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Journal of Service Research 2006; 8; 221
DOI: 10.1177/1094670505283785

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Coping With Customer Complaints

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This article investigates the relationship between customer complaints and service personnel commitment to customer service. Positive and negative affectivity are considered as potential moderators of this relationship. Using data obtained from a survey of 432 retail service personnel in a national retail chain with 124 stores, the authors find that customer complaints are significantly and negatively associated with service personnel commitment to customer service. Higher levels of service employee positive affectivity significantly reduced this negative relationship. Contrary to expectations, high levels of negative affectivity also reduced the negative relationship between complaints and commitment to customer service. Potential explanations for these findings are provided, and implications for managers and future research are considered.

Keywords: customer complaints; affectivity; customer service

Customer complaining behavior and its management are areas of great importance for businesses, especially where organizations are increasingly recognizing the value of pursuing long-term relationships with customers. Often discussed anecdotally is the fact that for every one complaining customer, there are perhaps as many as 20 others with the same problem who remain silent (Plymire 1991). This is particularly meaningful considering the powerful impact of “word of mouth” on a firm’s reputation and subsequent ability to retain customers (Reichheld and Sasser 1990). These issues, in turn, have helped focus organizations’ attention on the importance of complaint resolution. Many businesses now actively encourage complaints so that they have an opportunity for service recovery and improvement. Although this practice is widely accepted within organizations, often ignored is the impact of customer complaints on customer service employees, who are ultimately responsible for service delivery and recovery. Often, it is the service employee who is the target of customer complaints to the organization, yet we have little understanding of how this feedback affects employee performance and how employees cope.

The relationship between service employee feedback and performance has attracted a great deal of research attention. The vast majority of studies, however, have focused on feedback from sources inside the organization. These include supervisory feedback (Becker and Klimoski 1989; Sujan, Weitz, and Kumar 1994), coworker feedback (Ilgen, Fisher, and Taylor 1979; Kohli and Jaworski 1994), and self-administered feedback (Becker and Klimoski 1989; Ilgen, Fisher, and Taylor 1979). Despite some recent research attention (e.g., Bell, Mengüç, and Stefani 2004; Ryan, Schmit, and Johnson 1996; Schneider, White, and Paul 1998), relatively little is known about customer feedback and its potential impact on employee attitudes and behaviors. This is surprising given the elevated status that customers are afforded by organizations. It is often suggested, in conceptual studies,
that employees’ attitudes and future behaviors are likely to be affected by customer complaints (Blancero and Johnson 2001; Piercy 1995). Indeed, this relationship is a central tenet of Heskett and others’ (1994) service-profit chain. There is, however, very little empirical evidence available to support such assertions.

Clearly, there is a need to investigate further the effects of negative customer feedback on service employee performance. Equally, however, it is essential that practitioners and scholars consider some of the means by which service personnel cope with such feedback. Understanding how employees cope with complaining customers, such that service recovery is possible and job attitudes and behaviors are not compromised, is of critical importance. It is likely that employees’ personalities will play a significant role in determining their coping strategies. In particular, personal characteristics such as self-esteem, affectivity, locus of control, and self-efficacy will feature prominently in determining how employees deal with negative customer feedback (Basgall and Snyder 1988; Fedor 1991; George 1998). We seek to extend this area of research by considering the moderating role of service employee positive and negative affectivity on the relationship between customer complaints and employee commitment to customer service. A more detailed understanding of how affectivity moderates this relationship may inform the development of service personnel training programs as well as approaches to recruitment and selection.

To achieve these objectives, we take the following steps. First, we examine two theoretical frameworks that help shed some light on the impact of customer complaints on service employee performance. These also help us form some expectations about the likely moderating role of employee affectivity. Next we outline a series of hypotheses based on a review of the theoretical and available empirical literature. We then test a model of customer complaints, positive and negative affectivity, and commitment to customer service using data collected within a national retailing organization. Finally, we discuss the implications of our findings for management and possible directions for future research.

THEORETICAL BACKGROUND

Several theoretical frameworks help us understand and predict service personnel reactions to customer complaints. Two of these include role theory (Brown and Peterson 1993; Rizzo, House, and Litzman 1970) and attribution theory (Bitner, Booms, and Mohr 1994; Folkes and Kotsos 1986; Heider 1958; Liden and Mitchell 1985).

Role theory can help to explain employee reactions to feedback. In particular, role theory suggests that employees who are confronted with role conflict may experience stress, dissatisfaction, and reduced performance. Such role conflict may derive from inconsistent behavioral expectations from different sources (Rizzo, House, and Litzman 1970). This is particularly relevant in the consideration of customer complaints. For example, role conflict may occur when a service employee behaves in accordance with explicit or implicit instructions from management or organizational policy, only to be confronted with customer complaints that imply different expectations of behavior. Thus, depending on the extent of the role conflict experienced by the individual employee, a negative reaction, in terms of employee attitudes and behaviors, may result. Brown and Peterson (1993), for example, found that role conflict was a significant negative predictor of salesperson job satisfaction and organizational commitment.

