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Emotional Labour as Learning Mechanism: A Mediated Model of Service Competency and Career Growth Among Gen Z Employees

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Abstract: This study examines how emotional labour functions as a learning mechanism that builds customer service competency and perceived career growth of Generation Z employees in offshore outsourcing firms. The study examines the mediating roles of employee emotional competence and communication competence in translating emotional labour into career growth and improved service competency. Survey data were collected from 300 Gen Z employees working in offshore outsourcing centres. Using Structural Equation Modelling with maximum likelihood estimation in JASP, tested a mediation model linking emotional labour, communication competence, employee emotional competence, customer service competency and perceived career growth. Emotional labour positively predicts customer service competency and perceived career growth. Emotional labour also mediates communication competence, but not perceived career growth. Conversely, employee emotional competence is a key mediator between emotional labour and customer service competency as well as perceived career growth. These results imply that emotional labour is not a job demand but a developmental process that builds emotional competence, which in turn enhances service performance and career perceptions. Organisations should stop treating emotional labour as a compliance obligation and invest in programmes that develop emotional competence to improve service quality and early-career development. This paper retheorises emotional labour as a competency-forming process within the Job Demands-Resources framework and presents generationally specific data from offshore service environments.

Keywords: Emotional Labour; Emotional Competence; Communication Competence; Customer Service Competency; Career Growth; Offshore Outsourcing; Structural Equation Modeling.

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1. Introduction

Gen Z's rapid entry into the global workforce has recalibrated an organisation's capability requirements [1]. This inquiry focuses on two competencies: communication competence and employee emotional competence [2]. Communication competence covers clarity, responsiveness, adaptability and situational appropriateness in interpersonal communication [3]. Emotional competence refers to the process of constructively perceiving, interpreting, and managing emotions in professional relationships [4]. These two competencies support successful service delivery by helping employees manage customer expectations,

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dissatisfaction, and relationship continuity [5]. This shortcoming is especially pronounced for Gen Z. Gen Z employees may also develop distinct interpersonal skills as they move from digitally mediated communication spaces into high-accountability service roles [6]. However, few empirical models combine emotional Labour, competency development, service performance and career growth within a generational framework [22]. The overwhelming majority of research is based on direct-effect designs. It does not even take into account mediation processes that can determine how emotionally demanding work is converted into performance and career consequences. In addition, perceived career growth, which is described as the subjective evaluation of employees' skills improvement and the possibility of career advancement, is seldom included in emotional Labour models [7]. Perceived growth is closely linked with retention, engagement, and long-term commitment among Gen Z employees [8].

Nonetheless, little literature examines whether emotional labour indirectly influences perceptions of career growth through competency development [9]. Although emotional labour and competency development have been well studied, they are rarely incorporated into a single structural model. Research on emotional labour has focused on burnout and strain outcomes [10]. Still, communication and emotional competencies are not investigated as dynamic abilities that are influenced by the work requirements [11]. This boundary creates a knowledge gap on whether emotionally challenging service jobs could be used as a growth setting, especially among young employees in the job market [21]. To fill this gap, researchers need to reframe emotional labour as both a strain-inducing demand and a potential developmental process [12]. This study develops a mediated model linking job demands, ability formation and career outcomes in offshore service contexts by examining how emotional labour shapes communication competence and employees' emotional competence, which in turn influence customer service competency and perceived career growth. Moreover, many empirical studies in the field fail to examine these dynamics in globally integrated service settings [13]. These settings tend to heighten emotional pressure through cross-cultural communication, language accuracy, time zone differences and prolonged performance tracking [20]. These traits are especially noticeable in offshore service work, whereby employees can and have to deal with international customers with a dictated service level provision that is highly expected. The developmental implications of emotional Labour in this context remain underexplored [14]. These limitations create a research gap at the intersection of emotional Labour, competency development, generational workforce dynamics, and career growth outcomes [15].

Specifically, mediation models in which emotional Labour shapes service performance and perceived career growth through communication and emotional Labour competencies among Gen Z employees have not been adequately tested empirically [16]. This study directly addresses this gap by proposing and empirically testing a structural mediation hypothesis linking emotional labour, communication competence, employee emotional competence, customer service competency, and perceived career development among Gen Z employees in an offshore service setting [17]. This paper redefines emotional labour as a potential source of professional development, in line with generational background and competency development pathways, rather than the major source of strain it is traditionally portrayed as [18]. Based on these gaps, this study is guided by the following research question: Does emotional labour indirectly affect customer service competency and perceived career growth among Gen-Z employees through the development of communication competence and employee emotional competence? To answer this question, the research aims to achieve three main goals: (1) to investigate the influence of emotional labour on communication competence and employee emotional competence; (2) to determine the impact of the competencies on customer service competency and perceived career growth; and (3) to test a structural mediation model by incorporating emotional labour, competency development, service performance, and career growth in the offshore service setting [19].

