Repositioning Customer Service as an Emotional Intelligence-Driven Capability in Diploma-Level Business Education: A Conceptual Framework

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ABSTRACT

This conceptual paper examines higher education business curricula, focusing on the Malaysian Qualifications Agency (MQA) Body of Knowledge (BoK) for Diploma in Business programmes. A business diploma serves a dual-pathway objective: preparing graduates for immediate entry into the workforce at the frontline supervisory level or equipping them with the theoretical foundation to pursue a Bachelor's degree. Despite this, current frameworks relegate customer service to a minor subtopic embedded within marketing modules. Empirical literature and modern service crises demonstrate that frontline supervision depends heavily on behavioral, emotional, and operational competencies rather than macro-marketing analytics. Through a synthesis of regulatory benchmarks, industry service failures, and generation-specific psychological profiles, this paper develops an operationalized framework bridging Generation Z attributes, Emotional Intelligence (EI) development, and professional readiness. We argue that customer service should be repositioned as an independent, standalone core knowledge domain within business diploma syllabi to enhance graduate employability, cultivate resilience, and mitigate organizational reputational risk.

Keywords: Curriculum Realignment, Customer Service Education, Emotional Intelligence (EI), Generation Z, Frontline Supervisory Competencies

INTRODUCTION

According to official labor metrics from the Department of Statistics Malaysia, structural underemployment remains a challenge, with many diploma holders entering semi-skilled roles within sales, retail, and service operations (Muhammad Hisyam Bin Mohamad, 2022). This reality underscores the dual-pathway imperative of diploma-level business education: it must serve as an immediate vehicle for career readiness in lower-level management roles while remaining a rigorous academic stepping stone for transition into a Bachelor's degree (Muhammad Hisyam Bin Mohamad, 2022).

Despite this dual responsibility, a structural misalignment exists within current national curriculum standards. The guidelines issued by the Malaysian Qualifications Agencyn (MQA) does not position customer service as a standalone domain. Instead, it is treated as a peripheral learning component within the broader marketing cluster. While traditional marketing modules focus on strategic market analytics and macro branding, they systematically underrepresent the behavioral, emotional, and operational dimensions required to navigate real-time customer interactions and service recoveries.

This deficit penalizes both pathways. Workforce-bound students graduate underprepared for real-world service recovery, while degree-bound students transfer with gaps in applied behavioral science. This skills gap is increasingly visible in public consumer complaints and operational service failures across regional sectors (Bernama, 2023; The Star, 2022). The problem is further magnified by the distinct psychological profiles of the current student demographic: Generation Z (Gen Z). Although digitally literate, empirical evidence indicates

that Gen Z individuals face acute challenges in emotional regulation, intrapersonal awareness, and face-to-face conflict resolution (Ariffin et al., 2024; Gawda et al., 2024). Intensive digital connectivity has come at the expense of real-time emotional processing and coping skills (Imjai et al., 2024). Because customer service excellence relies heavily on robust Emotional Intelligence (EI)—including empathy, active listening, and crisis communication—relying on a marginalized marketing subtopic is structurally insufficient (Pretko, 2018; Versace, 2007).

Consequently, this paper addresses a fundamental question: What customer service knowledge does a business diploma student need to perform effectively as a supervisor or excel in advanced business studies? We argue for a paradigm shift: repositioning customer service from a peripheral marketing element into a standalone core domain within diploma curricula to satisfy the dual obligations of 21st-century business education.

LITERATURE REVIEW

Customer Service and Emotional Intelligence

The Theoretical Divide: Strategic Marketing vs. Operational Customer Service

Within traditional literature, customer service is typically conceptualized as a transactional component of the marketing mix aimed at increasing brand loyalty (Heuett, 2017). However, a distinct operational divide separates strategic marketing from customer service execution. Marketing focuses on customer acquisition and value proposition design; customer service addresses real-time value delivery, relationship maintenance, and service recovery.

