Transformational leadership and service recovery performance: The mediating effect of emotional labor and the influence of culture

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ABSTRACT

The current study examined the relationship between transformational leadership and service recovery performance and the mediating effect of emotional labor. To uncover potential cross-cultural differences, a sample of 217 front-line hospitality employees from the United States (Study 1) and 219 front-line hospitality employees from China (Study 2) were used. The results demonstrate transformational leadership was positively related to deep acting and negatively related to surface acting emotional labor strategies. Additionally, deep acting was positively related to service recovery performance, while surface acting was negatively related to service recovery performance. These findings were consistent between the U.S. and Chinese sample; however, the mechanisms and paths between transformational leadership and service recovery performance differed between the two samples suggesting culture influenced how transformational leadership is related to service recovery performance through deep acting (Study 1) or surface acting (Study 2) emotional labor strategies.

1. Introduction

Employee service performance is an important source of a hospitality organization’s competitive advantage as it helps distinguish one hospitality organization over its competitors. In addition to being able to provide excellence in service, service employees in the hospitality industry are also expected to provide service recovery performance—resolving a service failure to satisfy a customer and meet customer expectations (Babakus et al., 2003; Guchait et al., 2014). Examples of service failures common in the hotel industry that require service recovery performance include unavailable rooms during check-in, providing the wrong bill, internet not working, unclean rooms, food not properly cooked, and services not available during stay (Lee et al., 2011a). Service recovery performance has been linked to multiple positive outcomes, including customer satisfaction, customer loyalty, positive word of mouth, and intent to purchase (Ha and Jang, 2009; Liao, 2007; Lin, 2010a). Because effective service recovery performance is crucial for the success of the hospitality businesses, past research has examined factors that can enhance service recovery performance (Boshoff and Allen, 2000; Masoud and Hmeidan, 2013). Although the service recovery performance literature has examined several organizational and individual antecedents (Kim and Oh, 2012; Lin, 2010b; Boshoff and Allen, 2000), research has failed to examine the link between transformational leadership and service recovery performance.

This is a particularly surprising gap in the service performance recovery literature because research has demonstrated that leadership style and behaviors are vital for overall employee performance (Babakus et al., 2003; Guchait et al., 2014). Specifically, research shows that transformational leadership positively influences employee performance in service contexts (Lee et al., 2011b; Liao and Chuang, 2007). Transformational leaders engage and motivate others to increase expectations and performance (Bass, 1985), which can include their service performance. Although transformational leadership has been linked to employee performance in service jobs and the service literature has also theorized and discussed the possible link between transformational leadership and service recovery performance (Lin, 2010b; Punjaisri et al., 2013), research has yet to examine this relationship.

Since transformational leadership is a possible distal antecedent, the relationship between transformational leadership and service recovery performance has not been researched or examined. In fact, research shows that transformational leaders evoke emotion and appeal to others on an emotional level, thereby affecting employee performance through emotions (Dasborough, 2006; Dasborough and Ashkanasy, 2002). Thus, the current study addresses this gap in the service recovery performance literature by examining emotional labor as a potential mediator of the transformational leadership and service recovery performance relationship. Not only are hospitality employees required to perform their core job tasks, but hospitality employees must also manage their emotions by expressing positive emotions at work, especially while interacting with customers (Kim, 2008). Emotional behavior and effort
of this kind, as well as the control of feelings in response to organizational demands, is recognized as emotional labor (Lam and Chen, 2012; Grandey, 2000; Hochschild, 1979). Thus, the current study focuses on transformational leadership as a distal antecedent of service recovery performance through emotional labor.

The purpose of this study is threefold. First, it examines the influence of transformational leadership on service recovery performance. Second, it examines the influence of emotional labor on service recovery performance and the mediating effect of emotional labor between transformational leadership and service recovery performance. Third, this study seeks to examine these relationships using two samples to uncover potential cross-cultural differences. Study 1 used front-line hospitality employees from the U.S. and Study 2 was used to replicate the results of Study 1 from a Chinese sample.

2. Literature review

2.1. Service recovery performance & transformational leadership

Service recovery performance is resolving a service failure to satisfy and meet customer expectations (Babakus et al., 2003). Service recovery is a crucial part of service in the hospitality industry, since a service failure is an inevitable reality and hospitality industry employees must maintain customer satisfaction and loyalty after service failures (Liao, 2007). The service recovery performance literature focuses on exploring the role of employee’s service recovery performance in translating the internal functioning of a service organization into desirable external customer outcomes (Kim et al., 2010). The behaviors of service employees often influence the relationship between service recovery performance and customer outcomes (Liao, 2007). Some of these behaviors include expressing concern, empathy, smiling, and remaining pleasant, which requires the expression of positive emotions (McColl-Kennedy et al., 2003; Michel et al., 2009). The extent to which service employees perceive their leaders’ support and commitment to service quality additionally influences employees’ emotional response and performance outcomes (Ashill et al., 2008).