2. Literature Review and Hypothesis Development

Recent scholarship distinguishes deep acting (in which employees strive to embody the required emotions) from surface acting (in which employees feign emotions without internalizing them). Empirical studies show that deep acting correlates with service performance, customer satisfaction, and job engagement, while surface acting is linked to emotional fatigue, burnout, and poorer performance [1]. Deep acting helps employees conserve psychological resources by reducing emotional dissonance, which in turn maintains their ability to keep working on tasks (Conservation of Resources (COR) perspective). Conversely, surface acting depletes emotional resources, leaving employees strained and inconsistent in service.

- **H1:** Emotional Labour positively influences communication competence.

Emotional labour influences how employees base their long-term career paths on factors beyond immediate service outcomes. Increasingly, studies also indicate that work experiences that are emotionally regulated determine career commitment, professional confidence, and career adaptability. Research shows that deep acting can improve career competencies and professional involvement over the long term, especially in supportive organisational environments [2]. Career adaptability and professional success capability are enhanced by emotional intelligence because of enhanced resilience and self-regulation. In contrast, emotional dissonance can impair career sustainability by causing burnout and reduced engagement when management support is lacking. When employees are competent in coping with emotional demands, based on Social Exchange Theory

(SET), they might feel that they are better aligned with organisational expectations, and the employees will pay back by increasing their commitment and long-term career investment. Career development in offshore outsourcing companies is often associated with service quality ratings, communication measurements, and customer ratings. Employees who learn to manage their emotions can then use these skills as a basis for promotion and career advancement. Although this relationship is logical, little research has directly linked emotional labour to perceived career development in offshore services. In this regard, emotional labour is expected to affect employees' perceptions of career growth positively.

- **H2:** Emotional labour positively influences employee emotional competence.

How emotional labour is converted into service and career results, however, is greatly dependent on the interpersonal abilities of the employees. One key process is communication competence. Communication competence is the ability to communicate effectively, interpret messages, manage interpersonal relationships and adapt communication styles in emotionally stressful situations. In service-intensive settings, emotional regulation should translate into empathetic, culturally relevant communication and lead to positive customer outcomes. Recent research shows that communication competence mitigates the adverse effects of emotional labour and boosts job performance. Managerial and professional experience also shows that communication competence enhances leadership proficiency, job satisfaction, and opportunities for career promotion. Service exchanges in offshore outsourcing companies are communication-based, and performance reviews of the work can often be based on clarity, tone, empathy, and responsiveness [3]. Emotional labour without strong communication skills may not improve service performance. This way, communication competence helps employees translate emotional regulation into service competency that should be observed. Similarly, communication competence can influence how emotional labour affects career perceptions. When employees communicate effectively (with clients, customers and at work), they tend to build professional networks, receive positive performance appraisals and feel they have opportunities for career growth. This may be because, without strong communication skills, performance reviews may overlook emotional regulation. Thus, communication competence can serve as an explanatory channel because emotional labour leads to customer service competency and perceived career growth.

- **H3:** Communication competence mediates the relationship between emotional labour and customer service competency.
- **H4:** Communication competence mediates the relationship between emotional labour and perceived career growth.

Besides communication competence, emotional competence, which is based on the emotional intelligence theory, is another significant mechanism that connects emotional labour and organisational and individual performance. Emotional competence involves emotional awareness, self-control, empathy and relationship management. Highly emotionally competent employees tend to invest in deep acting rather than surface acting, reducing emotional dissonance and conserving psychological resources. Empirical data suggest that emotional intelligence reduces burnout, increases job satisfaction, and positively affects service delivery. From a COR perspective, emotional competence can be seen as a source of personal strength that helps employees manage emotional demands effectively [4]. The more emotionally competent employees are, the more opportunities they have to convert emotional labour into positive performance behaviours rather than wasting resources. Moreover, emotional competence has been linked to career adaptability, career growth and long-term professional success. In offshore outsourcing environments where customers and clients are consistently present and communicate expectations in an organized manner, emotional competence can be the most important resource that helps staff maintain performance and feel career advancement prospects. Although previous literature has examined emotional intelligence in relation to burnout, performance or career success, few studies combine emotional competence as an intermediary between emotional labour and service competency and perceived career advancement in a single model. This gap is addressed, enhancing understanding of how emotionally challenging work can yield performance at the organisational and personal career levels.

