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 extra-role 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.

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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.
2.4. The effects of job performance on turnover intentions

Overall, studies exploring the link between job performance and turnover intentions have been inconclusive (Biron and Boon, 2013).

According to Zimmerman and Darnold (2009, p. 144), 'employees may respond to “shocks” in the work environment' by considering the option of resigning from their current jobs, possibly leading to serious intentions to leave their employers. Such shocks would include negative feedback received during formal or informal performance reviews. Similarly, job insecurity associated with poor performance may induce turnover intentions (Staufenbiel and König, 2010). Such outcomes would not be inconsistent with the mixed results reported in the literature, or with those recently suggested by Sturman et al. (2012). Those authors propose that the relationship between performance and turnover is curvilinear; that is, both low and high performers harbor greater turnover intentions than average employees. High-performing employees realize they may have become attractive to competitors and command better compensation, while poor performers may become dissatisfied with their current jobs and look for jobs elsewhere better suiting their capabilities.

Therefore, the following hypothesis is proposed:

H6. Sales or service employees' job performance is negatively related to turnover intentions.

2.5. Understanding others' emotions, customer-directed extra-role performance and interpersonal conflict with customers

Salovey and Mayer (1990, p. 189) define ‘emotional intelligence’ as ‘the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them and to use this information to guide one’s thinking and actions’. Based on the theory of emotional intelligence, individuals with greater ‘emotion-regulation ability’ have more effective strategies to maintain desirable emotions and to reduce or modify unfavorable emotions in both themselves and other people (Brackett et al., 2010, p. 407) and, in turn, to avoid or reduce conflict. Within the context of personal selling, emotion-regulation ability enables a salesperson ‘to adopt the appropriate emotions for a specific situation [or] customer’ (McFarland et al., 2016, p. 110).

This conceptual argument is consistent with views within the sales research literature. For example, Kidwell et al. (2007, p. 119) argue that ‘without the ability to recognize the emotions of customers, even the most knowledgeable, adaptive, and cognitively gifted salesperson is likely to perform poorly’. Law et al. (2008) suggest that sales and service employees who have greater ability to understand others’ emotions are better able to predict others’ emotional responses. This can assist sales and service employees to avoid or better cope with unpleasant and stressful situations.

Greater understanding of customers’ emotions seems necessary to enable effective regulation of emotions and, in turn, to reduce the likelihood and severity of interpersonal conflict. Also, a salesperson who understands issues from a customer’s perspective is better equipped to structure options from the customer’s viewpoint and to craft solutions acceptable to the customer (Betancourt, 2004).

Netemeyer and Maxham (2007, p. 132) define ‘customer-directed extra-role performance’ (CDERP) as ‘the degree to which the service employee “goes the extra mile” and “helps customers beyond job requirements”’. Similarly, Stauss et al. (2010, p. 521) define customer-directed citizenship behavior as employees going ‘out of the way or beyond the call of duty for customers’. Betancourt (1997, p. 386) identified a positive relationship between (1) perceptions of customer support, including ‘spontaneous employee behaviors and response to special requests’, and (2) customer commitment, including cooperation with the supplier in the form of ‘courtesy’ and being ‘polite and respectful’. Conversely, Reid et al. (2004) found that industrial buyers’ perceptions of lower levels of customer orientation, empathy and trust on the part of a salesperson were related to higher levels of conflict between the buyer and salesperson.

Social exchange theory (Cropanzano and Mitchell, 2005; Emerson, 1976) has relevance to customer service interactions in which customers and service providers have mutual expectations. While customers often reciprocate CDERP with loyalty and word-of-mouth promotion, they are likely to resort to complaints or even deviant behavior if perceived service levels fall below their expectations (Betancourt, 1997). Numerous studies have shown that a salesperson’s CDERP is associated with positive outcomes such as customer satisfaction, commitment and performance (e.g., MacKenzie et al., 2001; Rich et al., 2010), partly because customers realize that these efforts are discretionary, voluntary and not necessarily rewarded by the sales organization. Social exchange theory suggests that a customer would reciprocate extra efforts with commitment to the supplier, word-of-mouth promotion and additional business (Podsakoff and MacKenzie, 1997). Conversely, even minor breaches of promise or expectations may become major issues if the customer perceives that the supplier is not expending the required effort (Sliter et al., 2011).

