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How does salesperson connectedness impact performance? It depends upon the level of internal volatility

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ABSTRACT

Salespeople feel connected to their coworkers when they know they can depend on and talk with one another. Employing social exchange theory, this study investigates the impact of connectedness on salesperson performance. Specifically, the paper reveals the processes by which this relationship occurs, and the conditionality of the process itself. In fact, connectedness increases performance by one of two paths or both, depending on internal volatility. Specifically, connectedness increases performance either through sales strategy implementation or through selling effort, or both. The findings show that under conditions of high internal volatility, such as manager turnover, connectedness increases performance via sales strategy implementation. Under conditions of low internal volatility, connectedness increases performance through selling effort. In this scenario, management provides the sales strategy allowing salesperson interaction to focus on motivating selling effort, resulting in higher levels of performance. Under conditions of average internal volatility, connectedness increases performance through both sales strategy implementation and selling effort. This research contributes to the industrial sales literature, both theoretically and managerially, by illuminating the value of connectedness within the sales force.

1. Introduction

Imagine you are working as a salesperson in a stable work environment with the same boss and unchanging job responsibilities. Moreover, you feel connected to your colleagues. Your work performance is enhanced through the mutual reliability between you and your coworkers. Now, consider a dramatic change in your environment. Your manager changes, along with the duties of your job. The ambiguity in this new work environment leads to a change in how you interact with your colleagues. You realize that you now depend on them less for motivation and more for determining how best to do your job. Interestingly, your connectedness with colleagues seems to fill different needs for you based upon the stability of your work environment.

Existing research suggests that employee disconnectedness negatively influences job satisfaction, organizational commitment (Mulki, Locander, Marshall, Harris, & Hensel, 2008), and extra-role performance, while increasing turnover intentions (Mulki & Jaramillo, 2011). Disconnected employees also believe that they suffer from a lack of mentorship and career support, which, in turn, decreases their opportunities for project assignments and advancement (DeSanctis, 1984; Fitzgerald, 1994). Chen and Kao (2012) find that being disconnected not only decreases job performance, but also increases health problems. Like disconnected employees, those who are ostracized have a greater tendency toward experiencing distress and diminished self-esteem. Furthermore, it negatively affects job performance, particularly in-role performance and organizational citizenship behavior (Ferris, Lian, Brown, & Morrison, 2015). Specifically, these studies suggest that salesperson performance suffers from coworker isolation and ostracization. As a result, this raises the question of whether salesperson productivity would benefit from coworker connectedness. The Merriam-Webster dictionary (1828) defines 'to connect' as "to put or bring together so as to form a new and longer whole." Further, it defines 'connection' as "a relation of personal intimacy (as of family ties)." Social exchange theory identifies that social connections can potentially yield economic benefits (Blau, 1964; Thibaut & Kelley, 1959). However, research has not specifically addressed how social connectedness between coworkers can produce economic benefits for salespeople.

This research gap warrants attention for three primary reasons. First, it echoes the need and significance of coworker connectedness (Huang & Liu, 2017), which researchers have minimal understanding of in an industrial sales setting. Second, no research studies investigate the process(es) by which connectedness leads to performance. Third, an

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investigation explaining the conditionality of these processes is lacking in an industrial sales context. In this study, coworker connectedness refers to the extent salespeople have coworkers available to them for conversations, social engagement, and relationship building. Coworker connectedness is the opposite of coworker isolation. Isolated employees feel a lack of social connection (Marshall, Michaels, & Mulki, 2007); whereas, connected employees experience high levels of closeness and interaction with people in their organizational circle.

To advance our understanding of the importance of social connections in the sales context, this research study uses social exchange theory to investigate how coworker connectedness increases performance. Specifically, it explores how coworker connectedness improves salespeople's performance through either the increase of selling skills and capabilities (i.e., sales strategy implementation), or through the increase of selling effort, or both. In addition, this study considers the selling environment in which social exchange occurs, because research indicates that external and internal factors can influence exchange relationships. For example, Achrol and Stern (1988) find that external forces influence exchange relationships among channel members. As a result, this makes internal coordination mechanisms less effective, while increasing the degree of decision-making uncertainty. Thus, this study considers how internal conditions and changes (i.e., internal volatility) influence the relationship between salespeople's connectedness with coworkers and their performance. The simultaneous evaluation of sales strategy implementation, which is planning based; and selling effort, which is motivation based; is critical in revealing the potential differential effects of coworker connectedness. In addition, this research investigates whether the process through which coworker connectedness influences performance is dependent upon work environment. Specifically, this research proposes the following research questions:

1. Does salespeople's connectedness to their colleagues influence their performance?
2. If so, what is (are) the process(es) by which this occurs?
3. And are these processes conditional?

