<u>The Journal of Applied Business Research – March/April 2014</u>

Volume 30, Number 2

Salesperson-Sales Manager Social Interaction And Communication Quality: The Impact On Salesperson Cooperation

Stacey Schetzsle, Ball State University, USA Duleep Delpechitre, University of Louisiana Lafayette, USA

ABSTRACT

To get the highest level of performance out of salespeople, companies are searching internally to identify factors that lead to salesperson cooperation. Sales managers create a normative culture that engages the salesperson, which is demonstrated through communication and social interaction. A salesperson who feels connected to the organization is more likely to exert additional effort, such as cooperating with the manager to meet sales objections. The purpose of this paper is to investigate the impact of the salesperson's social interaction and communication quality with their sales manager on their willingness to cooperate with the manager. The results show that when salespeople interact with their manager in a social setting and discuss non-work related information, salespeople become more willing to cooperate with their manager. Sales manager's communication quality with the sales manager. Instead, we find that sales manager's communication quality with the salesperson significantly moderates the relationship between salesperson's social interaction with the sales manager and salesperson's willingness to cooperate with the sales manager.

Keywords: Salesperson-Sales Manager Interaction; Social Interaction; Communication Quality; Salesperson Cooperation

INTRODUCTION

o get the highest level of performance out of salespeople, companies are searching internally to identify factors that lead to salesperson cooperation. When doing their jobs, salespeople have different levels of motivation, which is often a direct result of different levels of engagement between the salesperson, the sales manager, and the organization. An engaged employee is someone who is involved and enthusiastic about the work, cares about the future of the company, and is willing to invest effort to help the organization succeed (e.g., Seijts & Crim, 2006, p. 1). However, Drueger and Killham (2006) discovered that not all employees are fully engaged with their company and only 29% of all employees are engaged with their jobs.

Employers have realized the importance of salesperson engagement and are taking steps to facilitate their engagement. The intended consequence of salesperson engagement is cooperation and commitment to achieving organizational success. Sales managers create a normative culture that engages the salesperson, which is demonstrated through communication and social interaction. A salesperson who feels connected to the organization would then be more likely to exert additional effort, such as cooperating with the manager to meet sales objections. The purpose of this study is to investigate the impact of the salesperson's social interaction and communication quality with their sales manager on their willingness to cooperate with the manager.

LITERATURE REVIEW

Willingness to Cooperate

Cooperation is defined as the combination of parts to achieve effective and harmonious results as a whole (Thompson, 1967). In a general organizational situation, this implies that cooperation involves people working together, agreeing upon a plan, working synergistically to achieve the plan, helping each other, and working together for the common good of the group rather than for oneself. In the sales context, it refers to the joint efforts between sales managers and salespeople to achieve goals successfully (Cannon & Perreault, 1999; Lages et al., 2008). Within the sales organization, cooperation involves the combination of individual activities by different people to achieve effective results (Thompson, 1967). Cooperative behaviors are constructed through social interactions between organization members, which are implemented through the working relationships in the business environment. These behaviors are continually shaped and restructured by the actions and perspectives of the individuals involved (Ring & Van de Ven, 1994).

Social Interaction

Social interaction is defined as the salespersons interaction with the sales manager during and after work hours (Doney & Cannon, 1997). Social interaction with the sales manager also gives the salesperson a chance to "court" the sales manager (Doney & Cannon, 1997). The benefits of employee social interaction have always been stressed, but little empirical attention has been given to this concept (Balkundi & Harrisson, 2006; Borgatti & Foster, 2003). Healthy social interaction between employees and supervisors foster work environments that encourage employees to develop better problem solving skills, knowledge acquisition, and trustworthiness (Jacques & Walkowiak, 2009; Connelly & Kelloway, 2003).

Social support is critical for motivational work characteristics (Ryan & Deci, 2001). Frequent interaction between workers and supervisors builds emotional support and friendships, which enhances strong cooperation among the two groups. Sales managers can cultivate a social environment by encouraging more team work among salespeople and by providing more opportunities for salespeople to "bond" outside the work environment. Creating social events for salespeople outside of work helps develop bonds and relationships that would not have been otherwise developed in the work place. The social gathering contributes to the salesperson's personal and professional development because when united in an informal social setting the topic of their conversation is oftentimes work-related (Connelly & Kelloway, 2003). Opening a line of communication through informal interaction settings is beneficial for knowledge sharing and knowledge use (Kelloway & Barling, 2000). This leads the salesperson to feel that they belong to a group, even if the group has been formed based on certain characteristics, the salesperson has a feeling of self-satisfaction. A sustained social interaction strengthens the confidence that salespeople have in each other. The confidence is often manifested through the support that the manager gives to the salesperson on a regular basis. Therefore,

H1: Salesperson social interaction with the sales manager has a positive influence on willingness of a salesperson to cooperate with the manager.