Thus, the literature on service recovery performance has examined how leaders can have a positive influence on service recovery performance. For example, management’s commitment to service quality has a significant influence on job attitudes, which in turn influences service recovery performance (Ashill et al., 2008). Karatepe and Varankah (2015) found that high-performance working practices, such as leaders empowering employees, increased employees’ job satisfaction and service recovery performance. In addition, organizational support, supervisor support, and coworker support for error management can have positive effects on employees’ service recovery performance. Therefore, employees will have higher service recovery performance when job resources from the organization, supervisors, and their coworkers are available (Guchait et al., 2016). Thus, leaders play an important role on service recovery performance.

Burns (1978) identified two types of leadership style: transformational and transactional leadership. Transformational leaders have been characterized as those who engage with others in such a way that the leader and the follower raise one another to a higher level of motivation and morality. This style of leadership includes empowering and inspiring employee to reach a new strategy or vision with subordinates (Avolio and Bass, 1988). On the other hand, transactional leaders rely on contingency rewards as a tool for motivation, exchanging rewards for performance. Transformational leaders share a vision of the future with their subordinates to encourage the subordinates’ growth through intellectual stimulation (Judge and Piccolo, 2004).

Transformational leaders raise followers’ self-expectations, providing a vision and a sense of mission, helping followers emphasize rational solutions and to challenge themselves constantly (Cho and Dansereau, 2010). A meta-analysis of transformational leadership showed that transformational leadership motivates employees to achieve performance aligned with organizational goals (Judge and Piccolo, 2004). In the service recovery context, a transformational leader may inspire employees to resolve a service failure to satisfy a customer and meet customer expectations, that is, provide their best service recovery performance. Although service recovery performance was not measured, Liao and Chuang (2007) found that transformational leadership positively influenced service performance among service employees. While transformational leadership was not measured, Liao et al. (2010a) found that authoritarian leadership had a negative influence on service recovery performance among travel agents. Lastly, Punjaesri et al. (2013) found that brand-specific transformational leadership—using corporate brand values to motivated employees—influenced service recovery performance among service employees from retail banks. Although these studies did not directly measure both transformational leadership and service recovery performance, these studies do provide some evidence for this relationship.

H1. Transformational leadership will be positively related to service recovery performance.

2.2. Emotional labor & transformational leadership

In the service industry, employees often engage in emotional labor; adjusting their feelings and expressions to interact with customers in accordance with organizational display rules (Grandey, 2000). Emotional labor may involve enhancing, faking, or suppressing emotions to display appropriate emotions that meet organizational display rules (Goffman, 1959; Hochschild, 1983). For example, a front-line employee must smile when dealing with guests, even if they are truly feeling negative emotions. These efforts at regulating emotions can be categorized into deep acting and surface acting. Deep acting is changing your emotions to express emotions that are in-line with organizational display rules. Surface acting often requires effort in actually feeling the emotions and expressions required. Surface acting, on the other hand, is an emotional labor strategy where individuals suppress and fake their emotions to comply with organizational display rules (Glomb and Tews, 2004).

Although there is research on the effects of different leadership style on employees’ emotions in general, the relationship between leadership style and emotional labor has rarely been studied—particularly transformational leadership. However, there are several reasons to hypothesize that transformational leadership is related to more deep acting and less surface acting. First, under transformational leadership employees trust their leaders and organizations, manifesting as goodwill toward the organization by internalizing job rules, as well as understanding and acknowledging organization goals (Walumbwa and Hartnell, 2011). Existing literature suggests employees that are led by transformational leadership trust their leaders and organizations, so employees may choose deep acting over surface acting when managing their emotions, demonstrating goodwill towards the organization (Grandey, 2000).

Second, transformational leadership motivates employees to achieve performance aligned with organizational goals (Judge and Piccolo, 2004). That is, transformational leaders raise followers’ self-expectation, provide a vision and a sense of mission, help followers emphasize rational solutions, and challenge themselves constantly. In a hospitality context, service employees who strive to align their performance with organizational goals must deep act to display genuine positive emotions rather than display fake emotions through surface acting. Transformational leader may inspire employees to change their emotions through deep acting and not fake emotions through surface acting to provide optimal service.

Third, transformational leaders demonstrate enthusiasm and excitement, encouraging followers to express positive emotions (Walter and Bruch, 2008). McColl-Kennedy and Anderson (2002) have found a direct positive effect of transformational leadership on the optimism of service employees.
subordinates and negative effect on the frustration of subordinates. Transformational leaders can evoke positive emotions, thereby leading to more deep acting and less surface acting to display genuine positive emotions (Dasborough, 2006; Dasborough and Ashkanasy, 2002). Therefore, transformational leadership style can lift the constraints of emotional expressiveness in the workplace, reducing surface acting among employees. Thus, these three reasons suggest that transformational leadership will be related to more deep acting and less surface acting.

