A Study on Emotional Labour and its Effect in Financial Services Sector

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Abstract

The Services sector in India contributes more than 50% of the nation's Gross Domestic Product (GDP) of which the financial services sector contributes 30%. Employees working in the services sector during the pandemic experienced emotional labour due to increasing emotional demands. Emotional Labour is associated with any job role and is one of the aspects that has been studied increasingly in the past few years. The present study focuses on the effect of perceived organizational support on emotional labour and also examines the effect of emotional labour on factors such as work-family conflict and work-family facilitation among the employees working in the sector. Previous studies suggest that perceived organizational support has a direct relationship with emotional labour. It was identified that emotional labour has a significant relationship with both work-related and personal-related burnout and that the more an individual feels the presence of a work-family conflict, the individual engages in emotional labour. The study follows a descriptive research design with an intended sample size of 150. The respondents were employees working in government insurance companies and private mutual fund companies. The data collected was from primary sources using a structured questionnaire distributed through both online and printed mediums with constructs like Perceived organizational support, Surface acting, Deep acting, Fear of COVID–19, Work-family facilitation, and Work-family conflict.

Introduction

The Financial Services sector in India contributes roughly 6% of the nation's GDP. The Financial Services sector in India is going through a swift expansion with existing firms growing steadily and firms that are relatively new venturing into the market. The financial sector in India mostly comprises commercial banks which account for almost two-thirds of the financial system's total assets. The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) are the two primary regulatory bodies in the Indian financial services sector. While the RBI acts as the central bank of the country and not only controls the activities of the commercial banks but also keeps them under regulatory supervision, the SEBI is a statutory body that regulates the securities and the commodities market in the country. The Financial Services Sector helps to form the lifeblood of economic growth and development. When the financial services sector in a nation is strong, the

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economic growth in the nation is high and thereby with the increase in earnings, there is an increase in the demand for products and services because of the higher purchasing power. Thus, there is an increase in the GDP of the nation and there is significant growth in the economy of the country.

Managing people is a key challenge in the Financial services sector. This is because the commitment and productivity of the employees have a substantial effect on the performance of the organizations in the sector. In addition to this, most employees often have direct contact with the customers and maintain a good relationship with them. One of the HR practices followed while recruiting people for such roles is providing equal importance to the service attitude in an applicant as their technical knowledge so that the right candidates are hired who can work efficiently and thus help in the betterment of the business. The loss of an experienced employee might affect these existing customer relationships associated with the employee. Hence, employee retention is a very important aspect of managing human resources in the sector. To ensure that skilled employees are retained, organizations have innovative retention plans and also provide attractive compensations such as performance-based compensations and providing personalized perks to the employees. Among the major issues that the sector is facing with regard to human resources, is the shortage of employees who can take up managerial positions in organizations. With the current employees in managerial positions expected to retire within a few years from now, the millennials and Gen Z employees are expected to fill in the positions that would be left void. With the Millennials and Gen Z employees having more demands in terms of challenges and engagement at work, they tend to switch jobs quite often and hence it would be a great challenge for the organizations to retain them and fill the positions left void by the retiring employees. To tackle these issues, organizations follow some of the practices such as providing innovative training and development from time to time and also allocating them to special projects to obtain skills through practice

II. Literature Review

A. Perceived Organizational Support

Perceived organizational support (POS) is the level to which the employees have a belief in their organization that it looks after their well-being and values their contributions (Rhoades & Eisenberger, 2002). Employees when given the necessary organizational support, are found to work diligently due to their higher levels of dedication towards the organization (DeConinck & Johnson, 2009). The employees who have a greater level of support from the organization, it is most likely that they take part in positive work behavior and work towards achieving the goals of the organization. Perceived Organizational Support was identified to have significant consequences on employees' well-being and performance (Shameem Shagirbasha, 2018). It was identified that POS acts as a key construct that combines the relationship between job-related outcomes and emotional labor (Rhoades & Eisenberger, 2002). According to a research study among professional employees, it was identified that they reciprocate POS when they firmly identify with the organization and softly identify with the profession (Hekman, 2009).