Communication Quality

Communication quality is defined as a timely and accurate sharing of information through both formal and informal means between the sales manager and salespeople (Anderson & Weitz, 1989; Yilmaz & Hunt, 2001). While there is a consensus among theorists and professionals that internal communication among employees is vital for company success, there have been little empirical endeavors to prove such importance (Asif & Sargeant, 2000). It is widely recognized in the organizational behavior literature that employees are considered as assets, resources, and ambassadors of the company (Dolphin, 2005), which is especially true in regards to salespeople. Advocates of employee communication identified some benefits of effective communication between employees, including corporate identification, positive attitude, and motivation (Dolphin, 2005). Concerning corporate identification, effective communication could potentially lead to employees having a better understanding of the work expectations (Dolphin, 2005). This creates a work environment in which knowledge is shared, mistakes are corrected, help is provided, and trust is built.

Copyright by author(s); CC-BY

<u>The Journal of Applied Business Research – March/April 2014</u>

A salesperson that is well-informed about the function of the company and the relationship between departments within the company is likely to exhibit a positive attitude, leading to a higher performance rate. When the salesperson is uncertain about work expectations or lacks the confidence in the job, it is harder to find motivation to exert effort in the job. Sales managers motivate salespeople by establishing guidelines of expectations and providing consistency in those expectations. Open communication is essential for the manager to display the expectations of the salesperson, which is presented through the feedback the manager provides about the salesperson's performance.

The bond between the salesperson and the sales manager could be strengthened if they share similar experiences within the company. Interaction among salespeople and with the sales manager provides a constant communication channel that allows a free flow of information for both personal and work related information (e.g., Connelly & Kelloway, 2003). Knowing that successes and failures are shared provides a sense of relief that leads to salesperson motivation to perform the job. The salesperson feels that they are not the only one experiencing the success and failure. Open communication allows the salesperson to increase problem solving skills and overcome sales related challenges by referring to a combination of the skill qualifications and experiences of the sales manager.

The salesperson is more likely to be committed to sales objectives when they feel greater significance in their contribution to the process. The sales manager communicates the vision of the organization and sells this vision to the salesperson during the interactions and conversations with the salesperson. To get full buy-in from the salesperson, the manager must get them involved and motivate the salesperson for better performance outcomes. Salespeople need reinforcement; therefore, by simply communicating a job well done can improve the likelihood that the salesperson will perform well and cooperate with the manager in future. It is proposed that:

H2: Sales manager's communication quality with the salespeople has a positive influence on salesperson's willingness to cooperate with the sales manager.

Moderating Effect of Quality of Communication

The moderation effect of social interaction and communication quality on salesperson's cooperation with the sales manager has not been examined extensively in past literature. This study proposes that a positive social interaction between salespeople and sale managers foster a pleasant working environment, and when sales managers are great communicators who are able to increase the quality of communication between salespeople and themselves, it increases salespeople's willingness to cooperate with the sales manager. Therefore, this study suggests that:

H3: Sales manager's quality of communication will moderate the relationship between salesperson's social interaction with the sales manager and salesperson's willingness to cooperate with the sales manager.

METHODOLOGY

Sample

The sample was drawn from business-to-business salespeople at a manufacturing organization in the energy industry. A total of 312 salespeople were invited to participate in the study. Of those, 175 responded, providing a response rate of 56%. All incomplete questionnaires were deleted, leaving a total of 156 responses. The sample was 90 percent male, which is consistent with industry demographics. The average number of years employed with the company averaged 8.46 years (SD = 9.14), respondents reported having been in their current position for a mean of 5.08 years (SD = 5.20). Respondent demographics are presented in Table 1.

