



# Applying positive psychology to selling behaviors: A moderated–mediation analysis integrating subjective well-being, coping and organizational identity

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## ABSTRACT

Subjective well-being (SWB) has been widely found to have a profound impact on the individual, yet its application in the sales field remains unexplored. Applying Broaden and Build theory, this study examines SWB and its influence on the selling behaviors, specifically adaptive selling and sales creativity. Using salesperson coping as a mediator and organizational identity (OI) as a moderator, the relationship between SWB and selling behaviors was further explored. Survey results from 334 sales professionals from multiple industries in India showed that SWB enhances adaptive selling and sales creativity directly and via the mediating effect of salesperson coping. Our results help us to better understand this potential strategic synergy between salespeople's internal qualities and skills and their organizational identity, our research highlights on what we believe are three key contributors to salesperson creativity and adaptive selling: subjective wellbeing (SWB), positive coping, and organizational identity (OI).

## 1. Introduction

Recent studies have demonstrated that people's strengths need to be nurtured, and positive mindsets encouraged, to improve performance in the workplace. Luthans, Avey, Avolio, and Peterson (2010) indicated that there is an increase in employee performance after a psychological capital intervention. In fact, positivity of employees has also been found to mediate the leader's ability to solve problems (Avey, Reichard, Luthans, & Mhatre, 2011), thus enhancing the performance of the organization. Recently, Gallup's 2015 strengths report – based on a study of more than 50,000 business units and 1 million employees – revealed that when positivity was leveraged, business units increased performance by about 7%, customer engagement was enhanced by 15%, and profit grew by 29%. Furthermore, while exploring the neuroscientific implications related to psychological capital, Peterson, Balthazard, Waldman, and Thatcher (2008) stated that organizations will receive approval from Wall Street if they realize that a happy workforce is a productive workforce.

Centering on positive human functioning and flourishing, positive psychology deals with three important aspects of happiness and life

satisfaction: *positive emotions, positive traits, and positive institutions* (Seligman & Csikszentmihalyi, 2014). Friend, Johnson, Luthans, and Sohi (2016) stated that a greater focus on positively valenced variables is required in the sales domain as it helps to foster appropriate attitudes, behaviors and performance from salespeople. Further, such efforts help organizations to offset sales turnover and help grow cross-functional sales and enrich customer relations. Despite such significant findings, positive psychology has not adequately explored the sales domain, where performance improvement is of significant importance.

Our paper responds to this call and explores three constructs, parallel to the three key areas of positive psychology, to cultivate salesperson creativity and adaptive selling: *subjective well-being (SWB), positive coping, and organizational identity (OI)*. SWB depicts an individual's happiness and life satisfaction. Specifically, SWB reveals the self-described state of an individual in three areas: high positive affect, low negative affect, and overall life satisfaction (Diener et al., 2009). Among these three areas, life satisfaction is the constant element of SWB and tends to be stable over time. Positive coping is a positive trait focusing on purposeful problem-solving through rational and thoughtful efforts to help salespeople manage stressful situations

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(Strutton & Lumpkin, 1994). Finally, OI highlights salespeople's positive affiliation with the institution, which provides social support to guide salespeople's selling behaviors.

Broaden-and-build theory, proposed by Fredrickson (2001), posits that positive emotions and states can broaden affective and cognitive processes in individuals and enhance individual behaviors and performance. Bakker (2008) noted that broaden-and-build theory provides a useful framework by which to understand individuals' generative behaviors in the workplace. Recent studies have extended application of this theory to sales organizations. For example, Sridhar and Lyngdoh (2017) showed how salespeople, when in flow (a positive psychology construct), build positive emotions that help them in sharing appropriate information with customers and thus exhibiting ethical behavior. Similarly, Lussier and Hartmann (2017) found that psychological resourcefulness builds positive emotions, thereby helping to broaden salespeople's customer-oriented behaviors and in turn moderating the relationship between psychological resourcefulness, and sales performance and customer satisfaction. Thus, broaden-and-build theory can help us to better understand how salespeople expand their reach to adapt, develop creativity, and cope with stress.

Applying positive psychology to positive selling behaviors (i.e., sales creativity and adaptive selling), this study intends to answer three research questions (RQs).

RQ1 is “Do salespeople achieve higher levels of adaptive selling, sales creativity and positive coping with higher levels of SWB?” Adaptive and creative selling influence sales performance (Verbeke, Dietz, & Verwaal, 2011) and require salespeople to be sensitive to customer needs (Román & Iacobucci, 2010). We suggest that SWB is the internal driving force that broadens and builds positive behaviors. Therefore, we propose that when in a positive state such as SWB, salespeople's cognitive and affective processes will help them better cope with stress, and be more adaptive and creative.