B. Surface Acting

Emotional Labor can be carried out using the help of two strategies – Deep Acting (DA) and Surface Acting (SA) (Brotheridge & Lee, 2002). Surface Acting is defined as the stimulation of emotions that

are not experienced from within by changing their outer expressions at times when they need to exhibit certain emotions to tackle certain situations (Shikha Sharma, 2014). SA was also termed as the process of suppressing or concealing one's genuine emotions and acting in a way that is in compliance with the norms the organization has formulated with respect to the emotional displays of its employees (Kornélia Lazányi, 2011). Rafaeli and Sutton (1987) called SA "faking in bad faith" since the intentions of the employees are to go along with the informal norms of the organization, but the emotions they display do not reciprocate their true inner feelings. Surface Acting was identified to have a strong connection with emotional job demands in a study conducted among nurses (Näring & van Droffelaar, 2007) and also that surface acting may bring about unreal feelings thus resulting in job dissatisfaction (Kruml & Geddes, 2000). Surface Acting is explained with the help of an example involving an angry customer and a bank teller. Through surface acting, the bank teller might put up a fake smile and a composed behaviour, while being frustrated internally (Grandey, 2000). Surface acting was identified to have a relation with personal-related, work-related, and client-related burnout. It was also found out that it affects employees' Job Satisfaction and Emotional Exhaustion, and thus, Turnover Intention (Lee, 2019). Further, Surface Acting was found more likely to drain an employee's energy since it involved a prolonged tension between true inner and displayed feelings (Michal Biron, 2012).

C. Deep Acting

Deep acting (DA) is explained as the altering of an individual's sincere emotions in order to follow the organizational norms as he feels in a specific situation (Kornélia Lazányi, 2011). It is also defined as the utilization of one's past experiences to express certain feelings when they don't fit the circumstances. DA is where employees knowingly alter their inner feelings with a view to expressing emotions that are expected in a situation (Grandey, 2000). Research conducted among service industry employees suggests that employees who have a better apprehension of their emotions, are expected to recuperate from emotional exhaustion, but have an adverse effect when there are differences between how they should be acting and how they feel (Lee, 2019). Deep acting may lead to a positive state of mind at work since the employee constantly attempts to feel the required emotions (Johnson & Spector, 2007). DA involves displaying the appropriate emotions by altering the internal feelings they experience. Thus, it is labelled as "acting in good faith" (Grandey, 2003). DA is found to be positively associated with organizational outcomes (Hennig-Thurau, 2006) and also with job satisfaction (Tae Won Moon, 2012).

D. Work-Family Conflict and Family–Work Conflict

The conflict between family and work is bi-directional in nature. The two conflicts involving work and family are: Work–family conflict and family–work conflict (Chiara Ghislieri, 2011). Family–Work Conflict (FWC) and Work–Family Conflict (WFC) are forms of conflict that take place when the demands of the family and work domains are not compatible in some way (Greenhaus & Beutell, 1985). As organizations have more and more jobs that require the management of emotions, it becomes crucial to understand what are the situations at work that lead people to express emotions they do not feel

or hide the ones they do feel (Ana Teresa Ferreira Freches, 2017). When both family and work require high levels of emotional management with both being governed by different display norms, both WFC and FWC are identified to be higher, and it partially mediated the relationship between burnout complaints and surface acting (Anthony J. Montgomery, 2006). It was found that only surface acting correlated strongly with work-family conflict but not deep acting and also that family-work conflict notably correlated with the use of surface acting in the workplace (Francis Yue-Lok Cheung, 2009).

E. Work-Family Facilitation and Family-Work-Work Facilitation

Voydanoff (2004) defined Work–Family Facilitation as a form of interaction wherein the support related to one domain makes it easier to engage in the other domain. It can also be defined as the degree to which involvement at home (or work) is made simpler as a result of the opportunities, skills, and experiences that are developed or gained at work (or home) (Frone, 2003). Similar to the conflict involving work and family, Facilitation is also bi-directional (Work–Family Facilitation (WFF) and Family-Work Facilitation (FWF)). The WFF is concerned with the benefits obtained in one domain due to participation in the other domain (Chiara Ghislieri, 2011). The better the result of experiences in one role, the better the mood and greater the confidence is in the other role (Stephens, 1997).

F. Fear of COVID-19

COVID-19 has brought about considerable harm to public health while bringing about economic and financial loss in several nations. The excessive levels of fear of COVID-19 were directly associated with greater turnover intention, decreased job satisfaction, greater psychological distress, and decreased health perceptions (Leodoro J. Labrague, 2020). Evidences have shown that there is a relation between the outbreak of COVID-19 and negative mental health problems like depression, anxiety, and stress (Wu, 2020). Studies have shown that anxiety and depression are more commonly found among nurses than other healthcare workers (Pappa, 2020). Especially in the case of frontline nurses working directly with coronavirus patients, it was found that the fear has an impact on their mental health thus leading to compassion fatigue (Alharbi, 2020).