Attribution theory may also help inform our view on the impact of customer complaints on employee attitudes. Groth, Gutek, and Douma (2001) studied attributions in different types of customer service relationships. They found that customers generally tended to attribute the cause of the level of service quality to the individual service provider. They describe this as an example of “fundamental attribution error” (Groth, Gutek, and Douma 2001, p. 334), where customers overestimate the role of an individual’s traits or dispositions and underestimate situational causes of service delivery. Furthermore, Bitner, Booms, and Mohr (1994) compared customer attributions with employee perceptions of incidents of dissatisfaction. They found that employees rarely attributed the causes of customer dissatisfaction to their own attitudes or behaviors; rather, they blamed external factors and customer behaviors. Conversely, they found that customers tend to attribute problems to the employee (Bitner, Booms, and Mohr 1994). The authors describe these tendencies in terms of self-serving attribution bias, where both employees and customers are unlikely to attribute failings to themselves. These findings are supported by Liden and Mitchell (1985), who found that employees prefer feedback that attributes poor performance to causes external to themselves.

These findings are relevant because it is conceivable that employees will react adversely if customer complaints include an attribution of service failure to service employees, while employees attribute customer dissatisfaction to an external agency or, indeed, the customers themselves. Folkes and Kotsos (1986), for example, find significant discrepancies in attributions for a given product failure between buyers and sellers.
As noted earlier, there have been few empirical studies of the customer feedback–employee performance relationship. Fewer still have considered the individual traits that determine the extent to which customer complaints will have a negative impact on employee performance. Accordingly, in this section, we outline a model of customer complaints, service employee commitment to customer service, and the moderating role of positive and negative affectivity (see Figure 1).

Customer Complaints and Service Employee Commitment to Customer Service

Although research findings on employee responses to feedback are mixed (see Kluger and DeNisi 1996 for a review), many have concluded that negative feedback, from a variety of sources, has a negative influence on performance and job attitudes. Negative feedback tends to elicit negative moods in the recipient (Kluger and DeNisi 1996), which inhibits cognitive flexibility and consequently reduces performance in complex and creative tasks (Murray et al. 1990). And it could be argued that providing a high level of customer service is a relatively complex undertaking as service personnel attend to the various technical and functional elements of service quality (Grönroos 1983; Parasuraman, Berry, and Zeithaml 1993).

There is a large amount of evidence to support the expectation of a negative relationship between negative employee feedback and performance. Becker and Klimoski (1989), for example, found that negative supervisor and organizational feedback both significantly reduce employee performance. In support of these findings, Kohli and Jaworski (1994) showed that negative behavioral feedback from coworkers had a negative affect on salesperson performance. Similar findings have been shown between negative feedback and job attitudes. Pearce and Porter (1986), for example, found that relatively low performance ratings caused a significant decrease in attitudes toward the organization, particularly organizational commitment.

As noted earlier, there has not been a great deal of research exploring the impact of negative customer feedback, or complaints, on employee attitudes. Several theoretical studies provide some guidance. Piercy (1995, p. 27), for example, suggested that employees can be “disappointed” by complaining customers and that this can adversely affect their future behavior. Furthermore, Blancero and Johnson (2001) argued that customer complaints could result in negative reactions from employees, which may reduce service quality. This is consistent with a role-theoretic view of job performance where customers’ complaints are a source of role stress (i.e., the complaint occurs despite managerial guidance and the best intentions of the service employee). Previous research consistently reveals negative relationships between role stress and outcomes such as job performance, job satisfaction, and organizational commitment (e.g., Brown and Peterson 1993; Singh, Verbeke, and Rhoads 1996). Equally, we would expect employee commitment to customer service to suffer when a high level of role stress was perceived.

Work in applied psychology has confirmed that customer satisfaction ratings have a meaningful impact on employee morale (Ryan, Schmit, and Johnson 1996) and organizational climate for customer service (Schneider, White, and Paul 1998). The Ryan, Schmit, and Johnson (1996) and Schneider, White, and Paul (1998) studies—both using longitudinal data in a financial services context—established positive and significant relationships between customer perceptions of service quality and employee morale and customer service climate, respectively. Although these studies did not investigate the impact of customer complaints per se, they provide evidence for a directional link from customer perceptions and feedback to employee attitudes toward service. Therefore, based on this evidence and the available conceptual arguments, we advance the following hypothesis:

**Hypothesis 1:** Customer complaints will be negatively related to service employee commitment to customer service.
Service Employee Affectivity and Commitment to Customer Service

The influence of positive affectivity on service quality has been studied in a number of ways. First, and most important, there is some evidence to support a direct relationship between employee affectivity and service quality. Kelley and Hoffman (1997), for example, found that employee positive affectivity was positively related to service quality and customer-oriented behaviors.

A second body of literature provides support for an indirect relationship between positive affectivity and service quality. George (1991, 1998), for example, found that positive affectivity had a positive effect on employee helping behavior toward customers, although this effect was mediated by employee moods. In the same study, however, the direct effect of positive affectivity on customer service was found to be insignificant (George 1991). Furthermore, Cropanzano, James, and Konovsky (1993) found that positive affectivity was positively related to organizational commitment—a job attitude often positively associated with a customer orientation (Kelley 1992).