- **H5:** Employee emotional competence mediates the relationship between emotional labour and customer service competency.

The current study extends emotional labour research to employment relations and career development in an offshore service setting by integrating these constructs into a single structural framework. Conservation of Resources theory argues that emotional regulation leads to performance outcomes only when individuals have access to personal resources, such as emotional competence. Emotional labour can gain or deplete resources through deep acting and surface acting, respectively; therefore, its influence on service competency and career development depends on employees' ability to convert emotional effort into professional competence. Emotional competence matters in offshore outsourcing, where rules govern emotional display and performance is closely monitored [5]. Employees' ability to perceive and manage emotions accurately increases the likelihood that they will engage in deep acting, reduce emotional dissonance and maintain service delivery. Empirical studies indicate that emotional intelligence alleviates burnout, positively influences performance outcomes and is positively related to career adaptability and long-term development. Therefore, emotional competence should mediate the relationship between emotional

labour and customer service competency, as well as perceived career growth. Another interpersonal resource in which emotional regulation can be performance-based is communication competence. Good communication increases clarity, empathy and relationship quality during service encounters. Nevertheless, communication skills used in highly standardised environments are not necessarily sufficient without emotional awareness and control. Communication competence can thus serve as a mediating factor, but emotional competence is expected to play a stronger mediating role.

- **H6:** Employee emotional competence mediates the relationship between emotional labour and perceived career growth.

3. Conceptual Framework

Emotional Labour Theory underpins this study's conceptualization of emotional labour, which involves controlling emotions to meet work requirements. Surface acting involves expressing emotions, while deep acting involves changing one's internal feelings to align with what is shown externally. By focusing on the effects of both Surface and Deep Acting on quality perception and career growth, which this study treats as representations of the emotional demands of customer-facing roles, it fits the theory well. The theory provides an understanding of the influence of either Surface or Deep Acting by Gen Z employees on their ability to deliver customer service competency and their sense of Perceived Career Growth, tying in with the mediators by improving efficacy in emotional Labour, which might include Employee Emotional Competence (e.g., regulating customer emotions) and Communication competence (e.g., through authentic interactions) (Figure 1).

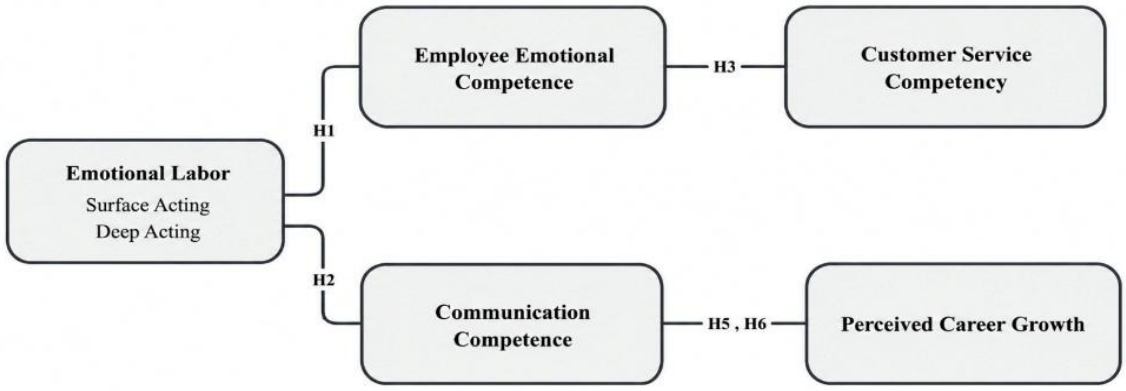


Figure 1: Conceptual framework

The Job Demands-Resources (JD-R) Model suggests that job demands, including emotional labour, and resources, such as communication competence and employee emotional competence, affect employee outcomes. In this model, emotional labour is the demand, and resources mediate its effect on customer service competency and perceived career growth by buffering or amplifying it. Emotional labour demands can be high and may reduce performance among Gen Z employees if resources such as effective communication and emotional support do not buffer them. The model explains how these resources mediate this effect.

4. Methodology

4.1. Research Design

This study used a quantitative, cross-sectional design to assess the structural relationships among emotional labour, communication competence, employee emotional competence, customer service competency, and perceived career growth. Structural Equation Modeling was used to test direct and mediation effects simultaneously.

