections between EL, interaction quality and service continuity

Interaction quality

Perceived service quality has been defined as "customers' judgment about an entity's overall excellence or superiority" (Parasuraman, Zeithaml, & Berry, 1988, p.15). Service quality has been defined by a single layer of dimensions (Parasuraman, Zeithaml & Berry, 1985; Parasuraman et al., 1988; Parasuraman, Zeithaml & Berry, 1994); or through hierarchical models (Cronin & Taylor, 1992; Cronin & Taylor, 1994; Dabholkar, Thorpe & Rentz's, 1996; Grönroos, 1984; Haywood-Farmer, 1988; Rust & Oliver, 1994).

The service quality literature is widely fragmented in its approach, with the sub-constructs (sub-dimensions), context set-ups and service types chosen varying widely. Dabholkar et al. (1996) for example depict a model more suitable for testing in retail contexts only. Lassar et al. (2000) also found that a hierarchical model was highly relevant for testing service quality in private banking contexts, thus making the choice of Brady and Cronin's (2001) hierarchical model more appropriate.

This thesis thus derives the customer perceived interaction quality dimension from Brady and Cronin's (2001) hierarchical model with sub-dimensions of attitude, behaviour and expertise.

Context: Private banking

Interaction intensive and high-contact service contexts, such as private banking (Karatepe, Avci & Tekinkus; 2005; Lassar, Manolis & Winsor, 2000), provide an apt environment for employees to indulge in EL towards their customers.

To provide a contextual setting for the study, financial services, and specifically the provision of personal financial advice (private banking), are used because such an interactive process fosters long-term service relationships (Svensson, 2003; Svensson, 2004). "Private banking is defined as a supply of exclusive financial and advisory services to wealthy private clients" (Hens & Bachman, 2008, p.1). Horn and Rudolf (2011) also found that the interaction quality dimension has high relevance in private banking context.

Thus, the sections so far helped understand the connections between employee EL, customer expectations of EL and customer perceived interaction quality dimensions.

Service continuity

The interpersonal component of employees strongly impacts customer loyalty intentions, particularly in private banking (Yavas, Benkenstein & Stuhdreier, 2004). A service relationship might even continue between the two parties even if the relationship manager (financial adviser) changes his/her firm (bank) association (Horn & Rudolf, 2011; Mittal & Lassar, 1998; Parkington & Schneider, 1979).

The very prelude to customer loyalty intentions would be the continuity of the service relationship itself (Kandampully, 1998). Interactive process can have a continuous influence on the expectations of the service receiver and his/her perceptions of the interactions. This

would lead the service receiver (customer) to evaluate the continuity of the service relationship on a continual basis (Svensson, 2003; Svensson, 2004). This is especially true for high-contact service contexts such as private banking where the bond between the customer and the service provider (relationship manager/employee) could be stronger than that between the customer and the organization (Chase, 1978).

This gives rise to the choice of an outcome variable of 'customer intention to continue the service relationship' (Bloemer, Ruyter & Wetzels, 1999; Boulding, Kalra, Staelin & Zeithaml, 1993; Kandampully, 1998; Pollack, 2006; Zeithaml et al., 1996;) that completes the connections between EL-interaction quality and service continuity.

Research Questions

The following outlines the key observations arising from the evolution of EL, and its connections with customer perceived interaction quality and service continuity:

- EL has been explored from one of the entities' (customer or employee) perspectives. The perspectives of both the entities at a given point have not been captured in any previous research. This thesis attempts to capture the essence of the service relationship through simultaneous dyadic response collection from employees and customers.
- EL has been predominantly studied in the context of service encounters while this thesis considers the realm of service relationships, capturing the impact of EL on long-term and interaction intensive relationships.
- None of the previous work captures the customer expectations of EL, despite customers having a high influence on employee EL. This thesis examines customer expectations of EL and matches it to employee EL.

The identified connectors help move towards key research questions:

1. What is the nature of the relationship between employee deep and surface acting and customers' perceived interaction quality in a private banking service relationship?

2. What are the mediating effects of customers' expectation of employee deep and surface acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?

And a final question is added to address the issue of service continuity:

3. What is the influence of customers' perceived interaction quality on customers' intention to continue a private banking service relationship with the same service providers?

By answering the above research questions, this thesis attempts to make contributions toward theory and practice.

Contribution to theory – scoping the potential of the thesis

Despite the ubiquitous nature of EL in service contexts involving high-contact and high-frequency interactions, interaction quality (Brady & Cronin, 2001) has never been explored with regards to how employee EL could impact the interaction perceptions of customers and in turn affect the service continuity intentions of the customer (Boulding, Kalra, Staelin & Zeithaml, 1993; Kandampully, 1998; Zeithaml, Berry & Parasuraman, 1996). The interaction process involves the expectations of service receiver, as well as perceptions of interactions (Svensson, 2003; Svensson, 2004). This thesis captures customers' expectations of EL, as well as their perceptions on interaction quality owing to employee EL in service relationships (Svensson, 2003; Svensson, 2004).

Customers, in comparison to colleagues or supervisors, could exert a relatively higher power in influencing employee EL (Diefendorff, Morehart & Gabriel, 2010; Totterdell & Holman, 2003), yet employee-customer link has not been explored from a person-to-person interpersonal relationship.

High-contact, interaction-intensive service relationship contexts such as private banking involve high stakes for the customer and the employee. These personalized service relationships could impact revenues, perceptions of customers on service and even loyalty intentions (Mittal & Lassar, 1998; Parkington & Schneider, 1979; Seiler et al., 2013; Yavas et al., 2004), with bonds so strong that they continue even when employee changes his firm (bank/financial institution) (Mittal & Lassar, 1998; Parkington & Schneider, 1979). An opportunity to test the impact of EL in service relationships had thus remained unexplored providing a window of opportunity to fill this gap.

Customers' expectations of EL have not previously been matched to employees' actual EL behaviour. The relationship thread is shared between the customer and the employee in a

service relationship. The employee puts his/her effort towards delivering EL to the customer through interactions, while the customer could be expecting the same, less - or more - of EL from the employee (Diefendorff, Morehart & Gabriel, 2010; Totterdell & Holman, 2003). This match between the EL expectations of the customer and the employees' delivery of EL could help understand the flow of EL in the relationship, which is essential to understand the service relationship in its entirety, as developed between both the involved entities.

The transpiring flow of employee EL enactment and perception at the customers' end has not been captured entirely in previous research. This thesis thus explores this possibility by mediating the employee EL and customer perceived interaction quality relationship with customer expectations of EL.

Contribution to practice- potential gains

Customer feedback could be captured on an ongoing basis to be able to map their EL expectation to actual employee EL which could plug the expectation gap that may otherwise go unnoticed by employees performing EL in isolation. This thesis could impact employees by helping them to engage in appropriate EL and thus positively impact interaction quality and finally yield lasting and sustained relationships with their customers over time.

Organizations could hire, train and hone the skills of their employees so that they could manage their emotions and naturally align them to the EL expectations of their customers, while also being able to replenish their own emotions due to any drain from engaging in EL. The expected outcomes would be heightened interaction quality and long-gaining service relationships.

The banking industry deals with people's investments and financial planning, and the business processes associated with this process bring considerable strain to employees, and the organizations given the high stakes involved (Karatepe et al., 2005; Lassar et al., 2000). Management of emotions and a congenial culture of building and strengthening relationships over time can prove more beneficial than chasing short-term financial gains alone. Strong interactions could harbour lasting and sustainable relationships for customers, employees and banking institutions involved.

Way forward

Diagram 1.0 provides a diagrammatic representation of the concepts that have been covered in this chapter:
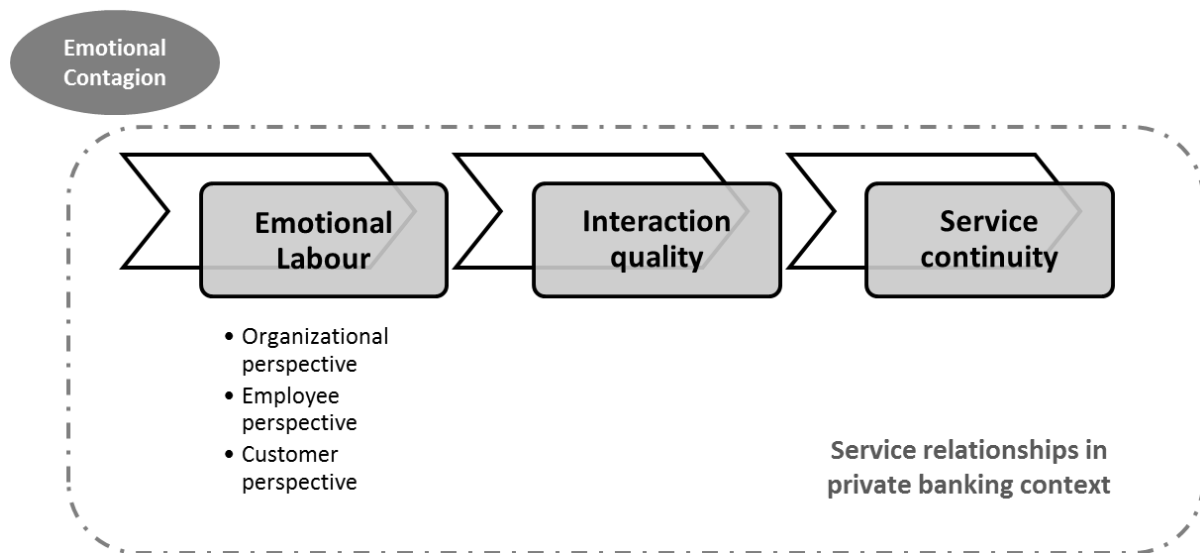
Diagram 1.0: Key concept coverage

This chapter established the conceptualization of EL between employee-customer relationships and its connections to interaction quality and service continuity in private banking service relationships. The discussed interconnections are further detailed in the Literature Review chapter ahead.

Chapter 2: Literature Review

Literature review introduction

Emotional labour has been studied from an organizational perspective, from an employees' perspective and to an extent from a customers' perspective. This chapter attempts to peruse the literature along the nascent objectives of this research, which is to study emotional labour in the context of service relationships taking into account, both employees and customers. The review chapter aims to examine the existing body of literature in terms of its relevance, its methodologies and to map the territory that this research addresses.

Literature coverage

A narrative literature review has been adopted. Relevant assertions, conflicting points of view and gaps in the literature have helped delineate specific research questions and the formulation of hypotheses. The review has critically examined the relevance of publications to the research topic, with focus on the research questions and objectives. The basis for the inclusion of literature has primarily been relevance, such that work on emotional labour and related topics, such as emotional contagion and emotion regulation, has also been considered. Literature has also been assessed with respect to methodology, to understand and include qualitative, as well as quantitative, perspectives. The topic is nascent and still evolving and maturing as more researchers try to engage in examining different aspects of emotional labour.

This chapter is divided into the following main sections:

- Emotional contagion (EC): A connected prelude to emotional labour
- Definition of emotional labour (EL)
- EL from an organization's perspective
- EL from the employees' perspective: Antecedents and consequences
- EL from the customers' perspective
- EL from the customers' perspective: Establishing the service relationship context
- Extracting interaction quality, physical environment and outcome quality from service quality (Brady & Cronin, 2001)
- Conclusion

Emotional contagion: A connected prelude to emotional labour

Emotional contagion is a topic that is closely related to emotional labour. Literature has been reviewed under this category that deals with display rules and the flow of these display expressions from one person to another. This is a step before the EL as expected, perceived or detected by customers. EC helps understand that the flow of display expressions from one person to another often happens automatically, more using body cues than actually managing one's emotions.

Definition of emotional contagion

Emotional contagion (EC) is defined as "the tendency to automatically mimic and synchronize expressions, vocalizations, postures, and movements with those of another person and, consequently, to converge emotionally" (Hatfield, Cacioppo & Rapson, 1993, p.96). Hatfield et al. (1993) found that emotion mimicry can be construed as phony if done intentionally. Hatfield et al. (1993) demonstrate that emotions can be generated by forcing facial movements, for example clenching the jaw may develop feelings of anger in a person. This can be of value in this research to examine whether customers in a service relationship have any appreciation for employee emotion generation through such method acting approaches (Stanislavski, 1965), where an actor tries to exhort feelings by trying to feel the emotions that he/ she needs to convey.

The following delineates the evolution of EC as a concept and how EC impacts this thesis.

Emotional contagion: Employee perspective

EC has been explored with respect to the manner in which employees may engage in EC to realize the flow of expressions from them to the customers (Huang & Dai, 2010; Pugh, 2001; Tsai, 2001; Tsai & Huang, 2002).

EC finds connotation in the interpersonal context. The collective effect of emotions is not the summation of individual effects of emotion (Vijayalakshmi & Bhattacharya, 2011). For example, a sports huddle during football or cricket could enhance the emotions of the entire group involved in the huddle and would be different from individual emotions of each of the sportsmen (Vijayalakshmi & Bhattacharya, 2011). Factors such as empathy, self-monitoring, sensitivity to others, level of susceptibility, affiliation, personality structure and level of stress could have an influence on the transfer of mood and emotion (Vijayalakshmi & Bhattacharya,

2011, p.366). This could be of particular relevance in a service relationship, since knowing one another for a longer time can enhance some of the impacts of emotion flow. This also emphasizes the need to study the paired relationship involved, as undertaken in this thesis.

People who are high transmitters of emotions and high on 'picking up' (comprehending) other's emotions are also good sales performers (Verbeke, 1997). Employees who could not empathize with their customers and only transmitted, but did not comprehend emotions were more likely to burn out and thus appear to be 'liabilities' to their organization (Verbeke, 1997).

Individual differences amongst employees could have varying impacts on the customers. Doherty, Orimonto, Singelis, Hatfield & Hebb (1995) found that women were more susceptible to other's emotions such as joy, fear, love, sadness, with the only exception being anger. Even across different occupational contexts, women were found to be more susceptible than men, and people across different occupations tended to express different susceptibility (Doherty et al., 1995). This outcome is again useful to extend the concept of the flow of emotions amongst people and its tendency to vary from person to person, and context to context.

Employees' characteristics and personality traits could have an impact on the transmission of emotions. Different contexts of services depending on the frequency, duration and intensity of interactions could have an impact on employees' expressions towards customers. Likewise, this may have implications for the flow of EL from employees to customers as examined in this thesis.

Emotional contagion: Customer perspective

EC also has impact on a customers' perspective of employees' service and thus form future loyalty intentions.

Impact on customer emotions and intentions

Employee negative emotions were found to increase customer negative emotions. Also, employee positive emotions could considerably mitigate customers' negative emotions (Du, Fan & Feng, 2009). They reconstructed a restaurant context using role play by different individuals to enact the roles of customer, waitress and manager. Differences in susceptibility

to EC had a varying impact on customers as well (Du et al., 2009). This thesis examines the flow of emotions from employee to customer along similar lines.

Pugh (2001) tried to study the relationship between employees' displayed emotions and customer responses in a retail banking setting. Transaction busyness negatively related to displayed emotions, which in turn positively related to customer affective reactions. Although one of the first to test the flow of emotions from employee to customers, Pugh's (2001) study tested the employee-customer link and examined responses from employees and customers. This thesis also has dyadic response collection from employees and customers.

Tsai and Huang (2002) improve upon the work of Pugh (2001) on emotional contagion (EC). One difference between the studies is that Pugh (2001) considered perceived service quality while Tsai and Huang (2002) considered customer buying intentions as the outcome variable. Both studies record observations by a third observer in service encounter settings, although Pugh (2001) records across multiple transactions in a bank setting, while Tsai and Huang (2002) look at a single encounter in a simulated retail shoe store claiming a more intense encounter between the customer and service provider. Tsai and Huang (2002) suggest how employee affective delivery can impact the long-term behaviour of customers, hence opening the doors to further investigation of EL in service relationships. Both the studies provide credence for choosing the outcome variable 'intention to continue a service relationship', an imperative for repeat purchase in banking service relationships.

Fading strength of emotional contagion

Pugh's (2001) work was further studied by Hennig-Thurau, Groth, Paul & Gremler (2006) in trying to find the differential effects of employee smiling behaviour and EL display in simulated experimental setting. This is the first study to provide evidence that different types of EL influence the customer experience during service encounters. Hennig-Thurau et al. (2006) point out that primitive EC (i.e. merely based on mimicry effects) can only occur in early phases of service encounter, but may not sustain throughout the encounter with the same intensity. The study indicates that while both extent of employee smiling and authenticity of EL have a direct impact on customer-employee rapport, the extent of employee smiling does not have a significant change in customer positive affect. This could be due to the increase in familiarity between employees and customers over time.

Mimicry of emotions with employee smiling affecting customer smiling may not necessarily impact the post-encounter mood of the customers (Barger & Grandey, 2006), which reiterates the findings of Hennig-Thurau et al. (2006). Such an impact could be more pronounced in long-term relationships with genuineness of employee emotions impacting the customers' appraisal of interpersonal relationship. Displayed emotions in a service relationship could be due to the memory of emotions across several service encounters and may vary from one individual to another and from one relationship to another (Gutek et al., 2002). EC may give only a primitive indication on the entire interaction, fade away and not have a lasting impact on the customers' interaction perceptions (Hennig- Thurau et al., 2006).

Mediation of customer expectations

Employee's displayed emotions link to customer purchase intentions and behaviour intention (willingness to recommend and return), was tested in a shoe store amongst the sales clerks (Tsai, 2001). An observation method was adopted to record the findings. The psychological climate for positive emotions was found to encourage positive emotions amongst employees, however employee positive emotions had no effect on customer purchase decisions, but had a positive effect on the customer reactions (both willingness to recommend and return). Customer behaviour could also impact positive emotions in employees and customer expectations could also impact the employees' flow of emotions (Huang & Dai, 2010). Customer behaviour could mediate the relationship between the employees and the customers with respect to interaction quality, which is one of the key research questions that this thesis intends to address.

A rare study amongst frontline employees (in different sectors including banks, insurance providers, and departmental stores) revealed that customer moods had an effect on EC perceptions of the employees. An increase in service performance resulted owing to positive customer moods, however negative moods did not significantly negate the effect. Such an outcome may indicate that incentives greater than EC may exist for the employees to give a superior performance (Huang & Dai, 2010). It is one of the few literatures that tried to blend the concepts of EC and EL in their model and gives cues for testing the concept of EL with regards to customers' expectations. Just as customers' moods may impact employee EL, customer expectations of EL could also impact the employees' EL strategies and thereby impact customers' perceptions of interaction quality, as examined in this thesis.

Summarizing EC:

Table 2.0 summarizes the research perused in the EC section and its impact on this thesis:

Table 2.0: Emotional contagion literature and its impact on thesis

Study findings	Impact on thesis	References
EC: Employee perspective		
Individual differences such as personality traits, empathy influence the transfer of mood and emotion (EC) from employee to customers.	Provides evidence to examine the employee-customer relationship and has a strong bearing on answering the first research question on the impact of employee EL on customer perceptions of interaction quality.	Doherty et al., 1995; Verbeke, 1997; Vijayalakshmi & Bhattacharya, 2011;
EC: Customer perspective		
Impact on customer emotions: Positive and negative employee emotions have an impact on the customers with respect to service quality or customer buying intentions.	Further impetus to examine the flow of emotions from employees to customers in interaction intensive environments (first research question)	Pugh, 2001; Tsai & Huang, 2002
Mediation of customer expectation: Customer expectations and behaviour may impact the employee flow of emotions.	Provides evidence for testing the mediation of customer expectations of EL on the relationship between employee EL and customer perceptions of interaction i.e. the second question that this thesis examined.	Huang & Dai, 2010; Tsai, 2001
Fading strength of EC: The strength of EC fades, not sustaining across the entire breadth of the interaction between employees and customers. EL as a concept has a much stronger impact than mere bodily display and expression flow.	EC as a concept has a weak impact on interactions. EL as a concept is more relevant for testing in interaction-intensive context such as service relationships.	Barger & Grandey, 2006; Hennig-Thurau et al., 2006

Emotional contagion is a closely related concept to EL. The concept of EC appears to give some cues on flow of emotions from employees to customer, customer perceptions of emotion flow and impact on customer loyalty intentions (willingness to recommend and repurchase).

The first research question of the thesis dwells on how the employee EL impacts customer perceived interaction quality. The relationship thread between employee and customer has been well depicted in the EC literature (Pugh, 2001; Verbeke, 1997).

Emotional contagion deals with only the display aspect of the interaction, which could be very primitive. While EC could be effective in the beginning of the interaction, it may not last over an entire interaction (Hennig-Thurau et al., 2006). Another line of thought believes that initial faking through EC could lead to feeling actual emotions and thus have a lasting impact (Martin et al., 1998; Lee & Brotheridge, 2011). However, the lasting impact could also be negative on both the employee, in terms of emotional well-being, and customer in terms of being able to detect the fake emotions. This again raises potential issues for further research - in particular on the impacts of the actual interaction behaviour between employees and customers, while that interaction is delivered with emotional labour by employees to customers.

Interestingly, despite the primitive nature of EC, many researchers went ahead to look at customer loyalty intentions, such as customer buying intentions, willingness to return and willingness to recommend (Tsai, 2001; Tsai & Huang, 2002). Customer loyalty intentions are possible outcomes only if a customer decides to stay in a service relationship, which is tested in this thesis as a construct.

EC has been mainly studied in service encounter contexts from bank tellers, retailers and restaurant. No study of EC has been conducted either over time (longitudinal design) or in the context of a service relationship.

In service relationships the aspect of mere bodily display as proposed in EC may not be the only relevant aspect since the entities involved - customer and employee - know each other fairly well and the natural tendency to detect each other's emotions would be higher than in just service encounters, where transacting entities (customer and employee) may not know each other very well (Gutek et al., 2002). Also, EL is about management of emotions along with the facet of display, since it deals with invoking feelings in other entity (Hochschild, 1983). Hence, it is concluded that the relevance of EL for this thesis is higher since it entails EC, while the reverse is not true. However, the concept of EC is an apt prelude to understand the nuances to come in the EL literature. The next sections consider EL from definitional, organizational, employee and customer perspectives.

Definition of emotional labour (EL)

All jobs require people to manage their emotions to an extent. This management of emotions also leads to specificity in display of emotions, which could either be in accord of how you feel or different from it. Emotional labour is defined by Hochschild (1983) as "the management of feeling to create a publicly observable facial and bodily display" (p. 7, 1983). Many jobs contain an emotional component that goes beyond the normal burden on feelings caused by work and thus require "emotional labour". Such work has three things in common: (a) requires face-to-face or voice-to-voice contact with public, (b) requires the employee to produce an emotional state in the customer, and (c) allows the employer, through training and supervision, to exercise some control over the emotional life of employees (Hochschild, 1983).

Hochschild (1983) distinguishes between two approaches available to the emotional labourer - *surface* and *deep acting*. These terms have been derived from world of theatre and have been the means of technique for actors. In surface acting actors deceive others about what they actually feel and the aim is primarily to get the right emotion across to the audience, although the emotion is not felt by the actor as such. In deep acting, actors deceive themselves and through exhorting the feeling or through creative imagination produce the feeling that is required for them to have the outward appearance that induces the desired emotion in the audience. Deep acting is of two types, one by directly exhorting the feeling and the other is through trained imagination which is also known as m*ethod acting* (Stanislavski, 1965). In method acting technique, the actor primarily exhibits an emotion by digging into his/her pool of incidents in the past, which act as an emotion bank, and recall situations relevant to the emotion that he/she needs to deliver at that moment. For example, if a scene has to be performed where the actor is required to show condolence towards an ailing senile co-character, they may wish to draw the emotion out of a similar situation from their life, say when they may have looked after an aged and unwell parent, or when they perhaps attended to someone at an care home. Another example - say a flight attendant delivers their statements in a particular manner benchmarking politeness, synchrony of tone and respectful usage of words for the customer to feel cared/concerned for- *"Sir, kindly fasten your seat belts since we are encountering bad weather."* This can be an example of deep acting by the employee where genuine concern is being projected to the passengers on board through a conditioned mode of message delivery. However, a flight attendant may exhibit surface acting by not feeling any

genuine concern while they greet passengers with a smile when getting aboard on the flight-*"Good morning! Welcome aboard!"*

The next section presents the different approaches that have been taken to define EL and the definition of EL that forms the basis of this thesis.

Wharton and Erickson (1993) defined EL in terms of work and family roles and segregated the feeling of emotions and the display of them as two separate aspects of emotion management. "Degree of emotion management refers to the extent to which the work or family role calls for an intentional display of emotion, and type of emotional display refers to the particular emotions that are expressed in the role" (Wharton & Erickson, 1993, p.463).

EL has also been defined by Morris and Feldman as "the effort, planning and control needed to express organizationally desired emotions during interpersonal transactions (1996, p.987)." Morris and Feldman (1996) looked at EL from an interactionist model of emotions and postulated that even when employees' emotions were in congruence with what is desired by the organization, an employee would still be required to make an effort to project those emotions, hence encountering emotional labour. Their definition held common grounds with that of Hochschild (1983) on the aspect of the emotional expression of the employee becoming a market commodity. However, Morris and Feldman (1996) were more concerned with the expressed behaviour since that is what organizations seek, while Hochschild (1983) believed in the management of felt emotions and her definition encompasses the aspect of expressed behaviour as part of the management process.

Ashforth and Humphrey (1993) define EL in a slightly different manner than Hochschild (1983): "the act of displaying the appropriate emotion" (i.e. conforming to a display rule) as EL. Ashforth and Humphrey (1993) argued that "emotional labour not necessarily involves any conscious effort, SA and DA may become routine and effortless for the employee rather than cause stress" (as expressed by Grandey, 2000, p.96). The main differences in their definitions were that Hochschild's (1983) definition stressed the actual feelings and its management, while Ashforth and Humphrey (1993) focused on the observable behaviours and not feelings as observed by Grandey (2000). Hochschild's definition involves SA (faking, hiding or pretending emotions that employee does not have) and DA (actually feeling and expressing what one feels) inherently encapsulates the feeling and expression of emotions, offering a clarified approach to EL rather than segregating felt and expressed emotions.

Grandey (2000) explained the EL model through the two strains - DA and SA, and explicated "emotion regulation as modifying feelings by thinking good thoughts or reappraising the event (deep acting), or modifying expression by faking or enhancing facial and bodily signs of emotion (surface acting)" (Grandey, 2000, p.99). The author associated DA with being antecedent focussed - mainly by method acting or attentional deployment (Stanislavsky, 1965) or cognitive change by changing one's perception of the situation to act accordingly; while SA was associated with more response-focussed emotion regulation, where individuals continue to act in accordance without manipulating their internal emotions. Grandey (2000) views are close to the definitions of Hochschild's (1983) regarding the sub-constructs of DA and SA.

In deep acting, an employee would modify their own feelings to match the required displays, with an intention to appear authentic to their audience i.e. the customers, thus "faking in good faith" (Grandey, 2003, p.89; Rafaeli & Sutton, 1987, p.32). In surface acting, however an employee does not act in congruence with internal feelings, only to comply for the display rules for conformance to organization rules, to keep the job; thus "faking in bad faith" (Grandey, 2003, p.89; Rafaeli & Sutton, 1987, p.32). Authenticity surfaces as a key ingredient of an employee-customer interpersonal relationship, and an employee engaged in DA or SA display.

Another variation to the EL definition is by Diefendorff and Gosserand (2003) who defined EL as the process of regulating one's emotional displays in response to display rules so that work goals can be achieved. Diefendorff and Gosserand (2003) employ the control theory perspective, such that employees would be required to engage in EL whenever their projected display does not match the organization's display rules; however, this definition does not capture the inherent origin of EL from the employee and its flow to the customers to understand its impact on the prime recipients-customers, as required in this thesis.

EL has been defined as two components - as "emotive effort" (Smith, Dorsey & Mosley, 2009, p.32) that captures active deep acting and "emotive dissonance" (Smith, Dorsey & Mosley, 2009, p.32) that captures surface and passive deep acting. "Active deep acting is when workers don't feel the desired emotion, and use training and personal experience to help invoke appropriate emotions within themselves. Passive deep acting occurs when workers genuinely feel the expected emotion. Surface acting is when felt emotions are not in congruence with expected emotions" (Smith, Dorsey & Mosley, 2009, p.31). Hochschild's (1983) definition encapsulates active and passive deep acting as one, unlike Smith et al. (2009). It might be very

difficult for the employee to differentiate when the emotions have been invoked owing to training and when through personal experiences since over time emotions would become ingrained and part of the character, role, job and the very personality of the employee. Deep acting per se is most apt as genuinely felt, as it is also being expressed.

Morris and Feldman (1996) postulated that frequency, intensity, duration and variety of EL would have different positive negative or no relationship with each other. Brotheridge and Lee (2003) also reiterate that "EL is the behavioural response to variations in the frequency, variety, intensity and duration of service interactions" (p.367). It can be inferred from the above that service relationships (private banking relationships in this case) would vary significantly across frequency, duration and variety of EL from service encounters given that customers and relationship managers meet regularly and the duration of the meetings are significant. The intensity of each encounter may vary depending on the subject of the interaction elapsing between the two entities and all the four elements would invoke different varieties of EL by the employees towards the customers, which alludes to the scope of the research question testing the impact of employee EL on customers' interaction quality.

Table 2.1 gives a summary of EL definitions, sub-constructs, and major differences from Hochschild's (1983) definition.

Table 2.1: Summary of EL definitions

Author & Year	Definition	Salient focus areas
Hochschild (1983)	The management of feeling to create a publicly observable facial and bodily display	• Sub-constructs- DA and SA • Concentration is on management of feelings
Wharton and Erickson (1993)	Emotion management as the extent to which work or family role calls for an intentional display of emotions, and type of emotional display refers to the particular emotions that are expressed in the role	• Segregate the aspects of managing the emotions and the display of those emotions as two separate dimensions of EL
Morris and Feldman (1996)	The effort, planning and control needed to express organizationally desired emotions during interpersonal transactions	• More concerned with expressed behaviour than felt feelings
Ashforth and Humphrey (1993)	The act of displaying the appropriate emotion (i.e. conforming to a display rule)	• Concentrated on observable behaviour • Believed that DA and SA become more a routine act over time for employees
Grandey (2000)	Emotion regulation defined as modifying feelings by thinking good thoughts or reappraising the event (deep acting), or modifying expression by faking or enhancing facial and bodily signs of emotion (surface acting)	• Deals with emotion regulation • DA and SA constructs are similar to those of Hochschild (1983)
Diefendorff and Gosserand (2003)	The process of regulating one's emotional displays in response to	• Concentration is on employing EL strategies based to match

	display rules so that work goals can be achieved	organization's display expectations (a control theory method)
Smith, Dorsey & Mosley (2009)	EL is defined as two components- "emotive effort" that captures active deep acting and "emotive dissonance" that captures surface and passive deep acting	• Sub-constructs- emotive effort (active deep acting) and emotive dissonance (passive deep acting and surface acting) • Focussed on the aspect of actually feeling as a separate component of DA

Summary: Emotional labour definitions

Wharton and Erickson (1993) segregated the aspects of managing emotions and its display in their definition of EL. The management of feelings and its display is interrelated in Hochschild's (1983) definition. This thesis builds on Hochschild's (1983) approach because the employees need to manage their emotions to suit the display expected by the organization to serve their customers well. Morris and Feldman (1996) focussed on employees' expressed behaviour; while Ashforth and Humphrey (1993) dealt with their observable behaviour conforming to the organization's rules and expected display (Diefendorff & Gosserand, 2003). Effortful expression by employees would require them to manage their feelings so that expression and display of those emotions would conform to the expected display norms/rules (Hochschild, 1983). This thesis considers explicitly the management of the feelings by the employees and the associated display that emanates from this. The expression and display aspects of EL are connected to the internal management of feelings (Hochschild, 1983), as treated in this thesis. Expressed emotions have been considered as a part of 'management' in Hochschild's (1983) definition and this thesis dwells on how the managed and emoted feeling flows to the customer. Conformance to an organization's display rules (Ashforth & Humphrey, 1993; Diefendorff & Gosserand, 2003) is an external influence on the employee's emotional expression. Along with many external triggers such as supervisors' influence, customers' influence (Totterdell & Holman, 2003) internal triggers, such as personality traits could initiate

the employees to manage their emotions (Grandey, 2000). Thus, Hochschild's (1983) definition is more appropriate in defining EL, since employees actually manage multiple triggers and influences to perform EL, using it as a tool to render their interactions towards multiple stakeholders, customers being chief amongst these (Totterdell & Holman, 2003)

The sub-constructs of SA and DA (Hochschild, 1983) are used to define the attributes of EL in this thesis. SA (Grandey, 2000; Smith et al., 2009) is defined largely as it is by Hochschild (1983). DA has been defined by some as having as two parts - active DA, where an employee invokes the feelings and passive DA, when employees genuinely feel the emotions. However, Hochschild's (1983) definition captures DA as one component of EL. The argument against the other definitions is that it might be very difficult for an individual to segregate between invoked and genuinely felt emotions since they may appear to be the same to some. Also, when someone tries to invoke feelings, this could overlap with the attribute of 'pretending to have emotions that one doesn't have' which is a part of SA (Hochschild, 1983). Thus, the constructs of SA and DA are best dealt as two sub-constructs of EL, with no further segregation in DA.

Emotional labour: Organizational perspective

Organizations that provide a conducive environment may help increase employee job satisfaction and in turn enable employees to identify as an integral part of the organization (Moon et al., 2013). A study amongst front line staff in hotel chains in Taiwan, supported this position. Such employees showed lower tendency of turnover from their firms (Lu, Shih & Chen, 2003).

EL is influenced by the organization's goals and objectives, such as desired emotional display by its employees (Hochschild, 1983; Morris & Feldman, 1996; Ashforth & Humphrey, 1993; Diefendorff & Gosserand, 2003). This section details EL, both SA and DA strategies, in employees through an organization's perspective. Some of the literature has further tried to analyse EL with respect to its consequences on the way organizations expect EL from their employees in order to meet the organization's objective.

Occupational emotional labour

Different occupations may incite a variety of EL from employees. The literature below narrates the impact of occupations on employee EL and plausible variations in EL that the employees may exhibit owing to occupational influences.

Differences in expressed emotions exist across individualistic and collectivist societies. Negative emotions like anger, fear and sadness were expressed less in collectivist society than in an individualistic society (Moran, Diefendorff & Greguras, 2012). Moran et al. (2012) examined display rules at work and outside work and found that suppression of negative emotions was more at work than outside, owing to conformance to organizational controls. Even happiness is depicted in a snubbed manner giving a variation to happiness called "professional happiness and not actual happiness" (p.331). The private banking context explored in Dubai could house employees from different kinds of societies (collectivist/individualistic) since they hail from different countries (Snoj, 2015). Also, this would influence different employees to employ different EL strategies, as relevant for this thesis.

Employee EL is particularly high in relational jobs that require high interpersonal interaction, such as the private banking context chosen for this thesis (Guy & Newman, 2004) more so than in some other quantitative or physical jobs such as factory manual jobs. Occupational sex discrimination is imminent in high EL demand jobs like counselling, social work and teaching, with women's EL efforts going unnoticed and expectations of EL from men being far lower than that for women. Private banking is a highly relational job and would thus demand a high level of EL from the employees, and different employees may employ different EL methods.

EL at occupational level involves emotional demand components (Glomb, Kammeyer-Mueller & Rotundo, 2004). A more job focussed study than individual/employee focussed (Glomb et al., 2004) showed that the interaction component is one of the core underlying principles of an EL job (Hochschild, 1983; Morris & Feldman, 1998). Factor analysis performed on job demand characteristics resulted in emotional demand components loading distinctly into one factor without any cross-loadings across information, managing or physical job demand components. The key characteristics in this factor were "establishing & maintaining relationships", "selling or influencing others", "deal with external customers", "provide a service to others", and "frequency in conflict situations" (Glomb et al., 2004, p.706). Analysis was conducted across various job categories- lawyers, psychiatrists and social workers which are jobs relevant to a service relationship context similar to private banking. Jobs high in cognitive demand and EL such as private banking attracted higher wages, jobs with lower cognitive demand-higher EL jobs such as customer care jobs attracted lower wages. A limitation worth noting is that demand

and supply of skilled workers also impact wages, and high cognitive demand jobs could be higher paid due to the demand for such skills in the market (Glomb et al., 2004).

The above literature depicts the importance of EL, and its prevalence to relational (Guy & Newman, 2004) jobs that involve high interaction (Ashforth & Humphrey, 1994; Morris & Feldman, 1998). Such jobs often demand emotional attributes for employees to engage in EL (Glomb et al., 2004).

Gender's influence on emotional labour jobs

Gender could have an impact on the way employees intrinsically employ EL towards their interactions with customers. Although this has not been studied in this thesis, this has been narrated to understand how some jobs are more associated with one gender or the other as a norm.

Delivery of EL could be associated with that of caring, which could be one of the reasons that influence employees to exhibit EL towards customers as well. Franzway (2000) found in her qualitative study how women in leading roles in trade unions employed emotional labour strategies to empower the trade union members rather than making them fall dependent on them and harbour an infant-mother relationship between the leader and members. This again brought in the aspect of female gender's ease and advantage in employing EL strategies, when correlating it with emotions of motherhood. It appears also notional to consider the depiction of emotions easier for the feminine gender versus masculine gender.

Service frontline jobs, apart from being considered female-dominated, also portend to involve high customer contact that may not allow employees to vent out any form of negative emotions (Nixon, 2009). Low-skilled unemployed men deemed service-oriented jobs such as retail sales assistant, till-cashiers, call centre assistant (study conducted in Britain) unsuitable for them and seemed to lack patience for (Nixon, 2009). Management of emotions and their display (i.e. EL) in the constricted service environment was highly challenging to these employees and thus they preferred manual labour jobs like warehousing jobs or forklift operations over the former. This could raise questions on the level of ease in performing manual versus interaction-intensive relational jobs.

Employees may choose jobs with high EL demands due to their interest, for example someone may choose to be a social worker out of altruistic tendencies, however emotionally demanding

it might be (Bhave & Glomb, 2009). Both male and female genders are occupied in high EL demand jobs; however this needs to be considered as per the supply of jobs in male-dominated jobs with high EL demand (e.g. police officers, ambulance drivers, fire-fighting personnel) which could be lower as compared to the supply of female-dominated high EL demand jobs (e.g. social workers, nurses, flight attendants) (Bhave & Glomb, 2009). A wage penalty exists for working in occupations with high EL demands. While wages were lower for male-dominated high EL demand jobs than in low EL demand jobs, there seemed to be no such difference in the wage effects in the case of women (Bhave & Glomb, 2009). The sample chosen was national sample of U.S. workers with information on two jobs (one previously held and one current) of each worker, and the construct was for a job-based EL demand rather than employee-based EL demand (e.g. applicable for all police officers rather than finding the difference in EL demands felt by each police officer).

Scott and Barnes (2011) also tested the effect of gender on emotional labour strategies adopted by employees (bus-drivers) over a period of time. Women were more likely to be negatively affected by surface acting and reporting work withdrawal, as compared to men as also pointed by Judge, Woolf and Hurst (2009). Alternatively, deep acting had a more positive affect on women than men. Once again, a multi-level study based on existing literature and scales, the study reinforces how EL, like emotion work, is associated with being easier for women than men.

Although this thesis does not directly deal with gender-based analysis of the findings, it is interesting to note that emotional labour is prone to a populist opinion of being employed or expressed more by the female gender and terming many jobs as female jobs (Franzway, 2000; Judge et al., 2009; Scott & Barnes, 2011). Banking, particularly private banking is a relationship oriented job and both male and female employees work as relationship managers in private banking. It would be interesting to note the impact of employee EL strategies towards the customers. The cardinal point is that different employees may employ different EL strategies towards customers with gender being one of the influencers for this EL.

Organization's work cultural influences

Literature in this section helps understand the EL strategies employed by employees owing to the influence of organizational culture. This could greatly impact the service interactions

portended by the employees. In the long run, these service interactions could influence the organization's tangible and intangible outcomes.

Meier, Mastracci & Wilson (2006) investigated the role of EL in an organization's success. EL has been postulated to contribute to organizational productivity. Evidence showed higher attendance in public schools employing more female employees, with an underlying assumption that female employees exhibit and are expected to exhibit higher levels of EL (Meier et al., 2006).

A typical case of an organization which promoted expressing felt emotions, both for caring as well as organizational gains was Bodyshop (Martin, Knopoff & Beckman, 1998). EL was employed by way of suppression of negative emotions while dealing with customers, however very little hierarchy or display rules existed between peers and management. The expansion of Bodyshop across international borders caused the culture to undergo an evolution. Many employees felt stressed with the over indulgence of emotions at work, and found their personal and work environment conflicting (Martin et al., 1998). Banking institutions fall in the category of high-contact service (Gutek et al., 2002) and have demanding rules of engagement for their employees to interact with customers (Horn & Rudolf, 2011; Lassar et al., 2000).

Positive organizational support affects DA in a positive manner, thus reducing the effect of emotional exhaustion on an employee. Emotional exhaustion impacts organizational commitment in a negative manner and finally has a negative impact on turnover intentions (Moon, Hur & Jun, 2013). Positive organizational support mediated both the relationships-between DA and emotional exhaustion and SA and emotional exhaustion (Ashforth & Humphrey, 1993; Grandey, 2000; Morris & Feldman, 1996). When employees receive support from their organizations, they feel obligated to return the emotional debt by positively moulding felt emotions for more authentic service displays (Moon et al., 2013).

Organizational culture can be very demanding of their employees and can at times dictate the amount of 'giving' to be more or less than the employees would deem natural for them (Karabanow, 1999, Martin et al., 1998).

A qualitative study conducted amongst bill collectors elaborated on how organizations select, train, and incentivize bill collectors to align their feelings as per the goals of the organization (Sutton, 1991). Since bill collection involves creating a sense of urgency for debtors to pay

their dues, sometimes, the feelings of the employees may not be in congruence with what they are expressing, which can cause dissonance (when inner feelings are not the same as expressed feelings). Organizations, depending on the nature of services that they render, are responsible for institutionalizing emotions of their employees to attain the organizational goals (Sutton, 1991). Such institutionalization gives further impetus for the employees to engage in EL, whether DA or SA, further depending on the impact of institutionalization being positive or negative on them.

In an institutionalized work culture, employees are required to express positive emotions only in their interactions, whereas in impulsively-oriented cultures, employees have the freedom to express their felt emotions (Grandey, Fisk & Steiner, 2005). Employees excised higher personal control over emotion regulation in impulsively-oriented cultures (French employees) than in institutionalized work cultures (American employees). A higher personal control alleviated the negative relationship between emotion regulation and emotional exhaustion. Private banking in this research would fall into the category of an 'institutionalized work culture', which could influence different employees towards engaging in EL differently (Grandey et al., 2005; Sutton, 1991).

When organizations give enough freedom and autonomy to employees to function, the employees' jobs can become more rewarding with employees maximizing the use of DA and requiring lesser employment of SA. A qualitative study amongst leisure tour representatives found how they considered the entire package of entertaining their guests as their job, even though at times it intersected with their private space. Some abusive customers demanded the tour operators to employ SA while enthusiastic tourists may demand a friendly demeanour involving DA. Thorough selection, due training and continuous engagement of the employees with the organization's goals and the individual's task orientation helps employees cope with emotional dissonance (Guerrier & Adib, 2013). Guerrier and Adib (2013) were in agreement with the evidence of institutionalized organizations impacting the nature of EL employed by employees (Grandey et al., 2005).

An interesting study was conducted amongst service employees across different contexts (nursing, retail, call centre and administrative) explored the work-to-family and family-to-work interference with emotional labour. Firstly, SA negatively and DA positively impacted the quality of work-life. SA at work may allow an employee to work in congruence with

organizational goals, however, this SA would cause stress to the employee that could interfere with his/her emotions at home. Likewise, EL was found to have a negative association with family-to-work interference. An employee would employ more SA at work owing to depletion of resources (Cheung & Tang, 2009). This study is interesting since it takes the EL concept and its interference with work and personal space. While EL could help an employee meet the organizational goals well, the impact on his/her private life could be detrimental. In particular, SA impacts an employee negatively in his/her personal space.

Coping strategies

Coping strategies could be employed by employees to alleviate their pain from performing EL at work. Discussing with peers and colleagues, internal support mechanisms and support from organization's management could influence the way employees would employ EL (Grandey, Foo, Groth & Goodwin, 2012). Coping strategies could help structure a healthier work environment for employees to perform more positive EL and reduce the impact of negative EL on self and the interactions rendered by them (Korczynski, 2003).

EL has been widely researched in the area of healthcare, especially amongst nurses. One such study tries to understand the influence of how a "climate of authenticity" (i.e. an environment of vent out available amongst co-workers where one can express felt negative emotions) alleviates burnout from EL (Grandey et al., 2012). The more frequent the ill-treatment of the care providers by the patients and their family members, the more likely they are to engage in surface acting. A low climate of authenticity exacerbated resource depletion owing to self-regulation with patients; while a high climate of authenticity replenished the self. Intensity of interaction in health care is unique owing to the level of interaction intensity and care, thus there is a possibility that the same effects may or may not be reflected in another context such as food services or retail shopping sectors (Grandey et al., 2012).

Depending on the management control and culture of an organization, employees could form communities of coping for alleviating their pain caused by their social interactions with irate or hurtful customers. A qualitative comparative study amongst call centres discover the said feelings (Korczynski, 2003). This can be interesting from organization's point of view for focusing on employee well-being and internal service quality (Heskette, Jones, Loveman, Sasser Jr., Schlesinger, 2008).

Abusive supervision was found to have a positive impact on SA, and a negative impact on DA (Wu & Hu, 2013). The openness of personality seemed to help an employee with some coping strategies, thus making the impact on SA more positive, and weakening the impact on DA of abusive supervision. This is one of the varied studies that look at insiders to an organization, rather than external entities' impact on the employees. Wu and Hu (2013) tested the relationship using hierarchical regression between abusive supervision, deep acting and surface acting and the moderating role played by openness of personality on these relationships. Relationships between supervisor/manager and subordinate/employee are long-term in nature. EL would be prevalent on a daily basis between these entities, and this is a close analogy to the relationship manager-customer relationship (Wu & Hu, 2013).

Organizational culture, hiring and training policies and peer coping strategies could influence the employee EL behaviour towards the customers. The studies mentioned could have implications for organizations to plan their overall strategy on employee EL engagement.

Summary: EL from an organizational perspective

Key sub-sections	Literature overview	Impact on thesis
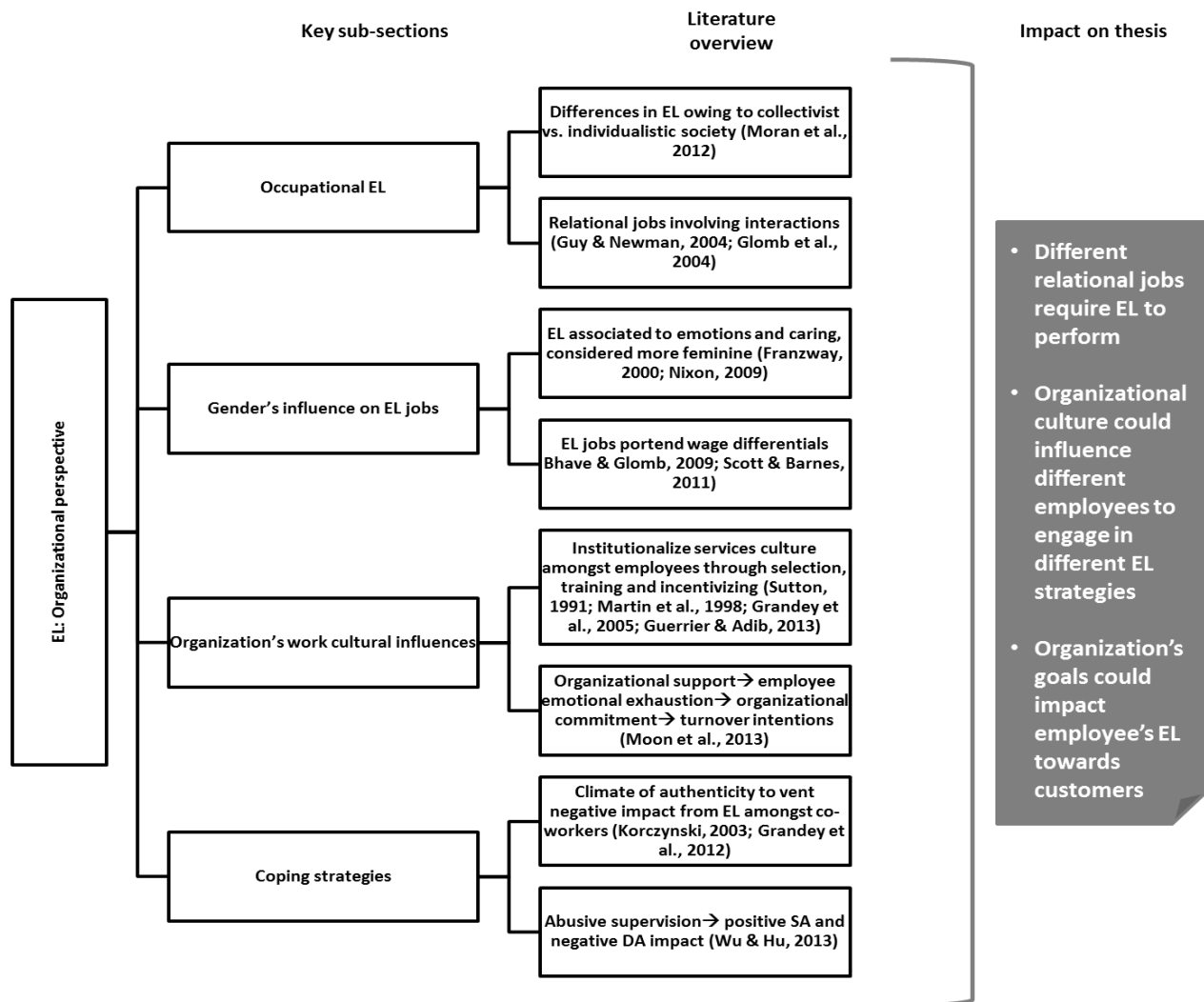
Diagram 2.0: Emotional labour from organizational perspective

Above pieces of literature highlight how the organizational requirements impact EL strategies amongst employees and also how EL impacts the employees. A snapshot summary is depicted in the above Diagram 2.0. A comparative study between collectivist and individualistic societies revealed that emotions were curbed more at work than outside to conform to organizational controls, with negative emotions like anger, sadness and fear being curbed more in collectivist societies (Moran et al., 2012). Service delivery could demand an investment of emotions from the employees' end that goes unaccounted for whether in monetary or non-monetary reciprocation. Emotional involvement and heavier EL engagement in high EL jobs like social work or teaching may go unnoticed (Guy & Newman, 2004). Wages could be reflective of only the functional requirements bearing in mind the organization's goals, while

the employees' perspective and emotional involvement may go unnoticed. Wages could be lower for the majority of high EL involvement jobs. Gender biases may also exist, with a female employee being required to exhibit more EL than her male counterparts (Guy & Newman, 2004; Hochschild, 1983; Meier, Mastracci & Wilson, 2006).

When organizations give enough freedom and autonomy to an employee's function, the job can become more rewarding, with employees maximizing the use of DA and requiring lesser employment of SA. When organizations provide a conducive environment for the employees, job satisfaction would increase and employees would identify themselves more fully as part of the organization (Guerrier & Adib, 2013; Lu et al., 2003; Moon et al., 2013).

The above pieces of research looked at how organizational conformities affect the EL strategies of employees and how different personality differences impacted the levels of employee engagement in DA & SA. The section looked at the overarching impact of EL resulting from organizational controls and conformities.

EL from an organizational perspective lays a good foundation for this thesis in terms of setting the context that EL is an essential component of employees' service engagement strategies. Employees of different kinds of personalities hailing from different cultures, and sometimes different genders may adopt different emotional labour strategies. The organization's culture, control strategies and conformities may further influence employees' EL strategies. This sets the background for understanding how different employees may adopt different EL strategies while rendering service to their customers.

Keeping work and personal life separate may actually be mythical with employee EL impacting their personal space and vice versa as well (Cheung & Tang, 2009). Personal space of the employees could be impacting their EL strategies employed towards the customers. Personality traits and inherent nature could also be influencing the nature of EL deployed by different employees. The next section looks at various factors that impact the employees' engagement in EL, and the impact/outcomes of EL engagement of the employees.

Emotional labour from employees' perspective: Antecedents, mediating influences and consequences

Grandey (2000) proposed a conceptual framework (as shown in Diagram 2.1) that included antecedents (factors that impact the EL strategies that employees engage in) and consequences

of EL (outcome impacts on the employees). Antecedents included interaction expectations (frequency, duration, variety and display rules); emotional events (positive and negative). Mediating roles were played by individual factors (gender, emotional expressivity, emotional intelligence, negative and positive affectivity); organizational factors (job autonomy, supervisory support, and co-worker support). Consequences entail individual well-being (burnout, job satisfaction); organizational well-being (performance, withdrawal behaviour)". Subsequent empirical work has tried to test one or more antecedents and consequences in the realm of EL from employee perspective. Some studies may have chosen levels of emotional expression or negative and positive affectivity in employees, while some works have looked at the mediating roles of job autonomy or co-worker support have been tested in future works of research. Outcomes tested are again from an employee perspective and how it may affect their job satisfaction or well-being (Grandey, 2000).
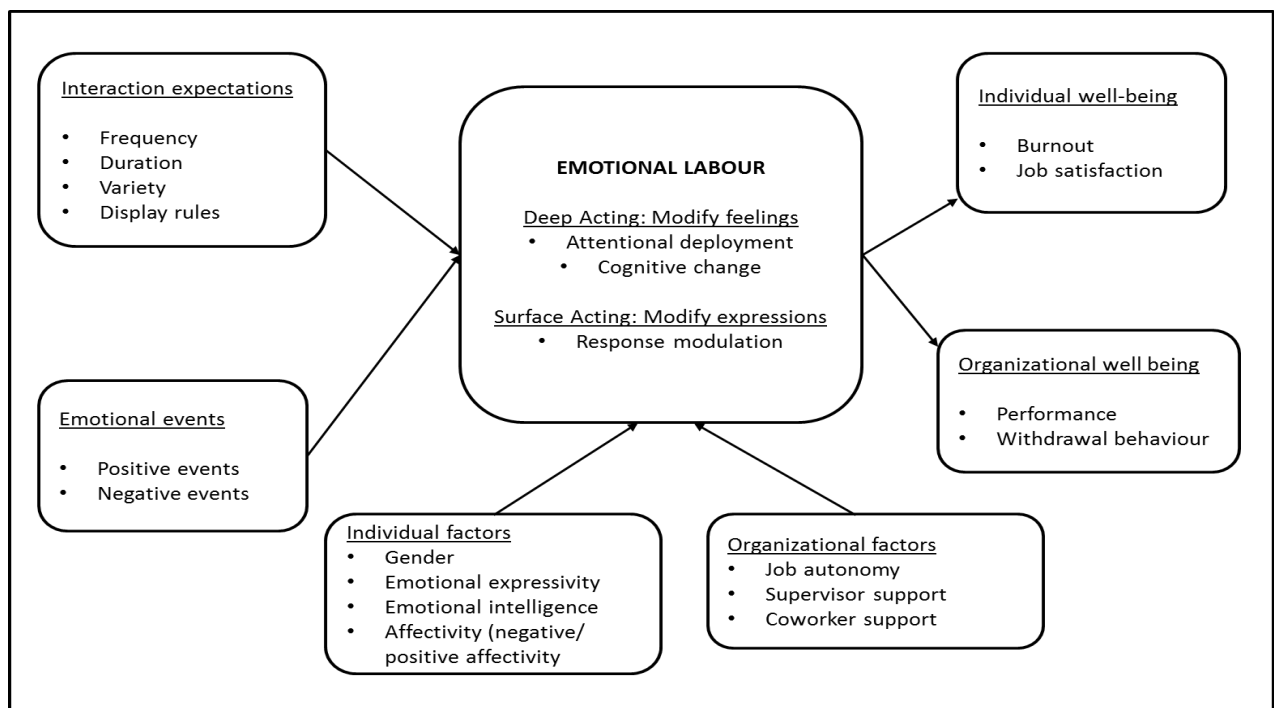
Diagram 2.1: Antecedents, influencing factors and consequences of emotional labour (Grandey, 2000)

The section ahead is divided into:

- Antecedents of emotional labour- Factors that impact the employees' ability or predisposition to perform emotional labour

- Consequences of emotional labour- Outcomes that arise from employee emotional labour

The literature in the sections ahead include factors that affect the reasons for indulging in EL, levels of indulgence in EL and how EL impacts the employees. The literature has been arranged under each sub-heading to understand how the subject of EL has evolved over time from employee perspective along the two key areas - antecedents of EL and consequences of EL.

Antecedents of Emotional Labour

Impact of interactions and interaction expectations on employee EL

Schaubroeck and Jones (2000) studied expression of positive and suppression of negative emotions, since these emotions are strongly associated with EL involved in interpersonal interactions in an organizational set-up. Key findings were that role-expectations to express positive emotions were based on the amount of interpersonal interaction in the job role. Positive affective state trait persons found it less difficult to suppress negative emotions (SA), as compared to negative affective state trait persons. People involved less with their jobs seemed to suffer more physical symptoms and illness from perceived demand to express positive emotions, but the suppression of negative emotions did not seem to have the same effect. Physical symptoms were felt more strongly when people were less adept at managing their emotions than when they were able to manage their emotions better. If a person's emotion is in congruence with the organizational emotion display rules, then it is easier to express emotions more authentically (Ashforth & Humphrey, 1993; Diefendorff & Gosserand, 2003; Grandey, 2000). Schaubroeck and Jones' (2000) study can be a useful cue for establishing the prominence of EL in high interpersonal interaction jobs such as private/customized banking, as chosen in this thesis.

EL has been analysed along two aspects - the job focused elements, such as frequency, duration and intensity of interpersonal interactions; and other, employee focused aspects of managing and regulating one's emotions by an employee (Brotheridge & Grandey, 2002).

While interactions themselves can be tiring, the impact of emotions underlying such interactions is interesting (Brotheridge & Grandey, 2002). This study cut across different types of professions. Sales and customer facing jobs reported higher engagement in SA than other jobs, although jobs, such as human resources, reported even higher DA than even sales jobs

that involved a higher interaction component. Brotheridge and Grandey (2002) found SA to increase an employees' detachment in self with a lower feeling of self-accomplishment and higher emotional exhaustion. More genuine feelings (DA) heightened the sense of accomplishment and purpose from one's job as found by previous works (Hochschild, 1983; Ashforth & Humphrey, 1993). Brotheridge and Grandey's (2002) work reinstates the need for analysing EL in the context of high-interaction job context, how EL varies and modulated from an employees' perspective. This is important in establishing how high interaction jobs may involve more EL engagement, an underlying basis for this thesis.

Diefendorff and Richard (2003) conducted research amongst working adults with varying levels of interpersonal interaction involved in their job roles (low, medium and high interaction levels recorded). This study is of interest since it looked at how personality traits, supervisor's display perceptions and co-worker's perception of display rules impacted the employees' own job display rule perceptions. Employees who tended to be naturally more positive found it easier to express positive emotions, while those who engaged in more negative emotions found a lesser need to express positive emotions, but a greater need to suppress negative emotions at work. The supervisor's perception greatly impacted expressing positive and curbing the expression of negative emotions. The suppression of negative emotions at work did not find support in the study conducted by Schaubroeck and Jones (2000). Diefendorff and Richard's (2003) study, built its premise on the fact that the constructs of emotional expression would find greater grounds in an interpersonal context, with the level of interaction differing in jobs (Diefendorff & Richard, 2003). The context of this thesis also builds on the premise that interpersonal interactions would involve more emotional labour with high interaction resulting in high EL amongst employees like private banking professionals (Totterdell & Holman, 2003). A similar pretext is chosen in this thesis as well.

Totterdell and Holman (2003) tried to empirically test Grandey's (2000) proposed model that examines the impact of situational cues, such as interaction expectations (frequency, duration, variety, and display rules) and emotional events (positive and negative) on EL strategies of the employees and its effect on individual well-being (burnout and job satisfaction), and organizational well-being (performance and withdrawal behaviour). The methodology employed was a time sampling diary method, recording data over time and concentrating on the immediate and more short-term consequences of emotion regulation. An intra-individual employee perspective was the focus of the study in the context of a call-centre for a financial

bank (Totterdell & Holman, 2003). Findings suggested that customers were a greater cause for positive or negative emotions than co-workers, with the effect of individual well-being and organizational performance being weak. This emphasizes the relationship between customer-employee above employee-supervisor or employee-employee relationships within the organization. Thus, the study helps build a case towards testing EL strategies employed by employees and EL as expected by customers, as studied in this thesis. DA was considered as antecedent-focused, since it focussed on conditioning emotions from within to conform to display rules, while SA was defined as cognitive and more response-focused causing suppression, enhancement or faking of one's emotions (Totterdell & Holman, 2003). The EL's prevalence in interaction jobs, as chosen in this thesis and also the employee EL being influenced by customer expectations helps provide impetus for testing this relationship further. This study supports testing the impact of employee EL on customers, and is somewhat leading towards the first question- 'What is the impact of employee EL on customer perceived interaction quality?'