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

H7. Sales or service employees’ understanding of others’ emotions is negatively related to interpersonal conflict with customers.

H8. Sales or service employees’ understanding of others’ emotions is positively related to CDERP.

H9. Sales or service employees’ CDERP is negatively related to interpersonal conflict with customers.

H10. Sales or service employees’ CDERP is positively related to job performance.

A model based on these hypotheses is illustrated in Fig. 1.

3. Method

3.1. Sample

This study was undertaken within a developing country given the dearth of prior studies regarding interpersonal conflict with customers within such environments.

Responses from sales and service employees in financial and software industries with offices in a large city in India were used for this study. The combined sample is appropriate since both types of employee are engaged in meeting the needs of business customers and have frequent interactions with those customers. There are important shared activities within sales and service roles (Evans et al., 1999), and ‘prior literature indicates that service and sales activities ... share common ground’ (Jasmal et al., 2012, p. 22). Other researchers also have undertaken studies within large organizations comprising combined samples of customer service and sales employees (e.g., Renn et al., 2001), or ‘customer contact employees’ including ‘customer service personnel [and] salespeople’ (Pappas and Flaherty, 2008, p. 894). The use of an Indian sample is appropriate since Indian buyers are becoming discriminating and more demanding as international firms compete for market share (Gopal and Srinivasan, 2006), and such a sample enables comparison with findings of related studies in developed economies.
The researchers used the alumni list of an Indian university to recruit survey respondents. The researcher associated with this university emailed the survey to members of the list, along with an appeal to the alumni requesting support for the project, and guaranteed confidentiality of individual responses. In addition, the researcher sent an email to the alumni group using University (electronic) stationery, explaining the purpose of the survey, guaranteeing anonymity of individual responses, and offering to share results of the study. MBA students of the researcher followed-up individual members of the list by email over a three-month period.

In total, 162 responses were coded for analysis, after eliminating 21 incomplete responses. Non-response bias was tested by comparing responses received in the first two weeks to responses received in the last two weeks. No significant differences were found in the mean values of key constructs used in the model.

Respondents’ tenure with their current company ranged from less than one year to over 30 years, with a mean of 6.45 (σ = 5.23) years. Respondents had an average total work experience of 7.70 (σ = 8.04) years in the industry. The majority of respondents were males (82%). Responses were almost equally distributed among salespeople from the two sectors.

3.2. Measures

All latent constructs were measured with well-established and previously-used instruments. Customer-Directed Extra-Role Performance (CDERP) was measured with a four-item scale adapted from Netemeyer et al. (2005). Understanding Others’ Emotions was measured with the four-item scale for emotional intelligence from Law et al. (2004). Job Performance was measured with an eight-item scale used by Piercy et al. (2001). Felt Stress was measured with a four-item scale used by Netemeyer et al. (2005). A single-item measure by Spector (1985), ‘How often have you seriously considered quitting your present job?’ (1 = Never, 7 = Extremely often), was used to measure salesperson Turnover Intentions. This measure has been found to be appropriate for measuring behavioral intentions (Wanous et al., 1997). Except for Interpersonal Conflict with Customers, all measures used Likert-type ratings ranging from ‘1 = Strongly disagree’ to ‘7 = Strongly agree’. Interpersonal Conflict with Customers was measured with a four-item scale developed by Spector and Jex (1998) and adapted to reflect customer-related responses. This scale asks employees to report on the frequency of situations involving interpersonal conflict with their customers, and uses end points ranging from ‘1 = Never’ to ‘6 = Extremely often’.

Common method bias is often a concern in relation to survey-based studies. A latent methods factor method, proposed by Podsakoff et al. (2003), was used to address this issue. Following this procedure, all measures in the structural model are loaded on a single latent factor, in addition to their respective factors, and a structural model is run. The path coefficients from this model are then compared to the path coefficients from the structural model used to test the hypotheses (Sonenshein and Dholakia, 2012). For this study, the comparison showed that the pattern of results was replicated, with substantially similar path coefficients for the two models, providing support for the assumption that the pattern of relationships was not significantly affected by common method bias (Sonenshein and Dholakia, 2012).