4.2. Population and Technique of Sampling

The sample population included Gen-Z employees (1997-2012) who work in offshore outsourcing centers. These employees were chosen because they work in emotionally charged service settings marked by cross-cultural communication and a systematic performance management system. A simple random sampling method was used so all eligible employees in the chosen offshore outsourcing centers had an equal chance of being selected. Participating units provided lists of eligible employees, and respondents were randomly selected to minimize sampling bias and increase generalizability. There were 300 valid responses obtained.

4.3. Sample Size Adequacy

The sample size sufficiency was determined according to Balushi et al. [1], who recommend at least 200 observations and 10-20 respondents per estimated parameter to ensure stable model estimation. Given the structural model's complexity and the number of latent constructs under investigation, a sample size of 300 exceeds the minimum recommendation, ensuring sufficient statistical power, model stability, and accurate parameter estimation.

4.4. Data Collection Procedure

The survey was a structured online survey administered to Gen Z employees currently employed in offshore outsourcing units. Respondents participated voluntarily and provided informed consent. Confidentiality and anonymity were ensured to reduce response bias.

4.5. Statistical Methods and Techniques

JASP software was used in data analysis. A two-step analytical approach was used. To evaluate the measurement model and determine construct validity, internal consistency reliability (Cronbach's alpha) and Confirmatory Factor Analysis (CFA) were conducted. The model fit was measured by various indices, including Chi-square (χ^2), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR). Second, researchers used Structural Equation Modelling (SEM) with maximum likelihood estimation to test the hypothesized relationships. The standardized path coefficients and z-values were used to measure direct effects, whereas indirect-effect analysis with confidence intervals was used to test mediation effects. Normed chi-square (χ^2/df) was also checked to assess the overall adequacy of the model.

4.6. Common Method Bias

Because the data were self-reported, researchers conducted Harman's single-factor test to assess common method variance. The unrotated factor explained less than half of the total variance, so it did not suggest that common method bias would significantly affect the results.

4.7. Instrumentation

Response to each item was rated on a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree, and 5 = Strongly Agree). Description of the constructs, definition of each, sources used, and example items are presented below:

Emotional Labour: Emotional labour is engagement in which the employee manages their feelings as required by the job. It includes surface acting, using fake emotions to hide true feelings, and Deep Acting, genuinely feeling emotions from within to display as required when dealing with customers. This version was adapted from the Emotional Labour Scale published by Brotheridge and Lee [5] and included Surface Acting (3 items) and Deep Acting (2 items).

> *Surface Acting: "I pretend to be happy even when I feel upset or frustrated." Deep Acting: "I try actually to feel the emotions that I need to express."*

Communication Competence: Communication Competence refers to the ability to communicate effectively and interact professionally with customers through clear expression, smooth conversational flow, and appropriate turn-taking. Adapted from Stohl [21] Interactive Competence scale (7 items), two items require reverse-coding depending on the context. It measures interpersonal communication skills in a service environment.

> *Sample Item: "I show interest in what the customer is saying during our conversation."*

Employee Emotional Competence: Employee emotional competence is defined as the ability to accurately identify customers' emotional states and manage their own emotions to support favourable interactions. This implies recognizing emotion and tactfully managing a customer's mood. Drawing on the scale developed by Fernandes et al. [10], the resulting 10-item scale comprises two constructs: perceiving customer emotions (5 items) and regulating customer emotions (4 items). The resulting scale provides a valid measure of emotional abilities in customer-facing roles.

> *Sample Items: Perceiving Customer Emotion: "I can tell when a customer is upset." Regulating Customer Emotion: "I can calm down an upset customer by my behaviour."*

Customer Service Competency: Customer Service Competency refers to employees' self-assessment of their ability to provide high-quality service through courteous behavior, promptness, knowledge, and confidence-building interactions with customers. Adapted from the Dabholkar et al. [9] scale, consisting of 4 items, with modifications for the employee perspective. The scale measures perceptions of service quality and shows good reliability in service industries.

Perceived Career Growth: Perceived Career Growth is viewed as an employee's beliefs about the opportunities that their job provides for gaining new skills, knowledge, experience, and professional capabilities necessary for career advancement. The scale was adapted from Balushi et al. [1], a 4-item scale focused on career development perceptions and validated for assessing growth opportunities in organisational contexts.

Sample Item: "The present job keeps me engaged in obtaining new job-related knowledge."

5. Data Analysis and Results

5.1. Demographic Profile of Respondents

A total of 300 valid responses were collected from Gen-Z employees working in offshore outsourcing centers. Most of the respondents were in the age range 23-26 (43%) and 27- 30 (41.67%), and this confirms that the sample population represents mostly early-career professionals (Table 1).