Employee attributes that influence their EL

Liu, Perrewe, Hochwarter & Kacmar (2004) also found through their study that EL mostly requires display of positive emotions and suppression of negative emotions (Schaubroeck & Jones, 2000). Negative affectivity positively impacted perceived EL, thus increasing job-induced tension. "Political behaviour has been defined as the extra-role behaviours not sanctioned by the organization aimed at influencing others" (Liu et al., 2004, p.5). An employee could indulge in higher political behaviour to better the interpersonal interactions. Better interpersonal interactions could further impact the interaction quality as perceived by the customer which is one of the important constructs chosen for research in this thesis work (Liu et al., 2004).

Liu, Prati, Perrewe & Ferris (2008) focused on the antecedents of EL as well. They studied how emotional resources such as emotional intelligence affects the EL strategies adopted by employees in the context of service encounters (retail set-up) (Gutek et al., 2002). Employees high in emotional intelligence were found to adopt more of the deep acting strategies and employees low in emotional intelligence tended to indulge in more surface acting strategies. Surface acting was found to be an easy escape path for temporary situation management however tended to affect the employees negatively, causing lower job satisfaction (Liu et al.,

2008). The study by Liu et al. (2008) builds on Grandey's (2000) work of testing the effect of emotional intelligence of employees on EL. Interaction based jobs would thus enunciate the employee to engage in EL owing to their emotional intelligence quotients. This study helps build credence in the idea that interaction-oriented jobs require employees to engage in EL and this could vary in range and magnitude owing to their own personality traits. It bolsters the curiosity to study these varying EL of employees and study its impact on the recipients of their EL- the customers.

Judge, Woolf and Hurst (2009) delved into testing the effects of deep and surface acting on job satisfaction and emotional exhaustion via asymmetrical influences on mood, and whether extraverts fare better when engaging in EL. Results of the study suggested that tendency of an individual to engage in EL differed from one another in the sample, and in the effects of EL on them. Extraversion moderated the EL relationships such that extravert personalities tended to have more positive impact of DA, and less negative impact of SA on them when compared to introverts. Such differences in personalities could exist in the context of private banking professionals as well and would open interesting corridor of EL behaviour variation amongst employees.

Scott and Barnes (2011) have examined relationships between EL, affective states, work withdrawal and gender, taking the within-individual findings of Judge et al. (2009) further. Using experience-sampling, EL was studied amongst bus-drivers (male and female), with respect to its effects over time. Their results show that emotional labour strategies varied within-individuals as well as between individuals, such that an employee may indulge in surface acting one time and deep acting another time.

Service employees (i.e. those engaged in providing service to customers) with low customer orientation tend to engage more in surface acting when display rules are strong, while surface acting is inevitable in the case of low display rules. However, in the case with employees with high customer orientation, irrespective of whether display rules are weak or strong, they are more inclined to engage in deep acting (Allen, Pugh, Grandey & Groth, 2010). Customer orientation of employees and their EL strategies could be influenced by the customers' expectations of EL, which is the key mediating variable in this thesis.

Extending the study by Moran et al. (2012), Randolph and Dahling (2013) found that proactive personalities are more prone to engage in DA to express positive emotions and in SA to

suppress negative emotions for conforming to organizational display norms. Having proactive personality could impact organizational performance significantly.

A meta-analytical consolidated approach looked at multiple constructs, such as positive and negative dispositions affecting perceptions of display rules, how they impact EL display strategies of DA and SA, with final outcome variables of job satisfaction, stress/exhaustion and job performance. Employees who were prone to higher negative dispositions, found it more difficult to suppress negative emotions (higher perception of negative display rules), causing higher SA. Similarly, employees who were prone to higher positive dispositions, found it easier to express positive emotions (higher perception of positive display rules), resulting in higher DA (Kammeyer-Mueller, Rubenstein, Long, Odio, Buckman, Zhang & Halvorsen-Ganepola, 2013).

A study by Grant (2013) found that employees who were able to regulate their emotions more were able to speak up more frequently amongst their managers/management. Greater use of SA strategies for displayed emotion and DA strategies for modifying felt emotions explained this relationship, although the causality is questionable.

An interesting research by Ashforth and Humphrey (1993) explicates how influence of identity affects EL. Their research explains that if an individual's personal identity (personality traits & idiosyncrasies) and social identity (organization affiliation, religious etc.) are in harmonious congruence i.e. a compassionate and empathizing human being can become a social worker with ease, rather than someone who feels stressed exhibiting these emotions. Main emotional costs of identification are burnout, negative effect on self-esteem, and may exacerbate psychological impact of job stressors and performance failures. The more central the role/group to one's identity, the stronger is the association between one's emotional wellbeing and successes, failures and demands of the role/group. The methodology adopted is more narrative (descriptive), some propositions have been suggested, rather than survey-based quantifiable hypothesis testing. Based on a narrative explanation, it is argued that while EL may facilitate in task effectiveness and self-expression, it also may prime customer expectations that cannot be met and may trigger emotive dissonance and self-alienation. This research is a good cue for understanding one of the research questions of the thesis - "What are the mediating effects of customers' expectation of employee deep and surface acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?" Since

Ashforth and Humphrey (1993) believe that employees' DA and SA may impact customers' expectations of DA and SA, and this thesis concentrates on how customer expectations of EL may impact the relationship between employee EL and customers' perceived interaction quality.

Lee and Brotheridge (2011) were the first to study SA as two components - faking emotions and hiding emotions. Positive affectivity significantly related to DA, however positive or negative affectivity did not relate to faking or hiding of emotions, probably because this was studied in the context of child care workers, and there was a tendency to act more in favour of their clients i.e. parents. Lee and Brotheridge (2011) found that expressions supporting emotions positively relate to DA and faking emotions. Expressions supporting suppression of negative emotions related to hiding emotions, but marginally. Probably, DA is a consequence of faking (Brotheridge & Lee, 2003). Faking of emotions initially result in DA over time, "for example, it was found to be easier for Body Shop sales staff to feel happy after they practised smiling" (Lee & Brotheridge, 2011, p.414; Martin et al., 1998). Highly gendered environment probably encouraged the display of supportive emotions (a predominance of female employees in child care service sector was found in Canada for this study).

Different personality traits may influence an employee to engage in EL, however, most service oriented, customer facing, and interaction intensive jobs would create the maximum impetus for different kinds of employees to engage in varying ranges of EL. This impetus forms the basis for examining the impact of employee EL on the customers leading to the first question.

Employees' commitment to organization rules for engaging in EL

A qualitative study conducted amongst solicitors working with asylum applicants looked at the negative as well as positive effects of EL. According to the interactionist model of emotion (Harris, 2002), EL would be required even when one's own emotions are in congruence with organization's required emotion display, which was in synchrony to the findings of Morris and Feldman (1996). Harris (2002) found that solicitors try to express empathy and sympathy, while also maintaining a barrier such that they overinvest in emotions with the clients but remain authentic to gain the trust and show commitment to the interests of their client. More experienced solicitors believed that they engaged less in SA, albeit they did express their difficulty in finding a balance in their beginning years. Less experienced solicitors received an apprenticeship by 'shadowing' more experienced solicitors, and they tried to emulate the

emotions, based on their observations of these sessions, and thus probably tended to engage in SA in the beginning years. Interaction with a client cannot be taught unlike the technical skills on legal knowledge taught in law schools (Westaby, 2010). This is close to a skill-based employee-customer service relationship context, and thus may observe varying degrees of employee-customer EL relationships.

Individual commitment towards organizational display rules has an impact on an employees' behaviour (Gosserand & Diefendorff, 2005). Positive affectivity and negative affectivity are related to display rule perceptions (Diefendorff & Richard, 2003; Schaubroeck & Jones, 2000) and can impact emotion regulation (Brotheridge & Grandey, 2002; Brotheridge & Lee, 2003). Using structural equation modelling, Gosserand and Diefendorff (2005) found that, the stronger the commitment of employees to display rules, the stronger is the relationship between display rule perception, SA, DA and positive affective delivery. Display rule perceptions have also been found to relate to SA in previous works (Brotheridge & Grandey, 2002; Brotheridge & Lee, 2003).

Employees may tend to only surface act (SA), if their environment produces a strong feeling that is different from the specified display rule, while they may deep act if they would engage in a forward feedback mechanism like motivating the self in anticipation of conforming to the display rules more easily (Diefendorff & Gosserand, 2003). Employees would engage in emotion regulation strategies only if they align with their higher outcome goals, whether work-related or personal goals. Also, it may affect the employees negatively if the environment discrepancies are not congruent with these higher goals, resulting in lower job performance, lower job satisfaction and hence burnout (Diefendorff & Gosserand, 2003).

Different personality traits and inherent factors may influence an employee to engage in EL, whether it is DA or SA. This brings in supporting evidence to investigate the link of different employee EL behaviour impacting the customers.

Customer influences on employee EL

Employees tend to adopt different kinds of coping strategies during an episode of coping with a difficult customer that range from hiding, busying with non-customer facing tasks (like cleaning the racks), talk to other employees, treat the customers in an unfriendly manner, say something rude or insulting, get away from the customer (Bailey & McCollough, 2000).

These could have varying impacts in the context of service relationships, where even if employees were forced to adopt EL strategies, they could be construed as fake. Grönroos (1978) and Berry (1980) talk about the co-production of the service, which can have an amplified and lasting effect in the case of service relationships such as private banking, as chosen in this thesis.

Rupp and Spencer (2006) studied the impact of customer interactional justice (or injustice) on EL strategies of employees. They found that depending on fair or unfair treatment, employees engage in EL more. Also, unfair treatment made it more difficult for them to conform to organization's display rules. The study adopted an experimental role play approach with undergrad students posing as customers and employees in a call-centre context. Although this research does not look at a face-to-face interaction, it does emphasize an organization's display rules could be overrun due to employees' discrete emotions. This is an important piece of literature since it deals with the customer-employee relationship and impact of customers' behaviour on employees' EL strategies. This thesis looks at something similar by looking at how customers' EL mediates the relationship between employee EL and customer interaction quality.

Co-production shows prevalence in an interactional call-centre job, with customer service agents (CSR) juggling between customer expectations, organizational demands and maintaining their dignity while remaining in the role (Marcoux & Guihur, 2012). For customers, CSRs are the firm, a representative of the firm to whom they can sound their concerns or express their delight. Service agents can adopt a four-fold strategy while catering to the customers. First "prescriptive" where CSRs neutralize pressure by finding resort in organizational procedures; "pecuniary" where agents distance themselves from the customers to save their job, company or dignity; "philanthropic", where CSRs distance from organizational procedures, letting customers penetrate the production process to care for them more and "presentational" where CSRs distance from organizational procedures, letting customers to penetrate the production process to educate them and negotiate with them (Marcoux & Guihur, 2012). Customers' expectation of EL from the employees could influence this co-production in every encounter having a lasting impact on the service relationships that points to the second question of this thesis on the mediating effect of customer expectations of EL.

For employees to adopt SA or DA well, they need to be able to detect the emotions of the other person involved in the interaction (Bechtoldt, Rohrmann, Pater & Beersma, 2011). A longitudinal study, Bechtoldt et al. (2011) looked at the employee perspective over time with chosen sample being hospice nurses and police officers. Nurses were found to engage in more positive emotions than the police officers, because of the nature of their work. They found that the relationship between SA and work engagement was more negative when emotion recognition was low. Also, the relationship between DA and work engagement was also negative if emotion recognition was low. The underlying premise is that emotion recognition is crucial for relaying appropriate emotions and thus engaging in DA or SA. The study is useful for this thesis as well, since the banking context is also a high EL job and employees could be using their judgment of customer expectations to modulate their EL strategies. This establishes the engagement of employees in varying degrees of EL, which is a key dimension of the study.

People expressed greater control on expressing emotions when displaying to someone who exerted higher relative power (someone with higher relative power exerted more influence and could command more resources than the one who had lower relative power) and low solidarity (more interpersonal closeness) than with someone who had lower or equal relative power and high solidarity (Diefendorff, Morehart & Gabriel, 2010). The assumption is that one tends to express emotions more openly with someone who is closer to us and is at par or lower in terms of power like co-workers, subordinates than someone who exerts more power and is less familiar like customers. This is an interesting study and bears consequence for this thesis since customers would exert higher relative power in a service relationship since organizational goals are set for customers' satisfaction, for which employees strive. This leads towards examining the mediating effect of customer expectations of EL on the relationship between employee EL and customer perceived interaction quality.

Consequences of Emotional Labour

EL has numerous impacts on the employees as well, which may have an indirect impact on the EL strategies that employees employ over time.

Emotional labour causing emotional dissonance/emotional exhaustion in employees

A more job-satisfied worker would be required to act less, be it DA or SA, because he/she can express positive emotions more naturally. Employees probably are more restored in their

energy levels while following DA strategies, owing to lower emotional dissonance, while SA strategies increase emotional dissonance. Even though more effortful, DA's positive impact on employee was more enduring and positive. SA has an effect on increasing an employee's tendency to break out (to lash out at customers) behaviour, while DA mitigated this effect. The study conducted amongst university administrative assistants through self-recorded data is one of the few studies to consider a service relationship context, however it is only an external view (third person view on the relationship, rather than the view of the entities involved in the interpersonal relationship) (Grandey, 2003). This thesis also explores the customer-employee relationship in the private banking context, thus drawing on the hypothesis that employees' SA would negatively affect the customers while DA would impact the customers positively.

Montgomery, Panagopolou, Wildt & Meenks (2005) conducted a study amongst government employees who are involved in performing a routine set of tasks over time. They found that SA affected employee emotional exhaustion positively while DA did not have an impact on emotional exhaustion. Their findings on SA were consistent with findings of Brotheridge and Grandey (2002).

A within person episodic study conducted amongst cheerleader instructors recorded responses by supervisors and cheer-leaders themselves on the use of EL strategies - DA and SA and affective delivery (Beal, Trougakos, Weiss & Green, 2006). Supervisor ratings of affective delivery remained the same despite the differences in the use of SA or DA by the cheerleader instructors. This could be mainly owing to the fact that supervisors themselves had been in the role before becoming supervisors, and understood the effort behind it. Even if they could construe SA, they did not object to it as long as a positive delivery was in effect. The use of SA or DA did affect the instructors such that negative emotions affected them more while engaging in SA, and they found complying to display rules more difficult, and their self-scores on affective delivery also was similar (Beal et al., 2006).

A predictive study of emotional labour focused on actual turnover of employees rather than turnover intentions owing to EL (Chau, Dahling, Levy & Diefendorff, 2009). Linkages between SA, DA, emotional exhaustion and turnover intentions and actual turnover were tested amongst bank tellers, since the role is associated with a high EL demand. SA was found to cause more emotional exhaustion causing employees to consider quitting and ultimately in

actual turnover. DA had a negative relation on turnover intentions and actual turnover (Chau et al., 2009).

McClure and Murphy (2007) believe authentication of emotions in healthcare is extremely crucial. "Inauthentic emotions could have serious consequences with regards to health of the patient, ethical and moral concerns of employees, legal and professional aspects of employees and organizations involved" (McClure & Murphy, 2007, p.101). Emotional labour is compensated for, since the organization itself has a role to play in influencing or enforcing to different degrees (Bhave & Glomb, 2009).

A study of doctors and nurses involved in the care of end-of-life patients in an intensive care unit (ICU) tried to understand the impact of EL on the clinicians' stress levels. Both nurses and doctors may face stress, tiredness, irritability, headaches or substance abuse if they are not able to deal with the emotions involved within themselves, peers and patients (Sorenson & Idema, 2009). Nurses tended to feel the above outcomes due to their emotional involvement with their patients and doctors due to losing their patients to death. Their range of reactions ranged from denial to expressing grief to hiding felt emotions, varied from personality to personality and the first experience of death required them to go through extreme helplessness and grief. Doctors found it difficult to deal and express the fact that they would lose a patient, while both patients and doctors themselves expected doctors to be able to save every life (Sorenson & Idema, 2009). This resulted in them suppressing emotions most of the time, which proved far less stressful than emotional involvement with the patients. This is a unique scenario where EL is studied in an intense situation. Causes of EL are intrinsic (from within a person) as well as extrinsic, such as organizational requirements and job related needs. Not all EL is stressful; however acknowledging the need and exhibit of EL in interaction intensive contexts is useful (Sorenson & Idema, 2009) for analogy to interaction-intensive context as chosen in this thesis.

A study conducted amongst licenced funeral directors tried to understand dimensions such as emotive dissonance (passive deep acting and surface acting) and emotive effort (active deep acting) and the consequences of EL (emotional exhaustion, depersonalization, personal accomplishment, and job satisfaction). The context of funeral directors is unique and expectations of EL are different, with directors required to appear sombre, sympathetic and calm. A face-to-face cross-sectional design found that higher level of emotive dissonance resulted in higher level of emotional exhaustion, and a higher level of emotive effort resulted

in lower level of depersonalization. All other combinations of linear relationships between emotive effort, emotive dissonance and the consequences were found to be not significant (Smith, Dorsey & Mosley, 2009).

Employees with multiple commitment targets tended to employ SA strategies more, which related to increasing cynicism (Lapointe, Morin, Courcy, Boilard & Payette, 2012). Lapointe et al. conducted the study across different service types investigating the mediating effects of emotional labour strategies by employees on workplace affective commitment and burnout dimensions. Cynicism could aggravate emotional dissonance within the employee, while also being perceived negatively in his/her social interactions (Grandey, 2000; Sutton, 1991; Totterdell & Holman, 2003). Displaying naturally felt emotions helped to preserve the emotional consonance of an employee, having a positive impact on the employee. Such an employee appeared to be more authentic in an interpersonal relationship context (Grandey, 2003; Lapointe et al., 2012; Rafaeli & Sutton, 1987), which is also a contextual concern in this thesis.

Another exploration conducted amongst hotel employees in Malaysia found EL connections to emotional exhaustion similar to Lapointe et al., 2012. SA was found to increase emotional exhaustion within employees (Kim, Yoo, Lee & Kim, 2012), while DA alleviated the effects of emotional exhaustion (Tang, Seal & Naumann, 2013; Tsai, Chen & Chang, 2012). Worker support moderated the relationship between DA and emotional exhaustion, such that instead of mitigating the effect, the effect of emotional exhaustion increased within the employee (Hwa, 2012).

Research on frontline hotel employees found that SA had a positive effect on emotional exhaustion (Kim, Yoo, Lee & Kim, 2012), which was consistent with the findings of studies by Brotheridge and Grandey (2002), Kim (2008) and Totterdell and Holman (2003). Kim et al., 2012 also found that DA had a negative effect on emotional exhaustion implying that DA helped to cope with burnout by helping the employees have a more positive outlook. SA negatively and DA positively impacted the service recovery performance of employees which could have further implications on customer satisfaction and behaviour intentions (Tang, Seal & Naumann, 2013; Tsai, Chen & Chang, 2012).

A narrative symposium delineates the plausible consequences of EL amongst health-care professionals (Bagdasarov & Connelly, 2013). Healthcare is an industry synonymous with

care-giving and keeping one's own naturally felt emotions at bay. Healthcare professionals may undergo situations of listening to patients for long hours, taking abuse from irate patients, and trauma of losing patients to death. Possible consequences for employees would be psychological stress, burnout and emotional exhaustion (Bagdasarov & Connelly, 2013).

Schreurs, Guenter, Hulsheger & Emmerik (2014) found that SA had a negative effect on the employees' job well-being. Findings were congruent with the findings of previous research (Grandey, 2003; Kim et al., 2012; Liu et al., 2013; Mahamad, 2014). Employees who are more sensitive to punishment were more prone to anxiety and suffered higher effects of SA, than employees who were less sensitive. The findings only partially supported that, more reward sensitive employees engaged more in DA, probably because the effort of performing DA is far more exhausting than the goal of achieving the reward (Schreurs et al., 2014).

The "dramaturgical perspective believes that service interaction is comparable to a theatrical performance. Service context is a stage, service providers are actors and service receivers are the audience who need to be entertained" (Yang, Ma & Lee, 2014, p.37). Such theatrical components have been tested by Yang et al. (2014) in relation to emotional labour and emotional exhaustion in service employees. The relationship between EL and emotional exhaustion was not strong, as found by Grandey (2000). The front stage (where employee interacts with the customer) and back stage (an area for employees to take a break off interactions) division helped bring the exhaustion levels down for those who were surface acting, however the division of areas would increase the exhaustion for employees who would deep act. The above finding by Yang et al. (2014) helps to delineate the emotional labour acting strategies for this thesis, where the actor and audience components are retained, however, the context can be anywhere at the convenience of the customer (private banking customers can walk in to branches or meet relationship managers at a convenient locations). Also, instead of the 'performance' and 'entertainment' aspects of dramaturgy, this thesis focuses on the interaction quality of the relationship between customer and employee.

Emotional labour's impact on employee job satisfaction/stress

Pugliesi (1999) studied EL from two perspectives-one when the employee focusses on one's own emotions (self-focussed) and when employee focusses on other's (co-workers, clients) emotions (other-focussed). Both, self-focussed and other-focussed EL seemed to increase

distress,;however, when employees focussed on their own emotions more than the others, the distress was higher.

Diefendorff and Richard (2003) found in their study that as an outcome, demands to express positive emotions positively impacted job satisfaction and to suppress negative emotions negatively impacted job satisfaction.

Judge et al. (2009) found through a study that increased surface acting levels increased emotional exhaustion and negative mood, and decreased job satisfaction amongst employees. However, deep acting had no significant effect on job satisfaction. Deep acting significantly related to positive and negative effect. Hence, if deep acting is associated with fewer bad moods, it would also be associated with fewer good moods (within-individual level). A daily dairy method was employed following an experimental design approach.

Diefendorff, Erickson, Grandey & Dahling (2011) conducted a study amongst nurses working in a healthcare set-up (urban hospitals) and found that nurses working in the same unit exhibited similarity in their perceptions of display rules. Outcome variables like burnout and job-satisfaction were impacted by unit-level EL perceptions in the same way as found by Brotheridge and Grandey (2002) towards burnout and job satisfaction. Diefendorff et al. (2011) also found evidence for DA to affect burnout and job satisfaction which could be owing to the high-intensity interaction demands of authentic emotions as may be the case of private banking.

Some individuals may engage more in SA while others in DA over time, even after accounting for situational effectiveness on individuals. Bus captains of a bus transit company made diary observations of their EL strategies over time. While employees differed in their variability or consistency of EL, this remained similar over a period of time. Employees who consistently exhibited SA appeared to be more satisfied with their jobs and faced less work withdrawal. This was not so for DA, as consistent with other literature (Grandey, 2003). A probable reason could be that DA could be replenishing or increasing lost resources during EL. Also, self-monitoring seemed to have a stronger moderating effect with higher SA yielding higher job satisfaction and lower work withdrawal. The same could not be established in the case of DA (Scott, Barnes & Wagner, 2012).

Kammeyer-Mueller et al. (2013) found further that SA decreased job satisfaction, and increased stress, however it did not seem to impact job performance negatively, as

hypothesized. DA increased job satisfaction, and increased job performance, however it did not seem to reduce stress for employees, as postulated. An important aspect found was that the higher the frequency of EL, the higher was the tendency to engage in both SA and DA. This is of important consequence for this thesis, since there are an increased number of EL engagements, owing to multiple transactions between a relationship manager and customer, over the long period of service relationship.

A study done amongst frontline employees in a service context found that DA positively affected employee creativity, while SA affected employee creativity negatively. This is probably because an employee who is surface acting would be engaging more of his/her resources leaving less room for engaging them for employee creativity. DA seemed to thus also impact role and extra role performance of employees that are engaging within the prescribed organizational rules and display norms performance and beyond the prescribed roles, 'walking the extra mile' for the customer. SA seemed to impact only extra role performance, and this could mainly be owing to the fact that the display rules are so standardized, that there could be very little room for role performance to be swayed by SA (Yang, Ma & Lee, 2014). Mixed results were observed for the mediating role of employee creativity on the relationship between EL and service performance (Grandey, 2003; Liu, Liu & Geng, 2013).

A qualitative study amongst academics in Malaysian universities, reinforce the point that there are positive (job satisfaction and job performance) as well negative effects (stress, quitting etc.) of EL on employees/workers involved in interactional jobs. While most academics interviewed agreed to indulge more in DA, they did feel stressed owing to the workload arising not out of teaching, but rather from research work and other administrative tasks. Most agreed to manipulate their emotions to engage their customers-the students, and create a positive learning environment (Mahamad, 2014).

Summary - Employee perspective: Antecedents and consequences of emotional labour

Emotional labour has been widely studied from the employee perspective, with respect to intrinsic (internal to the employee such as personality traits, positive and negative affectivity) and extrinsic factors (supervisor and peer reactions) that influence the EL strategies adopted by employees. Also studied were the various impacts on the well-being of the employees in terms of job-satisfaction, burnout and emotional exhaustion). Some research found the over-indulgence of EL resulting in stress, like in the case of Bodyshop employees (Martin et al.,

1998), while some (Ashforth & Humphrey, 1993) believed that if emotions are in congruence with what needs to be displayed, the employees' well-being would be affected positively (Ashforth & Humphrey, 1993). A study by Schaubroeck and Jones (2000) also supported the findings of Asforth and Humphrey (1993). Employee DA and employee SA could be impacted by their external environment and effects may vary from one employee to the other.

Grandey (2000) proposed a model that looked at frequency, duration and variety of display rules as antecedents; the mediating role of individual factors, such as gender, and organizational factors such as supervisor's support; the outcomes ranged from individual outcomes, such as burnout to organizational outcomes such as performance. Grandey's (2000) model looked at impact on employees alone, while this thesis extends the impact to the customers' side.

Brotheridge and Grandey (2002) built on the external interaction variables, such as frequency, interaction and duration, and also the internal management of emotions by employees (Grandey, 2000). Brotheridge and Grandey (2002) found negative impacts of SA on the employees' well-being, while DA heightened the sense of accomplishment of the employees. Totterdell and Holman (2003) built on Brotheridge and Grandey's (2002) and Grandey's (2000) work, further testing interaction expectations (frequency, duration, variety of display rules) on employee well-being. This thesis will look at interaction expectations from customers' perspective.

Grandey (2003) built on her own previous works to test how DA and SA-the two main major dimensions of EL impact employees. Findings suggested that DA, despite being more effortful had a more positive enduring impact while SA resulted in employees' tendency to break out. This thesis would test the positive and negative impacts of DA and SA respectively on customers' perceptions of interaction.

Antecedents of EL

Diefendorff and Richard (2003) also found that employees who were naturally positive found it easier to express positive emotions, and employees who were naturally negative found it easier to suppress negative emotions. Positive emotion expression resulted in greater job satisfaction and greater suppression of negative emotions resulted in lower job satisfaction. Liu et al. (2004) found the impact of political skill impacting the quality of interactions that employees conduct. Extending the interpersonal component to the customer realm Rupp and Spencer (2006) found that employees engaged in EL more if they were met with more unfair

treatment. It was one of the few pieces to look at a customer-employee relationship, although in an experimental design. This is interesting and connects to this thesis since the layer of customer perception is ingrained in this thesis.

Higher personal control alleviated the negative relationship between emotion regulation and emotional exhaustion (Grandey et al., 2005). Employees with lower customer orientation engaged in SA more than the ones high in customer orientation (Allen et al., 2010). Employees expressed greater control on expressing emotions with known entities like family than less familiar entities like customers (Diefendorff et al., 2010). This has high connect to this thesis since employee-customer connect is being explored here as well.

EL strategies employed by employees have been found to be influenced by the co-workers around them. For example, certain groups of employees may exhibit EL in congruence with each other (Diefendorff et al., 2011) and employees may feel relief from stress while employing EL if they are able to share their emotions with their co-workers (Grandey et al., 2012).

Consequences of EL

EL has been associated with many negative effects on the employees' well-being and satisfaction. SA appeared to effect employees negatively in terms of stress, job satisfaction, emotional exhaustion, turnover intentions, while DA has been found to positively impact the same (Trougakos et al., 2006; Liu et al., 2008; Chau et al., 2009; Judge et al., 2009; Smith et al., 2009; Sorenso & Idema, 2009; Scott & Barnes, 2011; Lapointe et al., 2012; Kim et al., 2012; Hwa, 2012; Bagdasarov & Connelly, 2013; Kammeyer-Mueller et al., 2013). SA may impact and interfere not just with work life but family life as well, thus invading the personal space of the employee (Cheung & Tang, 2009). A diagrammatic representation of the literature is shown in Diagram 3.1.

Employee EL has been previously tested for its impacts on employee well-being. This thesis extends the connect to its impacts on the customers' realm. Further sections bring in more evidence for choosing interaction quality as one of the latent dimensions for testing.

Key sub-sections

Literature overview

Impact on thesis

EL: Employee perspective

Antecedents of EL

Interactions & interaction expectations

- Positive affective state people found it easier to suppress negative emotions than negative affective state people (Schaubroek & Jones, 2000)
- Higher interaction jobs such as sales caused the employment of EL more (Brotheridge & Grandey, 2002; Diefendorff & Richard, 2003)

Employee attributes

- Employee's ability to exhibit better political behaviour traits could enable them to engage in EL better (Liu et al., 2004)
- Employees high in emotional intelligence indulged in more DA and low in emotional intelligence indulged more in SA (Liu et al., 2008; Grant, 2013)
- Extraverts exhibited higher impact of DA and lower impact of SA on them compared to introverts (Judge et al., 2009)
- High customer orientation made employees engage in DA more than SA even when display rules were weak (Allen et al., 2010)
- Influence of identity may impact employee EL (Ashforth & Humphrey, 1993

Customer influences

- Customers may exert a greater power for employees to enunciate EL (Totterdell & Holman, 2003)
- Customer unfriendliness result in employees to engage in different coping strategies of EL (Bailey & McCollough, 2000; Rupp & Spencer, 2006)
- Customers influence the production of service from employee's end (Marcoux & Guihur, 2012)

Consequences of EL

Emotional exhaustion/ emotional dissonance

- SA impacted emotional exhaustion positively (Montgomery et al., 2005; Lapointe et al., 2012; Kim et al., 2012; Tsai et al., 2012; Tang et al., 2013; Schreurs et al., 2014).
- DA impacted emotional exhaustion negatively (Chau et al., 2009; Tsai et al., 2012; Tang et al., 2013)

Job satisfaction/ stress

- Self focused EL caused stress (Pugliesi, 1999)
- DA positively impacted job satisfaction (Diefendorff & Richard, 2003; Judge et al., 2009; Diefendorff et al., 2011; Scott et al., 2012; Kammeyer-Mueller et al., 2013)
- SA negatively impacted job satisfaction (Diefendorff & Richard, 2003; Diefendorff et al., 2011; Kammeyer-Mueller et al., 2013)

Antecedents
- Interaction intensive environment engage employees in EL.
- Individual attributes and personality traits influence the EL engagement of an employee
- Customers exert a high power and influence on employee EL

Consequences
- SA predominantly causes emotional exhaustion and negatively impacts job satisfaction. DA predominantly reduces stress/ emotional exhaustion and increases job satisfaction.

Diagram 2.2: EL from an employee perspective-antecedents and consequences

55

Differences between service encounters and service relationships

The thesis concerns customers' expectations of EL in a service relationship. Gutek et al.' (2002) work– "The difference between an interaction between a customer and service employee who know each other personally and an interaction between two strangers who never expect to see each other again represents a fundamental dichotomy in the service industry." A **service relationship** exists, when the two (or more) individual- provider and customer, have repeated contact with each other over time and get to know each other as role occupants and sometimes even become friends. On the other hand, a single interaction between known customer and anonymous provider is referred to as a **service encounter**. In a service encounter, service rendered is across usually a single transaction with the possibility of the service providing employee and service receiving customer meeting again negligible. This probably provides only a short time, and a lesser opportunity to familiarize with the customer and the transaction may elapse as though between two strangers such as in retail transactions. However, in the case of a service relationship, employee and customer may get to know each other well. Familiarity may keep the stakes of interactions very high in service relationships since there is a tendency to meet each other again such as private banking context. Amicability and affability could be desired for smooth service interactions. The above mentioned pre-requisites make the service relationship context more pronounced in its interaction level, and high intensity interactions would harbour emotional labour in service relationships (Grandey, 2000; Grandey 2003).

This thesis deals with a more high-contact private banking service relationships and examines the relationship between employees and customers who are involved in such a person-to-person relationship. EL has not been explored in such personalized service relationships and this thesis will help explore the nuances of employee EL in service relationships and its impact on customers.

Interaction quality

Almost all the literature on EL suggests that the basis of EL exists in the interaction component (Brotheridge & Grandey, 2002; Grandey, 2000; Grandey, 2003; Totterdell & Holman, 2003). The context of service encounters such as retail, restaurants, convenience stores are more widely researched from an EL perspective, while service relationships are barely tested with the exception of Kiely's (2005) work in a business-to-business relationship. This thesis attempts to understand the impact of employee EL on customer perceived interaction quality.

The following section presents literature leading to the extraction of the interaction quality construct.

Service quality

Much prior research has tried to define and describe the elements of service quality. The concept of service quality arose with the growth of the service industry and service culture. The need to fulfil the expectations of customers on a continual basis created the need for businesses and theorists to create different models and frameworks for capturing all the aspects of service quality.

Perceived service quality has been defined as "customers' judgment about an entity's overall excellence or superiority" (Parasuraman, Zeithaml, & Berry, 1988, p.15). Parasuraman, Zeithaml & Berry (1985) proposed GAP model was further conceptualized to give rise to the disconfirmation paradigm and the SERVQUAL model (Parusuraman et al., 1988; Parausuraman, Zeithaml & Berry, 1994). Parusaraman et al. (1985) defined service quality as the difference between expectations and perceptions of service.

Three dimensional model of technical quality, functional quality and image was suggested by Gronroos (1984), most famously known as the Nordic model for defining the sub-dimensions of service quality.

An attribute service quality model divides services into physical facilities and processes, people's behaviour, and professional judgment while mapping different service settings ranging from low to high contact (Haywood-Farmer, 1988). Cronin and Taylor (1992), in contrast to SERVQUAL, argued that perceptions alone evaluate service quality with an outcome variable of purchase intentions. They arrived at another scale called SERVPERF (Cronin & Taylor, 1994). Expectations of service by a customer can surpass factual deliverance which previous constructs ignored, while Mattsson (1994) pointed out that expectations should be comparable to the perceived best available.

Previous works on service quality have all alluded to different definitions of the sub-constructs involved in the service quality. This is mainly because service quality is very difficult to define completely. A wide array of areas from tangible to intangible aspects makes the description complex. Different contexts and service set-ups also highlight the differences and thus the dichotomy in defining service quality literature ensues. Many previous work talk about the

interaction quality or the interpersonal component between the service provider and service receiver (Dabholkar, Thorpe & Rentz, 1996; Gronroos, 1984, Haywood-Farmer, 1988, Rust & Oliver, 1994,), however Brady and Cronin's (2001) model delineates interaction quality as a separate component and is also most appropriate for service contexts where interpersonal interaction is very high, such as private banking/relationship banking.

Rust and Oliver (1994) proposed the three component model for service quality-service product, service delivery, service environment. Dabholkar et al. (1996) proposed a multi-level model, however more fitting a retail context. Brady and Cronin's (2001) work improves on the work of Rust and Oliver (1994) and this thesis study draws on the interaction quality component of service quality from Brady and Cronin's (2001) hierarchical model of service quality. Brady and Cronin (2001) make a comparison between the different conceptualization of constructs of service quality discussed by other researchers. It explicates how multiple dimensions have been used for defining service quality; however, there is not a universal consensus on any particular construct. They also note that there is lack of connect between the different construct manifestations as well. Brady and Cronin's (2001) work conceptualizes service quality with three primary dimensions - interaction, environment, and outcome. Each of the dimensions has further sub-dimensions. Brady and Cronin's (2001) model retained the responsiveness, empathy and reliability determinants, but not as direct determinants of service quality, rather as descriptors of the nine sub-dimensions. Their study records the customers' evaluations of these dimensions at multiple levels. They state how the evaluation scores accumulated and combined across multiple dimensions and accrue to an overall service quality perception.

It was inferred that customers may rely on functional quality (including the interaction quality) to choose between alternate service providers (Lassar et al., 2000). This thesis also looks at a derived dimension of interaction quality from a hierarchical model (Brady & Cronin, 2001).

The interaction quality sub-construct has thus been teased out from Brady and Cronin's (2001) model for the purpose of testing in this research. Interaction quality has been particularly chosen since the EL literature has pointed invariably towards an interaction component being of prime importance (Grandey, 2000; Grandey, 2003; Totterdell & Holman, 2003).

Interaction quality in private banking

The constructs to be measured in this thesis are emotional labour (surface and deep acting), interaction quality (as derived as a sub-component of service quality) and intention to continue to the service relationship at a person-to-person level. The emotional labour literature involved high interaction -- either in intensity, or frequency, or impact over time. A gap identified was that study of the EL was mostly conducted in the context of service encounters rather than service relationships. Thus, the question arose as to what context would be most suited for the study of long-term service relationships involving many service interactions over time.

"Private banking is defined as a supply of exclusive financial and advisory services to wealthy private clients" (Hens & Bachman, 2008, p.1). Horn and Rudolf (2011) define "private banking as an integrated, individual and needs-oriented financial and risk planning service for high net worth individuals who require individualized advice" (p.176). Private banking is generally described as "the provision of banking services to high net worth and professional people" (Russel & Joy, 1999, p.6). High net worth individuals have been further categorized as individuals "who do not need to borrow money as they generally have excess cash and assets that need to be well managed" (Russel & Joy, 1999, p.6). On the other hand, "professional customers require borrowing and investment opportunities" (Russel & Joy, 1999, p.6).

Terminology such as exclusive, individualized, needs-oriented all relay the importance of interaction in private banking (also including priority banking, which may involve individuals with a lesser range of investments than private banking, yet are subject to individualized and customized services through a banking relationship manager appointed by the bank).

Lassar, Manolis & Mittal (2000) studied service quality in the context of private banking. They tried to compare the SERVQUAL (Parasuraman et al., 1985; Parasuraman et al., 1988) and the technical and functional quality, image (Nordic) model (Gronroos, 1984). Through factor analysis, they tried to find how well each of the models explained service quality in a high-contact service like private banking (Chase, 1981). They found both SERVQUAL and the Nordic model to explain the components of service quality well, however, the Nordic model was a better fit than the SERVQUAL model. Many dimensions of SERVQUAL were not able to determine customer satisfaction, while Nordic model was able to better predict customer satisfaction. Lassar et al. (2000) found functional quality dimension an important aspect in

defining service quality, especially since the context was private banking - a high-contact, high-interaction context.

The context of private banking has been tested by Lassar et al. (2000) in private banking-one of the few studies to take the service quality constructs to the private banking domain. Their research also found a hierarchical model especially functional quality an important dimension to explain service quality in a high-contact context like private banking (Chase, 1978). They also reiterated that most of the communication in private banking is facilitated by the banking manager from the bank's end to the customer. He or she acts as the one-stop point of contact, with all updates being relayed by them to their customers on their bank account, operations, products and investments with the bank etc.

An interesting study by Horn and Rudolf (2011) extended the definition of service quality in the context of private banking business. They tested a hierarchical multi-level model by combining attributes from Rust and Oliver's (1994) work as well as Brady and Cronin's (2001) work. Brady and Cronin (2001) analysed the dimensions of service environment quality, interaction quality and service product quality as defining dimensions of service quality. Each dimension had further sub-divisions. Interestingly, interaction quality included the emotional competence of an employee and continuity of relationship as sub-dimensions elaborating interaction quality. The continuity variable did not appear as a significant contributor to the dimension of interaction quality. In this research, continuity of relationship has been taken as an outcome variable of the interaction quality (Horn & Rudolf, 2011).

Two most important findings that can be extended for this thesis research are:

- Horn and Rudolf (2011) conducted the study in the context of private banking so the relevance of context is high and significant for this thesis
- The hierarchical model of service quality such as Brady and Cronin's (2001) was found to be most apt for defining service quality in private banking compared to other models of Gronroos (1984) (Horn & Rudolf, 2011).

Horn and Rudolf (2011) also opined that further studies should be conducted to define the interaction quality component better since it appeared to be the most complex dimension of all. The complexity of interactions emanates also from the emotional involvement of the participants. Horn and Rudolf (2011) added the emotional competence as an attribute to

interaction quality. However, this thesis extends one variable to another level where an entire construct of EL comes into play.

Horn and Rudolf (2011) in their study understood the importance of interaction quality in private banking context and found a gap in understanding interaction quality further in an individualized banking context. Priority banking customer could be further grown to a bigger investor and private banking customers with the bank. Thus individualized services may include priority and private banking customers depending on the range of investments with the bank (higher for private banking, lower for priority banking). This is so because the purpose of the research is to understand the impact of EL on interaction quality which is ingrained in both the types of customers.

Individualized banking services are a high-contact service type (Chase, 1978; Chase, 1981; Boulding et al., 1993; Horn & Rudolf, 2011) which involve higher interaction levels than many other service types, such as retailing which are more encounter based rather than relationship based (Boulding et al., 1993; Horn & Rudolf, 2011). Mittal and Lassar (1998) also found that customers in a banking context have high regard for the personalized service rendered by the service provider; so much so that they can be willing to switch the firm (bank) as well. These are the pre-requisites for the constructs that have been chosen. Individualized banking services fulfil the following pre-requisites:

- High levels of interaction and involvement of customer and employee during the service (Chase, 1978; Horn & Rudolf, 2011) which gives a good platform for testing EL variables and theirs impact on interaction quality since previous research reinstates the relevance of examining EL in high-interaction contexts (Grandey, 2000; Grandey 2003; Grandey, 2003).
- The service relationship criterion is 'satiated', since priority and private banking services are long-term relationships, interactions with the banking relationship manager being multiple over a time period (Gutek et al., 2002)
- The person-to-person relationship status criterion is satisfied, since individual interaction quality and intention to continue the relationship with the same service provider is the scope of study, rather than continuation of the relationship with the firm (bank) (Gutek, et al., 2002).

- Intention to continue the relationship in a high contact service relationship could be high owing to either inertia against switching (Seiler, Rudolf & Krume, 2013) or interaction quality being very strong (Yavas, Benkenstein & Stuhdreier, 2004).

Service quality has been widely studied. However, in the context of private banking, very few studies were found to exist (Horn & Rudolf, 2011; Lassar et al., 2000). The interesting aspect is that both the studies have relied on hierarchical models- either the Nordic model (Grönroos, 1984) or the model involving interaction quality by Brady and Cronin (2001). Both the studies have also found high relevance of functional quality (including the interaction component) and interaction quality in explaining the service quality construct. Horn and Rudolf (2011), specifically elaborate the interaction quality in the private banking domain since it is a high-contact, high involvement business context and useful for further studying the importance of interaction quality at individualized levels.

Seiler et al. (2013) postulated that long-term relationships may exist owing to inertia of changing service providers in the case of business-to-business relationships.

"The human/interpersonal component of service quality as in the problem solving ability of the employees, whether employees gave individual attention to customers, and expressed willingness to help the customers were closely related to customer satisfaction and behavioural outcomes" (Yavas et al., 2004, p.154). Yavas et al. (2004) conducted their study in the context of private banking customers in Germany. Parkington and Schneider (1979) found that in the case of banking relationships, the relationship may continue between the service provider (employee) and service receiver (customer) even after the employee may switch firms of employment. It needs to be weighed whether the relationship continuation is dependent on the interaction quality between the employee and customer, which is within the scope of this thesis. Interaction quality has been found to be particularly important in banking (Karatepe, Avci & Tekinkus, 2005).

Studies with relevance to this thesis' constructs (EL and interaction quality) are sparse, probably because of the high confidentiality that exists in private banking context (Seiler et al., 2013).

Literature from the realm of relationship quality was also studied. However, it was not included in this thesis owing to the complexity of the dimensions and their inability to match the proposed objectives of the thesis. To name a few relationship quality variables are 'trust' and 'commitment' (Philippe & Gilles, 2010), which are in themselves major constructs and would have to be treated in a separate research. These constructs are beyond the scope of this thesis research. However, further studies could encompass one or more related variables from the relationship quality literature to further enhance theory.

The next section relays the research conducted in EL from customer perspectives.

Emotional labour from customer perspective

Limited literature exists that explores EL from a customers' perspective. Mostly, EL has been studied under the realms of organizational behaviour or psychology. As observed before, various researches have been conducted with employees as the sample focus. For example, process and outcome in the context of frontline service encounters in a real service encounter setting was observed using a dyadic mode. Process was observed from the employee perspective and outcome from customer service records (Ma & Dube, 2011). This bears some semblance to the approach here, because employee-customer responses have been recorded as dyadic pairs. Complementary interactions between provider and receiver of the service increase the customer satisfaction and anti-complementary interactions dampen the customer satisfaction (Ma & Dube, 2011).

The context predominantly studied in the EL literature is a short-term service encounter, where customer and employee may not interact over a long time and familiarity between the two entities may not exist (Gutek et al. 2002). The literature discusses EL work studied from a customer perspective having relevance to this thesis.

Store sales were found to be higher for stores where employee friendliness and display of cheer towards the customers was lower (Sutton & Rafaeli, 1988). Employees tended to become more task-oriented when queues mounted during the busy periods of sale and they were unable to concentrate on maintaining niceties with the customers (Sutton & Rafaeli, 1988). The question that such a research raises is whether this is so because the context chosen is a service encounter and not a service relationship? The intensity of the interaction is also low owing to a

convenience store set-up and the opportunity for an employee to create a rapport with the customer hardly exists. The employee may not even meet the same customer again. However, this interaction intensity could completely reverse if the customer was known to the employee over time and the transaction in value (tangible and intangible) was much higher, such as private banking (Gutek et al., 2002). The question arises whether the tendency to engage in EL could be much higher for employees in a service relationship than a service encounter.

Employee EL has been found to affect customers in different ways, and this thesis particularly deals with the impact of employee EL on customers' interaction quality perceptions.

Customer influence on employee EL

Interpersonal interactions of employees with entities outside their organization - such as customers, poses challenges to the employees with regard to 'management of emotions' (Wharton & Erickson, 1993). The emotion management with intra-organization entities such as other employees/colleagues/associates was far lower. Customers demanded more effort from an employee since the employee is answerable and obligated to the organization for maintaining a formally congenial relationship with these external entities (customers) for tangible and intangible returns to the organization. The study findings are similar to those of Totterdell and Holman (2003) where customers exerted a relatively higher power on the employees. This is a key underlying theme for this thesis where the main recipient of employees' EL is the customer. The centre of focus of the interactions that an employee has with the customer would be one of the cardinal reasons for employing different EL strategies. Thus, the interactions that elapse between an employee and a customer should impact the customers' perceptions of interactions. Likewise, employees would engage in EL to impact these interactions with the customers to achieve higher perceptions of the quality of interactions from the customers' side. This connects the work to the first research question- 'What is the nature of the relationship between customers' perceptions of employee deep and surface acting and customers' perceived interaction quality in a private banking service relationship?' influence of customers exerted on the employees would test employees' modulation of EL as well and that connects to the second question- "What are the mediating effects of customers' expectation of employee deep and surface acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?"

Authenticity perceptions of customers

A lack of authenticity of emotions by the service provider can be the cause of customers' unhappiness, but addition of the same ingredients may not be the cause of customers' happiness (Price, Arnould & Deibler, 1995). A diary method to record self-observations by the consumers in different service encounter contexts found that evaluation of authenticity was found to be not so important for extended personal encounters. However, this was more the case if employee exhibited negative responses (SA) than employee positive responses (DA) (Price et al., 1995). This is interesting, since the customers recorded their detection and the findings suggest how lack of authenticity, as in SA could cause service dissatisfaction. However, addition of authenticity as in DA may be considered as taken for granted by the service provider. Familiarity arising out of a known relationship could actually make the customer consider positive DA from an employee as a norm and therefore as expected. The SA from an employee is not expected from the employee, especially since a rapport has been created over time. Price et al. (1995) provide support to the first and second research questions of this thesis. The impact of employee DA is postulated to be positive on customer interaction quality, while employee SA is postulated to have a negative impact. The expectation of DA by customers is postulated to make employee DA and their interaction quality more positive, while alleviate the negative effect of employee SA. Similarly, (non)expectation of customer SA is proposed to make employee DA and their interaction quality more positive, while exacerbate the negative effect of employee SA in this thesis.

'Authenticity' finds relevance in amongst creative tourists (one who want to immerse themselves in the culture of places they visit, impacting them more strongly with a lasting individualistic learning) who were found to seek more 'authentic' display of emotions rather than standardized depiction of emotion in service encounters (Salman & Uygur, 2010). Thus, for the genuine depiction of emotions, DA would be imperative (Hochschild, 2003) allowing service providers the freedom with wider range of display rules for such tourists (Salman & Uygur, 2010). In personalized selling situations, customers may behave in a way similar to creative tourists, having set expectations on authenticity of depicted emotions. These expectations could impact the customers' perception of the interactions. This again connects to the second research question on how customer expectation of EL may impact the relationship between employee EL and customer interaction quality.

One study focused only on SA and which tested whether SA matters more or less to customers who know employees well and whether it matters more in personalized services. Wang and Groth (2014) showed that inauthentic displays affected customer service experience such as service satisfaction (Grandey et al., 2005; Groth et al. 2009; Hennig-Thurau et al., 2006). Wang and Groth (2014) found that suppressed negative emotions predicted lower service satisfaction when relationship strength was low, but not true for faked emotions. Suppressed negative emotions produced lower service satisfaction in highly personalized services but not so for faked emotions (Wang & Groth, 2009). It would be interesting to test whether the suppression variables and faking variables of SA would have a similar impact on the customers as found by Wang and Groth (2014). This connects to the SA half of the first question on testing the impact of employee SA on customer interaction quality.

Customer outcomes

While positive display rules were found to produce a positive respondent mood, a less positive display produced a less positive respondent mood (Trougakos & Jackson, 2011). In an experimental design, Trougakos and Jackson (2011) observed that respondent mood mediated the relationship between display rules and service quality and also produced favourable attitudes towards service organizations. This again is an important piece of literature that delves into the service quality realm. The interaction quality as perceived by the customer (considered as a sub-dimension of service quality (Brady & Cronin, 2001) is an important construct considered in this thesis. Trougakos and Jackson's (2011) study highlights the importance of interaction quality construct as perceived by customer owing to the employee EL- also a strong connect to the first research question.

Wang, Tsai, Chen & Chang (2012) tested how emotional display and personal selling affected customers' behaviour intention. Using a convenience goods context, they found that employees' positive display of emotions had a positive effect on customers' re-patronage behaviour (returning to the store again) as also confirmed by Tsai (2000). However, no effect was found on increasing immediate sales. A mystery shopping method to collect data is a point of reliability issue since an observation method was adopted.

Tang, Seal & Naumann (2013) examined the effect of EL on customers' perspective, particularly customer buying decisions owing to employees' emotional labour strategies. The study was done in the context of mobile phone shops in China looking at service encounters

between customers and sellers. Using structural equations modelling, Tang et al. (2013) found evidence for EL having a direct effect on customers' buying decisions. DA had a positive, while SA had a negative effect, and customer cooperation mediated this relationship as well. Tang et al. (2013) mediated customer co-operation, while this thesis mediates customers' expectations of EL on the employee EL and customer perceived interaction quality relationship.

A summary of the literature under the customers' perspective is presented diagrammatically in the Diagram 2.3.
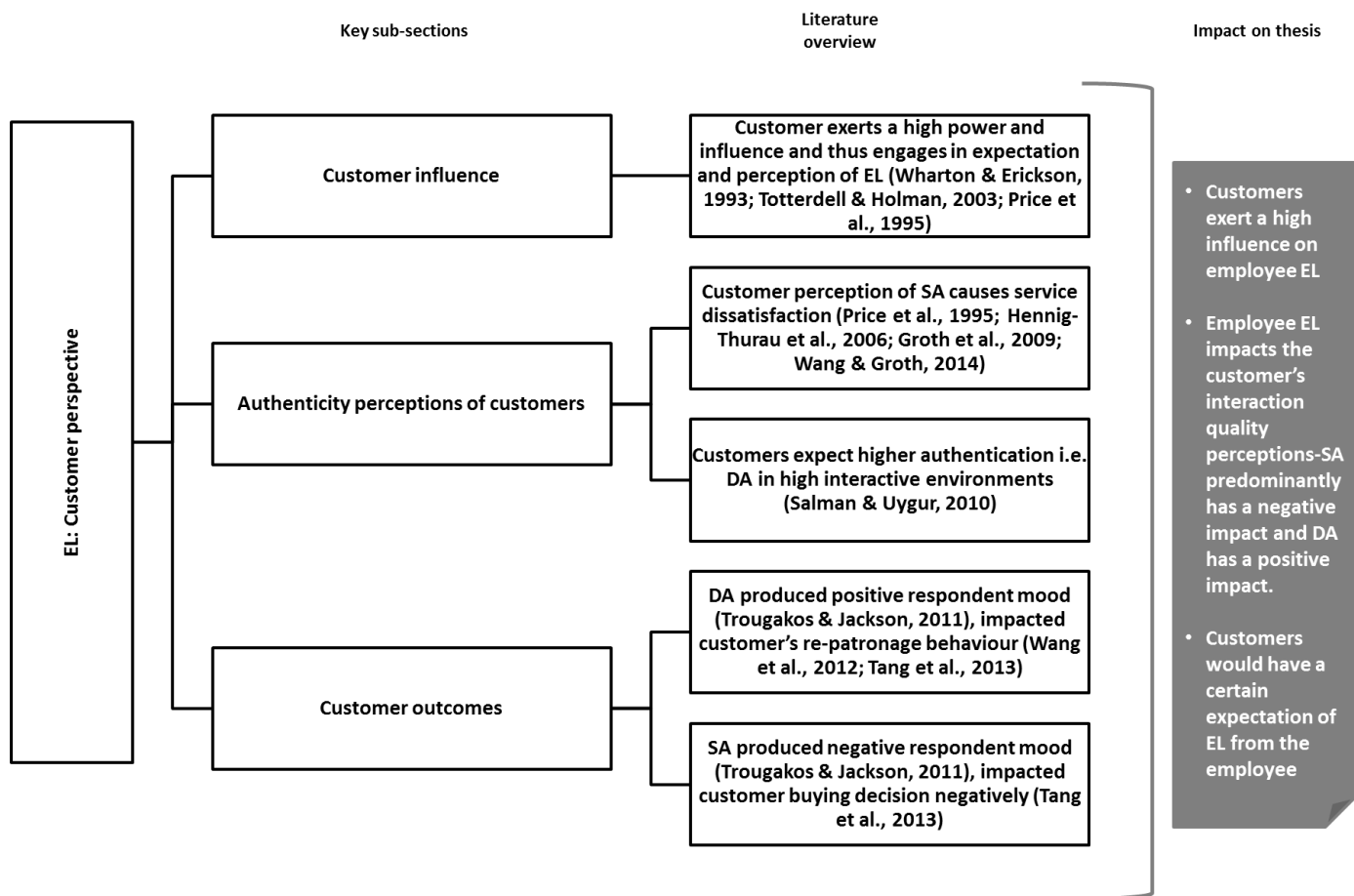
Diagram 2.3: EL: Customers' perspective

Assessing the employee EL and customer perception link

A cardinal empirical study by Groth, Hennig-Thurau and Walsh (2009) examines the link between employees' emotional labour and customers' perceptions of the service experience. Work by Groth et al. (2009) has been most inspirational for this thesis. This is one of the few

studies to extend the concept of EL to dyadic simultaneous analysis of responses from customers and employees. Groth et al. (2009) examined the impact of employee EL on customers' perceived service quality. Groth et al. (2009) have also covered questions pertaining to customers' ability to identify between fake and genuine emotions of service providers, and also the impact of their assessments on the service experience. The study recorded how the customers' detection of authenticity of employee EL (whether SA or DA) impacted their perception of the service quality. Findings were summarized as- deep acting exerts a positive effect on perceived customer orientation and service quality; surface acting does not have a negative effect on the customers as long as customers do not recognize it. The strategic implications of the research lie in the manner of collection of data, from dyads of employees and customer reactions, thus recording data immediately after the service encounter. Theoretical model was tested using structural equation modelling. The study has a direct connect to this thesis. The DA was postulated to affect service quality positively and SA was postulated to impact service quality negatively, however Groth et al. (2009) found support only for DA, but not for SA. This thesis also sets out to postulate that employee DA would impact customer interaction quality positively and employee SA would impact customer interaction quality negatively. Service quality construct in Groth et al. (2009) is replaced with interaction quality (Brady & Cronin, 2001) in this thesis. These relay the connected hypotheses to the first question. It would be interesting to test whether the findings by Groth et al. (2009) would be emulated in this thesis. The customer detection of EL is replaced by customer expectations of EL in this thesis given that the context is that of service relationships and familiarity of the relationships may cause the expectations of the customers to vary. Groth et al. (2009) highlight two key areas of this thesis- impact of employee EL on customer perceived interaction quality and mediation of customer expectation of EL on the direct relationship between employee EL and customer perceived interaction quality.

While Groth et al. (2009) studied the detection of deep acting and surface acting in the context of service encounters (Price et al., 1995; Wang et al., 2012; Wharton & Erickson, 1993) this thesis considers customers' expectations of EL from employees when engaged with the employees in a 'service relationship'. None of the previous studies have engaged in understanding EL in a service relationship. Despite the high intensity of interactions in service relationships and relevance of EL in high-intensity interactions, EL has not been tested in such a context. There are "pseudo-relationships" (Gutek et al., 1999, p.219) that exist between a

customer and an organization, where due to the uniformity of service across all service providers (for an organization), the customer finds it appropriate to indulge in an encounter. For example, visiting Burger King for a quick bite is a *pseudo-relationship* (Gutek et al., 1999, p.219). However, this thesis delves in employee-customer relationships in a person-to-person context, especially because customers exert a higher power and influence over employees for engaging in EL than other entities such as the co-workers or supervisors (Wharton & Erickson, 1993; Totterdell & Holman, 2003). The EL expectations of a Burger King associate and his/her financial adviser at a bank could be completely different. He/she probably knows the financial adviser over a long period of time, interacts on a regular basis, has befriended him/her to a large extent and trusts his/her investments with the employee. Such a service relationship might continue between these two entities even if the financial adviser changed his/her firm(s) (Gutek et al., 1999). The relationship between a customer and his/her relationship manager could be strong enough to continue even if the employee switched work association to another bank (Parkington & Schneider, 1979). EL has not been explored in an intense interaction context such as private/customized banking before and the dearth of literature offers a window of opportunity to explore EL in the service relationships.

Establishing the service relationship context

Customers are less affected by service employees' emotional labour or the lack of it when the service encounters are low-affect, low intimacy types like a convenience store (Price et al., 1995; Grandey, 2000). This is probably because the customers also realize that service providers do not always express real emotions, and the customers also do not expect or care when they perceive that such an effort is being made. In an extended service relationship context, the employee EL is valued more since it is a way of communicating trustworthiness (Grayson, 1998). This is extremely relevant for this study since a similar effect may be observed in service relationships amongst private banking professionals and customers (Kiely, 2005).

Verbal abuse from the customers is found to be more frequent in the EL oriented jobs, because the anonymity of the customer is intact in the service encounters, and avoidance of another contact with the same service employee is possible. However, this could drastically contrast in service relationships, where the tendency for multiple contacts and the longevity of the relationship exists over time (Grandey, Kern & Frone, 2007).

Lin and Lin (2011) conducted a study across several service encounters, and different types of service contexts. Independent observers marked their observations on the encounters and also took feedback from the customers to find that the service environment, the group mood amongst peers and self-emotion affected the employee affective delivery which in turn had a positive effect on the customers' service encounter satisfaction and loyalty intention.

A strong association and difference exists in the demands of EL owing to the interactional demands of services. A longer duration could demand heavier emotion regulation, than a shorter one, as postulated by Grandey (2000). Greater familiarity between a relationship manager and his/her customer could actually enable them to map each other's emotions far better since they meet over several encounters and probably even generate a rapport or friendship over time. The employee EL and customers' perception could also be much more pronounced and a certain expectation could also be set by the customer in such a context. Employee EL could be smooth or difficult depending on the kind of service relationship that he/she share with the customer. The customers' detection and their perception could vary from being extremely demanding to predominantly lenient on the extant of EL adopted by the employees. This thesis is the first to study EL in a service relationship context while previous EL researches have mainly been done in the context of emotional encounters. Differences may also exist due to the different types of services (Silvestro, Fitzgerald, Johnson & Voss, 1992). This thesis study is the first of its kind to study it in a professional services category like private banking, where long-term relationships exist with an emphasis on interactions being high (Horn & Rudolph, 2011). The stakes of these interactions are also high with many financial decisions being taken by the customer over these interactions. The intensity of the interactions is much more pronounced, and thus the intensity of EL (Grandey, 2000) elapsed in these interactions would provide interesting insights to the study of EL from the employee and the customer perspectives in a service relationship context.

Kiely (2005) studied emotions in the context of business-to-business service relationships in the shipping industry. Adopting an interpretive style, it is one of the first steps towards understanding emotional labour in complex service relationships. Kiely's (2005) findings depicted that most employees engaged in DA, although there were occasions where they feigned their real emotions to emote otherwise. The interesting aspect was that most of the employees felt an anguish at not being able to deliver as per the customer expectations, and this was an innate feeling rather than a monitored, a centralized or a trained emotion (Kiely,

2005). The customers also felt strained from expressing dissatisfaction or when they were required to send a negative response because of the long years of relationship. Many of the customers had a friendship and strong linkages interred with the professional service (Gutek et al., 1999, Kiely, 2005; Parkington & Shneider, 1979). This study links to the mediation of the employee EL and the customer perceived interaction quality relationship by the customer expectations of EL. It is one of the first studies to consider a service relationship context although in the business-to-business context where both the employees and customers were associated with firms involved in business transactions with each other. The context of this thesis is however person-to-person service relationships where the customer is an independent and an individual entity, while the employee may be associated to a bank/financial institution.

