



## Impact of salesperson macro-adaptive selling strategy on job performance and satisfaction



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### ABSTRACT

Drawing on the tenants of the adaptive strategy paradigm and configuration theory in the management and marketing literature, a model introducing the concept of salesperson macro-adaptive selling strategy that considers the overall selling environment, as contrasted with micro-adaptive selling tactics tailored to a specific customer, is introduced and investigated empirically within the context of the financial services industry. Using a widely accepted management theory typology—*prospector, defender, analyzer*—the model places macro-adaptive selling strategy into the sales performance literature as an expanded more holistic understanding of strategies influencing salesperson performance. Findings indicate significant direct and indirect effects on sales performance and job-related incomes, including job involvement, effort, and job satisfaction, for salespeople using different macro-adaptive selling strategies.

### 1. Introduction

The sales literature consistently suggests that salesperson performance is largely a function of the salesperson's personal role definition, knowledge, effort, and strategies for “working smarter” with individual prospects and customers (Anderson, Dubinsky, & Mehta, 2008; Rapp, Ahearne, Mathieu, & Schillewaert, 2006; Weitz, Castleberry, & Tanner, 2003). Sales organizations are encouraged to clearly define and manage the salesperson role in order to facilitate job performance and enhance satisfaction for the salesperson as well as for targeted customers (Singh, Verbeke, & Rhoads, 1996; Walker, 2013). Salespeople who are more “sophisticated” in their selling knowledge and skill set are expected to be more successful in adapting to the wants and needs of specific customers, and thereby more productive (Weitz, Sujan, and Sujan, 1986). Therefore, salespeople who “work smarter and harder” are expected to be more productive than those who merely “work harder” (Rapp et al., 2006; Sujan, 1986). Despite these consensus views, research concerning the strategic drivers of sales performance remains scarce. From a strategic perspective, the sales literature is quite ambiguous in articulating the overall direction of salesperson effort. More specifically, what does it mean to work smarter? Does this apply to interactions only with targeted prospects and customers, or to understanding the larger, overall external selling environment? What does it mean to adapt strategically across customers and product lines? Is there an overall

salesperson perceptual framework that takes into account a more macro-marketing or selling strategy and applies it generally across all the salesperson's interactions with prospects and customers? What is the appropriate content of salesperson knowledge? Are there multiple pathways, or personal success strategies, including both micro- and macro-approaches, that can lead to sales effectiveness? Answers to directional questions such as these are essential to identify and understand the strategic drivers of the individual salesperson's sales performance and to provide actionable insights for sales managers in increasing overall sales force productivity.

Since a great deal of research has already focused on micro-adaptive selling strategy, our purpose is to examine the largely overlooked effect of salesperson macro-adaptive selling strategy, as a “personal success” stratagem, in driving sales performance. More specifically, our interest is in identifying macro-level strategic drivers of individual salesperson performance across customers, products, and marketplace conditions, rather than just the micro-adaptive content of salesperson knowledge or specific behavioral actions—such as question-asking, or persuasive tactics (Weitz, 1981)—in dealing with a particular prospect or customer. More specifically, our focus is on how salespeople strategically adapt to their personal *perceptions* of different market environments and conditions, such as the holistic view of prospects, customers, competitors, and product opportunities found in their sales territories. Parallel with the suggestions of Churchill, Ford, Hartley, and Walker (1985), we

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investigate the effects of salesperson macro-adaptive selling strategy on job-related outcomes such as sales performance, job involvement, work-related effort, and job satisfaction. Direct effects of salesperson macro-adaptive selling strategy on sales performance, and indirect effects through the mediation of job involvement and work-related effort, are expected. In addition, the degree to which salesperson perceived *environmental uncertainty* drives the selection of a salesperson's macro-adaptive strategy is examined. Finally, a direct effect of sales performance on job satisfaction is expected, as well as an indirect effect through job involvement and work-related effort (Brown & Peterson, 1994; Singh et al., 1996; Singh & Das, 2013).

## 2. Conceptual framework and hypotheses

Consistent with prior research (Brown & Peterson, 1994; Churchill et al., 1985), our conceptual model considers the determinants of sales performance at the individual salesperson level. Specifically, we examine the effects of salesperson adaptive selling strategy, as a personal success strategy, on sales performance in the context of an established model of sales performance. Conceptual roots for our study trace from Belasco's (1966) emphasis on the role aspects of the sales job, through Walker, Churchill, and Ford's (1977) model of salesperson motivation and performance, to Churchill Jr et al.'s (1985) and Brown and Peterson's (1994) meta-analytic reviews of the foundations of sales performance and job satisfaction. Other studies have examined the mediating effect of work-related effort, defined as the "force, energy, or activity by which work is accomplished" (Brown & Peterson, 1994) on sales performance, as well as the facilitative effects of an organizational climate that is supportive, challenging, and intrinsically motivating in generating appropriate levels of job involvement and work-related effort (Brown & Leigh, 1996). The foregoing research findings have particular relevance to the present study by pointing to the potential role of the strategic aspect of salesperson role direction – in the context of job involvement and work-related effort – in driving performance and job satisfaction.