Table 1: Age group

Age Group	Frequency	Percent
18–22 years	46	15.333
23–26 years	129	43.000
27–30 years	125	41.667
Missing	0	0.000
Total	**300**	**100.000**

In terms of educational level, 54.3% had an undergraduate degree and 38.7% had a postgraduate degree, indicating a highly qualified workforce. Only 7% had high school or diploma education (Table 2).

Table 2: Educational qualification

Educational Qualification	Frequency	Percent
High School/Diploma	21	7.000
Postgraduate Degree	116	38.667
Undergraduate Degree	163	54.333
Missing	0	0.000
Total	**300**	**100.000**

In terms of work experience, 35% have less than six months of experience, 14.3% have between six months and one year, 28.7% have between one and three years, and 22% have more than three years (Table 3).

Table 3: Work experience

Work Experience	Frequency	Percent
1–3 years	86	28.667
6 months–1 year	43	14.333
Less than 6 months	105	35.000
More than 3 years	66	22.000
Missing	0	0.000
Total	**300**	**100.000**

The gender ratio was 62% female, 35.3% male, and 2.7% who did not identify as male or female and did not want to say (Table 4).

Table 4: Gender

Gender	Frequency	Percent
Female	186	62.000
Male	106	35.333
Non-binary/Prefer not to say	8	2.667
Missing	0	0.000
Total	**300**	**100.000**

The sample represents a young, media-savvy, low-level professional workforce characteristic of an offshore service setting, confirming that the data were collected from Gen Z employees.

5.2. Reliability and Validity

Cronbach's alpha was used to test internal consistency reliability. The findings showed acceptable reliability across all constructs, with alphas of 0.749 for Emotional labour, 0.873 for Communication competence, 0.920 for Employee Emotional competence, 0.832 for Perceived career growth, and 0.832 for Customer service competency (Table 5).

Table 5: Reliability

	Coefficient (α)
EL	0.749
CC	0.873
EC	0.920
CG	0.832
CS	0.832
Total	**0.955**

All values exceeded the recommended value of 0.70, indicating acceptable reliability of the measurement scales.

5.3. Confirmatory Factor Analysis

Confirmatory Factor Analysis (CFA) was used to assess the adequacy of the measurement model. The factor model had a reasonable fit to the information (χ^2= 691.064, df = 367, p < .001) (Table 6).

Table 6: Chi-square test

Model	X^2	Df.	p
Baseline model	4115.973	406	—
Factor model	691.064	367	< .001

The Comparative Fit Index (CFI = 0.913) and Tucker-Lewis Index (TLI = 0.903) were high. Root Mean Square Error of Approximation (RMSEA = 0.062) and Standardized Root Mean Square Residual (SRMR = 0.066) were lower than the recommended cut-off value of 0.08 (Table 7).

Table 7: Fit indices

Index	Value
Comparative Fit Index (CFI)	0.913
Tucker–Lewis Index (TLI)	0.903
Bentler–Bonett Non-normed Fit Index (NNFI)	0.903
Parsimony Normed Fit Index (PNFI)	0.752
Bollen's Incremental Fit Index (IFI)	0.914
Relative Non-centrality Index (RNI)	0.913

This suggests the measurement model captures the underlying data structure. The diagram shows a structural model with the five main latent constructs, namely EmL, CmC, EmC, Pcg and CSC. Each construct is depicted as a large circle node with a number of observable variables beneath it. EmL has five observed indicators (EL1 to EL5), and CmC has seven indicators

(CC1 to CC7). There are nine indicators for EmC, EC1-EC9. PCg is represented by four indicators, PC1-PC4. Similarly, CSC is measured by four indicators: CS1 to CS4. The arrows linking the latent constructs to the respective indicators represent the links between the constructs and their measurement variables (Figure 2).