This chapter considered the evolution of EL literature from organization, employee and customer perspectives. It also sought to capture the essence of interaction quality and its relevance in service relationships and in the banking context. Chapter 3: Hypotheses Formulation helps connect the various literatures discussed thus far and presents the development of the underlying hypotheses for this thesis.

Chapter 3: Hypotheses Formulation

Introduction

The employee aspect of EL is wide in scope and studied most. The key theme that has emerged from the review of literature so far is that interaction is a key component for employees to engage in EL. The different contexts, such as nursing and healthcare, retail and hotel services, academia, call centre, and retail banking have been chosen for review. The current thesis considers the context of private banking service relationships to examine EL. Previous work exists in the context of retail banking (Chau et al., 2009), where the bank tellers and the customers comprise the sample. However, private banking relationships have not been tested so far.

Connection to the first question

Prior research examines employee well-being and organizational performance as outcome variables. An important point is that one of the core beneficiaries of EL strategies employed by employees are customers. Totterdell and Holman (2013) also found customers to be more important beneficiaries of employee EL than their colleagues or supervisors (Diefendorff et al., 2010; Price et al., 1995; Wharton & Erickson, 1993). This would mean that employee EL could impact customers' perceptions. There appears to be a gap in understanding the impact of employee EL on customers' interaction perceptions. The employee-customer relationship thread has not been explored previously. It would be interesting to explore how customers potentially perceive their interactions with the employees engaging in EL.

The employee EL→ customer perceived interaction quality thread needs further exploration. This generates the first research question:

Question 1. What is the nature of the relationship between employee deep and surface acting on customers' perceived interaction quality in a private banking service relationship?

Liu et al. (2008) emphasized the importance of interactions being a space for common ground between employees and customers as did Grandey (2003). Likewise, Liu et al. (2004) reinstated the relevance of testing the employee-customer relationships with a focus on the interaction quality, since employees engage in EL to enhance interactions towards others - particularly

customers. Yang et al. (2014), through a dramaturgical perspective have reiterated the importance of employee-customer relationships. Totterdell and Holman (2003) also showed that EL in employee-customer relationships was much more pronounced than in the other relationships (such as with co-workers and/or supervisors).

Trougakos and Jackson's (2011) study renders further support to the notion that DA impacts customers' interaction quality positively. Wang and Groth's (2009) work supported that SA impacts customers' interaction quality negatively. Groth et al. (2009) also rendered support for both hypotheses H1a (+) and H1b (-).

Employee DA is expected to have a positive impact, while SA is expected to have a negative impact on the customers' perceptions of interaction quality (Grandey, 2003; Groth et al., 2009; Totterdell & Holman, 2003, Wang & Groth, 2011); since DA denotes higher authenticity of display, while SA denotes faking and suppression of emotions (Hochschild, 1983). Thus, the following hypotheses are formulated:

H1a (+) → Employee deep acting relates positively to customer perceived interaction quality.

H1b (-) → Employee surface acting relates negatively to customer perceived interaction quality.

This meets the first objective of this research:

To measure the effect of employee deep and surface acting on customer perceived interaction quality in a service relationship.

High-intensity interactions influence employees to engage in EL and the customers to adjudge those interactions through perceived interaction quality (Brady & Cronin, 2001; Horn & Rudolf, 2011). Since the customers are the prime recipients of the employees' service, the EL is high and considered to flow from the employee to the customers. The customers' perception of interaction quality has been captured in a service relationship context (Kiely, 2005; Lin & Lin, 2011; Silvestro et al., 1992).

Connection to the second research question

The employees could be affected by the expectations of the customers to engage in EL strategies (Ashforth & Humphrey, 1993; Rupp & Spencer, 2006; Allen et al. 2010). Interactions

are impacted by the engagement of the entities (customers and employees) in co-production of service (Bailey & McCollough, 2010). However, entities such as customers, may exert a higher power and have a higher influence on the EL adopted by employees towards them (Price et al., 1995; Totterdell & Holman, 2003; Diefendorff et al., 2010). It can be inferred that the customers' expectations could impact the direct relationship between employee EL and customer perceived interaction quality (Salman & Uygur, 2010). Groth et al. (2009) in particular delved into the customer detection of employee EL and how it moderated the relationship between employee EL and customer service quality. Expectation of EL by the customers in service relationships is pronounced due to the familiarity of the relationships (Gutek et al., 2009; Kiely, 2005). The customer expectations of EL is treated as triggering mediation in the relationship between employee EL and customer perceived interaction quality. The discussion leads to the second research question:

Question 2. What are the mediating effects of customers' expectations of employee deep and surface acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?

The hypothesis building from this research question would be as follows:

H2a→ Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

H2b → Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

H3a→ Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

H3b→ Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

The above hypotheses test the mediation layer of the model. Testing these hypotheses together in this layer fully examines the objective:

To measure the mediating effects of customers' expectation of employee deep and surface acting on relationship between employee deep and surface acting and customers' perceived interaction quality.

Connecting interaction quality to 'customer intention to continue the service relationship'

The section ahead connects the customer perceived interaction quality construct to the outcome variable - customer intention to continue the service relationship.

Customer service quality perception and its outcomes

Service quality has been linked to various output variables. Cronin Jr. and Taylor (1992), suggest perceived service quality leads to satisfaction, and satisfaction appears to have a stronger and a more consistent effect on the purchase intention than service quality. With multiple encounters in a service environment, Boulding, Kalra, Staelin & Zeithaml (1993) considered behavioural intentions - mainly repeat purchase and recommendation - as effected by the overall service quality. The effect of service quality on customer behaviour has also been tested along the lines of retention, purchase intention and defection (Zeithaml et al., 1996). A multi-dimensional connection between service quality (RATER dimensions) and customer loyalty dimensions was elaborated by Bloemer, Ruyter & Wetzels (1999). Bloemer et al. (1999) also showed that the scales for testing service quality should probably be customized for different service contexts, as argued by Pollack (2006). These studies found that customer loyalty intention is the primary outcome variable or construct related to service quality.

Seiler, Rudolf and Krume (2013) also found that loyalty is an important aspect for private banking employees, since customer referrals play a huge role in attracting new customers to the bank. This is possible if the existing customers continue their service relationships. The loyalty intentions would apply to the customers in service relationships only if they intended to continue the service relationship with their relationship managers, which led to the choice of the outcome variable - 'customer intention to continue the service relationship'.

An important study conducted amongst private banking customers in Germany also emphasized the human/interpersonal component of service quality (Yavas, Benkenstein & Stuhdreier, 2004). Yavas et al. (2004) found that the manner in which an employee serves the customer - shows willingness to help, and resolves issues for the customer - significantly impacts the behavioural and loyalty outcomes (including the continuity of relationship as a prerequisite) of the customer. This supports the idea of exploring the impact of customer perceived interaction quality on continuation of relationship between customer and employee.

Customer perceived interaction quality - service continuity

Service quality has been found to impact loyalty dimensions (mainly repeat purchase, retention, referral and complaining behaviour, with either one, few or all of these dimensions taken into consideration). Literature specifying the construct of the *interaction quality* dimension is sparse. Every service encounter depends on the interactive process between service provider and receiver; the ultimate outcome of service is derived from the interactive process; the interactive process affects actual performance of the service provider and the receiver; the interactive process has a continuous influence on receiver's expectations and perceptions of service (Svensson, 2003; Svensson, 2004). This is especially true for people-based high contact services such as banking (Chase, 1978). The concept of remaining in a relationship is very strong in a person-to-person context, since the continuity depends solely on the involved entities - the customers and the employees. This customer-employee bond is sometimes closer than the bond a service receiver (customer) may have with a brand or an organization, and that leads to the final outcome variable - 'customers' intention to remain in a service relationship with that particular employee' (Kandampully, 1998). This relationship can sometimes be so strong that even when the service provider (employee) switches jobs, his/her customer may continue with their relationship with the employee by moving their investments to another bank (Parkington & Schneider, 1979).

The service continuity is being tested in the context of professional, person-to-person relationships. This is so because in private banking the relationship manager may become a more important entity than the associated bank itself.

Why interaction quality and not satisfaction- exclusion criteria?

Spreng and Mackoy (1996) confirmed that perceived service quality and customer satisfaction are two distinct constructs with different antecedents. Spreng and Mackoy (1996) suggested how expectations have a negative impact on satisfaction through disconfirmation, but a positive impact on both satisfaction and perceived service quality, through perceived performance.

"Incidents of satisfaction over time result in perceptions of service quality leading to behavioural intentions such as customer repurchase, and loyalty" (Parasuraman et al., 1988, p.16). In the context of service relationships, perceived quality would be more appropriate than satisfaction. Satisfaction as a behavioural intention is more appropriate for a single transaction

i.e. a service encounter. Satisfaction is predominantly associated with moment-based or transaction-specific contexts, whereas quality is more associated with repeated satisfaction across several encounters (Parasuraman et al., 1988; Spreng & Mackoy, 1996). However, since the focus of this study is on service relationships, it invoves testing perceived interaction quality couples with the intention to continue the service relationship connection.

Interaction quality in the private banking context

Service quality has been defined by a single layer of dimensions (Parasuraman et al., 1985; Parasuraman et al., 1988; Parasuraman et al., 1994); or through hierarchical models (Cronin & Taylor, 1992; Cronin & Taylor, 1994; Dabholkar et al., 1996; Grönroos, 1984; Haywood-Farmer, 1988; Rust & Oliver, 1994). Both of these approaches fail to satisfy the need for specifically and fully defining *interaction quality* for the purpose of this research. This study views customer *perceived interaction quality* as a latent construct (Hair Jr., Black, Babin, Anderson & Tatham, 2006) taken from Brady and Cronin's (2001) hierarchical model of service quality. This model delineates *interaction quality* as a separate component of service quality, with sub-dimensions of attitude, behaviour and expertise. *Interaction quality* is particularly relevant for this study, since private banking service is a context where the interpersonal interactions are very high (Karatepe et al., 2005; Lassar et al., 2000). *Interaction quality* has high prominence in the context of private banking (Horn & Rudolf, 2011; Sieler, 2013), with hierarchical models proving a better fit because of the inclusion *interaction quality* in their models. *Interaction quality* is an ingrained component for a high contact service such as individualized (customized) banking (Horn & Rudolf, 2011).

In the context of this study, financial services, and specifically personal financial advice (private banking), are identified as an area that fosters high-interaction service relationships (Svensson, 2003; Svensson, 2004). In this context, a service relationship might even continue between the two parties even if the financial adviser changes his/her firm (Parkington & Schneider, 1979). This gives rise to the choice of an outcome variable of 'customer intention to continue the service relationship' (Kandampully, 1998; Boulding et al., 1993; Zeithaml et al., 1996; Bloemer et al., 1999; Pollack, 2006) as affected by the customer perceived interaction quality.

The above discussion on interaction quality and the outcome variable brings us to the third and last question would be addressed in this thesis:

Question 3. What is the impact of customers' perceived interaction quality on customers' intention to continue a banking service relationship with the same service provider?

The objective to be met by answering the above research question is:

To measure the impact of customers' perceived interaction quality on customers' intention to continue the service relationship with the same service provider.

The hypothesis related to the above research question is:

H4 (+) → The greater the customers' perceived interaction quality, the more positive customers' intentions to maintain service relationship with the service provider.

Scales of EL, interaction quality and intention to continue the service relationship

Scales of EL were first developed by Brotheridge and Lee (2003) by conducting two studies in two phases. Study one first tested 19 items for construct validity, establishing that SA was a separate construct. The attributes of intensity, duration and variety loaded on to the same factor. A six-factor analysis when tried, which yielded a better goodness fit, but not a very parsimonious solution. Thus, the final four-factor solution yielded SA, intensity-duration-variety, frequency of duration, and DA as separate constructs. Study two tried to confirm the scales by testing the convergent validity of the attributes and constructs by testing how they behave with associated scales, such as emotional exhaustion, depersonalization or role identification. These scales had first been tested by Grandey (2003) and have continued to form the pillar for the future works (Groth et al., 2009).

Other contexts, such as education and teaching, have seen the adaptation of scales developed by Brotheridge and Lee (2003) to suit their particular contexts. For example, scales for EL have been adapted in teaching (Cukur, 2009), based on a number of prior studies, including that of Brotheridge and Lee. The core scales that continue to represent the concept of emotional labour are those of Brotheridge and Lee (2003) and they were chosen for use in testing in this thesis as well.

Since the interaction quality construct was extracted from Brady and Cronin's (2001) hierarchical model as a separate construct, the scales of interaction quality were adapted to the context ,derived from Brady and Cronin's (2001) research. Interaction quality was further divided into sub-constructs of attitude, behaviour and expertise with each having three defining

78

variables. These scales were chosen because these are the only available scales that have been previously tested and validated for interaction quality, especially in the private banking context (Horn & Rudolf, 2011). A validated scale helps avoid measurement errors and the effort to rebuild scales from scratch.

The notion of 'intention to continue the service relationship' was derived from the previous works of Kandampully (1998). The 'person to person' component was investigated using the approach of Parkington and Schneider (1979), where the question was whether the customer would continue the service relationship with the employee even if he/she switches his/her firm. This has been done to cover the person-to-person relevance that may take the relationship beyond the associating organizations. Zeithaml et al.'s (1996) customer retention dimension and their scales relating to their literature on customer retention intentions have been included for reference.

Table 3.0 summarizes the various research questions, research objectives, hypotheses developed and key references of the analysed literature.

Table 3.0: Hypothesis formulation, variables, scales and their connection to the research questions/objectives

Research Question	Research Objective	Hypothesis tested	Dimensions in the model path	Variables to be tested (may need to be customized)	Authors (scales adapted from)
What is the nature of the relationship between employee deep and surface acting and customers' perceived interaction quality in a service relationship?	To measure the effect of employee deep and surface acting on customers' perceived interaction quality in a service relationship.	Employee deep acting relates positively to customer perceived interaction quality.	Employee deep acting (H1a(+))	I make a great effort to actually feel the emotions that I need to display to this customer.	Brotheridge & Lee (2003); Groth, Hennig-Thurau & Walsh (2009)
			· 7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	I try to actually experience the emotions that I must show to this customer.	
				This customer expects me to really try to feel the emotions that I need to	

				show as part of my job to this customer.
		Employee surface acting relates negatively to customer perceived interaction quality.	Employee surface Acting (H1b(-))	I resist expressing my true feelings to this customer.
			7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	I pretend to have emotions that I don't really have towards this customer.
				I hide my true feelings about a situation towards this customer.

What are the mediating effects of customers' expectation of employee deep and surface acting on relationship between employee deep and surface acting and customers' perceived interaction quality?	To measure the mediating effects of customers' expectation of employee deep and surface acting on relationship between employee deep and surface acting and customers' perceived interaction quality.	Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.	Customer expectation of deep acting (H2a and H2b)	I expect the employee (RM) to make a strong effort to actually feel the emotions that he/she needs to display to me.	Brotheridge & Lee (2003); Groth, Hennig-Thurau & Walsh (2009)
		Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.	7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	I expect the employee (RM) to try to actually experience the emotions he/she must show to me.	
				I expect the employee (RM) to really try to feel the emotions he/she have to show as part of his/ her job to me.	

			Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.	Customer expectation of surface acting (H3a and H3b)	I do not expect the employee (RM) to resist expressing his/her true feelings to me.	
			Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.	7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	I do not expect the employee (RM) to pretend to have emotions that he/she doesn't really have.	
					I do not expect the employee (RM) to hide his/her true feelings about a situation.	

					Brady & Cronin (2001)
What is the impact of customers' perceived interaction quality on customers' intention to continue a banking service relationship with the same service provider?	To measure the impact of customers' perceived interaction quality on customers' intention to continue service relationship with the same service provider.	The greater the customers' perceived interaction quality, the more positive the customers' intentions to maintain service relationship with service provider	Interaction quality (H4)	Overall, I'd say the quality of my interaction with this firm's employees is excellent	(Parkington & Schneider, 1979; Kandampully, 1998; Zeithaml, Berry & Parasuraman, 1996; Brotheridge & Lee, 2003; Svensson, 2003; Svensson, 2004; Groth, Hennig-Thurau & Walsh (2009).
			7-point Likert scale (7=Strongly agree to 1=Strongly disagree)		

			Attitude- sub-dimension of interaction quality	You can count on the employees at XYZ as being friendly.
			7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	The attitude of the XYZ's employee demonstrates his/her willingness to help me.
				The attitude of the XYZ's employee shows me that he/she understand my needs
			Behaviour- sub-dimension of interaction quality	I can count on XYZ's employee taking actions to address my needs.
			7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	XYZ's employee responds quickly to my needs.
				The behaviour of XYZ's employee indicates to me

				Expertise- sub-dimension of interaction quality	that he/she understand my needs.
					You can count on XYZ's employee knowing his/her job.
				7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	XYZ employee is able to answer my questions quickly.
				Customer intention to continue the service relationship with the service provider (employee) (H4)	The employee understands that I rely on his/her knowledge to meet my needs.
				7-point Likert scale (7=Strongly agree to 1=Strongly disagree)	I intend to continue the service relationship with this employee (RM) as long as he/she is employed with this bank.

				I intend to end the service relationship with this employee (RM) and seek another RM with the same bank.	
				I intend to continue the service relationship with this employee (RM) even if he/she switches his/her employment association to another bank.	

Conclusion

This chapter has delineated literature on the emotional labour construct - especially deep acting (DA), surface acting (SA), interaction quality (customer perceived) and the final outcome variable of 'customer intention to continue the service relationship'. The connections between the constructs, developed as the model, are shown in Diagram 3.0:
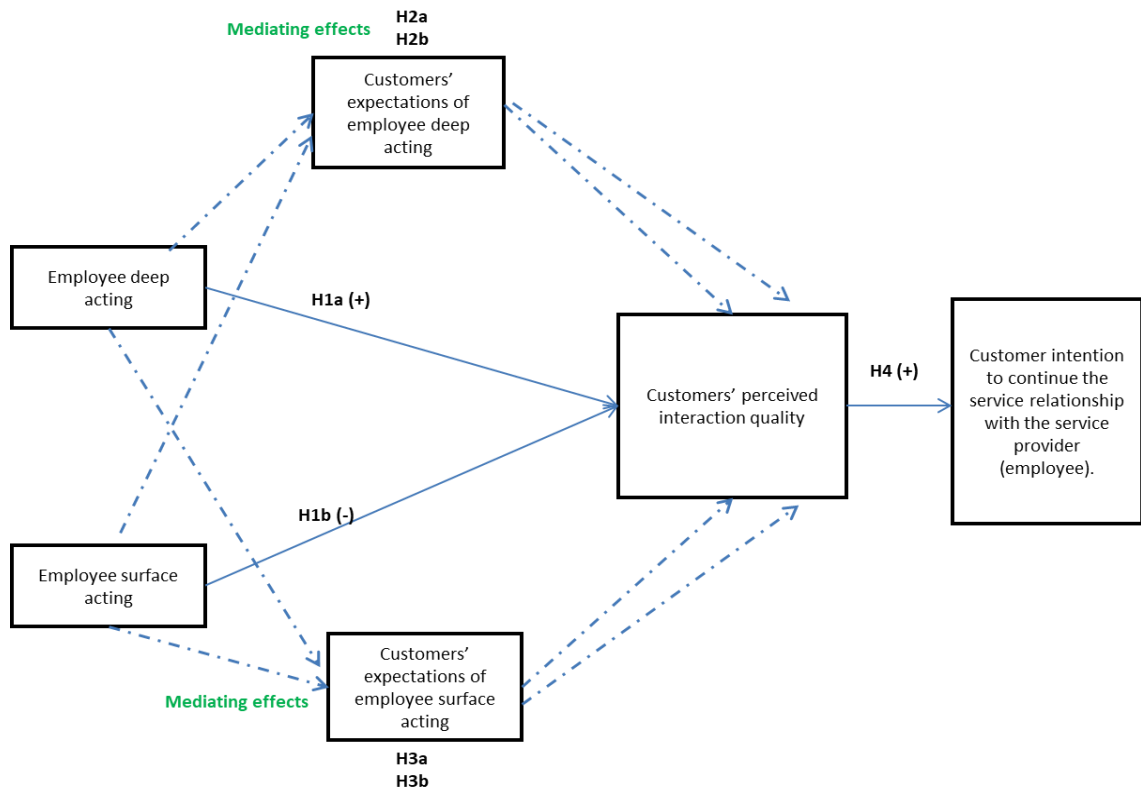
Diagram 3.0: Theoretical Model: Proposed connections between employee EL, customers' expectations of EL, customers' perceived interaction quality and customer intention to continue the service relationship with the service provider (employee).

The proposed model postulates connections between employee deep acting and employee surface acting on customers' perceived interaction quality. A mediating effect of customers' expectations of both deep and surface acting on the relationships between employee deep acting-customer perceived interaction quality and employee surface acting-customer perceived interaction quality are also postulated. The final outcome variable is 'customer intention to continue the service relationship with the service provider' (employee/relationship manager) is shown to be dependent on the customer perceived interaction quality. This chapter highlights literature connections building the hypotheses. The next chapter discusses the research methodology, design and methods adopted for testing these relationships.

Chapter 4: Research Methodology

Introduction to research methodology

The chapter details the research philosophy, design, sampling plan, data collection modes, research methods and analysis approach. The chapter also deals with issues of trustworthiness of the research.

Research Philosophy

Knowledge management

"Management research attempts to analyze and explain management activities or actions of the individuals within organizational settings while social research is the type of research that forays into social and everyday experiences, which may involve organizations" (Johnston, 2014, p.208). This thesis is a piece of social research attempting to connect the EL link between customers and employees and its impact on the long-term service relationships in the organizational context.

Knowledge creation and its support is one of the cardinal concerns for every researcher aiming to contribute to a body of knowledge. "The epistemological dimension of knowledge is concerned with different forms and types of knowledge while the ontological dimensions deal with the physical, technical or social supports on which and in interaction with which knowledge is created" (Akehurst, Rueda-Armengot, Lopez & Marquez, 2011). To contribute successfully to the body of knowledge, the interplay of epistemological and ontological dimensions is crucial. Sound knowledge can be created if the context setting and the methodology of the study supports the reality of the management context. Knowledge relevance also is high when the knowledge can later be applied or reproduced in different social contexts. At the same time, the body of knowledge is fluid, since physical conditions, technological advancements, and social developments are continuously evolving over time. Different research approaches and additions to new knowledge creation, innovation and development are the nature of research circuit (Akehurst et al., 2011).

"The study of knowledge and justified belief" is known as epistemology (Steup, 2014, p.1). Every person has a worldview - a lens through which they may see the world around them. This worldview also influences the approaches of a researcher. Whether someone applies grounded theory, or someone seeks a completely quantitative approach, whether someone adopts a qualitative and interpretive style or someone else adopts mixed methods mixing quantitative and qualitative philosophies is an indication of different minds adopting different lenses for looking at the world around them. Different research approaches would see the sources of a problem situation, alternative solutions to the issues on hand, and decipher the final outcomes of the problem (Bryman & Bell, 2006).

Choice of philosophical paradigm

The philosophy of this research was determined in the style in which the topic itself was derived. 'Emotional labour' as a concept is relatively new and about three decades old. When it was first coined by Hochschild (1983), it was through a qualitative mode of research among flight attendants. However, philosophical approaches, methodology and methods evolved when EL was further explored in healthcare, retail and other services sectors. It was not until Brotheridge and Grandey (2003) came up with the scales of EL in 2003 that studies became more quantitative in nature.

The thesis began with key EL literature that ignited curiosity to conduct further research in the context of service relationships. It was clearly a deductive learning process, whereby an initial understanding of literature paved the way for setting the research context and design. Johnston (2014) reiterates that previous literature in the area of interest can greatly influence the study that a new researcher may wish to undertake, as was the case in this thesis. While some researchers argue that a deductive approach thwarts innovation and creativity, others believe that the rigour in such research can also be much higher. Additionally, the credibility of the work increases substantially, with many well-established theoretical works serving to grounding of the research scope.

Paradigms in services context

Researchers over time have found ways to define attributes of services. Services have been differentiated from goods by being intangible - something that cannot be physically seen, more experienced than seen; heterogeneous - different entities involved would create the service

differently with co-creation being a characteristic of many services (customers as co-creators of service (Tronvoll, Brown, Gremler & Edwardson, 2011)); inseparability - multiple aspects of service cannot be broken down easily and separated; and perishability - service is created and consumed at the same time with no means to create shelf-life (Lovelock & Gummesson, 2004). Service is thus of experiential value and service literature has been set in different paradigms.

Customers as passive experiencers of service have been considered in works like SERVQUAL (Parasuraman et al., 1985; Parasuraman et al., 1988) that consider a static snapshot of service. Other services literature focuses on the dynamic dimension of process involved in service quality (Brady & Cronin, 2001; Gronroos, 1984). This thesis also delves into one of the process dimensions of service quality that is interaction quality (Brady & Cronin, 2001). This thesis positions the components of EL and interaction quality from the perspectives of the involved participants - customers and employees, as also observed in other service quality literature. The research questions have arisen from the paradigms that exist in the previous services literature (Tronvoll et al., 2011).

Past service quality literature is set in four main types of paradigms - positivist, monologic, dialogic and hermeneutic (Tronvoll et al., 2011). The monologic paradigm involves "statements of others being studied and framing in the voice of the researcher, creating a singular context" (Tronvoll et al., 2011, p.572). "In a dialogic paradigm, participants and researcher are believed to be interactively linked influencing each other and eventually becoming inseparable" (Tronvoll et al. 2011, p.573). The "hermeneutic paradigm assumes that knowledge of reality can be gained only through social constructions and an open language system (Tronvoll et al. 2011, p.574). Hermeneutics is diametrically opposite to the positivist paradigm that believes in deductive literature perusal, "hypothesis testing, and quantifiable measures about a phenomenon, as drawn from the representative sample" (Bryman & Bell, 2003; Tronvoll et al., 2011, p.568).

Tronvoll et al. (2011) found in their study of paradigms in service quality that the predominant paradigm had been positivism. One of the improvements against some of the other services literature in this thesis is that a partial approach of viewing service from only the employee or the customer perspective has been avoided. The dynamics of the service have been captured by looking at the interactive thread between employees and customers, studying both their

perspectives in unison. Further steps could allow for analysis of the relationship over time through a longitudinal design (Bryman & Bell, 2003; Cooper & Schindler, 2006).

This thesis is also set in a service setting involving service interactions between two role players - customers and employees. The interaction between the two entities, involved as role players that interact across time and dynamic service interactions, has been considered. The thesis sets out to capture a snapshot of a long-term service relationship and this required a quantifiable positivist approach. Interpretive work can sometimes lead to descriptive patterns, however not necessarily converge towards conclusive findings. Also, quantifiable dimensions have been tested in previous EL studies and have added to knowledge, as seen in the literature review chapter, which can be usefully employed in this thesis to move theory forward. Interpretive research can also sometimes linger on details and not make advances towards building the linkages. Instead, this thesis attempts to lead the findings further in a quantifiable manner through a positivist approach to research (Tronvoll et al., 2011).

The positivist stance is chosen and supported by a quantitative methods belief system, set in deduced knowledge from previous EL literature.

A positivist stance

The epistemological stance for this thesis is positivist. "Using scientific method and language to investigate and write about human experience is supposed to keep the research free of the values, passions, politics and ideology of the researcher, which is defined as the positivist or positivist-empiricist approach" (Ryan, 2006, p.13). This thesis draws from the previous works, deducing from the identified findings of prior researchers, and employing those quantifiable findings in this study. The research takes an outside view rather than an immersed insider view, and thus builds on a positivist position. A positivist methodology considers a quantitative and an objective approach to define and solve a research problem. Natural processes are thought to follow the objective model that the researcher aims to solve through employing quantitative methodology (deductive reasoning as seen in the Chapter 2: Literature Review and Chapter 3: Hypothesis formulation) and analytical methods (large samples of data collection, structural equation modelling for data analysis etc.) (Ryan, 2006). Perusing existing pieces of literature as the starting point is core to the positivist realm, as also evident in this thesis (Collis & Hussey, 2009).

Popper's (1962) work on hypothesis formulation believes that hypotheses are a means to explain a phenomenon and not the entire truth. If, by a certain means of recording the observations a hypothesis is falsified, a claim on the observations not supporting the hypothesis can be made, however a claim on falsification of the truth is not made. Support for a hypothesis means stronger support for the theory proposed and a falsification means a refutation of the theory. Falsifications of hypotheses can be subject to further testing to disprove it more strongly (Garcia & Perez, 2002). The thesis leans on the philosophical approach of attempting to build theory and testing the same through hypothesis formulation.

Many qualitative approaches would oppose the reductionist nature of positivism, claiming that complexities of contexts and scenarios cannot be explained by an objective lens (Ryan, 2006). However, the qualitative approaches many a time are excellent at defining and elaborating the problem at hand, but fail to arrive at an outcome. This thesis is interested in the outcomes. While the objective outcomes can be questioned easily, qualitative outcomes of research are left to subjective analysis of every researcher and closure to a research problem left to perceptions. To solve this dilemma, the positivist approach of this thesis attempts to break the complex context because EL in a service relationship would have been too large and too complex a problem to resolve, if all the aspects of EL were to be considered. Hence, the problem has been deconstructed to smaller objective elements, with some initial aspects studied initially. The other pieces of the puzzle can follow later. Positivism also helps arrive at generic solutions to large complex societal problems. Generalizations of societal problems are necessary to make a start at formulating plausible solutions (Fischer, 1998). For future research, a strong foundation is required. Positivist work allows for the flaws and gaps to be highlighted well, which can be further researched and addressed in the future. Also, the existing work can be tested again and results confirmed using different methods and quantifiable approaches to indicate if the findings are replicable.

Researchers can adopt an objective or subjective stance to their research. Objectivists believe in evidence-based 'science', while subjectivists look more to perception-based methods of analysing outcomes (Powell, 2001). This study uses an objective stance.

Adopting a post-positivist stance

Post-positivism evolved from positivism after World War II. The key difference between positivism and post-positivism is that a post-positivist stance believes there could be several

theories that may influence the research, other than the theoretical concept formulated. Also, the theory formulated is only valid until the point at which it is refuted as the result of examining a new reality or the influence of a new theoretical proposition (Mackenzie & Knipe, 2006; Popper, 1962). This thesis adopts a rational and a scientific approach but eschews the absolute status of positivism. A quantitative methodology and determining causality synchronize with the post-positivist stance of this thesis (Mackenzie & Knipe, 2006). The interpretation of the observations also offers another perspective to the findings. Positivist philosophy had common tenets with Popper's work (1962). One was that conception of theories is a deductive system and the comparison between the theories needed to follow a deductive logical reasoning approach. Post-positivism refutes this stance that terms used in different theories adopted the same meaning through logical deduction. A post-positivism stance would question the sequential treatment of theories (Zammito, 2006). Positivism believed that observations were evidences used to assess the theories, however a post-positivist stance believes that observations are themselves laden with the theories that they are assessing. The neutrality of the observations is questionable as per the post-positivist stance. This thesis also builds a theoretical model and the observations collected could help explicate the predictable nature of the constructs (Zammito, 2006).

A post-positivist stance agrees that different individual researchers could maintain their own perceptions of reality. It takes a distanced view and a whole picture view, but the objectivity is steps away from a "just the facts" (Ryan, 2006, p.18) approach and entails a more scrutiny-based approach - to scrutinize one's own assumptions at times, as seen in this thesis. To conclude, the post-positivist approach adopts "a learner's mode than a mere tester's mode" (Ryan, 2006, p.18). The cardinal aim of this work is also to imbibe the learning from the research and explore the possibilities of the data-driven evidence to formulate new knowledge.

Deductive reasoning

An objective lens is evidenced in this thesis because the existing literature has been analysed to offer quantifiable findings. The thesis develops the findings further from a factual perspective rather than a perceptual perspective. Perusal of EL literature demonstrated that the majority of research was done in a quantitative mode – apart from the defining works such as Hochschild (1983) to more recent qualitative works in EL (Bagdasarov & Connelly, 2013; Bailey & McCollough, 2000; Franzway, 2000; Grandey, 2000; Guerrier & Adib, 2013; Moran

et al., 2012; Mahamad, 2014; Salman & Uygur, 2010). This pattern is predominantly because of the development of EL scales by Brotheridge and Grandey (2003), which helped in growing the knowledge base in EL through quantitative approaches. This thesis deduced gaps from previous literature to arrive at the three research questions and hypotheses were formulated based on deductive reasoning and a post-positivist stance. This thesis has built its foundational body of knowledge by following a deductive route. "Deductive theory is built on the premises of existing body of knowledge, deduced hypotheses and examining them using empirical research methods and tools" (Bryman & Bell, 2006, p.10-11). Much time and resources are invested in conducting a particular research. If a gap can be identified early in the realm of literature being studied, then energy can be directed towards plugging those knowledge gaps. A perceptual framework would only help in better understanding of the problem of employee-customer linkages. Deductive reasoning helped bring a basis and structured approach to the research areas focused in this thesis.

Deductive reasoning (Bryman & Bell, 2003) from literature review, leading to a proposed model that can be empirically tested using quantitative measures/scales supports the post-positivist worldview (Ryan, 2006) chosen for this thesis.

Quantitative approach

Qualitative and quantitative techniques are not just research techniques, but rather the ways in which the researcher approaches a research area. Qualitative techniques would be primarily appointed by a subjectivist, who believes in perception based analysis, with outcomes being more descriptive (like names, words, nature of phenomenon) in nature. Subjectivists get more involved internally and thus fall in the interpretive researcher category. Formats of research designs include ethnography, phenomenology etc. (Bryman & Bell, 2003; Lee, 1992).

Quantitative techniques are usually employed by objectivists, who believe in quantitative/statistical methods with outcomes being more numeric and generalizable. Objectivists take an external view and thus usually fall in the positivist researcher category. Formats of research designs include experimental, cross-sectional etc. (Bryman & Bell, 2003; Lee, 1992). This thesis takes an objective stance, as well deducing the theoretical framework from prior research. The methods to be employed are also set in a quantitative style. The underlying research design is cross-sectional employing a survey methodology for dyadic data collection. More details are given in the research instrument section.

Sampling

Respondent selection

Banking customer population

This thesis study has been conducted in the United Arab Emirates amongst retail banking customers who have a relationship (banking) manager who advises them on their financial investments and banking operations. The nature (national or international) of the bank and its location (in or outside the UAE) has not been considered, as it is the service relationship that is key to this research.

The population of United Arab Emirates (UAE) has a high number of immigrants, with only about ten percent of the population being UAE citizens (Emiratis) (Snoj, 2015). There is no published data on the population of UAE by nationality from UAE National Bureau of Statistics and thus the reliance on embassies of various countries for the estimation of the data (Snoj, 2015). South Asians and South-East Asians together form the largest portion of sixty-four per cent, Emiratis make about thirteen percent, and Arab expatriates (including Iranians) form another twelve percent, raising the total Arab expat population to twenty-five percent. Westerners form four percent of the population and the rest of seven per cent remain unaccounted for (Snoj, 2015). The sample population within this research ensures proportionate representation from each of the three main categories of populations - Emiratis and expatriate Arab population, Asian population and population from Western countries. A non-probabilistic convenient sampling technique has been employed, with an attempt to cover the major demographic categories as mentioned above (Cooper & Schindler, 2006).

The next question to be answered was - 'how many people from the UAE population would be banking customers who would have a relationship manager in a bank?' Published data on income groups by population was not available and hence population data estimations have been made from the Business Monitor data tool ("Business Monitor International", 2016). The total population of UAE has been estimated to be 9.3 million. Eighteen per cent of the population is dependent - that is not earning an income. That leaves a population of 7.6 million working population. The ratio of men to women is 2.7, thus an estimation of the male working population is 5.5 million and the female working population is 2 million ("Business Monitor International", 2016). A large proportion of the foreign population is employed in 'blue-collar'

jobs with earnings less that AED 1500 per month. About fifteen percent of the foreign population is employed in professional and managerial services and thus are a plausible target population that may avail personalized banking service. Likewise, for the Arab population, this percentage is forty-two per cent (Bel-Air, 2015). Table 4.0 shows the estimated calculations for the target population of customers who may hold a banking relationship with an individualized relationship manager:

Table 4.0: Target population estimation: plausible individualized banking customers

Categorical descriptives	Figures	Estimation logic
Population of UAE	9,266,971	As published in BMI, Data tool
Dependent population ratio	18%	As published in BMI, Data tool
Working population of UAE	7,598,916	Population of UAE * (1- dependent Population percentage)
Male to female ratio	2.70	73% male; 27% female
Working population (male)	5,547,209	73% * working population of UAE
Working population (female)	2,051,707	27% * working population of UAE
Foreign poulation employed in professional and managerial services	15%	Bel- Air, 2015
Arab poulation employed in professional and managerial services	42%	Bel- Air, 2015
Plausible banking customers that can be considered for the survey from the Arab population	319,154	10% * working population* Arab population employed in professional and managerial services
Plausible banking customers that can be considered for the survey from the foreign population	1,025,854	90% * working population of UAE * Foreign population employed in professional and managerial services

The above calculations are estimations only. In the absence of any data, plausible deductions have been made to arrive at a probable target population. Once again, banking investments are subject to the inherent nature of a customer. Someone extremely wealthy individuals may not necessarily invest in financial products, and someone with lesser income levels and educational background could still do so. Thus, the necessity to use a convenience sample arose, where the respondent is screened by whether he/she has a relationship manager or not. Quota considerations for capturing the voice of the population by gender and nationality have been made. As can be observed, the female working population is much smaller than the male; hence a smaller female target respondent base was anticipated for this thesis research.

Relationship manager population

Different banks may define high net worth individuals differently. Separate customer categorizations may exist as per their financial investments in banks, geography, country location of the bank etc. The purpose of this thesis is to identify service relationships that may exist between a customer and a relationship manager (banker). Confidential details on the level of investments made by the customer are not the concern of this research. Although, it is agreed that the level of investments would impact interaction levels with regards to intensity, duration and frequency of interactions, however these are captured in the survey tool for indicative purposes on the interaction level and intensity.

150 banks in UAE provide private banking services ("UAE Banks Directory", 2015). There are approximately 20-100 client relationship managers (RM) or relationship officers (RO) at each bank, serving the clients in an individualized or customized solution provider. Owing to the high confidentiality of the banking profession, where details of clients are sacrosanct, asking details of the clients that a relationship manager (RM) manages would be next to impossible (Seiler et al., 2013). RMs might in their respective banks be obligated towards their organizations (banks) to keep the client and client related information confidential. An informal inquiry with about five RMs confirmed the assumption that they would not be comfortable in divulging the contact details of any of their clients for the purpose of this research.

Dyadic data collection approach

Non-probabilistic convenience sampling was thus chosen to intercept the customers first, by asking the screening question - 'Do you have a banking manager/relationship manager/relationship officer who manages, advises and coordinates with you to manage your financial investments in a bank?' (Lassar et al., 2000). Lassar et al. (2000) in their research ask a similar screening question to determine whether the individual is a private banking customer or not - "if they had an account executive assigned to their account and was scored dichotomously (i.e. 0= 'no' and 1='yes')" (Lassar et al., 2000, p.254). This thesis also screens the respondents on a similar question - 'Do you have a banking manager/relationship manager/relationship officer who manages, advises and coordinates with you to manage your financial investments in a bank?' This first sets the tone of dyadic data collection in terms of this thesis research and it is an important pre-requisite for the employee-customer pair to be involved in a banking relationship to generate an appropriate sample.

Any prospective customer, who did not have a RM in a bank, was thanked but no further questioning took place. The survey continued only if the prospective respondent had a banking/relationship manager/relationship officer. The RM's details were shared by the customer and recorded in the questionnaire to give details to complete the dyadic pair (Gonzalez & Griffin, 2012). The next step was to contact the RM to conduct the survey with them. The survey was deemed 'completed' once all the variables in the survey were completed by both the customer and RM pair – this giving one dyadic pair survey return.

Treatment of interdependency: Dyad data collection

"A dyad is defined as an interactive relationship between a pair of individuals" (Peugh, DeLillo, Panuzio, 2013, p.315) (in the case of this thesis customer-RM pair). Dyadic dependence is expected in an interaction between two individuals, in this thesis context, it is a service interaction between a customer and a RM. There exists an interpersonal relationship between the customer and RM, which further required the collection of dyadic customer-RM pairs (Gonzalez & Griffin, 2012; Peugh et al., 2013). The interdependence and how the employees' deep acting or surface acting affects the customers' perceived interaction quality is a type of actor-partner model (Gonzalez & Griffin, 2012). Similarly, the mediation effect of a customers' expectation of deep and surface acting on the relationship between employee deep and surface acting and customer perceived interaction quality relationships is a mark of interdependence requiring collection of dyadic data (Gonzalez & Griffin, 2012; Peugh et al., 2013).

Arriving at appropriate sample size

Representativeness of the sample is of prime concern, and that has been considered in this research (Bryman & Bell, 2003; Cooper & Schindler, 2006). Relationship dyads have been carefully chosen by choosing banking customers who have a relationship manager. This rules out the possibility of choosing large samples from a poorly fitted context (Bryman & Bell, 2003; Cooper & Schindler, 2006).

The approach to an appropriate sample size is contested amongst the research fraternity, particularly while using structural equation modelling (SEM) as a technique for analysis (Davcik, 2014; Hair et al., 2006; Hair et al. 2014). The generic sample rule while employing SEM has been to choose a ratio of five observations for every free parameter for a minimum threshold level and ten to one ratio for an optimum threshold level (Bagozzi & Yi, 2012; Davcik,

2014; Hair et al. 2014; Kline, 2011). There are a total of 18 variables or parameters in this research divided between the three constructs - EL (6 parameters), interaction quality (9 parameters) and intention to continue service relationship (3 parameters). Thus, a range of 90-180 pairs (180-360 survey sample points in total for customers and RMs) was the range of minimum to optimum sample size for this thesis (Davcik, 2014; Hair et al., 2006; Hair et al. 2014; Kline, 2011).

Another method suggested is to have a ratio of 5:1 as minimum and 10:1 as an optimum, where the ratio denotes number of observations for every path line. For this research, the total number of paths is fifteen. That brings the range of minimum to maximum observations required to 75-150 pairs (150-300 survey sample points in total for customers and RMs) (Hair et al., 2012). Both the suggested sample size ranges are comparable. An advantage is that SmartPLS - a software tool for performing SEM analysis (Ringle, Wende, & Becker, 2015) - works well with very small sample sizes as well (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014, Hair et al., 2012, Hair et al., 2014). However, this inflates the error margins and poses a higher reliability issue (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014, Hair et al., 2012, Hair et al., 2014).

The sample size chosen for this thesis is 202 pairs of customer-RM pairs (a total of 404 sample points), above the thresholds that are suggested by any of the cited work. This is purposeful, so that SmartPLS's (Ringle et al., 2015) advantages are enhanced and weaknesses of the tool are not abused to simply suit the convenience of smaller sample size.

Research method: Survey

A survey method was employed to collect the data and the instrument designed bearing in mind the analysis design to be employed.

Data analysis method

"Structural equation modelling (SEM) is a multivariate technique that considers and estimates the linear and/or causal relationships between multiple exogenous (independent) and endogenous (dependent) constructs through simultaneous, multiple equation estimation process" (Babin & Svensson, 2012, p.321).

"SEM is also defined as a statistical methodology that undertakes a multivariate analysis of multi-causal relationships among different, independent phenomena grounded in reality"

(Davcik, 2014, p.49). It allows a researcher to assess and interpret complex interrelated dependence relationships and includes measurement error on the structural coefficients (Hair et al., 2014; Kline, 2011).

Some of the advantages of using SEM are:

- Guides exploratory research as seen in this thesis work
- Help researchers craft specific hypotheses
- Helps adopt more reliability measures than generic measures averaging across multi-measures of constructs
- Is useful for analysing cross-sectional data and for conducting analysis across groups (Bagozzi & Yi, 2012)

SEM was predominantly employed in marketing research in the 70s and 80s to perform confirmatory analysis. The LISREL software package was employed. In the last decade, software packages such as AMOS and SmartPLS (Ringle et al., 2015) have gained ground. This is also synonymous with the observation that more modelling techniques and theory formulations are conducted through SEM (Martinez-Lopez, Gazquez-Abad & Sousa, 2010).

SEM can be of two major types - one that is covariance based employing statistical packages like LISREL, AMOS (Kline, 2011; Hair et al., 2006). Another is component based, using regression coefficients by least squares method. It is also denoted as partial least squares (PLS), or component based, SEM.

The key differences between covariance based and component based SEM is that the covariance form is predominantly used for the confirmation of theory, while the component form is used for predictive modelling and theory creation (Hair et al., 2012). This is one of the key reasons for choosing component SEM for this thesis, since it is an attempt at theory creation (Davcik, 2014; Kline, 2011). Future steps could involve testing the theoretical model predicted in different contexts and experimental situations to garner trust, confirmation and relevance of the postulated model (Davcik, 2014; Kline, 2011) and covariance based SEM could be employed in such situations.

PLS SEM tries to predict the relationships between constructs, to add knowledge on a particular phenomenon, especially when the constructs depict a complex social situation with little information available. Also, PLS SEM is data driven and tries to rely on observed and recorded

data to validate the theoretical context (Davcik, 2014). This is of relevance for this thesis, which considers the interplay of different constructs that have previously not been tested, the context of customized banking is new, and a sizeable representative sample has been collected, thus supporting the choice of PLS SEM for this study.

There exists a debate in marketing research on whether usage of path modelling, such as SmartPLS, (Ringle et al., 2015) is more beneficial over maximum likelihood estimation methods as employed in LISREL and AMOS. There is no one concrete answer to this dilemma. Either of the methods does not assure causative relationships but allows for the establishment of relationships between dependent and independent variables (constructs). A two-way causality approach can be better tested in LISREL/AMOS, which path modelling cannot ensure (Terry, 2000).

While LISREL (covariance based SEM) would account for observed covariance, PLS SEM attempts to explain the variances of the observed and unobserved parameters. LISREL is a stricter tool when it comes to its assumptions, while PLS is better for determining prediction accuracy. Both the methods have their own benefits and constraints; however, this thesis employs PLS method for its predictive power (Fornell & Bookstein, 1982).

However, if a sound foundation can be created in terms of specifying a model, then either of the statistical packages or methods is sufficient to determine variable relationships (Hair et al., 2014; Hair et al., 2006; Terry, 2000). Terry (2000) found the coefficients of the paths between his constructs to have similar values, direct, indirect and total effects included (Hair et al. 2014; Kline, 2011).

Mediation analysis goes a stage further; rather than limiting the model relationships to the associative, mediation presupposes a causal connection. As Kenny (2018) observes "Note that a mediational model is a causal model. For example, the mediator is presumed to cause the outcome and not vice versa. If the presumed causal model is not correct, the results from the mediational analysis are likely of little value. Mediation is not defined statistically; rather statistics can be used to evaluate a presumed mediational model."

(http://davidakenny.net/cm/mediate.htm)

Moderation versus mediation – conceptual, strategic and statistical

A model, as shown in Diagram 3.0, was postulated on the bases of evidence for interconnections between the chosen constructs. The customers' expectations of DA and customer expectations of SA were found to be important dimension, playing the role of mediators to the direct relationship between employee DA-customer perceived interaction quality and employee SA-customer perceived interaction quality (as shown in the Diagram 3.0).

This section highlights the key differences between a moderator and a mediator in SEM to explain why a mediating role has been chosen for the selected constructs. At the simplest level, a moderator tries to break the independent variable into parts and find out which of those parts impacts the dependent variable; while a mediator variable tries to find out how the independent variable is able to influence the dependent variable through it (Baron & Kenny, 1986).

It can also be stated that a "Moderator is a variable that affects the direction and/or strength of the direct relationship between the independent and the dependent variable" (Baron & Kenny, 1986, p.1174). However, mediation occurs when variations in the independent variable cause variations in the mediator variable, variations in the mediator cause variations in the dependent variable and, when the indirect paths are controlled, the direct path between the independent and the dependent variable becomes non-significant. A moderator is therefore often depicted as being at the same level as the independent variable, while in mediation, the predictor (independent) variable appears as the antecedent to the mediating variable (Baron & Kenny, 1986), as shown in the conceptual model (Diagram 3.0) of this thesis.

Limitations of using SEM/Errors

The generic problem of systematic error owing to exclusion of related constructs, or variables, is common to all marketing research, and SEM usage also encounters this problem (Hair, et al., 2006; Terry, 2000). For this thesis, a more complex model could also be hypothesized, explaining a more realistic situation where the interplay of several constructs would take place at the same time. However, this would complicate the research and dilute the impact of the chosen constructs. Random measurement error is common in cross-sectional surveys; thus this thesis may have also encountered similar issues of respondent interest or alertness while responding to the survey (Hair, et al., 2006; Terry, 2000).

SEM can pose issues in terms of relevance with other contexts; issues of reliability and validity always persist in its usage. If the model fit is poor, then further testing could be irrelevant (Babin & Svensson, 2012; Hair et al. 2014). Human phenomena can be too complex and SEM could be too simplistic sometimes in its ability to explain human perceptions and behaviour. Sometimes, SEM in its data driven mode could force fit its way into proving a model and a strong basis of theory for postulating the model should be present (Babin & Svensson, 2012; Dion, 2008) as offered in this thesis. Interpretation of scales can also be quite subjective, with bias in terms of comprehension of the language and construction of variables from one respondent to another. Enhancement of the validity of scales has been rendered by choosing scales from previously tested research, although respondent interpretation can still vary (Babin & Svensson, 2012).

A predominance of quantitative approaches and the employment of SEM in most of the EL literature in also support the adoption of the method for this thesis. Some of the cardinal pieces – such as Groth et al. (2009) - that have inspired the nascent model of this thesis employ SEM as the analysis technique. EL from the customers' perspective has particularly been studied by various researchers by employing SEM (Tang et al., 2013; Trougakos & Jackson, 2011; Wang & Groth, 2014). This observation has also directly impacted the choice of methodology and methods adopted in this thesis.

Researchers may argue that other simpler statistical packages (Statistical Package for Social Sciences- SPSS) could be chosen instead of a complex tool like SEM. However, SEM is another tool with its own set of strengths and weaknesses. Likewise, other tools and techniques would have their own set of advantages and disadvantages (Kelloway, 1994).

Instrument development

This thesis is set in a post-positivist paradigm, using existing literature to form a basis for continuing to build theory (Collis & Hussey, 2009). Hypothesis formulation and empirical testing is the approach followed in this thesis reiterating a post-positivist stance (Garcia & Perez, 2002).

This thesis required that a survey questionnaire tool be constructed to meet the demands of an objective approach, as chosen in this research. Previous literature yielded a strong theoretical and empirical basis for choosing a survey methodology (Bryman & Bell, 2003; Cooper &

Schindler, 2006). As per the model (Diagram 3.0, Chapter 3), the three main constructs being studied are: EL (as practised by the employee and as expected by customer), interaction quality (as perceived by the customer) and customer intention to continue the service relationship.

Two survey instruments were prepared - one for the customers' responses, and the other for the RM's responses. The pair were coded as such and identified by a unique ID connecting the responses to ensure the dyad response record. Demographic variables, relationship status (relationship period, duration, frequency) and the variables for the three constructs were captured. In the customer survey, the contact details of the RM were captured to enable RM contact for the paired survey. Similarly, in the RM questionnaire, the contact details of the customer were cross-verified before proceeding with the survey to confirm that the correct dyadic pair was captured appropriately.

Scales for EL, interaction quality and intention to continue the service relationship

The first construct to be considered was EL. EL has been further sub-divided into the dimensions of surface acting and deep acting (Hochschild, 1981). The study by Brotheridge and Lee (2003) lead to the development of the EL scales. Groth et al. (2009) modified the survey instrument developed by Brotheridge and Lee (2003) to suitably adapt to their selected context. A similar approach has been considered in developing the scales for this thesis. The scales were adapted such that terminology suited the banking context. EL scales were also modified to suit the employee and customer perspective. For customers, expectations of deep acting and surface acting were asked. For employees, what they believed customers expected from them in terms of deep and surface acting were recorded. Previous works believe that deep acting (DA) is more desirable than surface acting (SA) in terms of its impact on customers' experiences with the service (Groth et al., 2009; Tang et al., 2013; Wang & Groth, 2014). SA has also been postulated as having negative connotations for the employee, with impacts ranging from guilt of not providing as per customer expectations (Kiely, 2005) to emotional exhaustion (Brotheridge & Grandey, 2002; Grandey, 2003). Thus, the variables were designed to be positively toned for DA and negatively toned for SA, as in DA is 'expected' and SA is 'not expected' from the customers' perspective. Six variables in all defined EL, out of which three defined DA and three defined SA (Brotheridge & Lee, 2003; Groth et al., 2009). A Likert type scale of 1-7, with 1 being the least likely and 7 being the most likely (Brady and Cronin, 2006; Bryman & Bell, 2003; Cooper & Schindler, 2006), was adopted to record the scores.

The second construct- interaction quality, details how interaction quality was extracted from Brady and Cronin's (2001) hierarchical model. Brady and Cronin (2001) have further sub-divided interaction quality into 'attitude', 'behaviour' and 'expertise'. Each sub-dimension of interaction quality had three variables. Breaking the momentum of these nine interaction quality questions through question wording helped check the attentiveness of the respondent and avoided the "primacy" and "recency" biases (Cooper & Schindler, 2006, p.371). The wordings of the instrument were adapted to the entity that the survey addressed (employee or customer).

The third construct - 'intention to continue a service relationship' was derived from the works of Groth et al., (2009), Kandampully (1998), Parkington and Schneider (1979), Svensson (2003), Svensson (2004), Zeithaml et al. (1996). Kandampully (1998) insisted on the continuation of a relationship between a customer and an employee as a step before determining customer loyalty intentions. Zeithaml et al. (1996) emphasize this as an aspect of retention. Parkington and Schneider (1979) found that sometimes the relationship between the customer and employee in banking could be so strong that customers may switch the firm (bank) when the employee switches employment association and these are the variables chosen for continuation of the relationship under 'intention to continue the service relationship'. The scale chosen is Likert and consistent with the range of the previous two constructs being 1-7 (1 being 'least likely' to 7 being 'most likely'). For customers, the wordings for the questions were framed along the lines of intention to continue the service relationship. For employees, the wordings were framed in terms of whether they believed the customer would continue the relationship with them, since the choice to continue or discontinue remains predominantly with the customer, rather than the RM. Likert type scales and even categorical variables can be employed while using SEM as a technique (Babin & Svensson, 2012; Bagozzi & Yi, 2012). This thesis makes an acceptable choice in terms of the scales adopted on the basis of past research, as well as with regards to acceptance in SEM (SmartPLS (Ringle et al., 2015)). The two survey instruments were combined into one paired questionnaire and can be referred to in details in the Appendix 6.1, combined survey instrument - customer and RM perspectives.

Vetting the survey instrument: Expert opinion

Since EL is being tested in the context of banking relationships for the first time, it was decided to vet the survey instruments through a review process by different kinds of industry

professionals, such as those with banking, academic and research agency backgrounds, to gather relevant feedback. The wordings of the questions to define the variables for each of the constructs were modified to suit the banking context. To ensure that the questionnaire is coherent, understood by banking employees and customers, respects the ethical means of data collection and respects the rights of the respondents, both the survey instruments were sent for review to a panel of experts. The panel included two academics (one with a predominantly quantitative outlook towards research, and another who specialized in qualitative modes of research), two senior banking professionals (one in credit management and another senior relationship manager with different banks), and a statistician with commercial research experience.

Contact details of the experts along with their emails and phone numbers (if local) are available in Appendix 6.2.

An introductory email was sent to each of the experts, attached were the research instruments - customer and employee perspectives and the approved research design document that encapsulated the proposed model and methodology in brief. This document gave the experts a fair idea on how and why the research instruments were designed as presented. A copy of the introductory email sent to the experts can be referred to in Appendix section 6.3.

Table 4.1 encapsulates the name, role, mode, comments received from industry experts, and how they were addressed in this thesis:

Table 4.1: Expert opinion: research instruments

S. No.	Panel expert	Role	Review Mode	Comments	Improvements made in the survey questionnaire basis of the panel comments
1	Ms. Filipina Maniquis (filipina.maniquis@ezw.com), Asst. Manager, Planning & Intelligence, D P World	Statistician (Commercial Research, Agency experience)	face-to-face	Capture the frequency of interactions between the customer and the employee	Frequency of interactions added in both the survey instruments
				Consistent use of the term 'customer' or 'client' in the questionnaire	All terminology made consistent to 'customer'
				Variables being more positively skewed in the interaction quality construct	Wording was changed to avoid the "primacy" and "recency" issues (Cooper & Schindler, 2006, p. 371
				Questionnaire is short and would not take too much time of the customer or employee, which is a positive	
2	Mr. Rajesh Kalan, Senior Relationship Manager- Corporate Banking, Commercial Bank of Dubai	Senior banking professional with 20 years of experience in the banking industry, including customer relationship management	face-to-face	Not to ask customer respondents if they are private banking customers, rather ask if they have a relationship manager to manage their account and financial investments. Since each bank has different categorizations for the customer types, private banking may mean different for different client categories.	Perusal of previous literature (Lassar et al., 2000) also emphasized on the same finding, and thus, this became an important screener for selecting the sample.
				Data collection mode be face-to-face, rather than online mode of data collection	This was improved later on, when the pilot study conducted online resulted in a poor response rate.
				Snowballing the sample will generate in more responses	This was tried in the data collection phase, and proved to be partially successful in yielding a relevant and valid sample.
				RM's details would be easier to retrieve from the customer itself, rather than going ahead with a bank database.	Customer's reference, when given to the RM helped yield almost all the responses, very few RMs refused to respond despite their customer's reference.

3	Mr. Deepak Mehra, Head of Asset Management, Commercial Bank of Dubai	Senior banking professional with more than 20 years of experience in the banking industry.	telephonic	Priority customers along with private banking customers should be considered as well, since a service relationship exists between an RM and a customer. In both the cases, only the investment amounts may vary.	This was addressed as suggested by Mr. Kalan and Mr. Mehra.
				Advisable to collect the customer responses face-to-face while the RM responses could be covered easily over the phone as well.	Modes of collection depended on the choice and preferences made by the respondent, although the first mode of contact remained telephonic. If the respondent sought another time and mode, it was catered to.
				It would be advisable to explain the context to the customers, drawing examples of other services, theatre etc. for receiving authentic responses.	This was addressed, however, the respondents seem to find the questionnaire fairly simple and easy to respond to.
				Banking customers are subjected to many surveys, thus keeping this survey short would be advantageous and yield great results.	The survey took 4-7 minutes to respond to. This was tested before going into field.
				It is better that the survey is done without any allegiance to a bank/financial institution to avoid bias from lists being provided	A cross- sectional design with a convenience sampling with snowballing technique was employed to avoid bias from bank or RM provided databases. Also, banks and RMs were equally reluctant to share customer data but willing to respond to if customer referred the interviewer to them.
4	Prof. Ianna Contardo, Faculty at Financial Times | IE Business School Corporate Learning Alliance	Leading qualitative research expert and neuroscience specialist	through email	Give an easy to understand description of EL for the respondents to follow the concept and answer the questions well.	Included as suggested in the survey instruments
				Found the concept intriguing and worth of exploring to extricate the responses for surface vs. deep acting expectations.	This a plus for the study since a qualitative expert finds the survey relevant to the concept and covering the important dimensions necessary.

5	Prof. Deepak Sirdeshmukh	Associate Professor-Marketing, Ohio State University	face- to-face	Record customer perceptions of service rather than customer expectations, so that perceptions would automatically entail expectations.	Service quality literature has debated the disconfirmation paradigm for decades now, and there is no one path that previous works have entailed, thus the scale has been left as is recording expectation.
				Add more variables under the dimension of 'intention to continue the service relationship' like willingness to recommend, willingness to continue with the bank.	Amendments to include more variables towards continuity of relationship were captured.
				Gather minimal personal details of the customer, owing to privacy issues	Duly noted and rights of the respondent were guarded on this front.
				Add no. of interactions between a customer and an employee as a variable for analysis.	This is an interesting add- on, however it is not in the purview of this thesis. Descriptive analysis would entail this although for modelling, this variable being categorical would be avoided.
				Consider changing the content of the initial message, so that it reads more like everyday life.	This was addressed and any complicated jargons were excluded.

Expert opinion comments on the survey instrument helped shape a better instrument. Major changes were inclusion of more variables to the 'intention to continue service relationship' construct, since previously it was weak with only one variable included.

Negative and positive toning to the wording of the variable was considered to avoid respondent bias (Bryman & Bell, 2003).

The introductory message was simplified to manage time and easy transmission of the research intent. Less complicated definitions of EL were included for respondents to more easily understand the concept from a banking context.

Some of the comments and suggestions could not be enacted as this would alter the scope and aim of the research. For example, the suggestion to collect only the perspectives of customers and not the employees was ignored, since the very essence of this research was to look at the service relationship from a two-way lens. Dyadic data is hard to collect and analyse; however this thesis uses dyadic data collection and analysis.

EL expectations were captured in this thesis. Recording perceptions was suggested by one of the expert panel members - Prof. Sirdeshmukh. Aspects of perception and expectation are always a dilemma. If customers' perception would have been captured, researchers from the

disconfirmation paradigm would have argued for inclusion of expectations and comparison of the two – which was not central to the notions in the EL literature. EL expectation from a customers' perspective was a key mediating variable, and thus expectation remained as a mediating construct.