Empirical studies demonstrate that customer service competence comprises an intricate body of structured knowledge and interpersonal soft skills that can be taught systematically (Pretko, 2018; Versace, 2007). Core skills like active listening, empathy, and structured problem-solving serve as foundational operational tools for frontline supervisors to prevent minor service issues from escalating into major corporate crises (Pretko, 2018). For degree-bound students, these concepts provide an essential theoretical foundation in organizational behavior, corporate communication, and service management principles.

Generation Z and Emotional Intelligence Profiles

The necessity of formal customer service education is magnified by the developmental profile of Generation Z, who generally exhibit lower overall EI scores relative to older generations (Fedorova et al., 2023). High reliance on digital interaction platforms has enhanced Gen Z's visual stimulus processing but simultaneously impaired face-to-face emotional articulation and linguistic nuance (Gawda et al., 2024).

Literature establishes that EI is a significant predictor of behavioral regulation and mental resilience; lower EI scores correlate with higher vulnerability to anxiety, stress, and defensive reactions under pressure (Evrensel-İnanç et al., 2022; Khanna et al., 2025). Structural equation modeling demonstrates that heavy digital connectivity exerts a negative influence on an individual's capacity to process and regulate real-time collaborative emotional states (Imjai et al., 2024). Because modern higher education frameworks traditionally prioritize cognitive and technical milestones over affective development, dedicated customer service courses offer a vital, applied pedagogical platform to operationalize EI traits for the professional landscape (Rodionova et al., 2022).

Structural Mapping of the Higher Education Framework

The critical gap between institutional expectations and actual industry outcomes is rooted in current national curriculum standards. An evaluation of the MQA Body of Knowledge guidelines highlights a significant structural omission in how frontline business competencies are categorized.

Table 1: Structural Mapping of Curricular Gaps within the MQA Body of Knowledge

Identified Curricular Gap	Description & Empirical Foundation	Operational & Academic Consequences
Gap 1: Conceptual Underrepresentation	Customer service is treated as an embedded subtopic within the marketing domain rather than a cross-functional competency (Heuett, 2017; Pretko, 2018).	Graduates possess abstract marketing knowledge but lack the behavioral and emotional frameworks required to handle high-stress customer interactions.
Gap 2: Occupational & Academic Misalignment	Curricula prioritize macro marketing analytics over daily frontline supervisory tools (complaint management, staff coaching, real-time recovery).	Frontline supervisors are trained to design high-level promotional campaigns but cannot execute real-time service recovery (Sunil, 2024; Vaithianathan & Bolar, 2013). Degree-bound students lack cross-functional operational foundations.
Gap 3: Digital & 21st-Century Disconnect	Curricula fail to explicitly articulate competencies regarding digital customer touchpoints, CRM competence, and digital communication etiquette (Hwang, 2010; Leung et al., 2005).	While proficient in personal social media usage, graduates lack competence in leveraging CRM platforms and executing data-informed service decisions.

Empirical Evidence of Service Redundancy: Interrogating Contemporary Service Failures

To understand the systemic gap in the embedded marketing-centric model, we must bridge theoretical curriculum design with empirical industry outcomes. Higher education benchmarks frequently proceed on the flawed pedagogical assumption that strategic marketing analytics naturally yield frontline operational fluidity. However, analyzing contemporary consumer service failures reveals a severe discrepancy between academic strategic preparation and operational capability.

Cross-Industry Escalation Dynamics

The risks of neglecting frontline service recovery are clearly illustrated by established global crises. In the *Air India* case, operational audits revealed that massive reputational fallout from an in-flight incident was driven less by the initial disruption and more by delayed, unempathetic communication from frontline supervisors (Sunil, 2024). Similarly, the *Meru Cabs* case demonstrates that advanced digital CRM tools can either support or completely undermine customer trust depending on how effectively supervisors handle data transparency and human communication during operational breakdowns (Vaithianathan & Bolar, 2013).

When mapped onto the Malaysian baseline, national news agencies and regulatory bodies like the Malaysian Communications and Multimedia Commission confirm that a vast majority of local consumer grievances stem directly from service responsiveness and defensive communication breakdowns by frontline supervisors rather than technical issues (Malaysian Communications and Multimedia Commission, 2022). These insights demonstrate that frontline service failures are ultimately marketing failures that erode brand equity. Standard operating procedures (SOPs) are insufficient if supervisors lack structured training in customer psychology, emotional triggers, and real-time crisis communication.