H2a. Transformational leadership will be positively related to deep acting.
H2b. Transformational leadership will be negatively related to surface acting.

2.3. Emotional labor & service recovery performance

In addition to examining leadership as an antecedent of emotional labor, the outcomes of the emotional labor strategies of deep and surface acting have been examined. The existing literature on emotional labor has found several different outcomes for deep acting versus surface acting. For example, deep acting is related to greater job satisfaction, and decreased burnout and counter productive work behaviors (Chu et al., 2012; Hunter and Penney, 2014; Hofmann and Stokburger-Sauer, 2017). Surface acting is related to greater exhaustion, increased burnout and turnover intentions, and decreased job satisfaction (Chen et al., 2012; Hwa, 2012). Thus, deep acting is positively related to various performance measures and surface acting negatively related.

The emotional labor literature suggests there are several reasons why and how deep and surface acting is related to service recovery performance. Firstly, service recovery performance calls for the expression of pleasant attitudes and empathic behaviors. Deep acting can help employees effectively translate these emotions into service recovery efforts (Michel et al., 2009). Deep acting necessitates aligning oneself with the goals of an organization, helping employees deliver effective service recovery. Not only can deep acting help employees authentically share organizational goals, but deep acting is also perceived by customers as more effective during service interactions (Zhao et al., 2014). Additionally, feedback from customers positively perceiving deep acting service recovery efforts could positively influence employee self-reported service recovery performance.

Secondly, research reveals that positive emotional states enhance employee work performance, whereas negative emotional states diminish work performance (Erez and Isen, 2002; Lyubomirsky et al., 2005). For example, Huang and Dai (2010) found that employees’ emotional labor perception was negatively related to employees’ service performance. The measure of emotional labor they used was surface acting (i.e., faking their emotions toward customers), resulting in negative relationship between emotional labor and service performance. Instead, research shows that service recovery performance efforts should include genuine expressions of empathy, compassion, politeness, and other positive emotions (Kau and Wan-Yiu Loh, 2006; Simon, 2013). Furthermore, service employees often encounter angry, rude, and unpleasant customers during instances of service failure, and employees must make greater efforts to meet the emotional demand of service jobs and organizations (Groth and Grandey, 2012; Wegge et al., 2007). These coping mechanisms draw on emotional and cognitive resources, draining one’s cognitive resources and hindering subsequent cognitive abilities such as problem solving and critical thinking (Hakanen et al., 2008; Ito and Brotheridge, 2003). These resources and abilities are crucial for service recovery performance and loss of these resources can manifest as negative perceptions of service recovery.

Thirdly, surface actors are more exhausted and cynical than deep actors, because suppressing emotions and expressing false emotions requires effort (Kim, 2008). Surface acting involves suppressing the real feelings and express fake emotions, there is a discrepancy between expression and real feeling (Morris and Feldman, 1996). These strains on emotion management resources contribute to emotional exhaustion and inhibit employee performance (Karatepe, 2006; Choi et al., 2014). Employee negative mood and affect has been found to influence performance and quality of performance, supporting the notion that these negative effects of engaging in surface acting also negatively influence employee service recovery performance (Rothbard and Wilk, 2011). Therefore, deep and surface acting are hypothesized to increase or decrease service recovery performance, respectively.

H3a. Deep acting will be positively related to service recovery performance.
H3b. Surface acting will be negatively related to service recovery performance.

Lastly, the current study examined the mediation effect of deep and surface acting on the relationship between transformational leadership and service recovery performance. Fig. 1 displays the conceptual model based on the hypotheses. As shown, transformational leadership is positively related to deep acting and negatively related to surface acting. Deep acting is positively related to service recovery performance and surface acting is negatively related to service recovery performance. These paths suggest mediation. Research shows that transformational leaders evoke emotion and appeal to others on an emotional level, thereby affecting employee performance through emotions (Dasborough, 2006; Dasborough and Ashkanasy, 2002). Emotions also affect performance among service employees (Karatepe, 2006; Choi et al., 2014), particularly for service recovery performance, which requires employees to feel and display appropriate emotions, such as empathy, compassion, and positive emotions toward customers (Michel et al., 2009). Thus, the current study examined transformational leadership as a distal antecedent of service recovery performance through emotional labor.

H4a. Deep acting will mediate the relationship between transformational leadership and service recovery performance.
H4b. Surface acting will mediate the relationship between transformational leadership and service recovery performance.

2.4. Culture

The United States and China have traditionally been juxtaposed as individualistic and collectivist cultures. Individualistic cultures value the individual while collectivist cultures value the group over the individual (Markus and Kitayama, 1991; Hofstede, 1980). Individualistic cultures also emphasize autonomy and uniqueness whereas collectivist cultures highlight cooperation and group harmony (Noon and Lewis, 1992). In terms of emotions, individualistic cultures view emotions as a form of self-expression and as an individual’s right. Collectivist cultures on the other hand, contextualize emotions as a means of interacting with group members and instrumental in promoting group harmony. Consequently, emotions and emotional expressions in collectivist cultures are focused on relational utility and therefore regularly managed. Conversely, individualistic cultures encourage emotional expression while collectivist cultures also encourage emotion management and...
moderation (Eid and Diener, 2001; Allen et al., 2014).