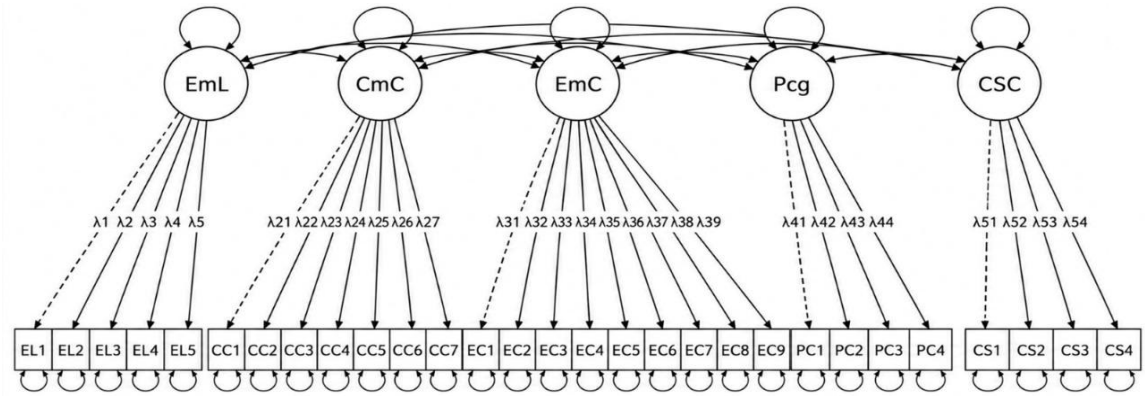


Figure 2: CFA path diagram

The parameter labels λ1, λ2 and λ21 denote the factor loadings, which show the strength of the relation of each observed indicator with the appropriate latent construct.

5.4. Structural Equation Modelling

Using Structural Equation Modelling (SEM) and Maximum Likelihood (ML) estimation, the hypothesized relationships among Emotional Labour (EL), Communication Competence (CC), Employee Emotional Competence (EC), Customer Service Competency (CS), and Perceived Career Growth (CG) were tested. The structural model was found to fit the data satisfactorily. The chi-square value was found to be significant (χ^2 = 808.494, df = 370, p <.001). The normed chi-square (χ^2 /df = 2.18) was within the acceptable limit of 3. Other fit indices showed a good fit to the model: Comparative Fit Index (CFI) = .906, Tucker-Lewis Index (TLI) = .897, Root Mean Square Error of approximation (RMSEA) =.063, Standardized root mean square Residual (SRMR) =.056.

5.5. Direct Effects

The unmediated relationship showed that emotional labour also strongly affects customer service competency (β = 2.241, z = 4.797, p < .001) and perceived career growth (β = 2.156, z = 4.665, p < .001). Emotional labour also significantly predicts communication competence (β = 2.154, z = 4.740, p < .001) and emotional competence among employees (β = 2.217, z = 4.799, p <.001). Communication competence significantly and positively influenced customer service competency (β = 0.275, z = 1.997, p = .046) but not perceived career growth (β = 0.074, z = 0.444, p = .657) (Table 8).

Table 8: Total effects

					95% Confidence Interval	
	Estimate	**Std. Error**	**Z-Value**	**p**	**Lower**	**Upper**
EL → CS	2.241	0.467	4.797	< .001	1.325	3.157
EL → CG	2.156	0.462	4.665	< .001	1.250	3.062
EL → CC	2.154	0.455	4.740	< .001	1.263	3.045
EL → EC	2.217	0.462	4.799	< .001	1.311	3.122
CC → CS	0.275	0.138	1.997	0.046	0.005	0.544
CC → CG	0.074	0.167	0.444	0.657	-0.253	0.400
EC → CG	0.901	0.170	5.300	< .001	0.568	1.234
EC → CS	0.744	0.139	5.351	< .001	0.472	1.017

Conversely, employees' emotional competence significantly affected customer service competency (β = 0.744, z = 5.351, p < .001) and customers' perceived career growth (β = 0.901, z = 5.300, p < .001). These results suggest that emotional labour directly affects service-related and career-related outcomes, and that employee emotional competence is a stronger predictor in both areas.

5.6. Indirect Effect (Mediation Analysis)

The mediation analysis indicated no statistically significant indirect effects of emotional labour on customer service competency and perceived career growth through communication competence. The indirect effect of emotional labour on customer service competency through communication competence was b = 0.592 (z = 1.874, p = 061), and the indirect effect of emotional labour on perceived career growth was b = 0.159 (z= 0.443, p = 657). Because the confidence intervals for these paths included zero and the p-values were greater than05, mediation using communication competence was not found. Conversely, employee emotional competence mediated the association between emotional labour and customer service competency as well as perceived career growth to a large extent (Table 9).

Table 9: Indirect effects

	Estimate	Std. Error	Z-Value	p	Result
EL → CC → CS	0.592	0.316	1.874	0.061	Not Supported
EL → CC → CG	0.159	0.359	0.443	0.657	Not Supported
EL → EC → CS	1.649	0.447	3.690	< .001	Supported
EL → EC → CG	1.997	0.545	3.664	< .001	Supported

The indirect effect of emotional labour on customer service competency through employee emotional competence was b = 1.649 (z = 3.690, p < .001), and on perceived career growth, b = 1.997 (z = 3.664, p < .001). These findings affirm the mediating position of employee emotional competence.