III. Objective

1. To assess the direction and magnitude of the relationship between constructs

2. To assess the impact of Fear of COVID-19, Perceived Organizational Support, Surface Acting, and Deep Acting on Work-Family Conflict and Work-Family Facilitation

   A. POS, Fear of COVID-19, SA and DA on WFC

   In this study, the impact of Perceived Organizational Support, Fear of COVID-19, Surface Acting, and Deep Acting on Work-Family Conflict is studied. Hence the following hypothesis was formed.

   H1: POS, Fear of COVID-19, SA, and DA have a positive impact on Work-Family Conflict

   B. POS, Fear of COVID-19, SA and DA on WFF

   In this study, the impact of Perceived Organizational Support, Fear of COVID-19, Surface Acting,

and Deep Acting on Work-Family Facilitation is studied. Hence the following hypothesis was formed.

H2: POS, Fear of COVID-19, SA and DA have a positive impact on Work-Family Facilitation

IV. Methodology

In this research study, a total of 150 employees working in Government Insurance companies and Private Mutual Funds companies put together were considered. These employees were aged between 22 and 60 and held different positions in different hierarchies ranging from Clerks to Associate Director. The primary data for the research was gathered from this set of employees having diverse backgrounds. Cluster Sampling was used for data collection. Permissions were sought from both private mutual fund companies and government insurance companies in Salem and the data was collected. A questionnaire was developed with 57 questions with 10 demographic variables and the rest were combined under different constructs of the study. The questions related to the study constructs were measured using the help of a 5-point Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree). The data for the research study were collected in both Online and Offline modes. With respect to offline mode, the printed questionnaire as hard copies were circulated among the employees by visiting the government insurance and the private mutual fund companies and the data was collected. The questionnaire was circulated through online mode with the help of Google Forms.

V. Results and Discussion

A. Measuring the magnitude and direction of the relationship between the constructs

A correlation analysis was carried out to measure the magnitude and direction of the relationship between the constructs of Perceived Organizational Support, Fear of COVID-19, Surface Acting, Deep Acting, Work-Family Conflict, Family-Work Conflict, Work-Family Facilitation, and Family-Work Facilitation. Table 3 shows the bivariate relationship between the constructs.

TABLE 1 : Correlation Of Latent Variables With Square Root Of Ave Shown In Diagonals

Constructs	WFC	FWC	WFF	FWF	FOC	POS	SA	DA
WFC	1							
FWC	.6	1						
WFF	-.1	.08	1					
FWF	.12	.05	.29	1				
FOC	.36	.37	.1	0	1			
POS	.14	.24	.42	.1	.18	1		
SA	.29	.24	-.01	.21	.16	.23	1	
DA	.08	.05	.07	.17	-.09	.18	.4	1

The results from the table show a significant correlation among the study constructs

B. Assessing the impact of one study construct over the other

Multiple Linear Regression tests were carried out to test if Fear of COVID-19, Perceived Organizational Support, Surface Acting, and Deep Acting had an impact on Work-Family Conflict and Work-Family Facilitation. The independent constructs were Fear of COVID-19, Perceived Organizational Support, Surface Acting, and Deep Acting while the dependent constructs were Work-Family Conflict and Work-Family Facilitation. Table 1 shows the results of the Regression test to assess the impact of the constructs on Work-Family Conflict.

TABLE 2 : Impact of Fear of COVID-19, POS, SA and DA on WFC

S.No	Constructs	Coefficient	T-stat	P-value
1	Intercept	1.80	3.87	0.00
2	Fear of COVID-19	0.27	4.01	0.00
3	POS	0.04	0.33	0.74
4	SA	0.20	2.73	0.01
5	DA	0.01	0.07	0.94
	Multiple R	0.43		
	R square	0.18		
	Adjusted R Square	0.16		
	Standard Error	0.68		

The R square value obtained from the test is 0.18. The F value for the R square was found to be significant at a 0.00 level of significance. The R square value indicates that 18% variation in the dependent variable which is Work-Family Conflict is explained by the constructs Fear of COVID-19, Perceived Organizational Support, Surface Acting, and Deep Acting. This result supports that the model is fit.