In addition, Williams and Shiaw (1999) found that positive affectivity was a significant predictor of employee organizational citizenship behaviors. Recent studies have demonstrated that organizational citizenship behaviors are significant predictors of service quality (e.g., Bell and Mengüç 2002). Given the relatively consistent findings for both a direct and indirect relationship between positive affectivity and employee customer orientation, we expect the following:

Hypothesis 2: Service employee positive affectivity will be positively related to employee commitment to customer service.

Individuals high in negative affectivity tend to have a negative orientation toward themselves and the world around them and often view themselves as “unpleasantly engaged” (George 1992). It is reasonable to expect such individuals to display lower levels of commitment to customer service. Indeed, Cropanzano, James, and Konovsky (1993) found negative affectivity to be negatively related to job satisfaction and performance. Lam, Yik and Schaubroeck (2002) revealed a negative association between negative affectivity and job satisfaction and organizational commitment, as well as a positive association with turnover intentions. Consistent with earlier arguments, we would expect such job attitudes to be negatively associated with commitment to customer service.

Furthermore, Verbeke and Bagozzi (2000) found support for the argument that negative affectivity has an indirect negative effect on performance through “sales call anxiety”—a fear of being negatively evaluated and rejected by a customer in a selling situation. Despite finding no literature supporting a direct relationship between negative affectivity and employee commitment to customer service, we believe the literature supporting an indirect relationship is sufficiently compelling to advance the following hypothesis:

Hypothesis 3: Service employee negative affectivity will be negatively related to employee commitment to customer service.

Moderating Effects of Service Employee Affectivity

Although the moderating effect of service employee affectivity on the relationship between customer complaints and customer service has not been addressed previously, several studies have focused on similar variables that are relevant in developing our hypotheses. For example, Renn and Prien (1995) examined the moderating influence of self-esteem on employee responses to feedback from the task. They found that higher levels of employee self-esteem strengthened the relationship between task feedback and both performance and job satisfaction. To the extent that customer complaints are a form of task-related feedback, we would expect a similar positive moderating effect of self-esteem on the relationship between customer complaints and service personnel commitment to customer service. Given that self-esteem is considered an integral element of positive affectivity (George 1992), we might also expect positive affectivity to have a similar positive moderating effect.

In addition, people with high positive affectivity are thought to have a disposition to perceive stimuli in a manner that supports positive emotions (George 1992). Thus, even though customer complaints are negative in nature, we might expect that employees high in positive affectivity to be more likely to view complaints as a potential source of improvement, rather than as a reflection of their lack of ability or poor performance. This is consistent with the finding that salespeople who are high in self-efficacy and have an internal locus of control are more likely to adopt problem-focused coping styles in stressful situations (Srivastava and Sager 1999). Potentially, such employees will view the content of the customer complaint as fair and reasonable feedback on their job performance. Based on this rationale, we hypothesize the following:

Hypothesis 4: The negative relationship between customer complaints and service employee commitment to customer service will be reduced when employee positive affectivity is high.
People with high negative affectivity will tend to interpret negative or stressful events more negatively, which, in turn, may negatively affect their job attitudes (Abraham 1999; Watson and Clarke 1984). Parkes (1990), for example, confirmed the results of Parasuraman and Cleek (1984) in finding that negative affectivity emphasized the negative relationship between job stressors and outcomes. It is plausible that customer complaints, as negative and potentially stressful stimuli, will be perceived more negatively by service personnel with high negative affectivity. Service personnel, in their attempts to reduce the stress of customer complaints, are likely to employ “avoidance” coping strategies such as ignoring customers or rejecting legitimate customer requests (Kluger and DeNisi 1996; Weatherly and Tansik 1993). Customer complaints, therefore, could be expected to have a greater negative association with commitment to customer service.

In a related literature, Basgall and Snyder (1988) found that those with an external locus of control respond particularly badly to negative feedback. Given evidence of a strong correlation between negative affectivity and external locus of control (see Spector and O’Connell 1994), we might expect to observe a similar response to negative feedback among those high in negative affectivity. The literature on self-esteem is also instructive. Low self-esteem causes lower performance and job satisfaction in response to frequent performance feedback (Renn and Prien 1995). Lam, Yik, and Schaubroeck (2002), however, found that in response to negative feedback, negative affectivity did not have a significant effect on important attitudes such as organizational commitment and job satisfaction.

Despite some equivocal evidence, on balance we find more convincing the argument that negative affectivity will increase employees’ perceptions of stress and other negative emotions when service personnel are faced with customer complaints. Accordingly, we hypothesize the following:

Hypothesis 5: The negative relationship between customer complaints and service employee commitment to customer service will be increased when employee negative affectivity is high.

METHOD

Research Setting and Sample

Data for this study were collected from a national retail organization selling a wide variety of merchandise ranging from white goods (e.g., washing machines, microwaves, refrigerators) to children’s clothing. At the time of the study, the organization had a turnover of approximately $2 billion and employed approximately 20,000 people. About three quarters of these were employed within individual stores. The average number of employees per store was 120; however, given that the majority of employees are part-time and casual, only a fraction work in the store at any one time.