The Journal of Applied Business Research – March/April 2014

Demographic	Descriptive Statistics		
Age Mean	44.82 years		
Age Range	23-68 years		
Gender (percent)	90% male		
Gender (percent)	10% female		
Race (percent)	90% white/non-Hispanic		
Race (percent)	10% other		
	31% some college		
Education (percent)	57% bachelor degree		
	4% master's/MBA		
Employment Mean	8.46 years		
Employment Range	1-40 years		
Employment in Current Position Mean	5.08 years		
Income Mean	\$47,250		
Income Type	46% Salary		
Income Type	44% Salary/Commission		

Tabla	1.	Roci	nondent	Demogra	anhice
rable	1:	Res	ponuent	Demogra	appines

*based on 156 respondents

Data Collection

Data were collected in the form of an on-line self-report questionnaire. An electronic questionnaire, along with an introductory cover letter from the researchers was sent through the company's internal e-mail system. A hyper-link was provided in the cover letter and participants were asked to follow the link to respond to the survey. This process ensures anonymity of the participants. It was clearly stated in the cover letter that individual responses would not be shared with management. Non-bias response was assessed by comparing early and late responses, no significant differences were observed.

Measures

Constructs were measured using previously published scales and adapted when needed to fit the salesperson-sales manager context. All scales were measured using a seven-point Likert-type scale. The scales had good internal consistency and acceptable validity. Social interaction was adapted from a 7-item scale on the extent of interaction between the employees, as used in Doney and Cannon (1997). Communication quality between the salesperson-sales manager was adapted from a 6-item scale by Yilmaz and Hunt (2001). Salesperson willingness to cooperate was measured using a 16-item scale, as used by Yilmaz and Hunt (2001).

Data Analysis

All three scales were subjected to Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). Four items were deleted from the willingness to cooperate scale and one item was deleted from the social interaction scale due to high cross loadings. A two-step procedure was used to test the model. As suggested by Anderson and Gerbing (1988), a measurement model was developed to confirm the validity of the scales and a structural model was used to evaluate the relationships of the variables. The measurement model was validated using AMOS18. A total of 156 responses were tested using three constructs containing 22 items. The final measurement model reported a good model fit (Chi-Square = 16.867, df = 2, GFI = .961, NFI = .986, CFI = .98, RMR = .021). Construct reliability and correlations are presented in Table 2. The structural model was then tested to evaluate the relationship among the variables. The structural model showed a good model fit (Chi-Square = 16.794, df = 2, GFI = .968, NFI = .990, CFI = .990, RMR = .019). Table 2 presents the construct reliabilities, average variance extracted, maximum shared variance, average shared variance, and correlations of the constructs.

Tuble 20 Constitute Renability, Canady, and Contributions							
	CR	AVE	MSV	ASV	CQ	СО	SI
Communication Quality (CQ)	0.893	0.653	0.139	0.075	0.808		
Cooperation (CO)	0.937	0.606	0.044	0.027	0.102	0.779	
Social Interaction (SI)	0.926	0.643	0.139	0.091	0.373	0.209	0.802

Copyright by author(s); CC-BY

RESULTS

Social interaction between the salesperson and the sales manager was found to have a significant positive relationship with salesperson's willingness to cooperate with the sales manager (z value = .302, p < .001), providing support for H1. When salespeople interact with their manager in a social setting and discuss non-work related information, salespeople become more willing to cooperate with their manager. However, sales manager's communication quality was not found to have a significant relationship between the salesperson's willingness to cooperate with the sales manager, therefore this study failed to support H2 (z value = 0.047, p = 0.447).

Moderating Effect of Sales Manager's Communication Quality

The results of the moderation test to evaluate H3 are summarized in Table 3. In order for the moderating effect of sales manager's communication quality to be evaluated, the sample was split into two groups according to the median of the score for communication quality. (low communication quality, n = 76; high communication quality, n = 80). A two-group structural equation model was used to determine whether there was any significant difference in the structural parameters between the low communication quality group and the high communication quality group.