Several factors contribute the notion that individualistic cultures emphasize emotional expression and collectivist cultures emphasize emotion management. Since natural emotional expressions are valued in individualistic cultures, emotion management is heavily dependent on display rules in the workplace. Individualist cultures impose strong display rules compared to collectivist cultures where display rules are considered the norm and these displays rules can be interpreted as invasive and intrusive to employees from individualistic cultures, demanding emotional labor to maintain workplace compliance. Alternatively, the underlying notion that collectivist cultures value cooperation and group harmony is the driving force behind the norm of emotional management and moderation in collectivist cultures. Magnifying the scope of this norm to workplace behaviors, the influence of display rules in collectivist cultures and emotional labor is not as strong as in individualistic cultures (Mesquita and Delvaux, 2013; Allen et al., 2014).

Another stark difference behind individualistic and collectivist cultures is the importance of emotional ties between the two cultures. Collectivist cultures highly value emotional relationships, tapping into the underlying differences between the two cultures: the individual vs. the group. Consequently, in addition to collectivist cultures valuing emotions in terms of their utility in maintaining group cohesion, collectivist leadership styles reflect the significance of building relationships as well (Javidan et al., 2006). Leadership styles focused on building relationships and maintaining emotional ties with group members is highly valued in collectivist cultures.

Additionally, collectivist individuals engage in more emotional labor than individualistic employees (Matsumoto et al., 2008). However, collectivist employees also report the negative outcomes of surface acting as less harmful compared to individualist employees since collectivist individuals inherently engage in emotional labor to comply with societal display rules (Leu et al., 2016). Similarly, the positive outcomes of deep acting are magnified for collectivist individuals. The weakening of negative outcomes and amplifying of positive outcomes of emotional labor for collectivist individuals could contribute to positive emotions. Since positive emotions influence work performance and subsequently service recovery performance as stated above, the overall impact of cultural differences among individuals should be investigated.

Thus, two conclusions have resulted from examining the cultural impact of emotional labor on individualistic and collectivist cultures: 1) although societal display rules cause collectivist cultures to engage in more emotional labor, collectivist individuals perceive display rules as less restrictive, 2) since collectivist individuals regularly engage in emotional labor strategies, the deleterious effects of emotional labor are lessened while the beneficial effects are magnified. Therefore, there can be observable cultures differences between U.S. (Study 1) and Chinese samples (Study 2).

2.5. Research question

Will cultural differences emerge in the transformational leadership, emotional labor and service recovery performance relationship?

3. Study 1 method

3.1. Sample and data collection

The target population for Study 1 is frontline employees currently working in service jobs that primarily involve customer interactions in the United States. We used an online survey through Amazon Mechanical Turk (Mturk). The description for the study indicated that the subjects must have work experience in the hospitality industry (hotel, casino, food service, casino, tourism companies, and service jobs) for at least one year. The survey included a screening question, developed by the authors, stating that they must have a job that requires interacting with customers during work; the screening question for this was “how often do you interact with customers during your work?” with a 10-point rating scale (0 = never, 5 = often, and 10 = always). Participants who marked a 5 (indicating “often”) or higher continued. The rest of the participants did not proceed with the survey. Participants were compensated a dollar for their response. Research from the hospitality literature (e.g., Orlowksi et al., 2016; Torres et al., 2017) have used Mturk to collect similar data, because Mturk samples have been shown to be as reliable as samples from other data sources (Paolacci et al., 2010). The responses to the questions regarding industry tenure and where they work (e.g., food-service, hotels, casinos, etc.) were also used to screen participants once the data was collected. A total of 220 surveys were collected, but 217 participants (52% men, 48% women) were used based on the screening. Only participants who worked in food-service (37%), hotels (31.9%), tourism companies (4.6%), casinos (3.2%), clubs (1.4%), and other service-jobs (21.8%) such as retail were included. Their average age was 33.37 (SD = 9.72); their average tenure was 6.44 (SD = 6.013) years working in the hospitality industry and 4.26 (SD = 4.37) years working in their current organization.

3.2. Measures

3.2.1. Transformational leadership

The measure of transformational leadership by Podsakoff et al. (1996) was used. This measure includes 23 items that captures an overall index of transformational leadership using a 5-point Likert-type scale (Liao and Chuang, 2007). Example items include “my leader provides a good model for me to follow,” “my leader insists on only the best performance,” and “my leader challenges me to think about old problems in a new way”. The alpha reliability was 0.95.

