Impacts of personality, emotional intelligence and adaptiveness on service performance of casino hosts: A hierarchical approach

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ABSTRACT

The premium player segment is a major source of revenues and profit for the casino sector. In their roles as providers of personalised services casino hosts are an important determinant in attracting and retaining this market segment. The service performance of such hosts impacts on both player retention and casino profitability. In seeking to explain these relationships, the present study identifies the antecedents of host service performance by using the five factor model of personality (FFM) and the concepts of emotional intelligence and adaptiveness. The researchers test the proposed relationships by adopting a hierarchical approach to FFM and emotional intelligence as basic personality traits or independent variables, adaptiveness as a surface trait or mediator, and host performance as the dependent variable. A sample of casino hosts at a large Australasia-based casino responded to a questionnaire-based survey which considered the five factors of personality, emotional intelligence, adaptiveness and service performance ratings. The results indicate that the FFM, emotional intelligence and adaptiveness have a significant influence on host performance. Structural equation modelling confirmed the existence of a hierarchical relationship between the basic personality traits, adaptiveness and performance outcomes and demonstrates that the inclusion of a mediator contributes to an enhanced evaluation of service performance. These findings enrich the literature by identifying new traits and provide insights that will support practitioners with their selection and training-related activities.

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1. Introduction

The premium player segment generates the bulk of casino revenues and profits (see Hannum & Kale, 2004; Kale, 2003; Manthorpe, 2012). Marketing to this segment involves a combination of customer acquisition and retention. Initially marketers will offer incentives such as free coupons and accommodation to lure players, and then nurture relationship with them in the hope of securing return business. Kilby, Fox, and Lucas (2005) propose a three dimensional marketing tool to target this segment, consisting of: casino amenities; the value of the incentives offered to players; and casino hosts operating as primary service providers who are in direct contact with premium players. The casino hosts are an important channel of communication between management and premium players (Kilby et al., 2005).

As competition intensifies, the first two dimensions are insufficient for securing competitive advantage since they are practiced in aggregate by most casinos (Johnson, 2002). Casino hosts have become a crucial element in attracting and retaining premium players (Kale, 2005a, 2005b). Their customer interactions and encounters play a critical role in shaping player satisfaction and their perceptions of casino service quality. These outcomes, in turn, lead to player retention and casino profitability (Kale & Klugsberger, 2007). Interactions between hosts and clients represent antecedent to client evaluations of service performance, and the performance relates directly to assessments of casino service quality and ultimately to casino revenues. Thus, understanding the factors influencing the service performance of hosts has implications for casino profitability.

The role of basic personality traits as "antecedents" of service performance has been widely discussed in the literature (e.g. Brown, Mowen, Donovan, & Licata, 2002; Hurley, 1998). Whilst some studies have tested for statistical significance, they have been unsuccessful in attributing substantial variation in performance ratings to these traits (see Hurley, 1998). Incorporating surface traits into performance-related research offers the prospect of expanding the trait domain and enhancing performance outcome. Researchers including Licata, Mowen, Harris, and Brown (2003); Moven and Spears (1999) and Brown et al. (2002) argue that traits function hierarchically, whereas basic personality traits operate at a deeper level and provide a foundation for surface traits which in turn function as mediators and relate more closely to individual behaviours and performance.

In testing this hierarchical/mediation model, Brown et al. report that the inclusion of surface traits explains a greater proportion of

the variance in service performance than when using a direct model which excludes any consideration of such traits. Drawing on the Brown et al. study, the present research incorporates two additional traits into the personality–performance relationship, namely emotional intelligence and adaptiveness and tests the hierarchical model in the casino context.

Although Moven and Spears (1999) indicate that no specific criteria are identified for the purposes of categorising different traits, these authors and Brown et al. (2002) provide sufficient definition and description to distinguish between personality traits and surface traits. Drawing upon their definitions and with a view to investigating whether there is a relationship with host service performance, the present research conceptualises emotional intelligence and adaptiveness as a basic personality trait and as a surface trait respectively. Choosing these variables has particular relevance to the present study because service encounters between casino hosts and premium players are variable and involve a substantial emotional dimension (see Prentice & King, 2011). Consistent with the above discussion, the present investigation has the two following aims: identify the antecedents of host service performance and investigate their respective relationships; and test the hierarchical model with proposed traits. The following section reviews the relevant literature and provides background based on the applicable theory.

2. Basic personality traits and surface traits

Researchers such as Allport (1961) argue that personality traits exist at different levels and distinguish between psychological and surface traits. The former are described as "the basic, underlying predispositions of individuals that arise from genetics and their early learning history" (Moven & Spears, 1999, p410). The five factor model of personality (FFM), namely, Extraversion, Neuroticism, Openness to experience, Agreeableness and Conscientiousness, has been approached from different perspectives including as a series of psychological traits (Moven & Spears, 1999), as cardinal traits (Allport, 1961) or as basic personality traits (Brown et al., 2002). For the purposes of the present investigation the researchers use the expression "basic personality traits".