			Estimate	S.E.	C.R.	Р
Trust	÷	Competence (H1)	.471	.203	2.321	.020
Trust	÷	Dependability (H2)	.770	.227	3.398	***
Trust	÷	Consideration (H3)	071	.330	-0.216	.829
Commitment	÷	Competence (H4)	.495	.180	2.751	.006
Commitment	÷	Dependability (H5)	.528	.253	2.688	.007
Commitment	÷	Consideration (H6)	1.040	.271	3.834	***
Commitment	÷	Trust (H7)	.998	.163	5.560	***

Table 3: Maximum Likelihood Estimates:	Standardized Regression	Weights
--	-------------------------	---------

First, the parameter from social interaction level to salesperson's cooperation was constrained to be equal. Second, the parameter was not constrained. Differences in the chi-square values between the two models determine whether communication quality has a moderating effect on the relationship between social interaction and salesperson's cooperation. The results reveal that sales manager's communication quality with the salesperson significantly moderates the relationship between salesperson's social interaction with the sales manager and salesperson's willingness to cooperate with the sales manager; therefore, H3 was supported (z value = 0.146, p < .001). The moderation effect is demonstrated graphically in Figure 1, which shows a moderate positive relationship between social interaction and salesperson cooperation when communication quality is high and a lower impact in a negative direction for the social interaction-cooperation relationship when communication quality is low.

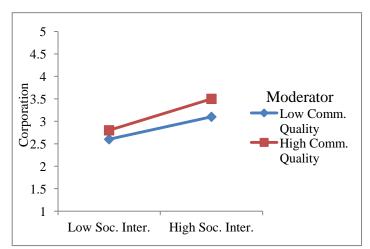


Figure 1: Moderating Effect of Sales Manager's Communication Quality

DISCUSSION

It is well established in sales research that the success of a sales force depends greatly on the relationship between the salesperson and the sales manager. The salesperson has a personal connection to the organization based upon their relationship with the manager. As environmental factors continue to impact the business markets, organizations are re-evaluating their corporate objectives to remain competitive. When corporate objectives are revised and revamped this information should trickle down to each salesperson in the organization in order to implement and attain the revised objectives. Therefore, in managing the sales force, the sales manager has a greater responsibility in creating an environment so that the salesperson is willing to cooperate with the sales manager.

Contrary to common body of knowledge, which states that interpersonal communication between the sales manager and salespeople is one of the key attributes in motivating the salesperson to cooperate with the sales manager, current study findings showed that the sales manager's quality of communication in itself does not motivate the salesperson to cooperate with the sales manager. However, there is a caveat in order. This study conceptualized quality of communication though the salesperson perspective of accurate and timely information sharing. In other words, sales managers should not assume that simply sharing information on a timely and accurate manner would be sufficient to motivate the salesperson to cooperate with the sales manager. When considering communication, we believe that active listening, open communication, and frequent communication are still important factors in creating a strong bond between the sales manager and the salesperson, which could lead to the salesperson's willingness to cooperate with the sales manager.

Due to the nature of business-to-business sales positions, the amount of time the salesperson spends with the manager is typically limited. This study clearly showed the importance of the salesperson's interaction with the sales manager during and after office hours. When the salesperson has a strong connection with the sales manager, the salesperson is motivated and willing to cooperate with the sales manager as they feel that the sales manager is part of their in-group. This does not mean that managers should spend an increased amount of time socializing with their salespeople. Instead, managers should focus on the quality of the interactions when they are with their salespeople. Organizations that support social interaction between the salesperson and the manager see higher levels of cooperation. If the interaction between the manager and the salesperson creates a bonding experience and the salesperson finds enjoyment in the relationship, the interaction becomes a stronger predictor then just having individual traits. This suggests that relationship interaction has a stronger impact than specific personal characteristics of the individual, which reaffirms the importance of manager interactions with the salesperson.

Although on its own, quality of information will not impact salesperson's willingness to cooperate with the sales manager, when organizations are able to create a higher level of quality interaction between the salesperson and the sales manager, providing relevant information on a timely and an accurate manner will enhance the salesperson's willingness to cooperate with the sales manager. This suggests that the communication quality established in a professional context may act as a foundation for the relationship in a personal context, which increases the sales person's willingness to cooperate with the sales manager.

Limitations and Future Research

The sample was taken from a single sales organization in a business-to-business context. Future research should examine this model with other sales positions from multiple organizations to provide generalizability across industry. The salesperson-sales manager interaction measures salesperson perceptions of the relationship and the perceived quality of the communication with their manager. Future research should include dyadic responses to compare perspectives of both the salesperson and the sales manager. Many business-to-business sales positions are outside sales, limiting the time and availability to interact with the manager. Future research would be suggested to investigate how the professional interaction influences the quantity and quality of the interaction in a social context, and the extent this has on behavioral and performance outcomes.