Data collection

Every quantitative researcher embarks on the journey with the daunting task of data collection as a pre-requisite to enable analysis of a fairly large amount of data to arrive at a research outcome through findings, inferences, and conclusion. This thesis seeks to examine a service relationship by capturing dyadic paired data - customer and RM. A survey is rated as complete only if answered by both customer and RM pair involved in a service relationship over time i.e. they have had more than one service encounters on different occasions with each other. The intended plan was to adopt an online self-administered questionnaire (Bryman & Bell, 2003; Hair et al., 2006) to be disseminated as survey links. Survey Gizmo an online survey platform (surveygizmo.com) was employed to disseminate the questionnaire to the customers.

Databases: Capturing customer responses

5000 prospective customer were contacted from economic or free zones in the United Arab Emirates, such as Jebel Ali Free Zone Authority (JAFZA) and others, whose databases included email contacts of the business owners/managers. Some of the other databases were known colleagues, friends or contacts and contacts' contacts that were approached with the survey link along with the introductory email (62 respondents). The response rate for the JAFZA database was 0.04% and response rate for the known contacts was 17.7%. A copy of the introductory email sent to customers is attached in Appendix 6.4.

Advantages considered for the online survey campaign plan:

- Large lists of business owners and their contact email contacts were available on the directories of the free economic zones that they were operating in.
- Creating a survey link and sending out through mass email campaigns was very convenient.
- Confidentiality was protected since only interested respondents would fill the questionnaire, and the choice of the prospective respondents would be protected thus.

- Provision to send reminders to respondents who clicked on the survey but did not complete the survey remained with the data collector/survey initiator/researcher (Cooper & Schindler, 2006).

Disadvantages that plagued the online survey campaign plan:

- The databases did not have any filter to find out whether the prospective list were banking customers with an RM catering to them for their banking investments and financial advice.
- The authenticity of the survey link's reach could not be assessed. There was no way to identify if the survey link was reaching the inbox of the respondent, or landing in spam folders.
- Receiving the survey link was not enough, since the response rate could not be influenced heavily. Only free will of the respondent could determine if he/she would fill the online questionnaire.
- The correctness of the information as filled by the respondent could not be authenticated (Cooper & Schindler, 2006).

Pilot

The pilot survey link including only the customer perspective questionnaire was sent out to a random selected sample from the JAFZA customer base database (5000 random respondents who had a valid email were selected) in Dubai, United Arab Emirates in the months of August 2015. The online campaign resulted in a failure in the first month of its launch in August 2015. 4,482 prospective respondents' inbox was found to be correctly located and the survey link was sent. However, only two responses were received and these were found to not have a relationship manager managing their investments.

The response rate for the online pilot campaign was very low, less than one percent (0.04%). Possible reasons for such a low response rate:

- The prospective respondents could have denoted the survey link as spam/junk email, without even opening the link.
- The email note sent may have not been read by the prospective respondents.

- The only piece of most confidential data was that the customer was being asked for the contacts of his/her RM in the bank that they have an account with. This could be another of the reasons for not responding to the survey.

- Reminders to fill may be accompanied with other hurdles to accomplish a completion:
  - Reminder at a time when the respondent is not available
  - Access to a device or internet
  - Access to time to devote for filling the online questionnaire, with average time to fill the survey taking up to 12 minutes.

Bearing in mind the outcome of the first pilot, it was decided to utilize convenience sampling with a snowballing approach (Bryman & Bell, 2003; Cooper & Schindler, 2006). The questionnaire was next sent to 62 known contacts. These were part of the known circuit of colleagues, friends and other business contacts. 6 contacts did not fall under the filter of having a RM in the bank. 4 of the contacts refused to share the contact of their RM, thus the pair could not be completed, and 2 more of the contacts' RMs refused to respond to the other half of the survey covering the RM perspective. Finally, only 11 completed questionnaires were received which had the perspectives from the customers and the RM.

The response rate was better at 17.4%, far superior to the first pilot where the respondents were not known to the researcher at all. However, this process of collection took time. The completed respondents (customers) were called (5 quality check calls were conducted to ascertain the respondents' response as authentic). Also, a check was made to ascertain if the respondents understood and answered the questionnaire to the best of their understanding and alertness and no coercive responses were gathered. The respondents related issues like - forgetting to fill the questionnaire, attempting yet unable to complete owing to paucity of time, and issues of understanding the language of the questionnaire.

The respondents to the pilot survey also relayed that, if someone had asked them the responses face-to-face or telephonically, it would be far easier for them to respond to the survey, without having to read through.

This second pilot with relatively known or referred respondents based in Dubai, United Arab Emirates was conducted in the month of August 2015 (mid to end). A summary of the two pilots are shown in the Table 4.2:

<u>Table 4.2: Online pilot study results</u>

Pilot	Prospective respondents	No. of responses received	Response rate	Reasons for non-response
Pilot 1 (Aug 1 to August mid, 2015)	5,000	2	0.04%	Unknown contacts, unable to verify if prospects may have an RM or not.
Pilot 2 (Aug mid to Aug end, 2015)	62	11	17.4%	Paucity of time to complete, inability to understand the questionnaire language

Change in data collection mode

An online pilot with known circuit of respondents, even while snowballing was also unsuccessful in attracting a large number of respondents and was time consuming. Many screening thresholds also needed to be met to proceed with the actual survey:

- Respondents needed to have a RM in a bank (first screener)
- Required to share the coordinates of the RM (second criterion), and
- RM needed to agree to respond to the survey (final qualifier for completing the dyadic pair)

Data collection phase one

It was decided to contact known circuit of friends, colleagues and other business contacts through a telephonic or face-to-face mode. Administering the questionnaire in both modes was found to be far more effective in eliciting responses. The plausible advantages were:

- Administering the survey questionnaire to the respondent helped to filter ahead if the respondent had a RM or not. This helped optimize time resource being employed on surveys with respondents who fit the sample space. This helped increase the response rate through snowballing approach.
- Time taken to administer the survey questionnaire to each half was in the range of 4-7 minutes.

- During the course of the survey itself, it could be ascertained if the customer would be willing to share the RM's contact details. This was a critical piece of information, since the RM half of the survey depended solely on this information.
- Once the customers' survey was complete, RM's survey was to be conducted telephonically or face-to-face, depending whether both were geographically far or in the same vicinity.
- Some difficult survey responses were the ones where repeated follow-ups had to be done with the customers for the coordinates of the RM, since they did not have it with them at the point when survey was being conducted. The process adopted for completing the details were as follows:
  o Primary point of reminder was ascertained, as to whether it was through phone calls, text messaging or emails.
  o Three sets of reminders were sent to the customers to provide the RM's details over a period of 7 days (1 week).
  o Two more reminders were sent the week after, if the contact details were not received.
  o If the coordinates were still not received, then the customer was not contacted or reminded and the response was discarded as an incomplete response.

Finally, the mode of contacting known contacts was continued from end August to mid-September 2015. The total number of dyadic pairs achieved during this phase was 52, including the pilot responses (11 dyadic pairs).

Data collection phase two

During the collection phase, a new development occurred in the government regulations in Dubai, UAE. The crown prince of Dubai and the Chairman of Dubai Executive Council, Shaikh Hamdan bin Mohammed bin Rashid Al Maktoum issued a resolution for only licensed bodies (including individuals and organizations) to have the authority to conduct any survey based research in the city. The license for conducting research surveys could only be authorized by Dubai Statistical Centre (DSC) and Dubai's commercial licensing authorities. A fine of up to AED 40,000/- was to be levied on any who defaulted on the passed decree ("Surveys in Dubai will need approval", 2015).

Hiring a data collector

Dubai Statistical Centre (DSC) was contacted to confirm the news and the decree passed. The body confirmed the same and also confirmed that for individuals to register and confirm would involve up to six months and high monetary investments. The above change of rules and regulations prompted the hiring a professional data collector who would be licensed by DSC. A professional data collector who had been collecting data for over the past five years was selected. She had previous experience with leading market research agencies and had been employed several times on various commercial research data collection phases. She also was a PhD candidate and a professional pharmacist, which made it easier to explain the primes of data collection to her.

Process adopted to attune the data collector:

- The first meeting was conducted to explain the nascent model, brief scope of the research and reasons for conducting the research.
    o The initial pilot phase was discussed with the collector where online mode of data collection was ruled out.
    o Face-to-face or telephone mode for intercepting the customer was agreed upon. Either of the modes was appropriate owing to the difficulty of finding such individuals.
    o Places of interception were agreed to be bank streets in the cities of Dubai and Sharjah (twin city of Dubai), United Arab Emirates. Bank lounges, just outside leading bank branches, and the pharmacy (where the collector was employed part-time) were also agreed as places for data collection.
- A script for data collection was shared with the collector, rehearsed, practised with test participants and also monitored with the first 10 data points/surveys. This script is available in the Appendix 6.5.
- The process of data collection phase 2 lasted until mid-February 2016, resulting in finally 202 pairs of dyadic data from customers and RMs.

Quality assurance

Various quality checks were conducted to ensure data quality.

- Customers who had RMs were only intercepted and thus data was clear of any respondents who may not have a RM.

- Customers' choice of responding towards the survey was respected and only the surveys who shared RM's details were carried forward to complete the dyadic pair.
- Several RMs also declined to respond to the survey, or were unavailable on the provided contacts, which resulted in a loss of 36 dyads, which were removed from the count.
- 30% of the respondents selected by the data collector were randomly chosen and called on their mobile numbers (as provided in the survey questionnaire).
  o This was to confirm whether they had participated in the survey or not
  o Did they understand all the questions that were posed by interviewer (data collector).
  o Were they able to complete the survey or not.

The above three parameters were cross-verified as part of quality assurance. This is a known standard practice in many commercial research projects to cross-verify the data collected by a third party.

Summary: Data collection

Data collection can be summarized in the Table 4.3 as shown below:

Table 4.3: Summary of data collection results

Data collection	Responses	Mode
Data collection 1 (end-Aug to mid -Sep, 2015)	52 pairs collected	11 customers online, remaining 41 customers and 52 RMs telephonic
Data collection 2 (mid-Sep, 2015- end-Feb, 2016)	150 pairs collected	Face-to-face and telephonic modes as per the respondent's preference
Quality assurance	• 36 dyads had to be discarded since the RMs declined to respond and the dyad could not be completed. • 30% of the respondents in each category (customer and RM) chosen to be randomly contacted to confirm their participation in the survey and the completion of the survey.	

Demographic descriptive measures

36 customer data points were discarded, as some of the RMs did not respond to the survey, a few others were unavailable on the mobile numbers furnished by their respective customers.

Pairing customer and RM

Each customer perspective questionnaire was identified by two unique codes, their mobile numbers and their email addresses. At least one form of contact information was recorded as this was used to match the questionnaire that was recorded from the RM. The RM questionnaire reconfirmed the name of the customer, and their email and/or mobile. This was done to avoid any confusion where two customers or RMs may share the same name. In such a scenario, the person could be identified by the mobile number that was unique to the individual.

Customer demography

Gender: A near equal proportion of male and female customers were interviewed. The number of female customers interviewed was 102 (50.5%) while 100 (49.5%) male customers interviewed as shown in Table 3.4.

Table 4.4: Customer gender frequency

Customer gender	Frequency	Percentage
Female	102	50.5%
Male	100	49.5%

Nationality: Customer sample representation was from several countries, that included Bulgaria (3), Canada (3), Egypt (32), Germany (1), Greece (1), India (46), Ireland (2), Italy (1), Jordan (2), Lebanon (6), Netherlands (1), Pakistan (1), Palestine (8), Poland (4), Romania (1), Russia (5), Sweden (2), Syria (4), United Arab Emirates (74), United Kingdom (4), United States of America (1). The majority of the respondents hailed from United Arab Emirates (36.6%), second from India (22.8%) and the third major group were from Egypt (15.8%). The nationalities were grouped into four major categories- 'United Arab Emirates (UAE) citizen', 'Expat Arabs', 'Expat Asians', and 'Expat Westerners'.

All respondents hailing from UAE fell under the 'UAE citizen' category. All non-citizens who hailed from other countries constituted the expatriate population. Customer respondents from Egypt, Jordan, Lebanon, Palestine, and Syria labelled 'Expat Arab'. Customers hailing from India and Pakistan were termed 'Expat Asians'. Customer respondents belonging to Bulgaria, Canada, Germany, Greece, Ireland, Italy, Netherlands, Poland, Romania, Russia, Sweden, United Kingdom, and United States of America were grouped under 'Expat Westerners' (Appendix 6.6, Table 6.6 (b): Customer nationality frequency counts).

'UAE citizens' formed 36.6% of the customer sample collected; 'Expat Arab' formed 25.7%; 'Expat Asians' formed another 23.3% and 'Expat Westerners' constituted 14.4% of the population (Appendix 6.6, Table 6.6 (c): Customer nationality frequency counts). The customer respondents' demographic details are presented in Chart 4.0 and Table 4.5 presents the categorization of the nationality groups.
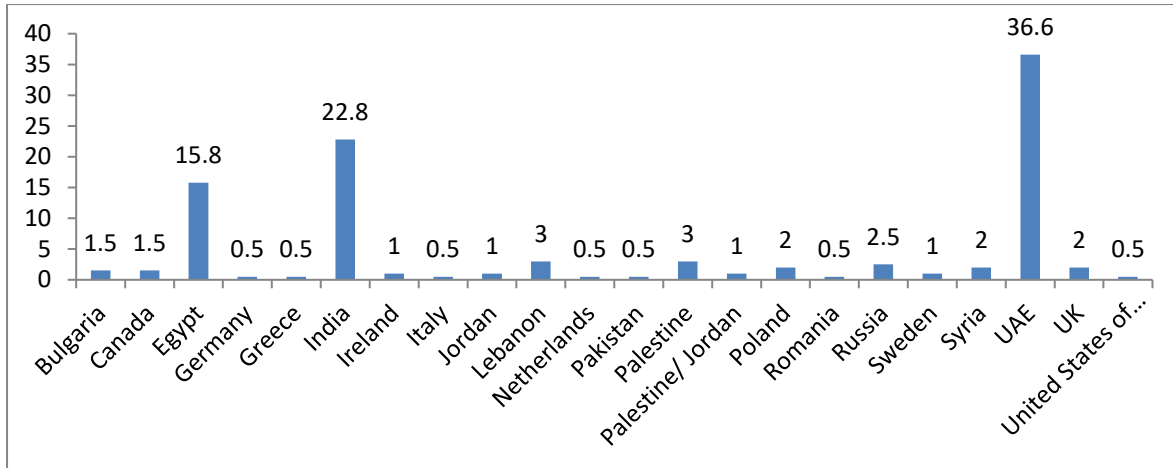
Chart 4.0: Customer nationality representation (as a percentage of total sample)

Table 4.5: Customer nationality categorization

Customer nationality groups	Frequency	Percentage
UAE citizen	74	36.6%
Expat Arab	52	25.7%
Expat Asian	47	23.3%
Expat Westerner	29	14.4%

Banking relationship details

Customers' bank association was also recorded in the survey. Customers shared a banking association with an array of UAE-based national/local (banks based in UAE) and international banks (Origins of the bank lie in another country, and they may have a presence through branches and representative offices for mainly serving the expatriate population). 151 customers had an association with a UAE-based local bank, while 51 customers recorded a banking association with an international bank, either having a branch or representative office in UAE handling their transactions. Two respondents refused to share the bank's name and asked for anonymity.

The customer frequency counts for both the UAE based local banks and International banks are listed in Table 4.6.

Table 4.6: Customer frequency: local and international bank association

National Banks (UAE)	No. of customers
Dubai Commercial Bank	1
Invest Bank	1
The National Bank of RAK	1
Abu Dhabi National Bank	2
Arab Bank	2
Abu Dhabi Islamic Bank	3
Al Hilal Bank	4
Noor Bank	4
Sharjah Islamic Bank	**6**
Commercial Bank of Dubai	7
Union national bank	7
Commercial Bank International	8
Emirates Islamic Bank	9
First Gulf Bank	11
RAK Bank	11
ENBD	13
Dubai Islamic Bank	14
NBAD	15
Abu Dhabi Commercial Bank	16
Al Mashreq Bank	16
Grand total	**151**

International Banks	No. of customers
Bank of Singapore, Singapore	1
Indian Overseas Bank, India	1
Kotak Mahindra Bank, India	1
Union Bank of India, India	1
no answer	2
Axis Bank, India	3
HDFC, India	3
Bank of Baroda, India	4
Standard Chartered Bank, Unite	8
Citi Bank, USA	12
HSBC, Hong Kong	15
Grand total	**51**

Years of association with the bank

Customers were asked a question on their association with their bank on the 'number of years spent with the bank'. The least number of years spent with a particular bank was 0.17 years (2 months), while the maximum number of years spent with a particular bank was 30 years. The average number of years spent with a particular bank by a customer was 8 years. One customer refused to respond to the question. The details of the number of years spent with a bank and number of customers who reported those numbers are given in the Chart 4.1.
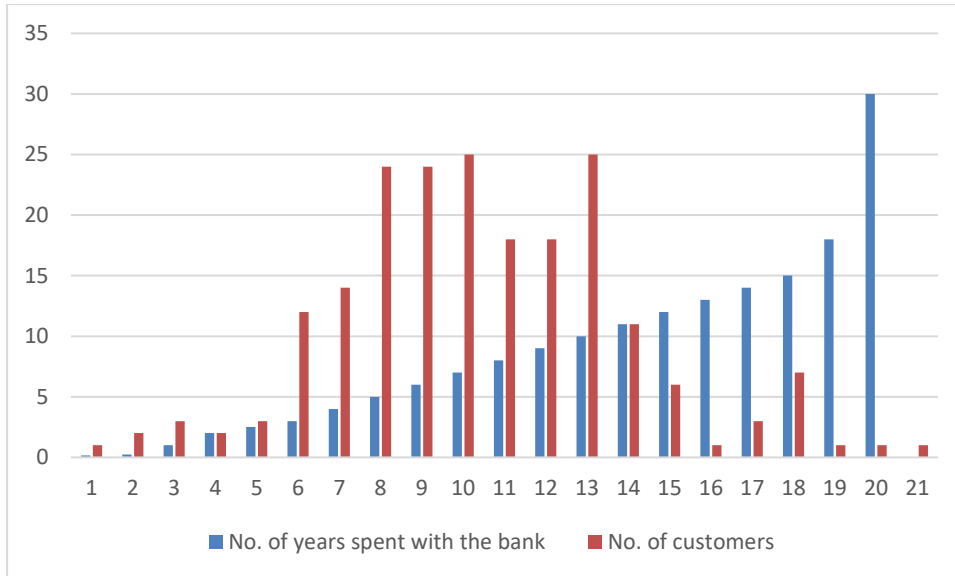
Chart 4.1: Customers and number of years spent with the bank

RM details as provided by the customer

All 202 customers relayed the details on their RMs since the ones who refused to furnish the details or details provided incorrect were discarded. Customers said 97 of the relationship managers were female, while 105 of the relationship managers were male. Details of the RM's gender as provided by the customers are furnished in Table 4.7.

Table 4.7: RM's gender as relayed by customer

RM's gender (as relayed by customer	No. of RMs
Female	97
Male	105
Grand Total	**202**

All the 202 customers provided valid phone numbers as contact points for their respective RMs. Only 178 customers provided a secondary contact - an email address for their RM.

Customers answered the question on 'number of years associated with the RM'. The least number of years spent with a RM was 0 years, answered by only one customer who had had an RM with a bank for less than a month. The response was retained since number of years was not a basis for rejecting any of the relationships. Having an RM with more than one interaction encounter was the basis for retaining the relationship. The maximum number of years spent with an RM by a customer was 14 years, as answered by 2 customers. The average number of

years associated with the RM, as relayed by the customers was 3. The details of the frequency counts of the customers and their years spent with the RM are given in Chart 4.2:
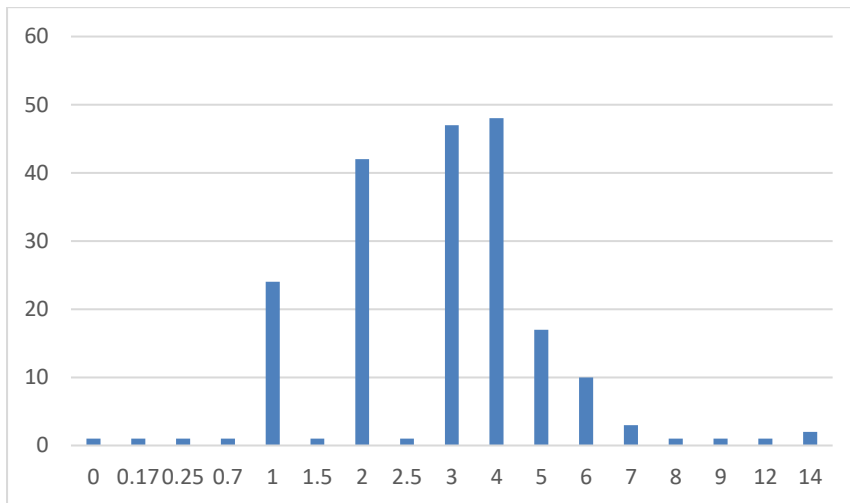
Chart 4.2: Number of years spent by customers with their respective RM

Customer responded to the question on 'A typical interaction I have with the RM lasts _____ minutes' (in numbers only)'. The lowest reported interaction time was 3 minutes, while the maximum interaction time reported by the customers was 60 minutes. The average time spent interacting with a RM as reported by customers was 31 minutes. The frequency counts of customers is denoted by the bubbles and their interaction time with their respective RMs is shown along the x-axis in the Chart 4.3:
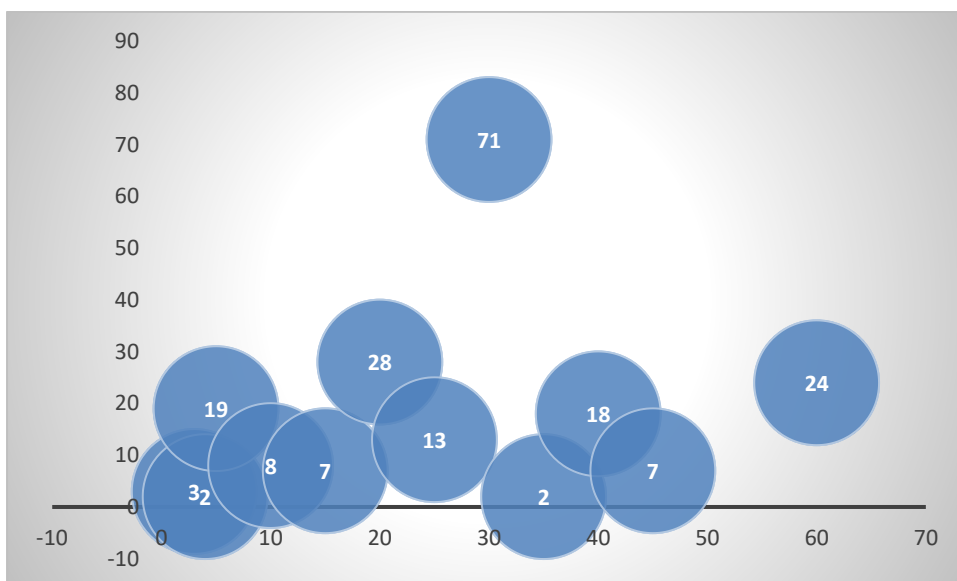
Chart 4.3: Customers and the interaction time with their respective RM

Customers responded to a question within the survey on the 'number of interactions that each customer had with a RM in a month'. The least number of interactions was recorded by two customers as 0.08 times a month i.e. once in a year. The maximum number of interactions recorded per month was 6 in a month, again recorded by a small frequency of 4 customers. The average frequency of interactions with a RM as relayed by customers was 1.06 (~1 per month). The details of the frequency counts of customers and their number of interactions with the RM in a month are detailed out in Chart 4.4:
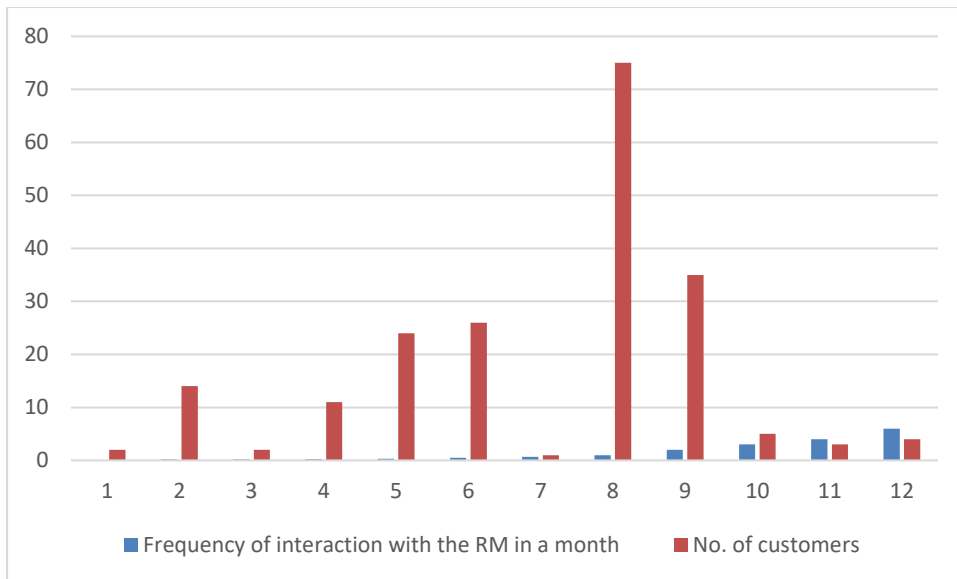
Chart 4.4: Customers and their number of interactions with the RM in a month

Employee (Relationship Manager's) responses

Data collection: Period and mode

RMs were contacted during the period of Sep 29, 2015 to Feb 28, 2016. The RMs were called on the contact phone numbers provided and depending on their choice of collection mode, the survey was administered either over the telephone or in person. On some occasions when phone calls were not returned, follow-ups were conducted by sending reminders through emails. The data collection split between face-to-face and telephonic was 48% (97) and 52% (105) respectively. Details of the collection mode are reported in Table 4.8:

Table 4.8: Data collection mode as reported by RM

Data collection mode	No. of employees (RM)	No. of employees (RM) (percentage)
Face to face	97	48%
Telephonic	105	52%
Grand Total	**202**	

Demographic details of RM

Gender of the RM: The question on gender of RM was posed to the RM themselves to cross-verify the data as provided by the customers. This was used as a validating check to ensure that the details provided by the customer tallied with that of the RM. As reported by RMs, there were 97 (48%) female relationship managers and 105 (52%) male relationship managers as shown in Table 4.9. These figures tallied with what the customers provided.

Table 4.9: Gender as reported by RM

Gender of RM	No. of employees	No. of employees (percentage)
Female	97	48%
Male	105	52%
Grand Total	**202**	

Nationality of the RM: The question on nationality was posed to all the RMs. Most RMs hailed from United Arab Emirates (57; 28.2%). Other nationalities included were India (47; 23.3%), Egypt (43; 21.3%), Palestine (20; 9.9%), Lebanon (8; 4%), Jordan (7; 3.5%), Syria (5; 2.5%), Pakistan (4; 2%), Iraq (3; 1.5%), United Kingdom (2; 1%), Turkey (1; 0.5%), Sri Lanka (1; 0.5%), Philippines (1; 0.5%). Some RMs held more than one nationality and reported as follows: Syria/UK (1; 0.5%), Sudan/UK (1; 0.5%), Egypt/UK (1; 0.5%). The details of the counts can be referred to in the Chart 4.5: Nationality of RM.

The nationalities were grouped into four major categories - 'United Arab Emirates (UAE) citizen', 'Expat Arabs', 'Expat Asians', and 'Expat Westerners'.

All RM respondents hailing from UAE fell under the 'UAE citizen' category. All RM non-citizens who hailed from other countries constituted the expatriate population. RM respondents from Egypt, Palestine, Jordan, Lebanon, Syria, Iraq and Turkey were grouped under the 'Expat Arab' category. RM respondents hailing from India, Pakistan, Philippines, and Sri Lanka were grouped under the category of 'Expat Asians'. RM respondents belonging to United Kingdom were put under 'Expat Westerners' category. Dual citizenship holders were grouped in the category of 'Dual citizenship'.

87 of the RMs were Expat Arabs forming 43% of the sample, the largest group of the sample. 57 of the RMs were UAE citizens forming 28% of the sample. 53 of the RMs were Expat Asians forming 26% of the RM sample. 2 westerners formed only 1% of the sample, while dual citizenship formed another 1% of the sample. The details of the nationality segment can be referred to in the Table 3.10.
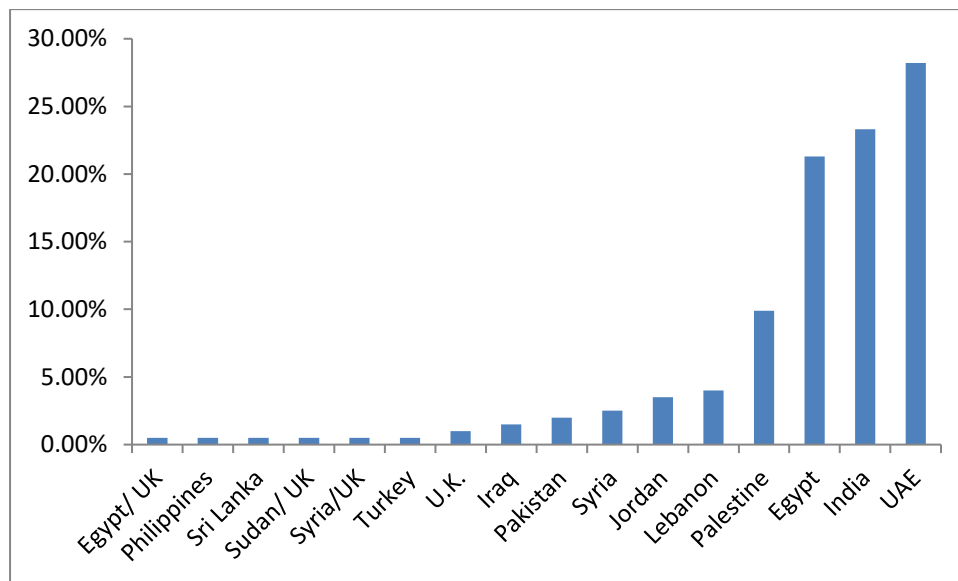
Chart 4.5: Nationality of RM

Table 4.10: Nationality segment of RM

Nationality segment	No. of RMs	No. of RMs (percentage)
UAE citizens	57	28%
Expat Arabs	87	43%
Expat Asians	53	26%
Westerners	2	1%
Dual citizenship	3	1%
Grand total	**202**	

Work association of the RM with the bank: The RM's response to the bank that they are associated with was captured. The total counts of national and international banks tallied, however, there were a few occasions where some of the RMs had changed the bank that they were previously working for, as relayed by customers. 150 RMs were associated with local (national) banks and 48 RMs were associated with international banks. 4 RMs refused for the response to be recorded and wanted to keep their bank association anonymous, and thus no answer. The overall counts of the number of employees and the bank that they were associated with is presented in the Table 4.11.

Table 4.11: Number of employees and the banks they associated with for employment

National banks (UAE)	No. of employees working for the bank	International Banks (UAE based)	No. of employees working for the bank
Dubai Commercial Bank	1	Indian Overseas bank, India	1
Gulf Finance	1	Kotak Mahindra Bank, India	1
Invest Bank	1	Union Bank of India, India	1
Noor Islamic Bank	1	Axis Bank, India	3
Mas Clearsight	1	HDFC, India	3
Arab Bank	2	Refused to answer	4
ADIB	3	Bank of Baroda, India	4
Al Hilal Bank	4	Standard Chartered Bank, UK	8
Noor Bank	4	Citi Bank, USA	12
Sharjah Islamic Bank	6	HSBC, HK	15
Commercial Bank of Dubai	7	**Grand total**	**52**
Union National Bank	8		
Commercial Bank Internation	9		
Emirates Islamic Bank	9		
ENBD	9		
First Gulf Bank	11		
RAK Bank	11		
Dubai Islamic Bank	14		
Al Mashreq Bank	15		
NBAD	16		
ADCB	17		
Grand total	**150**		

<u>Number of years spent with the bank by the RM</u>: RMs in general were slightly reluctant to relay the information on number of years spent with the bank, since this forms a confidential piece of information for them, entailing the dimension of employment. 1 RM refused to respond to the question on number of years of association with the bank. The minimum number of years spent with a particular bank was 0.16 years which was approximately 2 months. Some of the customers may have relayed the data for an RM who may have changed his/her employment association to another bank. The maximum number of years spent by a RM with a bank was 38 years. The average number of years spent was 4 years.

<u>Number of years associated with the customer</u>: The minimum number of years spent with the customer as relayed by the RM was 0.16 years i.e. approximately 2 months. The maximum number of years spent as relayed by the RMs was 14 years. The average number of years spent

with the customers was 3 years. 6 RMs refused to respond to the number of years spent with the customer. Details on the frequency counts can be referred to in the Table 4.12.

Table 4.12: Employees and the number of years associated with the customers

No. of years associated with the customer	No. of RMs
0.16	1
0.25	1
1	15
1.5	7
2	47
2.5	1
3	45
4	47
5	17
6	9
8	4
10	1
14	1
no answer	6
Grand Total	**202**

This question was posed to the customers as well, as seen in the previous section. The information provided by the RM and the customers did not match on 47 occasions, including 6 instances where RM refused to respond to the question.

Time spent per interaction with the customer: RMs relayed information on the time spent per typical interaction with the customer. The minimum time spent with the customer as shared by the customer was 2 minutes, as relayed by 3 RMs. The maximum time spent was 60 minutes, as relayed by 24 RMs. The average time spent per interaction was 30 minutes (as per RM's responses). 7 RMs refused to reveal the information on interaction time. Details of the frequency counts can be found in the Table 4.13.

Table 4.13: Employees and the time spent per interaction with the customer

Time per interaction (in mts)	No. of RMs
2	3
3	6
4	3
5	7
10	12
15	4
20	27
25	3
30	80
35	1
40	15
45	9
50	1
60	24
no response	7
Grand Total	**202**

The interaction time with the RM was posed to the customers as well. The responses given by the customers and RM did not match on 105 occasions, including the 7 non-responses from the RM for the question.

Number of interactions with the customer per month: RMs were posed the question on the frequency of interaction with the customers per month. The least number reported as per RMs was 0.08 times a month i.e. once in a year, while the maximum number of interactions per month were 60 times. The average number of interactions across the data was 2 times a month. No response was acquired from 5 of the RMs. Details of the frequency counts can be referred to in the Table 4.14.

Table 4.14: Employees and the number of interactions per month with the customers

No. of interactions per month	No. of RMs
0.08	3
0.16	9
0.2	1
0.25	8
0.33	21
0.5	21
0.66	1
1	80
2	35
3	7
4	2
8	1
20	2
60	2
no response	5
Grand Total	**198**

The question was posed to the customers as well. The data provided by the customers and RMs did not match on 88 occasions including the 5 non-responses from the customers.

The above section detailed the data collection process and the major demographic highlights of the collected data from customers and relationship managers.

Issues of trustworthiness: Emphasis on reliability, validity and generalizability

Overcoming the limitations

The major advantages offered by PLS are that it is suitable for non-normal data and applicable in smaller sample sizes. The aforementioned advantages of PLS have not been exploited in this research. PLS was predominantly chosen for its predictive ability.

Normalization of the data was manifest in the nature of the population, which was niche demanding dyadic data collection in the private banking context. Such purposeful sampling diminishes non-normal data and inclusion of outliers is kept at bare minimum, if not avoided completely (Hair et al., 2014). The only issue that could occur is the level of investments held by the client in each bank, which could influence the intensity of the relationships between the RM and the customer. This could not have been covered in this thesis since confidentiality

shields this type of information and no banks or RMs would be willing to share this unless this study was commissioned by a particular bank for its own research purposes, as quoted by the banking industry experts.

The advantage or weakness of the PLS SEM tool was not exploited by collecting a small sample. The sample size was kept comfortably higher than the threshold values depicted by various studies (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014, Hair et al., 2012, Hair et al., 2014, Davcik, 2014), so that the predictability, reliability and validity were maintained. The sample ensured that the tool's advantages were enhanced, and weaknesses were subdued (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014; Hair et al. 2014, Hair et al., 2012).

SEM allows for constructs to be defined by just single-item indicators. However, these constructs are usually categorical variables such as demographic data (e.g. gender or age). Single items are not advisable to define abstract constructs (Petrescu, 2013), as is the case in this research. The previous literature review on EL, interaction quality and "intention to continue the service relationship" all had a basis for multiple item indicators for each construct. The minimum number of indicators is two or three to define any particular construct (Petrescu, 2013). 'Intention to continue the service relationship' construct is the one with the least number of indicators i.e. three, which is within the threshold of indicators mentioned for PLS SEM (Petrescu, 2013). The issues of reliability and validity are overcome by employing multiple-item indicators for each of the constructs in the thesis (Petrescu, 2013).

Reliability measures

"A reliability coefficient is defined as one that demonstrates the accuracy and reliability of measurement construct in which certain collection of items should yield interpretation regarding the construct and its elements" (Davcik, 2014, p.57). Cronbach's alpha (Cronbach α) is one of the most widely presented coefficients of reliability in social and management research (Davcik, 2014). Cronbach's α is used in this thesis research as one of the reliability measures. Some researchers also believe Cronbach's α to be a redundant measure given the reliability measures that SEM entails (Bagozzi & Yi, 2012). Covariance based SEM can report only Cronbach's α as a reliability measure, while in component based SEM (PLS), there can be other reliability measures such as Cohen's f^2. "Cohen's f^2 is calculated as the increase in R^2 relative to the proportion of variance of the endogenous latent variable that remains

unexplained" (Cohen, 1988; Davcik, 2014, p.60). This can be regarded as an advantage over using covariance based approach to SEM (Davcik, 2014).

Validity measures

"Validation is the process of obtaining scientific evidence for a suggested interpretation of quantitative results from a questionnaire by a researcher" (Davcik, 2014, p.61). Such is situation within this thesis research.

Construct validity is defined as the "degree of correspondence between constructs and its measures" (Davcik, 2014, p.61). Construct validity is necessary for this thesis research to test the validity of the hypothesized model (Davcik, 2014). Fornell and Larcker's test (1981) is reported to consider construct validity (Ringle et al., 2015).

"Discriminant validity shows the degree to which indicators for each of the constructs are different from each other" (Davcik, 2014, p.61). The average variance extracted (AVE) is the measure used to denote it in this PLS work. "AVE for each construct should be greater than squared correlations among the measures of a construct in order to ensure the discriminant validity" (Davcik, 2014, p.61; Fornell & Larcker, 1981).

Generalizability

The generalizability of the research and the global fit can be ascertained by goodness-of-fit index (GoF) (Hair et al., 2014). This is also however challenged and found to not be able to separate valid from non-valid models (Hair et al., 2014). This can be better checked by a thorough literature review to enable a literature supported befitting model. This has been attempted in this research.

Concluding research methodology:

The chapter highlights the choice of a post-positivist research philosophy, with a quantitative approach. The research context chosen, the sampling and methodology and the type of research analysis chosen has been covered. This chapter delineates the design of the research used for this thesis, and paves way for the data analysis and findings section.

Chapter 5(a): Data Analysis - Descriptive Findings

Introduction to data analysis

This chapter is laid out as a prelude to the core research findings. It lays out the descriptive statistical information for the data generated. The chapter details sample description and includes the mean scores across the variables, questionnaire validity (Pearson's coefficient) and data reliability coefficient (Cronbach's α).

Sections included in this chapter are:

- Questionnaire validity (Pearson's coefficient)
- Data reliability (Cronbach's α)
- Conclusion: Next steps

Questionnaire validity

The scales of the questionnaire have been adopted from and adapted for the context of this study. The validity of the questionnaire can be tested using the Pearson's Product Moment Correlations or Pearson's coefficient test (Pearson, 1895). The Pearson's coefficient was calculated using SPSS version 23.

To conduct the Pearson's coefficients test, first the score totals of each of the sub-dimension were calculated. The score total was nothing but the total of the responses received for each of the variables. The responses ranged from 1 to 7 for each of the variables, thus the minimum score was 1 and the maximum was 7 for each of the attributes under the sub-dimensions.

The sub-dimensions for which sub-totals were calculated were - customer expectation of DA, customer non-expectation of SA, customer perceived interaction quality, customers' intention to continue the service relationship, employee DA, employee SA, employees' perception of customer interaction quality, employees' perception of customer intention to continue service relationship. Thus, a total of 8 sub-totals were calculated. Each sub-dimension's Pearson's coefficient was calculated (Pearson, 1895). Sub-totals were the starting step for calculating the Pearson's coefficient. Next the test was run using for each of the sub-dimensions listed above.

1. Sub-totals were calculated for customers' expectation of employee deep acting (ST_cust_DA) with the variables under the sub-dimension of customers' expectation of deep acting - 'I expect the employee (RM) to make a strong effort to actually feel the emotions that he/she needs to display to me' (Cust_DA_feelEm), 'I expect the employee (RM) to try to actually experience the emotions he/she must show to me' (Cust_DA_expEm), and 'I expect the employee (RM) to really try to feel the emotions he/she has to show as part of his/her job to me' (Cust_DA_feelEM_partOfJob).

Subtotal 1: Customer expectation of DA

ST_cust_DA = Cust_DA_feelEm + Cust_DA_expEm + Cust_DA_feelEM_partOfJob

'I expect the employee (RM) to make a strong effort to actually feel the emotions that he/she needs to display to me' (Cust_DA_feelEm) is significant at 0.000<0.05 for the two-tailed test (Mean [M]=5.49; Standard Deviation [SD]=1.023). Also, the rxy 0.795 >r table product moment for sample (N=200) at 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Cust_DA_feelEm is valid and can be used for future analysis.

'I expect the employee (RM) to try to actually experience the emotions he/she must show to me' (Cust_DA_expEm) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.31; Standard Deviation [SD]=1.216). Also, the rxy 0.843>r table product moment for sample (N= 200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Cust_DA_expEm is valid and can be used for future analysis.

'I expect the employee (RM) to really try to feel the emotions he/she has to show as part of his/her job to me' (Cust_DA_feelEM_partOfJob) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.41; Standard Deviation [SD]=1.362). Also, the rxy 0.805 >r table product moment for sample (N= 200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Cust_DA_feelEM_partOfJob is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in the Appendix section 6.6, Table 6.6 (a): Means, Standard deviations for variables of customer expectation of DA and Table 6.6 (b): Pearson's correlation coefficients for 3 variables under customer expectation of DA.

2. Sub-total for the customer non-expectation of SA (ST_cust_SA) was calculated by adding the scores received for the variables- 'I do not expect the employee (RM) to resist expressing his/her true feelings to me' (Cust_SA_ResTrueFeelings), 'I do not expect the employee (RM) to pretend to have emotions that he/she doesn't really have' (Cust_SA_PretendEM), 'I do not expect an employee (RM) to hide his/her true feelings about a situation' (Cust_SA_HideTrueFeelings).

Subtotal 2: Customer (non) expectation of SA

ST_cust_SA = Cust_SA_ResTrueFeelings + Cust_SA_PretendEM + Cust_SA_HideTrueFeelings

I do not expect the employee (RM) to resist expressing his/her true feelings to me' (Cust_SA_ResTrueFeelings) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=2.95; Standard Deviation [SD]= 1.198). Also, the rxy 0.803>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Cust_SA_ResTrueFeelings is valid and can be used for future analysis.

'I do not expect the employee (RM) to pretend to have emotions that he/she doesn't really have' (Cust_SA_PretendEM) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=2.64; Standard Deviation [SD]=1.275). Also, the rxy 0.830>r table product moment for sample (N= 200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Cust_SA_PretendEM is valid and can be used for future analysis.

'I do not expect an employee (RM) to hide his/her true feelings about a situation' (Cust_SA_HideTrueFeelings) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=2.59; Standard Deviation [SD]= 1.302). Also, the rxy 0.832>r table product moment for sample (N= 200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Cust_SA_HideTrueFeelings is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in Appendix section 6.6, Table 6.6 (c): Means, Standard deviations for variables of

customer non-expectation of SA and Table 6.6 (d): Pearson's correlation coefficients for 3 variables under customer non-expectation of SA.

3. Sub-total of customer perceived interaction quality (ST_cust_IQ) were calculated by adding the variables - 'RM being friendly' (cust_RMAtt_friendly), 'RM's willingness to help' (cust_RMAtt_willingnessToHelp), 'RM understands needs' (Cust_RMAtt_UndNeeds), 'RM takes action to address needs' (cust_RMBeh_action_AddrNeeds), 'RM responds to needs quickly' (cust_RMBeh_resNeeds), 'Behaviour of RM shows that he/she understands my needs' (cust_RmBeh_undNeeds), 'RM knows his/her job' (cust_RMExp_knwJob), 'RM is able to answer questions' (cust_Rmexp_AnsQsQckly), and 'RM understands that I rely on him/her for knowledge' (cust_Rmexp_rmKnw).

Subtotal 3: Customer perceived interaction quality

ST_cust_IQ= cust_RMAtt_friendly + cust_RMAtt_willingnessToHelp + Cust_RMAtt_UndNeeds + cust_RMBeh_action_AddrNeeds + cust_RMBeh_resNeeds+ cust_RmBeh_undNeeds + cust_RMExp_knwJob + cust_Rmexp_AnsQsQckly + cust_Rmexp_rmKnw

'RM being friendly' (cust_RMAtt_friendly) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.50; Standard Deviation [SD]=1.401). Also, the rxy 0.852>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_RMAtt_friendly is valid and can be used for future analysis.

'RM's willingness to help' (cust_RMAtt_willingnessToHelp) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.83; Standard Deviation [SD]=1.102). Also, the rxy 0.796>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_RMAtt_willingnessToHelp is valid and can be used for future analysis.

'RM understands needs' (Cust_RMAtt_UndNeeds) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.50; Standard Deviation [SD]=0.937). Also, the rxy 0.73>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson

correlation). Thus, the variable item Cust_RMAtt_UndNeeds is valid and can be used for future analysis.

'RM takes action to address needs' (cust_RMBeh_action_AddrNeeds) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=5.23; Standard Deviation [SD]=1.300). Also, the rxy $0.795>r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_RMBeh_action_AddrNeeds is valid and can be used for future analysis.

'RM responds to needs quickly' (cust_RMBeh_resNeeds) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=5.50; Standard Deviation [SD]=1.177). Also, the rxy $0.761>r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_RMBeh_resNeeds is valid and can be used for future analysis.

'Behaviour of RM shows that he/she understands my needs' (cust_RmBeh_undNeeds) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=5.31; Standard Deviation [SD]=1.162). Also, the rxy $0.787>r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_RmBeh_undNeeds is valid and can be used for future analysis.

'RM knows his/her job' (cust_RMExp_knwJob) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=5.48; Standard Deviation [SD]=1.255). Also, the rxy $0.816>r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_RMExp_knwJob is valid and can be used for future analysis.

'RM is able to answer questions' (cust_Rmexp_AnsQsQckly) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=5.50; Standard Deviation [SD]=1.223). Also, the rxy $0.776>r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_Rmexp_AnsQsQckly is valid and can be used for future analysis.

'RM understands that I rely on him/her for knowledge' (cust_Rmexp_rmKnw) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=5.33; Standard Deviation [SD]=1.071). Also, the rxy $0.753>r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_Rmexp_rmKnw is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in Appendix section 6.6, Table 6.6 (e): Means, Standard deviations for variables of customer perceived Interaction Quality and Table 6.6 (f): Pearson's correlation coefficients for 9 variables under customer perceived interaction quality.

4. Customers' intention to continue the service relationship with the RM (ST_cust_CntSR) was the last sub-dimension under the customers' perspective and calculated as a total of the scores of the variables- 'continue relationship with RM as long as he/she is employed with this bank' (cust_cntRelshp_empIBank), 'continue the relationship with this RM without changing the RM' (cust_contRelshp_noChngEmp), 'continue the relationship with RM even when RM switches employment to another bank' (cust_contRelshp_BeyBank).

Subtotal 4: Customers' intention to continue service relationship with the RM

ST_cust_CntSR= cust_cntRelshp_empIBank + cust_contRelshp_noChngEmp + cust_contRelshp_BeyBank

'Continue relationship with RM as long as he/she is employed with this bank' (cust_cntRelshp_empIBank) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.28; Standard Deviation [SD]=1.343). Also, the rxy 0.915>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_cntRelshp_empIBank is valid and can be used for future analysis.

'Continue the relationship with this RM without changing the RM' (cust_contRelshp_noChngEmp) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.42; Standard Deviation [SD]=1.437). Also, the rxy 0.870>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item cust_contRelshp_noChngEmp is valid and can be used for future analysis.

'Continue the relationship with RM even when RM switches employment to another bank' (cust_contRelshp_BeyBank) is significant at 0.000 < 0.05 for the two tailed test (Mean [M]=3.49; Standard Deviation [SD]=1.670). Also, the rxy 0.870>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation).

Thus, the variable item cust_contRelshp_BeyBank is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in the Appendix 6.6, Table 6.6 (g) and Table 6.6 (h)

The summary of all the customer perspective variables, their means, standard deviations, Pearson coefficients and their significance at 0.05 are given in the Table 4.15.

Table 4.15: Customer variables: questionnaire validity (Pearson's coefficient)

Variables	Mean	Standard deviation	Pearson's coefficient	Significance at 0.05 (Yes/No)
Customer expectation of DA				
I expect the employee (RM) to make a strong effort to actually feel the emotions that he/she needs to display to me	5.49	1.023	0.795	Yes
I expect the employee (RM) to try to actually experience the emotions he/she must show to me	5.31	1.216	0.843	Yes
I expect the employee (RM) to really try to feel the emotions he/she has to show as part of his/her job to me	5.41	1.362	0.805	Yes
Customer (non) expectation of SA				
I do not expect the employee (RM) to resist expressing his/ her true feelings to me	2.95	1.198	0.803	Yes
I do not expect the employee (RM) to pretend to have emotions that he/she doesn't really have	2.64	1.275	0.830	Yes
I do not expect an employee (RM) to hide his/her true feelings about a situation	2.59	1.302	0.832	Yes
Customer perceived interaction quality				
RM being friendly	5.50	1.401	0.852	Yes
RM's willingness to help	5.83	1.102	0.796	Yes
RM understands needs	5.50	0.937	0.730	Yes
RM takes action to address needs	5.23	1.300	0.795	Yes
RM responds to needs quickly	5.50	1.177	0.761	Yes
Behaviour of RM shows that he/she understands my needs	5.31	1.162	0.787	Yes
RM knows his/her job	5.48	1.255	0.816	Yes
RM is able to answer questions	5.50	1.223	0.776	Yes
RM understands that I rely on him/her for knowledge	5.33	1.071	0.753	Yes
Customer intention to continue the service relationship				
continue relationship with RM as long as he/she is employed with this bank	5.28	1.343	0.915	Yes
continue the relationship with this RM without changing the RM	5.42	1.437	0.870	Yes
continue the relationship with RM even when RM switches employment to another bank	3.49	1.670	0.870	Yes

Employees' emotional labour along the lines of DA and SA were captured, in terms of what they think customers expect from them towards DA or don't expect towards SA.

5. Sub-totals were captured for Employee DA (ST_emp_DA) by adding the scores for the variables 'actually feel the emotions that I need to display to customer' (Emp_DA_feelEm), 'actually experience the emotions that I need to display to customer' (Emp_DA_expEm), 'customer expects me to feel the emotions that I need to show as part of my job' (Emp_DA_feelEM_partOfJob).

Subtotal 5: Employee DA

ST_emp_DA = Emp_DA_feelEm + Emp_DA_feelEm + Emp_DA_feelEM_partOfJob

'Actually feel the emotions that I need to display to customer' (Emp_DA_feelEm) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=6.02; Standard Deviation [SD]=0.872). Also, the rxy 0.730>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_DA_feelEm is valid and can be used for future analysis.

'Actually experience the emotions that I need to display to customer' (Emp_DA_expEm) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=5.89; Standard Deviation [SD]=1.132). Also, the rxy 0.788>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_DA_expEm is valid and can be used for future analysis.

'Customer expects me to feel the emotions that I need to show as part of my job' (Emp_DA_feelEM_partOfJob) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=5.68; Standard Deviation [SD]=1.106). Also, the rxy 0.787>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_DA_feelEM_partOfJob is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in tables Table 6.6 (i): Means, Standard deviations for variables of employee DA

and Table 6.6 (j): Means, Standard deviations for variables of employee DA.

6. Sub-totals were captured for Employee SA (ST_emp_SA) by adding the scores for the variables 'resist expressing true feelings to customer' (Emp_SA_ResTrueFeelings), 'pretend to have emotions that I don't have' (Emp_SA_PretendEm), 'hide my true feelings to a customer' (Emp_SA_HideTrueFeelings).

Subtotal 6: Employee SA

ST_emp_DA = Emp_SA_ResTrueFeelings + Emp_SA_PretendEm + Emp_SA_HideTrueFeelings

'Resist expressing true feelings to customer' (Emp_SA_ResTrueFeelings) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=2.95; Standard Deviation [SD]=1.594). Also, the rxy 0.823>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_SA_ResTrueFeelings is valid and can be used for future analysis.

'Pretend to have emotions that I don't have' (Emp_SA_PretendEm) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=2.02; Standard Deviation [SD]=1.234). Also, the rxy 0.718>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_SA_PretendEm is valid and can be used for future analysis.

'Hide my true feelings to a customer' (Emp_SA_HideTrueFeelings) is significant at $0.000<0.05$ for the two tailed test (Mean [M]=2.97; Standard Deviation [SD]=1.491). Also, the rxy 0.787>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_SA_HideTrueFeelings is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in tables Table 6.6 (k): Means, Standard deviations for variables of employee SA
and Table 6.6 (l): Pearson's coefficient for 3 variables of employee SA.

7. Subtotals were captured for interaction quality from employee RMs perspective (ST_emp_IQ) by adding the scores of the sub-attributes- 'friendly countenance towards the customer' (Emp_myAtt_friendly), 'demonstrate willingness to help this customer'

(Emp_myAtt_wilngnsToHelp), 'understand customer needs' (Emp_myAtt_UndNeeds), 'address this customers' needs' (Emp_myConBeh_addrNeeds), 'quickly respond to customers' needs' (Emp_myBeh_qucklyRes), 'demonstrate that I understand customers' needs' (Emp_myBeh_undNeeds), 'keep abreast and updated with my job' (Emp_myExp_updtdExp), 'able to answer customers' questions quickly' (Emp_myExp_AnsQs), 'keep my knowledge updated' (Emp_myExp_KnwUpdt).

ST_emp_IQ = Emp_myAtt_friendly + Emp_myAtt_wilngnsToHelp + Emp_myAtt_UndNeeds + Emp_myBeh_addrNeeds + Emp_myBeh_qucklyRes + Emp_myBeh_undNeeds + Emp_myExp_updtdExp + Emp_myExp_AnsQs + Emp_myExp_KnwUpdt

'Friendly countenance towards the customer' (Emp_myAtt_friendly) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=5.88; Standard Deviation [SD]=1.093). Also, the rxy $0.616 > r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myAtt_friendly is valid and can be used for future analysis.

'Demonstrate willingness to help this customer' (Emp_myAtt_wilngnsToHelp) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=6.49; Standard Deviation [SD]=0.741). Also, the rxy $0.505 > r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myAtt_wilngnsToHelp is valid and can be used for future analysis.

'Understand customer needs' (Emp_myAtt_UndNeeds) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=6.27; Standard Deviation [SD]=0.662). Also, the rxy $0.601 > r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myAtt_UndNeeds is valid and can be used for future analysis.

'Address this customers' needs (Emp_myBeh_addrNeeds) is significant at $0.000 < 0.05$ for the two tailed test (Mean [M]=6.26; Standard Deviation [SD]=0.735). Also, the rxy $0.501 > r$ table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myBeh_addrNeeds is valid and can be used for future analysis.

'Quickly respond to customers' needs' (Emp_myBeh_qucklyRes) is significant at 0.000<0.05 for the two tailed test (Mean [M]=6.21; Standard Deviation [SD]=0.710). Also, the rxy 0.424>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myBeh_qucklyRes is valid and can be used for future analysis.

'Demonstrate that I understand customers' needs' (Emp_myBeh_undNeeds) is significant at 0.000<0.05 for the two tailed test (Mean [M]=6.17; Standard Deviation [SD]=0.763). Also, the rxy 0.543>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myBeh_undNeeds is valid and can be used for future analysis.

'Keep abreast and updated with my job' (Emp_myExp_updtdExp) is significant at 0.000<0.05 for the two tailed test (Mean [M]=6.38; Standard Deviation [SD]=0.660). Also, the rxy 0.385>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myExp_updtdExp is valid and can be used for future analysis.

'Able to answer customers' questions quickly' (Emp_myExp_AnsQs) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.83; Standard Deviation [SD]=0.998). Also, the rxy 0.517>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myExp_AnsQs is valid and can be used for future analysis.

'Keep my knowledge updated' (Emp_myExp_KnwUpdt) is significant at 0.000<0.05 for the two tailed test (Mean [M]=6.35; Standard Deviation [SD]=0.719). Also, the rxy 0.398>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_myExp_KnwUpdt is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in tables Table 6.6 (m): Means, Standard deviations for 9 variables of employee interaction quality and Table 6.6 (n): Pearson's coefficient for 9 variables of employee interaction quality.

8. Subtotals were captured for employees' belief on the customers' intention to continue the service relationship (ST_emp_CntSR) by adding the scores of the sub-attributes- 'customer intends to continue the service relationship with me as long as I am employed

with this bank' (Emp_exp_cntRelshp_withinBank), 'customer intends to not end the relationship with me and switch to another employee in the same bank' (Emp_exp_cntRelshp_nochngEmp), 'customer intends to continue the service relationship with me even if I switched employment to another bank' (Emp_exp_cntRelshp_BeyBank).

ST_emp_CntSR = Emp_exp_cntRelshp_withinBank +
Emp_exp_cntRelshp_nochngEmp + Emp_exp_cntRelshp_BeyBank

'Customer intends to continue the service relationship with me as long as I am employed with this bank' (Emp_exp_cntRelshp_withinBank) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.36; Standard Deviation [SD]=1.173). Also, the rxy 0.681>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_exp_cntRelshp_withinBank is valid and can be used for future analysis.

'Customer intends to not end the relationship with me and switch to another employee in the same bank' (Emp_exp_cntRelshp_nochngEmp) is significant at 0.000<0.05 for the two tailed test (Mean [M]=5.30; Standard Deviation [SD]=1.210). Also, the rxy 0.809>r table product moment for sample (N= 200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_exp_cntRelshp_nochngEmp is valid and can be used for future analysis.

'Customer intends to continue the service relationship with me even if I switched employment to another bank' (Emp_exp_cntRelshp_BeyBank) is significant at 0.000<0.05 for the two tailed test (Mean [M]=4.45; Standard Deviation [SD]=1.193). Also, the rxy 0.783>r table product moment for sample (N=200) of 0.117 (Table of critical values for Pearson correlation). Thus, the variable item Emp_exp_cntRelshp_BeyBank is valid and can be used for future analysis.

The details of the means, standard deviations and the Pearson's coefficient are given in tables Table 6.6(m): Means, Standard deviations for 3 variables of employee expectation of continuity of service relationship and Table 6.6(n): Pearson's coefficient for 3 variables of employee expectation of continuity of service relationship.

The summary of all the employee perspective variables, their means, standard deviations, Pearson coefficients and their significance at 0.05 are given in the Table 4.16.

Table 4.16: Employee variables: questionnaire validity (Pearson's coefficients)

Variables	Mean	Standard deviation	Pearson's coefficient	Significance at 0.05 (Yes/No)
Employee DA				
I actually feel the emotions that I need to display to customer	6.02	0.872	0.730	Yes
I actually experience the emotions that I need to display to customer	5.89	1.132	0.788	Yes
Customer expects me to feel the emotions that I need to show as part of my job	5.68	1.106	0.787	Yes
Employee SA				
I resist expressing true feelings to customer	2.95	1.594	0.823	Yes
I pretend to have emotions that I don't have	2.02	1.234	0.718	Yes
I hide my true feelings to a customer	2.97	1.491	0.787	Yes
Employee perception of customer interaction quality				
Friendly countenance towards the customer	5.88	1.093	0.616	Yes
Demonstrate willingness to help this customer	6.49	0.741	0.505	Yes
Understand customer needs	6.27	0.662	0.601	Yes
Address this customers' needs	6.26	0.735	0.501	Yes
Quickly respond to customers' needs	6.21	0.71	0.424	Yes
Demonstrate that I understand customers' needs	6.17	0.763	0.543	Yes
Keep abreast and updated with my job	6.38	0.660	0.385	Yes
Able to answer customers' questions quickly	5.83	0.998	0.517	Yes
Keep my knowledge updated	6.35	0.719	0.398	Yes

Employee perception of customer intention to continue the service relationship				
Customer intends to continue the service relationship with me as long as I am employed with this bank	5.36	1.173	0.681	Yes
Customer intends to not end the relationship with me and switch to another employee in the same bank	5.30	1.210	0.809	Yes
Customer intends to continue the service relationship with me even if I switched employment to another bank	4.45	1.193	0.783	Yes

Summary: All the variables on DA, SA, IQ and intention to continue the service relationships were found to be valid for customer perspective as well as employee perspective.