4. Results

4.1. Correlation analysis

Table 1 provides the correlation structure, means and standard deviations for constructs used in the study. Correlation among the constructs and control variables was assessed using SPSS 21. Results of the correlation analysis provide support for most hypothesized relationships between constructs. Understanding Others’ Emotions is positively correlated with CDERP, and negatively associated with Interpersonal Conflict with Customers. CDERP is positively associated with Job Performance, and negatively associated with Interpersonal Conflict with Customers. Interpersonal Conflict with Customers is positively related to Felt Stress and Turnover Intentions, and negatively related to Job Performance. Felt Stress is positively correlated with Turnover Intentions.

Among the demographic variables, Tenure with Firm and Total Work Experience are negatively correlated with Turnover Intentions (p ≤ 0.01). Further, Gender (Male = 1) showed a positive relationship with Felt Stress; while Total Work Experience and Percent Quota Achieved showed negative relationships with Interpersonal Conflict with Customers and Turnover Intentions, respectively, at a significance level of p ≤ 0.05.
Table 1
Correlations, descriptive statistics, average variance extracted and reliability of constructs used in model.

<table>
<thead>
<tr>
<th>Code</th>
<th>Factor</th>
<th>UOFE</th>
<th>CDERP</th>
<th>FSTR</th>
<th>IPCC</th>
<th>JOBP</th>
<th>TOI</th>
<th>TENU</th>
<th>EXPT</th>
<th>PCTG</th>
</tr>
</thead>
<tbody>
<tr>
<td>UOFE</td>
<td>Understanding Others’ Emotions</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDERP</td>
<td>Customer-Directed Extra-Role Performance</td>
<td>0.29</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSTR</td>
<td>Felt Stress</td>
<td>-0.05</td>
<td>0.02</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPCC</td>
<td>Interpersonal Conflict with Customers</td>
<td>-0.23</td>
<td>-0.22</td>
<td>0.32</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JOBP</td>
<td>Job Performance</td>
<td>0.11</td>
<td>0.28</td>
<td>0.12</td>
<td>-0.26</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOI</td>
<td>Turnover Intentions</td>
<td>-0.05</td>
<td>-0.13</td>
<td>0.29</td>
<td>0.27</td>
<td>-0.12</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TENU</td>
<td>Tenure with Firm</td>
<td>0.10</td>
<td>0.00</td>
<td>0.06</td>
<td>-0.14</td>
<td>0.09</td>
<td>-0.27</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPT</td>
<td>Total Work Experience</td>
<td>0.03</td>
<td>0.02</td>
<td>0.04</td>
<td>-0.17</td>
<td>0.06</td>
<td>-0.28</td>
<td>0.85</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>PCTG</td>
<td>Percent Quota Achieved</td>
<td>0.14</td>
<td>0.13</td>
<td>0.02</td>
<td>-0.13</td>
<td>0.14</td>
<td>-0.18</td>
<td>0.07</td>
<td>0.07</td>
<td>1.00</td>
</tr>
<tr>
<td>GEN</td>
<td>Gender (male = 1)</td>
<td>0.08</td>
<td>-0.01</td>
<td>0.19</td>
<td>0.04</td>
<td>0.11</td>
<td>0.10</td>
<td>0.05</td>
<td>-0.08</td>
<td>-0.04</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td>5.09</td>
<td>4.86</td>
<td>4.06</td>
<td>3.81</td>
<td>5.17</td>
<td>2.32</td>
<td>5.23</td>
<td>7.71</td>
<td>7.79</td>
</tr>
</tbody>
</table>

Standard deviation
1.32 1.33 1.48 1.31 0.92 1.08 6.45 8.05 24.85

Table 2
Scale items and standardized loadings from measurement model.