Each store employs an average of four area sales managers (ASMs)—the lowest level of management within the stores—all of whom work on the retail floor, dealing with customers within a particular area of merchandise (e.g., electrical equipment, men’s clothing, children’s toys). Providing customer service is the major part of their role. ASMs were the target respondents for this study and were considered to be the most appropriate for this research because of their relatively long tenure (ensuring exposure to customer complaints), full-time status, and high level of coworker, management, and customer contact.

At the time of the research, there were 520 ASMs employed nationally by the organization in 130 stores. Six stores, however, were excluded from the study as 2 had only been open a matter of weeks at the time of the data collection and another 4 competed in vastly different markets. After the initial mailing of surveys and a follow-up letter, 432 questionnaires were returned from 124 stores. Thus, the response rate was 83% of respondents and 100% of stores. The number of responses per store ranged from 1 to 6, and the average number of responses was 3.5 per store. Chi-square ($\chi^2$) tests were undertaken to assess whether the final sample was representative of the ASM population. There were no differences between the sample and the ASM population (established from company personnel records) on the variables of tenure ($\chi^2_{(13)} = 3.98, p > .05$) and education ($\chi^2_{(13)} = 5.09, p > .05$).

Measures

The variable commitment to customer service is defined by Peccei and Rosenthal (1997) as the relative propensity of an employee to engage in continuous improvement and to exert work effort for the benefit of customers. We used a six-item measure of the construct, which was adapted from Peccei and Rosenthal and has a history of reliable measurement (e.g., Bell, Mengüç, and Stefani 2004; Peccei and Rosenthal 1997, 2001).

Customer complaints is defined as negative customer feedback provided to the store. Customer complaints comprised customer feedback provided formally to senior store management either in written form or verbally (i.e., person to person or by telephone). In both cases, the complaint was formally recorded and fed back to full-time staff at the ASM level and above during monthly staff meetings. In other words, all respondents (ASMs) within a store were exposed to all the complaints directed at that
particular store on a monthly basis. The complaint measure, therefore, is a count of the number of complaints received and fed back to staff over a 3-month period prior to the administration of the questionnaire.1

We were unable to access the specific nature of the customer complaint. Depth interviews conducted with store managers, however, revealed that most complaints pertained to issues such as customer service (e.g., responsiveness and helpfulness of staff), product availability (e.g., stock outs), store policy (e.g., payment methods, returns policy), and service recovery (e.g., efforts to address concerns on the shop floor). Complaints about specific members of staff were disguised before being fed back to the group during monthly meetings. Irrespective of the nature of the complaint, the feedback process was handled by senior store managers.

Watson and Clarke (1984) define positive (negative) affectivity as an individual’s disposition to perceive events as generally positive (negative) across time and situations. Positive and negative affectivity were each measured using three item scales drawn from Watson, Pennebaker, and Folger (1987). These scales have a history of reliable measurement (e.g., Iverson, Okealns, and Erwin 1998; Watson, Pennebaker, and Folger 1987). Self-report measures of emotion and personality, often criticized for introducing bias (e.g., social desirability bias, self-serving bias), receive general support within the literature (e.g., Feldman Barrett 2004), especially as such biases tend not to affect the predictive validity of the constructs (Barrick and Mount 1996).

Control Variable

We included training as a control variable for two reasons. First, much of the training provided to employees had a customer service component. Thus, it is important to control for the impact that such training may have on employees’ commitment to customer service. Second, training, as well as the increased level of proficiency and confidence that will result, could potentially influence the coping strategies of service employees when faced with customer complaints. Training represents the number of hours per month ASMs spent in training sponsored by the organization. It involves external (e.g., courses, consultants, speakers) and on-the-job (e.g., internal seminars, training camps) training. Training data were derived from company records.

DATA ANALYSIS AND RESULTS

We first assessed the measurement model according to the guidelines suggested by Anderson and Gerbing (1988). We conducted a confirmatory factor analysis (CFA) using LISREL 8.50 (Jöreskog and Sörbom 2001) to test for convergent validity. In arriving at the final set of items for each construct, we deleted measures from the initial battery of items based on the following statistical and theoretical grounds. First, from a statistical standpoint, the item-total correlation was considered, and values that were well below other item-total correlation were considered targets for deletion. Next, based on initial CFA results, any item that loaded less than .50 on its intended construct was a candidate for deletion. As a result of applying these guidelines, two items from the original commitment to customer service scale and one item from the positive affectivity scale were dropped from the original pool of items. We then verified that the deletion of these items would not change or harm the intended meaning of the constructs of which they were a part.

All remaining scale items were normally distributed, which allows the use of the maximum likelihood method of estimation for the measurement model (McDonald and Ho 2002). The measurement model, comprising three multi-item constructs with 12 indicators, maintains an adequate parameter-to-sample size ratio of at least 1:5 (Bentler and Chou 1987). Overall, the measurement model suggested a good fit to the data ($\chi^2_{132} = 4582, p > .05$, comparative fit index [CFI] = .99, nonnormed fit index [NNFI] = .98, goodness-of-fit index [GFI] = .98, root mean square error of approximation [RMSEA] = .032). The results of the CFA with factor loadings and $t$ values are summarized in Table 1.