What is salesperson macro-adaptive selling strategy and what role does it play in driving salesperson effectiveness? Salespeople have been exhorted to work smarter by focusing on *micro-level* tasks that are highly relevant to sales effectiveness in a particular sales call, including adopting a sales presentation/demonstration strategy tailored to the customer, adapting to the customer's communication style, or using specific persuasion tactics based on perceived needs (Ingram, Laforge, Avila, Schwepker, & Williams, 2014; Davies, Ryals, & Holt, 2010, Sigauw, Brown, & Widing, 1994; Spiro & Weitz, 1990). However, it must be recognized that success in the sales role also involves *macro-level* strategic choices on the salesperson's part as well, particularly in entrepreneurial sales contexts. Entrepreneurial selling is usually done for smaller firms and can be sharply different from selling for a large corporation where the salesperson is supported but also restricted or controlled by an entire marketing organization that may include departments of specialists in marketing research, product/brand management, advertising/promotion management, and customer service. By contrast, entrepreneurial salespeople tend to be more independent and "on their own" to "produce sales" in the best way they can figure how. Entrepreneurial salesperson are commonly found in the insurance industry which comprises many small "mom and pop" agencies.

Based on their individual perceptions of the larger selling or macromarketing environment, most salespeople make strategic choices as to the customer segments they target, the products they choose to present or sell, the amount of personal time allocated to learning about and developing new product opportunities and selling approaches, and the amount of time and effort they allocate to servicing existing customers. In other words, salespeople make a variety of strategic choices in terms of how they define the scope and nature of their most appropriate personal success strategem. In striving to be successful, salespeople attempt to adapt strategically to the exigencies of the

marketplace by defining their strategic domain in terms of its geographic, customer, and product scope. Subsequently, they configure a plan of action, or navigational strategy, to be successful in this selected domain. Thus, in a fashion similar to that posited by configuration theory (Vorhies & Morgan, 2003), a salesperson's effectiveness can be expected to reflect the degree to which the sales domain strategy and the sales navigation plan are suitably configured.

Today, thanks to telecommunications technology, salespeople have become increasingly empowered and independent from their company headquarters. Salespeople are more like "field marketing managers" or "customer relationship managers" in terms of the decisions that they must make while interacting with prospects and customers. Recognizing that their salespeople are the ultimate customer relationship managers, many companies have provided them with increased authority and responsibility. Along with this increased empowerment has come more control by salespeople over their own personal success strategies. However, sales roles still vary considerably in the degree of latitude that salespeople have to set their own strategic direction. In entrepreneurial selling contexts, such as where the salesperson is an independent agent or producer paid largely on a commission basis, the salesperson is personally accountable for his/her sales results. Even in seller organization-buyer organization boundary spanning types of sales jobs, the salesperson may have considerable latitude in making strategic choices in the domains of customer selection, product emphasis, and territory management. However, in tightly defined and controlled sales force contexts, many of these decisions may be made essentially at the organizational level. In these latter situations, emphasis is more likely to be placed on role clarity and sales force control to ensure that the firm level sales strategy is understood and implemented in the field (Churchill et al., 1985; Miao & Evans, 2013). Our interest is primarily in the entrepreneurial and boundary spanning contexts where the salesperson is the principal unit of analysis and decision making. That is, we are interested in the sales contexts in which a salesperson's job performance is significantly impacted by his or her strategic domain and navigation decisions in attempting to adapt successfully to the various marketplace opportunities and challenges in their sales territories. Hence, we develop the concept of *salesperson macro-adaptive selling strategy* as the focal construct in our model. As noted earlier, the extant sales performance literature does not provide much guidance for defining salesperson adaptive selling strategy from a macro perspective. However, there is a parallel literature that examines strategic adaptability at the firm level that has received considerable attention among marketing academics (Matsuno & Mentzer, 2000; Vorhies & Morgan, 2003). Given our focus on contexts in which the salesperson operates as an independent decision-maker, the general tenants of this strategic adaptability paradigm seem relevant in framing our research problem and hypotheses.

The challenge for decision-makers, including boundary role spanning salespeople and independent sales agents, is developing a personal success strategy that incorporates, articulates, and reflects the perceived overall selling environment as defined by the decision-maker (Matsuno & Mentzer, 2000; Miles & Snow, 1978). The core idea is that the independent salesperson decision-maker must deliberately develop a strategic orientation that fits the selling environment, where strategic orientation includes a planned pattern of *entrepreneurial*, *engineering*, and *administrative* choices that guide subsequent behavior (Miles & Snow, 1978; Conant, Mokwa, & Varadarajan, 1990). Defined in terms of our sales context, the *entrepreneurial problem* would involve the selection of a market domain, a customer domain, a product portfolio to sell, a marketplace intelligence strategy, and personal posture on adaptability and change management; the *engineering problem* would involve the specification of intended selling and technology capabilities and approaches, including the degree to which the salesperson is willing to learn about new technologies and sales practices, the breadth of the selling approaches employed, and how flexible the salesperson would be in employing new approaches; and the *administrative problem* would

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