3.2.2. Surface and deep acting

The measure by Diefendorff et al. (2005) assessed surface acting with seven items and deep acting with four items using a 5-point Likert-type scale. Example items include “I put on an act in order to deal with customers in an appropriate way” for surface acting and “I work hard to feel the emotions that I need to show to customers” for deep acting. The alpha reliability was 0.94 for surface acting and 0.87 for deep acting.

3.2.3. Service recovery performance

The five-item measure by Boshoff and Allen (2000) was used to measure service recovery performance using a 5-point Likert-type scale. Example items include “considering all the things I do, I handle dissatisfied customers quite well” and “no customer I deal with leaves with problems unresolved”. The alpha reliability was 0.82.

3.2.4. Control variables

Gender and age were used as control variables, because research shows that these demographic variables can be related to emotional labor (Grandey, 2000). Thus, these variables can potentially influence the results.

4. Study 1 results

4.1. Psychometric analyses

To address the possibility of common method bias, we used procedural recommendations from Podsakoff et al. (2012). First, the respondents were informed that there were no right or wrong answers and that the responses would be kept confidential. Second, the order of the items were counterbalanced. Third and last, reversed-scoring items were included. In addition to these procedural steps, a confirmatory factory analysis (CFA) with four factors representing the four variables of interest, composite reliability (CR), and the average variance
4.2. Test of hypotheses

The hypotheses were tested using Hayes’ (2013) PROCESS macro for SPSS, which includes bootstrapping confidence intervals (CI) that provide evidence of significant indirect effects when they exclude zero. Using PROCESS Model 4 with parallel mediators we examined the (1) paths from transformational leadership to surface acting, deep acting, and service recovery performance, (2) the paths from surface and deep acting to service recovery performance, and (3) the indirect, total, and direct effects.

As shown in Table 2, transformational leadership was positively related to service recovery performance ($\beta = 0.32; CI_{95} = 0.18, 0.46$), supporting Hypothesis 1. Transformational leadership was positively related to deep acting ($\beta = 0.40; CI_{95} = 0.25, 0.55$), supporting Hypothesis 2a. Transformational leadership was negatively related to surface acting ($\beta = -0.66; CI_{95} = -0.84, -0.47$), supporting Hypothesis 2b. Deep acting was positively related to service recovery performance ($\beta = 0.18; CI_{95} = 0.07, 0.29$), supporting Hypothesis 3a. However, surface was not significantly related to service recovery performance ($\beta = -0.02; CI_{95} = -0.10, 0.07$), not supporting Hypothesis 3b. Therefore, the indirect effect of deep acting was significant (indirect effect: 0.07; $CI_{95} = 0.02, 0.15$), but not for surface acting (indirect effect: 0.01; $CI_{95} = -0.05, 0.08$), thereby supporting Hypothesis 4a but not 4b. Lastly, the total effect of transformational leadership on service recovery performance through both deep and surface acting was significant (total effect: 0.40; $CI_{95} = 0.28, 0.53$).

5. Study 2 method

5.1. Sample and data collection

Study 2 used “So Jump”, an equivalent tool to MTurk. So Jump is a domestic survey company in China and focuses on Chinese users only. The survey from Study 1 was translated in Chinese. To ensure the quality of translation, all items were translated from English to Mandarin Chinese and the items were then translated back to English by a bilingual native mandarin Chinese speaker. The items were then reviewed for discrepancies between the back-translated items and the original meanings. The same study description and screening question and compensation used in Study 1 were employed to recruit and screen participants for Study 2. The target population for Study 2 were frontline employees in China. A total of 219 participants (25% men, 75% women) were collected and used. The data for Study 2 was collect one month after Study 1. Their average age was 30.73 (SD = 4.86); their average tenure was 6.25 (SD = 3.07) years working in the hospitality industry and 4.64 (SD = 2.50) years working in their current

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<th>Table 1</th>
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<td>1. Transformational</td>
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<td>2. Surface acting</td>
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<td>3. Deep acting</td>
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<td>4. Service recovery</td>
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Note. Correlations are shown in the bottom, left side. Squared correlations are shown in the top, right side. *p < 0.05.

**Parallel mediation model.**

**Indirect Effects**

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<th>Boot SE</th>
<th>Boot LLCI</th>
<th>Boot ULCI</th>
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<tr>
<td>Transformational leadership $\rightarrow$ SA $\rightarrow$ SR</td>
<td>0.01</td>
<td>0.03</td>
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<tr>
<td>Transformational leadership $\rightarrow$ DA $\rightarrow$ SR</td>
<td>0.07*</td>
<td>0.03</td>
<td>-0.02</td>
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**Total Effects**

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<tr>
<td>0.40*</td>
<td>0.06</td>
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**Direct Effects**

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<td>0.32*</td>
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Note. *p < 0.05; SA = surface acting; DA = deep acting; SR = service recovery.
organization. The participants worked in food-service (11.4%), hotels (70.8%), tourism companies (14.2%), clubs (3.2%), and other service-jobs (0.5%) such as retail.