All factor loadings were relatively high and significant, providing strong evidence for convergent validity (Baggozzi and Yi 1988). Support for convergent validity is also demonstrated by the average variance extracted (AVE) for all constructs (Baggozzi and Yi 1988). All AVEs exceeded the recommended level of .50. In assessing reliability, we examined coefficient alpha (Cronbach 1951) and composite reliability for each of the constructs (Fornell and Larcker 1981). Table 1 summarizes the results of the AVE and the reliability tests. Discriminant validity was assessed by calculating the AVE for all pairs of constructs and comparing this value to the squared correlation between the two constructs of interest (Fornell and Larcker 1981). Table 1 summarizes the results of the AVE and the reliability tests. Discriminant validity is satisfied when the squared correlation between any pair of constructs is less than the respective AVE of each of the constructs in the pair (Fornell and Larcker 1981). All AVE levels were greater than the squared correlation between the two constructs of interest.

As a further test of the measurement properties, we estimated the statistical power ($\pi$) of our measurement model. Statistical power is defined as the probability of correctly rejecting the null hypothesis when it is false (Cohen 1988).
When statistical power is insufficient (e.g., $\pi < 0.80$), the ability to detect and hence reject a false null hypothesis is reduced (Cohen 1988). To estimate the power of our model, we used the tables provided by McQuitty (2004).

With 32 degrees of freedom and a sample size of 432, the power of the model ($\pi > 0.90$, close fit) is sufficient, especially when taken together with goodness-of-fit statistics that account for sample size (e.g., NNFI, CFI, RMSEA).

Although customer complaints were measured before the administration of the questionnaire, positive and negative affectivity and employee commitment to customer service were measured concurrently. Accordingly, to test for the possibility of common-method bias in these self-report scales, we applied Harman’s one-factor method suggested by Podsakoff and Organ (1986). This involves entering all of the measures into a factor analysis to examine the likelihood of a dominant single factor. According to Podsakoff and Organ (1986, p. 536), “If a substantial amount of common method variance is present, either (a) a single factor will emerge from the factor analysis, or (b) one ‘general’ factor will account for the majority of the covariance in the independent and criterion variables.”

The results of the test revealed that the first factor did not account for the majority of the variance, and there was no one general factor in the unrotated factor structure. This indicated that common-method bias was not a likely threat to our study. Descriptive statistics of the variables used in the study are provided in Table 2.

Finally, before reporting the results of the hypothesized model, we checked for the possibility that the direction of the relationship between customer complaints and employee commitment to customer service was, in fact, the reverse. To do this, we adopted a competing models strategy for nonnested models that share the same variables (Fornell and Rust 1989; Rust, Lee, and Valente 1995). We computed interaction terms between commitment to customer service and both positive and negative affectivity and ran regressions with control, main, and interaction terms for both the hypothesized and competing models. The comparison of Akaike’s information criterion (AIC) is appropriate for nonnested models sharing the same variables. Although the fit of the hypothesized model (AIC = 162.51) was slightly better than the competing model (AIC = 163.23), the difference is not significant using guidelines suggested by Sakamoto, Ishiguro, and Kitagawa (1986). Given, however, that the main effect of commit-

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor Loading</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive affectivity ($\alpha = .69$, CR = .70, AVE = .54)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For me life is a great adventure</td>
<td>0.78$^a$</td>
<td>—</td>
</tr>
<tr>
<td>I live a very interesting life</td>
<td>0.68</td>
<td>5.45</td>
</tr>
<tr>
<td>Negative affectivity ($\alpha = .76$, CR = .78, AVE = .56)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor setbacks tend to irritate me too much</td>
<td>0.57$^a$</td>
<td>—</td>
</tr>
<tr>
<td>Often I get irritated at little annoyances</td>
<td>0.94</td>
<td>9.58</td>
</tr>
<tr>
<td>There are days when I am “on edge” all the time</td>
<td>0.68</td>
<td>10.75</td>
</tr>
<tr>
<td>Commitment to customer service ($\alpha = .80$, CR = .80, AVE = .51)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am always working to improve the quality of service I give to customers</td>
<td>0.65$^a$</td>
<td>—</td>
</tr>
<tr>
<td>I often make suggestions about how to improve customer service in our store</td>
<td>0.91</td>
<td>12.35</td>
</tr>
<tr>
<td>I put a lot of effort into my job to try to satisfy customers</td>
<td>0.67</td>
<td>11.09</td>
</tr>
<tr>
<td>No matter how I feel, I always put myself out for every customer I serve</td>
<td>0.71</td>
<td>11.59</td>
</tr>
</tbody>
</table>

NOTE: CR = composite reliability; AVE = average variance extracted.
 a. Item was fixed to 1 to set the scale.

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Commitment to customer service</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2. Positive affectivity</td>
<td>0.26</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>3. Negative affectivity</td>
<td>-0.06</td>
<td>-0.19</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>4. Training</td>
<td>0.07</td>
<td>0.03</td>
<td>-0.03</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>5. Customer complaints</td>
<td>-0.08</td>
<td>-0.01</td>
<td>0.03</td>
<td>-0.09</td>
<td>—</td>
</tr>
<tr>
<td>Mean</td>
<td>3.81</td>
<td>3.84</td>
<td>2.81</td>
<td>2.14</td>
<td>4.27</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>0.59</td>
<td>0.56</td>
<td>0.82</td>
<td>6.62</td>
<td>3.25</td>
</tr>
</tbody>
</table>

NOTE: Correlations above .08 are significant at $p < .05$ (one-tailed test).
ment to customer service on customer complaints was insignificant in the competing model, we proceeded with our analysis based on our hypothesized model.