Coefficient of reliability: Cronbach's α

Cronbach's α is used as a coefficient of reliability to test the validity of the scales chosen. It is a good indicative measure for ensuring the usage of variables further for testing relationships using structural equation modeling.

The sub-dimensions for which Cronbach's α was calculated were- customer expectation of DA, customer non-expectation of SA, customer perceived interaction quality, customers' intention to continue the service relationship, employee DA, employee SA, employees' perception of customer interaction quality, employees' perception of customer intention to continue the service relationship.

The following results on reliability coefficient of Cronbach's α were observed for each of the sub-dimensions stated. Details of the Cronbach's α, inter-item correlation table and item-total statistics can be found in the Appendix 6.7 highlights the Cronbach's α for each of the sub-dimensions, item statistics and inter-item correlation matrix for each of the sub-dimensions.

The sub-dimension of customer expectation of DA consisted of 3 items (α=0.737), customer non-expectation of SA (α=0.759), customer perceived interaction quality (α=0.922), customers' intention to continue the service relationship (α=0.854), employee DA (α=0.654), employee SA (α=0.671), employees' perception of customer interaction quality (α=0.621),

employees' perception of customer intention to continue the service relationship (α=0.631) as summarized in the Table 4.17.

Table 4.17: Cronbach's α for the chosen constructs

Constructs	Cronbach's α
Customer expectation	0.737
Customer (non) expectation of SA	0.759
Customer perceived interaction quality	0.922
Customers' intention to continue the service relationship	0.854
Employee DA	0.654
Employee SA	0.671
Employee perception of customer interaction quality	0.621
Employee perception of customer intention to continue the service relationship	0.631

Summarizing Cronbach's α results: Thus, the reliability of the scales is fairly high for all the customer perspective variables, above 0.7. The variables for the employee perspective are fairly high (more than 0.6).

Conclusion: Data Analysis

The descriptive measures of the variables have been discussed in this chapter. The variables that are used to testing the relationship using structural equation modelling would need further testing for reliability, discriminant and convergent validity during the analysis and testing of the model relationships. The tool to be used for the same is SmartPLS (Ringle et al., 2015) and will be discussed in the next chapter - Model Development and Testing.

Chapter 5(b): Model Development and Testing

Introduction to model development

This chapter deals with the key research findings. The literature review delineated key relationships between surface acting (SA), deep acting (DA), perceived interaction quality (PIQ), and intention to continue the service relationship. These sub-dimensions were each defined by a specific sub-set of variables and measures taken from the past research on the development of scales for EL (DA and SA), interaction quality, and intention to continue the service relationship. The sub-dimensions and associated variables were captured from customers and employees - i.e. relationship managers (RM).

The nascent model formulation was developed on the basis of literature review from the previous established research works, as seen in the Chapter 2: Literature Review.

The chapter begins with analyzing the multi-group analysis between customer and employee perspective, establishing the second order constructs for customer perceived interaction quality, and finally arriving at the examination of the research questions, objectives, and related hypotheses and the final hypothesized model. Reliability measures, convergent and discriminant validity are reported, while noting the strengths of the relationships between the various constructs.

The chapter captures the following topics:

- Model based on employee perspective variables
  - This model tests the relationships between employee SA and employee DA with employee perception of customer interaction quality, and final outcome variable as employee perspective of customers' intention to continue the service relationship.

- Model based on customer perspective variables
  - This model tests the relationships between customer expectation of SA and customer expectation of DA with customer perceived interaction quality, and the final outcome variable as customers' intention to continue the service relationship.

- Multi-group analysis
  - Differences between the two groups i.e. customers and employees (relationship managers) on the variables captured - DA, SA, IQ and intention to continue the service relationship. SmartPLS version 3.2.2 (Ringle et al., 2015) enables the performance of this multi-group analysis, which helps to understand the differences between the variable scores as relayed by customers and employees (RMs).
- Second order construct: Customer perceived interaction quality
  - Testing if the construct of interaction quality, as adapted from the hierarchical model of service quality (Brady & Cronin, 2001) needs to be taken as one dimension or further broken down into its sub-dimensions of attitude, behaviour and expertise.
- Testing the hypothesized model: Performing analysis to respond to the research questions and meeting each of the research objectives. Each of the hypotheses as delineated in the literature review has been considered as part of the analysis.

The model employing the employee perspectives **and** the customer perspectives does not directly address the research questions or hypotheses testing. The model testing has however also been conducted and the analysis is available in the Appendix section 6.8 (i). The models helped reiterate the stance that perspectives from employees only or customers only cannot explicate the service relationship in its entirety. The combined perspectives better detail the issues at play and the next section on multi-group analysis highlights the same.

Multi-group analysis: Comparing the customer basic model and employee basic model

SmartPLS version 3.2.2 provides for the opportunity to draw comparisons between two group entities that may have responded to the same set of variables across the survey.

Multi-group analysis: Model set-up

The existing data set was re-arranged to capture the variables on DA, SA, interaction quality and intention to continue the service relationship as per the two groups - customers and employees. 202 cases existed in each of the groups, thus 202 customers and 202 employees (RMs). Multi-group analysis was conducted using SmartPLS version 3.2.2. The model

initiation was set at path analysis. Maximum iterations was set at 300, stop criterion at 10^5. The bootstrapping procedure was set at 5000 sub-samples, no sign changes option was chosen in the coefficients that would be generated. Complete bootstrapping with percentile bootstrapping method and two-tailed test was chosen for the settings.

Multi-group result

Table 5.0: Multi-group analysis: Path coefficient differences and significance

Paths	Path Coefficients-diff (Customer- RM)	p-Value
DA -> Interaction Quality	0.13	0.154
Interaction Quality -> Continuation of service relationship	0.264	
SA -> Interaction Quality	0.209	0.925

Table 5.0 reports the results of the multi-group path analysis conducted between the groups of customers and employees. The first column shows the paths, the second column the difference in the path coefficients of customer perspective and employee perspective.

The path from DA to interaction quality exhibits a coefficient difference of 0.13, however, the path is not significant at p= 0.154. The p-value should either be greater than 0.95 or less than 0.05 for the path coefficient difference to be significant. The path coefficient difference for the path from SA to interaction quality is also not significant with path difference at 0.209 and the p-value at 0.925. However, it is quite close to the threshold limit of 0.95, so it is significant at 92.5% percentile, though not at the 95 percentile. The path difference for interaction quality to continuation of service relationship is at 0.264.

Multi-group analysis: Conclusion

There is not significant difference between the path coefficients of the paths in the inner model between the groups customers and employees. The path from SA to interaction quality shows a considerable difference, although not significant. The path differences are not seen since the coefficients had a similar pattern of relationships between the constructs. However, the two groups, customers and employees did not differ significantly. This could be because their lines of thought remained the same. However, the entities are interdependent on each other through their interactions. The picture is complete only when the interplay of their perceptions is captured together in the theorized model. Further clarity would be possible when the employee

and customer constructs interact with each other. That would shed light on the relationship in its entirety.

Second order construct determination: Customer perceived interaction quality

Second order construct: Background

Interaction quality, as observed in Chapter 2: Literature Review was derived from the hierarchical model of service quality (Brady & Cronin, 2001). Interaction quality was further shown to have sub-dimensions of attitude, behaviour, and expertise - each sub-dimension having 3 attributes. Customer perceived interaction quality is a key construct in the hypothesized model that is tested further in this chapter. Customer perceived interaction quality was further separated into its sub-constructs of attitude, behavior, and expertise. Second-order construct analysis was conducted to understand whether customer perceived interaction quality could be taken as a single construct, or each of the sub-constructs needed to be treated separately.
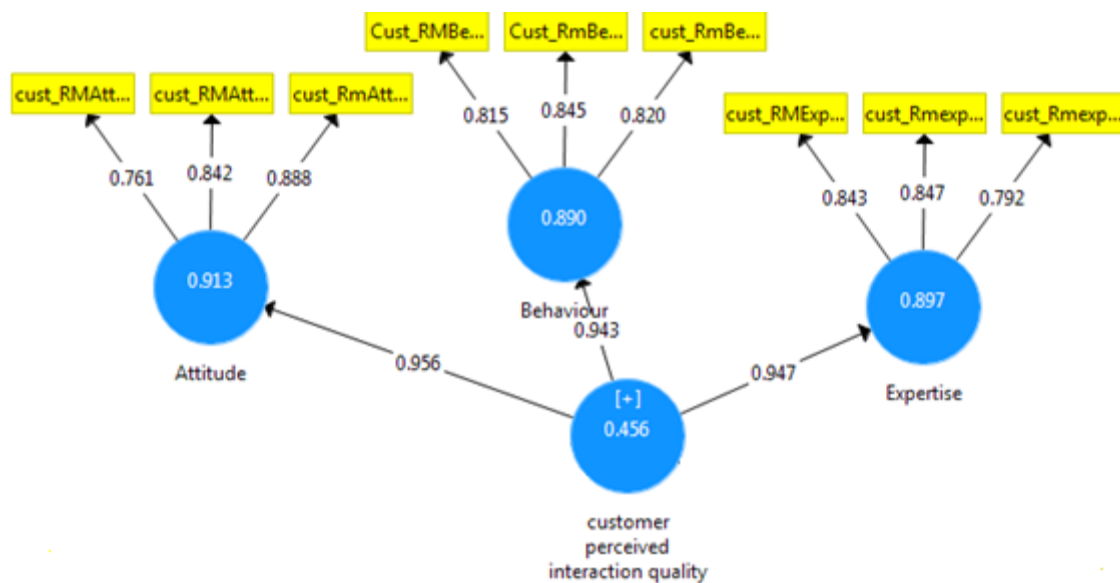
Diagram 5.0: Second order construct analysis for customer perceived interaction quality

Second order construct: Observations

Customer perceived interaction quality as a latent construct has been configured to keep all the sub-constructs - attitude, behaviour, and expertise as reflective. The indicator loadings of the sub-constructs are also reflective, since the collinearity between the variables is very high. As

can be seen in Diagram 5.0, outer loadings of the indicator variables of attitude, behaviour, and expertise are all above the threshold value of 0.7. The path coefficients from customer perceived interaction quality to attitude (0.956), behavior (0.943), and expertise (0.947), are all strong. The composite reliability figures are all above the threshold value of 0.7 for all the latent constructs, as shown in Table 5.1(a). The convergent validity scores are also above the threshold, with the AVE being above 0.5. Thus, the indicators for each of the latent constructs are established as reliable and valid.

Table 5.1(a): Composite reliability and convergent validity for the second order construct analysis

Latent constructs	Composite Reliability	Convergent validity (AVE)
Attitude	0.871	0.692
Behaviour	0.866	0.684
Expertise	0.867	0.685
customer expectation of DA	0.857	0.666
customer expectation of SA	0.861	0.673
customer intention to continue se	0.916	0.785
customer perceived interaction q	0.936	0.618

Discriminant validity as denoted by the Fornell-Larcker criterion would denote whether the latent constructs are distinct enough to be considered as different constructs. As can be seen in Table 5.1(b), the diagonal values for attitude, behaviour, and expertise are not above the correlation values in the left-hand side matrix under the diagonal. However, the discriminant validity is established for customer perceived interaction quality and thus the sub-constructs can be combined to form first layer constructs under customer perceived interaction quality itself, instead of second order constructs.

Table 5.1(b): Fornell-Larcker criterion: Second order constructs for customer perceived interaction quality

Latent constructs	Attitude	Behaviour	Expertise	customer expectation of DA	customer expectation of SA	customer intention to continue service relationship	customer perceived interaction quality
Attitude	0.832						
Behaviour	0.855	0.827					
Expertise	0.864	0.831	0.828				
customer expectation of DA	0.592	0.556	0.553	0.816			
customer expectation of SA	-0.608	-0.585	-0.593	-0.656	0.821		
customer intention to continue se	0.804	0.826	0.841	0.582	-0.68	0.886	
customer perceived interaction q	0.956	0.943	0.947	0.599	-0.628	0.868	0.786

Second order construct: Conclusion

The second order construct split for the sub-constructs - attitude, behaviour, and expertise, as shown through the validity and reliability indicators is unnecessary. The split sub-constructs individually do not seem to bear discriminant validity to stand as separate first-layer constructs. Interaction quality on the whole, while encompassing the sub-construct variables of attitude, behaviour, and expertise bears coherent discriminant validity to stand as a single layer construct. Thus, the final hypothesized model treats customer perceived interaction quality as a first order construct, encompassing the three sub-construct variables.

Theorized model: Testing the hypotheses

The hypothesized model, as seen in Chapter 2: Literature Review, Diagram 3.0 proposed connections between employee EL, customers' expectations of EL, customers' perceived interaction quality and customer intention to maintain relationship with the service provider (employee). This model underwent testing in this phase of analysis. Here model testing attempts to answer the research questions postulated, meet the research objectives and relay the results for each of the hypotheses tested.

The first research question was '*What is the nature of the relationship between employee deep and surface acting and customers' perceived interaction quality in a service relationship?'* The corresponding objective to this research question was *'To measure the effect of employee deep and surface acting on customers' perceived interaction quality in a service relationship.'*

The two related hypothesis tested using structural equation modelling through SmartPLS:

H1(a) + → Employee deep acting relates positively to interaction quality as perceived by the customer.

H1(b) - → Employee surface acting relates negatively to interaction quality as perceived by the customer.

Theorized model: Initiation

The theoretical model (Diagram 3.0, p 89) was postulated with dimensions of employee DA, employee SA, customer perceived interaction quality, and customer intention to continue service relationship. The indicators for each of the dimensions are by default kept at 'reflective' in SmartPLS. The model set up a procedure for a number of iterations, stop criterion and outer

weights remained the same as for previous models. The reliability and validity measures of these indicators are reported below.

Theorized model: Validations

As can be seen in the Diagram 5.1(a): Theorized model: Testing employee DA and employee SA constructs connect with customer perceived interaction quality, the outer loadings for each of the latent constructs are shown in the arrow connections of the outer model. Now, each of the reliability and validity indicators are depicted below in Table 5.2(a).

Table 5.2(a): Theorized model: Latent constructs, indicators, reliability and validity tables

LATENT CONSTRUCT	INDICATORS	OUTER LOADINGS	INDICATOR RELIABILITY (outer loadings^2)	Composite reliability	Convergent validity (AVE)*
Employee DA	Emp_DA_expEm	0.786	0.618	0.801	0.577
	Emp_DA_feelEM_partOfJob	0.843	0.711		
	Emp_DA_feelEm	0.635	0.403		
Employee SA	Emp_SA_HideTrueFeelings	0.977	0.955	0.664	0.450
	Emp_SA_PretendEm	0.253	0.064		
	Emp_SA_ResTrueFeelings	0.575	0.331		
Customer perceived interaction quality	cust_RMAtt_UndNeeds	0.748	0.560	0.936	0.618
	cust_RMAtt_wilngnssToHelp	0.794	0.630		
	cust_RmAtt_friendly	0.838	0.702		
	Cust_RMBeh_resNeeds	0.767	0.588		
	Cust_RmBeh_undNeeds	0.796	0.634		
	cust_RmBeh_action_AddrNeeds	0.780	0.608		
	cust_RMExp_knwJob	0.814	0.663		
	cust_Rmexp_AnsQsQckly	0.779	0.607		
	cust_Rmexp_rmKnw	0.754	0.569		
Customer intention to continue the service relationship	cust_cntRelshp_empInBank	0.934	0.872	0.916	0.785
	cust_contRelnshp_noChngEmp	0.888	0.789		
	cust_contRelshp_BeyBank	0.834	0.696		

Theorized model: Indicator reliability

The square of each of the outer loadings is calculated, and this gives the indicator reliability. Each of the indicator reliability figures should be greater than the threshold of 0.4 (Wong, 2013). The indicator variables under employee DA are all above the threshold of 0.4 (0.618, 0.711 & 0.403 > 0.400). The indicator 'feeling the emotions that I feel' as responded by the employees is only just above the threshold value of 0.4, and thus included as a 'reliable' indicator. Two of the indicator variables for employee SA are below 0.4, reflecting low indicator reliability for 'pretend to have emotions that I don't have' (0.064) and 'resist expressing true feelings to the customer' (0.331). The weak strength of indicator reliability could weaken the strength of the construct - employee SA. The variables need to be tested further in the full mediation model and if the strength remains weak, they could also be considered for removal. The indicator variables under customer perceived interaction quality and customer intention to continue the service relationship are all above the threshold value of

158

0.4, indicating good indicator reliability for each of the indicator variables. All the indicator variables for each of the constructs have been calculated and shown in Table 5.2(a).

Theorized model: Composite reliability

Composite reliability scores are also shown in Table 5.2(a). Composite reliability of employee DA (0.801), customer perceived interaction quality (0.936), 'customer intention to continue the service relationship' (0.916) are all above the threshold value of 0.7. Composite reliability of employee SA (0.684) is below the threshold of 0.7, although just marginally. The employee SA construct would be further monitored and tested in the path analysis. If the path between employee SA and customer perceived interaction quality is significant, then the composite reliability score could be sidelined; however, if the path coefficient for employee SA to customer perceived interaction quality is not significant, then it could be discarded.

Theorized model: Convergent validity

Convergent validity as denoted by the average variance extracted (AVE) for each of the latent constructs is observed in Table 5.2(a). The threshold value of AVE for each of the constructs is 0.5, thus the value 0.5 or above denotes convergent validity. The AVE for employee DA (0.577), customer perceived interaction quality (0.618), and the customer intention to continue the service relationship (0.785) are all above the threshold value of 0.5 (Wong, 2013). AVE for employee SA (0.450) is below the threshold value, with employee SA again demonstrating weak validity measures. This should be further tested during the inner model path analysis coefficients. The composite reliability and the convergent validity of employee SA in the model interactions falls weak compared to the other constructs. It denotes that employees have a less cogent view on SA and thus the correlations are weak, especially with regards to its impact on customer perceptions of interaction quality.

Theorized model: Discriminant validity

The details of the discriminant validity are given below in Table 5.2(b).

Table 5.2(b): Theorized model: Fornell-Larcker criterion

Latent constructs	customer intention to continue the service relationhip	customer perceived interaction quality	employee DA	employee SA
customer intention to continue the service relationhip	0.886			
customer perceived interaction quality	0.870	0.786		
employee DA	0.297	0.348	0.760	
employee SA	-0.126	-0.104	-0.164	0.671

Table 5.2(c): Theorized model: HTMT criterion

Latent constructs	Original Sample (O)	Sample Mean (M)	2.50%	97.50%
Emp_DA -> Cust_perc_Int_Qlty	0.403	0.425	0.281	0.602
Emp_SA -> Cust_perc_Int_Qlty	0.106	0.168	0.096	0.279
Emp_SA -> Emp_DA	0.168	0.251	0.089	0.544
cust_cnt_relship -> Cust_perc_Int_Qlty	0.969	0.970	0.932	1.005
cust_cnt_relship -> Emp_DA	0.358	0.376	0.213	0.577
cust_cnt_relship -> Emp_SA	0.132	0.178	0.087	0.320

As can be seen in Table 5.2(b), all the figures in the right most diagonal are above the threshold limit for each of the latent constructs, thus establishing discriminant validity for each latent construct in the theorized model. Each of the square roots of AVE for each latent construct is shown in the right most diagonal. These values are above the other correlation values for the latent constructs. The diagonal values should be above the correlation figures given in the left hand side matrix below the diagonal. Fornell-Larcker score for employee DA (0.760), employee SA (0.671), customer perceived interaction quality (0.786), and customer intention to continue the service relationship (0.886) are all above the correlation coefficients in the left matrix under the diagonal, thus establishing discriminant validity. There is evidence for comparing the threshold values across the horizontal row of the diagonal matrix (Hamid, Sami, Sidek, 2017). Given that criterion, it can be observed that there is a possibility of multi-collinearity between the constructs of customer perceived interaction quality and customer intention to continue the service relationship. The Fornell-Larcker's test has recently received criticism and a more stringent criterion - Heterotrait-Monotrait (HTMT) ratio of correlations (Henseler, Ringle, Sarstedt, 2014) been suggested.

The Table 4.2(c) shows the HTMT **inference** values. This is useful when testing multiple constructs. The criterion is that the confidence interval values should all be under '1'. As seen

in Table 4.2 (c), one of the upper limit values is 1.005, just slightly above the threshold. This suggests some multicollinearity, however only to a marginal extent, between the constructs customer perceived interaction quality and customer intention to continue the service relationship. The discriminant validity for customer perceived interaction quality and customer intention to continue the service relationship is not fully established when strictly applying the HTMT inference criterion (Henseler et al., 2014).

Theorized model: Path analysis

The PLS algorithm was run and the figure is shown in Diagram 5.1(a). The path coefficients are denoted by the figures that run within the inner model from one latent construct to the other. The next step is to know which of the paths are significant by running the bootstrapping procedure (sub-samples=5000), which is depicted in Diagram 5.1(b).
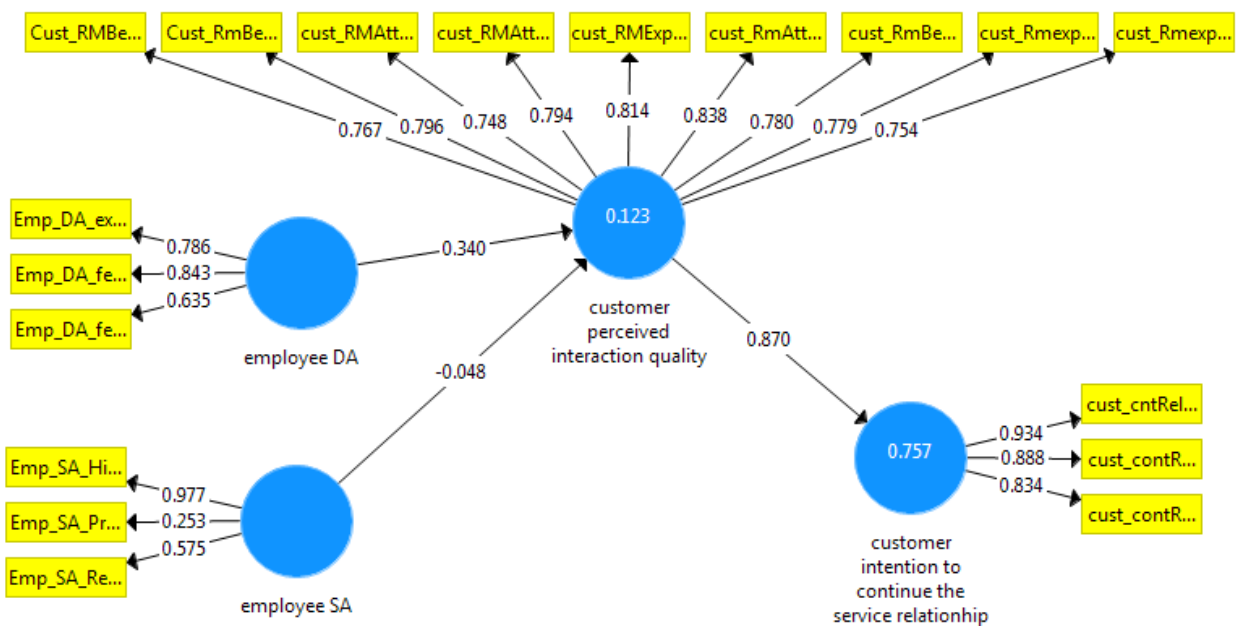
Diagram 5.1(a): Theorized model: Testing employee DA and employee SA constructs' connect with customer perceived interaction quality
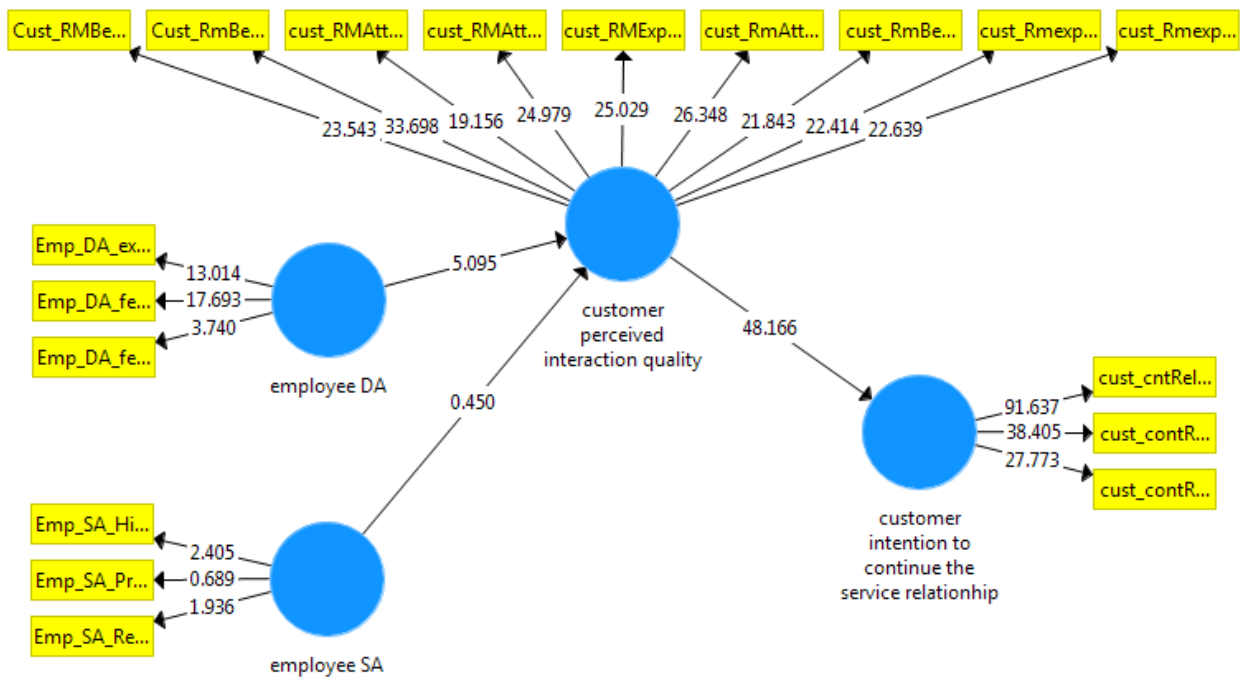
Diagram 5.1(b): Theorized model: t-values after bootstrapping (sub-samples= 5000)

Theorized model: Outer model significance

All the indicator variables of employee DA are significant with t-values>1.96. All the indicator variables for customer expectation of SA are not significant. The two variables 'pretend to have emotions that I don't have' (0.689) and 'resist expressing my true feelings' (1.936) are not significant denoting a low construct and convergent validity. The strength of the construct in explaining the effect on latent construct i.e. customer perceived interaction quality could be low. The t-values for the outer model are shown in the Appendix 6.8, Table 6.8(e).

Theorized model: Inner model path coefficients and significance

Inner model denotes the connections between the latent constructs and the outcome variable.

Employee DA and employee SA are able to explain 12.3% of the variance in the customer perceived interaction quality since the coefficient of determination (R^2) is 0.123, as shown in Diagram 5.1(a). This is a low predictive accuracy, given the threshold of 25-50% being medium impact prediction accuracy (Hair et al., 2014). Customer perceived interaction quality explains 75.7% of the variance in customer intention to continue service relationship, since the coefficient of determination (R^2) is 0.757, which denotes a high predictive accuracy of determination for customer perceived interaction quality to impact customer intention to

continue the service relationship. All the inner path coefficients between the constructs are shown by the t-values in Diagram 5.1(b).

The path coefficient from employee DA to customer perceived interaction quality is 0.340 (t = 5.095) and the path being significant (t> 1.96), thus supporting H1a(+) that employee deep acting relates positively to interaction quality as perceived by the customer.

The path coefficient from employee SA to customer perceived interaction quality is -0.048 (t = 0.450), is not significant at 95% interval, since the threshold t-value should be greater than 1.96, thus not supporting the hypothesis H1b(-) employee surface acting relates negatively to interaction quality as perceived by the customer fully.

The path coefficient from customer perceived interaction quality to customer intention to continue the service relationship was 0.870 (t=48.16), which is also a significant path in the theorized model without mediation. The path coefficients are denoted in Diagram 5.1(a) and the t-values are denoted in Diagram 5.1(b) for each of the paths. The inner model coefficients are reported in the Appendix 6.8, Table 6.8 (f).

Theorized model: Conclusion

The outer model projects the indicator significance. The outer model is significant for employee DA, customer perceived interaction quality, and customer intention to continue the service relationship. The outer model path for employee SA is not significant since t-values of two of the indicators of employee SA are less than 1.96.

For the inner model, the path from customer expectation of DA to customer perceived interaction quality is significant, but only contributes to explaining 12.3% of the variance in customer perceived interaction quality, which is a low predictive accuracy. The path from customer expectation of SA to customer perceived interaction quality is not significant, although as postulated by the hypothesis, the relationship is negative i.e. the employee SA is negatively related to customer perceived interaction quality. The outcome path in the theorized model from customer perceived interaction quality to customer intention to continue the service relationship is significant and explains 75.7% of the variance in customer intention to continue the service relationship.

Employee DA has a positive impact on customers' perceived interaction quality and thus also drives the customer intention to continue the service relationship. However, employee SA does

not have a negative impact on the customer perceived interaction quality. Thus, while employee DA could enhance the interaction for customers, lowering of employee SA may not have the same sized impact. It denotes how curbing of feelings and faking of emotions by employees may not be construed negatively with regards to its impact on the interaction quality.

Theorized model: With mediation explaining relationship

The theorized model looked at the interactions between employee DA, employee SA with customer perceived interaction quality so far. The next phase of the analysis deals with the mediation of customer expectation of DA and customer expectation of SA on the relationship between employee DA with customer perceived interaction quality and the relationship between employee SA with customer perceived interaction quality.

Mediation is a step to determine the impact of a mediating variable on effect of the independent construct on the dependent construct (Nitzl, Roldan & Cepeda-Carrion, 2016). The mediation effects of customer expectation of DA and customer expectation of SA are tested using mediation analysis.

This stage of analysis attempts to answer the next research questions - *'What are the mediating effects of customers' expectation of employee deep and of surface acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?'*

The objective associated with the research question is *'To measure the mediating effects of customers' expectation of employee deep and surface acting on relationship between employee deep and surface acting and customers' perceived interaction quality'.*

Thus the following four hypotheses are derived from the above objective:

H2a→ Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

H2b → Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

H3a→ Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

H3b→ Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

Above four hypotheses are tested using mediation effect analysis (Hair et al., 2014) in SmartPLS version 3.2.2.

Mediation requires the testing of direct effect between an independent and dependent variable (c`), the indirect effect through the mediator variable like the paths *a x b* and the total effect (c), which is the addition of direct and indirect effects (Nitzl et al., 2016). The direct and indirect effects are depicted in the Diagrams 5.2(a) and 5.2(b).
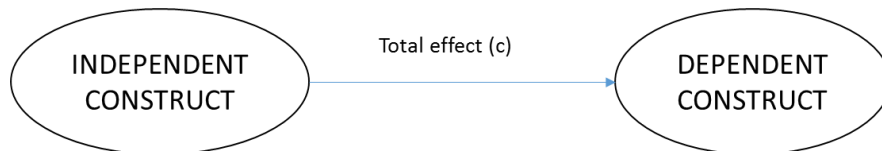
Diagram 5.2(a): Simple cause and effect relationship (Nitzl, Roldan & Cepeda-Carrion, 2016, p.7)

Direct effect is defined by the direct path coefficient between independent and dependent constructs.
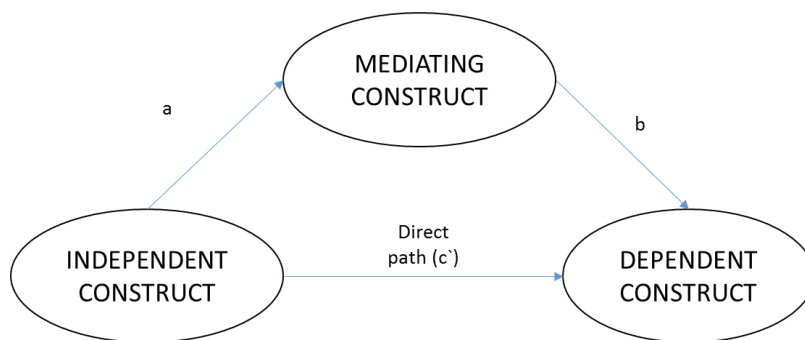
Diagram 5.2(b): Cause and effect relationship through a mediated variable (Nitzl, Roldan & Cepeda-Carrion, 2016, p.7)

The direct effect is defined by the direct path coefficient between independent and dependent constructs (c`). Indirect effect is calculated by the product of the path coefficients *a* and *b* as shown in Diagram 5.2(b).

Total effect→ c (without mediation)

Direct effect→ c` (when mediation is introduced)

Indirect effect→ a x b

Indirect effect (a x b) = Total effect (c) – Direct effect (c`) (Nitzl et al., 2016, p.11)

The next stage is to understand the steps that are involved in testing mediation.
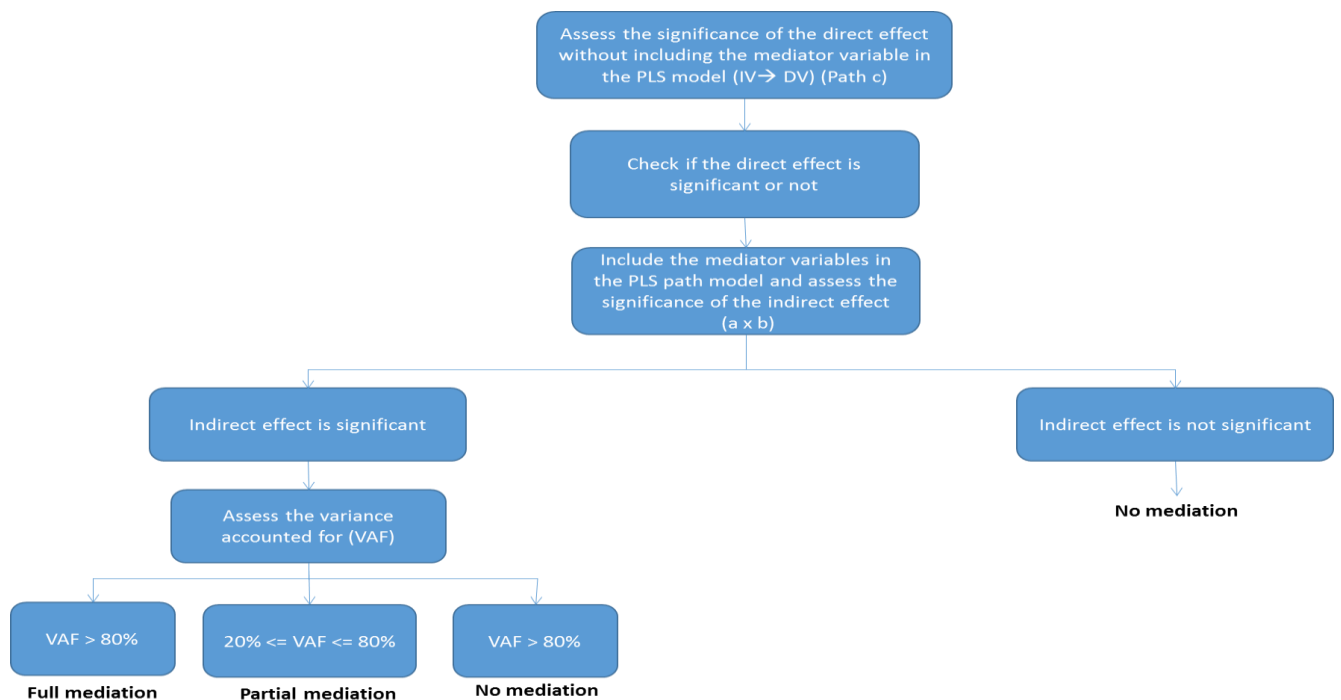
Diagram 5.2(c): Mediation step-wise algorithm (Hair et al., 2014)

As Hair et al. (2014) suggest, the pre-requisite to test the mediation effect on a direct relationship between two constructs is that the relationship without mediator variable/construct between those constructs should be significant in the first place. However, some recent research suggests that further analysis should not be aborted if the direct effect is not significant (Zhao, Lynch & Chen, 2010). Thwarting mediation analysis on the basis of Baron and Kenny's (1986) criterion of not being able to establish a direct effect between the independent and dependent variables could have serious repercussions on theory building. The argument is in favour of testing mediation even if the direct effect is not determined, because that would mean that **only** an indirect effect exists - but no direct effect (Preacher & Hayes, 2004; Preacher & Hayes, 2008; Zhao et al., 2010;). Also, the strength of mediation in Baron and Kenny's (1986) work considers only complementing mediating effects, but not contradictory (opposite sign) mediation effects. The indirect effect itself could be significant, resulting in full mediation.

Mediation can also be tested using the Sobel (1982) test, which compares the relationship between two constructs with mediation (indirect effect) and without mediation (direct effect) (Hair et al., 2014). The Sobel (1982) test is a possible method to conduct mediation analysis, however, it may pose issues since it "relies on distributional assumptions that may not hold for

the indirect path (a x b)" (Hair et al., 2014, p.223; see also Nitzl et al., 2016;). Zhao et al. (2010) also find Baron and Kenny's (1986) recommended Sobel test (1982) to have flaws, since the Sobel test cannot determine sufficiently that an addition of a mediator significantly reduces the effect of the independent variable on the dependent variable. Also, it cannot demonstrate the significance of the indirect effect by merely understating the reduction of the direct effect (Preacher & Hayes, 2004; Preacher & Hayes, 2008). The bootstrapping method is the only method that solves these flaws and addresses the issues to offer a more logical theory-building process (Preacher & Hayes, 2004; Preacher & Hayes, 2008; Zhao et al., 2010).

Thus, the bootstrapping method as delineated also by Nitzl et al. (2016) as well as Hair et al. (2014) is recommended, which involves bootstrapping the samples involved in the indirect effect. "Bootstrapping makes no assumptions on the shape of the distribution of the variables involved" (Hair et al., 2014, p.223) and is also the best possible method for this research since the theorized model has two mediators and this method is most suitable for multiple mediating variables (Hair et al., 2014).

Before conducting mediation, the validity and reliability measures of the complete model must be established.

Theorized model with mediation: Initiation

Data cleaning has been achieved, with the variables of employees and customers coded in parallel columns. Only the dimensions of SA, DA, interaction quality and intention to continue the relationship were recorded from both employee and customer perspectives. The remaining variables were removed to avoid errors in the model data.

The model is arranged with the addition of the mediation effect from customer expectation of DA and customer expectation of SA. The PLS algorithm is rerun, using SmartPLS version 3.2.2. The weighting scheme is fixed at path analysis, with maximum iterations set at 300, and stop criterion set at 10^{-5} and outer weights at +1.

Theorized model with mediation: Validations

As can be seen in the below Diagram 5.2(d): Theorized model with mediation: outer indicator loadings and inner model path coefficients, the outer loadings for each of the latent constructs are shown in each of the arrow connections of the outer model. Now, each of the reliability and validity indicators are depicted below in Table 5.3(a).
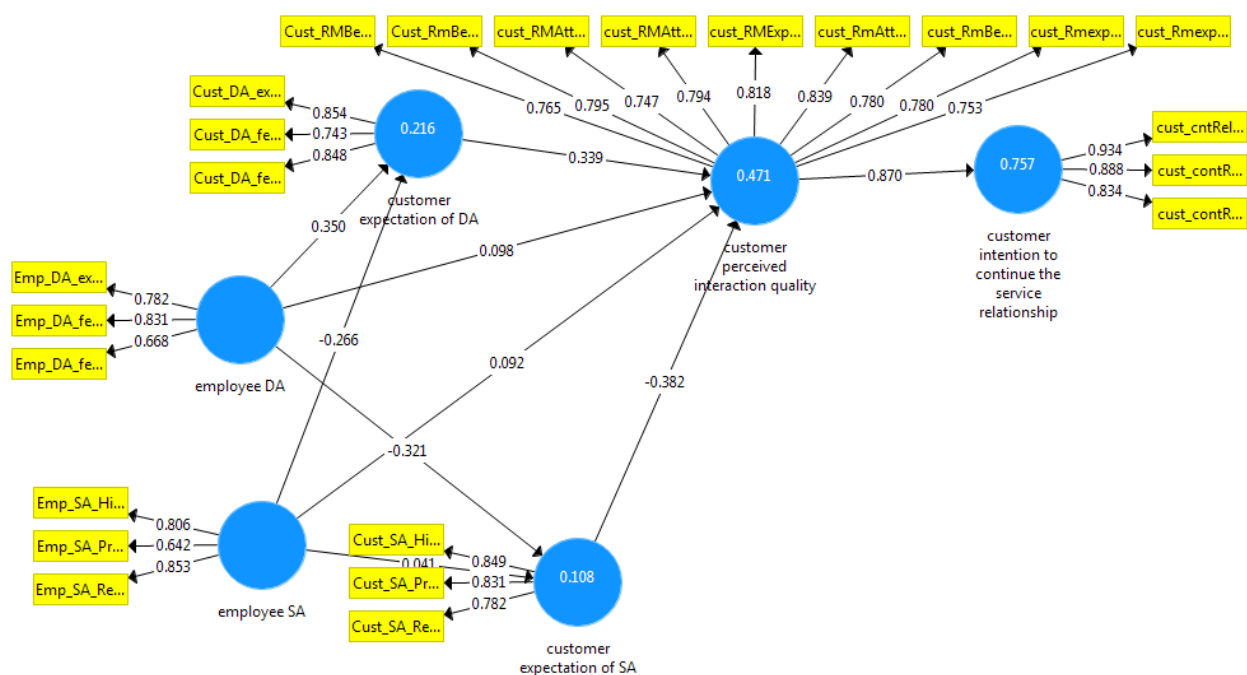
Diagram 5.2(d): Theorized model with mediation: Outer indicator loadings and inner model path coefficients

Table 5.3(a): Theorized model with mediation: latent constructs, indicators, reliability and validity

LATENT CONSTRUCT	INDICATORS	OUTER LOADINGS	INDICATOR RELIABILITY (outer loadings^2)	Composite reliability	Convergent validity (AVE)*
Employee DA	Emp_DA_expEm	0.782	0.612	0.806	0.583
	Emp_DA_feelEM_partOfJob	0.831	0.691		
	Emp_DA_feelEm	0.668	0.446		
Employee SA	Emp_SA_HideTrueFeelings	0.806	0.650	0.814	0.597
	Emp_SA_PretendEm	0.642	0.412		
	Emp_SA_ResTrueFeelings	0.853	0.728		
Customer expectation of DA	Cust_DA_expEm	0.854	0.729	0.857	0.667
	Cust_DA_feelEM_partOfJob	0.743	0.552		
	Cust_DA_feelEm	0.848	0.719		
Customer expectation of SA	Cust_SA_HideTrueFeelings	0.849	0.721	0.861	0.674
	Cust_SA_PretendEm	0.831	0.691		
	Cust_SA_ResTrueFeelings	0.782	0.612		
Customer perceived interaction quality	cust_RMAtt_UndNeeds	0.747	0.558	0.936	0.618
	cust_RMAtt_wilngnssToHelp	0.794	0.630		
	cust_RmAtt_friendly	0.839	0.704		
	Cust_RMBeh_resNeeds	0.765	0.585		
	Cust_RmBeh_undNeeds	0.795	0.632		
	cust_RmBeh_action_AddrNeeds	0.780	0.608		
	cust_RMExp_knwJob	0.818	0.669		
	cust_Rmexp_AnsQsQckly	0.780	0.608		
	cust_Rmexp_rmKnw	0.753	0.567		
Customer intention to continue the service relationship	cust_cntRelshp_empInBank	0.934	0.872	0.916	0.785
	cust_contRelnshp_noChngEmp	0.888	0.789		
	cust_contRelshp_BeyBank	0.834	0.696		

Theorized model with mediation: Indicator reliability

168

The indicator variables under employee DA are all above the threshold of 0.4 (0.612, 0.691, 0.446 > 0.400). The indicator 'feeling the emotions that I feel' as responded by the employees is just above the threshold value of 0.4, and thus included as a reliable indicator. One of the indicator variables for employee SA is also just above 0.4 'pretend to have emotions that I don't have' and thus included as reliable. The indicator variables for customer expectation of DA and customer expectation of SA are all above the threshold value of 0.4 and included as reliable. The indicator variables under customer perceived interaction quality and customer intention to continue the service relationship are all above the threshold value of 0.4, indicating good indicator reliability strength for each of the indicator variables. All the indicator variables for each of the constructs have been calculated and shown in Table 5.3(a).

Theorized model with mediation: Composite reliability

All constructs exhibit strong composite reliability, as seen in Table 5.3(a). The composite reliability of employee DA (0.806), employee SA (0.814), customer expectation of DA (0.857), customer expectation of SA (0.861), customer perceived interaction quality (0.936), customer intention to continue the service relationship (0.916) are all above the threshold value of 0.7. Composite reliability of employee SA was observed to be below the threshold value in the theorized model without mediation. However, with the addition of the mediating variables the reliability has improved, validating the model specification as per the theoretical logic.

Theorized model with mediation: Convergent validity

Convergent validity as denoted by the average variance extracted (AVE) for each of the latent constructs (Wong, 2013) is observed in Table 5.3(a). The threshold value of AVE for each of the constructs is 0.5, thus the value 0.5 or above denotes convergent validity. The AVE for employee DA (0.583), employee SA (0.597), customer expectation of DA (0.667), customer expectation of SA (0.674), customer perceived interaction quality (0.618), and the customer intention to continue the service relationship (0.785) are all above the threshold value of 0.5 (Wong, 2013).

Theorized model with mediation: Discriminant validity

The details of the discriminant validity are given below in Table 5.3(b).

Table 5.3 (b): Theorized model with mediation: Fornell-Larcker criterion

Latent constructs	customer expectation of DA	customer expectation of SA	customer intention to continue the service relationship	customer perceived interaction quality	employee DA	employee SA
customer expectation of DA	0.817					
customer expectation of SA	-0.655	0.821				
customer intention to continue the service relationship	0.577	-0.679	0.886			
customer perceived interaction quality	0.599	-0.629	0.870	0.786		
employee DA	0.383	-0.326	0.291	0.341	0.764	
employee SA	-0.309	0.082	-0.077	-0.056	-0.125	0.772

Table 5.3 (c): Theorized model with mediation: HTMT criterion

Latent constructs	Original Sample (O)	Sample Mean (M)	0.025	0.975
Cust_exp_DA -> Cust_Perc_Int_Qlty_	0.717	0.717	0.599	0.822
Cust_exp_SA -> Cust_Perc_Int_Qlty_	0.737	0.738	0.599	0.860
Cust_exp_SA -> Cust_exp_DA	0.875	0.875	0.769	0.972
Emp_DA -> Cust_Perc_Int_Qlty_	0.403	0.424	0.281	0.594
Emp_DA -> Cust_exp_DA	0.517	0.522	0.355	0.678
Emp_DA -> Cust_exp_SA	0.433	0.440	0.234	0.639
Emp_SA -> Cust_Perc_Int_Qlty_	0.106	0.167	0.094	0.278
Emp_SA -> Cust_exp_DA	0.418	0.424	0.254	0.590
Emp_SA -> Cust_exp_SA	0.199	0.238	0.129	0.390
Emp_SA -> Emp_DA	0.168	0.251	0.090	0.550
cust_cont_relship -> Cust_Perc_Int_Qlty_	0.969	0.970	0.932	1.004
cust_cont_relship -> Cust_exp_DA	0.724	0.724	0.592	0.845
cust_cont_relship -> Cust_exp_SA	0.830	0.832	0.722	0.928
cust_cont_relship -> Emp_DA	0.358	0.375	0.212	0.581
cust_cont_relship -> Emp_SA	0.132	0.178	0.084	0.322

As can be seen in Table 5.3(b), all the figures in the right most diagonal (indicated in green) are above the threshold limit for each of the latent constructs, thus establishing discriminant validity for each latent construct in the theorized model. Each of the square roots of AVE for each latent construct is shown in the right most diagonal. These values are above the other correlation values for the latent constructs. The diagonal values should be above the correlation figures given in the left-hand side matrix below the diagonal. Fornell-Larcker score for customer expectation of DA (0.817), customer expectation of SA (0.871), customer intention to continue the service relationship (0.886), customer perceived interaction quality (0.786), employee DA (0.764), and employee SA (0.772) meet the Fornell-Larcker (1981) criterion.

The HTMT inference criterion (Table 5.3(c)) is met for establishing the discriminant validity of all the constructs employee DA, employee SA, customer expectation of DA, customer expectation of SA and customer perceived interaction quality. Discriminant validity for all the variables involved in mediation is established.

Theorized model with mediation: Path analysis

The PLS algorithm was run and the figure is shown in Diagram 5.2(d). The path coefficients are denoted by the figures that run within the inner model from one latent construct to the other. The next step is to determine which of the paths are significant. Bootstrapping is run with sub-samples of 5000, and t-values thus derived, help to validate the results of path analysis, which is depicted in Diagram 5.2(e).
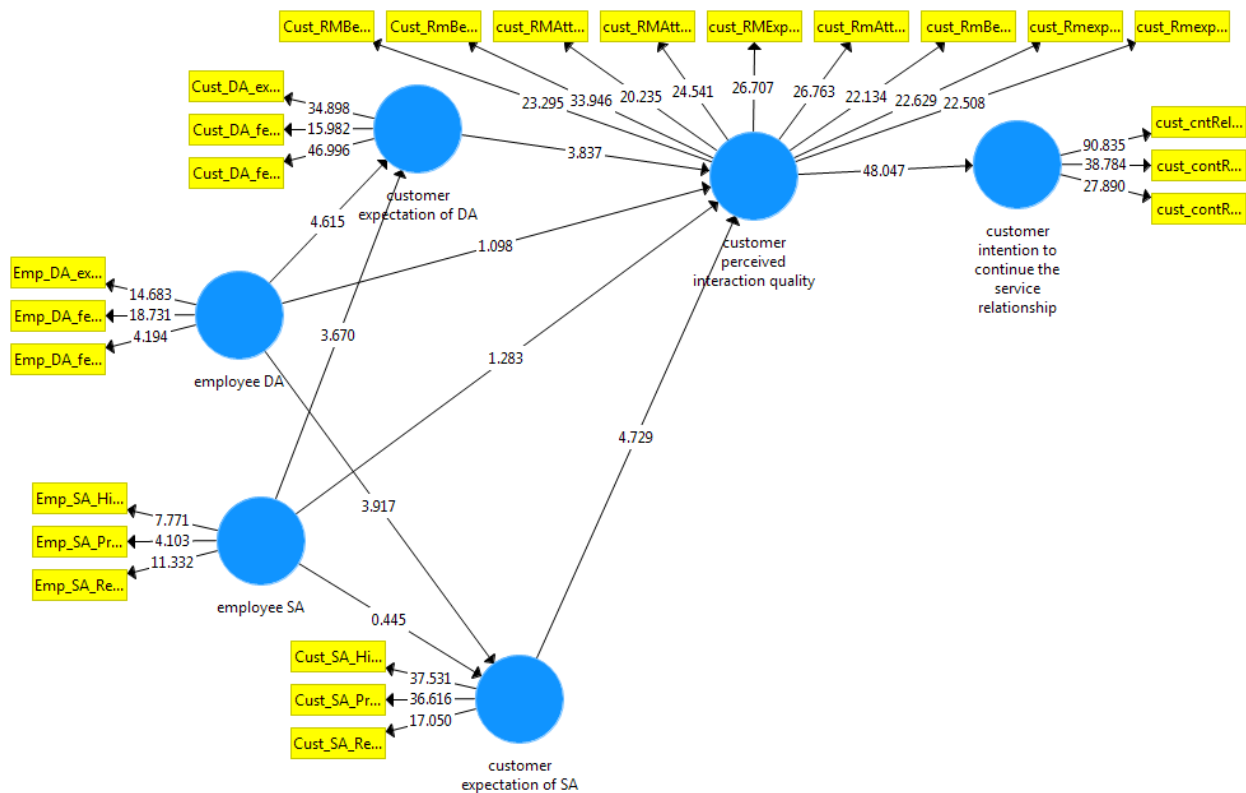
Diagram 5.2(e): Theorized model with mediation: t-values after bootstrapping (sub-samples= 5000)

Theorized model with mediation: Outer model significance

All the indicator variables of each of the latent constructs should have t-values greater than 1.96 to be significant. All the indicator variables of employee DA, employee SA, customer expectation of DA, customer expectation of SA, customer perceived interaction quality and customer intention to continue the service relationship are significant with t-values>1.96 and p less than 0.05. The t-values for the outer model are shown in the Appendix 6.8, Table 6.8 (g).

Theorized model with mediation: Inner model path coefficients and significance

Inner model denotes the connections between the latent constructs and the outcome variable.

Employee DA and employee SA are able to explain 21.6% of the variance in the customer expectation of DA since the coefficient of determination (R^2) is 0.216, as shown in Diagram 5.2(d). Also, employee SA and employee DA explain 10.8% variance in customer expectation of SA since the coefficient of determination (R^2) is 0.108. Customer expectation of SA and customer expectation of DA, both are acting as mediating variables and explain 47.1% variance in customer perceived interaction quality since the coefficient of determination (R^2) is 0.471. Customer perceived interaction quality explains 75.7% of the variance in customer intention to continue service relationship, since the coefficient of determination (R^2) is 0.757. All the inner path coefficients between the constructs are shown by the t-values in Diagram 5.2(d). The t-values for the inner model are shown in the Appendix 6.8, Table 6.8 (h).
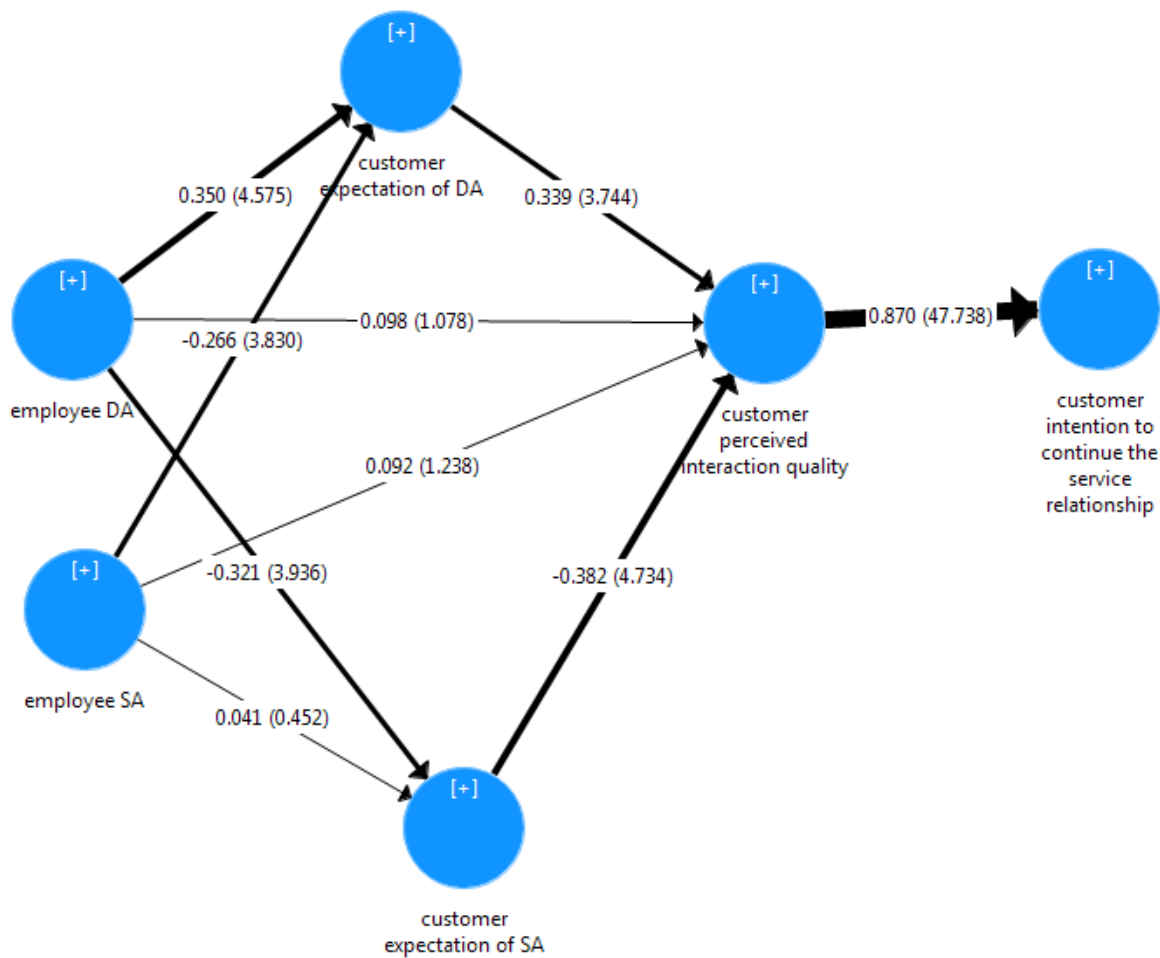
Diagram 5.2(f): Theorized model with mediation: path coefficients and t-values depicted

Testing mediation hypothesis

The next step is to test the mediation effect of two constructs - customer expectation of DA and customer expectation of SA on the relationship between employee DA and customer perceived interaction quality and on the relationship between employee SA and customer perceived interaction quality. The model validations and reliability have been established above.

The path coefficients and the significance values (t-values) for the theorized model without the mediating variables were shown in Diagrams 5.1(a) and 5.1(b). The path coefficient between employee DA and customer perceived interaction quality (0.340) is significant (t=5.095) and the path is significant when no mediators are present. The path coefficient between employee SA and customer perceived interaction quality (-0.048) is not significant (t=0.450) when the

173

mediators are not present. This showed that employee DA had a positive effect on the customer perceived interaction quality, while employee SA had no effect because the path was not significant. This is without mediation and the values are given in the Table 5.3(d) below. The next step is to check the coefficients after mediation.

Table 5.3(d): Direct path coefficients: no mediation

Paths	Path coefficient	Significance (t-values)	Outcome
EDA-->CPIQ	0.340	5.095	**Significant**
ESA-->CPIQ	-0.048	0.450	**Not significant**

Table 5.3(e): Indirect path coefficients: with mediation

Paths	Path a	Path b	Indirect Effect (a*b)	SE (calculated from bootstrapped path coefficients for 5000 sub-	t-value	95% LL	95% UL	Type of mediation effect observed by introducing the mediating variable	VAF (Variance accounted for)
EDA-->CDA-->CPIQ	0.350	0.339	0.119	0.047	2.524	0.03	0.21	partial mediation	55.05%
EDA-->CSA-->CPIQ	-0.321	-0.382	0.123	0.045	2.725	0.03	0.21	partial mediation	55.05%
ESA-->CDA-->CPIQ	-0.266	0.339	-0.090	0.036	-2.505	-0.16	-0.02	partial mediation	49.45%
ESA-->CSA-->CPIQ	0.041	-0.382	-0.016	0.036	-0.435	-0.09	0.05	no mediation, not significant	
					Bootstrapped Confidence Interval				

Using the algorithm in Diagram 5.2(c), mediation would be tested using the bootstrapping method (Preacher & Hayes, 2004; Preacher & Hayes, 2008, Zhao et al., 2010) and checking for indirect effects. Despite the direct effect of ESA→CPIQ not being significant, the indirect effects of CSA and CDA on the ESA→CPIQ direct relationship would also be tested. In this way, the mediation test would be conducted. The restriction to direct effect not being significant, as mentioned by Baron and Kenny (1986) for the consideration of indeirect effects, is argued against by other authors (Preacher & Hayes, 2004; Preacher & Hayes, 2008 Zhao et al., 2010), all of whom believe that indirect effects could exist, irrespective of the direct effect's significance. Also, owing to the presence of multiple mediators and the flaws within the Sobel test (1982), the bootstrapping method is to be preferred.

The steps involved are as follows:

- Check for the direct path significance without mediator variables as shown in Table 5.3(d).

- Calculate the indirect effect (a x b) using the bootstrapping procedure for all the moderating variables from the indirect effects results table in SmartPLS version 3.2.2 as shown in Table 5.3(e).

- Calculate the standard deviation using the cumulative indirect effect for each of the indirect paths. In this case, four indirect paths are seen EDA→CDA→CPIQ; EDA→CSA→CPIQ; ESA→CDA→CPIQ and ESA→CSA→CPIQ.

- Significance of the paths can be calculated by testing if the absolute t-values are greater than the threshold value of 1.96. T-values are calculated by dividing the indirect path measured by the respective standard deviation measure (a x b/SE).

- The 95 percentile upper limit (UL) and lower limits (LL) are calculated by indirect effect+/- (1.96* standard deviation).

- If the t-value is not significant, and *zero* falls between the upper and the lower limits, then the indirect path is not significant, and there is no mediation.

- If the t-value is significant and *zero* does not fall in between the upper and the lower limits, then the mediation indirect path is significant i.e. mediation exists.

- The next step is to calculate the variance accounted for (VAF) to test the strength of the mediation, whether the mediation effect is full mediation, partial mediation or no mediation. VAF is calculated by dividing the indirect effect by total effect ({a x b}/{(a x b) + c}).

- If the VAF value is less than 20%, then there is no mediation, if the VAF is between 20-80% then there is partial mediation and if the VAF is greater than or equal to 80%, the mediation is full.

Testing Hypothesis H2a → Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

For H2a, the indirect path of EDA→CDA→CPIQ i.e. employee DA to customer expectation of DA to customer perceived interaction quality must be checked. As can be seen in Diagram 5.2(f), EDA→CDA has a path coefficient of 0.350, significant with t=4.575, while the path coefficient of CDA→CPIQ is 0.339, significant with t=3.744, making the indirect effect 0.119, as seen in Table 5.3(e).