Operational Behavioral Breaches

The boundaries of customer service execution demand active emotional regulation and structural de-escalation strategies—behavioral milestones that traditional marketing analytics cannot cultivate. A profound manifestation of this gap materialized in the media-reported *Tealive* data leak and customer harassment incident

(Yahoo News Malaysia, 2025). When a consumer routed a performance grievance to corporate headquarters, an internal supervisor compromised client anonymity by distributing a screenshot of the feedback—complete with the customer's telephone number—directly to store-level personnel, who then executed retributive personal intimidation via text channels (Yahoo News Malaysia, 2025).

This breakdown demonstrates that administrative workflows are completely neutralized if frontline supervisors lack basic intrapersonal awareness and emotional regulation. This matches empirical findings showing that contemporary Malaysian Gen Z cohorts exhibit volatile levels of emotional maturity under localized environmental strains (Ariffin et al., 2024).

This pattern is replicated in the micro-enterprise sector, as evidenced by the *TikTok Micro-Vendor* "RM3 Portion" controversy (The Rakyat Post, 2025). An app-based food vendor went viral for unleashing volatile, unscripted responses and digital consumer shaming against clients critiquing small food portions (The Rakyat Post, 2025). This represents an acute customer service failure rooted in low emotional resilience and a misunderstanding of consumer psychology. Over-reliance on short-form digital connectivity reduces direct language-based emotional communication and can cause individuals to interpret critical operational feedback as personal, hostile threats (Gawda et al., 2024). Without formal training in handling high-stress feedback loops, frontline supervisors convert minor service variations into massive public brand crises.

Regulatory Compliance, Cyber Risk, and Administrative Friction

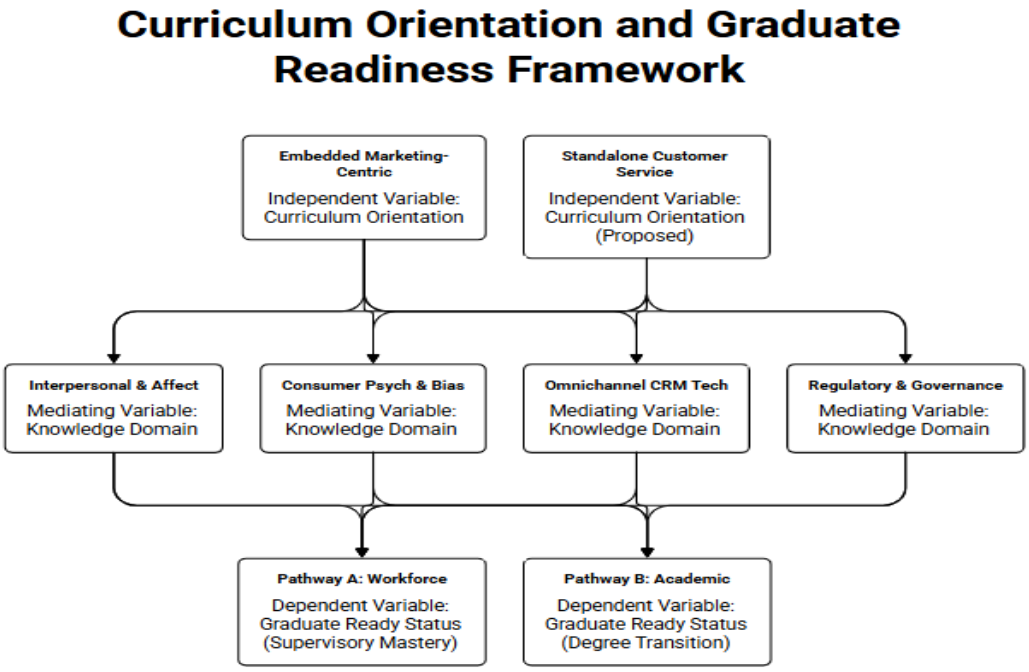
Beyond human-to-human interactions, operational customer service encompasses strict information governance, client reassurance, and administrative consistency. The *Bank Rakyat* cybersecurity breach and subsequent RM1,000,000 regulatory penalty from Bank Negara Malaysia (2026) for non-compliance with the Management of Cyber Risk (RMIT) frameworks highlights this reality. While fundamentally a data architecture failure, the ensuing crisis exposed a massive supervisory service deficit: the immediate operational imperative shifted to managing customer anxiety and restoring systemic trust through focused relationship maintenance, areas for which marketing-trained supervisors remain ill-equipped.