Surface traits are referred to as surface behaviours, described as "individual differences in tendencies to behave within specific situational contexts" (Moven & Spears, 1999, p 409). Surface traits refer to dispositions, inclinations or tendencies to behaviours in certain situations and are more abstract than concrete behaviours which involve measures such as the number of calls taken, the incidence of smiling and response times (cf. Brown et al., 2002). Compared with surface traits, basic personality traits are enduring dispositions which are indicative of prevailing behaviours in a range of situations. Surface traits are context specific and result from interactions between basic traits and situational contexts. On the basis of the foregoing discussion, the researchers regard emotional intelligence as a basic personality trait and adaptiveness as a surface trait.

2.1. Emotional intelligence—personality trait

Emotional intelligence (EI) is defined as the capacity to perceive and manipulate emotional information without necessarily understanding it, and to understand and manage emotions without necessarily perceiving feelings well or fully experiencing them (Mayer & Salovey, 1997). It is variously conceptualised as a pure intelligence model (e.g. Salovey & Mayer, 1990), or as a mixed model comprising of cognitive abilities and traits (e.g. Bar-On, 1997; Goleman, 1995). The former is measured using objective performance scales or ability tests such as Mayer, Salovey, and Caruso (2002), whereas the latter is measured using a self-reporting method such as Bar-On (1997).

The use of different conceptualisations and measurements to a single construct prompts debate and a degree of confusion amongst EI researchers (see Emmerling & Goleman, 2003). In seeking to operationalise the construct, Petrides and Furnham (2001) suggest using the concepts "ability EI" and "trait EI" to distinguish between performance-based measures and self-reporting scales. They argue that measuring emotional intelligence using performance tests operationalises the construct as a cognitive ability (described as ability EI), whereas using self-report questionnaires operationalises the construct as a personality trait (described as trait EI).

The ability EI classification is more akin to traditional intelligence, whereas trait EI is more closely associated with consistency in cross-situational behaviours, and operates as a personality trait within the broad personality domain. On this basis one might anticipate evidence of a specific correlation with personality traits. In their use of the FFM of personality, various researchers (e.g. Petrides & Furnham, 2001; Schutte et al., 1998) report significant correlations between trait EI and the five dimensions of FFM. Furthermore, several empirical studies have investigated self-reporting EI as a personality trait to predict individual behaviours and performance (e.g. Petrides, Perez-Conzalez, & Furnham, 2007; Prentice & King, 2011).

2.2. Adaptiveness—surface trait

Although the concept of surface traits first appeared in the literature over 60 years ago (Allport, 1961), it has only attracted the attention of researchers relatively recently. The concept is applied in the consumer behaviour literature (Moven & Spears, 1999), and also in service related settings (Brown et al., 2002; Licata et al., 2003). The relevant studies confirm that surface traits have significant behavioural consequences. Mowen and Spears stress the urgent need to identify new surface traits with a view to enriching the relevant literature and supporting practitioner efforts to enhance employee performance.

Adaptiveness is the ability of service employees to adjust their behaviours to the interpersonal demands of service encounters, and as a continuum ranging from conformity to service personalisation (Hartline & Ferrell, 1996). This definition is consistent with the adaptive selling approach prevalent in the sales management literature. The adaptive selling approach refers to the alteration and adjustment of selling behaviours during customer interactions or across customer interactions based on perceived information and on the relevant selling situation (Spiro & Weitz, 1990). It involves developing impressions, formulating strategies, transmitting messages, evaluating reactions, and making appropriate adjustments (Spiro & Weitz, 1990). These dimensions imply that adaptiveness involves a tendency to make behavioural adjustments during service encounters (the situational context). It is plausible to classify adaptiveness as a surface trait on the basis of this conceptualisation.

3. A hierarchical approach to the service performance of casino hosts

The rationale for including surface traits within the personality–performance relationship is that basic traits are remote from the actual behaviours that form a basis for performance evaluations, whereas surface traits are closer to these behaviours and therefore more accurate predictors of performance (see Brown et al., 2002). Surface traits "surface" between basic personality traits and performance on a hierarchical basis, and function as mediators in influencing and probably enhancing performance evaluation. Brown et al. (2002) conceptualise customer orientation as a surface trait mediating between personality and service performance and report that including the surface trait enhances performance evaluation. Drawing upon the Brown et al. study and consistent with the foregoing discussion, the present investigation tests the hierarchical (mediation) relationship in the casino context by incorporating EI (in its capacity as a trait) into the domain of basic personality traits, and by introducing adaptiveness as a new surface trait. It is intended that this approach