RQ2 is “Does positive coping mediate the relationship between SWB and positive selling behaviors?” When in a state of SWB, individuals tend to be more effective in their coping behavior as they are better able to resist stress and crises (Frisch, 2000; Tugade, Fredrickson, & Feldman Barrett, 2004). Furthermore, salespeople that use positive coping strategies are usually able to deflect stressors and actively seek innovative ways to resolve problems (Liu, Chugh, & Gould, 2016). Hence, we propose that coping behavior acts as a mediator of SWB and adaptive selling, and SWB and sales creativity.

Nearly three decades of studies supporting the role of adaptive and creative selling for better sales effectiveness and performance have pointed to a strategic intersection and synergy between salespeople's internal qualities, relational skills, and professional knowledge (Giacobbe, Jackson Jr, Crosby, & Bridges, 2006; Spiro & Weitz, 1990; Sujan, Weitz, & Kumar, 1994), and their sense of external identification with the sales organization (Schwepker & Good, 2012; Thakor & Joshi, 2005). Accordingly, for the preferred selling skills and strategies to be genuine, effective, and enduring, salespeople's adaptive selling and sales creativity, as well as their success, may require a positive and productive integration between their subjective *inner* state of well-being and their *external* purpose from identification with the organization's value and support systems.

OI provides salespeople with social support to cope with stress and helps guide their work-related behaviors (Coelho & Augusto, 2010). The study of identity comes from the rediscovery of emotion at the work place (Albert, Ashforth, & Dutton, 2000) in the context of sales, as OI is internalized, salespeople become connected to the organization emotionally. They then start to appreciate the benefits of OI and develop positive emotions toward the organization. However, since OI can be manipulated externally by sales organizations as a control mechanism (Coelho & Augusto, 2010), we suggest that different levels of OI may affect the impact of SWB and coping on salespeople's positive selling behaviors differently. Hence, RQ3 is “Does OI moderate the mediated relationships as proposed in RQ2?”

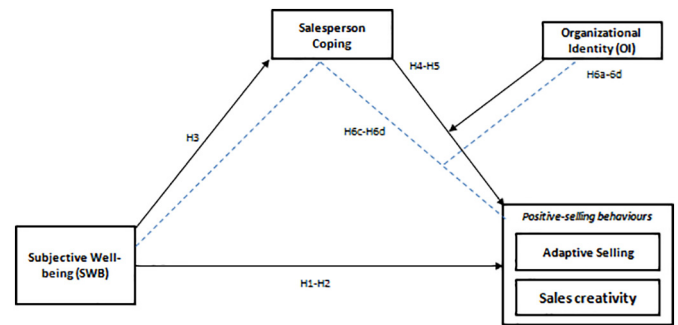


Fig. 1. Hypothesized model with direct effects, mediating and moderating relationships.

This study makes several contributions to the sales literature. First, we apply informative research from positive psychology to positive selling behavior. To the best of our knowledge, this study is among the first few to integrate positive psychology and sales literature. Second, we develop a model to examine the effects of SWB, positive coping, and OI on sales creativity and adaptive selling (see Fig. 1). Third, we explore the moderated-mediation relationship of OI on positive selling behavior. To this end, we simultaneously evaluate the inner purpose of SWB and the external influence of OI on salespeople's creativity and adaptive selling.

## 2. Literature review and hypothesis development

### 2.1. Broaden-and-build theory

Positive psychology studies how humans express and deal with positive and negative emotions. To explain the consequences of these emotions, Fredrickson's (2001) broaden-and-build theory posits that positive emotions can broaden both affective and cognitive processes, which in turn enhance individual behaviors. Specifically, an individual's positive emotions tend to initiate a cycle of more positive emotions, and increase resilience and life satisfaction (Cohn, Fredrickson, Brown, Mikels, & Conway, 2009). By contrast, negative emotions tend to produce more negative emotions, biases toward negative information (Matthews & MacLeod, 2002), myopia (Mogg et al., 2000), and emotional vulnerability to subsequent negative stimuli (Eldar, Ricon, & Bar-Haim, 2008).

The theory also proposes that certain positive emotions reinforce and inspire action and behavioral change. This in turn enhances personal characteristics, such as skills, capabilities, resources, and creativity. Specifically, Fredrickson and Branigan (2005) found that the flexibility cultivated by positive emotions helps individuals develop repertoires on which to build relationships (Vaugh & Fredrickson, 2006). Related studies have shown that positive emotions enhance problem-solving, long-term memory, and productivity through expansive information integration (Isen, Rosenzweig, & Young, 1991; Talarico, Berntsen, & Rubin, 2009; Wadlinger & Isaacowitz, 2006). Additionally, heightened positive emotions generate patterns of thought that are adaptable, creative, receptive, and integrative (Isen, 1999). By cultivating positive emotions, people can better accept feedback and criticism (Raghunathan & Trope, 2002) and solve problems (Kahn & Isen, 1993). Similarly, Frisch (2000) noted that individuals who are happier and more satisfied with life tend to be more resilient to stress, better at problem-solving, and have higher job performance.

### 2.2. Subjective well-being

SWB is a well-established construct in the psychology and organizational literature, with more than three decades of published research.

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