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Journal of Business Research



## Bringing meaning to the sales job: The effect of ethical climate and customer demandingness

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### ARTICLE INFO

#### Article history:

Received 24 October 2010

Accepted 15 February 2012

Available online xxxx

#### Keywords:

Ethical climate  
Sales force ethics  
Customer behavior  
Sales management  
Job related stress  
Direct selling

### ABSTRACT

Top performing salespeople are attracted to organizations that provide opportunities to make full use of their abilities. Responses from 1450 sales directors from a leading direct selling organization were used to examine salesperson's experienced meaningfulness. Results show that experienced meaningfulness is critical to sales because it impacts salesperson's performance, turnover intentions and felt stress. Further, ethical climate and customer demandingness influence experienced meaningfulness perceptions.

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### 1. Introduction

Paying a competitive salary is not sufficient for attracting and keeping top performing salespeople because employees are also concerned about finding a “meaningful job.” As Pink (2011) asserts, “We leave lucrative jobs to take low-paying ones that provide a clearer sense of purpose” (p. 26). Employees gravitate towards meaningful jobs, driven by “purpose maximizing” rather than “profit maximizing” (Pink, 2011, p. 31).

Employees believe that the employer has both *transactional* and *relational* obligations towards workers (Lee, Liu, Rousseau, Hui, & Chen, 2011). Transactional obligations correspond to monetary expectations whereas relational obligations correspond to commitments concerning a meaningful job. Another study that compared reward valence across three generations (Baby Boomers, Generation-X, and Generation-Y) in the U.S. shows that in spite of the increased financial demands today's employees face, workers still value intrinsic rewards over other rewards (Twenge, Campbell, Hoffman, & Lance, 2010). Jobs deemed interesting, creative, and providing opportunities for growth and learning are preferred to jobs that simply offer an opportunity to make money.

Martel's (2003) study of top performing firm's best practices found that *above all*, these companies communicate to employees that their work is important and valued. These practices are conducive to

experienced meaningfulness, employees' beliefs that their jobs provide them with the opportunities to perform activities that *truly matter* (Renn & Vandenberg, 1995), and thus *count* “in one's own system of values” (Hackman & Oldham, 1980, p. 73). Piccolo, Greenbaum, Den Hartog, and Folger (2010) found that “when employees are motivated by jobs that have a positive and meaningful impact on other people, they work harder by exhibiting higher levels of effort, which then lead to higher performance” (p. 266). Despite findings that experienced meaningfulness helps firms retain valued people and achieve higher performance, empirical research examining how these perceptions are formed and their effect on selling organizations is sparse.

This study proposes that experienced meaningfulness is driven by customer demandingness and ethical climate. In the current marketplace, customer sophistication and expectations are increasing (Thull, 2010). Customers want a salesperson who can solve problems and provide value added solutions. While serving demanding customers can be difficult, these challenges may bring out the salesperson's best work (Jaramillo & Mulki, 2008). Providing solutions to complex problems may enhance a salesperson's belief that she is performing a meaningful job.

Research indicates that an ethical climate makes sales jobs more attractive and desirable (Schwepker & Good, 2007). Further, employees who work for ethical organizations report lower stress levels and increased job satisfaction (Babin, Boles, & Robin, 2000; Schwepker, 2001). Thus, ethical climate is associated with a positive job environment conducive to experienced meaningfulness perceptions.

Experienced meaningfulness can lead to positive organizational outcomes (Thakor & Joshi, 2005). However, research aimed at understanding the drivers of experienced meaningfulness and their relationship with

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performance and turnover is lacking. To address this shortcoming, this study tests a model linking experienced meaningfulness, ethical climate, customer demandingness, felt stress, job performance, turnover intentions, salesperson's age and job tenure (see Fig. 1).

## 2. Theory and hypotheses

### 2.1. Experienced job meaningfulness

Experienced meaningfulness is the belief that a person is doing “something that counts” in her “own system of values” (Hackman & Oldham, 1980, p. 73). Such beliefs can develop when the employee thinks the firm performs ethical actions. This credence occurs because ethical firms communicate to employees how their actions contribute to socially responsible goals. Piccolo et al. (2010) assert that ethical leadership gives meaning to work activities by “[making] salient to followers the purpose, morality, and ethicality of work” (p. 262). Organizations with business practices driven by a “doing the right thing” philosophy enhance task significance and work meaning by clarifying employee contribution to moral ideals and higher order goals. Under such conditions, employees believe that the organizational values are in line with their own values—making the job meaningful (Weeks, Loe, Chonko, Martinez, & Wakefield, 2006). Studies consistently indicate that ethical climate influences employee's attitudes (DeConinck, 2010). Therefore we hypothesize:

