The impact of knowledge and empowerment on working smart and working hard: The moderating role of experience

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Abstract

This research focuses on the impact that salesperson knowledge and empowering leader behaviors have on salesperson working smarter and working harder behaviors. In turn, we examine the impact of working harder and smarter on customer service, customer satisfaction, and ultimately, on sales performance. Moreover, we propose an interactive relationship, whereby the influences of leader empowering behaviors and salespersons’ knowledge will be moderated by salespersons’ experience. We tested our hypotheses using survey data from a sample of 175 sales people in the pharmaceutical field, along with external ratings of salespersons’ knowledge from sales managers, customer ratings of sales satisfaction and service, and archival measures of salespersons’ effort and performance. Results indicate that contrary to popular belief, employees with low levels of product/industry experience benefit the most from leader empowering behaviors. Also, we find that employees with lower levels of experience and higher levels of knowledge are more inclined to work harder. We conclude with directions for future research.

1. Introduction

In today’s competitive, global business environment, managers and employees are held accountable for customer satisfaction and organizational performance. Amid the increased focus on customer service and satisfaction, companies worldwide have expanded their customer-contact employees with the hopes of improving levels of service. With this growth in employees, many firms have examined different management styles to improve organizational effectiveness and meet customer needs (Babakus, Cravens, Johnston, & Moncrief, 1996). However, some practitioners and researchers have noted that failures to meet customer needs often occur because “employees that were the real contact point between the business and its customers were not empowered to make decisions or act to fulfill customer needs” (Pearce & Robinson, 1997). Consequently, many organizations have embraced the notion of empowering employees which will enable them to be more adaptive and responsive to customer needs and thereby become more efficient and effective. Nowhere is this more evident than in sales settings.

Salespeople operate at the boundary of the organization – at the interface with the customer – and are often considered to be the service encounter (Crosby, Evans, & Cowles, 1990). Many organizations are subject to failures in delivering service to their customers because of the heavy dependency they have on their sales representatives (Hartline & Ferrell, 1996). With this in mind, it is apparent that the attitudes and behaviors of the salesperson can influence the customer’s perception of service and satisfaction, thereby ultimately affecting the sales (Bowen & Schneider, 1985). The importance of the sales encounter has led many firms to search for ways to effectively manage their sales force so as to help ensure that the sales representatives’ attitudes and behaviors are conducive to the delivery of high quality service and customer satisfaction.

Researchers have long attempted to identify variables that influence sales performance (Churchill, Ford, Hartley, & Walker, 1985; Cravens, Ingham, LaForge, & Young, 1993; Vinchur, Schippmann, & Roth, 1998). These variables can typically be classified into three separate categories: (1) salespeople’s...
characteristics and role perceptions, (2) task characteristics, and (3) supervisory behaviors (Kohli, 1989). Accordingly, we advance a model and hypotheses that integrate insights from these different approaches and test how empowering leader behaviors combine with salespersons’ experience and knowledge to influence how hard they work and how smart they work. We then test our hypotheses using survey data from a sample of salespeople in the pharmaceutical field, along with their manager’s ratings of salesperson knowledge, customer ratings of satisfaction and service, and archival measures of working hard (salesperson’s effort) and sales performance criteria. We conclude with a discussion of directions for future research and application.

As depicted in Fig. 1, our model suggests that leader empowering behaviors combine with individuals differences (i.e., salespeople’s knowledge and experience) to influence salespeople’s behavior (i.e., their working harder and working smarter). In turn, these behaviors are believed to relate positively to their job performance (i.e., sales), both directly, and indirectly via customers’ satisfaction and perceptions of service. The rationale for each of our hypotheses is detailed below. We begin with a consideration of the core variables of our model, namely working harder and smarter, and influences on them. We then turn to a discussion of how they influence customer and sales outcomes.

1.1. Working smart and working hard

In both the academic and the popular press, certain salesperson behaviors have been identified as critical, and consequently moved to the forefront of the discipline’s attention. Two of these behaviors, working smart and working hard, have been shown to have strong relationships with productivity (Sujan, Weitz, & Sujan, 1988), sales presentation quality (Holmes & Srivastava, 2002), and overall salesperson performance (Churchill et al., 1985). Such a perspective parallels literature on work performance more generally, as employees’ job performance is a result of a combination of individuals’ efforts and the strategies that they utilize (Bandura, 2002; Klein, 1989; Latham & Budworth, 2005). To our knowledge, however, no research to date has examined how working hard and smart are influenced by salespeople’s knowledge and experience in combination with their leaders’ empowering behavior. Thus, it is essential to gain a better understanding of these constructs and explore the other ways they may impact salespeople and their customers.

Working smarter includes both sales planning processes and adaptive selling. The literature has commonly referred to this as employing an adaptive selling behavior (Holmes & Srivastava, 2002; Sujan, Weitz, & Kumar, 1994). It is important to emphasize that working smarter is not limited to behaviors exhibited during a sales exchange, but encompass “engaging in planning to determine the suitability of sales behaviors and activities that will be undertaken, the capacity to engage in a wide range of selling behaviors and activities, and the alteration of sales behaviors and activities in keeping with situational considerations” (Sujan et al., 1994, p. 40). In line with this broadened concept of “adaptive selling” (Vink & Verbeke, 1993), we propose that working smarter consists of behaviors exhibited by the salesperson that focus on adapting to a sales situation, planning and organizing to use sales efforts more
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