5.2. Measures

The same measures from Study 1 were used in Study 2. The alpha reliabilities were 0.94 for transformational leadership, 0.92 for surface acting, 0.86 for deep acting, and 0.79 for service recovery performance.

6. Study 2 results

6.1. Psychometric analyses

The same procedural recommendations by Podsakoff et al. (2012) used in Study 1 were employed. The CFA, CR, and AVE were also examined. As shown in Table 3, the CR were greater than the recommended 0.70 threshold (Hair et al., 2010). The AVE for each measure was greater than the 0.50 threshold recommended by Fornell and Larcker (1981), except for the transformational leadership and service recovery performance, which were 0.45 and 0.43 respectively. However, Fornell and Larcker (1981) indicated that the threshold for the AVE can be 0.40 or greater, instead of the conventional 0.50, when the CR is greater than 0.60, thereby demonstrating construct validity. The squared correlations between all the variables were lower than the AVEs, demonstrating adequate discriminant validity. The CFA showed that all factor loadings were greater than 0.50 (all loaded at p < 0.01). The CFA showed adequate fit: $\chi^2 = 1053.12, df = 659, p < 0.05$; CFI = 0.91; IFI = 0.92; RMSEA = 0.05 (e.g., see Byrne, 2001). This four-factor model was compared to a single-factor model CFA, which showed poor fit: $\chi^2 = 2524.73, df = 665, p < 0.05$; CFI = 0.59 IFI = 0.59; RMSEA = 0.11.

6.2. Test of hypotheses

The hypotheses were tested using the analytic approach used in Study 1, using Hayes’ (2013) PROCESS macro for SPSS (Model 4 with parallel mediators). As shown in Table 4, transformational leadership was positively related to service recovery performance ($\beta = 0.53; CI_{95} = 0.43, 0.63$), supporting Hypothesis 1. Transformational leadership was positively related to deep acting ($\beta = 0.42; CI_{95} = 0.21, 0.61$), supporting Hypothesis 2a. Transformational leadership was negatively related to surface acting ($\beta = -0.48; CI_{95} = -0.74, -0.24$), supporting Hypothesis 2b. Deep acting was not significantly related to service recovery performance ($\beta = 0.05; CI_{95} = -0.02, 0.1$), not supporting Hypothesis 3a. Surface acting was negatively related to service recovery performance ($\beta = -0.09; CI_{95} = -0.14, -0.04$), supporting Hypothesis 3b. Therefore, the indirect effect of deep acting was not significant (indirect effect: 0.02; CI$_{95}$ = -0.01, 0.06), but it was significant for surface acting (indirect effect: 0.04; CI$_{95}$ = 0.02, 0.09), thereby supporting Hypothesis 4b but not 4a. Lastly, the total effect of transformation leadership on service recovery performance through both deep and surface acting was significant (total effect: 0.60; CI$_{95}$ = 0.50, 0.69).

7. Discussion

7.1. Theoretical implications

First, the current study adds to the nomological network of service recovery performance. The results from Study 1 and Study 2 showed that transformational leadership was positively related to service recovery performance. This finding advances the literature examining the antecedents of service recovery performance because although transformational leadership has been linked to employee performance in service jobs and this relationship has been theorized and discussed (e.g., Lin, 2010b; Punjaisri et al., 2013), empirical research has not examined this relationship. These results support the idea that transformational leadership motivates employees to achieve performance aligned with organizational goals (Judge and Piccolo, 2004), and in a service recovery context, to provide their best service recovery performance. In other words, transformational leaders motivate employees to achieve performance aligned with organizational goals (Judge and Piccolo, 2004). In the hospitality industry, service recovery performance is an important organizational goal and is integrated into service expectations (Babakus et al., 2003; Guchait et al., 2014). Thus, the results of Study 1 and Study 2 support the notion that transformational leadership has a positive impact on service recovery performance.

Second, the current study provides a theoretical mechanism linking transformational leadership and service recovery performance. The results from Study 1 and Study 2 showed that transformational leadership was positively related to deep acting and negatively related to surface acting. This finding also advances the literature on emotional labor, because research does show that different leadership style influences employees’ emotions in general (Dashborough and Ashkanasy, 2002). Both Study 1 and 2 showed this direct relationship. These results are consistent with research that shows that transformational leadership inspires employees to align performance with organizational goals (Judge and Piccolo, 2004). In the hospitality industry, service employees are expected to display and maintain positive emotions—regardless of the emotions employees are truly experiencing—as a way to promote organizational goals of providing excellence in service (Diefendorff et al., 2006). In a hospitality context, service employees who strive to align their performance with organizational goals must deep act to display genuine positive emotions rather than display fake emotions through surface acting. These results are also consistent with the research that shows that transformational leaders engender positive emotions in employees (e.g., McColl-Kennedy and Anderson, 2002; Walter and Bruch, 2008). That is, transformational leaders can evoke positive emotions (Dashborough, 2006; Dashborough and Ashkanasy, 2002), thereby leading to more deep acting and less surface acting to display genuine positive emotions.