The standard deviation (0.047) and the t-value (2.524) have been calculated from the bootstrapped sample coefficient values (Hair et al., 2014; Preacher & Hayes, 2004; Preacher & Hayes, 2008; Zhao et al., 2010;) retrieved from the output reports table of SmartPLS version 3.2.2. The t-value (2.524) is greater than 1.96, and hence the indirect effect is significant. Also, the upper limit and lower limit calculated in between the range of 0.03 to 0.21, with '0' not falling within this range, thus establishing the significance of this indirect effect. Thus, it can be ascertained that customer expectation of DA mediates the path between employee DA and customer perceived interaction quality.

The next step, is to establish the extent of mediation effect, and whether, it is full or partial. Thus, the variance accounted for (VAF) is calculated to determine the strength, and as per the Table 5.3(e), the VAF is 55.05%, which is within the range of 20-80%, thus meaning a partial mediation. Thus, the final outcome is that customer expectation of DA mediates the path between employee DA and customer perceived interaction quality partially. This imparts partial support for H2a.

H2b→ Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

For H2b, the indirect path of ESA→CDA→CPIQ i.e. employee SA to customer expectation of DA to customer perceived interaction quality must be checked. As can be seen in Diagram 5.2(f), ESA→CDA has a path coefficient of -0.266, significant at t=3.830, while the path coefficient of CDA→CPIQ is 0.339, significant with t=3.744, making the indirect effect to be -0.090, as seen in Table 5.3(e). The negative value denotes that the overall effect is negative, such that greater the CDA, the more negative the effect of ESA on CPIQ.

The standard deviation (0.036) and the t-value (-2.505) have been calculated from the bootstrapped sample coefficient values retrieved from the indirect effect output reports of SmartPLS version 3.2.2. The absolute t-value (2.505) is greater than 1.96, and hence the indirect effect is significant. Also, the upper limit and lower limit calculated is in the range of -0.16 to -0.02, with '0' not falling within this range, thus establishing the significance of this indirect effect. Thus, it can be ascertained that customer expectation of DA mediates the path between employee SA and customer perceived interaction quality. It is observed that the direct effect without mediation between employee SA and customer perceived interaction quality was not significant. The impact is that customer expectations of DA has a mediating impact on the

relationship between employee SA and customer perceived interaction quality, which did not exist without mediation. This can have a huge impact on the organization, employees and customers as well. These effects are discussed in detail in Chapter 6: Discussions and Chapter 7: Conclusions.

The next step, is to establish the strength of mediation effect, whether, it is full or partial. Thus, the variance accounted for (VAF) is calculated to determine the strength, and as per the Table 5.3(e), the VAF is 49.45%, which is within the range of 20-80%, thus meaning a partial mediation. Thus, the final outcome is that customer expectation of DA mediates the path between employee SA and customer perceived interaction quality partially. This imparts partial support for H2b.

Testing hypothesis H3a → Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

For H3a, the indirect path of EDA→CSA→CPIQ i.e. employee DA to customer expectation of SA to customer perceived interaction quality should be checked. As can be seen in Diagram 5.2(f), EDA→CSA has a path coefficient of -0.321, significant at t=3.936, while the path coefficient of CSA→CPIQ is -0.382, significant with t=4.734, making the indirect effect to be 0.123, as seen in Table 5.3(e).

The standard deviation (0.045) and the t-value (2.725) have been calculated from the bootstrapped sample coefficient retrieved from the indirect effect output reports of SmartPLS version 3.2.2. The t-value (2.725) is greater than 1.96, and hence the indirect effect is significant. Also, the upper limit and lower limit calculated in between the range of 0.03 to 0.21, with '0' not falling within this range, thus establishing the significance of this indirect effect. Thus, it can be ascertained that customer expectation of SA mediates the path between employee DA and customer perceived interaction quality.

The next step, is to establish the strength of mediation effect, whether, it is full or partial. Thus, the variance accounted for (VAF) is calculated to determine the strength, and as per the Table 5.3(e), the VAF is 55.05%, which is within the range of 20-80%, thus meaning a partial mediation. Thus, the final outcome is that customer expectation of SA mediates the path

between employee DA and customer perceived interaction quality partially. This imparts partial support for H3a.

H3b → Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

For H3b, we must look at the indirect path of ESA→CSA→CPIQ i.e. employee SA to customer expectation of SA to customer perceived interaction quality. As can be seen in Diagram 5.2(f), ESA→CSA has a path coefficient of 0.041, not significant at t=0.452, while the path coefficient of CSA→CPIQ is -0.382, significant with t=4.734, making the indirect effect to be -0.016, as seen in Table 5.3(e).

The standard deviation (0.036) and the t-value (-0.435) have been calculated from the bootstrapped sample coefficient values retrieved from the indirect effect output reports of SmartPLS version 3.2.2. The absolute t-value (0.435) is lesser than 1.96, and hence the indirect effect is not significant. Furthermore, the upper limit and lower limit calculated is in the range of -0.09 to 0.05, with '0' falling within this range, thus establishing that the indirect effect is not. Thus, it can be ascertained that customer expectation of SA does *not* mediate the path between employee SA and customer perceived interaction quality. VAF calculation is not relevant since the indirect paths are not significant, and the indirect effect is not significant. Thus, there is no support found for H3b.

Determining the path significance to the outcome variable: Path between customers' perceived interaction quality and customer intention to continue the service relationship

The final outcome path is between customer perceived interaction quality and customer intention to continue the service relationship. This is for testing the final hypothesis H4: The greater the interaction quality, the more positive the customers' intentions are to maintain service relationship with service provider.

Outcome variable: Model initiation

The model set-up in SmartPLS version 3.2.2 is for path analysis and the path coefficients and significance of the path coefficients are reported. Maximum iterations at 300, stop criterion at 10^{-5} and the outer weights at +1 are set.

Outcome variable: Model validations

As can be seen in the above Diagram 5.2(e): Theorized model with mediation: outer indicator loadings and inner model path coefficients, the outer loadings for each of the latent constructs are shown in each of the arrow connections of the outer model. Now, each of the reliability and validity indicators are depicted in Table 5.2(a): Theorized model with mediation: Latent constructs indicators, reliability and validity.

Outcome variable: Indicator reliability

The indicator variables under customer perceived interaction quality and customer intention to continue the service relationship are all above the threshold value of 0.4, indicating good indicator reliability for each of the indicator variables. All the indicator variables for each of the constructs have been calculated and shown in Table 5.2(a).

Outcome variable: Composite reliability

Composite reliability of customer perceived interaction quality (0.936), customer intention to continue the service relationship (0.916) is all above the threshold value of 0.7, as seen in Table 5.2(a).

Outcome variable: Convergent validity

The AVE for customer perceived interaction quality (0.618), and the customer intention to continue the service relationship (0.785) are all above the threshold value of 0.5 as seen in Table 5.2(a).

Outcome variable: Discriminant validity

Discriminant validity is checked by conducting the Fornell-Larcker's criterion. The details of the discriminant validity are given below in Table 5.3(b).

In Table 5.3(b), all the figures in the right most diagonal (indicated in green) are above the threshold limit for each of the latent constructs, thus establishing discriminant validity for each latent construct in the theorized model. Each of the square roots of AVE for each latent construct is shown in the right most diagonal. These values are above the other correlation values for the latent constructs. The diagonal values should be above the correlation figures given in the left hand side matrix below the diagonal. Fornell-Larcker score for customer

intention to continue the service relationship (0.886), customer perceived interaction quality (0.786), meets the Fornell-Larcker (1981) criterion.

Table 5.3(c) shows the HTMT inference confidence interval values after the bootstrapping process for the theorized model with mediation. The upper limit threshold between customer perceived interaction quality and customer intention to continue the service relationships is not met (1.004), however only by a slight margin. Discriminant validity is not strictly established for the constructs customer perceived interaction quality and customer intention to continue the service relationship, using the rigid inference criterion at 1.0 .

Outcome variable: Path analysis

The PLS algorithm was run and the figure is shown in Diagram 5.2(a). The path coefficients are denoted by the figures that run within the inner model from one latent construct to the other. The next step is to know which of the outer variable paths are significant by running bootstrapping (sub-samples of 5000) as depicted in Diagram 5.2(e).

Outcome variable: Outer model significance

All the indicator variables of each of the latent constructs should have t-values greater than 1.96 to be significant. All the indicator variables of customer perceived interaction quality and customer intention to continue the service relationship are significant with t-values>1.96 and p less than 0.05. The t-values for the outer model are shown in the Appendix 6.8, Table 6.8 (g).

Outcome variable: Inner model path coefficients and significance

Customer perceived interaction quality explains 75.7% of the variance in customer intention to continue service relationship, since the coefficient of determination (R^2) is 0.757. All the inner path coefficients between the constructs are shown by the t-values in Diagram 5.2(d). The t-values for the inner model are shown in the Appendix 6.8, Table 6.8(h).

The path coefficient from customer perceived interaction quality to customer intention to continue the service relationship is 0.870 which is a very strong path coefficient greater than 0.7. Also, the path is significant with t value after bootstrapping at 47.738.

This brings the findings to establish evidence for hypothesis H4 that customer perceived interaction quality has a positive effect on customer intention to continue the service relationship. A small level of multicollinearity is observed between the variables defining

customer perceived interaction quality and customer intention to continue the service constructs. The Fornell-Larcker criterion is met; however, the HTMT criterion indicates that the defining attributes of each of the constructs could be correlated to each other.

Summary: Model testing

The relationship between employee DA and employee SA with customer perceived interaction quality has been tested, with employee DA$\rightarrow$ customer perceived interaction quality found to be significant. Thus, H1a(+) is supported, while H1b(-) is not. The mediating effects of customer expectation of DA and customer expectation of SA have also been tested as well. Customer expectation of DA partially mediated the path between employee DA and customer perceived interaction quality, thus partially supporting H2a. Customer expectation of DA partially mediates the relationship between employee SA and customer perceived interaction quality, thus rendering partial support for H3a. Customer expectation of SA partially mediates the relationship between employee DA and customer perceived interaction quality, thus partially supporting H2b. Customer expectation of SA has no mediation effect on the relationship between employee SA and customer perceived interaction quality, thus hypothesis H3b is not supported. The path coefficient from customer perceived interaction quality to customer intention to continue the service relationship is found to be strong and significant, thus yielding support evidence for hypothesis H4: The greater the interaction quality, the more positive customers' intentions are to maintain service relationship with service provider. Discriminant validity is met by the Fornell-Larcker criterion, but not met according to the HTMT inference criterion, although only marginally so. The implications of this finding are explained further in the Discussion chapter.

Summary: Model testing

The chapter above has delineated the analysis findings thus far, which support or not, the hypothesized postulations of this research thus far.

The final step in this research is to interpret the findings and suggest recommendations for theory building, as well as practice. Chapter 6: Discussions and Chapter 7: Conclusions chapters detail further interpretations along with conclusive recommendations.

Chapter 6: Discussion

Introduction to discussion

The discussion chapter helps explain the research results, and also serves as a prelude to concluding this thesis. This chapter begins by describing and interpreting the findings from the analysis chapters - Chapter 5(a): Data Analysis - descriptive and Chapter 5(b): Model development and testing. The chapter also considers the issues that arise in relation to the extant literature.

This chapter draws together the findings of Chapters 5(a) and 5(b) and considers them in relation to the theorized model.

The key descriptive measures in the Descriptive Measures chapter 5(a) helped ascertain the strength of the variables to be tested in the model in terms of their reliability and validity.

Banking relationship

Banking relationship variables of relationship length, frequency of interaction, and duration per interaction were captured from customers and relationship managers. Some inconsistencies were reported in the results on the variables- number of years associated with the RM as detailed by the customers vis-a-vis number of years associated with the customer as reported by the relationship manager. Similarly, inconsistent data was reported in terms of frequency of interaction and time spent per interaction as recorded from the customers versus relationship managers. This predominantly owes to customers being dedicated to only one relationship manager per bank association that they hold, while relationship managers in a particular bank may hold several one-to-one relationships with several customers, since their job entails them managing multiple service relationships with customers simultaneously during their tenure with a given bank. The authenticity of the information can be guaranteed only through a longitudinal study. This study approaches the data collection through a cross-sectional design (Bryman & Bell, 2003) and hence these variables were not taken forward for analysis and testing in the theorized model.

182

Validity and reliability of variables

The 'validity' of the variables in terms of agreement between customers and RMs was tested using the Pearson's Product Moment Correlations (Pearson, 1895) for each of the variables from customers' as well as employees' or relationship managers' perspectives. All the variables were found to meet the threshold expectations. Similarly, the Cronbach's α test verified the reliability of the variables and necessary threshold for variable reliability was also met. This was primarily done to test if the variables could be established for their validity for further testing when included in the model.

Connectivity for modelling analysis

Prior research suggests that it is not necessary to conduct a reliability test using Cronbach's α, particularly when the variables are to be employed in structural equation modelling (SEM) (Wong, 2013), since SEM itself employs its own sets of validity and reliability tests. However, the preliminary tests of validity and reliability helped establish the strength of the variables to be tested.

The variables that were finally chosen for further analysis were employee DA and employee SA as exogenous variables (Hair et al., 2014), customer expectation of DA and customer expectation of SA as mediating variables (Hair et al., 2014), customer perceived interaction quality as an endogenous variable (Hair et al., 2014) and customer intention to continue the service relationship as the outcome variable (Hair et al., 2014). Employee perception of customer perceived interaction quality and employee perception of customer intention to continue the service relationship were not chosen for inclusion in the analysis. In terms of service rendered, the employee is more responsible for service delivery, while the customer is the recipient; thus, it is customer perception of employee DA and employee SA are subject to test. The power to continue a service is also vested more, if not entirely, with the customer, since as a service recipient a customer has more expectations than a service deliverer (relationship manager) (Yavas et al., 2004) from a service relationship. Customers exert a higher power over the employees to engage in DA or SA and this provides the reason to test their perceptions of employees' SA or DA (Totterdell & Holman, 2003; Wharton & Erickson, 1993; Price et al., 1995; Diefendorff et al., 2010). The prime recipients of this service are also

the customers and their perceptions on employees' EL (DA or SA) help understand the nuances of the flow of emotions in the interactions between the employee and the customer (Grandey, 2000).

Modelling analysis: Further discussion

The modelling analysis looked at the relationships between the various variables of DA, SA, interaction quality and intention to continue the service relationship from employee and customer perspectives. Second order construct analysis was useful in determining whether interaction quality could be taken as one dimension, or should have been broken down into its sub-dimensions of attitude, behaviour and expertise (Brady & Cronin, 2001). The final analysis was to test the theorized model, as postulated in Chapter 2: Literature review.

The following are the various modelling analyses that were performed:

- Basic employee model
- Basic customer model
- Multi- group analysis between the customer and employee groups
- Second order construct analysis to determine if Customer Perceived Interaction Quality can be chosen as single construct or needs d2Q#$7-multiple constructs
- Theorized model without mediation
- Theorized model with mediation

Basic employee model

The employee basic model considered employees' perceptions of how their EL impacts customers' interaction quality and further impact customers' intention to continue their relationship with the service provider.

Employees appeared to be clear on their response towards DA and SA variables. They expressed their resistance to expressing their true feelings in a negative manner towards customers since this trait under SA was weaker than the other attributes, as seen in Appendix section 6.8(i). From the path analysis of the model, it was evident that employees had little idea of how their EL could affect customers' perceived interaction quality with weak path coefficients and t-values below the significance threshold for SA→employee perception of customer interaction quality (0.200; t-value=1.864) and DA→ employee perception of

customer interaction quality (-0.205; t-value=1.192) paths, as seen in Appendix 6.8 (i) Diagrams 6.8 (i1) and 6.8 (i2). This is primarily because of the employees' inability to ascertain whether their EL impacts the customers positively or negatively, since the recipients of their EL are customers and the employees would only have indistinct perceptions of customers' verdicts on the service.

Although employees truly believed in their ability to provide the desired service, mostly rating themselves high in terms of the interaction quality towards the customers, they had lower estimates of how they thought their EL strategies may impact interaction quality. However, the confidence of how they went about their interaction and whether they believed if the customers would continue the service relationship with them was positively related (path coefficient=0.606; t-value=13.698; Diagrams 6.8 (i1) and 6.8 (i2). Employees had less insight into customers' perceptions of interaction quality as they fulfil the role of the service provider, thus finding it difficult to reflect on the quality perception of the other entity (customer) involved in this relationship. Also, employees are not the deciding entities in this relationship (Price et al., 1995; Totterdell & Holman, 2003; Wharton & Erickson, 1993). The perception of quality is vested more in the service receiving customer than the service rendering employee. This is how most organizations are structured as well, where employees are recruited, trained, monitored and incentivized for serving the customer, with the aim towards customers' satisfaction and service quality (Grandey et al., 2005; Guerrier & Adib, 2013; Martin et al., 1998; Sutton, 1991). Thus, an employee is required to perform a role more often than not with no idea of what the customer may need. This is why, the employees may have an ambiguous picture of what customers' perceived interaction quality may be, or how their EL could impact customers' interactions. However, they are sure of what they are committing to in terms of the interaction quality and may believe that better customer perceived interaction quality would assure the continuity of their relationship with the customers, as shown in the positive path to the outcome variable. This could also be because of employees' aspirant interpretation that their high labour inputs towards interaction quality would bring in a positive outcome in terms of relationship continuity. The perception may extend to beliefs since the relationship has continued this far, it may continue further as well (Mittal & Lassar, 1999; Parkington & Schneider, 1979; Seiler et al., 2013; Yavas et al., 2004).

The weak connections in the employee basic model denote how ambiguous the commitment to a service relationship can become for an organization when the customers' voice is not captured.

If left alone to the judgment of relationship managers, although they fall in the skilled and professionally trained cadre of employees (Horn & Rudolf, 2011; Yavas et al., 2004), employees may let their own personality (Liu et al., 2004) perceptions or judgments rule the EL strategies towards customers (Grant, 2013; Liu et al., 2008). Employees may not know if they over indulge or underplay EL strategies, since they would not know the customers' perceptions of their EL, especially since customers are involved in the co-production of the service (Marcoux & Guihur, 2012) and are also the prime recipients of the service rendered exerting a high power on the employee EL (Price et al., 1995; Totterdell & Holman, 2003; Wharton & Erickson, 1993).

Basic customer model

A basic customer model was constructed with customer expectation of DA and customer expectation of SA as exogenous constructs, customer perceived interaction quality as latent or endogenous construct, while customer intention to continue the service relationship is the outcome variable.

This basic customer model proves to be strong in its construction in terms of the interplay of constructs, model fit and strength of the variables.

As expected, the customers have a strong perception and opinion on the various variables of DA expectation, SA expectation, perceived interaction quality, and intention to continue service relationship. This could be due to the customers' higher power over the employees in the service relationship (Price et al., 1995; Totterdell & Holman, 2003; Wharton & Erickson, 1993), especially in a high-contact service context (Brotheridge & Grandey, 2002; Diefendorff & Richard, 2003) such as private banking, as chosen in this thesis (Horn & Rudolf, 2011; Seiler et al., 2013; Yavas et al., 2004) where the interaction component is very high (Glomb et al., 2004; Guy & Newman, 2004).

Customers tended to set high expectations for DA and low expectations for SA. This is somewhat expected since when asked in isolation, expectations for the positive authentication tended to be kept at a high (Salman & Uygur, 2010). The probability of setting low expectations towards EL is small for a service receiver, since rendering good service is deemed necessary from organizations' (Grandey et al., 2005; Guerrier & Adib, 2013; Martin et al., 1998; Sutton, 1991) and employees' perspectives (Grandey, 2000; Kiely, 2005).

Customers in this model, as shown in Appendix section 6.8 (i), Diagrams 6.8 (i3) and 6.8 (i4) are able to set their expectations of EL high and connect the expectations to their perceived interaction quality to be higher with DA (0.330; t-value=4.248) and lower with SA (-0.414; t-value=4.953). They also believe, like the employees, that intention to continue their service relationship would be greater if the interaction quality is strong (Mittal & Lassar, 1999; Parkington & Schneider, 1979; Svensson, 2003; Svensson, 2004). This is expected of the customers, since the choice of continuation of the relationship lies more with the customers than the employees. The power to make a decision of continuation is vested more in the customers, and these are the pre-set conditions of service organizations. The power to experience interaction and rate it also lies more with the customers than the employees, and thus they seem to set high expectations of EL from the employees and also have a stronger connection to the constructs in their model. Price et al. (1995), Totterdell and Holman (2003) and Wharton and Erickson (1993) also found customers to be relatively more important entities to whom employees would be obligated to render EL.

Multi-group analysis: Determining the differences between the employee perspective and customer perspective

The multi-group analysis was conducted to test the differences between the employee model and the customer model. Although not within the scope of the thesis, it yielded more support for the theorized final model. No significant differences were found in the paths between SA, DA, interaction quality and intention to continue the service relationship. This appears to indicate a fundamental issue that, even when considering EL and interaction quality separately, analysis yields similar perspectives. Service providing employee and service receiving customers have an isolated perspective in terms of the interplay of EL, interaction quality and intention to continue the relationship. This adds further weight to testing EL as performed by employees and how it impacts the interaction quality perceived by customers (Diefendorff & Richard, 2003) and thus customers' intention to continue the service relationship (Mittal & Lassar, 1999; Parkington & Schneider, 1979; Svensson, 2003; Svensson, 2004). Customer expectations of EL alone strongly impact their view on interaction quality; however, the results differed when the interplay was between employee EL and customer perceived interaction quality, as observed in the theorized model.

Second order construct analysis: Determining if customer perceived interaction quality should be treated as one dimension or through a second layer of sub-dimensions

The theorized model has an important endogenous construct, that is *customer perceived interaction quality,* as derived from the hierarchical model of service quality of Brady and Cronin (2001). Customer perceived interaction quality was tested to determine if it could be used as a single or a second-order construct, further divided into its sub-dimensions of attitude, behaviour and expertise (Brady & Cronin, 2001). Although this was not within the scope of this thesis, it this was important to determine if the theorized model was supported by the data collected.

The data supported Brady and Cronin's (2001) hierarchical model, as also supported by prior research conducted in other high-contact services including private banking (Horn & Rudolph, 2011; Manolis & Winsor, 2000) as shown using the Fornell-Larcker test in the Table 5.1 (b).

Second-order construct analysis was conducted to determine the efficacy of using this hierarchical model in this research. Interaction quality (customer perceived) was further sub-divided into attitude, behaviour and expertise sub-dimensions. Second order analysis determined if the three sub-dimensions of attitude, behaviour, and expertise could be taken under the umbrella of interaction quality as perceived by the customers or needed to be treated as separate first-order dimensions (first layer with direct path connections to employee DA and employee SA).

Interpreting the second-order construct analysis for customer perceived interaction quality

As proposed in the theorized model, customer perceived interaction quality could be treated as a single layer dimension, and not broken into sub-dimensions of attitude, behaviour, and expertise, in this research. This helps retain the dimension of interaction quality as is (Brady & Cronin, 2001). Customers chosen in this thesis also belong to a private banking context with a high interpersonal component (Karatepe et al., 2005; Lassar et al., 2000), where the hierarchical model has proven to be more effective than the other service quality constructs.

The possible reason for using a single order construct in this thesis could be because customers solely depend on the employees and their interaction with that employee. The customers may find the sub-dimensions highly inter-related, associating the aspect of expertise, behaviour and attitude with that one employee they interact with (Horn & Rudolf, 2011; Sieler, 2013). The

aspect of familiarity over time may re-emphasize their interaction and thus interaction quality rather than individual aspects of the interaction (Grandey, 2000; Grandey 2003; Grandey, 2003).

Theorized model: Without mediation

The theorized model postulated the first connecting point between employee DA and SA with customer perceived interaction quality. The variables for employee DA, employee SA, and customer perceived interaction quality and customer intention to continue the service relationship were tested for validity and reliability measures.

The two hypotheses tested were:

H1a(+) → Employee deep acting relates positively to interaction quality as perceived by the customer. **H1a(+) hypothesis was supported** with the path coefficient=0.340, and t-value significant at 5.095 (>1.96), as shown in Diagrams 5.1 (a) and 5.1 (b).

H1b(-) → Employee surface acting relates negatively to interaction quality as perceived by the customer. **H1b(-) hypothesis was not supported**, with a weak path coefficient at -0.048 and t-value not significant at 0.450, as shown in Diagrams 5.1 (a) and 5.1 (b).

Inference for H1a(+) and H1b(-)

Comprehending the positive impact of DA

Organizations such as banks, fall under the institutionalized category- expecting their employees to conform to standards and policies and express positive emotions in their interactions (Grandey et al., 2005; Guerrier & Adib, 2013; Martin et al., 1998; Sutton, 1991). Private banking as a profession would fall under high-contact, high interaction service category (Chase, 1978; Chase, 1981). The importance of interactions in private banking is high (Horn & Rudolf, 2011), with customers relying strongly on their interactions with the relationship managers to form perceptions of their interactions (Boulding et al., 1993; Horn & Rudolf, 2011). The individualized services provided by the relationship managers towards their customers are encouraged in institutionalized organizations such as banks (Grandey et al., 2005). These person-to-person relationships can become so strong that they may grow beyond customer-organization to customer-RM bonds, where, if RM switched his/her employment, the

customer may also follow suit (Mittal & Lassar, 1998; Seiler et al., 2013; Yavas et al., 2004). These factors could influence the employees to engage more in DA than SA, resulting in a positive impact on interaction quality.

Organizations could also be recruiting personalities that are more customer-oriented (Allen et al., 2010), extraverts (Judge et al., 2009), and emotionally intelligent (Liu et al., 2008; Grant, 2013) and likely to engage in DA more than SA, making DA easier (Ashforth & Humphrey, 1993). This could result in a workforce more prone to DA than SA, yielding a more positive impact on the interaction quality perception of customers (Randolf & Dahling, 2013; Salman & Uygur, 2010; Trougakos & Jackson, 2011).

Organizations also try to breed an environment of serving the customers, aiming to meet customer satisfaction and delight while creating an environment and culture of embracing positive DA for the employees (Sutton, 1991). Organizations may create not just a culture, but also establish training and mechanisms to absorb skill-sets to perform DA (Karabanow, 1999). This could be a reason for the employees to perform more DA than SA, ultimately resulting in more positive interaction quality as perceived by the customers. Employees could also be performing DA more often than SA to conform to the institution's service standards and policies.

Organizations could also be training and keeping employees motivated to perform DA through tangible (like monetary rewards, bonuses) and intangible (like awards and recognition etc.) incentives that banks may offer to the employees who create more tangible investment benefits for the customers and thus increase revenues/profitability for the banks. This could create well-retained and satisfied employees with less turnover intentions (Moon et al., 2013) and in turn create repeat customers (Tang et al., 2013; Wang et al., 2012).

The relationship between the employees and customers in the private banking context is intense with the employees responsible for customers' investments, bank accounts and related services (Horn & Rudolf, 2011; Seiler et al., 2013; Yavas et al., 2004). Stemming from this high-pressure and delicate relationship towards the customers (Diefendorff et al., 2010), employees could possibly be performing DA with greater intensity than SA across encounters-across time to cope and manage their stress better and stay more positive (Tang et al., 2013; Tsai et al., 2012). This could result in a positive and favourable impact on the customers' interaction quality.

Employee DA has a positive impact on the customer perceived interaction quality because DA is associated with authenticity and genuineness of emotions (Hochschild, 1983) and authenticity is highly desired by the customers in their interactions, as seen in the customer basic model and the final theorized model with mediation (Diagrams 5.2(d) and 5.2(e)) (Salman & Uygur, 2010). Relationship stakes are high, with profit for the customers and gains for the employees at the forefront. The employee is the face of the organization in this context and the customer could be solely dependent on the skills and delivery of service of this employee for his/her investments with the organization. Above all, if the genuineness of the service rendered is relayed by the employees through DA, customers are bound to perceive their interaction positively, especially when customers expect high-authenticity in their interactions with the relationship managers (Groth et al., 2009; Salman & Uygur, 2010). Attitude, behaviour and expertise of the employees would be perceived positively when the authenticity is high. This could be a prelude to trust and building stronger service relationship bonds with the employees. Thus, authenticity of emotions generated by employee DA appeared to impact the interaction quality of the customers positively (Groth et al., 2009).

Comprehending the negative impact of SA

While expressing the positive could be straight-forward, curbing negative emotions could be more complex for the employees, causing stress (Pugliesi, 1999), emotional exhaustion (Kim et al., 2012; Lapointe et al., 2012; Montgomery et al., 2005; Schreurs et al., 2014; Tang et al., 2013; Tsai et al., 2012) and dissatisfaction with their jobs (Diefendorff & Richard, 2003; Diefendorff et al., 2011; Kammeyer-Mueller et al., 2013). Curbing the negative emotions entails SA (Hochschild, 1983).

Organizations prepare employees through training to deal with difficult customer situations maintain decorum and order to bring the situation under control (Grandey et al., 2012; Korczynski, 2003; Moon et al., 2013). However, training seldom details how the employees may employ coping strategies to manage their own emotions to achieve external effects (Bailey & McCollough, 2000; Rupp & Spencer, 2006).

The employees may have attuned themselves over time to the customers' needs and thus are able to modulate their emotional labour SA component to the benefit of the interaction, such that they do not let it impact the interaction quality of the customers involved (Allen et al., 2010; Schaubroek & Jones, 2000). Possibly, employees are able to reflect positive emotions on

the basis of training, skills, and experiences over time, and able to suppress negative emotions well for the impact to be significantly negligible on the perceived interaction quality of the customers (Grant, 2013; Liu et al., 2004; Liu et al., 2008). Employees did rate 'pretending to have emotions that they don't really have' as lower compared to other attributes of SA ('hide my true feelings about a situation' and 'resist expressing my true feelings'). Thus, they are probably able to subdue their negative feelings, although they may have difficulty in making their negative feelings towards a customer into a positive enactment (Lee & Brotheridge, 2011).

Customized banking solutions require high involvement business interactions, where large investments could be involved (Boulding et al., 1993; Chase, 1978; Chase, 1981). Customers' physical or material benefit from the interaction, in terms of investment benefits and profits, could be valued more than the emotional benefits arising out of their interactions. This could influence the customers to continue their relationships, since the functional aspects of the job relate strongly to the tangible benefits to the customers (Horn & Rudolf, 2011). Possibly, the impact of negative emotional labour or employee SA may be discounted by the customers since the material benefits and the core purpose of investments are met with (Grandey, 2000). While, the positive impact of employee DA may impact the numerous associated transactions and interactions making business more pleasurable, much is at stake in terms of customers' investments, which may make them discount the impact of employee SA on the customers' perceived interaction quality (Groth et al., 2009; Horn & Rudolf, 2011; Seiler et al., 2013).

Another plausible reason for customers to not directly be impacted by employee SA could be customers discounting the negative impact of emotional labour of employees, as they have known them for a long time and also interact with them on a regular basis (Parkington & Schneider, 1979; Seiler et al., 2013). This familiarity could either result in inertia within the customers to change their service provider developing a habit to stay in the same service relationship (Seiler et al., 2013). It is also possible that relationship manager and the customer may develop a fairly strong rapport, or even strong friendships, over their interactions through time (Parkington & Shneider, 1979). This could make the customers discount the negative impacts of employee SA on their interaction quality (Price et al., 1995). The customers could in essence 'blind' themselves to the negative SA by employees, while focusing their perception of the interaction quality on the positive DA of the employees (Groth et al., 2009; Price et al., 1995; Wang et al., 2012).

Other reasons

A strong possibility could be that there may be more antecedents that may affect customers' perceived interaction quality other than just employees' emotional labour (SA and DA). Other possible antecedents with positive and negative impact on customer perceived interaction quality may exist. Some examples could be employees' professionalism, variables such as trust and co-operation – these may assist in explaining the variation in customer perceived interaction quality (Philippe & Gilles, 2010). Some mediating variables that may impact the perceived interaction quality are positive and negative affective moods of the customers that are tested in the work of Groth et al. (2009). The positive state of mood or the negative state of mood in which the respondents could be at the time of responding to the survey could also impact their responses towards positive DA and negative SA (Groth et al., 2009). Customers, if predominantly responded while in a positive affective state may have lessened the negative effect of SA on their perceived interaction quality, thus not supporting H1b(-).

Customers, owing to their capacity to effect organizations and employees in multiple ways may have the ability to exert higher power over employees for them to engage in EL (Diefendorff et al., 2010; Price et al., 1995; Totterdell & Holman, 2003; Wharton & Erickson 1993). This could mean that the causality of the relationship between customers' perceived interaction quality and employee EL could be reversed. The customers could be exerting an influence on the employees to indulge only in DA and less in SA. Customers could be expecting more DA than SA causing the employees to engage in DA rather than SA (Salman & Uygur, 2010). This possibility has been dealt with in detail in the analysis with mediation. It is discussed further in this chapter.

Strongest literature support

The closest support for hypotheses H1a (+) and H1b (-) came from the work of Groth et al. (2009). Groth et al. (2009) found that employee DA had a positive effect on perceived customer orientation and service quality, while employee SA had no negative effect as long as the EL was not detected by the customer. In this thesis too, the direct effect of employee DA was found to be significant and positive, while employee SA was found to have no significant negative impact on customer interaction quality, supporting the findings of Groth et al. (2009). This is a critical piece of literature evidencing findings similar to this thesis. Thus, it was imperative to find the effect of the mediating variables- customer expectations of DA and customer

expectations of SA. These replaced the moderating effect of customer EL detection that Groth et al. (2009) chose.

Theorized model: With mediation

This section deals with the findings from mediation analysis, with customer expectation of DA and customer (non) expectation of SA as the mediating variables between the direct relationships of employee SA and employee DA on customer perceived interaction quality. The analysis was carried out as shown in the Diagrams 5.2 (d) and 5.2 (e).

The direct relationship between employee EL and customer perceived interaction quality yielded some interesting insights. The positive impact of employee DA was as postulated and expected. However, the negative impact of employee SA was not supported as hypothesized as shown in Diagrams 5.1 (a) and 5.1 (b). The aim was also to understand whether the mediation of customer expectations of EL (DA and SA) would alter the direct relationship between employee EL (DA and SA) and customer perceived interaction quality. These further added to the significant understanding of the service relationship between the employees and the customers.

The mediation analysis results were presented in Chapter 5b: Model development and testing (Diagrams 5.2 (d) and 5.2 (e)). With the introduction of mediation from customer expectation of DA and customer expectation of SA, the model fit, reliability and validity of the outer loadings are improved than the theorized model suggesting the relevance of including customer expectations of EL. The strength of the variables involved, and taking the constructs together, lends more coherence to the final postulated model with the introduction of mediation. The few weaknesses that were witnessed in the theorized model without mediation were found to be gone with the introduction of mediation variables, indicating that these variables seemed to lend more evidence to explaining the actual interaction situation between the employee DA, employee SA and customer perceived interaction quality, as shown in through the strength of the outer variables of each of the constructs (Diagram 5.2 (d)).

Hypotheses tested and outcomes were:

H2a→ Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

The findings supported H2a, with partial mediation strength as shown in the Table 5.3(d).

H2b➔ Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

The findings supported H2b, with partial mediation strength as shown in the Table 5.3 (d).

H3a➔ Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

The findings supported H3a, with partial mediation strength as shown in the Table 5.3 (d).

H3b➔ Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

The findings did not support H3b, with no mediation at all as shown in the Table 5.3 (d).

H2a➔ Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

H2a was supported with partial mediation strength, as shown in the Table 5.3 (d). The employee DA already demonstrated a significant and strong positive impact on the customer perceived interaction quality as shown in the Table 5.3 (c). If customers' expectation of employee DA was high and employees were already deep acting, then the relationship positivity was enhanced. Possible reasons could be:

- When expectations of DA are met with positive DA from the employees, the positive impact could have been enriched, because the expectation is met by similar actions from the employees, thus enhancing the interaction quality of the customers. The familiarity of the relationship could be further responsible for enriching the employee DA and customer perceived interaction quality.
- In an interaction intensive banking service relationship, the customers possibly exert relatively greater power on the employee, being the key service. This could influence the acting strategies of the employees. Customers' expectations are bound to influence their own internal judgment on interaction quality, with positive DA expectation positively influencing their interaction quality perception.

- Employee DA could influence customers' expectations of DA and when one gets used to a certain level of "good" service, the particular level at which the service is rendered by the employees could be taken for granted by the customers, leading to increased expectations for more. For example, in an airline, customers are used to being greeted, communication of safety guidelines, be served food and drinks and would have the provision to call for help from stewards if needed. A decade back, safe air travel in itself was a unique proposition, but this has now become the norm. Similarly, the services offered are becoming the norm, triggering more expectations and customizations that can now be seen in the industry such as customized food, private suites, spa, lounges and other luxuries on the offer.

  The partial mediation possibly denotes that customer expectations exceeds the actual employee DA, because of which the positive strength may not be as high as observed in the direct effect (employee DA-> customer perceived interaction quality).

- Another plausible reason for increase in customers' expectations of DA could be the familiarity with the relationship. While the actual employee DA may have remained consistent and impacted perceived interaction quality positively, the customer expectations may have outgrown the actual DA already.

- The chosen relationship context is also high-intensity and heavily personalized with each relationship differing from each another. This could also impact the expectations of the customer to be high for DA such that the tangible deliverable of investments is well matched and enhanced with the intangible EL expectations and interaction quality. This may be responsible for dampening the effect of the mediation.

- The partial mediation is an indication of the strength, indicating that expectation has an impact and a fairly strong one (given the variance contribution as shown in Table 5.3(d)). However, it may not be the sole reason influencing the customers' positive perception of interaction quality. There could be other mediating influences that may not have been covered in the purview of this thesis.

H2b→ Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

H2b was supported with partial mediation. When customer expectation of DA was not mediated, the relationship of employee SA on customer perceived interaction quality was not significant. The employee SA did not have the positive impact as postulated in H1b. However,

when the customer expectation of DA was brought into play, the dynamics of the relationship changed to negative. This depicts the importance of the mediation in terms of the expectation by customers.

- A plausible reason is that, when expectations are for positive DA, but what is received is negative SA, the perceived interaction quality was lowered or the relationship between employee SA and customer perceived interaction quality was negative. Customers' relatively higher situational power than the employee could lay stress on the employees performing EL causing them to dwell in SA. When expectations for the positive DA are met with hiding, resistance and pretence of emotions (i.e. SA), customers' perceptions of interaction quality become more negative.

- High familiarity owing to the involvement of known entities could make the expectations for DA more pronounced. Although the direct impact of employee SA on customer perceived interaction quality was not significant, mediation by customers' expectations of positive DA did make the negative effect more pronounced on customer perceived interaction quality.

- Intensity of the interaction could further escalate the negative impact of employee SA. Positive expectations of authenticity by the customers, if met with unauthentic display of employee emotions (SA), appear to trigger a negative perception of interaction quality.

- The strength of the mediation is partial. This could be because knowing each other personally could influence customers to not absorb negative influences. Knowing each other over time, can sometimes impact one to play down the negative effects of the relationship. It sometimes becomes particularly difficult to report a negative sentiment for customers when they may be familiar with their service provider over time and this could dampen the negative impact of employee SA on customer perceived interaction quality.

H3a→ Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality.

H3a was supported with partial mediation.

- Lower expectations of SA by the customers could exert an influence on the employees to delve more in DA than SA. When expectations of negative SA are lower for the

customers and positive DA is received from the employees, a situation of exceeding the expectations exists, and that could enrich customers' perception of interaction quality, thus making the relationship positive.

- Another perspective could be that employee DA could trigger the customers to expect lesser SA, impacting their interaction quality perception positively. If employees through their EL could prime the expectations of their customers, then the expectation of SA would be further reduced, since the expectation of authenticity is expected i.e. DA is expected by the customers but SA is not.

- Familiarity with the employees could make the customers expect lesser SA. Since, the customers now know the employees, they could be expecting the employees to see no need to inhibit their feelings or pretend to have emotions that they may not have. This expectation when met with employee DA would enhance the positive impact on interaction quality as shown in the Table 5.3(d).

- The direct relationship was already strong and positive, lowered expectation of SA from customers may impact the positivity of employee DA on customer perceived interaction quality partially, but not fully. This could be due to the non-expectation of negative SA not being given as much importance as customer expectation of DA is. Familiarity of the relationship could dampen the negative impacts, if any, from the interactions on the customers.

H3b→ Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality.

H3b was not supported, with no mediation at all.

No mediation could due to the possibility of customers being blind to the impact of negative SA on their perceived interaction quality.

- Customers may feel strained in expressing dissatisfaction or sending a negative message to an employee using EL owing to possibly years of interaction in a service relationship, which could be a plausible reason for not finding support for H3b.

- Customers' expectations of DA appear to have a more pronounced influence than customer (non)expectations of SA. This could owe to the familiarity of the relationship and/or high-intensity interaction oriented relationship. The expectation of employee DA and its impact on customers' interaction quality is more pronounced (Salman &

Uygur, 2010). This is evident from the variance explained by the customers' expectation of DA (21.6%) versus that of customers' expectation of SA (10.8%), as shown in the Diagram 4.2(d).

Knowing one another for long imbues the interaction with more positive impact from DA. Customer expectations of DA are more pronounced, and employee DA has a more positive impact. Primarily customers' low-expectation of SA has an impact when employees engage in SA and no impact when employees engage in DA.

Outcome variable: Relationship between customers' perceived interaction quality and customers' intention to continue the service relationship

The outer loadings for the variables associated with the constructs of 'customer perceived interaction quality' and 'customer intention to continue the service relationship' were found to meet the threshold values for indicator reliability, composite reliability and convergent validity. The discriminant validity demonstrated marginal elements of multicollinearity between the variables contained within the customer perceived interaction quality and customer intention to continue the service relationship constructs. Horn and Rudolf (2011) also found some multicollinearity in their work; however, they found variables of service continuity more apt as a separate construct, rather than combined with perceived interaction quality. This thesis also finds marginal multi-collinearity, but this is not overly inhibiting since one of the criterion is met (Fornell-Larcker), while the other is not (HTMT). Future works could further consider defining the constructs and establishing stronger discriminant validity for them.

The inner path coefficient connecting the two constructs was strong (0.870), significant (t-value = 47.738) after bootstrapping for sub-samples = 5000) as shown in the Diagrams 5.2 (d) and 5.2 (e). Customer perceived interaction quality was able to explain 75.7% of the variance in customer intention to continue the service relationship.

Hypothesis H4 (+)→*The greater the customers' perceived interaction quality, the more positive customers' intentions are to maintain service relationship with service provider*

This hypothesis was supported.

Service quality has been found to impact retention and loyalty intentions of a customer (Zeithaml et al., 1996). Interaction quality is a sub-dimension of service quality (Brady &

Cronin, 2001) that impacts customers' intention to continue the service relationship, which is a part, or a prelude to loyalty intentions (Svensson, 2003; Svensson, 2004). The findings in H4 (+) support the prior research in the context of private banking, where customer satisfaction with the interpersonal component further enhanced referral value. Referral value would be achieved if a customer remained in a relationship (Yavas et al., 2004). The interaction intensive process itself impacts the continuity of the relationship, which is observed from the support for H4 (+). Retaining the relationship with the same service provider (employee) is one of the key variables. Positive relationship prevailed between customer perceived interaction quality and intention to continue the service relationship. The person-to-person context can also extend beyond one organization, since one of the variables asks if the customer would continue the relationship with the employee even if he/she switches the organization which is a strong indication of the person-to-person relationship.

Inference for H4 (+)

The research adds credence to the finding that in personalized services, the employees' EL could impact the customers' intention to continue the service relationship by impacting their interaction quality. Previous studies have also suggested this (Kandampully, 1998; Svensson, 2003; Svensson, 2004; Zeithaml et al., 1996). So much so, that the customers' relationship with the employee could be strong enough for them to move their investments to another bank that the employee switches his/her employment to. This is supported by the observations in other studies (Parkington & Schneider, 1979; Seiler et al., 2013; Yavas et al., 2004).

There could be other variables that may impact customers' interaction quality and customer intention to continue the service relationship, albeit that the variances explained show moderate to high impact of the chosen variables (75.7% variance explained as seen in Diagram 5.2 (d)). Employee EL has a moderately high impact on customer perceived interaction quality, which is a valuable addition to knowledge. This could be a valuable piece of information for formulating organizational strategies towards customer service management.

Multicollinearity between the constructs of customer perceived interaction quality and customer intention to continue the service relationships could mean that the dimension of customer continuity could need further definition in future works. Although the literature and analysis support the dimension of interaction quality as distinct, relationship continuity may

have been construed by the customers as an element in perceived interaction quality (or vice versa).

Discussion: Remarks

This chapter dealt with the detailed inferences drawn from the findings of the hypotheses. Employee DA affects customer perceived interaction quality and employee SA does not. DA is more relevant because of interaction intensity, familiarity, and high-impact deliverables involved in banking service relationships. The impact of this research with respect to its contribution to theory, its benefits and applications for practice, transferability of findings to other contexts and limitations shall be addressed in the final chapter - Chapter 7: Conclusion.

Chapter 7: CONCLUSION

Introduction

This chapter highlights the essence of this research. It covers the importance of conducting this research, the contributions that this thesis makes to theory, the usefulness of this piece of research to industry and corporate practitioners. The chapter is divided into following sections:

- Introduction
- Importance of thesis research
    - o Discussion findings: Summarizing the findings
    - o Contribution to theory
    - o Contribution to practice (business)
- Future research recommendations
- Research limitations
- Conclusions

The culmination of the results and their interpretive explications depicted interesting findings. Only two hypotheses (H1b (-) and H3b) found no support; all the other hypotheses found support from the data. The hypotheses were postulated on the bases of theoretical linkages; the data collected in the private banking context here lend support to these postulated linkages for much the greater part, as most of the hypotheses were supported.

Importance of this research

This thesis began with curiosity concerning the concept of emotional labour, extending its realm to service relationships, viewing it from the dual perspective of employee acting and customer expectations, and connecting these to the impact on customers' perceived interaction quality, as well as the outcome variable of intention to continue the service relationship with the provider.

The key summary of the findings from the model testing and analysis as seen from the hypothesis testing were as given below:

H1a(+) → Employee deep acting relates positively to interaction quality as perceived by the customer **(supported by findings)**.

H1b(-) → Employee surface acting relates negatively to interaction quality as perceived by the customer **(not supported by findings)**.

H2a → *Customers' expectation of employee deep acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality* **(supported with partial mediation)**.

H2b → *Customers' expectation of employee deep acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality* **(supported with partial mediation)**.

H3a → *Customers' expectation of employee surface acting mediates the direct relationship between employee deep acting and customers' perceived interaction quality* **(supported with partial mediation)**.

H3b → *Customers' expectation of employee surface acting mediates the direct relationship between employee surface acting and customers' perceived interaction quality* **(not supported; no mediation)**

H4(+) → *The greater the customers' perceived interaction quality, the more positive customers' intentions are to continue the service relationship with the service provider* **(supported by findings)**.

The findings helped to answer the research questions of how EL is connected to interaction quality and customers' relationship continuity intentions. H1a (+) and H1b (-) help identify how deep acting impacts positively and surface acting does not impact negatively, answering the first research question - "*What is the nature of the relationship between employee deep and surface acting on customers' perceived interaction quality in a private banking service relationship?*"

Hypotheses H2a, H2b, H3a, and H3b helped explain the mediating relationship of customers' expectations of EL on employee DA and SA and customers' perceived interaction quality. With the exception of H3b not finding support, H2a, H2b and H3a helped answer the second question - "*What are the mediating effects of customers' expectation of employee deep and surface*

acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?"

H4(+) was supported and helped forge a connection between customers' perceived interaction quality and customer intention to continue the service relationship, thus answering the third and final research question - *"What is the impact of customers' perceived interaction quality on customers' intention to continue a banking service relationship with the same service provider?"*

The flow of EL from employees to customers' expectations of EL, customer perceived interaction quality and how it impacts customers' intention to continue the service relationship was explicated. This has potential for a significant impact on the evolution of EL literature; by delving deeper into the customer realm and service relationship a novel context was established.

Contribution to theory

The interplay of the variables as shown in the final hypothesized model is unique, since the effect of employee emotional labour has not been tested on customers' perceived interaction quality before. Face-to-face interactions would involve EL and this has been explored widely from the employees' perspectives, but never previously extended to a key player (customers) who are a prime recipient of EL from the employees. Thus, this research paved a way for EL to move from the employee realm to that of the customer. The mediation of customers' expectations of emotional labour has also not been tested in any previous research, thus it further adds to the theory building intentions of this thesis. No previous work has encapsulated the expectations of EL, although detection of EL has been explored in service encounters. The mapping of customer expectations of EL to actual EL acting of employees has not been achieved in previous research and thus this work adds to the existing body of literature.

The relationship between customers' perceived interaction quality and customers' intention to continue the service relationship has been broached in prior works (for e.g. service quality impacting customer loyalty intentions). This thesis reflected a sub-dimension of service quality - interaction quality and continuity of service relationship, which acts as a prelude to customer loyalty intentions (Kandampully, 1998; Parkington & Schneider, 1979; Svensson, 2003; Svensson, 2004). Relationship continuity is the first step in achieving the loyal behaviour of a customer (Zeithaml et al., 2006).

Capturing dual perspectives of customers and employees

Most prior research has looked at either an employee or a customer perspective in isolation. Some of the work that does look at both perspectives also does so only through an experimental design (Trougakos & Jackson, 2011) and/or through a third-person observer lens (Wang et al., 2012) rather than a cross-sectional design. The collection of dyadic data and simultaneous paired analysis of the perceptions from both employees and customers helps better understand the relationship from both the closely involved entities. The flow of the EL happens from employees to customers, impacting both employees' and customers' perceptions of interactions. Dyadic data collection helped capture a snapshot of the relationship at a particular juncture in time. This enabled customers and employees both to present their responses on the EL performed and EL perceived, thus providing a holistic picture of the relationship in its entirety, instead of capturing lone perspectives. Understanding how employee DA and employee SA impact customer perceived interaction quality has shed light on service relationships as a whole, a desired outcome of this thesis. Had only customer expectations of EL been captured (as seen in the customer model), it would have shown that customers expect employee SA to be as low as possible, laying an indirect pressure on the employees to strictly adhere to only DA. However, through the dyadic approach of collection and analysis, it was found that while employee DA did have a positive relationship, employee SA did not have an entirely negative relationship on customer perceived interaction quality. This also helped answer the first question - '*What is the nature of the relationship between employee deep and surface acting and customers' perceived interaction quality in a service relationship?*'

Mediation of customer expectations of EL helped bridge the gap between employee actual EL behaviour and customers' perceived interaction quality. As expected, customer expectations of DA and SA both mediated the direct relationship of employee DA and customer perceived interaction quality. Higher expectations of DA mediated the positive relationship between employee DA and customer perceived interaction quality. Similarly, the lower the expectations of SA by customers; the more positive the relationship between employee DA and customer perceived interaction quality.

The direct relationship between employee SA and customer perceived interaction quality was not significant; however, the mediation of customer expectations of SA and DA changed this. Customer expectations of SA did not mediate the direct relationship; however, customer

expectations of DA *did* impact this relationship, such that the higher the customer expectation of DA, the more negative the relationship between employee SA and customer perceived interaction quality. Expectations of customer EL essentially impacted employee DA and customer perceived interaction quality, although the strength of this relationship was partially mediated in all three instances. This helped answer the second question of the research - *'What are the mediating effects of customers' expectation of employee deep and surface acting on the relationship between employee deep and surface acting and customers' perceived interaction quality?'*

This research emphasizes the nuances within both customers' and employees' EL, from both ends of the relationship. The match of EL performed and EL perceived is important to understand. If the performance of EL by employees is understated, or overstated in the expectations of the customers, this has a bearing on the interactions. Unless the expectations of the customers are understood, it would be difficult for the employees to know if they were matching these expectations (or not). If both responses are captured together, then the situation of laying unnecessary pressure on the employees to perform positive DA at all times could be resolved.

Relationship continuity is highly desired for long-term benefits to the organization, leading to higher and sustained revenues and thus sustained profitability. Sustained relationships can be possible if the flow of employee EL acting strategies are as per the expected EL of the customers, such that the customers' perception of interacting quality is positive.

Context of service relationship

The hypotheses have been supported by the data on all but a few occasions, where the negative impact of employee SA on customer perceived interaction quality could not be demonstrated. The direct effect of employee SA was hypothesized to effect customer perceived interaction quality negatively; however this was not supported. The indirect effect of customer expectations of employee SA was also hypothesized to mediate the relationship negatively between employee SA and customer perceived interaction quality; however, this was not supported either. This is a cogent finding since some previous research supports the negative impacts of employee SA on customers (Hennig-Thurau et al., 2006; Price et al., 1995; Wang & Groth, 2014), while others do not (Groth et al., 2009; Kiely, 2005). Plausible explanations for these variation in findings are:

- Negative impact was observed in studies set in a service 'encounter' setting, while this thesis deals with service 'relationships'. In a service encounter, customer and employee may or may not know each other so well, so it could be easier to express a negative concern over an employees' behaviour, since the familiarity component barely exists. Customers and employees could be 'perfect strangers' and may not even meet again. However, in a service relationship, especially private banking, customers and relationship managers come to know each other over time and the relationship is usually long-term. Familiarity and close rapport between the employees and customers could dissuade the customer from expressing negative perceptions of employee EL.

- Another reason could be the stakes of the service itself are very high, since it is private banking. The material investments and their performance could outweigh personal interaction, due to which any negative issues related to the interaction could be overshadowed by the material benefits that customers may experience.

The service relationship as a context has not been explored in the realm of EL, barring Kiely's (2005) initial qualitative work. Her research was also primarily in the business-to-business context, while this thesis looked at business relationships from a consumer (person-to-person) perspective. This study would be relevant in taking the findings further in the banking sector, as well as other interaction-reliant industries and sectors, where customer-employee pairs form almost an independent relationship impacting organizations. The interaction between the customer and employee is crucial. Customers could experience profitable outcomes through authentic and trust-worthy interactions with the employee through their EL behaviour. Employees could modulate their EL strategies by modulating them on the basis of informed customer EL expectations to meet the customers' expectations better. As seen in the mediation analysis, H3b was not supported- Expectation of lower SA by customers does not mediate the impact of employee SA on customers' perceived interaction quality. Customer expectations for lower employee SA could be overstated by organizations. In familiar service relationships, the customer may be able to 'pardon' employees' SA, without perceiving a negative impact on their interaction quality. Customers probably expect emotional authenticity in a very natural manner, without having to judge the employees particularly. This would allow for the employees to modulate their usage of EL accordingly, without the pressure to 'outperform' their DA or SA benchmark every time. This could allow the employees more emotional space and bolster their emotional well-being and job satisfaction.

Importance of interaction and studying interaction quality

Most previous studies have broadly taken an overall dimension such as service quality as a latent construct or as an outcome variable. However, this study focussed on the interaction quality component, as taken from the hierarchical model of Brady and Cronin (2001). EL is a pre-requisite for interaction-oriented contexts; however, none of the previous work has considered studying the perceived interaction quality of customers. This study examines the impact of employee EL on customers' interaction perceptions and probably led to EL acting strategies by employees and customer expectations of EL (Salman & Uygur, 2010). The key pre-requisite for EL is interaction, and thus the purpose was emphasized in the case of service relationships such as personal banking relationships, where many investment decisions are made by the customers based on their interactions with the employee representatives from their bank (relationship managers/officers). The relationship is long-term and sometimes across several encounters making the familiarity between the customer and the relationship manager high, so much so that the rapport could convert them to possibly friends also on some occasions. Since EL would be more pronounced, owing to the high-intensity interactions in banking relationships, the impact of fruitful interactions would have considerable impact on relationship continuity itself. This may be a plausible effect of the highly personalized interaction between the customers and the relationship managers. This relationship could be so strong that, on occasion, customers could be willing to move their investments to the bank to where the relationship manager switches for employment. The effect of interaction quality as perceived by customers and its outcome on their intentions to continue the service relationship was investigated. None of the previous work has looked at understanding interaction quality despite the impact of EL itself being pronounced in high-intensity interaction based service relationships.

Additional findings

Interaction quality had further sub-dimensions of attitude, behaviour and expertise according to Brady & Cronin (2001). Interestingly, second-order construct analysis proved that interaction quality as hypothesized for this thesis was very much a single dimension and need

not be represented as its sub-dimensions of attitude, behaviour, and expertise, as shown in Chapter 5(b). Horn and Rudolf (2011) found in their study how a hierarchical model was befitting in the private banking context. Horn and Rudolf (2011) previously found high relevance for the study of interaction quality construct in private banking relationships. Second-order findings found support the extraction of the interaction quality component from the hierarchical model of Brady and Cronin (2001). This thesis initially did not set out to validate whether interaction quality could be used as a single dimension or not. However, the findings added further credence to the notion that the sub-constructs of attitude, behaviour and expertise do not need be used as disparate second layer constructs. This allowed for the hypothesized model to stay intact with single layer of interaction quality dimension. Its prominence is high, given the context of private banking. Private banking is a high-interaction context and yet has not been explored previously to analyse interaction quality and its interplay with other constructs. This helps shed light on the interaction quality dimension, particularly in private banking contexts with respect to its impact from EL.

Continuity of service relationship

The interesting aspect of a private banking service relationship is that continuity of relationship itself could yield gains for the bank (organization), since a longer standing customer is more likely to continue to be retained. It may also lead to repeat purchase or upselling of financial products or increase in investments. If the strength of the interaction quality is reinforced by positive DA from employees, then chances for continuity of relationship would be strengthened. A very interesting finding was that this continuity could even extend to when an employee switched employment to another firm. These findings helped answer the final question - '*What is the impact of customers' perceived interaction quality on customers' intention to continue a banking service relationship with the same service provider?*'

Continuity of relationship was chosen to be studied more from a person-to-person context rather than person-to-organization context. With service continuity element captured in service relationships, a significant contribution was achieved to building knowledge in this area, since this was completely untouched. Personalized selling is a person-to-person relationship context where relationship continuity is dependent on the interactions of the employees and customers (Gutek et al., 2002; Horn & Rudolf, 2011). Customers highly satisfied with their interactions would have a higher tendency to continue their service relationships with a particular *employee*

(Kandampully, 1998). Relationship continuity over a long period of time could signify higher gains from customers for the organization (in terms of revenues, profits, quality perceptions which in turn may influence brand perceptions of the organization i.e. bank) – but this may well be predicated on employee retention. Relationship continuity is thus highly correlated to interactions between the customer and employee if not entirely a function of them, especially in private banking relationships. High-interaction contexts like private banking lay grounds for EL as a tool for the employees to deliver their interactions to the customers. An EL perspective helps shed light on EL's importance in influencing service relationship continuity, by testing the impact of employee EL on customers' interactions and thus their outcome decision on service continuity, owing to their perceptions of the interactions. This thesis helps answer questions on the impact of EL, relevance of interactions, and its impact on the intentions of service continuity in service relationships.

Multicollinearity, although marginal, was noted between the constructs of customer perceived interaction quality and customer intention to continue the service relationship. The customers (respondents to the dimensions) could have construed the two dimensions to be slightly similar in nature, given the context of interaction-based services. Further research should be conducted to define the customer intention to continue the service relationship construct. On the basis of the literature analysed, service continuity is different from customer perceived interaction quality. However, it could be correlated, as it is highly connected and an immediate outcome of a strong interactive bond. The result is accepted here, since previous work also found service continuity to be a separate dimension from interaction quality (Horn & Rudolf, 2011). This thesis was also not able to establish whether the constructs were clearly distinct or not, since using one long-established test this was the case; however' using another more recently developed statistical criterion (marginally) failed to demonstrate that this distinction was evident.

Summary: Theoretical contributions

The key additions to the theory were:

- Extension of the concept of EL to the customer realm rather than the employee realm (which has been studied more extensively in prior research). This helped understand how important the *actual employee* EL is with respect to *customers' expectations* of EL,

210

thus bridging the gap present in previous studies, and understanding the relationship in the round, rather than in individual isolation.

- Understanding nuances of a person-to-person employee-customer relationship from the perspectives of both the involved entities rather than studying one or the other entity in isolation, which is the first of its nature thus far in a relationship setting (a few other studies from Groth et al. (2009) have been done in service encounter context, but not in service relationship context).

  o Dyadic data collection ensured paired analysis and captured the flow of EL from employees to customers, capturing the essence of the entire relationship rather than one end of the spectrum.

- The choice of service relationship in the private banking context not only added credence by making the context choice highly relevant, but also this is the first study of its kind to do so. EL has not been previously studied from a person-to-person context in service relationships before, making the contribution unique. Service relationships in a professional context would tend to harbour EL over several interactions between the employees and the customers. This thesis helped to understand these relationships at length in terms of the impact of EL on interaction quality and service continuity which has not been tested previously either.

- Adding the layer of service continuity connected employee EL and customer relationship continuity intentions, through customer perceived interaction quality was significant. Although previous EL studies have tried to look at customer loyalty intentions, none have dealt with the key aspect of relationship continuity itself, which when satiated could lead to additional aspects of customer loyalty intentions.

Holistic understanding of service relationships through the EL perspectives of employees and customers was achieved in this thesis. Matching the customers' expectations of EL to the actual employee EL bridges the gap of knowledge on EL expectation of customers and EL rendered by employees. Relationship continuity as an outcome helps ascertain the impact of employee EL on customers' decision making.

In sum, this research through its combination of dimensions, its choice of context, and the interplay of both the entities involved in service relationship, particularly added value to theory building.