5.7. Summary of Hypotheses Testing

The structural model results show that emotional labour directly influences customer service competency (β = 2.241, p < .001) and perceived career growth (β = 2.156, p < .001), supporting H1 and H2. The mediation hypotheses using communication competence were not supported because the mediating effects were not significant (H3: β = 0.592, p = .061; H4: β = 0.159, p = .657). Nevertheless, the mediation hypotheses using employee emotional competence were confirmed (Table 10).

Table 10: Summary of hypotheses testing (SEM results)

Hypothesis	Path	Result
H1	EL→CS	Not Supported
H2	EL→CG	Supported
H3	EL→CC→CS	Not Supported
H4	EL→CC→CG	Not Supported
H5	EL→EC→CS	Supported
H6	EL→EC→CG	Supported

Employee emotional competence strongly affects customer service competency (β = 1.649, p < .001) and perceived career growth (β = 1.997, p < .001), supporting H5 and H6 (Figure 3).

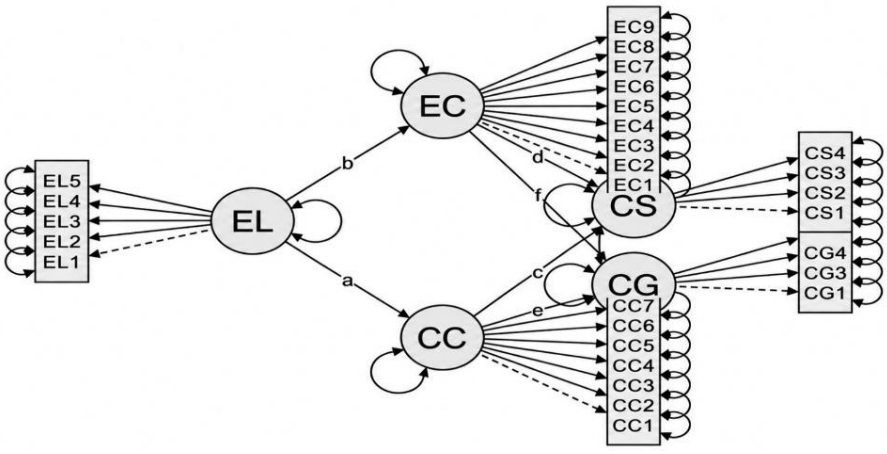


Figure 3: SEM diagram

Overall, the results indicate that emotional labour directly affects service and career performance and indirectly affects service performance through the development of employee emotional competence. However, communication competence is not an important mediating variable in this model.

6. Discussions

This research was aimed at investigating the direct and indirect effects of emotional labour on customer service competency and perceived career growth via communication competence and employee emotional competence among Gen-Z employees in offshore outsourcing workplaces. The results present various valuable theoretical and practical implications. First, the findings indicate that emotional labour directly affects customer service competency and perceived career growth. This suggests that, within a pre-organised service setting, emotional labour may function not only as a psychological requirement but also as a performance stimulus. The traditional view sees emotional labour as a strain-inducing factor, while current results show that in offshore services, emotional labour can support professional development and performance efficacy. For Gen Z employees, frequent emotionally demanding interactions can strengthen their ability to consider client expectations and navigate performance metrics, which in turn can improve service competency and attitudes toward career mobility.

Second, emotional labour was also found to predict employees' communication competence and emotional competence significantly. This aligns with the view that repeated emotional associations with service-related encounters can serve as a developmental stimulus. The ability to regulate emotions, tone and programmed interaction protocols seems to develop interpersonal awareness and emotional self-management skills. Nevertheless, different types of competencies being looked at have varied developmental outcomes of emotional labour. The mediation findings offer the most significant insight into this research. Communication competence did not significantly mediate the relationship between emotional labour and customer service competency or perceived career growth. Although emotional labour strongly predicted communication competence, communication competence did not strongly predict perceived career growth and had only a weak influence on customer service competency. This implies that simple communication skills may not be sufficient to translate emotional labour into broader performance and career outcomes. Communication processes in standardised offshore service settings can be highly scripted and procedural and, as a result, may limit communication competence's contribution to career advancement as an independent variable.

