

Emotional Regulation and Salespeople

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Researchers have been paying greater interest to the role of emotional intelligence in shaping individual behaviors. It is believed that emotional intelligence is especially important in customer interfacing jobs such as in sales and service (O'Boyle et al. 2011). Salespeople with high emotional intelligence are better able to grasp the messages communicated through unspoken words and gestures and understand the feelings of customers and coworkers. This study looks at the role of emotional regulation in avoiding interpersonal conflict and increasing customer orientation in sales departments.

Meeting customer needs and achieving organizational goals requires individuals in different functional groups to pursue interdependent activities and channel physical, verbal, and mental abilities towards a common goal. As the complexity of businesses increases due to economic and technical changes, interdependency among functional groups in organizations is also growing. This is especially true for sales departments as success is dependent upon salesperson's ability to work with other employees in the organization (Jones, Dixon, Chonko, and Cannon, 2005; Sheth and Sharma, 2008). Salespeople take on the role of integrators to marshal and orchestrate the flow of resources to deliver compelling value propositions to customers (Workman, Homburg and Jensen. 2003).

In this study, we focus on the influence of emotional intelligence in avoiding interpersonal conflict and increasing customer focus. Salovey and Mayer (1990) believe that high EI provides individuals with greater ability to identify, assess, understand, and manage their own as well as other's emotions and to shape behaviors. When dealing with problems or problematic colleagues, high EI employees do not allow their own or some other's negative feelings about the individual inhibit them. This enables them to work effectively with others as well as to manage conflicts with tact and finesse (Rahim and Marvel 2011).

This study has two major objectives. First, this study examines the impact of emotional regulation on employees' interpersonal conflict and customer orientation. Second, the impact of interpersonal conflict and customer orientation on job performance is explored. To our knowledge, this is the first study that has looked at a model that integrates emotional intelligence and three critical behaviors that contributes to salesperson's success.

Conceptual Background

Salovey and Mayer (1990) define emotional intelligence as "the subset of social intelligence that involves 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" (page 189).. Researchers termed that individuals' ability to assess their own emotions and regulate them as intrapersonal intelligence and the ability to understand other's emotions individual's

social competence and known to result in positive outcomes at workplace. Salovey and Mayer (1990) posit that the ability to understand other's emotions enables the individual to have empathy for others which in turn enhances their ability to regulate their own emotions.

Regulation of Emotions

Effectiveness of employee performance and organizational success depends on healthy and constructive work environment wherein people share information and resources, seek and lend a helping hand to each other. Interpersonal conflict and its negative effect has been the subject of several studies (Spector and Jex 1998; Harris, Harvey and Kacmar 2011; Sliter et al. 2011).). Research has found that individuals with higher emotional intelligence have an optimistic outlook, are confident, and generally project a positive image. High EI individuals are also able to better handle the threat to their positive attitude and self-esteem when faced with negative situations (Schutte et al. 2002). Since "interpersonal conflict at work involves perceptions about exposure to negative forms of interaction" (Schieman, Scott and Sarah Reid, 2008, page 297), regulation of emotions is likely to lower interpersonal conflict. Based on this, it is stated that:

H1: Regulation of emotions is negatively related to interpersonal conflict.

Customer Orientation

Firms depend on customer orientation as one of the key strategies for attracting and retaining customers. Customer orientation is used for development of long term relationships with customers by providing products that meet and satisfy customer needs (Saxe and Weitz 1982). Boswerth et al. (2003) suggest that success of customer oriented salespeople can be explained by their ability to structure solutions centered on customer needs. Researchers have attributed customer orientation of employees to desirable organizational outcomes such as customer trust, repurchase intentions, loyalty, satisfaction and job performance (Cross et al. 2007; Kumar, Venkatesan and Reinartz 2008; Homburg, Müller and Klarmann 2011). Individuals with higher emotional intelligence are known to have an optimistic outlook, confident, and generally project a positive image (Lenaghan, Buda and Eisner 2007). When salespeople are able to regulate their emotions, it makes them better at being customer oriented since they have the capability to control their frustrations even when faced with negative situations (i.e, bad customers and high workload). Salespeople who regulate their emotions because of their ability to understand their and other's emotions display customer oriented behaviors (Kidwell et al. 2011). Based on this, it is stated that:

H2: Emotional regulation is positively related to customer orientation.

H3: Interpersonal conflict is negatively related to customer orientation.