Contribution to practice

The contribution to practice is potentially immense given the implications for employees, businesses and industry.

Cues for employees

Employees are an important link in this thesis, since their actual EL behaviour with respect to particular relationships has been captured. It is employees' EL acting strategies that impact the interaction quality of the customers. If they can find the equilibrium for their EL by knowing the expectations for EL of customers and their respective levels of interaction quality perceptions, they could influence favourable outcomes for continuation of the service relationship.

- Employees can self-train to imbibe attributes (putting themselves in the shoes of the customers, creating a rapport of genuine trust and authenticity, projecting an honest approach towards fulfilment, gaining in the long term and (most importantly) becoming the entity whom the customers trust and welcome advice from within themselves. Employees could work towards strengthening their EL towards DA, since findings suggest the perceived customer interaction quality positively affected when employee DA matched customer expectation of DA.

- A transparent display is what the customer is expecting; thus, the employees should aim for authenticity and transparency in their delivery. The high pressure and stakes of the relationship should be managed with the positivity of emotional delivery to abate the pressures of interaction delivery. Customers seem to be more generous than one might otherwise believe. They tend to judge the employees less on their SA and not let it impact their interaction quality negatively. As seen from the findings, employee SA does not impact negatively, as long as customers expect lower SA. However, higher DA expectation, when met with employee SA, could impact customers' interaction quality negatively. Employees could be more transparent in their delivery and expression of positive and negative, because customers' expectation of DA was much higher than their non-expectation of SA. Also, customers' expectation of DA appeared to impact interaction quality more than the non-expectation of SA. Thus, the employees could use these cues to send a genuine message to the customers that could create more lasting bonds.

212

- Employees could capture the feedback of customers on an ongoing basis on their relationships to learn how well they stand in terms of the effects of each other on the current relationship. Interaction quality checks on attitudinal, behavioural and expertise oriented attributes should be done on an ongoing basis at an individual level to stay abreast with the technical requirements. However, the delivery of these through positive EL strategies would strengthen the impact of the relationships. Thus, employees could benefit from taking an ongoing feedback on interaction quality and customer expectations of EL to match their own EL strategies accordingly. This would enable them to match, per paired relationship with their clients, how much DA was being expected by each customer with respect to its impact on their continuity intention.

Gain for organizations

Organizations have much to gain from the findings of this thesis research.

- The hiring of employees to perform the role of relationship managers is cardinal in a scenario where these employees are the face of the organization. These employees are usually chosen on the basis of their professional qualifications, technical expertise and experience in customized selling. While the technical qualifications could be very important, the authenticity of delivery of these skills is what creates a lasting impression on the interactions of the customers (as seen from this thesis). Findings here suggest that employee DA has a positive impact on customers' interaction quality; employee SA impacts customers' interaction quality only when their expectations are set high on DA. Prospective candidates for relationship roles could be tested for their emotional labour abilities, and how well they modulate their DA and SA to create authentic emotional deliveries. Tests could be designed to understand the emotional labour capabilities of the employees.
- Findings suggest that employee DA has more favourable impact on customers' interaction quality than employee SA. Organizations could design training programmes to hone the skills of employees for their interaction delivery to be emotionally potent through DA. This would have a positive impact on customers' interaction quality. The training could include scenario-based learning, seminars, and emotion-management programmes to acquire the necessary skills and habituate the employees towards positive EL. This could be useful in maintaining a positive service relationship and

create longevity of the relationship. A strengthened relationship could gain the trust of the customers to sustain and increase their investments with the respective banks. Longevity of relationship would eventually translate to retained profits and also possibly increased revenue and profitability per customer.

- Since engagement in DA affected interaction quality positively, organizations could create a culture of indulging in DA at all levels within the organization so that indulging in positive energy would become a norm and practiced at all times. Receiving and practicing positive DA could prove beneficial for the employees to indulge in EL more authentically and naturally, reaping the benefits of positive EL towards attaining positive service relationships over time.

- Organizations could plan to capture timely feedback of customers on their EL needs and align those to the delivery from their employees, as attempted in this thesis. This could help plug the gap between customers' expectations and employees' delivery of EL. A perfect synchrony of EL would help benefit the relationship and eventually bring tangible (customer retention, repeat purchase, high referral value) and intangible gains (brand name) to the organization. Organizations could also look at this study in a longitudinal fashion and set up mechanisms to capture feedback over time so that the relationship status could be understood from EL and interaction quality realms seamlessly.

- As Heskette et al. (2008) suggest, the employees in service organizations are the prime human assets responsible for providing service to the customers. Skilled and trained employees would be able to manage a positive EL delivery and thus positive interaction quality for customers. Organizations could plan employee retention strategies to retain employees who are skilled in EL for long term benefits and gains. Employee retention would ultimately translate to strong customer service relationships and thus long-term gains to the organizations.

Benefits to the banking industry

Though EL has not been examined in the private banking industry before, the importance and prevalence of EL is evident from this study in private banking relationships. The banking industry itself could align its strategies along the lines of EL, so that the gains could be more long term and sustained than with a focus on the short-term gains.

A people-centric business such as private/customized banking especially brings in much of revenue to banks, predominantly through lasting interactions (Yavas et al., 2004; Seiler et al., 2013). However, when the focus is on revenues and profitability alone, the underlying core of delivering honest, authentic and trusted service could be sidelined at times. While profitability and revenue building are the desired outcomes, it is from the focus on the right deliverable inputs that organizations stand to benefit. The virtuous relay of authenticity through EL can be a fundamental ingredient for making or breaking the very building blocks of service relationships, as seen from the findings. A sustained service relationship for an organization could be gained from continual positive interaction quality for the customer through positive employee EL (DA) as seen in the findings.

Inculcating humanity through the concept of EL could be sustained across the banking industry. Emotions per se are central to human beings, and authenticity of these in an important industry like banking would only enhance the quality of interactions in the institution, as observed from the findings. Also, customers are less judgmental of employee SA than DA. They let SA not adversely impact their interaction quality perceptions that highly. Thus, organizations need to adopt a strategy by which employees can be genuine in their relay of emotions by employing more DA for higher and sustained relationships that would translate to profitable organizational gains.

Future research recommendations

This thesis paves the path for several other related works that can be done to improve the body of knowledge along the concepts chosen.

- ✓ The model could be expanded by adding other layers to the existing model
    - ○ Antecedents of employee EL could be added that may help to complete the backward loop. Why EL is performed by employees could be understood to impact the customers' interaction quality.
    - ○ Other plausible variables like employee trustworthiness or employee competency that may impact interaction quality of the customers could be added along with employee EL to understand the relative importance of employee EL vis-à-vis other variables. This could help ascertain the importance of EL in the larger picture with respect to its impact on customer interaction quality.

- The variable of 'interaction quality' could be expanded to include the whole or various composite dimensions of service quality. Similarly, knowing how impactful a full model - including antecedents of employee EL, employee EL itself; dimensions such as environment; organization-related variables such as brand name and reputation, and how organizational compliance procedures and checks - affect final customer behaviour intentions.
- The outcome variable could be expanded to include more behavioural intentions like increase in investments, recommending the employee/organization to other peers/colleagues/friends etc.

✓ The cross-sectional design of this thesis could be extended to a longitudinal design, so that an expanded set of variables as delineated above could be captured over regular intervals for a considerable time period. That would help capture more detailed information about a service relationship from all three - employees, customers and organization perspectives. This could be useful for having a long-term strategy towards EL and capturing interaction quality and real-time behaviour of the customers. Some other moderator variables that could impact the key dimensions could be included such as:
   - Impact of types of investments by the customers
   - Time period of interaction between a customer and an employee
   - A within person study could be explored in the future, making observations of one person/entity (one customer or one employee or one customer-employee dyad over time). Since EL can be episodic and vary for the same person's interaction with different entities and same entity over different episodes, the findings could be interesting for finding patterns in human EL behaviour, expectations and perceptions.

✓ Impact of gender, cultural differences and socio-economic differences could also be studied in conjunction with the dimensions chosen in this thesis to further enrich the study and broaden the body of knowledge.

✓ The concept of EL could also be explored further in other contexts such as:
   - Legal services may be a person-to-person relationship, long-term and over several transactions. It may involve rapport building between the lawyer and his/her client. The relationship is also interaction-intensive and the pressures and stakes are high for both the customers as well as the employees.

216

- Clinical and medical services with physicians and other care-givers would also employ EL prominently. Medical practitioners and care-givers pave the way for person-to-person service relationship context of EL with their patients. The competency involved in these services is sometimes highly person-centric and delivery of those skills well with EL a point of challenge and concern for the employees and customers (patients). This could be a good testing ground for subjecting the model to a replication test.
- A related realm could be that of psychiatrists/psychoanalysts and their patients. This again is a very intricate relationship with the possible involvement of EL by the healer and the patient (customer). Expectations of EL could be far higher in this type of activity, since the very life activities of the client are in question here.
- Other care-giving institutions, such as social work institutions, may deal with people having various needs such as shelter, rehabilitation and protection from abuse. The individuals seeking these services could be in an emotionally vulnerable state owing to the criticality of their circumstances. The involvement of EL by the care-givers and expectation of EL of the ones seeking help could be extensive in such a scenario.
- Several other fields - education, logistics and shipping, and information technology, for example, could be tested for the prevalence of the findings of this thesis, even though other dimensions may need to be included.
- Research could also be extended to other business-to-business contexts where the person-to-person relationship is more heavily influenced by the organization's requirements, rules and regulations, and other professional requirements commanded by the role held by the people working in the chosen firms such as between wholesalers and retailers, shipping lines and dock management professionals.

The concept of EL could also be explored further in close personal relationships - parent-child, spouses/partners examining how it affects relationship quality of the parties involved.

Research limitations

Every research has its strengths and weaknesses. All aspects that are covered and reported belong to the strengths category, while some aspects remain unfulfilled and form the weaknesses. Some of these aspects are purposeful exclusions, since social research or management research are complex and involve many dimensions. Every aspect of a particular social situation cannot be captured in every study, and these excluded aspects form the limitations of the research work, and they are also purposeful exclusions.

There are also some issues that infest the accuracy, validity, reliability of any research. Embarking on any research involves human intervention, battling biases and errors. The important aspect is to identify the potential errors and try to minimize them in order to achieve minimal error in the observations, analyses and findings. Some of the limitations of this thesis are:

Model construct limitations

- The causality of the variables involved in the model could not be definitively captured. It could be possible that customer perceived interaction quality impacts how employees plan their EL delivery, thus the same variables could involve a two-way effect that has not been captured in this thesis.
- Some of the constructs could have been expanded. For example, service quality could be included for the study, instead of just interaction quality; or the inclusion of items from the relationship quality literature, or customer loyalty dimensions. However, these aspects were beyond the scope of this research. The interplay of the constructs considered here has been carefully chosen, based on a firm theoretical logic and buttressed by practical methods of data collection.
- This thesis has not covered the aspect of affectivity - both positive affectivity (PA) and negative affectivity (NA) in EL. Morris and Feldman (1996) found relevance for the inclusion of the affectivity construct in emotion regulation, however Brotheridge and Grandey (2002) did not find any relevance for it in studying EL. This thesis excludes the affectivity construct, since long-term relationships are being studied, and NA and PA may be neutralized owing to the long-term familiarity of the entities. However, it can be argued that even though the design is cross-sectional, affectivity could have an

impact on the responses given by the respondents, and thus this is taken as a limitation of the study.

- Human interaction phenomena are very complex, and all dimensions and aspects are difficult to capture in one frame. Selecting further dimensions would add richness, but a complex model would be impractical in terms of the range of different available service environments, data collection requirements and interpreting the findings. Research is a high-resource involvement activity and it is in the best interests of achieving meaningful outcomes that, as in the current study, appropriate limits are employed.

Research design limitations

- A cross-sectional design was employed, capturing survey data from dyadic pairs. A cross-sectional design would pose issues of capturing only one-point data that may differ at another point in time. The context of service *relationships* would clearly be best studied through a longitudinal approach, capturing observations over time. However, this thesis is an attempt at capturing the perceptions of both the customers and RMs towards their relationship up until the point of intervention by research. Further studies could involve an across-time approach, capturing observations of the relationship over a period of time.

- Validity of the responses can be a possible limitation, since the design is dependent on the data from the respondents. There is no means to cross-verify the authenticity of the response itself. The response itself could greatly vary owing to the changes in the status of the relationship between the customer and the RM, thus posing reliability issues.

- The findings of this thesis may be subject to issues of generalizability, as the study has been conducted in a particular service context of private banking relationships. Other service contexts may or may not have all elements of the service relationship in common with the chosen context of private banking, and this could pose challenges for applying the findings to all the service relationship contexts. Further research and testing of the model in different service contexts and contributions by future researchers could pave the way for finding common grounds with other service contexts.

Sample limitations

- Investment status of the customers is unknown: While the level of investments may affect the relationship, banking is also a function of an individual's appetite for financial risk - which could be high or low irrespective of their net worth. Some very high net-worth individuals may interact less often than others who have fewer investments with the bank. The study would be able to report any differences owing to the number of interactions or duration of interactions; however, investment levels have been ignored in the study owing to confidentiality and privacy reasons. A longitudinal study for a specific financial institution, if commissioned, could be carried out in future to allow for this gap to be plugged.

- The mode of data collection was kept fluid, often switching between face-to-face and telephonic modes owing to the convenience of the respondents. Mode bias may have a role to play in such a situation. However, the questionnaire was fairly simple and comprehension was found to be high amongst respondents. Very few questions were asked to be cross-verified for language or scales. Cross-verification was available as a choice in both telephonic as well as face-to-face modes.

- Dubai is home to several nationalities and justice may not have been done to cultural differences and nationality variations in this thesis. While this could have an impact on the context of relationships shared between a customer and a RM, this was beyond the scope of this research. This would require a larger survey of employmees, far wider than one merely exploratory in nature, involving large samples from each potential culture and nationality combination. This would be interesting research to take up in future.

- Demographic variables such as gender and age could be relevant to the service relationships between a customer and an RM. However, here this has been reported only at a descriptive level for the sample, and was not a key aspect studied in this thesis.

Conclusions

This thesis explored the concept of EL in service relationships, while previous works concentrated only on service encounters. Prior work considered EL perspectives from customers and employees in isolation, while this thesis considers EL association between them simultaneously. Customer expectations of EL in service relationships was another previously unexplored aspect that this thesis included. Despite the prevalence of people-based interactions

in the banking sector, EL has not been studied before in the banking context, and this further accentuates the contribution to theoretical conceptualization.

The study findings have several implications for employees working in the banking sector, for organizations (banking and financial institutions) and the banking industry itself. Varied approaches at individual levels, as well as at organizational levels, can help formulate strategies to keep customers engaged for a long-term in a sustainable and profitable fashion. The impact of EL on customer interaction quality could result in sustained and positive relationships that would lead to positive benefits to the organizations - both tangible (revenue/profitability) and intangible (brand name and referral value). Inferences also helped build recommendations to the industry, organizations and employees on how EL could be employed, practiced, measured and monitored.

Further studies could engage in the interplay of existing and new dimensions and contexts to improve the quality of findings. This would eventually add to the body of knowledge, kindle new theoretical connections and unearth supplementary practical implications for businesses and practitioners in the realm of emotional labour.

REFERENCES

Ab Hamid, M.R., Sami, W. & Mohmad Sidek, M.H. (2017). Discriminant validity assessment: Use of Fornell & Larcker criterion versus HTMT criterion. *Journal of Physics: Conference series,* 890, 1-5.

Akehurst, G., Rueda-Armengot, C., Lopez, S.V., Marquez, D.P. (2011). Ontological supports of knowledge: Knowledge creation and analytical knowledge. *Management Decision, 49(2*), 183-194.

Allen, J.A., Pugh, S.D., Grandey, A.A., & Groth, M. (2010). Following display rules in good or bad faith?: Customer orientation as a moderator of the display rule- Emotional labor relationship. *Human Performance, 23*, 101- 115.

Ashforth, B.E., & Humphrey, R.H. (1993). Emotional Labor in service roles: The Influence of Identity. *Academy of Management Review, 18*, 88-115.

Anonymous. (2016 June). Business Monitor International Ltd. Retrieved from https://bmo.bmiresearch.com/data/datatool.

Anonymous. (2015 September). *Surveys in Dubai will now need approval.* Retrieved from Khaleej Times website: http://www.khaleejtimes.com/nation/general/surveys-in-dubai-will-now-need-approval.

Anonymous. (2013). *UAE Banks Directory*. Retrieved July 17, 2014, from UAE Banks Directory web site: http://www.uaebanksdirectory.com.

Babin, B.J. & Svensson, G. (2012). Structural equation modeling in social science research: Issues of validity and reliability in the research process. *European Business Review, 24(*4), 320-330.

Bagdasarov, Z. & Connely, S. (2013). Emotional labor among healthcare professionals: The effects are undeniable. *Narrative Inquiry in Bioethics, 3(*2), 125-129.

Bagozzi, R.P. & Yi, Y. (2012). Specification, evaluation, and interpretation of structural equation models. *Journal of the Academy of the Marketing Science,40*, 8-34.

Bailey, J.J. & McCollough, M.A. (2000). Emotional labor and the difficult customer: Coping strategies of service agents and organizational consequences. *Journal of Professional Services Marketing, 20(*2), 51-72.

Barger, P.B. & Grandey, A.A. (2006). Service with a smile and encounter satisfaction: Emotion contagion and appraisal mechanisms. *Academy of Management Journal, 49(*6), 1229-1238.

Baron, R.M. & Kenny, D.A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51(*6), 1173-1182.

Beal, D.J. & Trougakos, J.P., Weiss, H.M. & Green, S.G. (2006). Episodic processed in emotional labor: Perceptions of affective delivery and regulation strategies. *Journal of Applied Psychology, 91(*5), 1053-1065.

Bechtoldt, M.N., Rohrmann, S., De Pater, I.E. & Beersma, B. (2011). The primacy of perceiving: Emotion recognition buffers negative effects of emotional labor. *Journal of Applied Psychology, 90(*5), 1087-1094.

Berry, L.L. (1980). Services marketing is different. *Business,* 30, 24-29.

Bhave, D.P., & Glomb, T.M. (2009). Emotional labour demands, wages and gender: A within-person, between- jobs study. *Journal of Occupational and Organizational Psychology,* 82, 683-707.

Bloemer, J., Ruyter, D.K., & Wetzels, M. (1999). Linking perceived service quality and service loyalty: a multi- dimensional perspective. *European Journal of Marketing*, 1082-1106.

Boulding, W., Kalra, A., Staelin, R. & Zeithaml, V.A. (1993). A dynamic process model of service quality: From expectations to behavioral intentions. *Journal of Marketing Research, 30*, 7-27.

Brady, M.K. & Cronin, Jr., J.J. (2001). Some new thoughts on conceptualizing perceived service quality: A hierarchical approach. *Journal of Marketing, 65(3*), 34-49.

Brotheridge, C.M. & Grandey, A.A. (2002). Emotional labor & burnout: Comparing two perspectives of "people work". *Journal of Vocational Behavior, 60,* 17-39.

Brotheridge, C.M. & Lee, R.T. (2003). Development and validation of the Emotional Labour Scale. *Journal of Occupational Psychology, 76*, 365-379.

Bryman, A., & Bell, E. (2006). *Business Research Methods*. New Delhi: Oxford University Press.

Chase, R.B. (1978). Where does the customer fit in a service operation? *Harvard Business Review, 56,* 137- 142.

Chase, R.B. (1981). The customer contact approach to services: Theoretical bases and practical extensions. *Operations Research, 29(*4), 698- 706.

Chau, S.L., Dahling, J.J., Levy, P.E. & Diefendorff, J.M. (2009). A predictive study of emotional labor and turnover. *Journal of Organizational Behavior, 30*, 1151-1163.

Cheung, F.Y. & Tang, C.S. (2009). Quality of work life as a mediator between emotional labor and work family interference. *Journal of Business Psychology, 24,* 245-255.

Chin, W.W. (1998 March). Issues and opinion on structural equation modeling. *MIS Quarterly, 22(1*), 7-16.

Chin, W.W., Peterson, R.A. & Brown, S.P. (2008). Structural equation modeling in marketing: Some practical reminders. *Journal of Marketing Theory and Practice, 16(4*), 287-298.

Cooper, D.R. & Schindler, P.S. (2006). *Business research methods* (9th ed.). New Delhi: Tata McGraw- Hill Publishing Company Ltd.

Cronin Jr., J.J., & Taylor, S.A. (1992). Measuring service quality: A re-examination and extension. *Journal of Marketing, 56*, 55-68.

Cronin Jr., J.J., & Taylor, S.A. (1994). SERVPERF versus SERVQUAL: Reconciling performance-based and perception-minus-expectations measurement of service quality. *Journal of Marketing, 58(1*), 125-131.

Cronin Jr., J.J., Brady, M.K., & Hult, G.T. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing, 76*(2), 131-138.

Cukur, C.S. (2009). The Development of the Teacher Emotional Labor Scale (TELS): Validity and Reliability. *Educational Sciences: Theory and Practice, 9(*2), 559-574.

Dabholkar, P.A., Shepherd, D.C., & Thorpe, D.I. (2000). A Comprehensive framework for service quality: An investigation of critical conceptual and measurement issues through a longitudinal study. *Journal of Retailing, 76*(2), 131-138.

Davcik, N.S. (2014). The use and misuse of structural equation modelling in management research. *Journal of Advances in Management, 11(1*), 47-81.

Diefendorff, J.M. & Gosserand, R.H. (2003). Understanding the emotional labor process: a control theory perspective. *Journal of Organizational Behaviour, 24*, 945-959.

Diefendorff, J.M., Erickson, R.J., Grandey, A.A. & Dahling, J.J. (2011). Emotional display rules as work unit norms: A multilevel analysis of emotional labor among nurses. *Journal of Occupational Health Psychology, 16(*2), 170-186.

Diefendorff, J., Morehart, J. & Gabriel, A. (2010). The influence of power and solidarity on emotional display rules at work. *Motiv Emot, 34*, 120-132.

Diefendorff, J.M. & Richard, E.M. (2003). Antecedents and consequences of emotional display rule perceptions. *Journal of Applied Psychology, 88(*2), 284-294.

Dion, P.A. (2008). Interpreting structural equation modeling results: A reply to Martin and Cullen. *Journal of Business Ethics, 83*, 365-368.

Doherty, R.W., Orimonto, L., Singelis, T.M., Hatfield, E. & Hebb, J. (1995). Emotional contagion. *Psychology of Women Quarterly, 19,* 355-371.

Du, J., Fan, X. & Feng, T. (2011). Multiple emotional contagions in service encounters. *Journal of the Academic Marketing Science, 39,* 449-466.

Fischer, F. (1998). Beyond empiricism: policy inquiry in post positivist perspective. *Policy Studies Journal*, *26*(1), 129-146.

Fornell, C. & Bookstein, F.L. (1982). Two structural equation models: LISREL and PLS applied to consumer exit-voice theory. *Journal of Marketing Research, 19*, 440-452.

Bel-Air, F.D. (2015). Demography, Migration, and the Labour Market in the UAE, Explanatory Note No. 7/2015, Gulf Labour Market and Migration (GLMM) programme of the Migration Policy Center (MPC) and the Gulf Research Center (GRC). Retrieved from: http://gulfmigration.eu.

Franzway, S. (October 2000). Women working in greedy institution: Commitment and emotional labour in the union movement. *Gender, Work and Organization, 7(4)*, 258-268.

Garcia, P.S. & Perez, R.H. (2002). The knowledge problem in social sciences: Epistemic uncertainty. *Fuzzy Economic Review, 7(1)*, 45-97.

Glomb, T.M., Kammeyer-Mueller, J.D. & Rotundo, M. (2004). Emotional labor demands and compensating wage differentials. *Journal of Applied Psychology, 89(*4), 700-714.

Gonzalez, R. & Griffin, D. (2012). Dyadic data analysis In H. Cooper (Ed.), *APA Handbook of Research Methods in Psychology* (439-450). Washington, D.C.: American Psychological Association.

Gosserand, R.H. & Diefendorff (2005). Emotional display rules and emotional labor: The moderating role of commitment. *Journal of Applied Psychology, 90(*6), 1256-1264.

Grandey, A.A. (2000). Emotion regulation in the workplace: A new way to conceptualize emotional labor. *Journal of Occupational Health Psychology, 5(*1), 95-110.

Grandey, A.A. (2003). When "the show must go on: Surface acting and deep acting as determinants of emotional exhaustion and peer-rated service delivery. *Academy of Management Journal, 46(*1), 86-96.

Grandey, A.A., Fisk, G.M. & Steiner, D.D. (2005). Must "service with a smile" be stressful? The moderating role of personal control for American and French employees. *Journal of Applied Psychology, 90(*5), 893-904.

Grandey, A., Fisk, G.M., Mattila, A.S., Jansen, K.J., & Sideman, L. A. (January 2005). Is 'service with a smile' enough? Authenticity of positive displays during service encounter. *Organizational Behavior and Human Decision Processes, 96(*1), 38-55.

Grandey, A., Foo, S.C., Groth, M., & Goodwin, R.E. (2012). Free to be you and me: A climate of authenticity alleviates burnout from Emotional Labor. *Journal of Occupational Psychology, 17(*1), 1-14.

Grandey, A.A., Kern, J.H. & Frone, M.R. (2007). Verbal abuse from outsiders versus insiders: Comparing frequency, impact on emotional exhaustion, and the role of emotional labor. *Journal of Occupational Health Psychology, 12(*1), 63-79.

Grant, A.A. (2013). Rocking the boat but keeping it steady: The role of emotion regulation in employee voice. *Academy of Management Journal, 56(*6), 1703-1723.

Grayson, K. (1998). Customer responses to emotional labour in discrete and relational service exchange. *International Journal of Service Industry Management, 9(*2), 126-154.

Gronroos, C. (1978). A service-oriented approach to marketing of services. *European Journal of Marketing, 12(*8), 588,601.

Gronroos, C. (1984). A service quality model and its marketing implications. *European Journal of Marketing*, *18(*4), 36-44.

Groth, M., Hennig-Thurau, T., & Walsh, G. (2009). Customer reactions to emotional labor: The roles of employee acting strategies and customer detection accuracy. *Academy of Management Journal, 52(*5), 958-974.

Guerrier, Y. & Adib, A. (2003). Work at leisure and leisure at work: A study of the emotional labour of tour reps. *Human Relations, 56(*11), 1399-1417.

Gutek, B.A., Bhappu, A.D., Lia-Troth, M.A., & Cherry, B. (1999). Distinguishing between service relationships and encounters. *Journal of Applied Psychology, 84(*2), 218-233.

Gutek, B.A., Groth, M., & Cherry, B. (2002). Achieving service success through relationships and enhanced encounters. *Academy of Management Executive, 16(*4), 132-144.

Guy, M.E. & Newman, M.A. (May/June 2004). Women's jobs, men's jobs: Sex segregation and emotional labor. *Public Administration Review, 64(*3), 289-298.

Hair, Jr., J.F., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L. (2006). *Multivariate data analysis* (1st ed.). New Delhi: Pearson Education, Inc.

Hair, Jr., J.F., Hult, G.T.M., Ringle, C.M. & Sarstedt, M. (2014). A primer on partial least squares structural equation modelling (PLS-SEM) (1st ed.). Los Angeles: Sage Publications, Inc.

Hair, Jr., J.F., Sarstedt, M., Ringle, C.M. & Mena, J.A. (2011). An assessment of the use of partial least squares structural equation modelling in marketing research. *Journal of the Academy of Marketing Science, 40*, 414-433.

Hair, Jr., J.F., Sarstedt, M., Hopkins, L. & Kuppelweiser, V.G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review, 26(2)*, 106-121.

Harris, L.C. (2002). The emotional labour of barristers: an exploration of emotional labour by status professionals. *Journal of Management Studies, 39(4)*, 553-584.

Hatfield, E., Cacioppo, J.T. & Rapson, R.L. (June 1993). *Emotional Contagion: Current Directions in Psychological Science, 2(3)*, 96-99.

Haywood-Farmer, J. (1988). A conceptual model of service quality. *International Journal of Operations & Production Management, 8(6)*, 19-29.

Hennig-Thurau, T., Groth, M., Paul, M. & Gremler, D.D. (July 2006). Are all smiles created equal? How emotional contagion and emotional labor effect service relationships. *Journal of Marketing, 70*, 58-73.

Hens, T. & Bachmann, K. (2008). *Behavioural finance for private banking* (1st ed.). Sussex: John Wiley & Sons Ltd.

Henseler, J., Ringle, C.M. & Sarstedt (2014). A new criterion for assessing discriminant validity in variance-based structural equation modeling, *Journal of Academy of Marketing Science, 43*, 115-135.

Hochschild, A.R. (2003). *The managed heart: Commercialization of human feeling* (20th ed.). Berkeley: University of California Press.

Horn, C. & Rudolf, M. (2011). Service quality in the private banking business. *Financial Markets Portfolio Management, 25*, 173-195.

Huang, P. & Dai, C. (2010). The impacts of emotional contagion and emotional labor perception on employee service performance. *International Journal of Electronic Business Management, 8(*1), 68-79.

Hwa, M.A.C. (2012). Emotional labor and emotional exhaustion: Does co-worker support matter? *Journal of Management Research, 12(*3), 115-127.

Johnston, A. (2014). Rigour in research: theory in the research approach. *European Business Review, 26(3)*, 206-217.

Judge, T.A., Woolf, E.F., & Hurst, C. (2009). Is Emotional Labor more difficult for some than for others? A multilevel, experience-sampling study. *Personnel Psychology*, 62, 57-88.

Kammayer-Mueller, J.D., Rubenstein, A.L., Long, D.M., Odio, M.A., Buckman, B.R., Zhang, Y. & Halvorsen-Ganepola, M.D.K. (2013). *Personnel Psychology, 66,* 47-90.

Kandampully, J. (1998). Service quality to service loyalty: A relationship which goes beyond customer services. *Total Quality Management, 9(*6), 431-443.

Karabanow, J. (September 1999). When caring is not enough: Emotional labor and youth shelter workers. *Social Service Review*, 340-357.

Karatepe, O.M., Avci, T. and Tekinkus, M. (2005). Measuring service quality of banks: scale development and validation. *Journal of Retailing and Consumer Services, 12(*5), 373-383.

Kelloway, E.K. (1994). Structural equation modelling in perspective. *Journal of Organizational Behavior,16(3)*, 215-224.

Kiely, J. A. (2005, April). Emotions in Business-to-Business Sevice Relationships. *The Services Industries Journal, 25(*3), 373-390.

Kim, T.T., Yoo, J.J., Lee, G. & Kim, J. (2012). Emotional intelligence and emotional labor acting strategies among frontline hotel employees. *International Journal of Contemporary Hospitality Management, 24(*7), 1029-1046.

Kline, R.B. (2011). Principles and practice of structural equation modeling (3rd ed.). New York: Guilford Publications, Inc.

Korczynski, M. (Feb 2003). Communities of coping: collective emotional labour in service work. *Organization, 10(1*), 55-79.

Lapointe, E., Morin, A.J.S., Courcy, F., Boilard, A. & Payette, D. (2012). Workplace affective commitment, emotional labor and burnout: A multiple mediator model. *International Journal of Business and Management, 7(*1), 3-21.

Lassar, W.M., Manolis, C, Winsor, R.D. (2000). Service quality perspectives and satisfaction in private banking. *International Journal of Bank Marketing, 18(*4), 181-199.

Lee, S.J. (1992). Quantitative versus qualitative research methods—Two approaches to organisation studies. *Asia Pacific Journal of Management*, *9*(1), 87-94.

Lee, R.T. & Brotheridge, C.M. (2011). Words from the heart speak to the heart: A study of deep acting, faking, and hiding among child care workers. *Career Development International, 16(*4), 401-420.

Lin, J.C. & Lin, C. (2011). What makes service employees and customers smile. *Journal of Service Management, 22(*2), 183-201.

Liu, C., Liu, X. & Geng, Z. (2013). Emotional labor strategies and service performance: The mediating role of employee creativity. *The Journal of Applied Business Research, 29(*5), 1583-1596.

Liu, Y., Prati, L.M., Perrewe, P.L. & Ferris, G.R. (2008). The relationship between emotional resources and emotional labor: An exploratory study. *Journal of Applied Psychology, 38(*10), 2410-2439.

Liu, Y., Perrewe, P.L., Hochwarter, W.A. & Kacmar, C.J. (2004). Dispositional antecedents and consequences of emotional labor at work. *Journal of Leadership and Organizational Studies, 10(*4), 12-25.

Lu, C., Shih, Y. & Chen, Y. (2013). Effects of emotional labor and job satisfaction on organizational citizenship behaviors: A case study on business hotel chains. *The International Journal of Organizational Innovation, 5(*4), 165-176.

Lovelock, C.H. & Gummesson, E. (2004). Whither services marketing? In search of a new paradigm and fresh perspectives. *Journal of Service Research, 7,* 20-41.

Ma, Z., & Dube, L. (May 2011). Process and outcome interdependency in frontline service encounters. *Journal of Marketing, 75*, 83-98.

Mackenzie, N. & Knipe, S. (2006). Research dilemmas: Paradigms, methods and methodology. *Issues in Educational Research, 16,*193-205.

Martin, K., Knopoff, K. & Beckman, C. (June 1998). An alternative to bureaucratic impersonality and emotional labor: Bounded emotionality at The Body Shop. *Administrative Science Quarterly, 43(2*), 429-469.

Martinez-Lopez, F.J., Gasquez-Abad, J.C. & Sousa, C.M.P. (2013). Structural equation modelling in marketing and business research. *European Journal of Marketing, 47(2)*, 115-152.

Mattsson, J. (1994). Improving service quality in person-to-person encounters: Integrating findings from a multi-dimensional review. *The Service Industries Journal, 14(*1), 45-61.

Mahamad, T.E.T. (2014). Understanding and managing Malaysian academics' emotional labour. *International Proceedings of Economics Development and Research, 70(*15), 76-80.

Marcoux, G. & Guihur, I. (2012). Work pressure and social skills: An analysis based on the fourfold typology of emotional labor. *Management Review: An International Journal, 7(2)*, 43-80.

Meier, K.J., Mastracci, S.H. & Wilson, K. (2006). Gender and emotional labor in public organizations: An empirical examination of the link to performance. *Public Administration Review,* 899-909.

Mittal, B. and Lassar, W.M. (1998). Why do customers switch? The dynamics of satisfaction versus loyalty. *Journal of Services Marketing, 12(3*), 177-194.

Montgomery, A. J., Panagpolou, E., Wildt, M. & Meenks, E. (2005). Work-family interference, emotional labor and burnout. *Journal of Managerial Psychology, 21(2)*, 36-51.

Moon, T.W., Hur, W. & Jun, J. (2013). The role of perceived organizational support on emotional labor in the airline industry. *International Journal of Contemporary Hospitality Management, 25(*1), 105-123.

Moran, C.M., Diefendorff, J.M. & Greguras, G.J. (2013). Understanding emotional display rules at work and outside of work: The effects of country and gender. *Motiv Emot, 37*, 323-334.

Morris, J.A. & Feldman, D.C. (1996). The dimensions, antecedents, and consequences of emotional labor. *Academy of Management Journal, 21,* 966-1010.

Nixon, D. (May 2009). 'I can't put a smiley face on': Working-class masculinity, Emotional Labour and Service Work in the 'New Economy'. *Gender, Work and Organization, 16(3)*, 300-322.

Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing, 49(3)*, 41-50.

Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1988). SERVQUAL: A Multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing, 64(1)*, 12-40.

Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1994). Reassessment of expectations as a comparison standard in measuring service quality: implications for further research. *Journal of Marketing, 58(1)*, 111-124.

Parkington, J.J. & Schneider B. (1979). Some correlates of experienced job stress: A boundary role study. *Academy of Management Journal, 22*, 270-281.

Pearson, K. (1895). Notes on regression and inheritance in the case of two parents. Proceedings of the Royal Society of London, 58, 240–242.

Petrescu, M. (2013). Marketing research using single- item indicators in structural equation models. *Journal of Marketing Analytics, 1(2)*, 99-117.

Peugh, J.L., DiLillo, D. & Panuzio, J. (2013). Analyzing mixed-dyadic data using structural equation models. *Structural Equation Modeling: A Multidisciplinary Journal, 20(2)*, 314-337.

Pollack, B.L. (2009). Linking the hierarchical service quality model to customer satisfaction and loyalty. *Journal of Services Marketing, 23(1)*, 42-50.

Popper, K.R. (1962). *Conjectures and Refutations: The Growth of Scientific Knowledge.* New York: Basic Books.

Powell, T.C. (2001). Fallibilism and organizational research- The third epistemology. *Journal of Management Research, 1(4*), 201-219.

Price, L.L., Arnould, E.J. & Deibler, S.L. (1995). Consumers emotional responses to service encounters: The influence of the service provider. *International Journal of Service Industry Management, 6(*3), 34-63.

Pugliesi, K. (1999). The consequences of emotional labor: Effects on work stress, job satisfaction, and well- being. *Motivation and Emotion, 23(*2), 125-154.

Pugh, S.D. (2001). Service with a smile: Emotional contagion in the service encounter. *Academy of Management Journal, 44*, 1018-1027.

Randolph, K.L., Dahling, J.J. (2013). Interactive effects of proactive personality and display rules on emotional labor in organizations. *Journal of Applied Social Psychology, 43*, 2350-2359.

Ringle, C.M., Wende, S., & Becker, J. (2015). *SmartPLS 3*. Bönningstedt: SmartPLS. Retrieved from http://www.smartpls.com.

Rupp, D.E. & Spencer, S. (2006). When customers lash out: The effects of customer interactional injustice on emotional labor and mediating role of discrete emotions. *Journal of Applied Psychology, 91(*4), 971-978.

Rust, R.T. & Oliver, R.L. (1994). Service Quality: Insights and managerial implications from the frontier. In Rust, R.T. & Richard, R.L. (Eds.), *Service Quality: New Directions in Theory and Practice*, Thousand Oaks, CA: Sage Publications, 1-19.

Ryan, A.B. (2006). Post-positivist approaches to research. *Researching and Writing your Thesis: a guide for postgraduate students*, 12-26.

Salman, D. & Uygur, D. (2010). Creative tourism and emotional labor: an investigatory model of possible interactions. *International Journal of Culture, Tourism and Hospitality Research, 4(*3), 186-197.

Scott, B.A., & Barnes, C.M. (2011). A multilevel field investigation of emotional labor, affect, work withdrawal, and gender. *Academy of Management Journal, 54(*1), 116-136.

Seiler, V., Rudolf, M. & Krume, T. (2013). The influence of socio- demographic variables on customer satisfaction and loyalty in private banking industry. *International Journal of Bank Marketing, 31(4*), 235-258.

Schaubroeck, J. & Jones, J.R. (2000). Antecedents of workplace emotional labor dimensions and moderators of their effects on physical symptoms. *Journal of Organizational Behavior, 21*, 163-183.

Schreurs, B., Guenter, H., Hulsheger, U. & Emmerik, H. (2014). The role of punishment and reward sensitivity in the emotional labor process: A within person perspective. *Journal of Occupational Health Psychology, 19(1*), 108-121.

Scott, B.A., Barnes, C.M., & Wagner, D.T. (2012). Chameleonic or consistent? A multilevel investigation of emotional variability and self monitoring. *Academy of Management Journal, 55(*4), 905-926.

Silvestro, M., Fitzgerald, L., Johnson, R. & Voss, C. (1992). Towards a classification of service processes. *International Journal of Service Industry Management, 3(*3), 62-76.

Smith, J.R., Dorsey, K.D. & Mosley, A.L. (2009). Licensed funeral directors: An empirical analysis of the dimensions and consequences of emotional labor. *International Management Review, 5(*2), 30-43.

Snoj, J. (2015, April). UAE's population- by nationality. Retrieved from http://www.bq-magazine.com/economy/socioeconomics/2015/04/uae-population-by-nationality.

Sorenson, R. & Iedema, R. (2009). Emotional labour: Clinicians' attitudes to death and dying. *Journal of Health Organization and Management, 23(*1), 5-22.

Spreng, R.A. & Mackoy, R.D. (1996). An empirical examination of a model of perceived service quality and satisfaction. *Journal of Retailing, 72(*2), 201-214.

Stanislavski, C. (1965). *An actor prepares.* New York: Theatre Art Books.

Steup, M. (2014). Epistemology. In Zalta, E.N. (Ed.). *The Stanford Encyclopedia of Philosophy.* Retrieved from http://plato.stanford.edu/archives/spr2014/entries/epistemology.

Strasheim, A. (2014). Testing main and interaction effects in structural equation models with a categorical moderator variable. *Management Dynamics, 23(4*), 31-69.

Sutton, R.I. (1991). Maintaining norms about expressed emotions: The case of bill collectors. *Administrative Science Quarterly, 36(*2), 245-266.

Sutton, R.I. & Rafaeli, A. (1988). Untangling the relationship between displayed emotions and organizational sales: The case of convenience stores. *Academy of Management Journal,31(3*), 461-487.

Svensson, G. (2003). A generic conceptual framework of interactive service quality. *Managing Service Quality, 13(*4), 267-275.

Svensson, G. (2004). Interactive service quality in service encounters: empirical illustration and models. *Managing Service Quality, 14(*4), 278-287.

Tang, C., Seal, C.R. & Naumann, S.E. (2013). Emotional labor strategies, customer cooperation and buying decisions. *Journal of Management and Marketing Research, 13,* 1-15.

Terry, G. (2000). Path analysis vs. structural equation modeling. *Marketing Research, 12(*3), 12-20.

Totterdell, P. & Holman, D. (2003). Emotion regulation in customer service roles: Testing a model of emotional labor. *Journal of Occupational Health Psychology, 8(*1), 55-73.

Tronvoll, B., Brown, S.W., Gremler, D.D. & Edvardsson, B. (2011). *Journal of Service Management, 22(5*), 560-585.

Trougakos, J.P. & Jackson, C.L. (2011). Service without a smile: Comparing the consequences of neutral and positive display rules. *Journal of Applied Psychology, 96(*2), 350-362.

Tsai, W. (2001). Determinants and consequences of employee displayed positive emotions. *Journal of Management, 27,* 497-512.

Tsai,W. & Huang, Y. (2002). Mechanisms linking employee affective delivery and customer behavioral intentions. *Journal of Applied Psychology, 87(*5), 1001-1008.

Verbeke, W. (September 1997). Individual differences in emotional contagion of salespersons: Its effect on performance and burnout. *Psychology & Marketing, 14(*6), 616-636.

Vijayalakshmi, V. & Bhattacharya, S. (2011). Emotional contagion and its relevance to individual behaviour and organizational processes: A position paper. *Journal of Business Psychology, 27*, 363-374.

Wang, E.S., Tsai, B., Chen, T. & Chang, S. (February 2012). The influence of emotions displayed and personal selling on customer behaviour intention. *The Service Industries Journal, 32(3)*, 353-366.

Wang, K.L. & Groth, M. (2014). Buffering the negative effects of employee surface acting: The moderating role of employee-customer relationship strength and personalized services. *Journal of Applied Psychology, 99(2*), 341-350.

Westaby, C. (2010). 'Feeling like a sponge': the emotional labour produced by solicitors in their interactions with clients seeking asylum. *International Journal of the Legal Profession, 17*(2), 153-174.

Wharton, A.S. & Erickson, R.J. (1993). Managing emotions on the job and at home: Understanding the consequences of multiple emotional roles. *The Academy of Management Review, 18(3*), 457-486.

Wong, K.K. (2013). Partial least squares structural equation modelling (PLS-SEM) techniques using SmartPLS. *Marketing Bulletin,*24, 1-32.

Wu, T. & Hu, C. (2013). Abusive supervision and subordinate emotional labor: The moderating role of openness personality. *Journal of Applied Social Psychology, 43,* 956-970.

Yavas, U., Benkenstein, M. & Stuhldreier, U. (2004). Relationships between service quality and behavioral outcomes: A study of private bank customers in Germany. *The International Journal of Bank Marketing, 22(2*), 144-157.

Zammito, J.H. (2006). *A nice derangement of epistemes: Post-positivism in the study of science from Quine to Latour.* Chicago: The University of Chicago Press.

Zhao, X., Lynch Jr., J.G. & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and Truths of Mediation Analysis. *Journal of Consumer Research, 37,*197-206.

APPENDICES

APPENDIX 6.1: Combined survey instrument for customer and RM pair

Greetings! I am a PhD scholar from University of Gloucestershire (scan of student ID) doing this study for purely academic purpose towards submission of my final thesis.

The survey gathers your responses on the expectations of emotional labour & interaction quality between you and your financial manager in a bank. This thesis deals with only person-to-person relationship and does not delve on any investment information.

Please note that all responses will be kept strictly confidential.

Thank You for helping me contribute to academic research!

_____

Jyothsna Appaiah Singh

PhD scholar, Univ. of Gloucestershire

+Tel No redacted (Please contact for queries)

	First	Middle (optional)	Last

1) **Name**

2) **Phone no.** 9715

(if you win the draw, you shall be contacted on this number)

3) **Email**

(alternate mode of contact compulsory)

4) **Gender**   ÿ Male   ÿ Female   ÿ Others

5) **Nationality**

6) **Do you have a banking manager/ relationship manager/ officer who manages, advises and coordinates with you to manage your financial investments in a bank?**

ÿ Yes   ÿ No

If Qs. 6) is No, Thank You! & abort the survey, else continue.

7) **If Qs. 6) is Yes, which bank are you associated with?**

_____

8) **No. of years associated with the bank**

_____ years

9) **Name of the Relationship Manager/ Officer (RM)**

       First   **Middle (optional)**   **Last**

10) **RM's Gender**   ÿ Male   ÿ Female

11) **RM's Phone no.**   9715   (compulsory)

12) **RM's Email**   (compulsory)

13) **No. of years associated with the RM**

       years

14) **A typical interaction that I have with the RM lasts _____ minutes** (in number only)**.**

15) **Frequency of interaction with the RM in a month**
       _____ (in number
only)

EMOTIONAL LABOUR is when an employee (here your relationship manager [RM] at your bank) is required to *manage his/her emotions, produce an emotional state in you, and allow the bank to exercise some control over his/her emotional life through training and supervision*(Hochschild, 1983, p. 7).

From a practical standpoint, this means employee expresses:

only positive feelings, or hide or manage negative feelings. To deal with negative emotions, people tend to do one of the following:

> Show emotion they don't really feel.

> Hide emotion they really do feel.

> Create an appropriate emotion for the situation.

Please rate your "expectation" of the emotional labour (i.e. the management of employee's feelings and display of emotions towards you during your interactions over time) from this employee on a scale of 1-7, with 1 being 'strongly disagree' to 7 being 'strongly agree'.

	Strongly Disagree (1)	Disagree (2)	Somewhat Disagree (3)	Neither agree nor disagree (4)	Somewhat Agree (5)	Agree (6)	Strongly Agree (7)
I expect the employee (RM) to make a strong effort to actually feel the emotions that he/ she needs to display to me.	O	O	O	O	O	O	O
I expect the employee (RM) to try to actually experience the emotions he/she must show to me.	O	O	O	O	O	O	O
I expect the employee (RM) to really try to feel the emotions he/ she has to show as part of his/ her job to me.	O	O	O	O	O	O	O
I do not expect the employee (RM) to resist expressing his/ her true feelings to me.	O	O	O	O	O	O	O
I do not expect the employee (RM) to pretend to have emotions that he/ she doesn't really have.	O	O	O	O	O	O	O
I do not expect the employee (RM) to hide his/ her true feelings about a situation.	O	O	O	O	O	O	O

Rate your experience on the interaction quality (i.e. attitude, behaviour and expertise of the RM) experienced by this employee on a scale of 1-7, with 1 being 'strongly disagree' to 7 being 'strongly agree'.

	Strongly Disagree (1)	Disagree (2)	Somewhat Disagree (3)	Neither agree nor disagree (4)	Somewhat Agree (5)	Agree (6)	Strongly Agree (7)
Overall, I would say that my interaction with this employee (RM) is excellent.	O	O	O	O	O	O	O
Attitude of RM							
I cannot count on this employee (RM) as being friendly.	O	O	O	O	O	O	O
The attitude of this employee (RM) does not demonstrate his/ her willingness to help me.	O	O	O	O	O	O	O
The attitude of this employee (RM) shows that he/ she understands my needs.	O	O	O	O	O	O	O
Behaviour of RM							
I cannot count on this employee (RM) to take action to address my needs.	O	O	O	O	O	O	O
This employee (RM) quickly responds to my needs.	O	O	O	O	O	O	O
The behaviour of this employee (RM) shows that he/ she understands my needs.	O	O	O	O	O	O	O
Expertise of RM							
I cannot count on this employee (RM)to know his/ her job.	O	O	O	O	O	O	O
This employee (RM) is not able to answer my questions quickly.	O	O	O	O	O	O	O

242

This employee (RM) understands that I rely on his/her knowledge to meet my needs.

○	○	○	○	○	○	○

Intention to continue the service relationship with the RM

I intend to continue the service relationsh ip with this employee (RM) as long as he/ she is employed with this bank.

○	○	○	○	○	○	○

I intend to end the service relationship with this employee (RM) and seek another RM with the same bank.

○	○	○	○	○	○	○

I intend to continue the service relationship with this employee (RM) even if he/ she switches his/ her employment association to another bank.

○	○	○	○	○	○	○

As this research considers the responses of customers and financial managers together, please could you confirm th details of this person to ensure that the right customer has been identified?

Customer details

		First	Middle (optional)	Last
a)	**Name**	to be pre-populated & checked from the customer paired questionnaire		

b)   **Gender**   ☐☐Male   ☐☐Female

☐☐Yes   ☐☐☐☐

If answer to above is No, please abort the survey, otherwise please continue

RM Details

		First	Middle (optional)	Last
1)	**Name**			

2)   **Phone no.**   [_____]   (optional)

3)   **Email**   [_____]   (compulsory)

4)   **Gender**   ☐☐Male   ☐☐Female   ☐☐Decline to answer

5)   **Nationality**   [_____]

6)   **Are you a relationship manager in a bank?**
     (an associate who manages, advices and coordinates with the banking customer for his/ her financial investments)

☐☐Yes   ☐☐☐☐

7)   **Name of the bank you currently work for as an employee**
     [_____]

8)   **No. of years associated with this bank**
     [_____] years

244

9) **No. of years associated with this customer**

years

10) **A typical interaction that I have with this customer lasts _____ minutes. (number only)**

11) **Average frequency of interactions with this customer in a month _____.** (number only)

Please rate your opinion on the emotional labour (i.e. the management of your feelings and display of emotions) expectations of your customer on a scale of 1-7, with 1 being 'strongly disagree' to 7 being 'strongly agree'.

Emotional Labour

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat Agree (5)	Agree (6)	Strongly agree (7)
I make a great effort to actually feel the emotions that I need to display to this customer.	O	O	O	O	O	O	O
I try to actually experience the emotions that I must show to this customer.	O	O	O	O	O	O	O
This customer expects me to really try to feel the emotions that I need to show as part of my job to this customer.	O	O	O	O	O	O	O
I resist expressing my true feelings to this customer.	O	O	O	O	O	O	O
I pretend to have emotions that I don't really have towards this customer.	O	O	O	O	O	O	O
I hide my true feelings about a situation towards this customer.	O	O	O	O	O	O	O

Please rate your experience on the interaction quality (i.e. your attitude, behaviour and expertise) with this customer on a scale of 1-7, with 1 being 'strongly disagree' to 7 being 'strongly agree'.

Interaction Quality

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Overall, I would say that my interaction with this customer is excellent.	O	O	O	O	O	O	O

Attitude

I don't project a friendly countenance towards this customer.	O	O	O	O	O	O	O
I don't make an effort to demonstrate my willingness to help this customer.	O	O	O	O	O	O	O
I make an effort to understand this customer's needs.	O	O	O	O	O	O	O

Behaviour

I don't make an effort to take action to address this customer's needs.	O	O	O	O	O	O	O
I make an effort to quickly respond to this customer's needs.	O	O	O	O	O	O	O
I make an effort to demonstrate that I understand this customer's needs.	O	O	O	O	O	O	O

Expertise

I try to keep abreast and updated with my job so that this customer can count on me for expertise.	O	O	O	O	O	O	O
I am not able to answer this customer's questions quickly.	O	O	O	O	O	O	O
I keep my knowledge updated so that I can cater to this customer's needs.	O	O	O	O	O	O	O

		Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Intention to continue the service relationship								
	I believe this customer intends to continue a service relationship with me, as long as I am associated with the bank that currently employs me.	O	O	O	O	O	O	O
	I believe that this customer intends to end their service relationship with me, but switch to another employee in the same bank.	O	O	O	O	O	O	O
	I believe that this customer intends to continue a service relationship with me, even if I switched my employment association to another bank.	O	O	O	O	O	O	O

APPENDIX 6.2: Contact details of the experts involved in reviewing the questionnaire

1. FILIPINA MANIQUIS

Assistant Manager, Planning & Intelligence

D P World, Jafza, Economic Zones World

P.O. Box: [redacted], Dubai, United Arab

Emirates Ph: +[redacted]

Email: [redacted]

2. RAJESH KALAN

Senior Relationship Manager- Corporate Banking

Commercial Bank of Dubai

Dubai, United Arab Emirates

Ph: + [redacted]

Email: [redacted]

3. DEEPAK MEHRA

Head of Asset Management & Advisory

Commercial Bank of Dubai

P.O. Box [redacted], Dubai, United Arab

Emirates Ph: + +[redacted], [redacted],

Email: [redacted],

4. PROF. IANNA CONTARDO

Faculty at Financial Times | IE Business School Corporate Learning Alliance

Madrid, Spain

Email: [redacted],

5. PROF. DEEPAK SIRDESHMUKH

Associate Professor, Marketing

Ohio State University

Ohio, United States of America

Email: [redacted],

APPENDIX 6.3: Draft introductory email to seek review from industry experts.

Dear Mr./ Prof./ Last Name of the expert

Greetings! It was a pleasure to connect with you on LinkedIn. Thank you for allowing me to present my works for your kind review.

I seek your critique on my thesis research instruments (survey questionnaire), mainly on the use of language, tone and relevance in the context of banking (attached are the two survey instruments).

Request you to give me an opportunity to meet you (in person/ online) to discuss this further, as per a time of your convenience.

My research topic is "Customer Expectations of Emotional Labour in a Service Relationship", and I am studying this in the context of person-to-person service relationship between Relationship manager and Client. It is on the management of feelings in a person-to-person context between the aforementioned entities.

Attached are the survey instruments (one for customer, one for employee) and the approved research design document for your reference.

Marked in the loop are my supervisors- Dr. Ward & Dr. Wang from Univ. of Gloucestershire.

Your expertise and experience will be highly valuable for me to build and test a robust academic model.

Look forward to hearing from you soon.

Thanking you in advance.

Kind regards

Jyothsna Appaiah Singh
PhD Scholar, Univ. of Gloucestershire
+[redacted],

APPENDIX 6.4: Script for online survey link with prospective banking customers

Hi

Please respond towards a PhD research contribution if you have a relationship manager in a bank.

This is a study for purely academic purpose towards submission of PhD thesis (University of Gloucestershire).

The survey gathers your responses on the expectations of emotional labour & interaction quality

between you and your financial manager in a bank. This thesis deals with only person-to-person relationship and does not delve on any investment information.
Click Here to Start the Survey

Please note that all responses will be kept strictly confidential and for academic purposes only.

Thank You for helping me contribute to academic research!

_____
Jyothsna Appaiah Singh
PhD scholar, Univ. of Gloucestershire
+[redacted], (Please contact for queries)
[Email redacted],

APPENDIX 6.5: Script for conducting the survey with the customer and RM

FOR CUSTOMER

Caller: Good morning Mr./ Ms. _____

I am calling on behalf of Univ. of Gloucestershire. This is regarding an academic research on Emotional Labour in Service Relationships. This survey will take not more than 3-4 mts. of your time. Is this a good time to talk to you?

Prospective respondent: Yes/No

Caller (If no): Seek a suitable time, log in the time, set the reminder for the said time and call later.

Caller (If yes): Thank you.

[Proceed with the survey]

The aim is to speak to you and your RM [in any bank (here or overseas, if the respondent clarifies)]. We need both the details for performing paired analysis however, we shall not be asking any confidential data. The survey is on feelings and relationships.

[For building more confidence in the respondent] All the details are strictly for academic purposes, with no commercial intentions whatsoever.

Pre- populate contact details, and record the responses for the other details.

FOR RELATIONSHIP MANAGER

Caller: Good morning Mr./ Ms. _____

I have received your co-ordinates from your customer Mr./ Ms. _____ in XXX bank.

This is regarding an academic research on Emotional Labour in Service Relationships. This survey will take not more than 3-4 mts. of your time. Is this a good time to talk to you?

Prospective respondent: Yes/No

Caller (If no): Seek a suitable time, log in the time, set the reminder for the said time and call later.

Caller (If yes): Thank you.

[Proceed with the survey]

I have already conducted the survey with your customer. Now, we need conduct with you for performing paired analysis however, we shall not be asking any confidential data. The survey is on feelings and relationships. Confirm the RM's details (should be the same as what the customer gave)

[For building more confidence in the respondent] All the details are strictly for academic purposes, with no commercial intentions whatsoever.

Pre- populate contact details of customer & RM's details, and record the responses for the other details.