AUTHOR INFORMATION

Stacey L. Schetzsle (PhD-Purdue University) is an assistant professor in the Department of Marketing and Management at Ball State University, USA. Her concentrations are professional selling and sales management. She

Copyright by author(s); CC-BY

The Journal of Applied Business Research – March/April 2014

has conducted executive training sessions in sales management and leadership. Her primary research interests include salesperson cooperation, salesperson-sales manager relationships, sales technology, and salesperson value. She has published research in outlets such as *Marketing Management Journal*, *Marketing Education Review*, and *Journal for Advancement of Marketing Education*. E-mail: sschetzsle@bsu.edu (Corresponding author)

Duleep Delpechitre (PhD-Purdue University) is an assistant professor of marketing and serves as the Director of the Northwest Mutual Sales and Research Lab at the University of Louisiana Lafayette, USA. His areas of interest include professional selling, sales management, and negotiation strategies. He has published in various journals such as the *Journal of Marketing Management Research, Journal of Personal Selling and Sales Management, Journal of Personal Finance*, and *Marketing Management Journal*. E-mail: <u>duleep@louisiana.edu</u>

REFERENCES

- 1. Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, *103*(3), 411-423.
- 2. Anderson, E., & Weitz, B. (1989). Determinants of continuity in conventional industrial channel dyads. *Marketing Science*, 8(4), 310-323.
- 3. Asif, S., & Sargeant, A. (2000). Modeling internal communication in the financial services sector. *European Journal of Marketing*, *34*(3/4), 299-318.
- 4. Balkundi, P., & Harrisson, D. A. (2006). Ties, leaders, and time in teams: Strong inference about network structure's effect's on team viability and performance. *Academy of Management Journal*, 49(1), 49-68.
- 5. Borgatti, S. P., & Foster, P. C (2003). The network paradigm in organizational research: A review and typology. *Journal of Management*, *29*(6), 991-1013.
- 6. Cannon, J. P., & Perreault Jr, W. D. (1999). Buyer-seller relationships in business markets. *Journal of Marketing Research*, *36*(November), 439-460.
- 7. Connelly, C., & Kelloway, K. (2003). Predictors of employees' perceptions of knowledge sharing cultures. *Leadership and Organizational Development Journal*, 24(5), 294-301.
- 8. Dolphin, R. R. (2005). Internal communications: Today's strategic imperative. *Journal of Marketing Communications*, 11(3), 171-190.
- 9. Doney, P., & Cannon, J. (1997). An examination of the nature of trust in buyer-seller relationships. *Journal* of *Marketing*, *61*, 35-51.
- 10. Drueger, J., & Killham, E. (2006). Who's driving innovation at your company? *Gallup Management Journal*. Retrieved October 5, 2013 from http://gmj.gallup.com
- 11. Jacques, J. F., & Walkowiak, E. (2009). Low wages and high unemployment: The role of social interaction in hiring discrimination. *The Journal of Socio-Economics*, *38*, 456-463.
- 12. Kelloway, E., & Barling, J. (2000). Knowledge work as organizational behavior. *International Journal of Management Review*, *2*, 287-304.
- 13. Lages, L. F., Lancastre, A., & Lages, C. (2008). The B2B-RELPERF scale and scorecard: Bringing relationship marketing theory into business-to-business practice. *Industrial Marketing Management*, *37*(6), 686-697.
- 14. Ring, P. S., & Van de Ven, A. H. (1994). Developmental processes of cooperative interorganizational relationships. *Academy of Management Review*, *19*(1), 90-118.
- 15. Ryan, R. M., & Deci, E. L. (2001). On happiness and human potentials: A review of research on hedonic and eudaimonic well-being. *Annual Review of Psychology*, *52*, 141-166.
- 16. Seijts, G., & Crim, D. (2006). What engages employees the most or, the ten C's of employee engagement. *Ivy Business Journal*, 1-5.
- 17. Thompson, J. D. (1967). Organizations in action. New York: McGraw-Hill.
- 18. Yilmaz, C., & Hunt, S. D. (2001). Salesperson cooperation: The influence of relational, task, organizational, and personal factors. *Journal of the Academy of Marketing Science*, *29*(4), 335-357.

The Journal of Applied Business Research – March/April 2014Volume 30, Number 2

NOTES