Conversely, employee emotional competence was a key mediator between emotional labour and customer service competency and perceived career growth. Emotional competence significantly predicted these outcomes and explained how emotional labour affected them. It shows that controlling, decoding, and effectively positioning emotions matters more than communication skills in turning emotional needs into professional gain. In practice, this means offshore outsourcing organisations should not treat emotional labour as a rule or behavioural demand. Instead, organisations should incorporate formal emotional competence training into their training regimes. If emotional competence is explicitly identified as a strategic capability, then firms can transform unthinking emotional needs into long-term developmental attainment of employees at the early stages of their careers. Altogether, the work contributes to the emotional labour literature by showing that emotional labour affects service and career outcomes both directly and indirectly, with emotional competence playing a key role in the developmental process.

6.1. Theoretical Contributions

The research contributes significant theoretical knowledge to the literature on emotional labour, competency development, and career growth in service contexts:

- First, the research questions the prevalent strain perspective of emotional labour. A substantial part of the literature currently tends to conceptualise emotional labour as a demand that is linked with burnout, exhaustion, and psychological stress. In contrast, the current results suggest that emotional labour may also serve a developmental function. The findings indicate that emotional labour directly affects customer service competency and perceived career growth, and indirectly affects customer service competency and the development of hired employees' emotional competence. This reframing helps create a more balanced view of emotional labour as both a regulatory demand and a capability-building process.
- Second, the research develops mediation-based models of emotional labour by differentiating communication competence and emotional competence. Although emotional labour predicts both types of competence, only emotional competence significantly mediates the relationship. This difference explains why not every competency developed through emotional labour has the same performance and career implications. The study narrows the competency-development theory in service organisations by defining emotional competence as the prevailing technology.

- Third, this study brings emotional labour research to offshore outsourcing settings with formal client interaction, scripted messages, and performance-monitoring systems. The scholarly literature has focused more broadly on emotional labour in the hospitality, health and retail sectors. The model is situated in an offshore service environment, enabling the study to expand contextual knowledge and illustrate how emotional labour is applied in a globally distributed service environment.
- Fourth, the research is relevant to current-generation studies by targeting Gen Z employees. As they enter formal service careers, Gen Z employees face high internal emotional loads and pressure to advance quickly. The results show that emotional competence can be a key enabler in this generation's careers and highlight the link between emotional labour theory and the modern workforce.

7. Conclusion

This research paper analysed how emotional labour influences customer service competency and perceived career development among Gen Z employees in the context of offshore outsourcing. The research offers a more detailed explanation of how emotional demands translate into professional outcomes by linking emotional labour to the mechanisms of competency development. The results indicate that emotional labour influences service performance and career development both directly and indirectly. Although emotional labour directly and positively affects customer service competency and perceived career growth, its most significant developmental pathway is employee emotional competence. However, despite emotional labour's influence, communication competence does not significantly mediate its effect on career-related outcomes. These findings reveal that emotional competence is the key process that makes emotional labour professionally beneficial. The research matters to the field of emotional labour by moving beyond strain-based approaches and defining emotional labour as a dual-purpose process that can simultaneously require regulation and develop capability. In formalised offshore service settings, frequent experience with emotionally challenging interactions seems to develop emotional control competences that reinforce service-provision effectiveness and perceptions of career advancement. For organisations, the findings suggest that emotional labour should not be seen as a behavioural compliance requirement. Instead, companies must proactively design training interventions that turn emotional regulation demands into systematic emotional competence building. This practice can improve the quality of service and the growth of employees in the long run, especially in the case of Gen-Z professionals who pursue early career paths.

7.1. Limitations and Future Research

Following employees through various career development levels would better explain long-term developmental changes. The self-reported measures were employed to gather the data, and this can create a common method bias. Although procedural remedies were used in data collection and the model diagnostics showed reasonable fit, future studies may use multi-source data (e.g., supervisor ratings or objective career progression indicators) to enhance robustness. The research was conducted among Gen Z employees in an offshore outsourcing setting. Although this adds contextual specificity, it may limit external validity to other industries or generational groups. Future research may compare differences between generations or investigate whether Millennials or Generation Alpha employees have parallel competency-development processes. Communication competence and emotional competence were tested as mediators without considering other possible mediating or moderating processes. Future studies can examine how organisational support, leadership style, cultural intelligence or psychological capital influences the relationship between emotional labour and career outcomes. Lastly, the current research conceptualized emotional labour as a single entity. Future studies can examine individual dimensions (surface acting and deep acting) to determine whether different emotional regulation strategies have distinct developmental effects. These areas would also be addressed to improve knowledge about emotional labour as a competency-developing process in global service settings.

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