The presence of these systemic deficits is further validated by macro-regulatory interventions, notably the MCMC Broadcaster Accountability Mandates, which legally bound licensees to close at least 70% of consumer grievances within three business days due to long-term internal service resolution failures (The Star, 2026). Furthermore, the Malaysian Media Council (2026) exposed a severe administrative disconnect across national media networks: a complete lack of integrated, standardized public redress platforms, creating massive friction for consumers navigating complex grievance procedures.

Sidelining service resolution pipelines delays consumer remediation, triggers strict government crackdowns, and demonstrates the severe organizational costs of fragmented service operations. When customer service is denied structural validation as an independent course of study at the diploma level, organizations construct disjointed, confusing, and frustrating service channels that ultimately compromise public trust.

Proposed Conceptual Framework

To resolve the systemic, operational, and regulatory alignment issues identified across modern service ecosystems, this paper introduces a comprehensive structural framework. The model replaces the unstructured, embedded marketing approach with an operationalized path model where Curriculum Orientation serves as the primary driver of Graduate Operational Readiness, fully mediated by structured Customer Service Knowledge Domains.



Core Constructs of the Framework

- **Independent Variable (IV): Curriculum Orientation** – Compares the baseline *Embedded Marketing-Centric Orientation* (where customer service is a brief, secondary component) against the proposed *Dedicated Stand-Alone Customer Service Orientation* (established as an independent, compulsory core course featuring targeted experiential and affective learning).

- **Mediating Variables (M): Customer Service Knowledge Domains** – Repositioning the curriculum requires introducing four targeted knowledge domains to bridge traditional marketing gaps:

1. *Interpersonal Service Skills and Affective Regulation:* Operationalizes EI theory through applied exercises in active listening, empathy, stress control, and tactical de-escalation.

2. *Consumer Behavioral Psychology and Injustice Perception:* Examines consumer behavior during service failures, focusing on emotional triggers and the mechanics of service recovery.

3. *Omnichannel and Technology-Mediated CRM Competence:* Provides hands-on training in navigating CRM systems, maintaining digital communication etiquette, and managing public feedback loops.

4. *Regulatory Compliance and Information Governance Architecture:* Evaluates national regulatory mandates, data security frameworks (e.g., PDPA, MCIPD), and structured complaint management systems.

- **Dependent Variable (DV): Diploma Graduate Operational Readiness** – Measures the final readiness of business diploma graduates, functionally splitting to match the dual-pathway objective: *Pathway A (Workforce)* evaluates the graduate's capability to act as an effective lower-level supervisor and protect organizational reputation, while *Pathway B (Academic)* evaluates the foundational conceptual literacy required to transition seamlessly into advanced Bachelor's degree coursework.

Theoretical Hypotheses

- **H1:** A Dedicated Stand-Alone Customer Service Orientation in Diploma in Business curricula is positively associated with higher levels of Graduate Operational Readiness across both immediate workforce entry and advanced academic degree progression pathways.

- **H2:** The positive impact of a Dedicated Stand-Alone Customer Service Orientation on Graduate Operational Readiness is mediated by student competency levels across the four defined Customer Service Knowledge Domains.

- **H3a:** Generation Z business undergraduates exposed to explicit Affective Regulation and Consumer Behavioral Psychology modules display significantly higher operational problem-solving capacity during both real-world supervisory interactions and upper-level university business study applications.

- **H3b:** Frontline supervisors and degree-bound students trained within a combined Regulatory Compliance and Omnichannel CRM framework achieve significantly higher competency scores in systems governance and infrastructure audit tasks.