Appendix section 6.6: Questionnaire validity: Pearson's product moment coefficient (Pearson's coefficient)

Table 6.6 (a): Means, Standard deviations for variables of customer expectation of DA

Descriptive Statistics

	Mean	Std. Deviation	N
Cust_DA_feelEm	5.49	1.023	202
Cust_DA_expEm	5.31	1.216	202
Cust_DA_feelEM_partOfJob	5.41	1.362	202
ST_cust_DA	16.2030	2.93434	202

Table 6.6 (b): Pearson's correlation coefficients for 3 variables under customer expectation of DA

		Cust_DA_feelEm	Cust_DA_expEm	Cust_DA_feelEM_partOfJob	ST_cust_DA
Cust_DA_feelEm	Pearson Correlation	1	.606**	.421**	.795**
	Sig. (2-tailed)		.000	.000	.000
	N	202	202	202	202
Cust_DA_expEm	Pearson Correlation	.606**	1	.468**	.843**
	Sig. (2-tailed)	.000		.000	.000
	N	202	202	202	202
Cust_DA_feelEM_partOfJob	Pearson Correlation	.421**	.468**	1	.805**
	Sig. (2-tailed)	.000	.000		.000
	N	202	202	202	202
ST_cust_DA	Pearson Correlation	.795**	.843**	.805**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.6 (c): Means, Standard deviations for variables of customer non- expectation of SA
Descriptive Statistics

	Mean	Std. Deviation	N
Cust_SA_ResTrueFeelings	2.95	1.198	202
Cust_SA_PretendEm	2.64	1.275	202
Cust_SA_HideTrueFeelings	2.59	1.302	202
ST_cust_SA	8.1782	3.10319	202

Table 6.6 (d): Pearson's correlation coefficients for 3 variables under customer non- expectation of SA
Correlations

		Cust_SA_ResTrueFeelings	Cust_SA_PretendEm	Cust_SA_HideTrueFeelings	ST_cust_SA
Cust_SA_ResTrueFeelings	Pearson Correlation	1	.505**	.499**	.803**
	Sig. (2-tailed)		.000	.000	.000
	N	202	202	202	202

Cust_SA_Pre tendEm	Pearson Correlation	.505**	1	.535**	.830**
	Sig. (2-tailed)	.000		.000	.000
	N	202	202	202	202
Cust_SA_Hi deTrueFeelin gs	Pearson Correlation	.499**	.535**	1	.832**
	Sig. (2-tailed)	.000	.000		.000
	N	202	202	202	202
ST_cust_SA	Pearson Correlation	.803**	.830**	.832**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.6 (e): Means, Standard deviations for variables of customer perceived Interaction Quality

Descriptive Statistics

	Mean	Std. Deviation	N
cust_RmAtt_friendly	5.50	1.401	202
cust_RMAtt_wilngnssToHe lp	5.83	1.102	202
cust_RMAtt_UndNeeds	5.50	.937	202
cust_RmBeh_action_AddrN eeds	5.23	1.300	202
Cust_RMBeh_resNeeds	5.50	1.177	202
Cust_RmBeh_undNeeds	5.31	1.162	202
cust_RMExp_knwJob	5.48	1.255	202
cust_Rmexp_AnsQsQckly	5.50	1.223	202
cust_Rmexp_rmKnw	5.33	1.071	202
ST_cust_IQ	49.1832	8.37914	202

Table 6.6 (f): Pearson's correlation coefficients for 9 variables under customer perceived interaction quality

Correlations

		cust_RmAtt_friendly	cust_RMAtt_wilngssToHelp	cust_RMAtt_UndNeeds	cust_RmBeh_action_AddrNeeds	Cust_RMBeh_resNeeds	Cust_RmBeh_undNeeds	cust_RMExp_knwJob	cust_Rmexp_AnsQsQckly	cust_Rmexp_rmKnw	ST_cust_IQ
cust_RmAtt_friendly	Pearson Correlation	1	.673**	.517**	.760**	.560**	.595**	.669**	.559**	.605**	.852**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
cust_RMAtt_wilngnssToHelp	Pearson Correlation	.673**	1	.415**	.576**	.626**	.523**	.573**	.643**	.599**	.796**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
cust_RMAtt_UndNeeds	Pearson Correlation	.517**	.415**	1	.530**	.471**	.641**	.624**	.554**	.524**	.731**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202

254

cust_RmBeh_action_AddrNeeds	Pearson Correlation	.760**	.576**	.530**	1	.487**	.542**	.666**	.485**	.497**	.795**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
Cust_RMBeh_resNeeds	Pearson Correlation	.560**	.626**	.471**	.487**	1	.546**	.544**	.593**	.571**	.761**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
Cust_RmBeh_undNeeds	Pearson Correlation	.595**	.523**	.641**	.542**	.546**	1	.591**	.561**	.606**	.787**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
cust_RMExp_knwJob	Pearson Correlation	.669**	.573**	.624**	.666**	.544**	.591**	1	.595**	.476**	.816**

	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
cust_Rmexp_AnsQsQckly	Pearson Correlation	.559**	.643**	.554**	.485**	.593**	.561**	.595**	1	.508**	.776**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000	.000
	N	202	202	202	202	202	202	202	202	202	202
cust_Rmexp_rmKnw	Pearson Correlation	.605**	.599**	.524**	.497**	.571**	.606**	.476**	.508**	1	.753**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000
	N	202	202	202	202	202	202	202	202	202	202
ST_cust_IQ	Pearson Correlation	.852**	.796**	.731**	.795**	.761**	.787**	.816**	.776**	.753**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	202	202	202	202	202	202	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

256

Table 6.6 (g): Means, Standard deviations for variables of customer intention to continue service relationship with the RM

Descriptive Statistics

	Mean	Std. Deviation	N
cust_cntRelshp_empInBank	5.28	1.343	202
cust_contRelshp_noChngEmp	5.42	1.437	202
cust_contRelshp_BeyBank	3.49	1.670	202
ST_cust_CntSR	14.1881	3.93280	202

Table 6.6 (h): Pearson's correlation coefficients for 3 variables under customer's intention to continue service relationship with the RM

Correlations

		cust_cntRelshp_empInBank	cust_contRelshp_noChngEmp	cust_contRelshp_BeyBank	ST_cust_CntSR
cust_cntRelshp_empInBank	Pearson Correlation	1	.767**	.691**	.915**
	Sig. (2-tailed)		.000	.000	.000
	N	202	202	202	202
cust_contRelshp_noChngEmp	Pearson Correlation	.767**	1	.573**	.870**
	Sig. (2-tailed)	.000		.000	.000
	N	202	202	202	202
cust_contRelshp_BeyBank	Pearson Correlation	.691**	.573**	1	.870**
	Sig. (2-tailed)	.000	.000		.000
	N	202	202	202	202
ST_cust_CntSR	Pearson Correlation	.915**	.870**	.870**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.6 (i): Means, Standard deviations for variables of employee DA

Descriptive Statistics

	Mean	Std. Deviation	N
Emp_DA_feelEm	6.02	.872	202
Emp_DA_expEm	5.89	1.132	202
Emp_DA_feelEM_partOfJob	5.68	1.106	202
ST_emp_DA	17.5990	2.39871	202

Table 6.6 (j): Pearson's coefficient for 3 variables of employee DA

Correlations

		Emp_DA_feelEm	Emp_DA_expEm	Emp_DA_feelEM_partOfJob	ST_emp_DA
Emp_DA_feelEm	Pearson Correlation	1	.386**	.400**	.730**
	Sig. (2-tailed)		.000	.000	.000
	N	202	202	202	202
Emp_DA_expEm	Pearson Correlation	.386**	1	.382**	.788**
	Sig. (2-tailed)	.000		.000	.000
	N	202	202	202	202
Emp_DA_feelEM_partOfJob	Pearson Correlation	.400**	.382**	1	.787**
	Sig. (2-tailed)	.000	.000		.000
	N	202	202	202	202
ST_emp_DA	Pearson Correlation	.730**	.788**	.787**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.6 (k): Means, Standard deviations for variables of employee SA
Descriptive Statistics

	Mean	Std. Deviation	N
Emp_SA_ResTrueFeelings	2.95	1.594	202
Emp_SA_PretendEm	2.02	1.234	202
Emp_SA_HideTrueFeelings	2.97	1.491	202
ST_emp_SA	7.9307	3.37169	202

Table 6.6 (l): Pearson's coefficient for 3 variables of employee SA
Correlations

		Emp_SA_ResTrueFeelings	Emp_SA_PretendEm	Emp_SA_HideTrueFeelings	ST_emp_SA
Emp_SA_ResTrueFeelings	Pearson Correlation	1	.411**	.454**	.823**
	Sig. (2-tailed)		.000	.000	.000
	N	202	202	202	202
Emp_SA_PretendEm	Pearson Correlation	.411**	1	.357**	.718**
	Sig. (2-tailed)	.000		.000	.000
	N	202	202	202	202
	Pearson Correlation	.454**	.357**	1	.787**

Emp_SA_	Sig. (2-tailed)	.000	.000		.000
HideTrueFe	N				
elings		202	202	202	202
ST_emp_S	Pearson Correlation	.823**	.718**	.787**	1
A	Sig. (2-tailed)	.000	.000	.000	
	N	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.6 (m): Means, Standard deviations for 9 variables of employee interaction quality

Descriptive Statistics

	Mean	Std. Deviation	N
Emp_myAtt_friendly	5.88	1.093	202
Emp_myAtt_wilngnsToHelp	6.49	.741	202
Emp_myAtt_UndNeeds	6.27	.662	202
Emp_myBeh_addrNeeds	6.26	.735	202
Emp_myBeh_qucklyRes	6.21	.710	202
Emp_myBeh_undNeeds	6.17	.763	202
Emp_myExp_updtdExp	6.38	.660	202
Emp_myExp_AnsQs	5.83	.998	202
Emp_myExp_KnwUpdt	6.35	.719	202
ST_emp_IQ	55.8416	3.58475	202

Table 6.6 (n): Pearson's coefficient for 9 variables of employee interaction quality

Correlations

		Emp_myAtt_friendly	Emp_myAtt_wilngnsToHelp	Emp_myAtt_UndNeeds	Emp_myBeh_addrNeeds	Emp_myBeh_qucklyRes	Emp_myBeh_undNeeds	Emp_myExp_updtdExp	Emp_myExp_AnsQs	Emp_myExp_KnwUpdt	ST_emp_IQ
Emp_myAtt_friendly	Pearson Correlation	1	.186**	.246**	.343**	.117	.265**	.052	.186**	.081	.616**
	Sig. (2-tailed)		.008	.000	.000	.098	.000	.463	.008	.252	.000
	N	202	202	202	202	202	202	202	202	202	202

Emp_my Att_wilngnsToHelp	Pearson Correlation	.186**	1	.213**	.215**	.212**	.148*	.084	.179*	.095	.505**
	Sig. (2-tailed)	.008		.002	.002	.002	.035	.235	.011	.178	.000
	N	202	202	202	202	202	202	202	202	202	202
Emp_my Att_UndNeeds	Pearson Correlation	.246**	.213**	1	.254**	.207**	.310**	.296**	.160*	.195**	.601**
	Sig. (2-tailed)	.000	.002		.000	.003	.000	.000	.023	.005	.000
	N	202	202	202	202	202	202	202	202	202	202
Emp_my Beh_addrNeeds	Pearson Correlation	.343**	.215**	.254**	1	-.017	.133	.125	.127	.082	.501**
	Sig. (2-tailed)	.000	.002	.000		.807	.059	.077	.071	.246	.000
	N	202	202	202	202	202	202	202	202	202	202
Emp_my Beh_qucklyRes	Pearson Correlation	.117	.212**	.207**	-.017	1	.154*	.095	.127	.129	.424**

	Sig. (2-tailed)	.098	.002	.003	.807		.029	.177	.072	.067	.000
	N	202	202	202	202	202	202	202	202	202	202
Emp_myBeh_undNeeds	Pearson Correlation	.265**	.148*	.310**	.133	.154*	1	.125	.091	.278**	.543**
	Sig. (2-tailed)	.000	.035	.000	.059	.029		.076	.199	.000	.000
	N	202	202	202	202	202	202	202	202	202	202
Emp_myExp_updtdExp	Pearson Correlation	.052	.084	.296**	.125	.095	.125	1	.166*	-.022	.385**
	Sig. (2-tailed)	.463	.235	.000	.077	.177	.076		.018	.760	.000
	N	202	202	202	202	202	202	202	202	202	202
Emp_myExp_AnsQs	Pearson Correlation	.186**	.179*	.160*	.127	.127	.091	.166*	1	.069	.517**
	Sig. (2-tailed)	.008	.011	.023	.071	.072	.199	.018		.330	.000
	N	202	202	202	202	202	202	202	202	202	202

Emp_myExp_KnwUpdt	Pearson Correlation	.081	.095	.195**	.082	.129	.278**	-.022	.069	1	.398**
	Sig. (2-tailed)	.252	.178	.005	.246	.067	.000	.760	.330		.000
	N	202	202	202	202	202	202	202	202	202	202
ST_emp_IQ	Pearson Correlation	.616**	.505**	.601**	.501**	.424**	.543**	.385**	.517**	.398**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	202	202	202	202	202	202	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 6.6 (m): Means, Standard deviations for 3 variables of employee expectation of continuity of service relationship

Descriptive Statistics

	Mean	Std. Deviation	N
Emp_exp_cntRelshp_withinBank	5.36	1.173	202
Emp_exp_cntRelshp_nochngEmp	5.30	1.210	202
Emp_exp_cntRelshp_BeyBank	4.45	1.193	202
ST_emp_CntSR	15.1040	2.71243	202

Table 6.6 (n): Pearson's coefficient for 3 variables of employee expectation of continuity of service relationship

Correlations

		Emp_exp_cntRelshp_withinBank	Emp_exp_cntRelshp_nochngEmp	Emp_exp_cntRelshp_BeyBank	ST_emp_CntSR
Emp_exp _cntRelsh p_within Bank	Pearson Correlation	1	.307**	.255**	.681**
	Sig. (2-tailed)		.000	.000	.000
	N	202	202	202	202
Emp_exp _cntRelsh p_nochng Emp	Pearson Correlation	.307**	1	.524**	.809**
	Sig. (2-tailed)	.000		.000	.000
	N	202	202	202	202
Emp_exp _cntRelsh p_BeyBa nk	Pearson Correlation	.255**	.524**	1	.783**
	Sig. (2-tailed)	.000	.000		.000
	N	202	202	202	202
ST_emp_ CntSR	Pearson Correlation	.681**	.809**	.783**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Appendix section 6.7: Questionnaire reliability: Cronbach's alpha (α)

Table 6.7 (a): Cronbach's α for customer expectation of DA
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.737	.749	3

Table 6.7 (b): Item statistics for customer expectation of DA
Item Statistics

	Mean	Std. Deviation	N
Cust_DA_feelEm	5.49	1.023	202
Cust_DA_expEm	5.31	1.216	202
Cust_DA_feelEM_partOfJob	5.41	1.362	202

263

Table 6.7 (c): Inter- item correlation matrix for customer expectation of DA

Inter-Item Correlation Matrix

	Cust_DA_feelEm	Cust_DA_expEm	Cust_DA_feelEM_partOfJob
Cust_DA_feelEm	1.000	.606	.421
Cust_DA_expEm	.606	1.000	.468
Cust_DA_feelEM_partOfJob	.421	.468	1.000

Table 6.7 (d): Cronbach α for customer non expectation of SA

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.759	.760	3

Table 6.7 (e): Item statistics for customer non expectation of SA

Item Statistics

	Mean	Std. Deviation	N
Cust_SA_ResTrueFeelings	2.95	1.198	202
Cust_SA_PretendEm	2.64	1.275	202
Cust_SA_HideTrueFeelings	2.59	1.302	202

Table 6.7 (f): Inter- item correlation matrix for customer non expectation of SA

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Cust_SA_ResTrueFeelings	5.23	5.095	.573	.329	.697
Cust_SA_PretendEm	5.54	4.687	.601	.361	.665
Cust_SA_HideTrueFeelings	5.58	4.602	.597	.356	.670

Table 6.7 (g): Cronbach α for customer perceived interaction quality

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.922	.923	9

Table 6.7 (h): Item statistics for customer perceived interaction quality
Inter-Item Correlation Matrix

	cust_RmAtt_friendly	cust_RMAtt_wilngnssToHelp	cust_RMAtt_UndNeeds	cust_RmBeh_action_AddrNeeds	Cust_RMBeh_resNeeds	Cust_RmBeh_undNeeds	cust_RMExp_knwJob	cust_Rmexp_AnsQsQckly	cust_Rmexp_rmKnw
cust_RmAtt_friendly	1.000	.673	.517	.760	.560	.595	.669	.559	.605
cust_RMAtt_wilngnssToHelp	.673	1.000	.415	.576	.626	.523	.573	.643	.599
cust_RMAtt_UndNeeds	.517	.415	1.000	.530	.471	.641	.624	.554	.524
cust_RmBeh_action_AddrNeeds	.760	.576	.530	1.000	.487	.542	.666	.485	.497
Cust_RMBeh_resNeeds	.560	.626	.471	.487	1.000	.546	.544	.593	.571
Cust_RmBeh_undNeeds	.595	.523	.641	.542	.546	1.000	.591	.561	.606
cust_RMExp_knwJob	.669	.573	.624	.666	.544	.591	1.000	.595	.476
cust_Rmexp_AnsQsQckly	.559	.643	.554	.485	.593	.561	.595	1.000	.508
cust_Rmexp_rmKnw	.605	.599	.524	.497	.571	.606	.476	.508	1.000

Table 6.7 (i): Inter- item correlation matrix for customer perceived interaction quality

Inter-Item Correlation Matrix

	cust_RmAtt_friendly	cust_RMAtt_wilngnssToHelp	cust_RMAtt_UndNeeds	cust_RmBeh_action_AddrNeeds	Cust_RMBeh_resNeeds	Cust_RmBeh_undNeeds	cust_RMExp_knwJob	cust_Rmexp_AnsQsQckly	cust_Rmexp_rmKnw
cust_RmAtt_friendly	1.000	.673	.517	.760	.560	.595	.669	.559	.605
cust_RMAtt_wilngnssToHelp	.673	1.000	.415	.576	.626	.523	.573	.643	.599
cust_RMAtt_UndNeeds	.517	.415	1.000	.530	.471	.641	.624	.554	.524
cust_RmBeh_action_AddrNeeds	.760	.576	.530	1.000	.487	.542	.666	.485	.497
Cust_RMBeh_resNeeds	.560	.626	.471	.487	1.000	.546	.544	.593	.571
Cust_RmBeh_undNeeds	.595	.523	.641	.542	.546	1.000	.591	.561	.606
cust_RMExp_knwJob	.669	.573	.624	.666	.544	.591	1.000	.595	.476
cust_Rmexp_AnsQsQckly	.559	.643	.554	.485	.593	.561	.595	1.000	.508
cust_Rmexp_rmKnw	.605	.599	.524	.497	.571	.606	.476	.508	1.000

Table 6.7 (j): Cronbach α for customer's intention to continue service relationship

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.854	.863	3

Table 6.7 (j): Item statistics for customer's intention to continue service relationship
Inter-Item Correlation Matrix

	cust_RmAtt_friendly	cust_RMAtt_wilngnssToHelp	cust_RMAtt_UndNeeds	cust_RmBeh_action_AddrNeeds	Cust_RMBeh_resNeeds	Cust_RmBeh_undNeeds	cust_RMExp_knwJob	cust_Rmexp_AnsQsQckly	cust_Rmexp_rmKnw
cust_RmAtt_friendly	1.000	.673	.517	.760	.560	.595	.669	.559	.605
cust_RMAtt_wilngnssToHelp	.673	1.000	.415	.576	.626	.523	.573	.643	.599
cust_RMAtt_UndNeeds	.517	.415	1.000	.530	.471	.641	.624	.554	.524
cust_RmBeh_action_AddrNeeds	.760	.576	.530	1.000	.487	.542	.666	.485	.497
Cust_RMBeh_resNeeds	.560	.626	.471	.487	1.000	.546	.544	.593	.571
Cust_RmBeh_undNeeds	.595	.523	.641	.542	.546	1.000	.591	.561	.606
cust_RMExp_knwJob	.669	.573	.624	.666	.544	.591	1.000	.595	.476
cust_Rmexp_AnsQsQckly	.559	.643	.554	.485	.593	.561	.595	1.000	.508
cust_Rmexp_rmKnw	.605	.599	.524	.497	.571	.606	.476	.508	1.000

267

Table 6.7 (k): Inter- item correlation matrix for customer's intention to continue service relationship

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
cust_cntRelshp_empInBank	8.91	7.604	.818	.682	.723
cust_contRelshp_noChngEmp	8.77	7.692	.716	.591	.806
cust_contRelshp_BeyBank	10.70	6.829	.670	.482	.867

Table 6.7 (l): Cronbach α for employee DA

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.649	.657	3

Table 6.7 (m): Item statistics for employee DA

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Emp_DA_feelEm	11.57	3.460	.473	.224	.552
Emp_DA_expEm	11.71	2.755	.457	.210	.560
Emp_DA_feelEM_partOfJob	11.92	2.804	.467	.221	.543

Table 6.7 (n): Inter- item correlation matrix for employee DA

Inter-Item Correlation Matrix

	Emp_DA_feelEm	Emp_DA_expEm	Emp_DA_feelEM_partOfJob
Emp_DA_feelEm	1.000	.386	.400
Emp_DA_expEm	.386	1.000	.382
Emp_DA_feelEM_partOfJob	.400	.382	1.000

Table 6.7 (o): Cronbach α for employee SA

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.671	.673	3

Table 6.7 (p): Item statistics for employee SA

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Emp_SA_ResTrueFeelings	4.99	5.059	.526	.277	.520
Emp_SA_PretendEm	5.91	6.917	.451	.205	.623
Emp_SA_HideTrueFeelings	4.97	5.675	.489	.241	.569

Table 6.7 (q): Inter- item correlation matrix for employee SA

Inter-Item Correlation Matrix

	Emp_SA_ResTrueFeelings	Emp_SA_PretendEm	Emp_SA_HideTrueFeelings
Emp_SA_ResTrueFeelings	1.000	.411	.454
Emp_SA_PretendEm	.411	1.000	.357
Emp_SA_HideTrueFeelings	.454	.357	1.000

Table 6.7 (r): Cronbach α for employee's perception of customer interaction quality

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.621	.629	9

Table 6.7 (s): Item statistics for employee's perception of customer interaction quality

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Emp_myAtt_friendly	49.97	9.218	.368	.202	.577
Emp_myAtt_wilngnsToHelp	49.35	10.717	.326	.126	.588
Emp_myAtt_UndNeeds	49.57	10.435	.462	.249	.560
Emp_myBeh_addrNeeds	49.58	10.752	.323	.182	.588
Emp_myBeh_qucklyRes	49.63	11.198	.242	.104	.607
Emp_myBeh_undNeeds	49.67	10.462	.366	.188	.577
Emp_myExp_updtdExp	49.46	11.464	.213	.119	.612
Emp_myExp_AnsQs	50.01	10.149	.268	.086	.607
Emp_myExp_KnwUpdt	49.49	11.316	.210	.108	.614

Table 6.7 (t): Inter- item correlation matrix for employee's perception of customer interaction quality

Inter-Item Correlation Matrix

	Emp_myAtt_friendly	Emp_myAtt_wilngnsToHelp	Emp_myAtt_UndNeeds	Emp_myBeh_addrNeeds	Emp_myBeh_qucklyRes	Emp_myBeh_undNeeds	Emp_myExp_updtdExp	Emp_myExp_AnsQs	Emp_myExp_KnwUpdt
Emp_myAtt_friendly	1.000	.186	.246	.343	.117	.265	.052	.186	.081
Emp_myAtt_wilngnsToHelp	.186	1.000	.213	.215	.212	.148	.084	.179	.095
Emp_myAtt_UndNeeds	.246	.213	1.000	.254	.207	.310	.296	.160	.195
Emp_myBeh_addrNeeds	.343	.215	.254	1.000	-.017	.133	.125	.127	.082
Emp_myBeh_qucklyRes	.117	.212	.207	-.017	1.000	.154	.095	.127	.129
Emp_myBeh_undNeeds	.265	.148	.310	.133	.154	1.000	.125	.091	.278
Emp_myExp_updtdExp	.052	.084	.296	.125	.095	.125	1.000	.166	-.022
Emp_myExp_AnsQs	.186	.179	.160	.127	.127	.091	.166	1.000	.069
Emp_myExp_KnwUpdt	.081	.095	.195	.082	.129	.278	-.022	.069	1.000

Table 6.7 (u): Cronbach α for employee's perception of customer intention to continue the service relationship

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.631	.630	3

Table 6.7 (v): Item statistics for employee's perception of customer intention to continue the service relationship

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Emp_exp_cntRelshp_within Bank	9.75	4.399	.322	.106	.688
Emp_exp_cntRelshp_nochn gEmp	9.81	3.510	.526	.307	.406
Emp_exp_cntRelshp_BeyBa nk	10.65	3.710	.484	.284	.470

Table 6.7 (w): Inter- item correlation matrix for employee's perception of customer intention to continue the service relationship

Inter-Item Correlation Matrix

	Emp_exp_cntRelshp_withinBank	Emp_exp_cntRelshp_nochngEmp	Emp_exp_cntRelshp_BeyBank
Emp_exp_cntRelshp_within Bank	1.000	.307	.255
Emp_exp_cntRelshp_nochn gEmp	.307	1.000	.524
Emp_exp_cntRelshp_BeyB ank	.255	.524	1.000

Appendix section 6.8: Outer and inner t-values for model testing

Table 6.8 (a): Basic employee outer model t- values

Outer model connections	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Emp_DA_expEm <- employee DA	0.183	3.570	0.000
Emp_DA_feelEM_partOfJob <- employee DA	0.175	5.145	0.000
Emp_DA_feelEm <- employee DA	0.237	2.916	0.004
Emp_SA_HideTrueFeelings <- employee SA	0.311	2.994	0.003
Emp_SA_PretendEm <- employee SA	0.271	2.390	0.017
Emp_SA_ResTrueFeelings <- employee SA	0.370	1.071	0.284
Emp_exp_cntRelshp_BeyBank <- employee perception of customer intention to continue service relationship__	0.025	33.861	0.000
Emp_exp_cntRelshp_nochngEmp <- employee perception of customer intention to continue service relationship__	0.041	20.028	0.000
Emp_exp_cntRelshp_withinBank <- employee perception of customer intention to continue service relationship__	0.121	4.649	0.000
Emp_myAtt_UndNeeds <- employee perception of customer interaction quality	0.050	13.140	0.000
Emp_myAtt_friendly <- employee perception of customer interaction quality	0.063	9.795	0.000
Emp_myAtt_wilngnsToHelp <- employee perception of customer interaction quality	0.082	5.685	0.000
Emp_myBeh_addrNeeds <- employee perception of customer interaction quality	0.067	8.216	0.000
Emp_myBeh_qucklyRes <- employee perception of customer interaction quality	0.094	4.028	0.000
Emp_myBeh_undNeeds <- employee perception of customer interaction quality	0.065	8.758	0.000
Emp_myExp_AnsQs <- employee perception of customer interaction quality	0.109	3.942	0.000
Emp_myExp_KnwUpdt <- employee perception of customer interaction quality	0.091	4.584	0.000
Emp_myExp_updtdExp <- employee perception of customer interaction quality	0.083	4.757	0.000

Table 6.8 (b): Basic employee inner model t- values

Inner model connections	t- statistics
Emp_DA -> employee perception of customer interaction quality	1.864
Emp_SA->employee perception of customer interaction quality	1.192
employee perception of customer interaction quality -> employee perception of customer intention to continue the service relationship	13.698

Table 6.8 (c): Customer basic outer model t- values

Outer model connections	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Cust_DA_expEm <- customer expectation of DA_	0.032	26.401	0.000
Cust_DA_feelEM_partOfJob <- customer expectation of DA_	0.045	17.222	0.000
Cust_DA_feelEm <- customer expectation of DA_	0.019	43.154	0.000
Cust_RMBeh_resNeeds <- perceived customer interaction quality_	0.033	23.242	0.000
Cust_RmBeh_undNeeds <- perceived customer interaction quality_	0.024	32.983	0.000
Cust_SA_HideTrueFeelings <- customer expectation of SA_	0.022	37.967	0.000
Cust_SA_PretendEm <- customer expectation of SA_	0.025	33.764	0.000
Cust_SA_ResTrueFeelings <- customer expectation of SA_	0.047	16.436	0.000
cust_RMAtt_UndNeeds <- perceived customer interaction quality_	0.037	19.942	0.000
cust_RMAtt_wilngnssToHelp <- perceived customer interaction quality_	0.032	24.455	0.000
cust_RMExp_knwJob <- perceived customer interaction quality_	0.031	26.568	0.000
cust_RmAtt_friendly <- perceived customer interaction quality_	0.032	26.291	0.000
cust_RmBeh_action_AddrNeeds <- perceived customer interaction quality_	0.036	21.723	0.000
cust_Rmexp_AnsQsQckly <- perceived customer interaction quality_	0.034	22.893	0.000
cust_Rmexp_rmKnw <- perceived customer interaction quality_	0.033	22.821	0.000
cust_cntRelshp_empInBank <- customer intention to continue service relationship_	0.010	92.844	0.000
cust_contRelnshp_noChngEmp <- customer intention to continue service relationship_	0.023	39.437	0.000
cust_contRelshp_BeyBank <- customer intention to continue service relationship_	0.030	28.182	0.000

Table 6.8 (d): Customer basic inner model t- values

Inner model connections	t- statistics
customer expectation of DA_ -> perceived customer interaction quality_	4.239
customer expectation of SA_ -> perceived customer interaction quality_	4.983
perceived customer interaction quality_ -> customer intention to continue service relationship_	47.172

Table 6.8 (e): Theorized outer model t- values

Outer model connections	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Cust_RMBeh_resNeeds <- customer perceived interaction quality	0.033	23.543	0.000
Cust_RmBeh_undNeeds <- customer perceived interaction quality	0.024	33.698	0.000
Emp_DA_expEm <- employee DA_	0.060	13.014	0.000
Emp_DA_feelEM_partOfJob <- employee DA_	0.048	17.693	0.000
Emp_DA_feelEm <- employee DA_	0.170	3.740	0.000
Emp_SA_HideTrueFeelings <- employee SA	0.406	2.405	0.016
Emp_SA_PretendEm <- employee SA	0.368	0.689	0.491
Emp_SA_ResTrueFeelings <- employee SA	0.297	1.936	0.053
cust_RMAtt_UndNeeds <- customer perceived interaction quality	0.039	19.156	0.000
cust_RMAtt_wilngnssToHelp <- customer perceived interaction quality	0.032	24.979	0.000
cust_RMExp_knwJob <- customer perceived interaction quality	0.033	25.029	0.000
cust_RmAtt_friendly <- customer perceived interaction quality	0.032	26.348	0.000
cust_RmBeh_action_AddrNeeds <- customer perceived interaction quality	0.036	21.843	0.000
cust_Rmexp_AnsQsQckly <- customer perceived interaction quality	0.035	22.414	0.000
cust_Rmexp_rmKnw <- customer perceived interaction quality	0.033	22.639	0.000
cust_cntRelshp_empInBank <- customer intention to continue the service relationhip	0.010	91.637	0.000
cust_contRelnshp_noChngEmp <- customer intention to continue the service relationhip	0.023	38.405	0.000
cust_contRelshp_BeyBank <- customer intention to continue the service relationhip	0.030	27.773	0.000

Table 6.8 (f): Theorized inner model t- values

Inner model connections	t- statistics
customer perceived interaction quality -> customer intention to continue the service relationhip	48.166
employee DA_ -> customer perceived interaction quality	5.095
employee SA -> customer perceived interaction quality	0.450

Table 6.8 (g): Theorized model with mediation- Outer t- values

Outer model connections	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Cust_DA_expEm <- customer expectation of DA	0.024	35.389	0.000
Cust_DA_feelEM_partOfJob <- customer expectation of DA	0.046	16.323	0.000
Cust_DA_feelEm <- customer expectation of DA	0.018	47.256	0.000
Cust_RMBeh_resNeeds <- customer perceived interaction quality	0.033	23.206	0.000
Cust_RmBeh_undNeeds <- customer perceived interaction quality	0.023	34.058	0.000
Cust_SA_HideTrueFeelings <- customer expectation of SA	0.023	37.402	0.000
Cust_SA_PretendEm <- customer expectation of SA	0.023	36.044	0.000
Cust_SA_ResTrueFeelings <- customer expectation of SA	0.046	17.124	0.000
Emp_DA_expEm <- employee DA	0.053	14.719	0.000
Emp_DA_feelEM_partOfJob <- employee DA	0.045	18.592	0.000
Emp_DA_feelEm <- employee DA	0.161	4.143	0.000
Emp_SA_HideTrueFeelings <- employee SA	0.106	7.617	0.000
Emp_SA_PretendEm <- employee SA	0.146	4.397	0.000
Emp_SA_ResTrueFeelings <- employee SA	0.073	11.680	0.000
cust_RMAtt_UndNeeds <- customer perceived interaction quality	0.037	20.088	0.000
cust_RMAtt_wilngnssToHelp <- customer perceived interaction quality	0.033	24.026	0.000
cust_RMExp_knwJob <- customer perceived interaction quality	0.031	26.527	0.000
cust_RmAtt_friendly <- customer perceived interaction quality	0.032	26.494	0.000
cust_RmBeh_action_AddrNeeds <- customer perceived interaction quality	0.036	21.882	0.000
cust_Rmexp_AnsQsQckly <- customer perceived interaction quality	0.034	22.875	0.000
cust_Rmexp_rmKnw <- customer perceived interaction quality	0.034	22.332	0.000
cust_cntRelshp_empInBank <- customer intention to continue the service relationship	0.010	92.830	0.000
cust_contRelnshp_noChngEmp <- customer intention to continue the service relationship	0.023	39.315	0.000
cust_contRelshp_BeyBank <- customer intention to continue the service relationship	0.030	28.232	0.000

Table 6.8 (h): Theorized model with mediation- Inner t- values

Inner model connections	t- statistics	p- values
customer expectation of DA -> customer perceived interaction quality	3.744	0.000
customer expectation of SA -> customer perceived interaction quality	4.734	0.000
customer perceived interaction quality -> customer intention to continue the service relationship	47.738	0.000
employee DA -> customer expectation of DA	4.575	0.000
employee DA -> customer expectation of SA	3.936	0.000
employee DA -> customer perceived interaction quality	1.078	0.281
employee SA -> customer expectation of DA	3.83	0.000
employee SA -> customer expectation of SA	0.452	0.652
employee SA -> customer perceived interaction quality	1.238	0.216

Appendix 6.8 (i) Analysis performed on employee perspective and customer perspective only

Model employing employee perspective variables

Model employing employee perspective variables: This model tests the relationships between employee SA and employee DA with employee perception of customer interaction quality, and final outcome variable as employee perspective of customers' intention to continue the service relationship.

Data clean-up- employee variables

The data descriptive measures in Chapter 4(a) have been able to bring more clarity to the variables. The dimensions that are interacting in the model - SA, DA, interaction quality and intention to continue the service relationship were captured in a comma limited values (CSV) file format for running the analysis in SmartPLS software (Ringle et al., 2015). The variables for customers and corresponding employees were arranged in columns, with each column capturing each variable of SA, DA, interaction quality and intention to continue the service relationship.

Model initiation - employee variables

The employee basic model was postulated with dimensions of employee DA, employee SA, employee perception of customer interaction quality, and employee perception of customer intention to continue the service relationship. Employee DA were defined by 3 attributes, employee SA by 3 attributes, employee perception of customer interaction quality by 9 attributes, and employee perception of customer intention to continue service relationship by 3 attributes. The exogenous constructs were employee DA and employee SA, the endogenous construct was employee perception of customer interaction quality (Wong, 2013; Hair et al., 2014).

The indicators for each of the dimensions are by default, and are maintained as 'reflective' in SmartPLS (Ringle et al., 2015). "When indicators are highly correlated and interchangeable, they are reflective" (Wong, 2013, p.15; Hair et al., 2014). The reliability and validity measures of these indicators are further reported in this chapter.

The model set-up in SmartPLS version 3.2.2 (Ringle et al., 2015) is for path analysis and the calculation of path coefficients- the significance of the path coefficients are also reported. Maximum iterations should be sufficiently large and 300 iterations are used while the stop criterion is to be kept at 10^-5^ or 10^-7^ (Wong, 2013). By default, the outer weights are set at +1 in SmartPLS version 3.2.2 (Ringle et al., 2015).

Model validations - employee variables

As can be seen in the above Diagram 6.8(i1): Model depicting employee perspectives, the outer loadings for each of the latent constructs are shown in each of the arrow connections of the outer model. The reliability and validity indicators are depicted in Table 6.8(h1).

Table 6.8(i1): Model depicting employee perspectives: latent constructs, indicators, reliability and validity tables

LATENT CONSTRUCT	INDICATORS	OUTER LOADINGS	INDICATOR RELIABILITY (outer loadings^2)	Composite reliability	Convergent validity (AVE)*
Employee DA	Emp_DA_expEm	0.654	0.428	0.796	0.571
	Emp_DA_feelEM_partOfJob	0.900	0.810		
	Emp_DA_feelEm	0.690	0.476		
Employee SA	Emp_SA_HideTrueFeelings	0.932	0.869	0.715	0.481
	Emp_SA_PretendEm	0.648	0.420		
	Emp_SA_ResTrueFeelings	0.396	0.157		
employee perception of customer interaction quality	Emp_myAtt_UndNeeds	0.654	0.428	0.798	0.576
	Emp_myAtt_friendly	0.621	0.386		
	Emp_myAtt_wilngnsToHelp	0.465	0.216		
	Emp_myBeh_addrNeeds	0.550	0.303		
	Emp_myBeh_qucklyRes	0.378	0.143		
	Emp_myBeh_undNeeds	0.572	0.327		
	Emp_myExp_AnsQs	0.429	0.184		
	Emp_myExp_KnwUpdt	0.415	0.172		
	Emp_myExp_updtdExp	0.395	0.156		
employee perception of customer intention to continue the service relationship	Emp_exp_cntRelshp_BeyBank	0.860	0.740	0.750	0.257
	Emp_exp_cntRelshp_nochngEmp	0.819	0.671		
	Emp_exp_cntRelshp_withinBank	0.564	0.318		

Indicator reliability- employee variables

The square of each of the outer loadings is calculated, and this gives the indicator reliability. Each of the indicator reliability figures should be greater than the threshold of 0.4. Stronger figures, inching near 0.7, are considered more reliable (Wong, 2013). The indicator variables under employee DA are all above the threshold of 0.4. The indicator variable 'I resist expressing my true feelings to the customer' is below the threshold value of 0.4 on indicator reliability. All but one of the indicator variables of employee perception of customer interaction quality are below 0.4. This denotes that the above variable are weak in explaining the employees' perception of customer perceived interaction quality. The indicator reliability of 'I resist expressing my true feelings to the customer' is also weak in the model depicting employee perspectives.

Composite reliability - employee variables

Composite reliability of the construct is denoted by the composite reliability, as generated in the output tables of SmartPLS (Ringle et al., 2015) on running the algorithm. Threshold figure is 0.7 and all the construct reliability scores are above 0.7 (Wong, 2013), as can be seen in Table 6.8(h1). As can be observed composite reliability scores for employee DA is 0.796, employee SA is 0.715, employee perception of customer interaction quality is 0.798, and employee perception of customer intention to continue the service relationship is 0.750. Composite reliability above threshold of 0.7 denotes internal consistency of the variables chosen. It is used in SmartPLS (Ringle et al., 2015) as an alternative to the measure of Cronbach α, since Cronbach α is sensitive to number of items in the scale and can underestimate the internal consistency. This is thus replaced by the composite reliability scores in Smart PLS (Hair et al., 2014).

Convergent validity - employee variables

Convergent validity is denoted by the average variance extracted (AVE) for each of the latent constructs (Wong, 2013). As observed in Table 6.8(h1), the AVE for employee DA (0.571) is above 0.5, and employee perception of customer interaction quality (0.576) is also above 0.5. However, the AVE for employee SA (0.481) and employee perception of customer intention to continue the service relationship (0.257) is below the threshold value of 0.5 (Wong, 2013). Convergent validity denotes the validity strength of the construct itself in relation to its interactions with the other dimensions. In this case, the employee SA construct falls weak in its present interactions with the other constructs. One of the variables of employee SA had a weak internal validity, and that possibly also adds to the effect on the entire.

Discriminant validity - employee variables

Discriminant validity is checked by conducting the Fornell Larcker's test. "Fornell & Larcker (1981) suggested that the if the square root of AVE for each of the latent variable is larger than other correlation values among the latent variables, this could establish discriminant validity" (Wong, 2013, p.22). The details of the discriminant validity are given below in Table 6.8(i2).

Table 6.8(i2): Employee basic model: Fornell-Larcker Criterion

Latent constructs	employee DA	employee SA	employee perception of customer intention to continue service relationship	employee perception of customer interaction quality
employee DA	0.756			
employee SA	-0.112	0.694		
employee perception of customer intention to continue service relationship	0.209	-0.094	0.759	
employee perception of customer interaction quality	0.223	-0.227	0.606	0.507

As can be seen in Table 6.8(i2), all the figures in the right most diagonal are above the threshold limit for each of the latent constructs, thus establishing discriminant validity for each latent construct in the employee basic model. Each of the square roots of AVE for each latent construct is above the other correlation values for the latent constructs. The square roots of AVE are given in the right most diagonal, highlighted in green, while the left hand

278

side matrix under the diagonal denotes the correlation values. All the diagonal values are above the correlation values, with employee DA at 0.756, employee SA at 0.694, employee perception of customer interaction quality at 0.507, and employee perception of customer intention to continue the service relationship at 0.759.

Path analysis - employee variables

The path analysis is done to understand the inter-relationships between the exogenous (employee SA and employee DA), latent (employee perception of customer perceived interaction quality) and outcome (employee perception of customer intention to continue the relationship) constructs of the model.

The PLS algorithm was run and is as shown in Diagram 6.8(i1). The path coefficients are denoted by the figures that run within the inner model from one latent construct to the other, as shown in Diagram 6.8(i1). The next step is to determine which of the paths are significant. For this, a procedure called Bootstrapping is run. Bootstrapping is a procedure of replacing some of the values and creating more cases whilst catering for normalcy issues pertaining to the data. Bootstrapping is a standard procedure adopted in SmartPLS (Ringle et al., 2015) to assess the validity of the path-values. T-values derived from bootstrapping are used to check the significance of the path-coefficients (Wong, 2013; Hair et al., 2014). T-values thus derived help to validate the results of path analysis (Wong, 2013; Hair et al., 2014). Bootstrapping was employed to add recommended sub-samples of 5000 for this run of analysis (Wong, 2013; Hair et al., 2014).
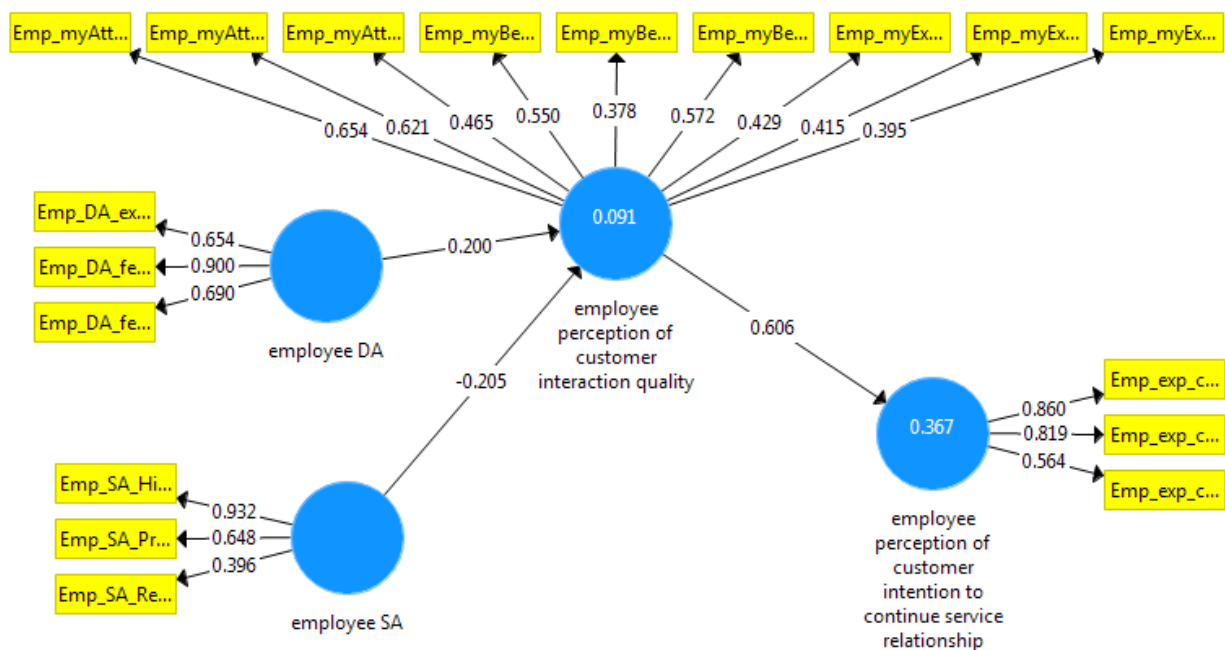

Diagram 6.8(i1): Employee basic model: Initial iteration with path coefficients
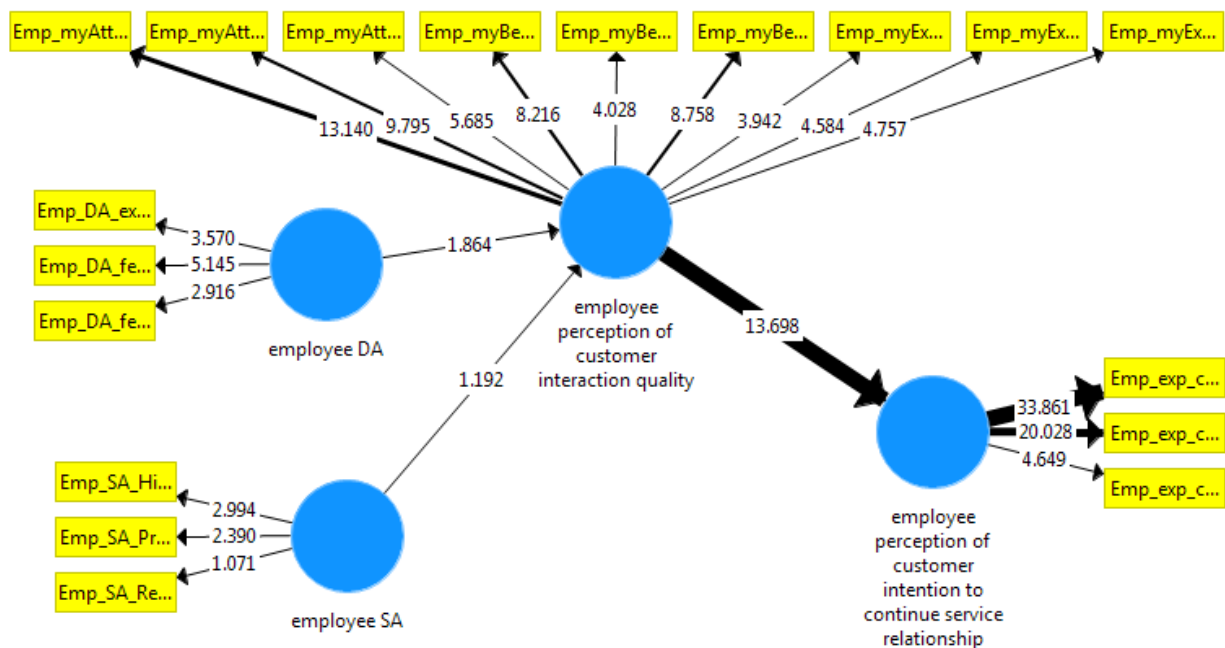
Diagram 6.8(i2): Employee basic model: t-values after bootstrapping (sub-samples= 5000)

Inner model: Path coefficients and significance - employee variables

The inner model denotes the connections between the latent constructs and the outcome variable.

Employee DA and employee SA are able to explain 9.1% of the variance in the 'employee perception of customer interaction quality' as the coefficient of determination (R^2) is 0.091, as shown in Diagram 6.8 (i1). Also, 'employee perception of customer interaction quality' explains 36.7% of the variance in 'employee perception of customer intention to continue service relationship', as the coefficient of determination (R^2) is 0.367. The only significant path is also the path between employee perceptions of customer interaction quality to employee perception of customer intention to continue the relationship.

The path coefficient from employee DA employee perception of customer interaction quality at 0.200 (t = 1.864) is not significant at the 95% interval, the path coefficient from employee SA to customer interaction quality is -0.205 (t =1.192), and is also not significant at the 95% interval, since the threshold t-value should be greater than 1.96 (Wong, 2013). The path coefficient from employee perception of customer interaction quality to employee perception of customer intention to continue the service relationship was 0.606 (t =13.698), which is the only significant path in the employee basic model. The path coefficients are denoted in Diagram 6.8(i1) and the t-values are denoted in Diagram 6.8(i2) for each of the paths.

Thus, this denotes how employee SA and employee DA are unable to provide any coherence to employees' perceptions of customer interaction quality. Employees may have an idea about their own interaction and may know how they are performing EL, however, their own perceptions of this in terms its relationships customers'

280

interaction quality appears minimal. They feel that if their perceptions of customer EL are correct, then their perceptions of customer relationship continuity would be strong as well, and it could be wishful thinking since they know and have been dealing with the customer for some time now. The holistic picture can be seen only when customer perceptions are also captured in the model.

Outer model: Significance - employee variables

All the arrows that move away from the blue circles denote the outer model. All the indicator variables of each of the latent constructs should have t-values greater than 1.96 to be significant. All the indicator variables of employee DA are significant with t-values >1.96. The indicator variable of SA i.e. 'resist expressing true feelings to this customer' is not significant (t= 1.071), while the other two indicator variables are significant with t >1.96 (t-values at 2.994 and 2.390). The t-values for the outer model and the inner model are shown in the Appendix section 6.8, Table 6.8(i1): Model depicting employee perspectives: outer model t-values and Table 6.8(i2): Model depicting employee perspectives: inner model t-values.

Conclusion - employee variables

The outer model is significant for employee DA, employee perception of customer interaction quality, and employee perception of customer intention to continue the service relationship; however the outer model is not significant for one of the indicator variables of employee SA. The interplay of employee SA needs to be checked in the theorized model with mediations to affirm if it would hold as valid or not.

For the inner model, the path from employee DA to employee perception of customer interaction quality is not significant. The path from employee SA to employee perception of customer interaction quality is also not significant. The only significant path in the model is the employee perception of customer interaction quality to employee perception of customer intention to continue the service relationship, and it also only explains 36.7% of the variance in employee perception of customer intention to continue the service relationship. The significance for hypothesis testing is that the employee perspectives alone cannot bring clarity and explicate all the aspects of the relationship. The next step is to investigate the variables from the customer perspectives.

Model employing customer perspective variables

Model employing customer perspective variables: This model tests the relationships between customer expectation of SA and customer expectation of DA with customer perceived interaction quality, and the final outcome variable as customers' intention to continue the service relationship.

Model initiation - customer variables

Data clean-up has already been done to keep only the interrelating constructs of SA, DA, interaction quality and intention to continue the service relationship.

The customer basic model was postulated with dimensions of customer expectation of DA, customer expectation of SA, customer perceived interaction quality, and customer intention to continue service relationship. Customer expectation of DA was defined by 3 attributes, customer expectation of SA by 3 attributes, customer perceived interaction quality by 9 attributes, and customer intention to continue service relationship by 3 attributes. The

exogenous constructs were customer expectation of DA and customer expectation of SA, the endogenous construct was customer perceived interaction quality (Wong, 2013; Hair et al., 2014).

The indicators for each of the dimensions are by default kept as 'reflective' in SmartPLS (Ringle et al., 2015).

The model set-up in SmartPLS version 3.2.2 (Ringle et al., 2015) is for path analysis and the path coefficients and significance of the path coefficients are reported. Maximum iterations (300), stop criterion (10^{-5}) are kept the same as how the model depicts employee perspectives was conducted (Wong, 2013). By default, the outer weights are set at +1 in SmartPLS version 3.2.2 (Ringle et al., 2015).

The reliability and validity measures of these indicators are reported below.

Model validations - customer variables

As can be seen in the below Diagram 6.8(i3): Model depicting customer perspectives, the outer loadings for each of the latent constructs are shown in each of the arrow connections of the outer model. The reliability and validity indicators are depicted below in Table 6.8(i3).

Table 6.8(i3): Model depicting customer perspectives: latent constructs, indicators, reliability and validity tables

LATENT CONSTRUCT	INDICATORS	OUTER LOADINGS	INDICATOR RELIABILITY (outer loadings^2)	Composite reliability	Convergent validity (AVE)*
Customer expectation of DA	Cust_DA_expEm	0.838	0.702	0.857	0.666
	Cust_DA_feelEM_partOfJob	0.769	0.591		
	Cust_DA_feelEm	0.840	0.706		
Customer expectation of SA	Cust_SA_HideTrueFeelings	0.853	0.728	0.861	0.673
	Cust_SA_PretendEm	0.832	0.692		
	Cust_SA_ResTrueFeelings	0.775	0.601		
Customer perceived interaction quality	cust_RMAtt_UndNeeds	0.747	0.558	0.916	0.785
	cust_RMAtt_wilngnssToHelp	0.795	0.632		
	cust_RmAtt_friendly	0.839	0.704		
	Cust_RMBeh_resNeeds	0.764	0.584		
	Cust_RmBeh_undNeeds	0.794	0.630		
	cust_RmBeh_action_AddrNeeds	0.780	0.608		
	cust_RMExp_knwJob	0.818	0.669		
	cust_Rmexp_AnsQsQckly	0.780	0.608		
	cust_Rmexp_rmKnw	0.753	0.567		
Customer intention to continue the service relationship	cust_cntRelshp_empInBank	0.934	0.872	0.936	0.618
	cust_contRelnshp_noChngEmp	0.888	0.789		
	cust_contRelshp_BeyBank	0.834	0.696		

Indicator reliability - customer variables

The indicator variables under customer expectation of DA are all above the threshold of 0.4. The indicator variables for customer expectation of SA are also above 0.4. Similarly, the indicator variables under customer perceived interaction quality and customer intention to continue the service relationship is above the threshold value of 0.4, indicating good strength for each of the variables of the constructs that are interacting in this model.

Composite reliability - customer variables

All the construct reliability scores are above 0.7 (Wong, 2013), as can be seen in Table 6.8(i3). Composite reliability of customer expectation of DA (0.857), customer expectation of SA (0.861), customer perceived

interaction quality (0.916), customer intention to continue the service relationship (0.936) denote the strength of the constructs in this interplay of dimensions.

Convergent validity - customer variables

Convergent validity (Wong, 2013) is as observed in Table 6.8(i3). The AVE for customer expectation of DA (0.666), customer expectation of SA (0.673), customer perceived interaction quality (0.785), and the customer intention to continue the service relationship (0.618) are all above the threshold value of 0.5, denoting strong correlations of the variables forming the construct, and thus denoting construct reliability owing to the variables contributing to it (Wong, 2013).

Discriminant validity - customer variables

The details of the discriminant validity are given below in Table 6.8(i4).

Table 6.8(i4): Customer basic model: Fornell-Larcker Criterion

Latent constructs	customer expectation of DA	customer expectation of SA	customer intention to continue service relationship	customer perceived interaction quality
customer expectation of DA	0.756			
customer expectation of SA	-0.112	0.694		
customer intention to continue service relationship	0.209	-0.094	0.759	
customer perceived interaction quality	0.223	-0.227	0.606	0.507

As can be seen in Table 6.8(i4), all the figures in the right most diagonal are above the threshold limit for each of the latent constructs, thus establishing discriminant validity for each latent construct in the employee basic model. Each of the square roots of AVE for each latent construct is above the other correlation values for the latent constructs. The diagonal values should be above the correlation figures given in the left hand side matrix below the diagonal. Fornell-Larcker score for customer expectation of DA (0.756), customer expectation of SA (0.694), customer perceived interaction quality (0.507), and customer intention to continue the service relationship (0.759) are all above the correlation coefficients in the left matrix under the diagonal, thus establishing discriminant validity.

Path analysis- customer variables

The PLS algorithm was run and the figure is shown in Diagram 6.8(i3). The path coefficients are denoted by the figures that run within the inner model from one latent construct to the other. The next step is to assess which of the paths are significant. Bootstrapping is run with sub-samples of 5000, and t-values thus derived, help to validate the results of path analysis (Wong, 2013; Hair et al., 2014).
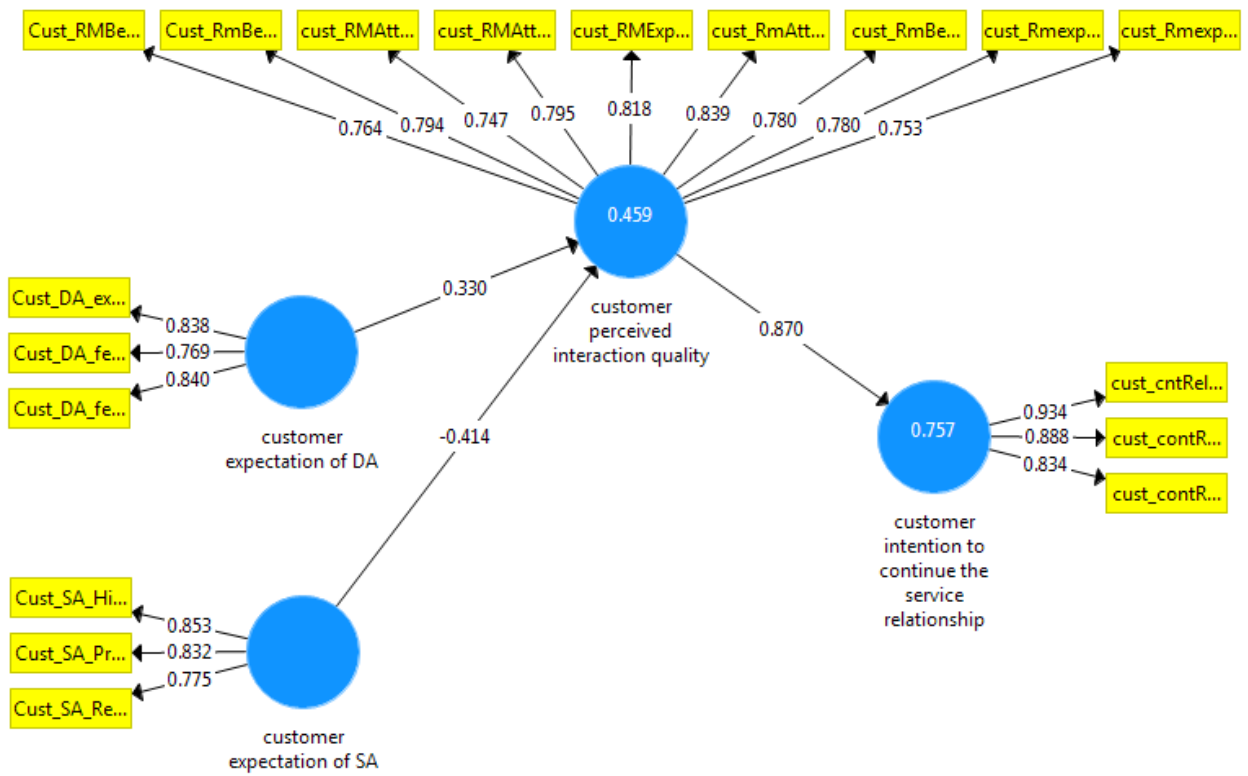
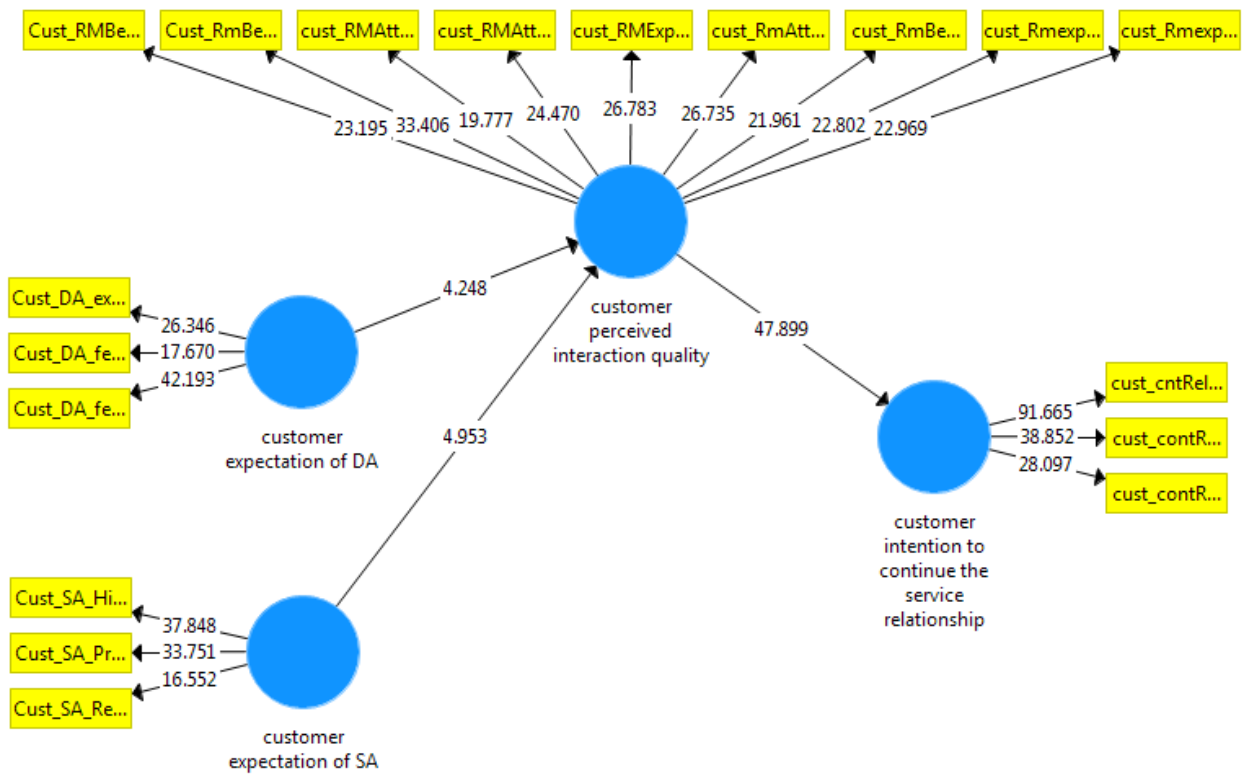**Diagram 6.8(i3): Model depicting customer perspectives: Initial iteration with path coefficients**

Diagram 6.8(i4): Model depicting customer perspectives: t- values after bootstrapping (sub- samples= 5000)

Inner model: Path coefficients and significance - customer variables

The inner model denotes the connections between the latent constructs and the outcome variable.

Customer expectation of DA and customer expectation of SA are able to explain 45.9% of the variance in the customer perceived interaction quality since the coefficient of determination (R^2) is 0.459, as shown in Diagram 6.8(i3). R^2 less than 25% denotes weaker predictive strength of the construct on the another construct. R^2 greater than 50% is medium range in terms of predictability however, 45.9% is also a strong explanation of the variance (Hair et al., 2014). Also, customer perceived interaction quality explains 75.7% of the variance in customer intention to continue service relationship, since the coefficient of determination (R^2) is 0.757. A strong R^2 (greater than 75%) denotes high predictive strength of the model. All the path coefficients are significant, as shown by the t-values in Diagram 6.8(i4).

The path coefficient from customer expectation of DA to customer perceived interaction quality is 0.330 (t = 4.239) thus the path is significant (t> 1.96). The path coefficient from customer expectation of SA to customer perceived interaction quality is -0.414 (t = 4.983), and also significant at 95% interval (Wong, 2013). The path coefficient from customer perceived interaction quality to customer intention to continue the service relationship

was 0.870 (t =47.172), which is also a significant path in the model depicting customer perspectives. The path coefficients are denoted in Diagram 6.8(h3) and the t-values are denoted in Diagram 6.8(h4) for each of the paths.

Outer model: Significance - customer variables

All the indicator variables of customer expectation of DA are significant with t-values >1.96. All the indicator variables for customer expectation of SA are significant (t> 1.96). The t-values for the outer model and the inner model are shown in the Appendix section 6.8, Table 6.8(c): Model depicting customer perspectives: outer model t-values and Table 6.8(d): Model depicting customer perspectives: inner model t-values.

Conclusion- customer variables

The outer model is all significant for customer expectation of DA, customer expectation of SA, customer perceived interaction quality, and customer intention to continue the service relationship since the t-value of all the indicator variables is well above the threshold value of 1.96.

For the inner model, the path from customer expectation of DA to customer perceived interaction quality is significant and contributes to explain 45.9% of the variance in customer perceived interaction quality. The path from customer expectation of SA to customer perceived interaction quality is also significant, contributing to explaining the variance in customer perceived interaction quality. The outcome path in the customer basic model from customer perceived interaction quality to customer intention to continue the service relationship is also significant, and it also explains 75.7% of the variance in customer intention to continue the service relationship.

This denotes customer perspectives are clearer than those of employees with regards to expectations of SA and DA, perceptions on interaction quality and intention to continue the relationship. This is potentially because the customer has the power to decide on these aspects with more autonomy, while the employees only have perceptions on customers' views and intentions.