The regression coefficients of the results indicate that Fear of COVID-19 and Surface Acting have the highest impact on Work-Family Conflict. The significance values for these two constructs were also 0.00 and 0.01 respectively. This indicates that the more the Fear of COVID-19 and the more the Surface Acting is, the more is the Work-Family Conflict.

TABLE 3 : Impact of Fear of COVID-19, POS, SA and DA on WFF

S.No	Constructs	Coefficient	T-stat	P-value
1	Intercept	1.51	3.38	0.00
2	Fear of COVID-19	0.04	0.62	0.53
3	POS	0.61	5.54	0.00
4	SA	-0.12	-1.67	0.10
5	DA	0.06	0.62	0.54
	Multiple R	0.44		
	R square	0.19		
	Adjusted R Square	0.17		
	Standard Error	0.65		

The R square value obtained from the test is 0.19. The F value for the R square was found to be significant at a 0.00 level of significance. The R square value indicates that 19% variation in the dependent variable which is Work-Family Facilitation is explained by the constructs Fear of COVID-19, Perceived Organizational Support, Surface Acting, and Deep Acting. This result supports that the model is fit.

The regression coefficients of the results indicate that Perceived Organizational Support has the highest impact on Work-Family Facilitation. The significance value for the construct was also 0.00. This indicates that the more the Perceived Organizational Support is, the more the Work-Family Facilitation.

V. Implications

IImplication for the Organization

The organizations can rework their existing systems which helps to ensure the employees feel safe while at the workplace, especially during the pandemic. For example, making sure that they improve the existing conditions by introducing additional safety measures so that the fear of being affected by the virus among the employees is reduced thus enabling them to work efficiently. The conflict between the work and family systems can be reduced by the organizations taking the necessary measures to make sure that the work system does not interfere with the home system. This could be done by establishing policies that are family-friendly such as work-family integration, providing parental leaves, providing childcare centers, etc. The facilitation among the work and family systems can be increased with the organizations identifying the factors having a positive impact on the facilitation and improving them and also identifying factors that can help increase the facilitation among work and family systems. The organization can take the necessary measures to ensure that they value the contributions of their employees and that ensure the well-being of their employees through the implementation of various policies such as providing paid sick leaves, providing insurance for them and their families, etc.

Implication for the Managers

The results of the study can be used by managers to identify the gaps in the existing methods they use to ensure that the employees receive the support they require from them. The managers can learn about the positive consequences of work-family facilitation and the negative consequences of work-family conflicts and the results indicating the relation between the constructs can be used effectively from this study would be helpful in identifying the key factors that lead to conflict and facilitation. Most of the employees agree with the question that their work keeps them from participating in family activities than they like to. The managers can take the necessary steps to ensure that the employees are able to produce similar results within the stipulated work time so that their family life is not affected. The managers play a vital role in conveying to the subordinates that the organization is willing to provide the support the employees require from the organization. The manager can also ensure that he/she is always available to support their subordinates whenever needed.

Implication for the Employees

The Fear of COVID-19 plays a vital role in deciding the Work-Family Conflict of the employees. When there is a greater level of fear for the coronavirus-19, the more would be the Work-Family Conflict. Hence, employees can find ways to reduce their fear of the coronavirus. For example, by following necessary safety protocols and taking necessary steps to safeguard themselves, their fear of coronavirus-19 can be reduced. The employees can take the necessary measures to increase the Family-Work Facilitation and reduce the Family-Work Conflict such as dedicating more time to attend to family activities through proper scheduling. By taking such similar measures, they can be more productive at work and thus produce better results.

VI. Conclusion

The Fear of COVID-19 in times of the pandemic leads to employees being worried about their health and safety while working thus resulting in them not being able to engage in emotional labour effectively as they are expected to be. Perceived organizational support is another factor that helps them engage in emotional labour effectively when the employees believe the organization provides the support they require. The results show the effect of Fear of COVID-19, Perceived Organizational Support, Surface Acting, and Deep Acting on Work-Family Conflict and Facilitation and also identify the constructs that contribute to the conflict and facilitation among the work and family environments. This study thus illustrates the positive relation between Perceived Organizational Support and Work-Family Facilitation by reiterating that the employees' positive engagement in one social system (work) can help better while contributing to their other social system (home) only when the employees feel that the organizations provide the support they require.

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