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Customer-directed extra-role performance and emotional understanding: Effects on customer conflict, felt stress, job performance and turnover intentions

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ABSTRACT

Sales and customer service employees often face demanding or even abusive customers. This study utilized structural equation modeling to develop a preliminary model identifying relationships between interpersonal customer conflict, key consequences of such conflict, and potential means to avoid or reduce that conflict. Results confirm that interpersonal conflict with customers has a direct negative influence on job performance, and works through felt stress to increase turnover intentions among employees. However, results suggest that a salesperson's emotional understanding and customer-directed extrarole performance reduce that conflict and increase job performance. Comparisons with prior related studies, although none of those cover all relevant factors, indicate that these relationships are likely to be similar in developed and developing economies. Limitations and future research directions are also discussed. © 2017 Australian and New Zealand Marketing Academy. Published by Elsevier Ltd. All rights reserved.

1. Introduction

Interpersonal conflict is a characteristic of the typical sales job (Dubinsky et al., 1986) and also is likely to occur within a customer service role (Sliter et al., 2011). Conflict has been shown to negatively influence performance in various settings (Reid et al., 2004). Not surprisingly, therefore, it has been argued that conflict management has become an important aspect of personal selling and customer service, especially within firms adopting a relationship marketing strategy (Weitz and Bradford, 1999).

Within the marketing field, most research relating to conflict has focused on conflict between channel partners, sales managers and their salespeople, or members of sales teams; or on salesperson role ambiguity or role conflict. Very little research has focused on interpersonal conflict between salespeople and their customers (Reid et al., 2004), or customer service employees and their customers (Grandey et al., 2004). Most of that research has been undertaken within developed countries. Since interpersonal conflict has a negative effect on performance, there is a need to

address this gap and to develop greater understanding of issues relating to buyer–seller interpersonal conflict (Reid et al., 2004). The aim of this study is to contribute toward the enhancement of that understanding.

This is the first published study covering all relevant factors relating to interpersonal customer conflict. Therefore, the key contribution of the study is the development of an extended conceptual model, linking interpersonal conflict with customers to both consequences of, and potential remedies against, that conflict. The findings provide understanding about how to avoid the consequences of interpersonal conflict with customers – as well as confirming the generalizability of the collective findings of prior studies. In addition, unlike most prior studies, this study has been conducted within a developing economy, so that findings also provide confirmation of the similarity in developed and developing countries of relationships between several factors relating to interpersonal customer conflict.

2. Literature review and hypothesis development

A review of the literature suggests that interpersonal conflict with customers results in increased felt stress, decreased job performance and increased turnover intentions among sales and customer service employees. Clearly, these outcomes have a direct

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or indirect negative impact on the firm's financial performance. For example, the tangible and intangible costs of sales force turnover, including recruitment, selection and training costs, and the opportunity cost of lost profits while a sales position is vacant, can be substantial (Dubinsky et al., 1990; Hillmer et al., 2004). Reducing the likelihood and severity of interpersonal conflict with customers therefore appears to be a worthwhile goal. Two options identified in the literature relate to greater understanding of others' emotions (to enable appropriate regulation of emotions) and customer-directed extra-role performance (CDERP).

2.1. Interpersonal conflict with customers and its effect on felt stress

'Customer-based interpersonal conflict' has been defined as 'a broad range of interpersonal mistreatment behaviors perpetrated by someone in a client/customer role, such as rude behavior, yelling, or other interpersonal deviant behaviors' (Sliter et al., 2011, p. 425). Salespeople and customer service employees occasionally experience such interpersonal conflict in the form of verbal aggression (Dormann and Zapf, 2004; Grandey et al., 2004) and 'rude, uncivil behavior' (Sliter et al., 2010, p. 468) when working with difficult or demanding customers. They also may have to 'accommodate rising and often unreasonable customer demands while balancing resource constraints' (Jaramillo et al., 2011, p. 349). It is considered 'likely' rather than merely 'possible' that customer service employees will experience some form of customer-based interpersonal conflict (Sliter et al., 2011, p. 425).