Hierarchical regression was used to assess the main and moderating effects of independent variables on commitment to customer service. To test the moderating effects, we first created two multiplicative interaction terms (Customer Complaints \times Positive Affectivity and Customer Complaints \times Negative Affectivity). The variables were mean-centered and their products used to create the interaction terms. This helps minimize problems of multicollinearity between the interaction effects and the main effects in the model (Aiken and West 1991). Multicollinearity was not a problem as the variable inflation factor (VIF) scores were well within an acceptable range (Neter, Wasserman, and Kutner 1985). Table 3 reports the regression models, including the multiplicative interaction terms.

Finally, the respondents were split at the median into subgroups of relatively high or low positive affectivity and relatively high or low negative affectivity. A regression of customer complaints (while still controlling for training) on commitment to customer service was then performed for each of the subgroups (Jaccard, Turrisi, and Wan 1990). These results are reported in Table 4.

A primary finding of this research is that there is a negative relationship between customer complaints and service personnel commitment to

### Table 3
**Hierarchical Moderated Regression Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
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<th>Model 3</th>
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<tbody>
<tr>
<td></td>
<td>( \beta )</td>
<td>( t ) Value</td>
<td>( \beta )</td>
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<td>( \beta )</td>
<td>( t ) Value</td>
</tr>
<tr>
<td>Control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>0.07</td>
<td>1.39</td>
<td>0.05</td>
<td>1.04</td>
<td>0.05</td>
<td>1.08</td>
</tr>
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<td>Main effects</td>
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<td></td>
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<tr>
<td>Customer complaints</td>
<td></td>
<td></td>
<td>-0.12</td>
<td>-2.43***</td>
<td>-0.10</td>
<td>-2.11*</td>
</tr>
<tr>
<td>Positive affectivity</td>
<td></td>
<td></td>
<td>0.29</td>
<td>5.89***</td>
<td>0.31</td>
<td>6.13***</td>
</tr>
<tr>
<td>Negative affectivity</td>
<td></td>
<td></td>
<td>0.02</td>
<td>0.35</td>
<td>0.03</td>
<td>0.59</td>
</tr>
<tr>
<td>Moderators</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Customer Complaints \times Positive Affectivity</td>
<td></td>
<td></td>
<td>0.11</td>
<td>1.90*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Complaints \times Negative Affectivity</td>
<td></td>
<td></td>
<td>0.09</td>
<td>1.97*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>( R^2 )</td>
<td>0.01</td>
<td></td>
<td>0.10</td>
<td></td>
<td>0.11</td>
<td></td>
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<tr>
<td>( F ) statistic</td>
<td>1.14</td>
<td></td>
<td>10.78***</td>
<td></td>
<td>8.10***</td>
<td></td>
</tr>
<tr>
<td>Change in ( R^2 )</td>
<td></td>
<td></td>
<td>0.09</td>
<td></td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>Change in ( F ) statistic</td>
<td></td>
<td></td>
<td>13.66***</td>
<td></td>
<td>2.58*</td>
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</tr>
</tbody>
</table>

**Note:** Dependent variable: commitment to customer service. 
*\( p < .05 \), **\( p < .01 \), ***\( p < .001 \).

### Table 4
**Subgroup Analysis of Moderating Effects of Positive and Negative Affectivity**

<table>
<thead>
<tr>
<th></th>
<th>Low (n = 193)</th>
<th></th>
<th>High (n = 239)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \beta )</td>
<td>( t ) Value</td>
<td>( \beta )</td>
<td>( t ) Value</td>
</tr>
<tr>
<td>Complaints \rightarrow commitment to customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive affectivity (Hypothesis 4)</td>
<td>-0.14</td>
<td>1.84*</td>
<td>0.08</td>
<td>1.58</td>
</tr>
<tr>
<td>Negative affectivity (Hypothesis 5)</td>
<td></td>
<td></td>
<td>-0.11</td>
<td>2.11*</td>
</tr>
</tbody>
</table>

**Note:** Dependent variable: commitment to customer service. 
*\( p < .05 \).
customer service \( (r = .26, p < .01) \). In addition, the regression analysis found positive affectivity to be a strong, positive predictor of commitment to customer service \( (\beta = .31, p < .001) \). These findings provide support for Hypothesis 2.

No significant relationship was found between negative affectivity and commitment to customer service. There is an insignificant, negative correlation between the two \( (r = -.06, p > .05) \). This was confirmed by the regression analysis \( (\beta = .03, p > .05) \). Thus, Hypothesis 3 is not supported.