For example, under some circumstances, coworker connectedness may lead to a focus on sales strategy implementation while shifting the concentration away from selling effort. Conversely, under other circumstances, coworker connectedness leads to an emphasis on selling effort rather than sales strategy implementation. This study investigates these conditions from an internal volatility perspective.

This paper makes several contributions. First, this study introduces coworker connectedness to the sales literature. Second, the findings grounded in social exchange theory demonstrate that coworker connectedness is a driver of performance in a sales context. Third, the paper reveals multiple processes by which this effect occurs. Fourth, the findings show that the total effect of connectedness on performance is conditional on internal factors. This study not only makes these contributions to the literature, but also has important implications for managers.

2. Literature review

Social exchange theory provides the theoretical background for this study. This theory explains how norms of reciprocal behavior occur within an organizational context with economic and/or social benefits (Blau, 1964; Thibaut & Kelley, 1959). If one individual benefits from this reciprocal exchange, then that individual should respond in kind (Gergen, 1969). Meaning, one salesperson's actions are dependent upon another salesperson's behavior, creating a sense of interdependence, which reduces risk and encourages cooperation (Molm, 1994). With this norm or exchange rule, one salesperson engages in a behavior that benefits another salesperson. If the other salesperson reciprocates, then additional rounds of exchanges will occur. This interaction provides the foundation for an on-going exchange and the development of a long-term social exchange relationship (Cropanzano & Mitchell, 2005). Thus, reciprocity acts as the basis of the interdependent and mutual exchanges.

Relationships can develop from economic exchanges or social exchanges (Bishop, Scott, & Burroughs, 2000). Economic exchanges are exchanges for something of equal or greater value. Conversely, social exchanges include an emotional connectedness, loyalty, and a shared identity. An important aspect of social exchange theory is that a person's actions or responses to actions are based upon the type of emotive attachment he or she has with another individual (Walumbwa & Schaubroeck, 2009). Salespeople create emotional attachment with one another through the common challenges they experience in trying to achieve sales objectives and success.

According to social exchange theory, benefiting from the opportunity to discuss one's challenges creates an obligation for the receiving party to respond in kind (Lambe, Wittmann, & Spekman, 2001). The receiving party should then be willing to listen to coworkers' concerns, which produces a beneficial interdependence. On the relationship scale of economic to social exchanges, colleague connectedness is firmly ensconced as a social exchange. Hence, high levels of colleague connectedness suggest that salespeople would help their colleagues in need. Two needs that salespeople have include: a) successfully implementing sales strategy and b) maintaining high selling effort.

Sales strategy implementation refers to the extent to which the execution of sales strategy and strategic effort is considered successful (Noble & Mokwa, 1999). Strategists contend that strategic implementation should be the starting point as well as the underlying model for how salespeople plan to attain organizational goals (Hambrick and Fredrickson, 2001). In fact, strategic implementation is a key predictor for superior employee performance (Porter, 1996). Following this logic, we premise that being connected to coworkers and strategic implementation are positive resources vital for operational effectiveness. Nevertheless, how salespeople draw upon these resources vary according to the internal conditions in which they find themselves. This means that different levels of internal volatility alter the type of connectedness that a salesperson requires from his or her coworkers. Internal volatility (i.e., structural flux) refers to "the rate at which an organization changes its structure, rules, personnel, and procedures" (Maltz & Kohli, 1996, p. 52). Under conditions of high internal volatility, there is a greater dependence on coworkers to provide guidance on how best to implement their sales strategy. Maltz and Kohli (2000) link selling atmospheres with high internal turbulence to conflict. The authors argued that internal turbulence prevented salespeople from collaborating in a strategic manner with others in the firm and directly fostered conflict (Maltz & Kohli, 1996).

High internal turbulence breeds frequent managerial changes and uncertain structural adjustments that hinder sales performance (Maltz & Kohli, 1996). For example, the constant coming and going of managers creates a gap in pragmatic leadership that undermines the successful implementation of sales strategy. Under this scenario, coworkers would take on any absent upper management roles by providing guidance to colleagues that need it, thus increasing the implementation of sales-focused strategies (Panagopoulos & Ogilvie, 2015). In fact, Maltz and Kohli (1996) argue that when internal volatility is high, integrating mechanisms that foster coworker closeness should decrease interfunctional conflict. Connectedness, a version of coworker closeness, can be considered an integrating mechanism that encourages salespeople to work as a team. Thus, ensuring that the selling process is moving right along, particularly when everything around them appears uncertain.

The heightened uncertainty during volatile times can only yield positive effects if salespeople pool together their strategic efforts and capabilities to enhance performance. The strategic consensus needed for sales strategy implementation can only manifest itself when salespeople are connected. Although existing research has yet to investigate coworker connectedness, it does identify a positive relationship