**H<sub>1</sub>.** Ethical climate is positively related to experienced meaningfulness.

Wang and Netemeyer (2002) defined customer demandingness as a salesperson's belief that customers have high expectations about products and services offerings. Employees enjoy jobs that provide them with opportunities to learn and apply new skills—satisfying their job growth needs. Pink (2011) asserts that employees are driven towards interesting, challenging, and absorbing jobs and are intrinsically motivated by “becoming better and better at something that matters” (Pink, 2011, p. 79). Salespeople will perceive demands from customers as challenging and motivating since they provide salespeople with opportunities for new learning and personal advancement. The above discussion suggests:

**H<sub>2</sub>.** Customer demandingness is positively related to experienced meaningfulness.

### 2.2. Felt stress

The National Institute of Occupational Safety and Health define stress as “harmful physical and emotional responses that occur

when the requirements of the job do not match the capabilities, resources, or needs of the worker.” Felt stress stimulates feeling of tension and pressure when faced with work demands. These feelings are linked to numerous factors, including role stress (e.g., Boles, Johnston, & Hair, 1997) and work–family conflict (e.g., Netemeyer, Maxham, & Pullig, 2005).

Goolsby (1992) proposed a Stress Theory (ST) for boundary spanning positions. ST states that boundary spanning employees are affected by two critical stressors, ethical demands and customer demands. Levy and Dubinsky (1983) note that salespeople face multiple ethical dilemmas that can result in “increased levels of job-related tension, frustration, and anxiety, all of which can lead to lower job performance and higher turnover” (p. 48). Numerous studies demonstrate that ethics play an important role in stress perceptions (Evans, McFarland, Dietz, & Jaramillo, 2012) such as role conflict and role ambiguity (Mulki, Jaramillo, & Locander, 2008). Therefore, we hypothesize that:

**H<sub>3</sub>.** Ethical climate is negatively related to felt stress.

Goolsby (1992) posits that meeting customer needs creates stressful job demands. This occurs because customer–salesperson relationships are often asymmetrical; customers have little regard for a salesperson's needs while the salesperson is expected to provide high levels of satisfaction to the customer. Jaramillo and Mulki (2008) argue that serving demanding customers puts additional pressure on salespeople in terms of increased effort and workload. Increased workload is a source of stress in sales settings.

Researchers have also distinguished between *hindrance* stressors and *challenge* stressors (Cavanaugh, Boswell, Roehling, & Boudreau, 2000). Hindrance stressors restrain personal development and work related accomplishments while challenge stressors promote employee growth and work achievement. Hindrance stressors are composed of situational constraints like role ambiguity and job insecurity. Challenge stressors include work volume, time pressure, job scope, and increased responsibility. This distinction is important because hindrance stressors result in negative emotions/attitudes while challenge stressors lead to higher levels of job satisfaction, organizational commitment, and reduced turnover (Podsakoff, LePine, & LePine, 2007).

However, Podsakoff et al. (2007) indicate that challenge and hindrance stressors are associated with higher levels of employee burnout and tension. Employees view challenging job demands as desirable and satisfying because they create opportunities for personal growth. Yet, job challenges can be stressful by placing high demands on the employee. Challenge stress is associated with

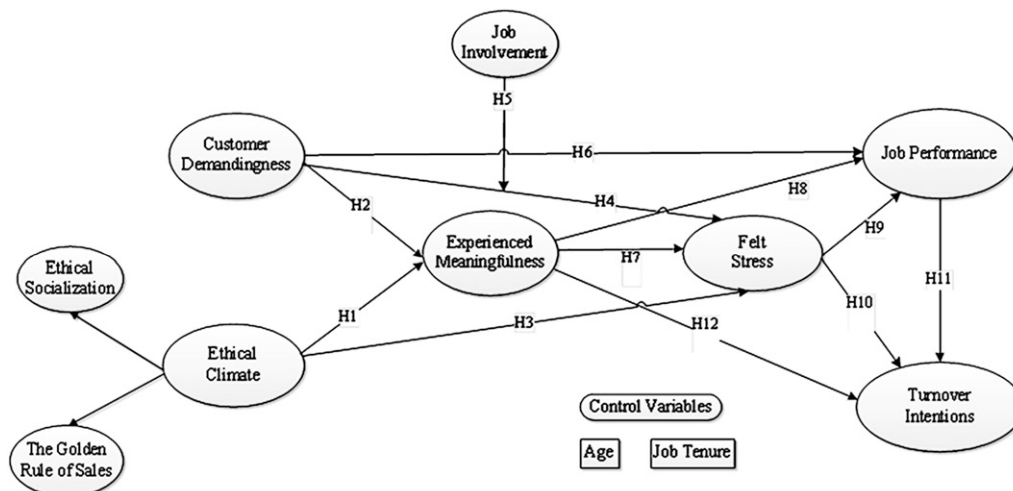


Fig. 1. Experienced meaningfulness model. Note: Paths were added from control variables to all endogenous variables.

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