<table>
<thead>
<tr>
<th>Scale item</th>
<th>Factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding Others’ Emotions</td>
<td>0.764</td>
</tr>
<tr>
<td>I always know others’ emotions from their behaviors.</td>
<td></td>
</tr>
<tr>
<td>I am a good observer of others’ emotions.</td>
<td>0.693</td>
</tr>
<tr>
<td>I am sensitive to the feelings and emotions of others.</td>
<td>0.789</td>
</tr>
<tr>
<td>I have a good understanding of the emotions of people around me.</td>
<td>0.778</td>
</tr>
<tr>
<td>Interpersonal Conflict with Customers</td>
<td>0.450</td>
</tr>
<tr>
<td>I get into arguments with customers at work.</td>
<td>0.626</td>
</tr>
<tr>
<td>Customers yell at me at work.</td>
<td>0.623</td>
</tr>
<tr>
<td>Customers are rude to me at work.</td>
<td>0.672</td>
</tr>
<tr>
<td>Customers do nasty things to me at work.</td>
<td></td>
</tr>
<tr>
<td>Customer Directed Extra-Role Performance (CDERP)</td>
<td>0.705</td>
</tr>
<tr>
<td>I go above and beyond the ‘call of duty’ when serving customers.</td>
<td>0.846</td>
</tr>
<tr>
<td>I am willing to go out of my way to make a customer satisfied.</td>
<td>0.763</td>
</tr>
<tr>
<td>I voluntarily assist customers even if it means going beyond the job requirements.</td>
<td>0.706</td>
</tr>
<tr>
<td>I often help customers with problems beyond what is expected or required.</td>
<td></td>
</tr>
<tr>
<td>Job Performance</td>
<td>0.812</td>
</tr>
<tr>
<td>Building effective relationships with customers.</td>
<td></td>
</tr>
<tr>
<td>Making effective presentations to customers.</td>
<td>0.805</td>
</tr>
<tr>
<td>Keeping expenses at acceptable levels.</td>
<td>0.303</td>
</tr>
<tr>
<td>Achieving sales targets and other business objectives.</td>
<td>0.787</td>
</tr>
<tr>
<td>Understanding our products and services.</td>
<td>0.820</td>
</tr>
<tr>
<td>Providing feedback to management.</td>
<td>0.652</td>
</tr>
<tr>
<td>Understanding customer needs and work processes.</td>
<td>0.834</td>
</tr>
<tr>
<td>Contributing to my sales unit’s revenues.</td>
<td>0.796</td>
</tr>
<tr>
<td>Felt Stress</td>
<td>0.795</td>
</tr>
<tr>
<td>My job tends to directly affect my health.</td>
<td>0.613</td>
</tr>
<tr>
<td>At the end of the day, my job leaves me ‘stressed-out’.</td>
<td>0.795</td>
</tr>
<tr>
<td>Problems associated with work have kept me awake at night.</td>
<td>0.761</td>
</tr>
<tr>
<td>I feel fidgety or nervous because of my job.</td>
<td>0.435</td>
</tr>
</tbody>
</table>

4.2. Testing of the model

Testing of the proposed model was conducted in two stages. First, an exploratory factor analysis was conducted for all scales used in the model to assess the underlying factor structure of the scale items and to confirm uni-dimensionality of the measures. A measurement model was then run using AMOS 21 to assess the properties of the latent variables in the proposed model.

Results of the analysis showed acceptable fit indices: χ² = 334.279, df = 220, p < 0.01; RMSEA = 0.052; CFI = 0.94; TLI = 0.93; NFI = 0.86. As shown in Table 2, one low-loading item was removed from each of three constructs (Interpersonal Conflict with Customers, Job Performance, and Felt Stress) and the measurement model was re-run. Retention of five other items with loadings below 0.70 (i.e., 0.62 to 0.69) is consistent with recommended practice (Hulland, 1999; Wolfinbarger et al., 2011). The new model was an improvement over the previous model, with better fit indices: χ² = 278.572, df = 179, p < 0.01; RMSEA = 0.052; CFI = 0.94; TLI = 0.94; NFI = 0.86. Reliability of the scales was assessed with Cronbach’s alpha and found to be above 0.70 except for the measure, Interpersonal Conflict with Customers (α = 0.64).

Discriminant validity was tested using the procedure suggested by Fornell and Larcker (1981). First, a test of the confidence intervals of the factor correlations determined that none of the 95% confidence intervals of the factor correlations included 1.0 (Anderson and Gerbing, 1988). Second, the square root of the construct’s Average Variance Extracted (AVE) exceeds correlations with other constructs of the research model. Finally, as shown in Table 1, both Maximum Shared Variance and Average Shared Variance are less than AVE (Hair et al., 2010).