Third, the results address the gap in examining how culture influences the emotional labor and performance relationship by using two distinct samples of service workers from different cultures. Specifically, the current study examined the mediating effect of emotional labor on the relationship between transformational leadership and service recovery performance. Study 1 used front-line hospitality employees from the U.S. and Study 2 was used to replicate the results of Study 1 using a Chinese sample. Taken together, the results from both Study 1 and
value autonomy and expression (Markus and Kitayama, 1991) and view individualistic and collectivist dimensions of culture (Markus and Kitayama, 1991; Hofstede, 1980). Employees in individualistic cultures view emotions as a form of self-expression, whereas collectivist cultures view emotions as instrumental in promoting group harmony (Eid and Diener, 2001; Allen et al., 2014).

Theoretically, these results can be understood within the individualistic and collectivist dimensions of culture (Markus and Kitayama, 1991; Hofstede, 1980). Employees in individualistic cultures value autonomy and expression (Markus and Kitayama, 1991) and view emotions as a way to express oneself (Saad et al., 2009). This idea of unique expression is not shared by collectivist cultures where group harmony is valued over individualism (Hofstede, 1980). Collectivist cultures view emotions as a reflection of the social relationship and not one’s expression (Saad et al., 2009). In collectivist cultures, employees worry about how emotional expressions can affect relationships. Additionally, collectivist cultures tend to promote emotional moderation whereas individualistic cultures tend to promote emotional expression (Eid and Diener, 2001; Hoare and Butcher, 2008).

**7.2. Practical implications**

The current research also provides practical implications for the hospitality industry. In particular, there are three implications to how organizations can positively affect service recovery management. First, the results showed that deep and surface acting have positive and negative effects on service recovery performance, respectively. This finding supports existing literature claims that customers can differentiate between deep and surface acting during service interactions (Zhao et al., 2014; Huang et al., 2016). Therefore, efforts should be made to increase deep acting over surface acting. Deep acting has been linked with empathy, understanding, and interest, crucial cognitive and attitudinal elements of service recovery performance (Grandey, 2003; Larsson and Yao, 2005). These secondary emotions of deep acting can positively influence service recovery interactions. Therefore, encouraging and training employees to engage in deep acting can help increase the quality of employees’ service recovery performance and ultimately promote these outcomes of successful service recovery.

There is research to suggest that employees can be trained to change their emotions. For example, Totterdell and Parkinson (1999) investigated the use of training strategies to change employee mood among teachers. They found that behavioral diversion (distract themselves to increase positive moods) and cognitive reappraisal (actually changing how you feel about a situation) led to teachers increasing their positive mood at work. The cognitive reappraisal is very similar to deep acting, in which employees try to feel positive emotions they must display at work. Using qualitative interviews, Thory (2013) showed that managers can be trained to use emotion regulation strategies to change their emotional reactions at work. Managers were trained to use a variety of emotion regulation strategies (e.g., mindfulness, perspective taking, relaxation, and suppression) and were able to use the training to actually change their emotions. Lastly, in a qualitative study of emotion regulation training at Walt Disney World, Ryers and Matsuzi (2012) found that surface acting was most often used by employees because the training mostly focused on surface acting strategies (e.g., employees learn to say positive phrases and express positive emotions) rather than on deep acting strategies (e.g., actively changing your emotions). Thus, these studies suggest that employees can be trained to deep act, that is, actively change their emotions to match the positive emotions required by their work.

Second, leadership style also influenced service recovery management performance. Therefore, managers training should focus on training managers to engage in transformational leadership behaviors. Transformational leaders are effective at motivating follower performance by helping followers connect their identity with that of the organizations, inspiring followers by being a role model, and understanding the strengths and weakness of followers. Therefore, transformational leaders could help subordinates better identify with the organizational goals of the hospitality industry and could also be role models, inspiring subordinates to engage in deep acting during service recovery interactions. Likewise, surface acting should decrease in order to increase service recovery performance through modeling deep acting emotional labor strategies. Transformational leaders can

### Table 4

Parallel mediation model.