Job Performance

Improving salesperson's job performance is a major priority for sales managers since profits and business performance are very much dependent on sales. Spector, Dwyer and Jex (1988) were some of the early researchers who explored how constraints such as interpersonal conflict can generate negative emotions and lower job performance. Narayan, Spector and Jex (1999) found that interpersonal conflict was one of the major stressors impacting salespeople. There have been a spate of recent studies linking interpersonal conflict, stress and job

performance in organizations (Choi and Cho 2011; Harris, Harvey and Kacmar 2011; Jaramillo, Mulki and Boles 2011; Michel et al. 2011; Mo et al. 2011; Sliter et al. 2011). In addition to stress, interpersonal conflict has been shown to cause abusive conduct, withdrawal of effort, interpersonal deviance (Fox, Spector and Miles 2001; Penney and Spector 2005; Bruk-Lee and Spector 2006). The above discussion suggests that:

H4: Interpersonal conflict is negatively related to job performance.

Customer oriented salespeople are committed to meeting needs of customers, increase customer satisfaction with an aim to develop long term relationship with customers. Numerous studies have provided evidence of the positive relationship of customer orientation with salesperson's job performance, customer loyalty and repurchase intentions (Franke and Park 2006; Cross et al. 2007; Kumar, Venkatesan and Reinartz 2008). A recent study showed a strong correlation between customer orientation and revenue (Kidwell et al. 2011). Based on this, the following replication hypotheses are stated:

H5: Customer orientation is positively related to job performance.

Method

Sample

This study used responses from salespeople working for pharmaceutical and financial companies in Mexico. Responses were provided by salespeople in four large financial institutions and 5 pharmaceutical companies in Mexico. An important factor for success of these salespeople is the effectiveness of their non-sales support staff (e.g., information, industry reports, promotion, liaison, and billing) at both the division and corporate level. The survey was administered in Spanish but relied on items from published scales in English which were translated to Spanish and back translated to English to ensure consistency of meaning. A total of 1500 were distributed in the 8 firms and 850 responses were coded for analysis. Of the respondents 44.9% were females, 52.8% were males and 2.2% did not indicate their gender. Age of the respondents ranged from 16 to 62 years with a mean age of 36.07 ($\sigma = 7.55$ years). The tenure with the company ranged from under a year to 33 years ($\mu = 5.96$, $\sigma = 5.52$). All latent construct were measured with well-established and previously published instruments.

Measurement Model

A confirmatory factor analysis was conducted using AMOS 21 to assess the properties of the latent variables. The measurement model showed acceptable fit indices. $\chi^2 = 1105.04$, $df = 260$, $p < .01$; RMSEA = .062, $CI_{90\%} = .058$ to .066; CFI = 0.92, TLI = 0.91. Reliability was assessed with Cronbach's alpha and found to be in the acceptable range providing evidence of adequate reliability (Anderson and Gerbing, 1988). Average variance extracted statistics (r_v) were in the acceptable range (Fornell and Larcker, 1981). Fornell and Larcker's (1981) approach was used to assess discriminant validity. A test of confidence intervals of factor correlations showed that none of the 95% confidence intervals of the factor correlations included one. In addition, the average variance extracted for each of the factors is greater than the squared correlations for all pairs of factors. The correlation matrix is shown below.

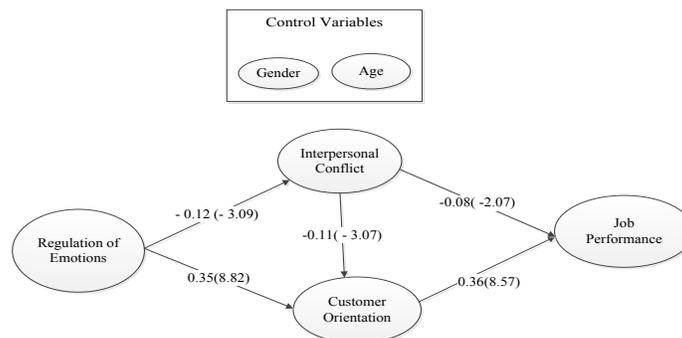
Correlation Matrix and Descriptive Statistics