4.3. Testing of hypotheses

To test the stated hypotheses, a structural equation model (SEM) with AMOS 21 ML method was run, since SEM provides the flexibility to test several relationships simultaneously. Gender, employee’s Tenure with Firm, Total Work Experience, and goal completion (measured as Percentage Quota Achieved) were included in the model as control variables, since these are known to impact salespersons’ attitudes and behaviors (Locander et al., 2014). The results of the structural model, illustrated in Fig. 2, indicate an acceptable fit with the data: χ² = 362.78, df = 265; RMSEA = 0.045; RMSEA90% = 0.033 to 0.056; CFI = 0.95; TLI = 0.94 (Hair et al., 2010). Stated hypotheses and path coefficients from the analysis are identified in Table 3.

Understanding Others’ Emotions was found to have a significant positive relationship with CDERP (H8) and a negative relationship with Interpersonal Conflict with Customers (H7); CDERP
has a negative relationship with Interpersonal Conflict with Customers (H9) and a positive relationship with Job Performance (H10); Interpersonal Conflict with Customers has a positive relationship with Felt Stress (H1) and a negative relationship with Job Performance (H2); and Felt Stress has a positive relationship with Turnover Intentions (H5). However, Felt Stress was found to have a statistically insignificant relationship with Job Performance (H3), and Interpersonal Conflict with Customers and Job Performance were both found to have insignificant relationships with Turnover Intentions (H4 and H6, respectively). Thus, seven of the ten hypotheses were supported.

Of the demographic variables, Total Work Experience has a negative relationship with Interpersonal Conflict with Customers, Gender (Male = 1) is positively related to Felt Stress, and Percent Quota Achieved is negatively related to Turnover Intentions.

4.4. Post-hoc analysis

Two post-hoc analyses were conducted following initial analysis of the results of the tested model. Since the path coefficient from Interpersonal Conflict with Customers to Turnover Intentions was insignificant ($\beta = 0.13$, $t = 1.29$), it was decided to test for the me-

Table 3
Model standardized paths and t values.

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Dependent variable</th>
<th>Standardized $\beta$</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding Others' Emotions</td>
<td>CDERP</td>
<td>0.54</td>
<td>5.82</td>
</tr>
<tr>
<td>Understanding Others' Emotions</td>
<td>Interpersonal Conflict with Customers</td>
<td>-0.29</td>
<td>-2.45</td>
</tr>
<tr>
<td>CDERP</td>
<td>Interpersonal Conflict with Customers</td>
<td>-0.23</td>
<td>-2.02</td>
</tr>
<tr>
<td>CDERP</td>
<td>Job Performance</td>
<td>0.38</td>
<td>4.34</td>
</tr>
<tr>
<td>Interpersonal Conflict with Customers</td>
<td>Felt Stress</td>
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<td>2.75</td>
</tr>
<tr>
<td>Interpersonal Conflict with Customers</td>
<td>Job Performance</td>
<td>-0.24</td>
<td>-2.37</td>
</tr>
<tr>
<td>Felt Stress</td>
<td>Job Performance</td>
<td>0.14</td>
<td>1.82</td>
</tr>
<tr>
<td>Felt Stress</td>
<td>Turnover Intentions</td>
<td>0.27</td>
<td>3.47</td>
</tr>
<tr>
<td>Interpersonal Conflict with Customers</td>
<td>Turnover Intentions</td>
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<td>1.29</td>
</tr>
<tr>
<td>Job Performance</td>
<td>Turnover Intentions</td>
<td>-0.07</td>
<td>-0.91</td>
</tr>
<tr>
<td>Control variable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure with Firm</td>
<td>CDERP</td>
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<td>-1.30</td>
</tr>
<tr>
<td>Tenure with Firm</td>
<td>Interpersonal Conflict with Customers</td>
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<td>0.56</td>
</tr>
<tr>
<td>Tenure with Firm</td>
<td>Job Performance</td>
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<td>1.61</td>
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<tr>
<td>Tenure with Firm</td>
<td>Felt Stress</td>
<td>0.08</td>
<td>0.52</td>
</tr>
<tr>
<td>Tenure with Firm</td>
<td>Turnover Intentions</td>
<td>-0.09</td>
<td>-0.64</td>
</tr>
<tr>
<td>Total Work Experience</td>
<td>CDERP</td>
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<td>1.05</td>
</tr>
<tr>
<td>Total Work Experience</td>
<td>Interpersonal Conflict with Customers</td>
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<td>-1.95</td>
</tr>
<tr>
<td>Total Work Experience</td>
<td>Job Performance</td>
<td>-0.22</td>
<td>-1.55</td>
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<tr>
<td>Total Work Experience</td>
<td>Turnover Intentions</td>
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<td>-1.34</td>
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<tr>
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<td>CDERP</td>
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<td>Gender</td>
<td>Turnover Intentions</td>
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<td>0.85</td>
</tr>
<tr>
<td>Percent Quota Achieved</td>
<td>CDERP</td>
<td>0.00</td>
<td>0.05</td>
</tr>
<tr>
<td>Percent Quota Achieved</td>
<td>Interpersonal Conflict with Customers</td>
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<td>1.19</td>
</tr>
<tr>
<td>Percent Quota Achieved</td>
<td>Job Performance</td>
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<td>0.60</td>
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<tr>
<td>Percent Quota Achieved</td>
<td>Felt Stress</td>
<td>0.04</td>
<td>0.54</td>
</tr>
<tr>
<td>Percent Quota Achieved</td>
<td>Turnover Intentions</td>
<td>-0.19</td>
<td>-2.88</td>
</tr>
</tbody>
</table>