Interpersonal conflict with customers can generate negative feelings, anxiety and higher levels of hostility (Judge et al., 2014). Felt stress has been defined as 'manifest physiological and psychological strains of the individual as a response to job-related stressors' (McFarland, 2003, p. 312). Prior studies have identified such stress as a negative consequence of various forms of conflict (Sager, 1994; Schaubroeck et al., 1989; Sliter et al., 2011), including interpersonal conflict with customers (Mulki et al., 2015). Some studies have found that interpersonal conflict is an even greater stressor for salespeople than role conflict or role ambiguity (Narayanan et al., 1999). One cross-cultural study has found that interpersonal conflict is a strong predictor of stress within various cultures (Liu et al., 2007). A recent study of salespeople from Mexican financial institutions also found that interpersonal conflict is a strong predictor of felt stress (Mulki et al., 2015).

The following hypothesis is based on the above discussion:

- **H1.** Sales or service employees' interpersonal conflict with customers is positively related to felt stress.
- 2.2. The effects of interpersonal conflict with customers and felt stress on job performance

Sales success is influenced by salespeople's ability to develop strong relationships with customers (Pettijohn et al., 2002). Relationships are based on mutual trust, with customers believing that sales and customer service employees take care of their interests and provide solutions that improve their business operations. Interpersonal conflicts and rude customer behavior indicate a lack of trust and disdain for a salesperson's offerings, resulting in loss of commitment and purchases. Since unpleasant interactions are known to create a negative impact on employees' affective dispositions (Bailey and McCollough, 2000), salespeople may find it difficult to be customer-oriented to rude customers and may deliberately withhold efforts to find solutions for those customers.

In addition, the stress resulting from interpersonal conflict may take an emotional toll on the salesperson, leading to lower job performance (Bruk-Lee and Spector, 2006; Jaramillo et al., 2011; Sliter et al., 2011). For example, Bailey and McCollough (2000) found that negative feelings generated by a rude customer tainted the salesperson's affective state, leading to unfriendly behavior toward other customers. Prior research confirms that stress appears to negatively influence job performance (Babin and Boles, 1996; Hui et al., 2004; Mulki et al., 2015; Tarafdar et al., 2015). For example, stress has been found to have a negative influence on salespeople's commitment to quality and, consequently, on customer perceptions of service quality (Wetzels et al., 2000).

Based on the above discussion, the following hypotheses are proposed:

- **H2.** Sales or service employees' interpersonal conflict with customers is negatively related to job performance.
- **H3.** Sales or service employees' felt stress is negatively related to job performance.
- 2.3. The effects of interpersonal conflict with customers and felt stress on turnover intentions

Being social in nature, people's behavior is influenced by the quality of their interpersonal relationships. 'Interpersonal conflict' is a construct measuring the quality of those relationships, levels of interpersonal conflict ranging from minor disagreements to 'heated arguments' and even 'physical violence' (Jaramillo et al., 2011, p. 342). As explained by Li and Zhou (2013, p. 893), 'service workers have limited ways to respond to customer aggression', since 'quarrelling... could result in customer complaints' and, in turn, 'sanctions from management'. Consequently, responses often include 'problem-solving' and 'escape-avoidance' strategies. Frequent abuse from customers 'typically evokes strong and quick physiological, cognitive, and behavioral responses', eventually leading to 'negative outcomes', including increased turnover intentions.

Consistent with the above discussion, Jaramillo et al. (2011) found a positive correlation between interpersonal conflict and turnover intentions among salespeople from financial institutions in South America. Interpersonal conflict also has been found to be directly related to turnover intentions among nurses (Yeun, 2014), and frontline service employees within four- and five-star hotels in Cyprus (Karatepe et al., 2009). Various studies have found positive correlations between other forms of conflict and turnover intentions. For example, Mulki et al. (2008) found a positive correlation between role conflict and turnover intentions among healthcare workers.

Similarly, stress also has been found to result in increased employee resignation or turnover intentions (Schneider, 1980; Shahzad et al., 2011). A meta-analysis of 186 studies found that employees with felt stress develop withdrawal behavior and harbor turnover intentions (Podsakoff et al., 2007). Within the sales field, specifically, a study of direct selling employees found that higher levels of stress lead to greater turnover intentions (Jaramillo et al., 2013).

Based on the above discussion, the following hypotheses are proposed:

- **H4.** Sales or service employees' interpersonal conflict with customers is positively related to turnover intentions.
- **H5.** Sales or service employees' felt stress is positively related to turnover intentions.

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