DISCUSSION & IMPLEMENTATION STEPS

The synthesis of literature and practical evidence underscores that the missing alignment in curriculum design is an opportunity for continuous improvement to match rapid societal and economic changes. The shift toward a digital-first service economy presents dual challenges: Gen Z students exhibit developmental vulnerabilities in real-time emotional processing, while consumers demand rapid, emotionally intelligent, and flawless service delivery (Imjai et al., 2024). Customer service is not just about "being nice"; it is a practical application of advanced communication, conflict resolution, and emotional intelligence. When regulatory frameworks relegate customer service to a single lecture within marketing, they ignore the reality of human behavior in service encounters. You can automate marketing analytics and digitize promotional campaigns, but emotional intelligence during a service breakdown cannot be outsourced.

Concrete Implementation Steps for Curriculum Planners

To make this practical contribution concrete for curriculum review boards and institutional planners balancing workforce preparation and advanced degree progression, a standardized pedagogical model outlining core course learning outcomes (CLOs) is provided below.

Table 2: Standalone Customer Service Course Learning Outcomes (CLOs) and Pedagogical Blueprint

Proposed Core Module	**Corresponding Course Learning Outcome (CLO)**	**Dual-Pathway Curricular Utility (Supervisory vs. Bachelor's Degree Transition)**
Module 1: Affective Regulation & De-escalation	**CLO 1:** Apply emotional intelligence frameworks to manage stress, control personal triggers, and de-escalate aggressive consumer behavior during service encounters.	**Supervisory:** Prevents frontline behavioral breakdowns for lower-level managers. **Bachelor's:** Builds empirical grounding for advanced Organizational Behavior and HR management modules.
Module 2: Service Recovery & Psychology	**CLO 2:** Analyze consumer injustice perceptions and formulate evidence-based service recovery strategies to restore brand equity following operational failures.	**Supervisory:** Provides practical recovery toolkits for immediate retail/service operations. **Bachelor's:** Formulates conceptual competencies for upper-tier Consumer Behavior and Strategic Marketing tracking.
Module 3: Omnichannel CRM Management	**CLO 3:** Demonstrate operational proficiency in managing digital CRM platforms and maintaining corporate etiquette across public social feedback loops.	**Supervisory:** Maximizes baseline system mastery for digital/call-center environment supervision. **Bachelor's:** Develops data-informed analytical literacy for specialized Business Information Systems tracking.

Module 4: Governance & Compliance Standards	**CLO 4:** Evaluate corporate workflows against national regulatory parameters, information governance laws, and PDPA requirements.	**Supervisory:** Mitigates operational regulatory infractions and compliance penalty risks. **Bachelor's:** Provides fundamental research literacy in Corporate Governance and Business Ethics.

CONCLUSION

Theoretical and Practical Implications

Theoretically, this study advances curriculum development discourse by establishing a clear Marketing-Service-EI continuum, positioning customer service not as a basic transactional subset of marketing, but as the operational fulfillment of marketing promises. Practically, these findings serve as a highly relevant guide for higher education decision makers, curriculum review boards, and accrediting bodies like the MQA. Sidelining customer service education to insert advanced marketing theory weakens the dual-pathway value of business diplomas. Re-engineering business curricula to feature customer service as a standalone course provides a structured, evidence-based pathway to directly elevate graduate employability at the lower-tier supervisory management level while reinforcing the foundational academic competencies required to successfully transition into any specialized business Bachelor's degree discipline.

Limitations and Future Research

As a conceptual paper, this study is limited by its reliance on secondary literature and qualitative case synthesis rather than primary empirical testing. Geographically, its immediate contextual focus centers on the Malaysian higher education landscape, which may limit generalizability to distinct international frameworks. Future research should empirically validate the proposed conceptual framework through quantitative or mixed-method designs. Longitudinal studies tracking diploma graduates into both the immediate workforce and higher academic tracks could evaluate the direct correlation between standalone customer service training, supervisory EI levels, and objective performance metrics. Additionally, further studies should explore the dynamics of digital emotional intelligence (DEI) as human supervisors and advanced scholars increasingly navigate hybrid, AI-mediated customer service touchpoints.

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