Note: Figures in bold indicate significance at $p \leq 0.05$. 

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diating impact of Felt Stress. Since the paths between Interpersonal Conflict with Customers and Felt Stress, and between Felt Stress and Turnover Intentions were significant, a new model was run excluding Felt Stress (Baron and Kenny, 1986). Results showed that the path between Interpersonal Conflict with Customers and Turnover Intentions is significant and positive ($\beta = 0.27$, $t = 2.69$), thus indicating a mediating role played by Felt Stress. This result is consistent with arguments by Fogarty et al. (2000) that relationships between stress-related factors and job outcomes occur through a mediator, supported by findings of those researchers that the relationship between role conflict and turnover intentions among accounting professionals occurs via the mediator, burnout.

Studies have shown that employee work experience often influences employee attitudes and behaviors. So, a second post-hoc analysis was conducted to test for the moderating influence of Total Work Experience in the relationship between Felt Stress and Turnover Intentions. Respondents were divided into three groups of similar size based on their years of work experience. Two groups were included in this analysis: respondents with 3.5 years or less of work experience ($n = 55$), and those with 6 years or more of work experience ($n = 59$). The third group of respondents, with work experience of between 3.5 and 6 years, was discarded to obtain a bimodal-like distribution required for multi-group testing. For testing moderation, SEM was run by restricting the path between Felt Stress and Turnover Intentions to be equal, and the resulting $\chi^2$ value was compared to that for the unrestricted path. The $\chi^2$ difference between the two models was greater than the critical value ($\Delta \chi^2 = 8.71$, $df = 1$, $p \leq 0.01$, Critical value = 3.84). The relationship between Felt Stress and Turnover Intentions is stronger at low levels of work experience ($\beta = 0.48$; $t = 3.42$), becoming insignificant at high levels of work experience ($\beta = 0.17$; $t = 1.36$).

5. Discussion

The major objective of this research was to examine the influence of salespersons’ conflict with customers on job performance and turnover intentions. The study also was intended to examine how salespersons’ ability to understand others’ emotions influences customer-directed extra-role performance (CDERP) and interpersonal conflict with customers. Results confirm that salespersons’ conflict with customers is detrimental to the organization as it negatively impacts job performance, and contributes to turnover intentions by increasing felt stress. The findings also indicate the importance of assessing customer emotions in developing good relationships. An ability to understand customer emotions increases motivation to undertake CDERP, as the greater understanding provides an added incentive to devise solutions and develop stronger relationships. Fortunately, emotional intelligence, including the understanding of others’ emotions, can be improved through training (Deeter-Schmelz and Sojka, 2003; Law et al., 2004). Therefore, sales managers should assess salespeople for emotional intelligence and include this topic within sales training programs.