		REG	IPC	CO	PER	AGE
REG	Regulation of Emotions	0.89				
IPC	Interpersonal Conflict	-0.12	0.84			
CO	Customer Orientation	0.35	-0.15	0.91		
PER	Job Performance	0.45	-0.13	0.34	0.83	
AGE	AGE	0.12	-0.01	0.08*	0.09	
GEN	GENDER	0.10	-0.03	0.01	0.10	0.20
	Mean	5.69	1.46	6.03	6.12	36.07
	Standard Deviation	0.94	0.94	0.96	0.66	7.55
	Average Variance Extracted	0.68	0.62	0.60	0.56	
Note: Bold correlations significant at $\alpha = 0.01$; * Significant at $\alpha = 0.05$						
Cronbach's α on the diagonal. Gender: Male = 1						

Structural Model

A structural equation model with AMOS 21 was used to test the relationship among dimensions of emotional intelligence with interpersonal conflict, competitive response, customer orientation and job performance. Age, gender and tenure were used as control variables. The results of the structural model shown in Figure 1 indicate an acceptable fit with the data, with the 90% confidence interval of the RMSEA below 0.08 and the other fit indexes above 0.90 (McDonald and Ho, 2002). $\chi^2 = 1451.626$, $df = 305$, $p < .01$; RMSEA = 0.067, $CI_{90\%} = 0.063$ to 0.070; CFI = 0.91; TLI = 0.90. As expected model results show SEA is positively related to OEA ($\beta = 0.54$, $t = 10.13$) and REG ($\beta = 0.33$, $t = 6.92$). OEA shows a positive relationship with REG ($\beta = 0.20$, $t = 3.93$). IPC and REG are negatively related ($\beta = -0.12$, $t = -3.09$). REG is positively related to CO ($\beta = 0.35$, $t = 8.82$) while IPC has a negative relationship with CO ($\beta = -0.11$, $t = -3.07$). Job performance was positively related to CO ($\beta = 0.36$, $t = 8.57$) and negatively related to IPC ($\beta = -0.08$, $t = -2.07$).

Figure: Hypothesized Model



Discussion of Results

One of the major responsibilities of sales manager is ensuring the success of the sales force. Success requires different parts of the sales organization working towards a common goal as a single unit. Managers strive to provide an environment where individuals work together and helping each other in providing solutions to customers and in maintaining productive relationship with customers. This study shows the importance of avoiding interpersonal conflicts in the work team. Teams with interpersonal conflict will find it difficult to sustain a customer focused approach to the customer. Interpersonal conflict negatively impacts job performance directly and indirectly through its impact on customer orientation. When salespeople are involved in personal conflict with co-workers, cooperation and support from the team to develop solutions to customer issues will be none to minimum. In addition, studies have shown that interpersonal conflict can create a negative environment resulting in stress, dissatisfaction with the job, absenteeism (Avey, Wernsing and Luthans 2008; Meisel 2008; Kidwell and Valentine 2009). These in turn have shown to have a negative impact on job performance and encourage turnover (Jelinek and Ahearne 2006; Sparks and Schenk 2006).

Emotional regulation by the salesperson is shown to reduce interpersonal conflict and increase customer oriented behaviors. This study also shows that emotional regulation is preceded by the ability to understanding one's own emotions and as well as by understanding other's emotions. When salespeople have the ability to manage their emotions, they can effectively work across departments thus increasing the potential for the organization to meet customer needs in time and become their preferred supplier (Rahim and Marvel 2011). Salespeople who are able to understand their own and other's emotions are considered better in understanding customer concerns and anxieties(Kidwell et al. 2011); this in turn allows them develop strategies and selling methods to win customer confidence.

Results of this study point out the importance of reducing conflicts in the organization and improving customer orientation. Managers can gauge salesperson's emotional intelligence levels during hiring process using tests that are available to measure emotional intelligence. Mayer and Salovey (1997) state that people can be trained to acquire and enhance emotional intelligence levels. Kidwell et al. (2011) recommend that sales managers should assess and identify areas of EI gaps to focus and institute training programs aimed at filling these gaps.

Limitations

This study has several limitations that are inherent to any organizational research. First is the social desirability bias because data is based on self-reports. To counter this, respondents were assured confidentially of responses. Second, this data is cross-sectional and hence causality of relationship cannot be assumed. Third, MacCallum et al. (1993) warn that there could be a number of equivalent models with fit indices similar to the model presented in this study. Our interpretation of the results regarding the relationships among the constructs in this model were developed and tested using established theories in sales and organizational literature. Finally, this study uses responses from salespeople in Mexico which is a highly collectivistic culture. Future research in other cultural contexts would be useful.

* Note: Please contact the contact author, Dr. Fernando Jaramillo (Jaramillo@uta.edu) for a list of references.