As expected, positive affectivity was found to moderate the negative relationship between customer complaints and commitment to customer service. The regression analysis showed that the interaction term (Positive Affectivity × Customer Complaints) had a significant positive impact on commitment to customer service \( (\beta = .11, p < .05) \). This indicates that a higher level of individual positive affectivity has the effect of reducing the negative impact of customer complaints on commitment to customer service. In addition, after splitting the data into those with relatively high and low positive affectivity, it was found that for those with low positive affectivity, the relationship between complaints and customer service was negative and significant \( (\beta = -.14, p < .05) \). However, for those with high positive affectivity, the relationship was positive (though not significant). Thus, both the multiplicative interaction term and the subgroup analysis show support for Hypothesis 4.

An unexpected finding, however, was that although negative affectivity had a significant moderating effect, it was opposite to the hypothesized direction \( (\beta = .09, p < .05) \). In other words, increased employee negative affectivity had the effect of reducing the negative impact of complaints on commitment to customer service. Again, the subgroup analysis supported these findings. It was found that for the low negative affectivity group, customer complaints had a significant negative effect on commitment to customer service \( (\beta = -.11, p < .05) \). In the high negative affectivity group, the relationship was still negative but was weaker \( (\beta = -.08, p > .05) \).

**DISCUSSION**

A primary finding of this research is that customer complaints have a negative impact on service personnel commitment to customer service. This provides some primary empirical support for the theoretical arguments of several authors (e.g., Blaneker and Johnson 2001; Fiery 1995). Although our results do not provide a direct test of the predictions of attribution and role theories, these theories can nonetheless suggest plausible explanations for this finding. As explained earlier, customer complaints may cause role conflict as they can reflect customer expectations of employee behaviors, which may differ from management or organizational expectations of behavior (Rizzo, House, and Litzman 1970). Customer service employees, in following managerial directives, are often in the unenviable position of delivering bad news to customers (e.g., notification of stock outs, inability to accept returned goods). Customer contact staff can become “sandwiched” between the expectations of management and the expectations of customers (Bell, Mengüç, and Stefani 2004). This, we contend, is a major source of role conflict, which has a demoralizing effect. This was manifest in a reduction in commitment to customer service as a result of customer complaints.

Attribution inconsistencies may provide another explanation. Researchers have found that biases lead employees to underestimate their role in service failures and customers to overestimate the employees’ role (Bitner, Booms, and Mohr 1994; Folkes and Kotsovs 1986; Groth, Gutek, and Douma 2001). The likely discrepancy between evaluations may result in the rejection of the feedback message (Fedor 1991). Thus, when the employee believes a complaint to be unfair, he or she may be more likely to reject the complaint and develop resentment toward the customer, consequently reducing his or her commitment to customer service.

The significant direct relationship between positive affectivity and commitment to customer service, contrasted with the insignificant role of negative affectivity, is an intriguing finding. Interpreted another way, positive affective states can increase customer service initiatives, whereas there are no negative implications of negative affectivity for commitment to customer service. Positive affectivity, through its relationship with organizational citizenship behaviors (Kelley and Hoffman 1997), may lead employees to explore additional ways in which they can help customers (Bell and Mengüç 2002). Negative affective individuals, on the other hand, are likely to perform their minimum in-role job requirements. Such employees, however, do not allow negative affectivity to reduce their commitment to customer service as doing so may lead to penalties or dismissal.

Turning to the moderation results, employee positive affectivity was found to reduce the negative impact of complaints on commitment to customer service. Although there was no conclusive empirical precedent, these results were expected and are intuitively reasonable. High positive affectivity allows individuals to view customer criticism in a more positive light. They are more likely, for example, to adopt more proactive approaches for coping with the stress of customer complaints, such as negotiating with customers and increasing effort to resolve any con-
fflict (Weatherly and Tansik 1993). At the very least, positive affective individuals are less likely to be discouraged by complaints.

A more surprising result is that higher levels of negative affectivity also reduce the negative impact of complaints on commitment to customer service. This result was unexpected and somewhat counterintuitive. Perhaps the most plausible explanation derives from attribution inconsistencies discussed earlier. It was argued that a possible reason behind service personnel reducing their commitment to customer service in response to customer complaints is that customer evaluations conflict with their own perceptions of the quality of service delivered. George (1992), however, explains that individuals high in negative affectivity generally have a negative orientation to the world around them and to themselves. Thus, negative feedback may only serve to reinforce what the individual already believes. This consistency between service personnel expectations and experience may lead to complaints having a neutral effect on their commitment to customer service. This argument receives support from various authors who argue that employees are more likely to accept feedback that is consistent with their self-image and self-evaluations (Fedor 1991; Ilgen, Fisher, and Taylor 1979). Kennedy and Willcutt (1964), for example, found that negative feedback generally had a debilitating effect on high performers but did not inhibit the performance of underachievers.

IMPLICATIONS AND LIMITATIONS OF THE STUDY

There are several implications of this research for managers. First, managers should not immediately communicate customer complaints to employees under the assumption that they will respond by improving their performance (Kluger and DeNisi 1996). Managers might consider the way in which they present customer feedback such that a positive reaction is fostered among employees (e.g., combining feedback with problem-solving workshops). Another possibility is to present customer compliments (to the extent that they are available) as a means of framing negative customer feedback. Consistent with notions of interactional justice (Bies and Moag 1986), employees are likely to interpret the complaints in the context of a more general and accurate picture of customer feedback.