It also was found that interpersonal conflict with customers increases felt stress, leading to increasing turnover intentions. A mediating effect of felt stress was identified in the relationship between interpersonal customer conflict and turnover intentions. This is consistent with prior studies showing that stress resulting from customer interactions can lead to emotional exhaustion, burnout, and turnover intentions (Jaramillo et al., 2013; Mulki et al., 2012). Sales managers should attempt to reduce employee stress through appropriate counseling or training. Results also show that employees with higher work experience are less likely to harbor turnover intentions, possibly indicating their greater ability to cope with stress. Therefore, sales managers should consider using experienced employees to mentor less-experienced salespeople.

No significant relationship was found between felt stress and job performance, despite evidence from a prior study of such a relationship (Mulki et al., 2015). This may be due to the hypothesized effect of moderate levels of stress stimulating employees ‘to excel’ (Singh, 1998, p. 71). Alternatively, it is possible that sales and customer service employees experience a (positive) challenge when dealing with conflict with customers. It has been found that ‘challenging job demands or work circumstances produce positive feelings, even though [those situations] may be stressful, … consistent with the theoretical distinction that has been made in the general stress literature between eustress and distress’; eustress being ‘stress that creates challenge and feelings of fulfillment or achievement’ (Cavanaugh et al., 2000, p. 66). This possibility is supported by findings from studies of a positive relationship between stress and job performance (Dubinsky et al., 1992; Ortyvist and Wincent, 2006).

Similarly, no significant relationship was found between job performance and turnover intentions. This is consistent with the inconclusive nature of prior studies focused on these two factors in various employment settings, and suggestions that ‘the causes of employee turnover are multiple and complex, and are still only poorly understood’ (Biron and Boon, 2013, p. 512).

In summary, findings of this study suggest that interpersonal conflict with customers leads to lower job performance; and to greater felt stress and, consequently, greater turnover intentions, especially among less experienced employees; while the risk of customer conflict is reduced if employees have greater understanding of others’ emotions, and adopt customer-oriented, extra-role behaviors; those behaviors also leading to improved job performance. Findings are consistent with prior studies in this area, which mainly focus on employees in developed economies, except for one finding (of a significant relationship between felt stress and job performance) from one prior study. Importantly, this consistency (with findings conducted mainly within developed economies) suggests that the identified relationships are similar in developed and developing economies.

The factors and some relationships between those factors identified in this study are consistent with findings of prior studies. However, reviews of the literature confirm the absence of any other comprehensive framework relating to the issues covered in this study. Collectively, prior studies have identified relevant factors, but have not identified all important relationships found in this study. Therefore, findings of this study contribute toward the enhancement of knowledge of issues relating to interpersonal conflict with customers, and have implications for sales and customer service management practitioners.

Since no prior study has covered all factors covered in this study, the major contribution of the study is the development of a comprehensive model explaining the relationships of all factors relating to interpersonal conflict with customers. This study confirms the possibility of reducing interpersonal customer conflict and its negative consequences by ensuring employees fully understand emotions and adopt customer-directed, extra-role behaviors. This is an important finding given the potential costs associated with the negative outcomes of interpersonal conflict with customers. Since the study was conducted in a developing economy, while most prior studies have been undertaken in developed economies, findings also indicate that relationships are likely to be similar in both types of economy.

6. Limitations and future research

Results of this study are subject to the normal limitations of organizational studies. Since the results are based on cross-sectional data, causality cannot be assumed even though the hypothesized relationships were based on theory and findings of previous studies. Responses were collected from alumni and, despite guaranteeing
findings may not be generalizable to firms with greater gender balance. Since gender is known to impact organizational variables (Karatepe, 2011), the study should be repeated with samples from firms with higher proportions of female sales employees. Further studies regarding the relationship of felt stress and job performance also seem necessary, given the inconclusive nature of findings from this and prior studies. There also is a need for further research regarding the nature of felt stress associated with interpersonal conflict and other interactions—with customers, primarily to establish the degree to which such stress is ‘challenge-related’ (Cavanaugh et al., 2000) and, therefore, likely to be associated with positive motivational and performance outcomes.

References


Cavanaugh et al., 2000