<table>
<thead>
<tr>
<th>Indirect Effects</th>
<th>Effect</th>
<th>Boot SE</th>
<th>Boot LLCI</th>
<th>Boot ULCI</th>
<th>Effect</th>
<th>Boot SE</th>
<th>Boot LLCI</th>
<th>Boot ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership → SA → SR</td>
<td>0.04*</td>
<td>0.02</td>
<td>0.02</td>
<td>0.09</td>
<td>Transformational leadership → DA → SR</td>
<td>0.02</td>
<td>0.01</td>
<td>-0.01</td>
</tr>
<tr>
<td>Total Effects</td>
<td>Effect</td>
<td>Boot SE</td>
<td>Boot LLCI</td>
<td>Boot ULCI</td>
<td>0.60*</td>
<td>0.05</td>
<td>0.50</td>
<td>0.69</td>
</tr>
<tr>
<td>Direct Effects</td>
<td>Effect</td>
<td>Boot SE</td>
<td>Boot LLCI</td>
<td>Boot ULCI</td>
<td>0.53*</td>
<td>0.05</td>
<td>0.43</td>
<td>0.63</td>
</tr>
</tbody>
</table>

Note. * p < 0.05; SA = surface acting; DA = deep acting; SR = service recovery.

Study 2 showed that emotional labor (either as deep acting or surface acting) does indeed mediate the relationship between transformational leadership and service recovery performance. However, the two studies showed two different patterns. The US sample (Study 1) showed a significant indirect effect of deep acting (but not surface acting) on the transformational leadership and service recovery performance relationship. The Chinese sample (Study 2) showed the opposite, namely, that surface acting (but not deep acting) mediated the transformational leadership and service recovery performance relationship. These cross-cultural differences are not surprising considering the fact that emotions are viewed differently between individualistic and collectivist cultures. Specifically, individualistic cultures view emotions as a form of self-expression, whereas collectivist cultures view emotions as instrumental in promoting group harmony (Eid and Diener, 2001; Allen et al., 2014).
also identify and understand the strengths and weaknesses of subordinates. By maximizing employees’ strengths, such as problem solving or conflict resolution skills, and minimizing weaknesses, such as faking emotions, transformational leaders can help employees exercise deep acting over surface acting. In this way, transformational leaders can be trained on impacting employees performance during service recovery interactions.

Third and last, the effect of transformational leadership on service recovery management depended on the cultural context, which influenced whether deep or surface acting was a stronger indirect effect. For Chinese and other collectivist culture, the emphasis should be on increasing deep acting. For US and other individualistic culture, the emphasis should be on increasing deep acting. Since individualistic cultures view emotion expression, employees from individualistic cultures should be encouraged to experience emotions that support the goals of hospitality organizations. By attempting to experience and displaying emotions endorsed by the organization, individualistic cultures can deliver effective and successful service recovery performance.

7.3. Limitations and future research

This study has a few limitations. First, the study sample concentrated around frontline service employees. The samples were theoretically appropriate since frontline service employees directly interact with customers; however, non-frontline managerial employees should also be considered for future studies. The theoretical model tested in this study should most likely hold among other employee samples, but this should be tested. Second, transformational leadership was measured from the perspective of the follower and could limit the findings of this study. As such, a multi-level or dyadic investigation of how transformational leadership influence service recovery performance could be useful for future contributions. In order to generalize these findings to the global hospitality industry, additional cultures should be examined. Future research should consider additional cross-cultural models to better understand the influence of culture on the relationship between transformational leadership, service recovery performance, and emotional labor. Lastly, future research should examine how other styles of leadership, such as transactional leadership can also influence service recovery performance via the mediating effect of emotional labor strategies. In fact, Bass (1985) argued that transformational and transactional leadership are separate concepts and that effective leaders can use both styles of leadership. Indeed, a meta-analysis (Judge and Piccolo, 2004) found that both transformational and transactional leadership are positively related to job performance.

The results of Study 1 and Study 2 suggest that there are cultural differences in the mechanism and mediating role of emotional labor between the U.S sample and Chinese sample. However, the current paper did not include a formal test of the moderating effect of culture, which is an area for future research. In addition to culture as a moderator, an area for future research is to examine additional moderators or mediators. Although the majority of emotional labor research supports individual differences (i.e., gender, cultural, age, tenure) in emotional labor strategies and expression (Fischer and Manstead, 2000), the results of this study suggest culture could influence the mediating mechanism behind emotional labor. Therefore, examining other potential paths or moderators influencing transformational leadership and service recovery performance should be investigated in order to extend the conceptual map of the transformational leadership and service recovery performance. Future research can also take a longitudinal approach to examine how transformational leadership or emotional labor strategies can develop or change over time. Additionally, longitudinal studies can address how these changes affect service recovery performance.

Despite these limitations, the current studies offer important insight for service recovery performance. The results demonstrated that transformational leadership was positively related to deep acting and negatively related to surface acting. Additionally, deep acting was negatively related to service recovery performance, while surface acting was positively related to service recovery performance. These findings were consistent between the U.S. and Chinese sample; however, the indirect effects of deep acting and surface acting varied by culture. The US sample (Study 1) showed a significant indirect effect of deep acting (but not surface acting) on the transformational leadership and service recovery performance relationship. The Chinese sample (Study 2) showed the opposite, namely, that surface acting (but not deep acting) mediated the transformational leadership and service recovery performance relationship. These results underscore how culture can impact how transformational leadership is related to service recovery performance.

References

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