Managers should also consider the individual personality of the service employee when communicating feedback. The wider implication from this research is that individuals with different personalities are likely to respond differently to performance feedback, and managers should consider their various personality traits when providing feedback. Although this study shows that the effect of customer complaints on the customer orientation of employees is likely to be similar for those who are high in negative affectivity as those high in positive affectivity, the reasons for this are most probably different. Managers need to be aware of employees’ different coping strategies and design feedback mechanisms accordingly.

Firms that screen employees on the basis of positive affectivity should not expect this to lead automatically to high levels of commitment to customer service, especially if there is a climate of customer dissatisfaction and complaints. Furthermore, as a note of caution, self-reported personality measures—a staple of so many recruitment and aptitude tests—are subject to bias due to (among other things) employee self-deception and impression management (Barrick and Mount 1996). For self-report measures of affectivity, it is likely that employees will overstate (understate) their levels of positive (negative) affectivity.

Finally, managers should be aware of the complex nature of personality and the potential for further interaction effects (Kang and Shaver 2004). Although both positive and negative affectivity reduced significantly the effect of complaints on employees’ commitment to customer service, it is unlikely that affectivity is the only personality variable that will affect this relationship.

There are several limitations to our study. First, the correlation between customer complaints and employee commitment to customer service, although significant, was modest. A level of caution should be exercised when interpreting and drawing implications from the results. The need for caution is further underscored by the fact that our data were drawn from a single industry. Although the retail sector is an obvious choice in which to study customer complaints and customer service, this industry is generally characterized by relatively discrete transactions. Consequently, further replications of this framework should be undertaken in alternative service settings (e.g., services) and perhaps even business-to-business settings, where long-term relationships take on increased importance.

A second concern is that our research design was only quasi-longitudinal. In other words, although customer complaint data were collected over the 3 months prior to the administration of the questionnaire, the measurement of employee affectivity and commitment to customer service was cross-sectional in nature. A related concern is that, although self-reported commitment to customer service is undoubtedly a valuable employee trait and important in ensuring a high level of customer service, we were unable to provide measures of service quality from a customer perspective.

Finally, due to measurement difficulties, this study only included formal written complaints and telephone com-
plaints received and documented by senior store management and the head office. It is common in a retail environment for service employees to receive a large number of on-the-spot verbal complaints. Such complaints were not formally recorded (in this organization), and their effects could not be gauged. We surmise, however, that our data provided a more conservative test of the model, given that employees have a “cooling-off” period with delayed customer feedback that is not available with on-the-spot complaints. A related concern is that we could control neither for the content of the complaint nor the manner in which complaints were fed back to respondents by senior store management during staff meetings.

There are several areas highlighted here that deserve further research attention. Longitudinal research may allow us to observe whether employees display consistent attitudinal and behavioral responses to negative customer feedback over time or whether, in fact, they become acclimatized to the point where complaints cease to have a meaningful influence. Longitudinal data may also help confirm whether the customer complaint–commitment to customer service relationship is unidirectional or reciprocal, in line with Schneider, White, and Paul’s (1998) findings.

Some qualitative research may be useful for helping to understand the unexpected interaction between negative affectivity and the complaint–commitment to customer service relationship. It would be helpful to get a deeper understanding of employees’ attributions of the failures that led to complaints (Folkes and Kotos 1986) and the extent to which negative affectivity was associated with personal attributions (i.e., the customer) versus situational attributions of service failure. Our counterintuitive finding is possibly the result of a greater incidence of situational attributions by employees high in negative affectivity.

A more detailed qualitative study might also reveal the complex nature of personality variables in customer service relationships. Although our model is relatively simple, we feel confident that our findings would be robust across other personality traits related to affectivity, such as self-esteem, neuroticism, and locus of control (Judge et al. 2002). However, this might be tested further using a within-subject research design (see Armitage 2003). Positive and negative affectivity are individual traits (i.e., they are not polar opposites); conducting a within-subject analysis, therefore, might reveal more complex interactions.

We also believe there are opportunities to explore the role of employee emotions in coping with customer complaints, especially for complaints that are received directly from customers in the service environment (Bailey, Gremler, and McColllough 2001; Grayson 1998). In particular, researchers might consider the role of emotional complexity—the experience of a wider range of emotions and the ability to differentiate more finely between emotional states. Those high in emotional complexity are likely to be more empathetic toward others and interpersonally adaptable (Kang and Shaver 2004). These latter traits are highly desirable in customer service settings.

NOTE

1. Although respondents within stores are exposed to the same number of complaints, the attitudinal responses to these complaints (e.g., commitment to customer service) are likely to vary from one area sales manager to another. Accordingly, we estimated the model on the full sample of 432 respondents rather than aggregated responses for each of the 124 stores.

REFERENCES


**Simon J. Bell** (Ph.D., University of Melbourne) is a university senior lecturer in marketing at the Judge Business School, University of Cambridge in the United Kingdom. His research has appeared in the *Journal of the Academy of Marketing Science, Journal of Retailing, Journal of Business Research, Industrial Marketing Management*, and *Marketing Theory*, among others. His areas of research interest include organizational learning, sales force management and internal marketing, services and relationship marketing, and corporate social responsibility.

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